

# A Study on Opportunities & Challenges of Micro and Small Scale Entrepreneurs Owned by Disability: In the Case of Physical, Hearing and Visually Impaired Persons in Addis Ababa, Ethiopia

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## Abstract

This research aims to make an assessment on the benefits and challenges of disable entrepreneurs who are working from micro and small enterprises with a special emphasizes on three types of impairment physical, hearing and visual in Addis Ababa. The research design was descriptive Method. The population was 326 entrepreneurs both probability and non-probability sampling method was applied, 266 physical, visual and hearing impaired entrepreneurs randomly selected. Purposive sampling method was used from the data was gathered from 30 key informants. Filed observation also undertaken. According to majority of respondent' agreed disable entrepreneurs faced variety of challenges such as capital, un able to have tactical and administrative skill, inconvenient of manufacturing, selling places as well as market were the barriers to manage their business successfully. So the study was aimed to detect the major challenges. On the contrary, discrimination was not much difficulty to run business. Some countries of like Tanzania, and UK, stigma negatively affect their business but in Ethiopia people are interested to use products and services offered by disable entrepreneurs.

**Keywords:** Entrepreneurs, impairment, challenge and opportunity

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## I. Introduction

Worldwide, the prevalence of disability is argued to be growing, with population ageing and increasing incidence of chronic health conditions (WHO, 2017). Around 1 billion people (15%) people live with disability. The majority live in resource-limited settings, this number is increasing due to the rise of an aging population, progression of medical care, and population growth across the world WHO, 2017. In Ethiopia, 17 million people and also in Addis Ababa 50,107 are living these group of people require job opportunity to lead the life.

According to UN (2007), micro and small enterprise is better places for persons with disability who want to engage themselves in this sector. This is because in terms of economic inclusion PWDs have no more difference job opportunity since becoming disable lag to get access education or training. Since getting a job in developing countries is difficult, there are limited job in take so persons with disability have only accessible option to create their own job.

The Previous researchers have examined entrepreneurs in various contexts by focusing on entrepreneurial attributes in economy by Hanna, K. (2010). "Success Factors in Micro and Small Scale Enterprises Cluster Development: Case of Gullele Clusters in Ethiopia" It only give emphasis on the examine the main difficulties that associated with performance of MSEs in Addis Ababa not deal with especially disabled entrepreneurs which face numerous challenge in the involvement of MSE. The other study conducted in Debrebrhan University by the year 2015 and published in the journal of Debrebrhan University tries to "examined the challenges of access to training and employment of persons with disabilities in micro and small scale enterprises in the case of Menbere-Mariam saving and credit association". So, the researcher believed that this area needs further attention and must be investigated to see the challenges and opportunities come across by PWDs in engaging in MSEs widely. Therefore, this research study aims assess the opportunities & challenges faced Micro and Small Scale Enterprises Owned by Persons with Disability in Addis Ababa, Ethiopia.

## II. REVIEW LITERATURE

### Definition of Disability

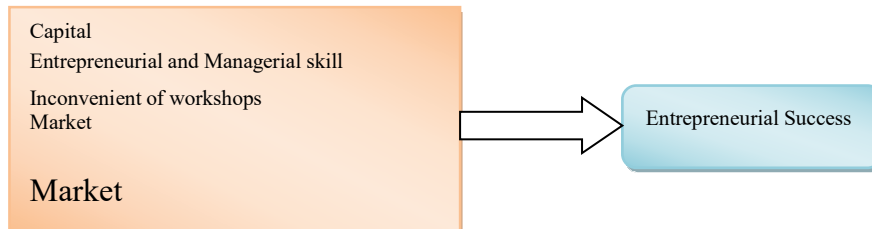
The term disabilities has different meanings by different individual or organization point of view like (World Health Organization/World Bank 2011) mentioned as there is no a fixed characteristic of individuals, that is, disability is often a temporary condition rather than a permanent status. According to World Health Organization (2011), disability is defined as any restriction or lack resulting from impairment of ability to perform an activity in the manner or within the range considered normal for human being (WHO, 1981). Even if the word disability

and impairment have a big difference, most of the time peoples use these terms interchangeably.

### Conceptual Frame Work

Under this section conceptually “challenges of entrepreneurs live with disabilities” will be discussed different researchers mentioned as disabled entrepreneurs may face variety of challenges. Therefore the challenges are taken as independent variables and the success of disabled entrepreneurs to establish and expand own business is taken as dependent variable. In general those factors are clearly stated by using diagram as follows:

Figure 1 Conceptual frame Work



Developed by the researcher, 2020

The independent variables of main challenges disable entrepreneurs may lack financial (start-up capital), entrepreneurial skill, inconvenient of workshops and market those factors hinder disable entrepreneurs in order not to be successful in their business. Even though working in Micro and Small Scale Enterprises (MSE) face work related challenges for all entrepreneurs. Hence, being disabled face double burden in related with nature of work and becoming physically impairment.

### Entrepreneur Success

The dependent variable is entrepreneurial success. So, we can examine level of entrepreneurs' success based on entrepreneur performance. The idea of success is obviously motivated by optimal match between environmental condition and enterprises characteristics the surrounding environment is assumed to possess certain fundamentals requirements and limitations challenges and opportunities to which enterprises must align their plan, ability and resources to perform successfully (Grunet,1998).

A business experience is the function of managerial awareness and reflects how managers perceive the key success factors, which took a period of time based on administrative knowledge from consequences of enterprises long term goal and work performance (Simon, 1976). So disable entrepreneurs work challenges also related the followings.

### Challenges faced MSEs Owned by Disable Persons

Disable entrepreneurs faced encounters when beginning their work. Anyone interested in entrepreneurship has the power to face obstacles. For those with a disability, these challenges may be even more pronounced. For people with a disability, obstacles can be financial, societal, and personal (Boylan&Burchardt, 2003; Halabisky, 2014; Renko, Parker Harris, & Caldwell, 2015).

According to Commission on Legal Empowerment of the Poor (2006), most MSEs in Ethiopia face critical constrictions both at the process and beginning level. Some of these constraints include lack of access to finance, inconvenient of manufacturing and selling places, market linkage and training in entrepreneurial and administration skills. Poor means of communication and social and cultural factors particularly related to weak entrepreneurial culture.

### Access to Capital

Mauchi, Mutengezanwa and Damiyano (2014) explained that lack of access to capital, credit schemes and the constraints of financial systems are viewed by well-organized entrepreneurs as main hindrances to business innovation and success in developing economies, which, in turn, are partly due to poor education, lower employment rates and the concentration of disabled employees in low-paid occupations; poor credit rating after long-term benefit receipt; disinterest/discrimination on the part of banks; lack of accessible information on sources of grants and loans (Boylan & Burchardt, 2003;Halabisky, 2014; Renko, Parker Harris, & Caldwell,2015).

### Lack managerial skill

Disabled people often deficiency how can run their business, lawful and financial know-how due to inadequate education opportunity and work experience might feel at a drawback. There is lack of knowledge of entrepreneurial and administrative ability, and marketing experience. Lack of managerial skill arrive leads the

business in appropriate way this hinders to be more productive. It also would be the cause of low quality production problems due to the unusualness of workers with rapid shifting technology, lack of coordination of production process, and incompetence to help their business supporting in technology or other important machineries. Disable entrepreneur face challenges to control or monitor over all business process which needs technical or administrative knowledge (Commission on Legal Empowerment of the Poor, 2006).

### Entrepreneurial skills

In order to be an entrepreneur entrepreneurial skill should be required. So, peoples live with disabilities need to be developed their entrepreneurial skill and knowledge through entrepreneurship training and education (Maziriri & Madinga, 2016). Entrepreneurial skills may include the way the business opportunities will be recognized, choice of business hint, planning of business plan, founding start-up capital, establishing venture and design the path way how can run business if challenges /risk face how should get mitigation strategy. Therefore, the disabled entrepreneur should develop those entrepreneurial skills to have their own business and enterprises'. Providing training for disabled peoples regarding developing business idea, preparation of business proposal (plan), design of production, leading financial resources and employing skillful man power may lead them to have successful work performance (Mohammed &Jamil, 2015).

### III.RESEARCH METHODOLOGY

The research design was descriptive to gather the quantitative and qualitative data; this study employed both the primary and secondary data collection techniques. The data was gathered by using questionnaire, interview and field observation.

The data gathered by interviewing some government officials as well as MSEs operators who have better knowledge and experience in the subject matter or in the field. In this study, the key informants are the main actors of the study area such as selected process owner's /experts/ 3 in three sub cities and woreda expertise 4 in each sub cities total Key informant interview number of participants would be 12, a leaders from FENAPD in three sub cities they became 3and among disable enterprises 12 enterprise managers were key informants, face-to-face interview hold about the various issues of the enterprise in order to identify the true nature of the problem. Semi structured questions were undertaken for discussion to gather the required information from the informants. The field observation was undertaken on the working place of disabled entrepreneurs in the three sub cities.

Both probability and non-probability sampling methods was used for the sampling and selection process. Random sampling method was applied as a typical method of probability sampling technique to select disabled MSEs operators and members of the enterprises as respondents.

Probability sampling technique of random sampling method was applied for selection of operators for data gathering through questionnaire. The total number of the respondents for using survey sampling was selected with the consideration of representativeness. The following formula was used for to determine the sample size of the study (Watson, 2001).

$$n = \frac{\frac{P [1-P]}{A^2 / Z^2 + \frac{P [1-P]}{N}}}{R}$$

- n: represent sample size -296
- N: number of the population- 326
- P: variance of population - 50%
- A: precision level – 3%
- Z: confidence level = 97% (2.17)
- R: Estimated response rate- 98%

There are 10 sub cities in Addis Ababa the study population was 326 among them, 3 Sub cities had been selected based on location from periphery the North border of Addis Ababa Gulele sub city, from the east Yeka sub city from the interior Addis Ketema sub city were selected as the population of the study was homogenous by their disability and type of work all are working in MSEs the researcher believed these three sub cities could show the general situation of the city. Using the above formula the sample size is determined as approximately 266 respondents. Such determination is made to reconcile manageability with representativeness. Accordingly, 266 respondents were selected from 3 sub cities in Addis Ababa based on proportional basis. Therefore,

$[(142 \times 266) / 326] = 116$  from Yeka,  $[(121 \times 266) / 326] = 99$  from Addis Ketema and  $[(63 \times 266) / 326] = 51$  from Gulele, were selected. Moreover, the researcher took purposively 30 key informants for interview 3 processes owners from three sub cities, 3 leaders from FENAPD in three sub cities, 12 expertise from woreda MSEs office 4 expertise in each sub city and 12 disabled MSEs managers from woreda managers in each sub city. Semi structured questions utilized for discussion to get data in triangulation way as well as in order to gather the required information from the key informants. Totally, 296 respondents, the key informants' interview discussion had been taking as sample.

#### IV. RESULT AND DISCUSSION

Under this topic the three main issues have been discussed those were firstly benefits of PCEs had been working as entrepreneur secondly main challenges that hinder to accomplish their work appropriately, thirdly, possible interventions should have been taking from different stakeholders those were discussed under this topic.

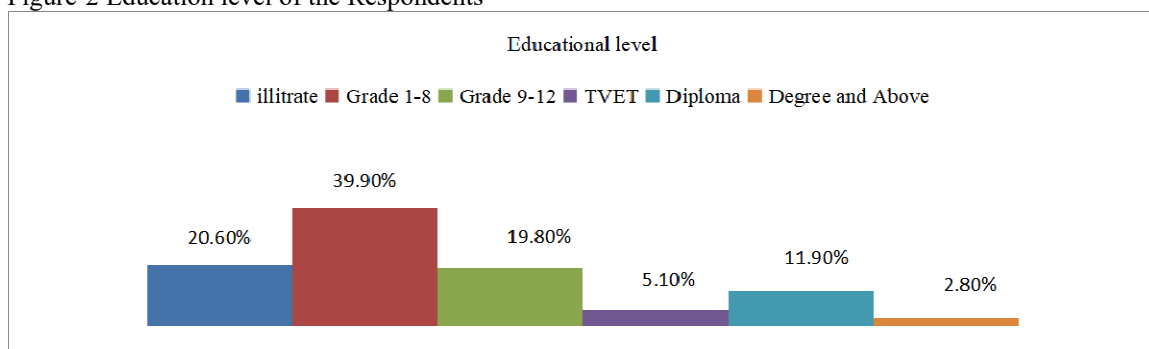
##### A. Benefits of disable entrepreneur

Before starting work in MSE disabled entrepreneurs engage themselves in different situation where as majority of the respondents around 73 % spent their time without any job, few of them 8% were students and 14% have been doing informal works like laborers, shoeshine, begging and so on. Only 5% of respondents were worked their private work. As they mentioned starting work in MSE enabled them to generate their own income that supposed to improve living condition of the respondents and their families'. Providing the manufacturing workshops/shades and selling places also the opportunity for disabled entrepreneurs during field observation noticed disabled entrepreneurs who are working in Yeka sub city woreda 7 and 8 MSE office offered manufacturing places. Since the shades were constructed by considering non-disable entrepreneurs somehow not conducive for movement and who have been assigning more than 1 floor building it is difficult for their impairment to move easily. Disabled entrepreneurs who are working in Addis Ketema sub city woreda 8 and 10 MSE office offered selling places for disable entrepreneurs they used it to sells different goods (clothes and shoes) in working place.

On the other hand, working in SMEs also helped for disabled entrepreneurs to enhance social bondage, in order to share life experiences which suppose them to bring attitudinal change as disable can do like non-disabled people. As the data obtained from interview majority of participants replayed that, the community had interest to use service and products of the disabled entrepreneurs. As an example some entrepreneurs engage in facilitating public toilet service in Addis Ketema woreda 4 and woreda 8 around Sefere Selam and Bus station places. The type of work is appropriate for their impairment they sat on one place, regularly clean the toilet rooms and collect money from toilet users. In addition disable entrepreneurs who were working in poultry when they provide eggs and hens the MSE officers and people were interested to buy their products. Becoming volunteer on the side of the community to use the service and products of disabled entrepreneurs that encourage expanding their business.

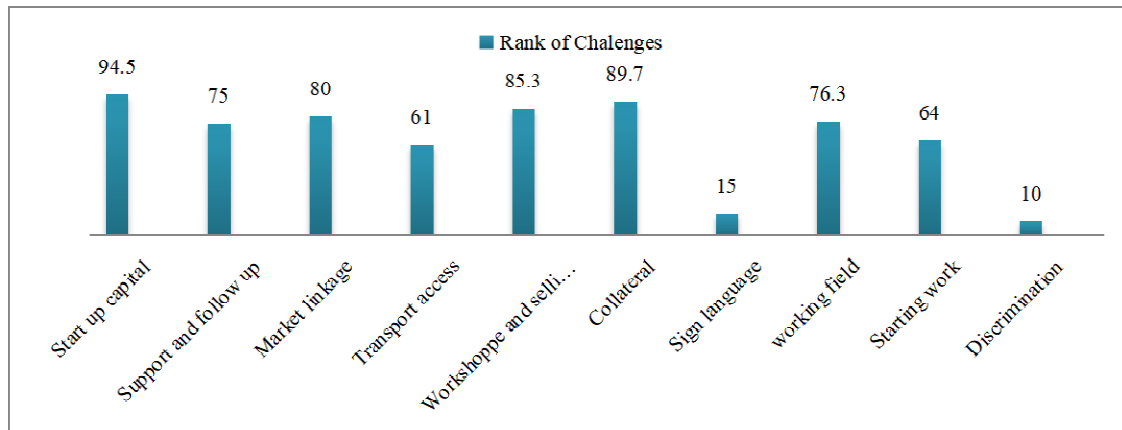
##### B. Challenges faced Disable Entrepreneurs

Figure-2 Education level of the Respondents



Source: Field Survey, 2018

As the data showed from the above figure, below 15% of the respondents were better education level diploma and degree holders. 20.6% of the respondents were illiterate. The remains were Technical, vocational education and training (TVET) and below TVET therefore, we could say majority of respondents were in lower education level. Becoming lower educational status for disable entrepreneurs negatively affected to administer their business appropriately since they lack entrepreneurs and managerial skill. Becoming lower level of education un able to have relevant business knowledge and skills to administer their business, legal and financial expertise due to limited relevant education and employment experience might feel at a disadvantage. Again, lack of managerial expertise might reflect the concentration of disabled employees at the lower end of organizational job hierarchies.



Source: Field Survey, 2018

As the data showed above physically challenged entrepreneurs faced many challenges with related to their working situation respondents ranked level of difficulty how far the challenges affect their business. In the first position respondents rate level of difficulty to run business was working capital it was the main challenge to perform their work effectively. As the data obtained from key informant interviewee lending institutions loan system was so difficult for getting money. According to Addis credit and saving institution, 2018 there were such obligations to borrow money like putting 20% of capital money in closed account. It requires paying 12% interest rate monthly. Providing evidences like car ownership certificate and house plan those were some mandatory's entrepreneurs forced to fill full those obligations which discourage them to borrow money, since the respondents live alone or live on the street by disparity from their family they did not get relatives or families to be collateral in this regard 80% of respondents mentioned as they could not take loan from lending institutions.

After passing such kinds of impediments when physically challenged entrepreneurs deliver their product and services market was the second level hindrance to maximize their business. In addition as the researcher observed in field observation the manufacturing shades were built either the border of sub cities or pocket place of the city in this case that was not convenient for movement.

The finding of the study conducted by Uromi and Mazagwa (2015) to 'investigate the challenges facing people with disabilities and possible solutions in Tanzania', the results indicated that community members have a discriminative, inconsiderate and non-caring attitude towards people with disabilities.

### **C. A way forward to overcome work related problems**

As far as the data obtained from quantitative and qualitative method different interventions were suggested to overcome physically challenged entrepreneurs work related problems such as the working places become suitable for disable entrepreneurs by considering their physical impairment. MSC office should implement getting priority rule for disabilities by offering ground floors as well as work to improve managerial skill of the entrepreneurs' managers through providing short term training. Technical support and follow up and also market should be fulfilled. Entrepreneurs who had hearing and speaking problem assign sign language trained employees to avoid communication barriers. Work to minimize impediments of disable entrepreneurs' difficulties discreet through providing different mechanisms like transport facility, and others menses to support when selling products in bazaar or other occasion by fixing the cost of the goods to describe the price of their services and products.

Involve different stake holders to resolve the difficulties of physically impaired entrepreneurs, through inventing simplistic loan system by considering the reality of disable entrepreneurs; it is better to provide interest free loan system or credit revolving system. Non-government organizations involved especially to solve financial problems. Disable associations and civic society association play vital role to solve their problems, creating conducive work environment in manufacturing and selling places. Facilitate to get consistent market linkage to sell their product or service.

## **V. CONCLUSION**

Based on the findings of this study, those were major challenges faced when they accomplished their work. Lack of capital to expand their business, the lending system is challenging that treated same as non-disable entrepreneurs. Majority of entrepreneurs were uneducated or lower level educational status which negatively affect performance of business. They lack entrepreneur and managerial skill and knowledge to run their business. Marketing factors include inadequacy of market, poor marketing linkage, and luck of request predicting, lack of market information.

In convenient of working places related to their physical impairment. A multitude of stakeholders such as government, Non-government organizations, civil society institutions, have roles in ensuring that adequate

assistance and support services unfortunately they did not play their role in order to resolve physically impaired entrepreneurs' impediments.

Stake holders have to work to ensure equal access to services including through revising policies and monitoring the implementation system. Administrating provision of services including preparing standards and applying them. Provision of finance to entrepreneurs that cannot provide either from borrowing institutions or other funding institutions, increase awareness for the community to support the work, participate in policy formulation and monitor implementation of policies and service provision.

Even though Ethiopia accepted different international disability rights and agreements and also government take measures to assure the right of disabilities still now there were many challenging factors related with disable entrepreneurs like given priority in services provision which is not clearly defined or lack specifications how far level of priority, in what conditions, which is so vague. So provision of service depends on personal interest of MSE employees and leaders. Sometimes services were providing similar to non-disabled entrepreneurs. Therefore the government needs to endorse policies that would be suitable to the entrepreneur'. Thus, in order to solve entrepreneurs living with physical disabilities, different responsible bodies should play their own role to solve the challenges of physically impaired entrepreneurs.

- The government should facilitate to get capital through arranging a special attention to help and lend loan with a minimum possible interest rate without asking unreasonable collateral.
- Education and training institutions provide skill trainings to run their business successfully through providing generic or technical trainings. Such as different training on life skill, entrepreneurship, management and financing skill should be given.
- Technical support and follow up and also infrastructure should be fulfilled.
- Assign sign language trained employees entrepreneurs who had hearing and speaking impairment.
- Make sure how far conducive the manufacturing and selling places user friendly for their impairment.
- Create market linkage
- Different stake holders (Disable associations and civic society organizations, Non-government organizations) ought to support in facilitating financial access.

### Acknowledgement

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## Biography



I was born in Dessie, Ethiopia in December 14, 1983. I graduated in Bachelor degree in English Language from Mekelle University in Ethiopia 2007 G.C. I also completed Master degree from Ethiopia Civil Service University in Public Management in 2013. I had 14 years work experience in different field of areas with variety of working position. Recently for the last 7 years I am working in Ethiopia Civil Service University as lecturer, researcher, consultant and trainer work position through teaching, conducting research, consulting institutions and train employees. In previous years I worked as a teacher, school principal and leadership position. I also conduct a research Employee state of Emotional Intelligence and their level of Job Performance in Federal Civil Service Sector of Ethiopia Conducting research with in a team. 'Citizen Satisfaction Survey in Public Sector in Ethiopia' In addition, I conducted research Risk assessment and management strategies in Ethiopia Civil Service University in Addis Ababa unpublished documents with in a team. I am doing a research on title of The Effect of training in employees work performance in public sectors. Consultant Mrs. Belaynesh is a membership of Quality assurance team in Ethiopia Civil Service University Training and Consultancy Division.