

CONTRIBUTION OF MICRO AND SMALL ENTERPRISES FOR YOUTH UNEMPLOYMENT: ETHIOPIA EXPERIENCE

Betgilu Oshora - Robert Magda



ABSTRACT

The importance of employment as a pathway to inclusive economic development, social inclusion and well-being has long been recognized. The aim of this paper is to review the contribution of Micro and Small Enterprises to youth employment creation and to assess the challenges that encountered during the process in case of Ethiopia. Accordingly, the review result indicate that Micro and Small Enterprises have played and continue to play significant roles in the economic development by contributing high share of employment. At global level formal and informal Micro, Small and Medium Enterprises account on average for 60-70% of total employment worldwide. In Ethiopia, Micro and Small Enterprises contributes huge employment opportunity for youth. For instance, more than 11.5 million people secured their jobs over the last decade but started declining due to many challenges. Some of the this many challenges are lack of access to finance, lack of infrastructure, lack of business experience, lack of access to markets, preference for paid employment, practice of selling poor quality products, and the desire to make quick profits inhibit its development. Therefore, considering its contribution to inclusive economic growth, all the stakeholders should have to work collectively in order to overcome the challenges.

KEY WORDS: *Micro and Small Enterprises, Employment, and Challenges*

1. Introduction

Inclusive and sustainable economic growth is very crucial for the success of the Sustainable Development Goals implementation. Globally, despite the increase in labour productivity and unemployment, the global economy is growing at a slower rate. It needs more progress to create more decent work for all, safe and secure working environments, and increase employment opportunity particularly for young people (United Nations, 2019). Decent work is crucial to achieving inclusive economic growth, since such work is more than just a source of income and social protection. Also, across all country income groups, young people aged 15–24 years' experience a higher unemployment rate than the rest of the working-age population (ILO, 2019a). In 2018, the global unemployment rate stood at 5.0 per cent – matching pre-crisis levels. Youth were three times more likely to be unemployed than adults (United Nations, 2019).

Micro, Small and Medium Enterprises (MSMEs) continuously playing significant roles in the growth, development and industrialization of developing countries (ADA asbl, 2017). Globally, formal and informal MSMEs make up over 90% of all firms and account on average for 60-70% of total employment worldwide and 50% of GDP (Ayyagari, Beck, & Demirguc-Kunt, 2007; ITC, 2019; World Bank, 2019). Many empirical evidences across the globe argue that Micro and Small



Enterprises (MSEs) are one of the strongest drivers of economic development, innovation and employment and creating opportunities for them in emerging markets is a key way to advance economic development and reduce poverty. For instance, a research finding by Beck, Demirguc-Kunt, & Levine (2005) reveal that the relative size of the SME sector in a country and economic growth are positively related. Mainly in the developing countries MSEs have been identified as the foundations through which the rapid industrialization and other developmental goals of the developing countries can be realized (Alhassan & Sakara, 2014).

Youth employment and economic empowerment are essential components of a strong foundation in any society. Having decent work is crucial for young people and their future, but it also has a domino effect on local communities, countries and the world as a whole. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all of SDG Targets 8.3 and 8.10 highlight the need to promote entrepreneurship and the improvement and formalization of MSMEs and to bolster access to finance for this core engine of job creation (United Nations, 2018b). Considering their importance for economic development, MSEs are one of the priority areas of action among the Programs addressing African development, and it considered as a means of achieving smooth transition from traditional to modern industrial sector. It has a huge contribution to the growth and development of the country through income generation and by creating employment opportunities with a relatively low capital (Drbie & Tilaye, 2013). For instance a study by Beck, Demirgüç-kunt, & María Soledad Martínez Pería (2008) reveals that SMEs are the major sources of employment in many economies.

Several challenges inhibit the development of MSEs, the critical problem lack of access to finance. For instance the World Bank (2019) report shows that, 65 million firms, or 40% of formal MSMEs in developing countries, have an unmet financing need of \$5.2 trillion every year, which is equivalent to 1.4 times the current level of the global MSME lending. Other challenges that undermine the growth of MSEs are access to technology, lack of knowledge of the potential of MSEs, business skills, startup capital during their establishment, markets, and preference for paid employment, rent seeking attitudes and practices in the society and within government at different level position. Falling to conduct customers' needs through a market surveys, use of weak marketing strategies, and their reluctant to take their own initiative to expand their market access instead of preferring more dependency on government, practice of selling poor quality products and the desire to make quick profits are some of another major challenges (FDRE, 2016). Similarly the study conducted by Gebreeyesus et al., (2018) also shows that, lack of adequate working premises, lack of access to credit and shortage of power supply are the three most important factors impeding the operation of manufacturing MSEs in urban Ethiopia.

According to the most recent World Bank (2019b) year in review report, half of the world's 736 million extremely poor people lived in just five countries in 2015: India, Nigeria, Democratic Republic of Congo, Ethiopia, and Bangladesh. To reduce extreme poverty globally, it's therefore crucial to accelerate progress in these five countries. Therefore, by considering the importance of MSE for the inclusive economic development and as pillar sector for huge youth employment creation, the government of Ethiopia formulated a National Micro and Small Enterprises Development and Promotion Strategy for the first time in 1997 to create an enabling environment to the sector. In line with the targets and objectives set out in the first Growth and Transformation Plan (GTP I), and was revised in 2011 with ambitious targets such as to promote economic growth, create sustainable jobs, and provide a platform for transformation to medium and large enterprises. However, according to studies by Worku & Yifredew (2017) on policy analysis on growth and employment, the growth of MSEs has been very slow by every standard in contrary to the stated objective.

In addition to creating a working environment conducive to the growth of the sector, the government of Ethiopia provides direct policy support to MSE operators through different implementing agencies. This support includes access to working space (sheds constructed by the government), access to markets (linkages), access to finance (guarantee provision), access to industrial extension (various business development services such as market linkages and technical support) and access to training & advanced technology (ADA asbl, 2017). However, despite all the policy supports



and due considerations given by the government, the number of sectors and employment opportunity were declining recently over the last five years irrespective of increase in amount of loan provided. For instance, during 2016/17 a total of 157,768 new MSEs were established and created employment for about 1.2 million people by receiving more than Birr 7.1 billion loans to own their operations. However, the statistical data in the year 2017/18 indicates that, only 144,107 new MSEs were established and employed about 187.9 thousand people which is less than the 2016/17 achievement while the amount of loan received by enterprises increases from Birr 7.1 billion to more than Birr 8.6 billion in 2017/18 (NBE, 2016; 2017/18).

In assessment of international community's progress towards achieving SDG 8, which seeks to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" it is estimated as unlikely to be achieved by 2030. There are several challenges particularly those relating to informal employment, unsustainable consumption, limited access to financial services, risk of unemployment, discrimination against people with disabilities, the exclusion of young people from the labour market, the "wage penalty" suffered by women, and child labour for the achievement of SDG 8 (ILO, 2019b). For instance Ethiopian economy has been growing at a remarkable rate for the last several years. It is important to assess how the growth has been translated into more jobs that are of better quality and inclusive. The statistical figure shows that more than 70 percent of Ethiopians are under 30 years of age, with urban youth unemployment at 22 percent compared to 17 percent for all ages. Moreover, more than a quarter of all urban jobs are informal (UNDP, 2018). And given the large number of university and college graduates, it is a challenge for a developing country like Ethiopia to create and maintain productive employment. Therefore, in addition to the investigated challenges there is a need of clearer understanding of the remaining challenges based on further empirical analysis to provide all stakeholders with urgent guidance on how to achieve SDG 8.

The main aim of this review of research is to examine the contribution of MSEs for you the employment creation in case of Ethiopia. Specifically, it is aimed:

- To examine the present scenario of youth unemployment in the world and in Ethiopia particularly
- To examine the contribution of MSEs in creating employment for youth and its challenges

2. Methodology

To achieve the aim of this paper, different empirical evidences, government policy and reports, and any other issues related to the subject of the study critically reviewed. Therefore, we only used secondary data for this study.

3. Results and Discussion of Review

3.1 Global Youth Unemployment Scenario

According to the 2015 employment, skills and human capital global challenge insight report, more than 200 million people are out of a job globally and the numbers are forecast to rise to 215 million jobseekers by 2018. In order to match the growing number labour force to the labour market, it is estimated that nearly 42 million new jobs need to be created annually (World Economic Forum, 2015). To fill this high demand gap of employment, SMEs play a key role in society and generally considered as the key to inclusive economic growth. Globally, they tend to employ a large share of the most vulnerable segments of the workforce, namely less experienced and less educated workers belonging to poorer households, women and young people. For this reason, small and medium-sized enterprises are considered as the lifeblood of all economies. In Hungary for instance, they account for 99.8% of all enterprises, 70% of employment and 58% of value-added (ITC, 2017).



In 2018, the global working age-population, comprising women and men aged 15 years or older, was 5.7 billion. Out of these, 3.3 billion people, or 58.4 percent, were in employment, and 172 million were unemployed and also the number of people unemployed is projected to increase by 1 million per year to reach 174 million by 2020 as a result of the expanding labour force. Being in employment does not always guarantee a decent living. For instance in 2018, more than one quarter of workers in low- and middle-income countries were living in extreme or moderate poverty (ILO, 2019b). The main root cause for not obtaining the most decent work by employees and escape out of poverty even though after employment is mainly lack of education or training. For instance, in 2018, one fifth of the world's youth were not in education, employment or training, meaning that they were neither gaining professional experience nor acquiring or developing skills through educational or vocational programmes in their prime years (United Nations, 2019). Similarly, out of 1.3 billion people live in Africa, 764 million people are aged 15 years or older and out of this 4.3 percent of Africa's working-age population is unemployed. It seems a very small fraction compared with the 60 percent who are employed but many people have no choice but to take up informal jobs of poor quality in order to meet their basic needs and escape poverty (ILO, 2019b). This is more common especially in developing countries that the people cannot make a choice for their employment due to the lack of available opportunity and highly in need to be employed whatever the profession is irrelevant of his/her field of study.

African youth are underemployed, with no jobs and they are also not involved in policy formulation and less consulted in the decision making process and for this and other reasons the energized youth invested in stirring-up conflicts and violence. Employment creation is another formidable challenge that confronts all African countries regardless of their different socio-economic development. In Africa, the youth accounted for 60% of total unemployed and three in five of Africa's unemployed are youth (Jalata, 2014). In developing countries especially in Africa, the high increase in youth unemployment rate is a headache for many African countries by creating internal instability and also leads to revolution. For instance the revolution in North Africa, which led to the overthrow of governments in Tunisia, Libya, and Egypt due to their high youth unemployment which stands at 31% for Tunisia and 34% for Egypt (ILO, 2010). It is also well known that the Arab revolution was sparked by a single incident of one young Tunisian named Mohamed Bouazizi, a 26-year-old unemployed street vendor setting himself on fire in protest to his condition and work related dispute with the police. In Libya, the overall unemployment rate was 30% and youth unemployment rate estimated as high as 50%. Accordingly, dissatisfied youths defeated the well-armed security forces of Moammar Ghaddafi who was killed in October 2011. Youth also led protests in Sudan, Bahrain, Yemen, Senegal, Syria, Portugal, UK, Chile, and United States (ILO, 2010). From this, we can understand that the consequence of high youth unemployment will lead disaster and internal instability unless it were managed properly before it leads to harm economy, social and environment. Thus, addressing youth unemployment with appropriate policy should be a major policy initiative of governments and political parties across Africa content and beyond.

In contrary with the issue of the high unemployment in the labour market globally, the World Economic Forum (2015) report shows that, employers are highly complaining they are facing difficulties in finding talent for the vacant positions available, pointing to a mismatch between available and needed skills. As per the reviewers opinion it is important to recognize that this issue is common and serious problem especially in developing countries where the educational curriculums in many disciplines were designed theory oriented than practical learning. In addition to the curricula, the initiation of university scholars are also contributing to the problem not to the theory with practical learning and the industries are also have their own way by not allowing the nearby learners to practice.

3. Youth and Unemployment in Ethiopia

3.1 Overview of Ethiopian Macro Economy

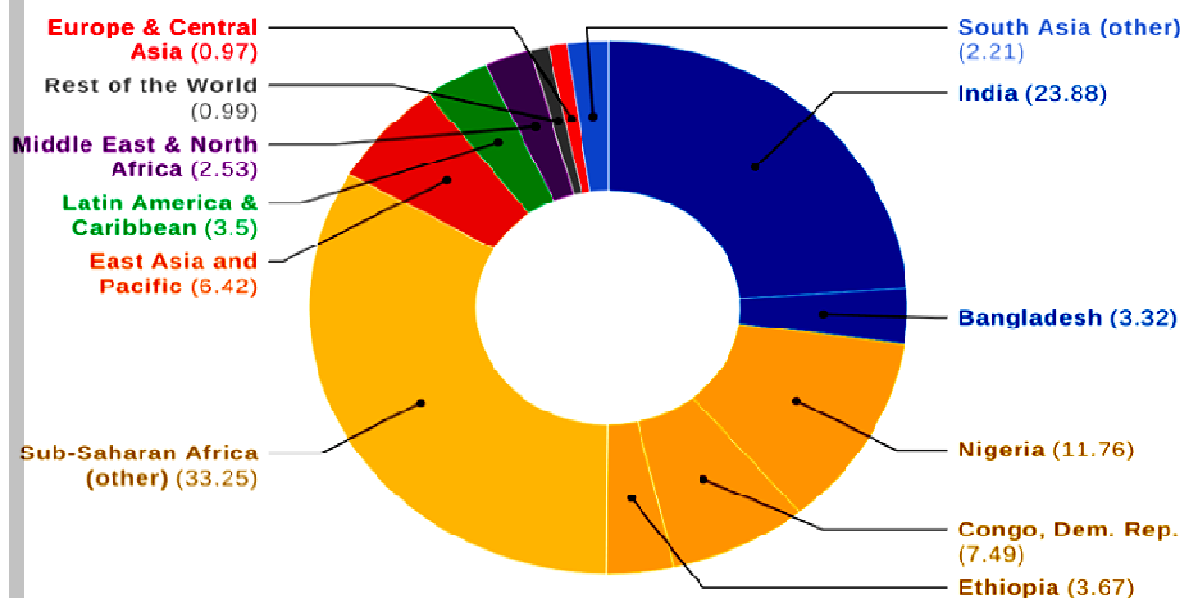
Ethiopia is the second most populous nation in Africa after Nigeria, and the fastest growing economy in the region. However, it is also one of the poorest, with a per capita income of \$790.

Ethiopia's economy experienced strong, broad-based growth averaging 9.9% a year from 2007/08 to 2017/18, compared to a regional average of 5.4%. Industry, mainly construction, and services accounted for most of the growth. Despite the promising economic growth, Ethiopia's main challenge is sustaining its positive economic growth and accelerating poverty reduction, which both require significant progress in job creation as well as improved governance (World Bank, 2019a). Despite reducing the extreme poverty rate from about 46% in 1995 to 23.5% in 2016, Ethiopia still has more than 25 million poor people. East Africa, the fastest growing region, is projected to achieve growth of 5.9 percent in 2019 and 6.1 percent in 2020. Between 2010 and 2018, growth averaged almost 6 percent, with Djibouti, Ethiopia, Rwanda, and Tanzania recording above-average rates. But in several countries, notably Burundi and Comoros, growth remains weak due to political uncertainty (AfDB, 2019).

The share of the world population living in extreme poverty declined to 10 percent in 2015, down from 16 per cent in 2010 and 36 percent in 1990. However, the pace of poverty reduction is decelerating, with a "nowcast" of 8.6 percent in 2018. Moreover, baseline projections suggest that 6 percent of the world population will still be living in extreme poverty in 2030, missing the target of ending poverty. Despite having a job, 8 per cent of the world's workers and their families still lived in extreme poverty in 2018. The situation remains particularly alarming in sub-Saharan Africa, where the share of working poor stood at 38 per cent in 2018 (United Nations, 2019). According to the most recent World Bank 2019 year in review report, half of the world's 736 million extremely poor people lived in just five countries in 2015: India, Nigeria, Democratic Republic of Congo, Ethiopia, and Bangladesh. To reduce extreme poverty globally, it's therefore crucial to accelerate progress in these five countries and throughout South Asia and Sub-Saharan Africa, home to 85% (629 million) of the world's extreme poor (World Bank, 2019c). The report also indicated that, Ethiopia is one of the 15 countries lifted 802.1 million people out of extreme poverty between 2000 and 2015.

Half of the world's poor live in just 5 countries

Share of poor people in the world by region or country, 2015



Source: PovelNet • Embed this chart

Real GDP growth is projected to recover from 7.7% in 2017/18 to 8.2% in 2018/19 and 2019/20, supported by industry and service sector expansion and agricultural sector recovery. Industrial growth will be boosted by ongoing industrial zone development, and agriculture will benefit from investments



in fertilizer, irrigation, and improved seeds. Public investment will remain moderate, reflecting efforts to stabilize the public debt. The impending privatization of the state-owned railway, maritime, air transport, logistics, electricity, and telecommunications sectors is expected to boost private investment and mitigate the reduction in public spending (AfDB, 2019). The contribution of the manufacturing sector to GDP and export is eight and nine times less than the agricultural sector respectively (ITC, 2018).

3.2 Present Scenario of Youth Unemployment in Ethiopia

Despite the country strong economic growth over the last 15 years, the 2015 statistical data for unemployment rate in urban is reported as 17.5 percent which is more challenge for the inclusive economic development (United Nations, 2018a). MSEs regarded as a source of lively hood to the poor and unemployed citizen in the country. MSEs constitute a significant portion of the economy and play a central role in job creation and its development has been widely recognized as a crucial strategy for inclusive economic growth. The importance of the MSE in Ethiopian economy is very clear and important but still yet there are a number of challenges that must be addressed with a comprehensive package.

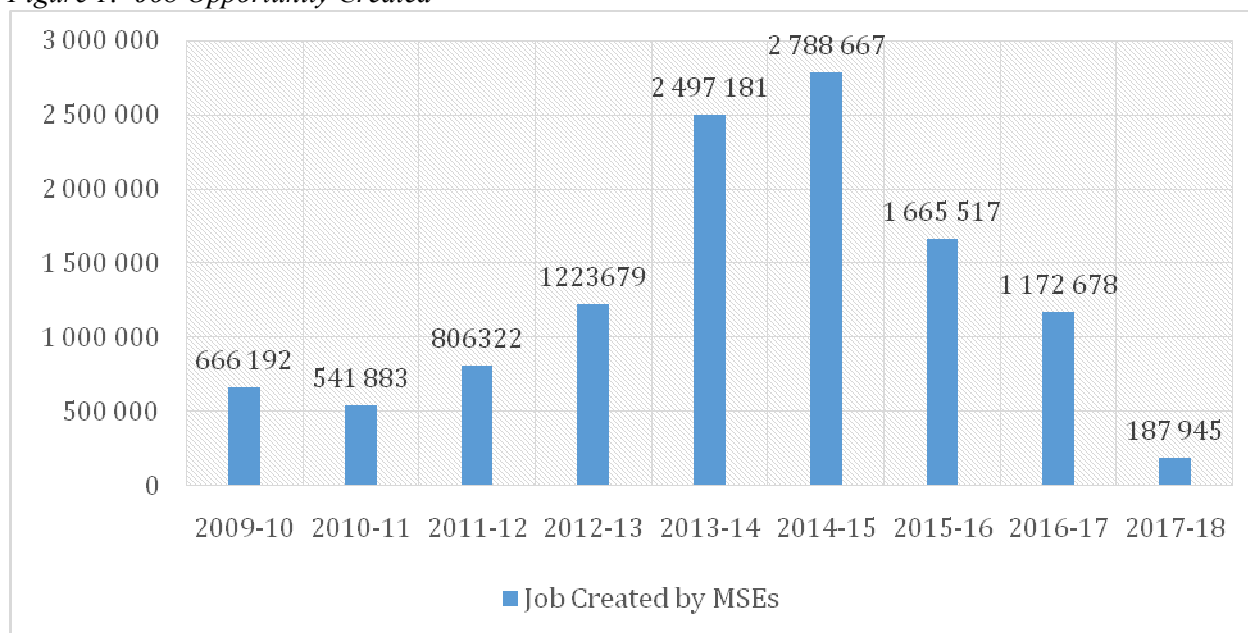
With a bulge of approximately 30 million young people (aged 15-29), Ethiopian government are also facing difficulty in affording job opportunity for the youths and the youth are still deeply dissatisfied with their daily life, because of a lack of the assets, opportunities to contribute and take on leadership roles, and an enabling environment to support their development. A lack of economic opportunities is the primary driver of youth frustration and more than 25 percent of young people are unemployed, but the number of underemployed youth is likely much higher. Many Ethiopian youth spend their day wandering in search of work, oftentimes using substances like khat, marijuana, tobacco, and alcohol and watching football to pass the time. For youth in school, educational degrees do not provide sufficient leverage to propel them toward a meaningful career path, as even university graduates find themselves working in daily labor jobs despite their education. Young people, however, continue to aspire to return to education, still believing that some education is still better than no education, but political affiliation has proven more advantageous than education (Zeru Fantaw, Anne Bitga, 2018).

Ethiopia is a country with large youth population entering in to productive labour market for very limited job opportunity and this will be unrest and instability for the government over the next decade and beyond. In order to reduce unemployment and create inclusive economic development, the government of Ethiopia is formulating different strategies among which MSEs regarded as a source of lively hood to the poor and unemployed citizen. MSEs constitute a significant portion of the economy and play a central role in job creation through access to microfinance services and its development has been widely recognized as a crucial strategy for inclusive economic growth. Over the last decade more than 11.5 million people have secured jobs through the successful implementation of MSEs development program. The trend of job created by MSEs from the year 2009/10 to 2014/14 were high and increases at increasing rate except in the year of 2010/11 that shows decrement as compared with the previous year. However, from the year 2014/15 to 2017/18 it starts decreasing at increasing rate and this shows that there are many challenges that must be addressed collectively with all stakeholders. As also indicated in figure 2 below, the employment created and the number of MSEs established have direct relationships. As the number of MSEs established increases, from year to year, the number of job created will also increase and the reverse is true when it decreases.

Some of the challenges cited frequently by many scholars and also as depicted in government report are lack of sustainable finance, lack of business skill, market access, entry barriers (production and sales premises), information dissemination and delivering services in one stop shop including the networking among the small and micro enterprises. In Ethiopia for the last five years during the reform period, thousands of young men and women especially the university and college graduates come out to the streets in solidarity complaining about massive unemployment, lack of good governance and the high cost of living, they demanded jobs and a decent life. The country achieved a marvelous economic

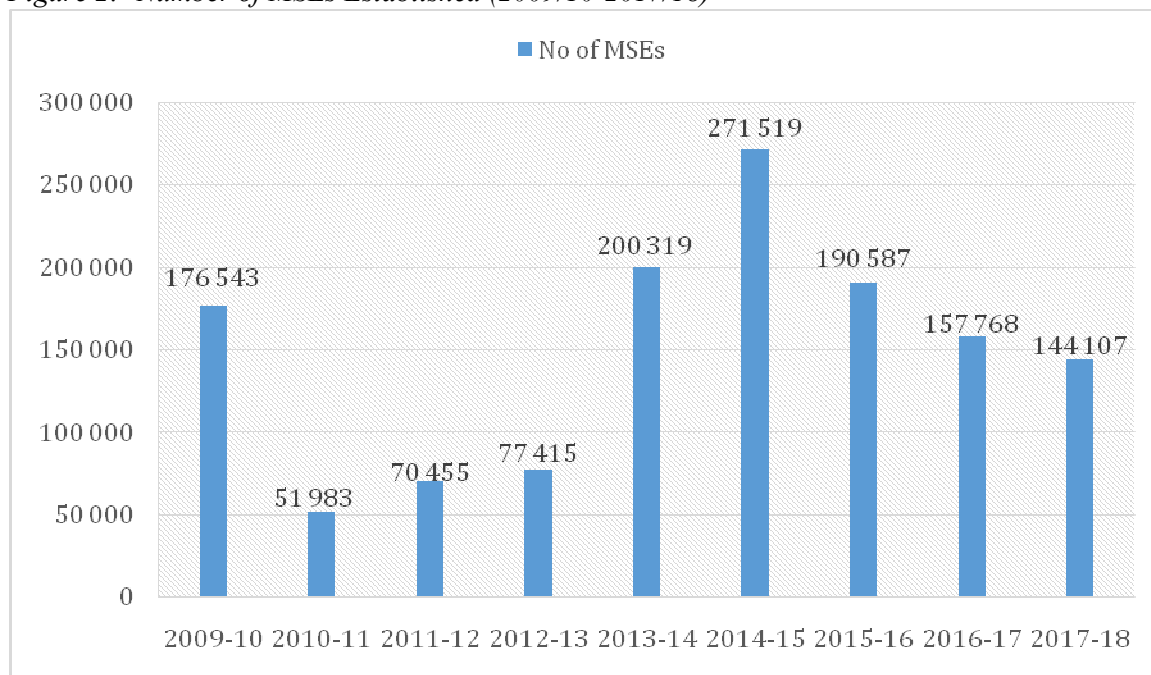
growth with an average of 9.9% growth rate for the last one decade, which is almost twice of a regional average of 5.4% rate. However, still there is high gap between rich and poor and this is the indication of lack of inclusive economic growth. The problem of unemployment in Ethiopia is too complicated. Still the question of youth and women is not only to find job, they are facing a challenge in securing and retaining the most decent job.

Figure 1:- Job Opportunity Created



(Source: Compiled from NBE Annual Reports)

Figure 2:- Number of MSEs Established (2009/10-2017/18)



(Source: Compiled from NBE Annual Reports)

From the above Figure 2, we can understand that the number of MSEs established increases from the year (2010/11 to 2014/15) however; it starts decline starting from 2015/16 to 2017/18. In the 2014/15 year high number (271,519) of MSEs were established and during the same period there is also high number (2,788,667) of job were created which is the most achievement period by the government.

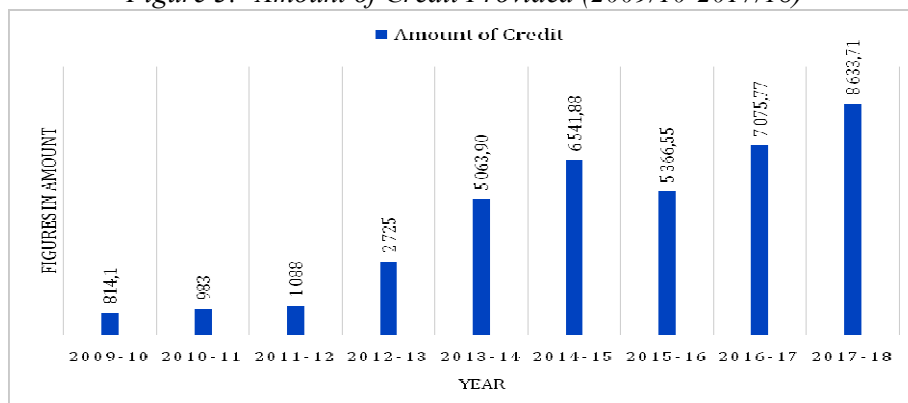
3.3 Challenges of MSEs in Creating Job for Youth

Inadequate collateral and difficulties in proving their credit worthiness or absence of credit history were the main factors that discouraged MSE operators from submitting loan applications to formal finance providers, followed by difficulties in processing loans, and the high cost of borrowing. Indeed, collateral rates in Ethiopia are much higher than in many other countries in Africa, and in Asia, Eastern Europe, and Latin America. For example, the collateral rates for SSA, Kenya, South Africa, and Morocco were 162.2 percent, 120.8 percent, 103.8 percent and 171.2 percent of the loan value respectively, compared to 234 percent in Ethiopia (Wolday, A. and T. Woldehanna, 2015). Lack of sustainable access to finance is the major constraints that MSEs are highly challenging and unable to perform as expected. For instance, the World Bank (2019) report shows that, 65 million firms, or 40% of formal MSMEs in developing countries, have an unmet financing need of \$5.2 trillion every year, which is equivalent to 1.4 times the current level of the global MSME lending.

Financial services for the poor, often referred to as microfinance, cannot solve all the problems caused by poverty. But they can help put resources and power into the hands of poor and low-income people themselves, letting them make those everyday decisions and chart their own paths out of poverty (Brigit Helms, 2006). Over the past decade, Ethiopia has achieved high economic growth, establishing the country among the fastest growing economies both in Africa and the developing world. However, Ethiopia is falling behind its peers in the area of provision of credit to the private sector. According to the World Bank's Enterprise Surveys, access to finance is perceived as the main business environment constraint by micro (41%), small (36%) and medium (29%) enterprises in Ethiopia, compared to a Sub-Saharan average of 24%, 20% and 16% respectively (World Bank, 2018). Access to micro- credit enables beneficiaries to increase their household expenditure (Peprah and Ayayi, 2016). A study made in Vietnam reveals that, micro-credit loans generate positive, significant impacts on household self-employment profits (Tra Pham & Lensink, 2008). Currently there are about 35 MFIs operating in Ethiopia and their main aim is providing microfinance activities in the areas of credit delivery, saving, money transfer, and pension payment services to the poor who primary excluded from access to formal financial due to lack of collateral requirements.

The study made by Gebreeyesus et al., (2018) on main features of micro and small manufacturing enterprises in Ethiopia, shows that above 70% MSEs had no access to credit from any of the potential external sources; thus, they rely on their own funds. This indicate that there is still a huge gap in credit access for MSEs even though the government highly involved in providing the access through different collateral system that the firms themselves cannot afford. The World Bank (2019b) report also reveals that, access to finance is a key constraint to SME growth, it is the second most cited obstacle facing SMEs to grow their businesses in emerging markets and developing countries. Different empirical evidences across the world such as (ADA asbl, 2017; ITC, 2019; FDRE, 2016; A. Ambachew, T. Getahun, B. Assefa, G. Abebe, S. Hassen, H. Medhin, 2018; Fowowe, 2017; Dinh, Mavridis, & Nguyen, 2010; Cherkos, Zegeye, Tilahun, & Avvari, 2018; and ITC, 2016) also founds that lack of access to credit is the main constraints for the success of MSEs.

Figure 3:- Amount of Credit Provided (2009/10-2017/18)



(Source: Compiled from NBE Annual Report)

Another area of support to MSEs are provision capacity building training to the operators and One Stop Shop Service centers that are providing integrated services have been made operational and in this regard much is done in the last few years.

4. Conclusion and way forward

Micro and Small Enterprises (MSEs) are one of the strongest drivers of inclusive economic development and employment and creating conducive environment for them in emerging markets is a key way to advance economic development and reduce poverty. Despite many challenges and constraints, MSEs contributed a remarkable achievement to the world's economy especially in creating employment for the youth and unskilled labors with a relatively low capital and contributes a pivotal role for inclusive economic growth. Globally, they tend to employ a large share of the most vulnerable segments of the workforce, namely less experienced and less educated workers belonging to poorer households, women and young people. For this reason, small and medium-sized enterprises are considered as the lifeblood of all economies. In developing countries like Ethiopia, the MSEs play vital role in reducing the massive unemployment and deep rooted poverty. Having deep poverty and high unemployment, fostering the development of MSEs is not only a matter of choice but also a means of survival. Furthermore, it is believed that MSEs could enable Least Developing Countries to quickly attain one of the Sustainable Development Goals 'sustainable economic growth and decent work for all in 2030'. It is in this understanding that the government of Ethiopia has given due attention and priority to the development of the sector. MSEs created huge number of employment for the last decades but started to diminish from year to year due to many constraints. Some of the challenges are limited capacity of the government to deliver efficient and effective support services that are identified by the policy and backed by legal packages (mainly lack of facilities like working premises, working capital, entry barriers, infrastructure, machinery and related supplies). Other entrepreneurs' related challenges are preference for paid employment, practice of selling poor quality products, and the desire to make quick profits.

The following core points forwarded based upon the empirical evidences:

- Lack of access to finance and its sustainability is often the critical mechanism behind both persistent income inequality and slow economic growth. Government policies should focus on building sound financial institutions, encouraging competition, and establishing sound wise regulation to provide the private sector with appropriate incentive structures and broaden access. Hence, financial sector reforms that promote broader access to financial services should be at the core of the development agenda for the sustainability of the MSEs.
- The cooperation platform between the micro and small enterprises and medium and large enterprises for subcontracting and technology transfer is very important and needs the facilitation by the government to improve access to market.



- The dissatisfied Ethiopian youth needs especial policy strategy for proper engagement of youth at all levels of development is very important and hence the issue of youth participation and youth representation needs to be scaled up at all levels of government. This will help in creating internal stability and reduce the ongoing high displacements of millions of people due to many questions like issues of good governance, unemployment, partiality, income inequality, feeling of ignorance on country policy development and so on.
- In general, Policy makers can have the responsibility of creating the platform that bring the cooperation among multiple actors, institutions and the private sectors to promote the sustainability of MSEs considering its importance in job creation for the youth people. Thus, addressing youth unemployment with appropriate policy should be a major policy initiative of governments and political parties in Ethiopia and beyond.

REFERENCE

- A. Ambachew, T. Getahun, B. Assefa, G. Abebe, S. Hassen, H. Medhin, M. G. (2018). *Main Features of Micro and Small Manufacturing Enterprises in Ethiopia*.
- ADA asbl. (2017). *Small and Growing Businesses in Edited by ADA asbl and First Consult PLC*.
- AfDB. (2019). *African Economic Outlook 2019-Macroeconomic Performance and Prospects*.
- Alhassan, F., & Sakara, A. (2014). *Socio-Economic Determinants of Small and Medium Enterprises ' (Smes) Access to Credit from the Barclays Bank in Tamale-Ghana*. 6959(26), 26–36.
- Ayyagari, M., Beck, T., & Demirguc-Kunt, A. (2007). Small and medium enterprises across the globe. *Small Business Economics*, 29(4), 415–434. <https://doi.org/10.1007/s11187-006-9002-5>
- Beck, T., Demirguc-Kunt, A., & Levine, R. (2005). SMEs, growth, and poverty: Cross-country evidence. *Journal of Economic Growth*, 10(3), 199–229. <https://doi.org/10.1007/s10887-005-3533-5>
- Beck, T., Demirgüç-kunt, A., & María Soledad Martínez Pería. (2008). Bank Financing for SMEs around the World: drivers, obstacles, business models, and lending practices. *Policy Research Working Paper 4785, The World Bank, Washington*, (April, November). <https://doi.org/10.1.1.5.5994>
- Cherkos, T., Zegeye, M., Tilahun, S., & Avvari, M. (2018). Examining significant factors in micro and small enterprises performance: case study in Amhara region, Ethiopia. *Journal of Industrial Engineering International*, 14(2), 227–239. <https://doi.org/10.1007/s40092-017-0221-y>
- Dinh, H. T., Mavridis, D. A., & Nguyen, H. B. (2010). The Binding Constraint on the Growth of Firms in Developing Countries. In *Policy Research Working Paper 5485. World Bank, Washington, DC*. https://doi.org/10.1596/9780821396322_ch04
- Drbie, M., & Tilaye, M. B. A. (2013). *Deterrents to the Success of Micro and Small Enterprises in*. 5(2), 1–34.
- FDRE. (2016). *Federal Democratic Republic of Ethiopia Volume I : Growth and Transformation Plan II (GTP II) (2015/16-2019/20) Volume*. Retrieved from <https://ethiopia.un.org/en/15231-growth-and-transformation-plan-ii>
- Fowowe, B. (2017). Access to finance and firm performance: Evidence from African countries. *Review of Development Finance*, 7(1), 6–17. <https://doi.org/10.1016/j.rdf.2017.01.006>
- Gebreeyesus, M., Ambachew, A., Getahun, T., Assefa, B., Abebe, G., Hassen, S., & Medhin, H. (2018). *Main Features of Micro and Small Manufacturing Enterprises in Ethiopia*.
- ILO. (2010). Full Report - World of Work Report 2010: From one crisis to the next? In *World of Work Report* (Vol. 2010). <https://doi.org/10.1002/wow3.19>
- ILO. (2019a). *Time to Act for SDG 8 : Integrating Decent Work, Sustained Growth and Environmental Integrity*.
- ILO. (2019b). *World employment social employment social: trends 2019*. Retrieved from http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_615594.pdf
- ITC. (2016). *SME COMPETITIVENESS IN GHANA ALLIANCES FOR ACTION In collaboration*



with.

- ITC. (2017). *Promoting SME competitiveness in Hungary: Strengthening the capacities of SMEs for inclusive economic growth*.
- ITC. (2018). Ethiopia: Company Perspectives – An ITC Series on Non-Tariff Measures. ITC, Geneva. *Intelligence*, 79.
- ITC. (2019). *SME Competitiveness Outlook 2019: Big money for small business Financing the Sustainable Development Goals*. ITC, Geneva. Retrieved from <http://www.intracen.org>
- Jalata, G. G. (2014). Challenges and Opportunities of Youth in Africa. *US-China Foreign Language*, 12(6), 537–542. <https://doi.org/10.17265/1539-8080/2014.06.009>
- NBE. (2016). National Bank of Ethiopia Annual Report. In *Nbe*. Retrieved from www.nbe.gov.et
- United Nations. (2018a). *Transforming ethiopia together*.
- United Nations. (2018b). *World Youth Report: Youth and the 2030 Agenda for Sustainable Development*. Retrieved from <https://www.un.org/development/desa/youth/wp-content/uploads/sites/21/2018/12/WorldYouthReport-2030Agenda.pdf>
- United Nations. (2019). progress towards the Sustainable Development Goals. In *A Concise Encyclopedia of the United Nations* (Vol. 07404). <https://doi.org/10.1163/ej.9789004180048.i-962.115>
- United Nations Development Programme. (2018). *National Human Development Report: Industrialization with a Human Face*.
- Worku, I., & Yifredew, S. (2017). *The major bottlenecks of micro and small scale enterprises' Universite Laval growth in Ethiopia: An econometric analysis*.
- World Bank. (2019a). Promoting rapid economic growth and improving service delivery. Retrieved from <https://www.worldbank.org/en/country/ethiopia/overview>
- World Bank. (2019b). Small and Medium Enterprise Finance. Retrieved from <http://www.worldbank.org/en/topic/smefinance>
- World Bank. (2019c). The 2019 year in data. Retrieved from <https://www.worldbank.org/en/news/feature/2019/12/20/year-in-review-2019-in-charts>
- World Economic Forum. (2015). *Disrupting Unemployment Business - led Solutions for Action*.
- Zeru Fantaw, Anne Bitga, & J. B. (2018). *Usaid/Ethiopia Cross-Sectoral Youth Assessment Situational Analysis* (Vol. 1).

CONTACT ADDRESS

BETGILU OSHORA PhD

Faculty of Economics and Social Sciences, SzentIstván University 1 Páter K. Str., Gödöllő, 2100, Hungary
e-mail: betgilu2002@gmail.com

Dr. habil. Róbert MAGDA

Faculty of Economics and Social Sciences, SzentIstván University 1 Páter K. Str., Gödöllő, 2100, Hungary
e-mail: rmagda72@gmail.com

RECENZIA TEXTOV V ZBORNÍKU

Recenzované dvomi recenzentmi, členmi vedeckej rady konferencie. Za textovú a jazykovú úpravu príspevku zodpovedajú autori.

REVIEW TEXT IN THE CONFERENCE PROCEEDINGS

Contributions published in proceedings were reviewed by two members of scientific committee of the conference. For text editing and linguistic contribution corresponding authors.