Research Square

Preprints are preliminary reports that have not undergone peer review.
They should not be considered conclusive, used to inform clinical practice,
or referenced by the media as validated information.

Governing Urban Microenterprises: Policy Implementation Realities in an Ethiopian Secondary City

Tassew Asfaw Woldemedihin

tassewasfaw@dbu.edu.et

Debre Berhan University

Research Article

Keywords: Policy Mismatch, Policy Implementation, Public Administration, Institutional Capacity, Youth Cooperatives, Southern Ethiopia

Posted Date: November 12th, 2026

DOI: https://doi.org/10.21203/rs.3.rs-11196254/v1

License: This work is licensed under a Creative Commons Attribution 4.0 International License.
Read Full License

Additional Declarations: No competing interests reported.

Abstract

This research paper analyses the structural misalignment between top-down public policy framework for macro-level and local implementation at the micro level within the youth micro and small-scale enterprises (MSEs) in southern Ethiopia. Using a concurrent triangulation methodology, this study analyzes the bottlenecks at the operational and administrative level of 252 cooperatively owned youth MSEs in three highly congested urban sectors of Hawassa. The results indicate that despite the strong legal frameworks (Council of Ministers Regulation No. 201/2011) and large scale capital injection from the government, there is an institutional capacity deficiency in the local administration structures. Specifically, the frontline administrative institutions lack more than 10 out of the requisite 20 personnel for developing skills in the sector. In addition to the limited human resource capacity and inadequate multi-agency alignment and monitoring after capital financing, the problem has led to significant market imbalances, space plots remaining vacant and the capital being used in unproductive sectors. The logistics for deploying the group during security threats in the field increase costs. This research directly addresses the theory of public policy implementation as it shifts attention from measuring success through arbitrary credit metrics to local administrative implementation capabilities.

1. Introduction

In rapidly urbanizing Sub-Saharan Africa, modern public policy strategies now view micro and small scale enterprises (MSEs) as critical instruments through which expanding youth unemployment, urban poverty, and private sector development could be effectively addressed (Abraha & Gebre, 2025; World Bank, 2017). In Ethiopia, such policy trend is the very heart of socioeconomic planning. To ensure a systematic reduction of barriers of entry for the emerging youth demographics, the federal government has shifted its policy approach from its first national strategy for MSEs launched in 1997 to the revolutionary Micro and Small Enterprises Development Council of Ministers Regulation No. 201/2011 (Federal Democratic Republic of Ethiopia, 2011). Regulation 201/2011 defined enterprise levels with an absolute clarity through capital ceiling and employment threshold - with micro enterprise cap of 50,000 Birr for services and 100,000 Birr for industrial activities and small enterprises capped at 500,000 Birr and 1.5 million Birr respectively.

In order to achieve the statutory blueprint, the country has put in place significant supply-side interventions which include a historic $300 million capital injection specifically targeted at youth revolving funds (World Bank, 2017). Despite all the regulatory efforts and funding, however, a striking paradox prevails in that the survival and productivity levels of youth MSEs remain well below global standards (Abraha & Gebre, 2025; Woldehanna et al., 2018). While macro-level approaches consistently focus on credit expansion and target numbers for enterprises created, the local administrative bodies which should be responsible for implementing these policies are often neglected (Andrews et al., 2017).

In this paper, we will explore the gap between policy design and local administration in respect of youth MSE operators in Southern Ethiopia. Specifically, we seek to understand an important question of public

policy: what happens when enterprise generation and financial mobilisation outpace institutional capabilities of local authorities?

The study uses the notion of a structural implementation mismatch to analyze the observed gap between the official policy positions and the realities of grassroots enterprise development. In contrast to the interpretation of poor enterprise performance as a consequence of motivational/managerial deficiencies of an individual, the study investigates how the personnel structure, coordination, monitoring, and timing of assistance influence the environment of youth enterprises. The empirical findings obtained from 252 general managers are linked with the existing public administration theory related to the organizational capacity and decoupling (Andrews et al., 2017; Meyer & Rowan, 1977).

2. Policy and Analytical Framework

2.1. From Policy Design to Implementation Capability

The effectiveness of micro-enterprise policy rests upon the administrative capability of frontline bureaus (Andrews et al., 2017). New Institutionalism theory stresses the importance of the capability and legitimacy of local institutions in ensuring the effectiveness of the relevant regulatory tool. If there is a substantial difference between the design of the institutions and the capability of implementing the relevant policies at the local level, then "decoupling" happens and operational distortions occur (Meyer & Rowan, 1977).

Regarding enterprise policy, the implementation capability has at least four aspects: appropriate staffing; horizontal coordination between organizations; information systems; and discretionary capacity to customize standard interventions according to local market context (Andrews et al., 2017). Weakness in any of these areas will undermine the effectiveness of other areas. For instance, a credit programme cannot be used instead of land allocation, technical assistance, market linkages, and post-intervention monitoring since all of them complement each other (Andrews et al., 2017). In the current policy framework in Ethiopia, coordination and targeted service delivery are becoming increasingly important as enterprise development problems, including through efforts aimed at manufacturing firms and exports (Ethiopian Enterprise Development, 2025).

2.2. Cooperative Ownership and the Survivalist Enterprise Context

Cooperative organization may reduce entry barriers through economies in labor, information, risk, and even scarce capital. However, collective ownership also means governance needs (Ruben & Heras, 2012). Groups need clear rules, managerial responsibility, conflict resolution, and record keeping (Ruben & Heras, 2012). In settings of inadequately staffed institutions for external support, cooperative businesses will experience not only the pressures of regular market but also the problem of collective action (Ruben & Heras, 2012). The policy implication here is that cooperative ownership does not mean

inherent inefficiency; what is needed is proper matching of ownership structure and support system to the governance needs of the enterprise (Ruben & Heras, 2012).

Another important distinction is the difference between opportunity-based and necessity-based entrepreneurship (World Bank, 2017). Businesses founded to avoid unemployment or immediate poverty may have shorter horizons and poorer asset base compared to those founded in response to market opportunities (World Bank, 2017). They would therefore need greater assistance in the initial stage, especially where credit, facilities, infrastructure, and information about markets are lacking (World Bank, 2017). This understanding explains why just counting numbers of formally registered enterprises may overestimate productivity generated by an enterprise programme (World Bank, 2017).

2.3. Analytical Proposition

This study is based on the assertion that the success of youth enterprises is dependent on the match between the input policies and implementation capacity locally. In case there is a mismatch where the creation of enterprises and provision of finance go beyond what the capacity for staffing, coordination and supervision can sustain, four possibilities emerge: (i) concentration of the youths in sectors requiring low barriers to entry; (ii) delay in accessing the complementary resources such as land and workspaces; (iii) poor supervision after the provision of financing and (iv) mismatch between the approved business plans and actual activities of the enterprise (Andrews et al., 2017; Meyer & Rowan, 1977).

3. Materials and Methods

3.1. Study Design and Setting

A concurrent triangulation mixed-methods design approach was used in the study (Creswell & Plano Clark, 2011). Data was gathered through qualitative and quantitative techniques and combined for the analysis of enterprise attributes and constraints (Creswell & Plano Clark, 2011). The study took place in Hawassa City with a special focus on three sub-cities: Hayk Dar, Menakerya and Misrak, which had a considerable number of youth enterprises in Southern Ethiopia during the time of the study.

3.2. Population, Sample and Participants

For the quantitative sample frame, active registration records from the Food Security and Entrepreneurship Office in Hawassa City were utilized to define a total population of $N = 638$ active youth MSEs from the five sectors: manufacturing, construction, urban agriculture, services and small-scale trade. Using Yamane's (1967) formula with 5% margin of error and precision level of $e = 0.05$, the number of samples was estimated to be about 246.

In order to maintain statistical strength, the sample size was extended up to 252 youth enterprise general managers. Stratified random sampling with proportional allocation method was applied in distributing samples among different sub-cities and strata as outlined in Table 1.

Table 1
Total Population and Sectorial Strata Proportional Allocation Profile.

Sub-City	Sector Component	Total Population (N)	Sample Allocation (n)
Hayk Dar	Manufacturing	30	12
	Construction	20	8
	Urban Agriculture	5	5
	Service	58	23
	Small-Scale Trade	28	11
Menakerya	Manufacturing	67	26
	Construction	84	33
	Urban Agriculture	0	0
	Service	70	27
	Small-Scale Trade	33	13
Misrak	Manufacturing	41	16
	Construction	39	16
	Urban Agriculture	2	2
	Service	143	55
	Small-Scale Trade	13	5
Total Cluster		**638**	**252 (100%)**

Source

Consolidated by the author from Hawassa City Food Security and Entrepreneurship Office registration records (2025)

The qualitative element involved criterion-based purposive sampling. It involved 12 heads of finance and sales from the more established MSEs, two food security and entrepreneurship officers at the city level, and non-participant observation in 12 industrial production sheds. The idea was to establish implementation and contextual factors that could not be established using survey distributions alone (Creswell & Plano Clark, 2011).

3.3. Data Collection and Analysis

Structured questionnaires were administered to enterprise managers. Interviews were conducted on institutional staffing and coordination, land/workspace availability, finance, monitoring, and enterprise

support. Observation was used to validate self-reports of operational circumstances (Creswell & Plano Clark, 2011).

In addition, data collection was tailored towards addressing clearly identified operational challenges. Getting accurate answers on regulation performance meant a thorough multiple round process, with researchers doing an average of 2 to 3 follow-up visits to each participant. In addition, as security conditions changed in the peripheral urban zones, the approach to fieldwork had to be adjusted through researcher teams, whereby investigators worked in coordinated teams of 2 to 3 researchers. While this tactic ensured the safety of the researchers and confidentiality of the data collected, it limited fieldwork deployments.

Quantitative data was analyzed using descriptive statistics in SPSS, while qualitative data was analyzed thematically by coding and comparing across the accounts of the enterprise and official (Braun & Clarke, 2006). Integration of the approaches was achieved during the process of interpretation where the statistical patterns and the qualitative explanations were compared (Creswell & Plano Clark, 2011). The study does not include the causal identification; hence the results are presented as descriptive and explanatory evidence and not as the estimate of the causal effect of the instrument in question.

4. Results and Institutional Discussion

4.1. Ownership and Sectorial Concentration

These surveyed enterprises had a high concentration in cooperative forms of ownership, with 88.10% being cooperative in form while the remainder of 11.90% consisted of private enterprises. By sector, there was a concentration of 54.37% in the services sector, 26.59% in small-scale trading, and 16.67% in manufacturing, with construction and urban agriculture forming only 2.37% of total youth enterprise participation as shown in Fig. 1. This trend shows that youth enterprises were largely concentrated in sectors requiring low overheads and not necessarily requiring much capital.

This sectorial composition does not imply that services and trade are inherently unproductive sectors. Instead, it highlights the way entrepreneurs adapt to the opportunity structures facing them (World Bank, 2017). In locations where land, equipment, expertise, and good market connections are hard to secure, low barriers-to-entry businesses emerge as a natural decision (Abraha & Gebre, 2025; World Bank, 2017). This makes up the composition of enterprises that serves as an indirect indicator of the tough circumstances of enterprise creation.

4.2. Motivation for Enterprise Participation

Motivation profiles of the entrepreneurs have confirmed this mismatch. The top reasons for entering business were escape from structural unemployment (34.13%), alleviation of household poverty (33.33%), and earning money to ensure short-term survival (30.95%) as indicated in Fig. 2. Such distribution suggests a significant presence of survivalist motivation in participation in enterprises. This

is very significant in terms of policy relevance, given that necessity-driven enterprises come to program with less resources and planning time. Therefore, they are more vulnerable to delay in land assignment, infrastructural development, technical assistance and market accessibility (World Bank, 2017).

4.3. Institutional Staffing and Implementation Capability

Qualitative field monitoring and institutional analysis of organizational structures in targeted sub-cities show that local staffing capability is a very serious structural constraint which undermines policy implementation process. Manuals from the Federal Micro and Small Enterprises Development Agency prescribe a certain organizational structure for enterprise support center, where each localized enterprise support center should have at least 20 multidisciplinary staff members in order to provide comprehensive technical support, which includes business strategy, accounting and auditing, market linkage, and technical engineering assistants as indicated in Table 2.

Table 2
Workspace Shed Allocation and Infrastructure Inefficiencies.

Cooperative Enterprise Status	Total Sector Count (n = 252)	Percentage Share (%)	Core Institutional Barrier Vector
Shed Inefficiency / Locked in Litigation	114	45%	Complete lack of cross-bureau data tracking
Acute Spatial Scarcity / No Shed Assigned	96	38%	Delays in infrastructure development loops
Shed Assigned and Operationally Active	42	17%	Balanced administrative processing alignment

Source

Consolidated by the author from Hawassa City Food Security and Entrepreneurship Office registration records (2025)

However, empirical evidence from the offices of Hayk Dar, Menakerya, and Misrak sub-cities indicates the very serious administrative problem – these local enterprise support centers have very few staff members (less than 10 people per office). The reasons for this capability constraint are threefold:

First, the restriction of financial means and tight budget constraints placed upon municipal administrations by higher regional and national levels prevent municipal centers from providing attractive salary packages for professionals. Representatives of the city-level food security and entrepreneurship bureaus have explicitly stated that financial arrangements allotted to municipal centers do not account for the market value of professionals. Financial limitations inevitably result in a very high turnover of qualified professionals. Skilled business advisors, financial accountants, and technical coaches often move from municipal government offices to more lucrative employment in private or non-governmental organizations.

Second, an extremely low number of personnel is further complicated by fragmentation in the institutions which deliver complementary services to young people. Interviews with twelve finance and sales directors of operating MSEs showed that personnel spends too much time on bureaucratic procedures related to working with paperwork from urban land development bureaus and microfinance institutions rather than carrying out field supervision.

The findings clearly illustrate that local staffing is not simply an administrative input, but a transmission system through which policies influence enterprise viability (Andrews et al., 2017). Development centers that are understaffed have low numbers of visits made by the local authorities to these enterprises, poor business information exchange and low ability for coordination of transactions on the municipal agencies' side. There is a chain in which the deficiency in one of the functions results in delays, poor monitoring and coordination throughout the entire local enterprise network (Andrews et al., 2017).

4.4. Problems with Coordination and Imbalance in Complementary Resources

The respondents and official sources cited substantial delays in receiving appropriate workplaces. Manufacturing enterprises were especially vulnerable to this problem, since they needed premises and other facilities that could not be substituted using household or any other type of temporary workplace. Disjointed coordination between land administration, enterprise development, financial and trading organizations led to additional procedures when moving from the stage of enterprise registration to productive operation as shown in Table 3.

It is simply not within the capacity of the local offices to have the specialized personnel needed to unlock the zoning gridlock, survey the urban industrial lands, and move youth units from crowded temporary stands into manufacturing factories. The same is also being noted in recent policy discussions in Ethiopia regarding the challenges that manufacturing firms face; more importantly, the need for more responsive service delivery (Ethiopian Enterprise Development, 2025). Thus, the Southern Ethiopia experience highlights a development-policy challenge in that funding and registration alone will not suffice if enterprises do not have the physical assets needed for actual production.

Table 3
Capital Utilization Profile and Credit Diversion Rates.

Primary Target Stream	Initial Intended Use	Actual Documented Allocation	Primary Market Imbalance Saturated Sector
Productive Infrastructure	100%	42%	Machinery, specialized tool extensions, asset expansion
Non-Productive Diversion	0%	58%	Short-term consumption, debt repayment loops, urban services

Source

Consolidated by the author from Hawassa City Food Security and Entrepreneurship Office registration records (2025)

4.5. Post-Financing Supervision and Deviation from Business Plans

In addition to registration and asset allocation challenges, this paper also found post-financing supervision challenges that expose cooperatives to operational vulnerability. From quantitative schedules and qualitative key informants' accounts, the post-financing phase is characterized by the deviation of subsidized or revolving credit finances from the approved business plan (see Table 4). This is because there are less than ten frontline officers supervising hundreds of cooperatives' files.

First, a sizable share of the diverted money is channeled to consumption shifting. The young business owners suffer lengthy delays in gaining proper access to suitable work premises and local market saturation. Thus, they are forced to spend the enterprise setup credit on the acquisition of unproductive furniture, paying for urgent medical expenses, and acquiring other personal items.

Table 4
Logistical Operational Constraints and Field Verification Frictions.

Operational Metric	Standard Baseline Pipeline	Security Deployment Protocol Loop	Systemic Implementation Backlog
Field Verification Cycle	30 Days	90 Days	+ 200% Administrative Processing Lag
Deployment Mechanism	Individual Officer Audit	Coordinated Multi-Agency Escort Group	Escalated Transportation Overhead Matrix

Source

Consolidated by the author from Hawassa City Food Security and Entrepreneurship Office registration records (2025)

Second, the absence of the site audit facilitates informal arbitrage and contraband speculation. During several interviews, the enterprise finance managers admitted that the money diverted was invested into high-risk parallel trade networks (contraband) to earn some quick money. These informal ventures ended up in the sudden defaults when the goods were seized by the police authorities, and the young business organizations became insolvent.

Third, there are instances of complete pre-operational immobilization of a considerable share of the youth cooperatives. This group of businesses was completely inactive, keeping their credit untouched because the municipal offices did not provide the required premises and other market complements to them.

Thus, the results clearly show that divergence from plans should not be viewed as a moral failure or as an opportunistic behavior of youth entrepreneurs. In the context of low levels of administrative monitoring and delays in supplying complementary inputs, adaptation of financing to other uses is merely a survival mechanism. Thus, effective development policy needs both accountability and realistic sequencing of financing with appropriate infrastructure conditions (Andrews et al., 2017).

5. Discussion: Institutional Implementation Gap

The empirical results lend strong support to the main argument that youth enterprise policy can cause a very serious institutional implementation gap where national ambitions greatly exceed the local capacity to deliver (Andrews et al., 2017; Meyer & Rowan, 1977). The dominance of cooperatives, strong service and trade orientation, survival motivations, extremely tight staffing, structural coordination challenges, and weak follow-ups after financing in southern Ethiopia make up a very integrated picture. This is not to say that national policy has no effect or that financing should be cut off. On the contrary, the returns to financing are contingent on other conditions.

This resonates well with emerging evidence on Ethiopian enterprises that the performance of enterprises depends on a wide range of organizational and institutional factors rather than a particular factor (Abraha & Gebre, 2025). This interpretation is also coherent with development financing practice, which has evolved into a combination of access to financial resources and other services, as well as development of the entrepreneurship environment. The main contribution of the current study is its analysis of structural complementarities at the local implementation level where local capacity serves as the transmission mechanism between top-down policy and bottom-up outcomes (Andrews et al., 2017).

Policy-wise, this means adopting an enterprise capability approach. In such an approach, the measure of success is not the sheer number of registered enterprises or financial resources disbursed but whether enterprises develop a sustainable set of capabilities, including proper location, technical and managerial assistance, information and market links, access to finance, and institutional coordination (World Bank, 2017). Local governments should not be seen as passive implementers of top-down programs but rather active providers of complementary services (Andrews et al., 2017).

6. Policy Implications

6.1. Replace Enterprise-Creation Targets with Enterprise-Capability Metrics

A program monitoring approach needs to keep track of the enterprises' capabilities following registration. The key indicators could include the time taken to allocate workspace, the number of business development visits, market linkages, continued functioning, record and financial controls usage, and productive use of the funding. The use of such indicators will be far more informative and realistic when evaluating the effectiveness of the policies.

6.2. Develop a Multidisciplinary Local Implementation Capability

Rather than merely using staffing requirements, municipal and regional administrations need to adopt minimum capacity standards (Andrews et al., 2017). The capacity planning can help identify the core activities that are necessary—such as business development, technical support, accounting, market links, monitoring and coordination—and safeguard them through dedicated budgets, retention, and reasonable caseloads (Andrews et al., 2017). In cases where staffing is not feasible, sharing of technical expertise and use of case management software can ease the work of the understaffed centres.

6.3. Create a Single Enterprise Case-Management and Coordination Mechanism

There is enough evidence for the immediate need for a municipal coordinating mechanism between enterprise development, land management, financing, trade, and related technical organizations. Every enterprise must have a well-documented case from its registration until its workspace, financing, training, markets, and supervision. A common case management process will minimize repetition of documents, delay visibility, and bring clarity in terms of accountability for interdepartmental transitions.

6.4. Coordination of Finance with Confirmed Business Milestones

Finance needs to be coordinated with the assessment of business readiness and post-finance assistance. In cases where businesses require specialized premises and facilities, large-scale disbursements should be coordinated with confirmed access to the necessary production facilities (Andrews et al., 2017). Support with milestones must be combined with accountability and technical mentoring, rather than only punitive supervision (Andrews et al., 2017).

6.5. Differentiate Support for Cooperative and Survival-Oriented Enterprises

The support programs must take into account the structural variances of the organizations. The cooperative businesses will need to be helped not just through normal business training but also in the areas of governance, bookkeeping, and resolution of conflicts (Ruben & Heras, 2012). Organizations that have been started mainly to avoid unemployment will need more rigorous market validation and coaching (World Bank, 2017).

7. Conclusion

This paper examined the structural discrepancy between youth enterprise policy design and local implementation in Southern Ethiopia. According to the findings, the development of enterprises and credit mobilization may exceed the institutional capacity for ensuring the sustainable functioning of

enterprises after their registration. The cooperative dominance, survival motivation, clustering in low entry barriers industries, shortage of staff, lack of coordination, tardiness in provision of additional resources, and poor follow-up after financing are major factors that make up an implementation gap.

It is clear that the primary lesson of public policies is not to increase credits and create enterprises. It is necessary to transform the inputs provided by the government into the capabilities of enterprises through effective institutions (Andrews et al., 2017). Development programs should be considered efficient if they help develop capable enterprises, not in terms of the amount of money or number of enterprises created. In Ethiopia and other African countries, the improvement of municipal implementation capacity and coordination of complementary services can be more profitable than further enlargement of supply side policies.

Declarations

Technical & Policy Disclosures

Funding Statement

This research received no external commercial funding, international development grants, or private corporate sponsorship. The primary empirical data collection, multi-source indicator harmonization, and computing infrastructure configurations were structurally supported through internal institutional resource allocation pools provided by the author's hosting public academic institution, Debre Berhan University, Ethiopia.

Declaration of Competing Interest

The author declares that he has no known competing financial interests, institutional arrangements, or personal relationships that could have appeared to influence or bias the empirical alignments, theoretical modeling, or field observations reported in this article.

Ethics Approval and Consent to Participate

The study was conducted in strict accordance with the Declaration of Helsinki. Formal ethical review, protocol authorization, and primary field tracking clearance were officially granted by the Institutional Review Board (IRB) of Debre Berhan University under the registered protocol reference file code: **DBU/IRB/2026-099**. Informed written consent was obtained from all individual primary research subjects, youth cooperative leadership hubs, and municipal administrative focus persons involved in the study prior to survey execution.

Data Availability Statement

The quantitative survey matrices and qualitative transcripts compiled during this study contain context-specific sub-city registries, localized organizational configurations, and sensitive operational profiles of

youth microenterprises. To preserve participant anonymity and comply with institutional board directives, the raw data files are not publicly deposited. Fully anonymized descriptive indices may be made available from the corresponding author upon reasonable academic request, subject to institutional board approval.

Author Contributions (CRediT Taxonomy Statement)

Tassew Asfaw Woldemedihin is the sole author of this study and independently executed the entire lifecycle of this research. This includes the conceptualization and theoretical design of the study; the acquisition, synthesis, and triangulation of the field literature; the mixed-methods empirical methodology design; the formal acquisition, cleaning, field tracking, and harmonization of the quantitative survey data (252 general managers) and qualitative interview records; the software configuration and descriptive aggregation modeling in SPSS; the formal reference tracking and bibliography synchronization; and the drafting, continuous revision, and final copy-editing of the complete manuscript text. The author takes full human accountability for the content and empirical integrity of this publication.

Use of Artificial Intelligence Disclosure

During manuscript preparation, generative AI was utilized for the purposes of structural style-guide verification, citation synchronization, reference layout alignment, and language editing. The author has thoroughly reviewed and verified the output and takes full human responsibility for all sources, calculations, interpretations, and the final content of this publication. This disclosure complies fully with the journal's automated policy mandates regarding AI-assisted writing tools.

Clinical trial number

not applicable.

References

1. Abraha TG, Gebre HT. Assessment of performance and challenges of small and micro enterprises: Fireweyni town, Ethiopia. PLoS ONE. 2025;20(4):e0320681. https://doi.org/10.1371/journal.pone.0320681.
2. African Development Bank Group. (2024, May 22). *Ethiopia: African Development Fund approves nearly $43 million to boost access to finance and non-financial services for Ethiopian youth and women-led MSMEs* [Press release]. https://www.afdb.org/en/news-and-events/press-releases/ethiopia-african-development-fund-approves-nearly-43-million-boost-access-finance-and-non-financial-services-ethiopian-youth-and-women-led-msmes-71026
3. Andrews M, Pritchett L, Woolcock M. Building state capability: Evidence, analysis, action. Oxford University Press; 2017. https://doi.org/10.1093/acprof:oso/9780198747482.001.0001.
4. Braun V, Clarke V. Using thematic analysis in psychology. Qualitative Res Psychol. 2006;3(2):77–101. https://doi.org/10.1191/1478088706qp063oa.

5. Creswell JW, Plano Clark VL. Designing and conducting mixed methods research. 2nd ed. SAGE; 2011.
6. Ethiopian Enterprise Development. (2025, August 5). *Consultative forum held to address challenges in export operations and service delivery*. https://manuf-sme.gov.et/consultative-forum-held-to-address-challenges-in-export-operations-and-service-delivery/
7. Federal Democratic Republic of Ethiopia. Micro and small enterprises development council of ministers regulation No. 201/2011. Federal Negarit Gazeta; 2011.
8. Meyer JW, Rowan B. Institutionalized organizations: Formal structure as myth and ceremony. Am J Sociol. 1977;83(2):340–63. https://doi.org/10.1086/226550.
9. Ruben R, Heras J. Social capital, governance and performance of Ethiopian coffee cooperatives. Ann Public Cooper Econ. 2012;83(4):463–84. https://doi.org/10.1111/j.1467-8292.2012.00473.x.
10. Woldehanna T, Amha W, Yonis MB. Correlates of business survival: Empirical evidence on youth-owned micro and small enterprises in urban Ethiopia. IZA J Dev Migration. 2018;8., Article 14. https://doi.org/10.1186/s40176-018-0122-x.
11. World Bank. Ethiopia employment and jobs study. World Bank Group; 2017.
12. Yamane T. Elementary sampling theory. Prentice-Hall; 1967.

Figures

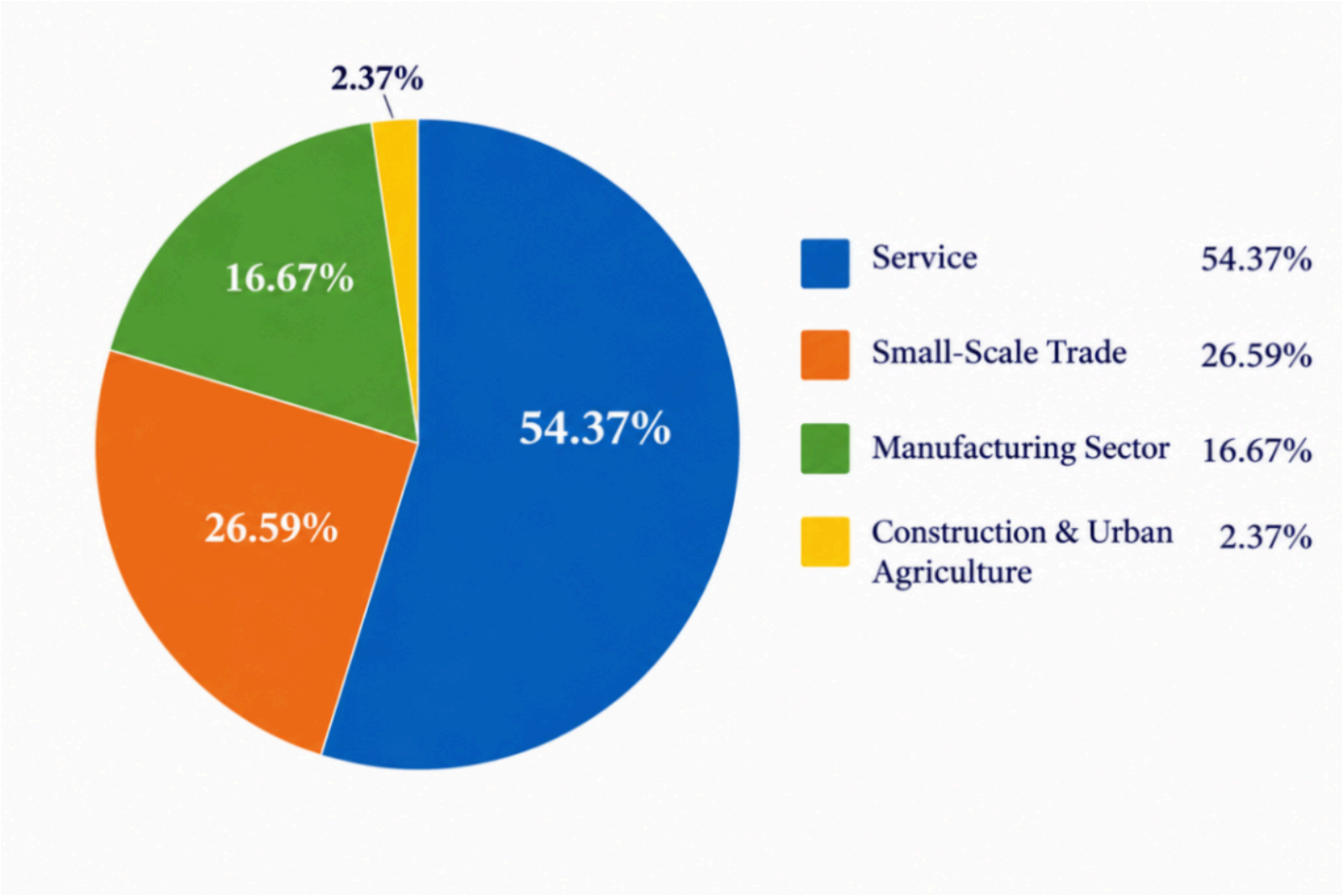


Figure 1

Sectorial Distribution of Tracked Youth MSE Cooperatives

Source: Generated by the author from IBM SPSS descriptive analysis of the 252 general manager questionnaire datasets.

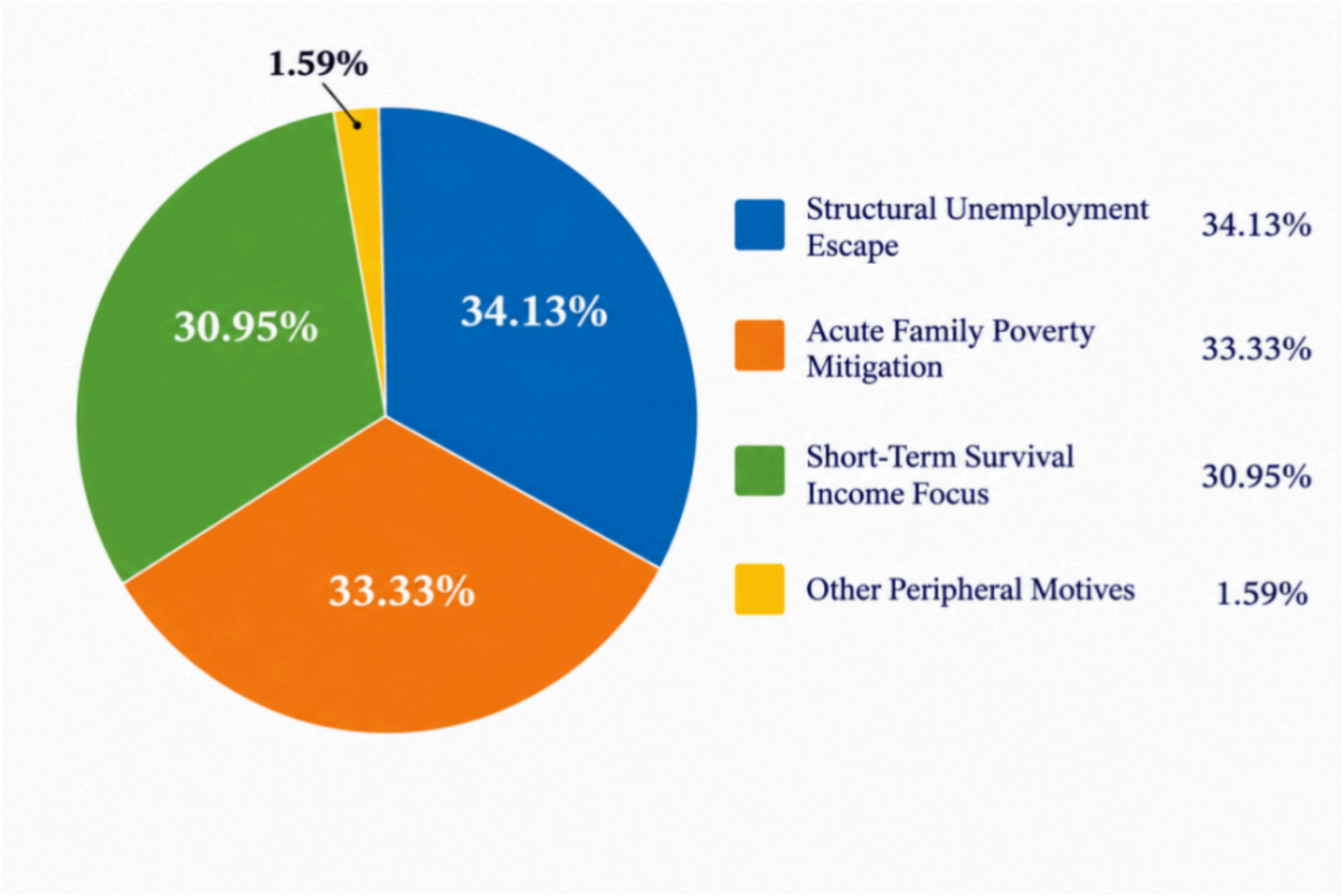


Figure 2

Primary Socioeconomic Motivations for Cooperative Entry

Source: Generated by the author from IBM SPSS descriptive analysis of the 252 general manager questionnaire datasets.