



ADAMA SCIENCE AND TECHNOLOGY UNIVERSITY
SCHOOL OF CIVIL ENGINEERING AND
ARCHITECTURE
DEPARTMENT OF CONSTRUCTION TECHNOLOGY AND
MANAGEMENT

***Problems and challenge of micro and small enterprises of sub contractors in
Addis Ababa integrated housing development program***

**A Thesis Submitted to the School of Graduate Studies of Adama science and technology
university in Partial Fulfillment of the Requirement for the Degree of Master of Science
In Construction Management**

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Adama, Ethiopia
April, 2017

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ABSTRACT

This research explores the problems and challenge of Micro and Small enterprises of sub-contractor in Addis Ababa integrated house development program. The main objective of this research is to present assessment report regarding the problems and challenge of sub-contractors that established under micro and small enterprise in the construction of condominium houses. Some of the challenges are Problem in Lack collaborative working atmosphere, Lack of relationship between members, Lack communication with project stakeholder, financing problems, lack experience and management skills, lack of ethics in contract bidding and administration, Lack capacity building schemes. The analysis was based on primary and secondary data collected through questionnaires and review archive document from the micro and small enterprises sub-contractor, consultant, main contractor and government officials. A questionnaire instrument containing these problems and challenges was sent out to MSEs in Nifas silik laft sub-city condominium construction project, and 79 completed questionnaires were retrieved. The participants were selected using a combination of purposive, stratified and simple random sampling methods. To this end, a descriptive research design is apply that involved quantitative and qualitative methods. The main activities in the research design are core problem identification, research objective to tackle the problem, operationalize the variables through intensive literature review, identify population, data collection and data analysis and conclude the research. The selected project site is “Nifas silk lafto ” sub-city because of on-going project where construction is still undertaking. Finally based on the findings the researcher recommends that special attention need to be given to MSEs in order to improve their performance. In addition, the whole construction management process should be improved then cooperation between stakeholders, strict inspection of construction materials and inspection of works executed should be practiced.

Key words: MSEs, AAIHDP, problems and challenges

ACRONYMS AND ABBREVIATIONS

AAIHDP	Addis Ababa Integrated Housing Development Project
BC	Building contractor
CSA	Central Statistical Authority
ETB	Ethiopia birr
EC	Ethiopia calendar
EU	European union
FDRE	Federal Democratic Republic of Ethiopia
FeMSEDA	Federal Micro and Small Enterprises Development Agency
GC	General Contactor
GNP	Gross National Product
GDP	Gross Domestic Product
GTP	Growth and Transformation Plan
GIS	Geographical Information System
GB	Giga bty
HCB	Hollow concrete block
ILO	International labor organization
MFI	
MOUDC	Ministry of Urban Development and Construction
MOWUD	Ministry of Works and Urban Development
MOFED	Ministry of Finance and Economic Development
MSEs	Micro and Small Enterprises
NGO	Non-Governmental Organization
ReMSEDA	Regional Micro and Small Enterprises Development Agency
SMEs	Small and micro enterprises
SMMEs	Small micro and medium enterprises
SPSS	Statistical package for the social sciences
TVET	Technical Vocational Education Training
USA	United States of America
USD	United states of dollar
UN	United States

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CHAPTER ONE

1. INTRODUCTION

1.1. Background of study

Ethiopia is one of the fast urbanizing countries in the world and Addis Ababa, its capital city, population estimated 3,470,000 that accommodate about 26% of the nation's urban population (MoWUD, 2008). The city has been facing various problems which include insufficient and sub-standard infrastructure provisions, insufficient public facilities, acute shortage and deteriorations of houses, poor sanitation, and unemployment (FEDB, 2010). the national urban planning institute is responsible for repairing physical urban development plans, the housing development bureau works towards the implementation of the IHDP (Integrated Housing Development Program) including MSE (Micro and Small-Scale Enterprise) development program (MITIKU, 2015).

Since 2005 Ethiopia has been implementing an ambitious government-led low- and middle-income housing program: The Integrated Housing Development Program (IHDP) About 120,000 new residents are added to the city every year. The initial goal of the program was to construct 400,000 condominium units, create 200,000 jobs, promote the development of 10,000 micro - and small - enterprises, enhance the capacity of the construction sector, regenerate inner city slum areas, and promote home ownership for low income households. As the five-year program nears completion, documentation of the program is timely. (UN-HABITAT, 2011)

The Ethiopian government has given priority to micro and small-scale industries which have a significant contribution to the development of the country. micro and small scale enterprises agency of Addis Ababa was established with the mission of

reducing unemployment through organizing, creating conducive environment and strengthening micro and small scale enterprise operators. The main focus areas of these enterprises are textile and garment, wood and metal works food processing, construction and other municipal activities. These areas are assumed to have good potential in the creation of new jobs. (FEDB, 2010)

Many researchers have been conducted plenty kinds of issues on micro and small enterprise on different sectors indeed. But, this research will try to address the problems and challenge of micro and small enterprise in construction sectors which involved in Addis Ababa integrated housing development program. Problem in collaborative working atmosphere, lack of construction management practice, lack of quality control practice, lack of strict supervision, lack of testing mechanism, lack of technical and managerial knowhow, lack of equipment support are some of the constraints (gemedda, september 2012). This research is therefore designed to examine the problem and challenges of MSE in construction sector of Addis Ababa integrated housing development program.

1.2. Statement of problem

In Ethiopia, MSEs are the second largest employment generating sector next to agriculture. A National survey conducted by Central Statistics Agency (CSA) in 2007 indicates that more than 1.3 million people in the country are engaged in different MSEs sector. Moreover, the reviewed studies with regard to the sector has shown many problems and challenge are investigated. the study conducted by Workneh (2007) with the objective of analyzing factors that hinder the performance of MSEs found that lack of capital, lack of markets, bureaucratic regulatory requirement, problem of business development services and inappropriate locations are still major problems of the sector.

Apart from these, there are inherent problems which affect long term survival and business performance of MSEs due to lack of financial resources, management experience, poor location, poor infrastructure, low demand for products or services, corruption and shortage of raw materials (Akabueze, 2002). From the above mentioned studies, the researcher came up with finding that it is possible to understand MSEs has problems in general.

However, the studies are failed to investigate how MSEs sub-contractors are face problems in construction sectors of Addis Ababa IHDP are not yet study very well. But in some Africa country in Burkina Faso the study conducted by Tokuori, (2010) is attempt to address constraints: lake of qualified engineers and construction related equipment's; high factor costs affecting the business operation; difficulties of start in up a business; highly bureaucratic tender process; delay of payment requirement of unofficial payment are some of them. Thus, this study tries to examine the problems and challenge of MSEs on sub-contractor in Addis Ababa condominium housing construction.

1.3. Research questions

Therefore, the purpose of this study was to analyze the typical problems and challenges of MSE's in construction sectors in selected condominium houses site. In particular, the study was initiated to address the following basic research questions:

- A) What are the major problems confronting with MSEs sub-contractor during the participation of condominium construction?
- B) What kind measures do concerned government bodies to mitigate the problems and challenge that occurred in condominium housing Construction sites?

1.4. Objective of the study

1.4.1. General objective

The overall objective of the study is to assess the *Problems and challenge of micro and small enterprises of construction sectors in Addis Ababa housing development program* particularly on *sub-contractor*

1.4.2. Specific objective

The specific objectives of the survey are to:

- Identify the major problems and challenges facing the MSEs in the sub-contractor sectors of Addis Ababa condominium houses.
- Forward possible recommendations that would help improve major problems and facing the sub-contracting MSEs.

1.5. Significance of the study

The study is believed to have number of significances. Principally, it addresses and enlightens problems and challenges of micros and small enterprises that facing in condominium housing construction projects. It contributes to the efforts of Addis Ababa integrated housing program agency being made towards improving the involvements of MSEs in condominium construction.

Thus, after the study is successfully accomplished, it would obtain valuable significance for construction industries. Some anticipated benefits are listed as follow

- MSEs are able to identify the major problems and deterrent factor of success so as to sustain in the construction industries.
- Consultant can easily managed the problems and proceed possible solution that may occurred in condominium construction site
- Addis Ababa integrated housing development program agency can use as un input for further designed in the construction sectors development strategies

1.6. Scope/delimitation of the study

The study covers sub-contractor in construction sectors of MSEs with in Addis Ababa condominium construction site. In this research the samples was taken from MSEs with registered under construction sector. The other types of sectors are beyond the scope of the study because of time and finance constraints. The study also included the major stakeholders which are government agencies, consultant and main contractors

It is known that different problems and factors may influence performance of MSEs. However, this paper has delimited only on Lack collaborative working atmosphere,

Lack of relationship between members, Lack communication with project stakeholder, financing problems, lack experience and management skills, lack of ethics in contract bidding and administration, Enterprises benefit, lack capacity building support from Program.

1.7. Limitation of the study

Due the fact that Addis Ababa is a big city, it is practically impossible to address the problems of all housing development programs and sector of enterprise in terms of time and financial costs to cover all MSEs in the whole city. This study focused on the MSEs that involved in the condominium construction program in “**Nifas silk lafto**” sub city, because it is where most MSEs are located and the construction also active.

The study had been facing a number of constraints .Some of the major limitations was unable to cover equally mention challenges of MESs under construction sectors. Moreover, the unavailability of adequate and recent data (archive document), from government agencies and other stockholders ware considered as a major limitation of the study. Also the questionnaire need to translate to local language so as to easily understand by sample population, While doing so sometimes it will too difficult to get the appropriate word in the local language. To transcribe the data collected, it again needed to translate back the questionnaire results to English.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Introduction

According to Dawidowicz (2010:6), a literature review is an examination of scholarly information and research-based information on a specific topic. Its goal is to create a complete, accurate representation of the knowledge and research-based theory available on a topic. Saharan (2008:66-67) describes a literature review as a clear and logical presentation of the relevant research work done thus far in a particular area. The purpose of a literature review is to identify and highlight the important variables and to document the important findings from earlier research that will serve as the theoretical framework for the current investigation. This chapter reviews the existing literature on problems and constraints of MSEs.

2.2. Micro and small enterprise

The importance of Micro and Small Enterprises to the country's development is constantly highlighted in the media and academia. The policies and strategies designed to speed up MSE development should be based on national definition of enterprises as it helps to provide sustainable support and effectiveness of the sector. The supports provided should ensure the beneficiaries of MSE too. The definitions and objectives of MSE are mainly formulated based on five basic issues. These are

- a) To have a framework that able to support MSE independently.
- b) To have institution, that support MSE development, uniform baseline
- c) To have uniform baseline about MSE information.
- d) To evaluate the Impacts, to setup & implement reform frameworks based on the supports given to MSE.

e) To harmonize the national definition of MSE with international definition. Due to lack of uniform definition of MSE across the globe, most countries use and implement based on legal meaning of the sector although there are such initial points/ideas/.

2.2.1. Definition of micro and small enterprises in Ethiopia

In our country two different definitions of MSE are used so far. These are:

- The 1998 definition of MSE development strategy, and
- Definition given by CSA

The 1998 definition of MSE development strategy

The definition given on that time was only based on paid capital or capital investment as most business were confined to family man power basis and lack of availability of manpower information of the sector. Hence the following are identified as short comings/gaps of the 1998 definition.

Table 1: MSE definition from the Ethiopian context in 1998 EC

Sector	Manpower	A paid up capital
Micro enterprise	-----	≤ 20,000 ETB (\$1200)
Small enterprise	-----	≤ 500,000 ETB (\$30000)

Source; Federal Micro and Small Enterprises Development Agency (2011), FEMSEDA

Definition of MSE given by CSA

The CSA (central statistics agency) definition uses employment and favors capital intensive technologies as yardstick. Accordingly,

- a) Cottage and handcraft industry that performs their activities by hand and using manpower driven machines.
- b) Establishment employing less than 10 persons and using motor operated equipment are considered as small scale manufacturing enterprises.

The above definitions given by CSA, however consisted of the following short comings.

- It focuses on manufacturing ignoring other sectors.

- Failure in using size of capital

Due to the absence of uniform definition of the sector, the agency failed in gathering data about cottage and handicraft industries for the last 7 years. Hence the data collected from the MSE and the ongoing strategy and support frameworks become different to analyze and to interpret in scientific ways.

The improved definition of MSE is presented in the following table.

Table 2; CSA definition of MSEs

Level of the enterprise	Sector	Human power	Total asset
Micro enterprise	Industry	≤ 5	$\leq 100,000$ ETB (\$6000 or £4500)
	Service	≤ 5	$\leq 50,000$ ETB (\$3000 or £2200)
Small enterprise	Industry	6-30	$\leq$ birr 1.5 million ETB (\$9000 or £70000)
	Service	6-30	$\leq$ birr 500,000 ETB (\$30000 or £ 23000)

Source; Federal Micro and Small Enterprises Development Agency (2011), FEMSEDA

When ambiguity is encountered between manpower and total assets as explained above, total asset is taken as primary yardstick

2.2.2. Experiences on International definition of MSE

The MSE definition is generally consisted of three basic criteria as to other countries experience. These are:

- a) Full timer employed manpower /head count staff/.
- b) Total asset, net asset and paid capital, and
- c) Annual turnover. .And they use these criteria independently or in combination.

Some countries and international organization use legal entity in addition to the above mentioned criteria. Although most countries definition holds the above mentioned criteria, the countries have various criteria depending on the level of economy. In general the following points indicate experience of other countries.

- a) All countries encompass the micro, small and medium enterprises definition and support framework.
- b) The definition of the sector is viewed from the country's economic status and level of growth.

- c) In most countries definition of the sector is implemented uniformly and it has legal entity.
- d) Manpower, total asset, net asset, paid capital and annual turnover serve as criteria independently or jointly.
- e) In some countries for instance, China , USA ,S. Africa, MSE are divided in to manufacturing, construction, transport, wholesale and retail, and service sectors based on the type of industry.
- f) As to EU, most countries use uniform definition of MSE for all sectors.
- g) Some countries like India, Philips and Tanzania give definition by dividing the MSE in to sectors.
- h) Some countries like Japan and India use by dividing MSE in manufacturing and service.
- i) As to EU, countries make improvement of the definition considering inflation and productivity level

2.2.3. The MSE Main sectors and sub-sectors in Ethiopia

Interested enterprises those to be engaged in the above sectors should be registered on the national trade and registration basis. In order to achieve objectives of the strategy and the 5 years GTP special attention will be given to manufacturing sector, construction sector, trade and other services and agriculture sub-sector that can create job opportunity.

Table 3: MSEs main sectors and sub-sectors that focus area in Ethiopia

s.no	Sectors	Sub- sectors
1	Manufacturing	▪ Textile and garment ▪ Leather and leather products. ▪ Food processing and beverage ▪ Metal works and engineering ▪ Wood works including furniture and ornaments service ▪ Agro-processing
2	Construction	▪ Sub-contracting ▪ Building materials ▪ Traditional mining works ▪ Cobble stone ▪ Infrastructure sub contract ▪ Prestigious goods
3	Trade	▪ Whole sale of domestic products ▪ Retailer sale of domestic products

4	Service	▪ Raw materials supply ▪ Small and rural transport service ▪ Café and Restaurants ▪ Store service ▪ Tourism service ▪ canning/packing service ▪ Management service ▪ Municipality service ▪ Project engineering service ▪ Product design & development service ▪ Maintenance service ▪ Beauty salon ▪ Electronics software development ▪ Decoration ▪ Internet café
5	Agriculture sector (urban agriculture)	▪ Modern livestock rearing ▪ Bee production ▪ Poultry ▪ Modern forest development ▪ Vegetables and fruits ▪ Modern irrigation ▪ Animal food processing

Source: - FDRE, 2011

2.3. MSEs Problems and constraint

Even though MSE's have important roles in economic development, poverty alleviation, employment opportunity, they are critically challenged by certain impeding factors to sustain within the sector. Currently, there are many internal and external challenges face MSE's in their operations and hinder their growth in Ethiopia (MUDC, 2013). A hard look at various studies has revealed a number of deterrents to the growth and survival of the MSEs. These are summarized as under (FDRE, 2011)

- Lack of access for initial capital/start-up/ to run business, manufacturing and sales center.
- Failure in searching and providing alternatives for MSE to be organized on the basis of their interest as the act of organization is carried out through cooperatives.
- most enterprises exit from business and develop the spirit of despair at start up stage as they have no basic knowledge on book keeping and business skill that help enterprise to manage effectively
- Enterprises have no basic business running skills that help them to run business.

- Lack of consistent and integrated technology and skill that help to enhance and improve productivity, quality and standard.
- Developing sense of rent seeking attitude and failure to run business on legal basis.
- Failure in keeping up productivity and quality of product in order to be competent.
- Lack of knowledge in an international standard products and production system.
- Limitation in technological ability and factors of production that ensure competency in the markets.

2.3.1. Lack of relationship between MSEs members

Meng (2011) identified three types of relationships in construction supply chain: traditionally adversarial, short-term collaboration and long-term collaboration. The second and the third type of relationships are a form of partnering in which short-term collaboration is project partnering focused on a single project and long-term collaboration is strategic partnering focused on multiple projects traditionally adversarial focuses on win-lose, suspicious, withhold and manipulate information, ineffective problem solving and unfair risk allocation (Larson 1997), according to Thomas & Thomas (2005) these leads to selfish objective, lack of trust, poor communication problem escalation and lack of continuous improvement. Thus for successful application of supply chain management, major shift from TAR to collaborative relationship is required (Egan 2002).

Based on the analysis of both the traditional and the collaborative approaches within existing literature, Meng (2011) identified ten key indicators that describe supply chain relationship of a construction. The following are list of relationship indicators together with their definition provided by different authors.

Mutual objective; is shared commitment in which the interest of every party involved will be best served by concentrating on the overall success of the project (Bennett & Jayes 1995; Walter et al 2002).

Gain and pain sharing; is a risk/reward scheme that allows the parties in a construction project to share profits or cost savings and to share losses (risks) due to errors or cost increases (CIOB, 2010; Rahman & Kumaraswamy 2004).

Trust- can be defined as disposition and attitude concerning the willingness to rely upon the actions of or to be vulnerable towards another party with the potential for collaboration (Smyth et al. (2010).

No-blame culture; is a culture in which parties concentrate on finding the best possible solution instead of allocating the blame (Bennett & Peace 2006). Abandoning the blame culture helps to create an opportunity of joint working, communication, effective problem solving, risk allocation, advocate total quality management (TQM) to prevent errors in the construction process (Levitt & Samlson, 1993).

Joint working; is working atmosphere reflected by joint decision making based on a clear understanding of mutual objectives (Chan et al., 2004); joint effort for problem solving (Cheng et al., 2000); and joint effort for continuous improvement (Larson, 1997).

Communication; open communication is effective communication that facilitates the exchange of ideas and visions, which can result in fewer misunderstanding (Cheng et al., 2000) and can avoid failure in project collaborating (Ng et al. 2002). Open communication is characterized by open. The improved communication results in fewer surprises in terms of schedule delays and increased costs, which might otherwise lead to disputes and litigations (Li et al., 2001).

2.3.2. Lack of communication MSEs with project stakeholder

A building project involves several actors such as the client, designers, contractors, project managers and users and each of them have their own role, requirement and objective (Wang & Huang 2006). All of the stakeholders set demands on organization, coordination and communication. If the mentioned stakeholders do not function well, there are often problems like higher costs, delays, low quality and poor function of the final product. The main actors, which carry out a construction project, are engineers, architects and contractors. The process becomes complicated when investors, subcontractors, suppliers of equipment and materials, potential users of facilities, and Government agencies that regulate nearly every step of the process are involved (Moavenzadeh 1987).

Key stakeholders are usually considered responsible for many of the current quality problems or defects that occur in construction building projects. Jha & Lyer (2006) identify that one of the most important factors, which has an indisputable effect on project quality is efficient communication between parties involved in construction projects. Arditi & Gunaydin (1998) also affirm that high quality projects mainly depend on the relationship among the parties involved. Thus, it is concluded that stakeholder incorporation within quality management planning and proceeding would facilitate greatly in solving large numbers of quality problems in building projects.

Therefore, effective relationship among stakeholders and involving stakeholders in planning and practice has immense help in solving quality failure issues (Wang & Huang, 2006). Bubshait (1994) provides a clear interaction between project quality and stakeholder Involvement

2.3.3. Financial problems of MSEs

Access to finance: Lack of financial support on the basis of their business nature, credit amount and time as they have no access to collateral. The problem related to finance includes lack of information on where to source for finance, restrictive lending offered by commercial banks, lack of access to finance, insufficient financing, lack of track record required by the banks, limited access to collateral, and the fact that financial institutions lack appropriate structure for dealing with SMEs (kamunge et al, 2014). MSEs also fail due to a lack of capital. King (2007:15) states “lack of capital is often the most critical challenge that a successful SME faces as its very success creates this and it quickly becomes a vicious circle.” Without cash flow, management and/or raising more capital, including debt, the business is often constrained by capital as it grows.

Inflexible credit terms from suppliers and bank; Cuevas et al. (1993) indicates that access to bank credit by SMEs has been an issue repeatedly raised by numerous studies as a major constraint to industrial growth. A common explanation for the alleged lack of access to bank loan by SMEs is their inability to pledge acceptable

collateral. In South Africa Eeden (2004) found finance as cited as one of the most prominent constrains. The problem related to finance includes lack of information on where to source for finance, restrictive lending offered by commercial banks, lack of access to finance, insufficient financing, lack of track record required by the banks, limited access to collateral, and the fact that financial institutions lack appropriate structure for dealing with SMEs. The Challenges faced by Small and Medium Enterprises in Obtaining Credit in Ghana, was undertaken to highlight the issues facing SMEs in Ghana in their quest to accessing bank credit (loans) from financial institutions (banks & non– banks) to undertake various activities; be it general business operations or carrying out expansion project all in the name of fulfilling the objectives as being job creators and helping to reduce poverty (John Ackah and Sylvester Vuvor,2011).

Late payments by clients; Endalkachew (2008) indicated that SMME contractors suffer from erratic cash flow problems and are often forced to delay or suspend works due to a delay in payment or nonpayment, the government being the main defaulter in this respect. In the case of the labor-based contractor, delayed payment inevitably leads to strikes, unrest and serious disruptions. The issue of delay in payments by the government was identified as a major stumbling block that has impeded the growth of contractor growth. The Bolton Committee (2001:5) adds to the debate by reporting that a small business is vulnerable during a period of “credit squeeze,” when larger enterprises or government bodies could use their greater power to delay payment to small enterprises.

Insufficient profit;

.

2.3.4. Lack of experience and management skills

Lack managerial and other skilled labor, and lack of training: There is lack of knowledge of entrepreneurial and managerial capacity, and marketing experience. Lack of skill leads to problems in production due to the unfamiliarity of workers with

rapid changing technology, lack of coordination of production process, and inability to troubleshoot failures on machinery and/or equipment is a critical problem that MSEs are facing since they cannot afford to employ specialists in the fields of planning, finance and administration, quality control, and those with technical knowledge (Commission on Legal Empowerment of the Poor, 2006). Majority of those who run SMEs are ordinary lot whose educational background is lacking. Hence they may not well be equipped to carry out managerial routines for their enterprises (King& McGrath, 2002).

Management is therefore necessary to enable group or business goals to be accomplished through the functions of planning, staffing, directing, controlling activities, coordination and directing. Personal characteristics of the owner/manager were interpreted by Larson and Clute (1979) as lack of experience among small business managers who happen to be the owners leading to poor performance and consequently to business failure.

Meng and Liang (2007:171) state that after entering the entrepreneurial world, those with higher levels of education are more successful because university education provides them with knowledge and modern managerial skills, making them more conscious of the reality of the business world, and, thus, in a position to use their learning capabilities to manage the business.

Understanding contractual and technical documents

Financial Management: Poor financial management is another factor that contributes to the failure of SMEs. According to Nieman (2006), financial management is a very broad term and entails “planning, organizing, activating and control” and it is an important division of a business. For SMEs in the start-up phase, the two critical areas are the financial needs and control of such funding as well as the accountability of such start-up capital. SMEs within the social welfare context increase their chances of obtaining more funding if they maintain their accountability status. Therefore, accurate record keeping is vital as a task under the organizing function, which can assist in avoiding SME failure. SMEs with

poor financial management often fail due to poor record keeping and for not obtaining more funding to grow their businesses.

2.3.5. Lack of ethics in contract bidding and administration

2.3.6. Lack of ethics in contract bidding and administration

The factors reviewed in this study are summarized in table 3 below. From the factors analyzed in the literature of this study, year of establishment, favorability of the business environment, level of competition, access to raw material, access to tainting and management practice, quality of supporting institutions, financial factors, infrastructural factors, marketing factors, and rules and regulations related factors were tested to see their impact on the performance of MSEs.

Table 3: Summary of the constraint facing MSEs

All constraints	Other countries	Ethiopia
• Lack of access to finance and credit • Lack of clear and pragmatic national policy • Lack of institutional qualities: • Location and working space problems • Lack managerial skill and training: • Lack of sufficient marketing and high competition level • Lack of formal or informal linkages • Lack of good infrastructure Facilitates • Previous business experience and service year • Record keeping • Raw material problems	• Lack of access to finance and credit • Lack of clear and pragmatic national policy • Location and working space problems • Lack managerial skill and training • Lack of sufficient marketing and high competition level • Lack of good infrastructure facilitates • Previous business experience and service year • Record keeping	• Lack of access to finance and credit • Lack of clear and pragmatic national policy • Lack of institutional qualities: • Location and working space problems • Lack managerial skill and training: • Lack of sufficient marketing and high competition level • Lack of formal or informal linkages • Lack of good infrastructure facilitates • Previous business experience and service year • Raw material problems

Source: Author, 2017

2.4. Capacity building program

Government of less developed countries have been supporting for micro and small enterprises through various programs such as credit schemes, entrepreneurship training, technology support etc (Zaid and Torben, 2003).

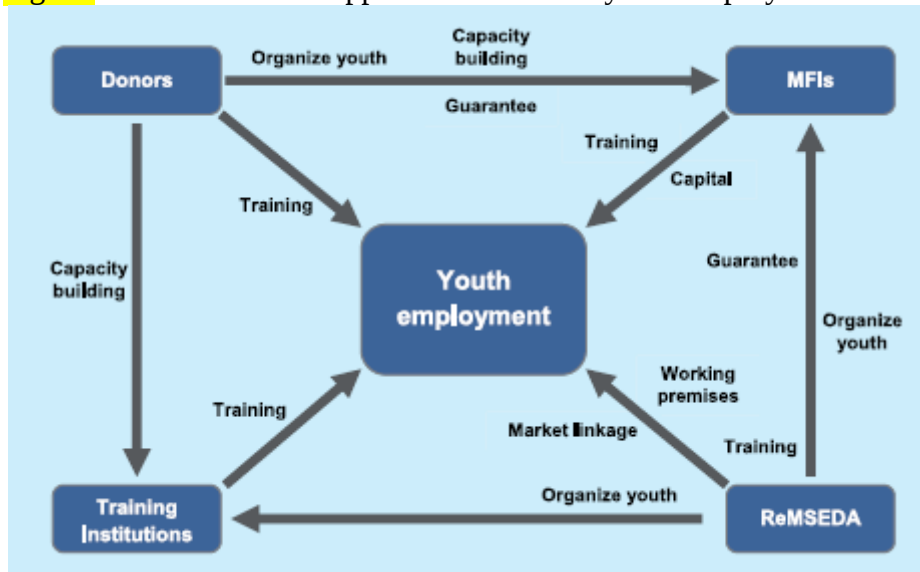
The programs established have to be people focused and satisfy developmental objectives over the creation of physical assets such as socio-economic benefit, which include job creation, entrepreneurial development and increased economic activities (Krooden, Milne & Atkins 1995). Hence, in line with these objectives and in response to the challenge of unemployment, underdevelopment and poverty in developing countries, International Labour Office (ILO) has formulated guidelines, which deals with labour-based contractor development projects.

Most of the MSEs development programs include training and capacity building schemes where the level of the support, depends on the level of the MSEs (Krooden, Milne & Atkins,1995). The Less developed contractor will have broader needs of technical and managerial aspects. Training is a vital part of the development program that should be given immediately before a project starts to enable the MSEs to perform well and be competent. Training is provided either by manpower upgrading programs or NGOs and should focus on technical competence, business and managerial skills and program management (Krooden, Milne & Atkins 1995).

Different countries design different developmental programs depending on their context. In Ethiopia Support Institutions; there are various support institutions, including the government, directly engaged in promoting youth employment and entrepreneurship. Amongst the institutions most concerned with youth employment and entrepreneurship are ReMSEDAs, MFIs, training institutions and donors/NGOs.

Figure * below shows the roles of the various support institutions in youth employment and entrepreneurship (Kellow N. et al.2010).

Figure *. Framework of support institutions in youth employment



Source: Kellow N. et al.2010

2.4.1. Ethiopia's Direct Policy Support to MSE Development

In addition to creating a conducive business environment for MSE growth, Ethiopia extends direct policy support to MSE operators. The direct policy support includes access to markets, access to finance, access to industrial extension, access to training and technological support (Assefa B. et al,2014).

Access to Market; One of the major challenges that hampers the growth and development of MSEs in Ethiopia is access to sufficient and sustainable market. From our consultation meetings with various stakeholders, we identified the following support packages that the government is implementing towards mitigating this challenge. The government tries to solve marketing problems in at least three ways: firstly, the government itself buys goods directly from MSEs. Federal Public Procurement Administration Agency has set a rule that enforces public institutions to

source certain portion of their annual procurement from MSEs. That is, MSEs are given priority in government procurements. Secondly, the government tries to link MSEs with large and medium enterprises in the market in the form of subcontracting and input suppliers. The FEMSEDA has introduced a new directive on franchising, sub-contracting and out-growth linkage with large and medium enterprises. For instance, in condominium housing construction projects, 40% of the construction works mainly involving finishing such as sanitary, electric installation and other finishing works are given to MSEs. In addition, MSEs are involved in the national road construction projects particularly in the construction of feeder roads. Moreover, MSEs are taking part in power generation program that is undertaken by the Ethiopian Power Corporation; and there are similar efforts to involve MSEs in the country's mining sector.

The main challenge with regards to market linkage is that MSEs depend to a great extent on the government to market their products. The government is the largest buyer and market linkage creator for their products. This has Made MSE operators to develop dependency and hence this kind of market linkage cannot be sustainable. MSEs need to gradually shift to market-driven market linkages on their own

Access to Industry Extension; The other area of MSEs promotion and support is provision of industry extension service. This strategy is adapted from Ethiopia's experience in agricultural extension. The primary objectives of the national industry extension service are to make MSEs competent enough in the market, to enable them to generate sufficient and sustainable job opportunities thereby improving their income. The industry extension service elements consist of entrepreneurship, business development services, production technique, marketing management, supplies management, book keeping and continuous productivity improvement or kaizen. The mechanism of dissemination of the service is mainly through in-company training and consultation and through group discussions of enterprises that are engaged in the same sector. The beneficiaries of the industry extension service are selected based on interest, evaluation of individual demand and physical observation and evaluation of the enterprises' working premises. It is important that MSE entrepreneurs have the relevant academic background and appropriate work experience for them to benefit from the industry extension service. Moreover, the trainees should be fully prepared

to practically implement the skills that would possibly be gained from the extension service

Access to training and technological support; Skilled manpower and the use of appropriate technology are critical inputs to nurture micro and small enterprises. In this regard, the national MSE promotion and development strategy paid due attention to human resource and technological development. Pertinent to human resource development, the government intervenes in the sector through two mechanisms. On the one hand, the government directly provides various skill trainings to potential entrepreneurs of the sector. Regarding technological development, the government has been prioritizing those MSEs that are engaged in the manufacturing, construction and mining sub-sectors. The technological development strategy focuses on facilitating appropriate technology and production materials to MSEs in the form of purchase and lease. To this end, the government has proclaimed a new machinery lease policy in 2013. The Lease Company is planned to provide rental machines that are expensive for MSEs to own on their own. The government has also established a system that motivates individuals and other institutional actors to supply technology with fair price. It is also planned to provide on sight maintenance to machinery and equipment that are owned by MSEs through TVETs. The government also supports in the process of converting prototypes into commercially viable products.

Access to Finance; The other essential area of government intervention to promote MSEs is provision of financial support. In this regard, FEMSEDA has designed a national micro credit and saving directive that primarily focuses on alleviating the financial constraint of MSEs operating in the country. The priority areas of the national micro credit system include those MSEs that are engaged in import substitution, construction and export. This national micro credit and saving facility designed for MSEs has three different requirements. These are the credit requirement for start-up, growing and matured micro and small enterprises. First, MSEs at the start-up stage are required to save 20% of the loan within six months. For those who cannot afford saving 20% from their own sources or from their parents, the government provides them with job opportunities to raise seed money. Coble stone work is a good example. Second, similar to start-up enterprises, growing MSEs that are engaged in priority sectors are expected to save 20% of the credit within six

months. However, growing enterprises that are involved in export activities are obliged to save only 15% of their credit demand. On the other hand those growing MSEs that are neither engaged in export nor in priority sub-sectors are forced to save 25% of their credit need within six months.

Access to Working Space; Another critical factor for MSE growth is working space. In response, although the government has massively built working spaces for MSEs in major cities and towns, working space still remains a critical challenge. Rent is extremely high in major cities especially Addis Ababa. The supply of working spaces is small relative to demand. The problem is not only shortage, working spaces are built arbitrarily – for example, they are far from industrial zones. Market linkage may become easier if MSE are located near medium and large enterprises or industrial zones in general. MSEs can benefit from proximity to industrial zones.

2.5. Integrated housing development program

2.5.1. Policy objectives

The housing policy has two primary objectives. First, it aims to extend market for low-income households that are not covered by the private housing market through increased supply of affordable low-cost housing. This is particularly problematic in developing economies where urban growth is predominantly driven by in-migration by rural households that often lack the financial wherewithal to participate in formal housing markets.

In the present Ethiopian context, at prevailing housing price and financing mechanism, only households above the 95th percentile of the income distribution can afford to become home owners in the formal private housing market. The only choice open to most low income households in such economies is to rent under precarious and uncertain tenure terms, double up with relatives, or build some form of shelter in unauthorized sectors that aggravate the propagation of slum areas. Consequently, lower-income households not only live in sub-standard housing conditions, but also have limited access to basic public services as well as access to finances as they are often considered not creditworthy either due to their employment, which is often in the informal economy and or lack of collateral for mortgage lending when available.

Second, the housing policy aims to stabilize rental markets in urban Ethiopia through the increased construction of low-cost housing units that target lower income households as well as by increasing the general housing stock. It is estimated that Ethiopia's current housing deficit in urban areas is about a million units, and that only 30 percent of the current housing stock is in "fair" condition, with the remaining 70 percent in need of total replacement. The housing deficit is even more severe in major urban areas like Addis Ababa, where the deficit is set to increase concurrently with rapid population growth. Consequently, this has placed significant upward pressure on the demand for rental housing in urban areas, which in turn is pushing rental prices and creating affordability challenges to working class households. Housing affordability challenges in the private market are occurring largely due to the limited rental housing options for renters. To ensure stable and affordable rental housing prices, the supply of new housing stock has to increase to match the rapidly growing urban housing need (Weldesilassie, et al, 2016).

2.5.2. Low cost housing program types

The low cost housing program has three types of housing schemes, categorized based on the minimum requirement for down payment: 10/90, 20/80 and 40/60 schemes. The beneficiaries for the 10/90 housing schemes are required to pay 10% of the transfer price upon owning the house, and the rest 90% will be paid on installment in 25 years. Those eligible for 20/80 and 40/60 are expected to pay 20% and 40% as down payment, and the rest in 15 to 20 years. These schemes are expected to suit households of different income levels.

Except for 10/90, which has a studio, the design of each condominium block constitutes various typologies that integrate in to studio, one bedroom, two bedroom and three bedrooms units with mixed function commercial units at ground floor. The table also shows the estimated average cost per m² and total cost of each housing unit based on current price. The studio unit of the 10/90 program is targeted at the lowest income group, with an average monthly income of ETB 300 (USD 23) at the time of the program design in 2004. The 20/80 scheme targets the middle incomers, while the 40/60 scheme targets the upper middle-class that can save quickly or pay upfront. The features of the low cost housing are designed to contain private access to basic amenities such water, sewerage, and electricity connections and also a bathroom,

which includes a shower, flush-toilet, and hand basin, and a kitchen (Weldesilassie, et al, 2016).

2.6. Critique of Existing Literature Relevant to the Study

A number of authors have provided different reasons for the problems of micro and small enterprises in their research findings.

Admasu Abera (2012), a thesis of, Factors Affecting the Performance of Micro and Small Enterprises in Arada and Lideta sub-cities, Addis Ababa. This research aims to investigate factors affecting the performance of MSEs with a special emphasis on textile and garment, food processing and wood and metal work sectors. The empirical study elicited eight major challenges which seem to affect performance of MSEs in sub-cities which include: inadequate finance, lack of working premises, marketing problems, inadequate infrastructures, poor management practices, and technological, entrepreneurial and politico-legal problems including bureaucratic bottlenecks system.

Tsega Adegö Abebe (2013), on his thesis, Challenges and Prospects of Women-operated Micro and Small Enterprises: A Case Study in Aksum City Administration. The findings reveal that the major challenges that hinder MSEs and their transformation towards Medium scale are the lack of working place; limited starting capital (credit ceiling); and the business arrangement in that wholesalers' involvement in retailing activities which hamper enterprises to be vibrant and competitive.

Debelo, et al. (2015) A study on factors affecting developments of micro and small enterprises: Case of Mettu, Hurumu, Bedelle and Gore Towns of Ilu Aba Bora Administrative zone. This paper made an attempt to highlight the growth of this sector and analyze various problems. Having analyzed data, researchers found factors in descending effect as lack of experience, promotion, networking and access to capital; poor infrastructures; lack of knowledge; lack of professional assistance; lack of awareness of credit providing institution and lack of market linkage.

Weldegabriel Mezgebe (2012), Problems of Micro and Small Enterprises in Addis Ababa: The Case of Kirkos, Kolfe, and Yeka Sub Cities. This study aimed at identifying the major problems that are associated with the performance of MSEs in Addis Ababa. On the basis of the findings, the major problems facing MSEs in Addis Ababa are lack business plan, lack of formal and informal association, lack of

favorable business environment, high cost and shortage of raw materials, lack of proper institutional support, lack of proper marketing practice, and stiff competition among MSEs in the same business line and medium and large companies. The study focus on seven types of MSEs municipality, wood and metal works, textile and garment, food preparation and processing, cobble stone, construction, and urban agriculture.

Mekonnen Drbie (MBA), Dr. Tilaye Kassahun , PhD (December 2013) reviewed that “Deterrents to the Success of Micro and Small Enterprises in Akaki-Kality Sub-City” In particular, the study had pinpointed inadequate infrastructure facilities, inadequate finance, poor managerial and technical skills, and inadequate working premises as the major challenges of MSE’s successful operations followed by marketing problems, low support from respective institutions, inadequate supply of raw materials, and regulatory issues. The selected districts have 115 MSEs, which constitutes a population of 734 owners/managers in the construction (423), manufacturing (171) and service sectors (140) and the 89 samples were selected from all stratum proportionally

HK HAILU,(December, 2010) reviewed that Success Factors in Micro and Small Enterprises Cluster Development: Case of Gullele Handloom Clusters in Ethiopia. It is found in the study that the development of strong trust within the cluster community, stability of key actors of cluster development, the existence of functional networks, adequate physical infrastructures, availability of raw materials, access to finance, the level of production technology and market promotion are essential factors in bringing success to cluster development. The study focus on cluster type micro and small enterprises.

Hiwot Bahru Gemed (2012),on her study of “Effect of poor project performance on the quality of housing construction: Case of condominium houses in Addis Ababa” has partially address the constraint of MSEs. the research finally analyses the constraints that could contribute to the poor performance of small-scale contractors and MSEs. The main constraints identified are technical incapability of MSEs and managerial incapability of both small-scale contractors and MSEs. Besides more constraints related to stakeholder management, culture, material, environment and

equipment are identified. Problem in collaborative working atmosphere, lack of construction management practice, lack of quality control practice, lack of strict supervision, lack of testing mechanism, lack of technical and managerial knowhow, lack of equipment support are some of the constraints.

From the reviewed literature empirical studies, many studies described problems and challenge of micro and small enterprises based on different sector of enterprises, gender and country. But, in condominium construction site was not adequately address the problems and constraint of micro and small enterprise. This study is try to draw the problems and challenge in this construction sectors.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This chapter discusses the research design and methodology used in acquiring the necessary information to answer the research questions. It specifically presents the describes research approach and techniques, operationalize variables and indicators, presents sampling techniques in terms of sample size and selection, validity and reliability of the research, data collection methods and data analysis methods.

3.2. Research strategy and type

Descriptive survey research design (qualitative & quantitative) was employed for conducting this study. It is implemented mainly preferred to investigate various information about the problems and constraints of MSE subcontractors in housing development program. Such a study is helpful in obtaining pertinent and precise information as well as to draw valid conclusion about the target population. This study aims at finding out the prevalence of a situation or problem by taking a cross-sectional data of the population.

3.3. Research Approach and techniques

The research uses both qualitative and quantitative types of data. Concerning sources of data, both primary and secondary sources will use in generating valuable and relevant data to find the challenge and the problems of MSEs that participate in AAIHDP.

Primary source: primary data used collect through direct observation, questionnaires, and focus group discussions. Information on the status of employment, problems, challenges and other data has been collected from the micro and small enterprises (MSEs) chairman/accountant, main contractors' personnel, consultants and concerned government agencies.

Secondary sources: In this study, secondary data used collect from officially published and unpublished materials; books, journals and internet sources, archival document, thesis, reports, statistical bulletins, brochures and other material will use for gathering and explore more about MSEs and their problems and challenge.

3.1. Data Collection Method

The research uses both primary and secondary data collection methods as a tool to gather the necessary information. The primary data was collected using two methods and mainly through a survey by administering questionnaires (four) to selected respondents. Semi-structured interview for some of the respondents; and on-site observation of the on-going condominium construction site.

Translation of survey questionnaires to local language (Amharic) was mandatory especially for occupants and MSEs. This is because the English language is not widely used by the majority of the people in Ethiopia. Moreover, the entire interview was conducted in local languages for ease of communications. This implies the need of translating the questionnaire and interview guides to local language prior to starting data collection.

Secondary data was obtained from unpublished materials; books, journals and internet sources, archival document, thesis, reports, statistical bulletins, brochures and other material .

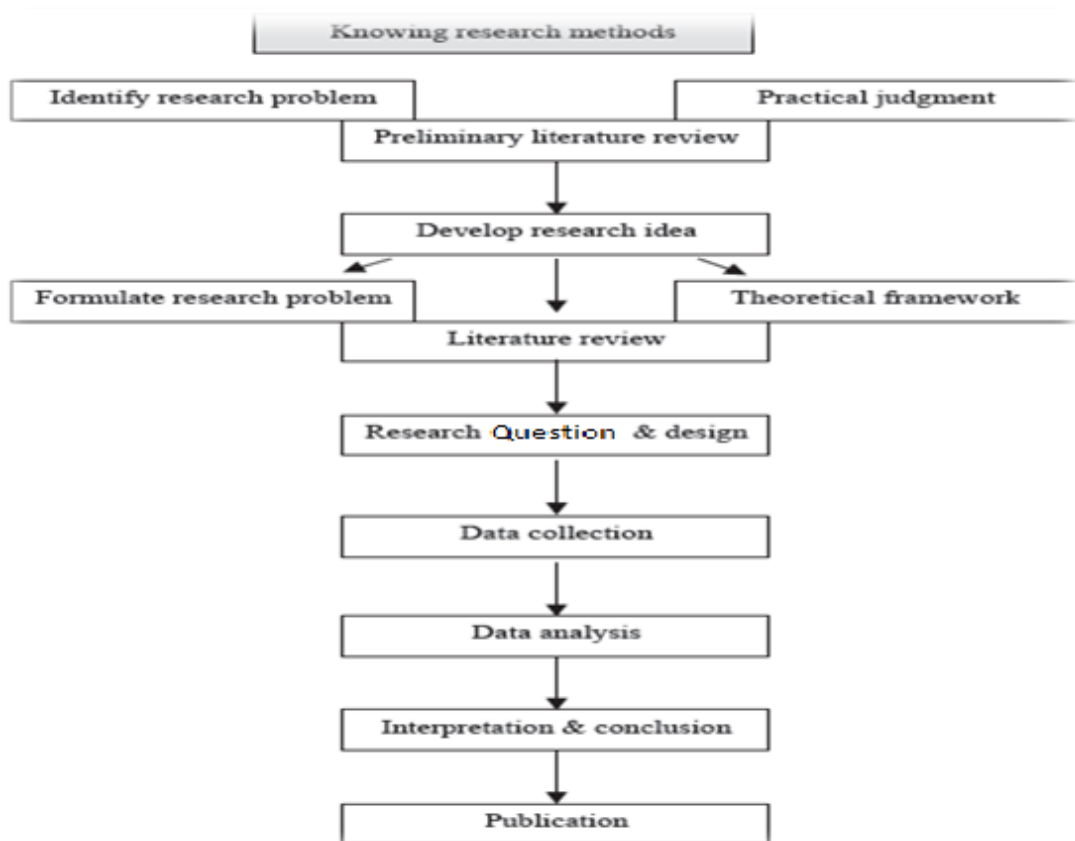


Figure *: Steps of research design

3.2. Sampling procedure

3.2.1. Sampling Strategy and Procedures

The Nifas silk lafto sub-city were purposely chosen among the 10 sub-cities of Addis Ababa, as a study area for this research. This is because it has undergoing intensive condominium construction site in all condominium programs. On the other hand,

micro and small enterprises that established under construction sector are massively participated and also building contractors and general contractors are exclusively involved. Second, the sub-city was selected based on their nearness and convenience to collect data in short time.

The study area is also purposively selected the two condominium construction program among the three lists. It is found to be convenient to select 10/90 & 20/80 condominium program. It is because of mixed type of contractors which are 81 building contractors and 48 general contractors have been participated. In addition, MSEs in construction sectors of which under construction of sub-contracting work and construction material production and supply are actively participated. This two significant reason are substantially influence the purposive selection “Nifas silk lafto” sub-city is study area of the research.

3.2.2. Sampling Technique

Stratified random sampling was used to get information from sample frame of the MSEs, contractors and consultant. This technique is mainly used to reduce the population heterogeneity and to increase the efficiency of the estimates. it is preferred because it is used to assist in minimizing bias when dealing with the population. With this technique, the sampling frame can be organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Janet (2006:94), this step increases the probability that the final sample will be representative in terms of the stratified groups. The strata's are sectors including: electrical installation, sanitary installation, finishing work, agro stone erection, PVC window erection and metal/wood work under sub-contractor of construction sectors.

3.2.3. Target Population

The target population of the study included MSEs formally recorded by the Addis Ababa saving house development enterprises until March 2017 were managed under Nifas silik lafto sub city project office. The total population of the study is 139 construction work enterprises which includes sanitary installation (12), electrical installation (40), finishing work(16), agro stone erection(2), PVC window erection (2) and wood and metal work (44).

3.2.4. Sample size

The correct sample size in a study is dependent on the nature of the population and the purpose of the study (Catherine Dawson 2009:54). Although there are no general rules, the sample size usually depends on the population to be sampled. In this study to select sample size selected here is considered as representative MSEs sub-contractor of construction sectors and also large enough to allow for precision, confidence and reliability of the research findings. The following formula was used for the calculation of the sample size since it was relevant to studies where a probability sampling method was used (Watson, 2001:5).

$$n = \frac{\left(\frac{P [1-P]}{A^2 + \frac{P [1-P]}{N}} \right)}{R}$$

Where, n = sample size required = 86

N = number of population = 139

P = estimated variance in the population = 50%

A = margin of error = 5%

Z = confidence level = 1.96 for 95% confidence

R = estimated response rate = 96%

Accordingly, 86 respondents were selected from the total of 139 target population. Then the units from each strata are to be selected by simple random sampling using lottery methods. Additionally, respondents from contractors, consultant and HDPO personnel were purposely selected

3.3. Data collection

3.3.1. Primary Data collection techniques

Questionnaire

In this study, questionnaire is administered to some randomly selected stakeholders of the construction sector of micro and small enterprise particularly in sub sector of sub-contracting such as MSE employees and owners, main contractors and consultants.

For the questionnaire survey respondents are randomly selected from MSE, contractors and consultants who have been involved in the Addis Ababa integrated housing development. The questionnaire which consists of both open and close ended question was distributed among these professionals.

A 5-point Likert's scale (from 1-4/5) is used for the structured questionnaire to gauge the extent of problems and the respondents' agreement on each variable. This was intended to identify and rank the extent of problems based on their rate of occurrences.

In collecting all the necessary data from the sample, I used the following procedure:

1. Classify the population and stakeholders by their profession
2. Take sample randomly from different location of Nifs silik laft sub-city condominium houses construction site.
3. A questionnaire was distributed among the sample respondent.
4. Collect the questionnaire.

3.4. Tools of data collection

Among the different tools used to collect data, study used questionnaire in collecting all the relevant data used to assess the problems and challenge of micro and small enterprises of construction sectors in Nifs silik laft sub-city condominium program.

3.5. Method of data analysis

Descriptive statistics were employed in the analysis of data collected from various sources. In the analysis, the 'mean score' method was adopted for the structured part of the questionnaire, to establish the relative importance of factors based on frequencies of occurrence. The five point Likert scales (1, 2, 3, 4 and 5) are used to calculate the mean score for each factor and which was then used to determine the relative ranking among various factors.

The mean score (MS) for each potential factors is computed using the following expressions.

$$MS = \Sigma (fxS)/N$$

Where: MS = Mean score

f = frequency of response for each score

S= score given to each factor (1 to 5)

N= Total number of responses for each factor

Ranks of variables/factors based on cumulative mean score, as perceived by different parties are tested for correlation/concordance. The purpose of a correlation test is to see if there is difference in ranking between groups of respondents and to avoid being deceived by chance of occurrences and impact as ranked by single part.

In this research it is used to show the degree of agreement between the different parties involved in the study: MSEs, contractors, consultants and government bodies. The Kendall coefficient of concordance (W) is used to measure the community of ranks form observers. It is computed with the following formula (Kendall, 1970)

Data analysis and interpretation

The collected data will then represented, grouped and coded to make it ready for analysis. After these, the study will use both descriptive and inferential statistics in analyzing the data. The software SPSS and MS Excel to analyze the data and then interpret the analyzed data by using data tables, charts and graphs. Based on the collected data and care full analysis of the data on constraint and problems of micro and small enterprises that facing in condominium housing construction project site will be identified

Operationalization: variables and indicators

The table below presents variables and indicators that help to operationalize the main research questions. The selected variables and indicators are derived from a literature review.

Table 5 : Operationalization of the study
(Source: author 2017)

Research question	variables	indicators	Sources
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What are the major problems confronting with MSEs' sub-contractor during the participation of condominium construction?	1. Lack collaborative working atmosphere	- All member of the group are used to know previously Prior to forming the MSE. - some member of the group know each other - most of member are familiar with construction project - the coordinator is not working in construction project - you have an experience of construction project	- MSEs - MSEs'' coordinator
	2. Lack of relationship between members	- Blaming each other for mistakes made at site - Risk sharing when defects happen - Mutual objective for quality of construction - High degree of trust - Members work cooperatively - Take immediate measure to solve problems	- HDPO - Consultant - Contractor - sub-contractor - MSEs
	3. Lack communication with project stakeholder	- HDPO - Consultant - Contractor - sub-contractor	- MSEs - Consultant - Contractor - sub-contractor
	4. Financing problems	- Access to finance - Inflexible credit terms from suppliers - Late payments by clients - Problems in obtaining advance working capital/client's advance payment	- MSEs - Consultant - Contractor - sub-contractor - HDPO
	5. Lack of experience and management skills	- Lack of technical skill - Lack of managerial skill - Understanding contractual and technical documents - Finance management	- HDPE - MSEs - Consultant - Contractor - sub-contractor
	6. lack of ethics in contract bidding and administration	- MSEs selection conspiracy to program - Client influences in awarding contracts - Self-fixing of rates by the client - Consultants favoring some MSEs - Consultants seeking bribes from MSEs - Clients personnel seeking bribes from MSEs	- MSEs - Consultant - Contractor - sub-contractor

		• sense of rent seeking attitude to participate in program	
	7. Enterprises benefit from Program	• Employment Creation /Long term employment/ • Job Creation and short term employment • Transfer of income to the poor • Quality condominium constructions • Cost efficiency • Skill transfer	•MSEs •Consultant •Contractor •sub-contractor
What kind measures do concerned government bodies to mitigate the problems and challenge that occurred in condominium Construction sites?	8. Capacity building schemes	• Technical training, • Managerial training • material and equipment supports	• MSEs • HDPO officer

CHAPTER FOUR

4. RESULTS, DATA ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter presents the analysis, presentation, discussion and interpretation of the data collected from the administered questionnaires of the problems and challenge of Micro and Small Enterprise of sub-contracting works on condominium construction projects in Addis Ababa. It is systematically designed to demonstrate the collected data are presented first the results of descriptive analyses followed by the inferential analysis. The Descriptive statistics such as mean and standard deviation were used to analyze the data that Likert scale data use the mean as a measure of central tendency as it has meaning i.e. what is the average of Stronly agree and disagree? The most appropriate measure of is the mode the most frequent responses, or the median. The best way to display the distribution of responses i.e. (% that agree, disagree etc) is to use a bar chart.

4.1.1. Project participants

A total of 139 enterprises are participating in “Ninfas silk lafto” sub city where temporary and permanent jobs for 1068 people have been created. A summary of

stakeholders involved in the project together with the type of work they are engaged in and the number of job opportunities created are presented in table 6 below.

The respondents in this research are drawn from the population listed in table 6. Sample respondents are taken from every sub sectors of enterprise. To make the selected sample more representative of the population, the number of the respondents taken is a randomly selected. On the other hand, 86 MSE respondents stratified randomly selected from 139 MSEs participating in agro stone erection, installation, PVC window erection, metal/wood work and finishing works. Eight consultant firm employees, sub city project and head office officers are purposively selected. It is purposive sampling because careful consideration was needed to include different types of MSEs from different sub-sectors of expertise.

Four HDPO officials who have different responsibilities in the project were selected to give insights about the project. The helped to get overall information on how contractors and MSEs are engaged in the project and what supporting schemes are provided for them. In addition to this, other respondents from consultants were added to supplement the primary respondents.

Table 6: “Nifas silk lafto” housing project stakeholder involvement and job creation (Source: MSEs work progress follow up report 2017)

No	Type of stockholders	Quantity	Job creation		
			Permanent	Temporary	Total
Construction work					
1	Sanitary installation	12	36	5	41
2	Electric installation	40	122	19	141
3	Finishing work	16	49	7	56
4	Agro stone erection	2	6	0	6
5	PVC window erection	25	76	12	88
6	Metal and wood work	44	135	21	156
Total		139	424	64	488
Construction material production					
7	Precast beam production	6	18	2	20
8	HCB production	9	27	4	31
9	Terrazzo production	3	9	1	10
10	Half concrete pipe production	2	6	0	6

Total		20	60	7	67
Miscellaneous job creation					
11	Hauling & Handling	5	15	2	17
12	Food preparation	2	6	0	6
13	Guarding	2	14	0	14
Total		9	35	2	37
Contractors					
15	Building contractors	81	593	552	1226
16	General contractors	48	351	327	726
Total		129	944	879	1952
17	Consultant	2	8	41	51
18	Client	1	65	0	66
Total		300	1536	993	2661

The sampling frame is the list of respondents from which the samples were drawn. It provides a complete listing of the whole population. The focus population consists of AAIHDP officers, consultants' project personnel, contractors and micro and small sub-contracting enterprises coordinators and members involved in the nifas silk laft condominium construction program. The sample consisted of the following distribution of AAIHDP as clients, consultants, contractors and MSEs.

Table 7: list of respondents

Respondents	Questionnaires distributed	Number Responded	% of total respondents	Percentage of responses against Distribution (%)
MSEs sub-contractors	86	71	83%	51%
contractors	79	59	75%	43%
consultants	8	5	63%	4%
Clients	3	3	100%	2%
sum	176	138	Average =79.94%	100%

4.1.2. Description of project participants

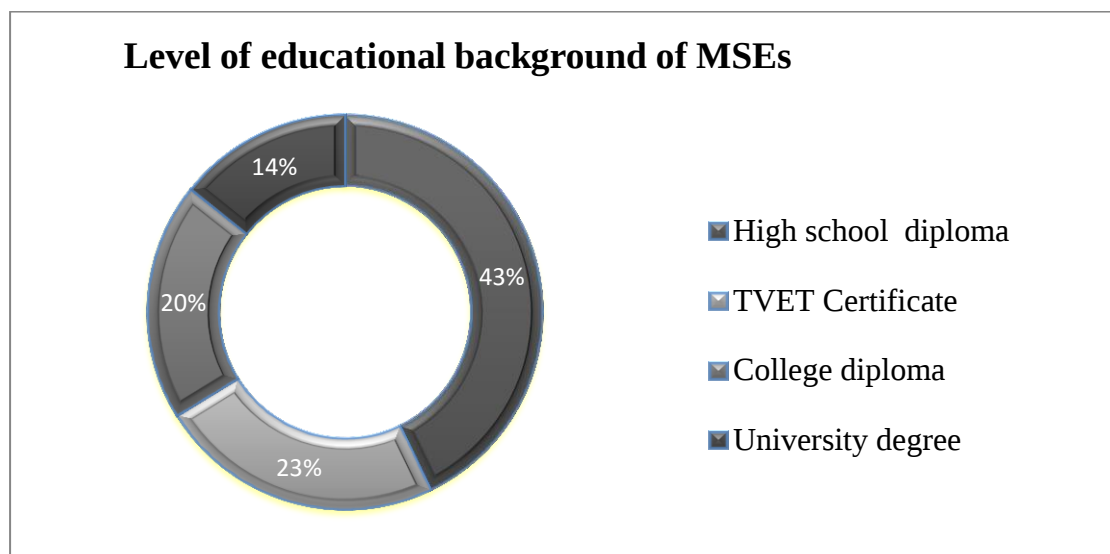
MSEs

This study targeted 86 MSEs of sub-contractors around “Nifas silk lafto” sub-city. After coding and checking for accuracy in the data, 79 questionnaires were collected useful for the study. This gave a response rate of 83%. The following results have been obtained from the respondents’ response. The majority of the respondents of MSEs are chairman and accountant in their respective enterprises, which accounts for 63% and 15% of the total respectively.

The Level of Education of the Respondents; the Respondents were asked to tell the level of their education. The question is very important in determining whether the level education has anything to do with the causes of problems for MSEs. **Chart **** below shows the results of education level of respondents.

Their educational background varies from high school level (42%) to university degree (15%) and the rest 43% of the respondent has a diploma or vocational college certificate.

Chart **; level of educational back ground of MSEs of construction work



Establishment year of enterprises is highly related to years of participation in condominium projects. Besides, the majority of MSEs do not have work other than condominium projects. More than 50% of the enterprises have ten members working together. The remaining enterprises have members varying from one to twenty. The respondents were selected from each area of expertise which are sanitary & electrical installation, wood/metal workers, Agro stone partition walls, PVC window installation and finishing work.

Contractors

The personal profile of the contractors shows all contractors are well educated and have an average work experience of more than four years. The majority of respondents, which account for 74%, have university degrees and the rest have MSc degree or college diploma. Look at their company profile the majority of the contractors (89%) fall under the category of GC/BC grade 5-8 and only a few falls under category GC/BC grade 3-4. The majority of the contractors or 90% of the respondents have less than ten key employees. The analysis shows there is a close relation between years of firm's establishment and years of participation in condominium projects. This shows 78% of the contractors establish their company initially to participate in condominium projects. In addition, currently all contractors are participating in other construction projects besides condominium projects.

Consultant

There are two consulting firms in this project are responsible for supervision of buildings at the project site. They are responsible for construction management issues; works inspection and approval, material approval, payment approval and manage contractual issues. The project coordinators of the two firms are the main respondents of this research. They acquired a high level of education and have work experience of more than ten years in construction projects of similar nature. One of the coordinators has been working since the commencement of the project. I thus, besides the questionnaire in-depth interview with him has taken place.

AAHDPO

AAHDPO is the responsible body for the administering and regulating the whole of the work. The project office on site is responsible for the follow up and administration of the specific site under the supervision of head office. The respondents are one engineer from construction follow up office and head of MSEs' work progress from head office. Moreover, there are respondents from the project site: the construction officer and MSEs follow up and work progress coordinator.

4.2. Problems and challenge of MSE

This section presents the overall picture of the project site during the construction process. The survey was intended to discover Problems and challenges that possibly affect the Micro and small enterprises of sub- contractors in Nifas silk laft sub city. Samples of all stakeholders involved in the construction process participated in this part of the research. The analysis is based on the indicators for the problems and challenge of the MSEs adapted from chapter two of the literature review. Possible constraints of each party that draw from these findings are presented.

4.2.1. Lack collaborative working atmosphere

Relationship among members of MSEs

It is possible that members in one association will not know each other before the association is established. As said by MSEs' coordinator in HDPO office, this might be one of the factors that coordination is not much observed among member in an association.

According to the output of study analysis, it reveals that the level of agreement by the respondents to various collaborative working atmosphere questions: Values ranged between 1 (No), 2 (I do not know), and 3 (yes). The result shows that 71% the association confirm that some of their members know each other before the association is established. Out of the associations where some of their members know each other, 60% of the associations have a very good working relationship.

An analysis shows the level of agreement by respondents to questions:

- All member of the group are used to know previously Prior to forming the MSE. is ranked highest with a mean of 2.69;
- some member of the group know each other is ranked the second with a mean of 2.07
- most of member are familiar with construction project is ranked third with a mean of 1.99;
- the coordinator is not working in construction project is ranked fourth with a mean of 1.5;

The analysis to find out the type of relationship existing between members of MSEs reveals that majority of MSEs (around 70%) neither have a common objective nor

have risk sharing practice. MSEs also find it difficult to work jointly while they have different objectives.

During the questioner most of the MSEs members was quoted that it is difficult to reach for a common goal while there are members who does not want to work but want to lean on another member to get money. He also added coordinators and accountants did not want to participate in day to day work rather focused on the managerial work of the enterprises. These might be the case for many associations to split up.

4.2.2. Lack of relationship between members

MSEs were asked to identify the type of relationships exists on site. According to the majority of the respondents 64%, blaming culture between them and the MSEs does exist but they work jointly with the rest of the stakeholders. The consultants also confirm the existence of blame culture between MSEs. Both HDPO and the consultant coordinator comment that because of the cooperate contract between contractor, MSE and HDPO blaming culture is one of the indicators for lack of good relationship in the construction process. Thus, when problems arise on site project offices need to solve it at the lowest level as possible. However, 65% respondent of the MSEs complains that whenever there are problems or issues that need immediate measures and decisions they always need to wait long.

Thus, according to them effective problem solving mechanism is not practiced on site. On the contrary, the consultants argue that they always are on the side of the contractors and MSEs to assist and take any measures as required.

Risk sharing is also one of the most important indicators of performance. The higher risk sharing exists among stakeholders the higher the probability of having a good working atmosphere. However, the majority of respondents of MSEs indicated that there is a slight risk sharing practice among the members. As shown in the Table 8

below only 45% of respondent agree there is a risk-sharing practices. The project coordinator of the consultant on the other hand argued that despite the involvement of the high number of MSEs sub-contractors in one project, the risk – sharing mechanism does exist. He explained that before taking any decisions we look at the project constraints that might affect the performance of the MSEs on sub-Contracting. The coordinator further explained that they consider things that would not happen in normal building projects unless there is good justification. For instance if a delay occurred, they consider the unavailability of labour,

Values ranged between 1, (strongly disagree), and 5, (strongly agree). An analysis of Table 8 shows the level of agreement by MSEs' respondents to questions:

- Blaming each other for mistakes made at site is ranked highest with a mean of 4.18;
- Risk sharing when defects happen is ranked the second with a mean of 3.96;
- Mutual objective for quality of construction is ranked third with a mean of 3.65;
- Members work cooperatively is ranked fourth with a mean of 3.46;
- Take immediate measure to solve problems is ranked fifth with a mean of 3.41;
- High degree of trust is ranked last with a mean of 3.19;

Table 8; lack Relationship between members of MSEs

1= Strongly disagree, 2= Disagree, 3=Not Agree, 4=Agree, 5=Strongly agree							
Relationship between members of MSEs	Frequency					Mean	rank
	1	2	3	4	5		
Blaming each other for mistakes made at site	1	5	9	28	36	4.18	1
Risk sharing when defects happen	2	4	13	36	24	3.96	2
Mutual objective for quality of construction	1	14	21	19	24	3.65	3
High degree of trust	4	16	24	31	4	3.19	6
Members work cooperatively	3	16	19	24	17	3.46	4
Take immediate measure to solve problems	2	13	29	21	14	3.41	5

4.2.3. Lack communication with project stakeholder

As the project nature of condominium program has involves so many stakeholders, it is necessary to identify the flow of communication MSEs with project participant.

MSEs communicate HDPO office

From the survey data collected to find out when do the MSEs usually communicates with HDPO, the majority of MSEs affirm they communicate with HDPO for payment follow up, material request, and for meetings.

An analysis of table 9 reveals the level of agreement by the respondents to various questions: Values ranged between 1, (strongly disagree), and 5, (strongly agree). It shows the level of agreement by MSEs respondents to questions:

Table 9: Response given to when do the MSEs usually communicates with HDPO.

MSEs communicate HDPO office	Frequency					Mean	rank
	1	2	3	4	5		
when problems happened	0	7	11	25	36	4.14	2
for payment follow up,	0	4	12	26	37	4.22	1
for material request	1	14	21	19	24	3.65	3
for meetings	4	16	15	25	19	3.49	5
complaints concerning the project	2	13	24	22	18	3.52	4

Source: Compiled by the author

The findings were confirmed Respondents of sub-contracting enterprises communicate to HDPO when there is a problem and when they have complaints concerning the project

MSEs Communication with project stakeholder

All project stakeholders also communicate with HDPO for the same reason as MSEs, in addition, contractors do communicate with MSEs during the construction of condominium so as to integrate the work item on which there are participated. Of the respondents 65% of contractors found the communication with members of MSEs are positive. According to the survey data collected, more than 50% of the contractors' rate their communication with HDPO and consultant very easy but 40% of respondents found it difficult to communicate with MSEs, The rest (60%) rate their

communication with MSEs as neither good nor bad. On the other hand, the majority of MSEs who participate in works contract rate their communication with the contractors as positive. Around 50% of MSEs respondents also rate their communication with HDPO and the consultants as positive.

As discussed in the literature review of this paper, type and flow of communication between project participants has a major effect on their performance. The result of the survey shows that MSEs do communicate with the HDPO and consultant whenever necessary. But still some MSEs (almost half of the respondents) are reserved to contact HDPO when there is a problem or complaint. Even if HDPO seems supportive and positive for the majority of the respondents still almost half of the MSEs respondent found communicating with HDPO difficult. Similarly, HDPO rate the overall communication between project participants as medium. The other most important communication is between contractors and MSEs because they have a tied work relation. In the eyes of the contractors, communicating with the MSEs is difficult while MSEs perceive they have good relation with the contractors. These varying opinions of stakeholders in the communication flow reveal that there is a communication gap between stakeholders involved in the project.

4.2.4. Financing problems

All respondents of MSEs agree that lack of access to finance has negative impact on their motivation to work despite HDPO. In addition, long time payment processing and insufficient profit from the project also affect more than 75% of the MSEs.

An analysis of table 10 reveals the level of agreement by the respondents to various questions: Values ranged between 1, (strongly disagree), and 5, (strongly agree).

Table 10: Response given to financial problems of MSEs

1= Strongly disagree, 2= Disagree, 3=Neutral , 4=Agree, 5=Strongly agree							
Financial problems	Frequency					Mean	rank
	1	2	3	4	5		
Access to finance	0	6	9	19	45	4.30	2
Inflexible credit terms from suppliers and bank	2	5	11	26	35	4.10	3
Late payments by clients	0	0	3	29	47	4.56	1
Insufficient profit	2	4	8	39	26	4.05	4

MSEs were asked about what factors affect their motivation most often, the majority

of MSEs reply that the profit is too small (only 19% are satisfied), and when they try to request HDPO for unit rate revision, they never get an appropriate response. Besides around 45% of MSEs states that the idleness of equipment, Late payments by clients, contract type, payment condition, accessibility to finance, and a dividend of profit among members in the enterprise, has a large impact on their motivation to work. Due to HDPO's attention now largely diverted to newly recruited MSEs, the existed MSEs are worrying about losing their jobs; the survey shows that about 53% of MSEs are worried about the sustainability of their job.

As with most construction projects, each stakeholder has their own priorities. Both the consultant and HDPO officer criticize MSEs because of their priority to obtain payment at any work item. Even if 55% of MSEs agree payment as their priority, also 45% of respondents agree completion on time and gaining experience are their highest priority.

4.2.5. Lack of experience and management skills

Management skill

Both the HDPO's construction officer and the contractors agree that many MSEs lack management skill. The consultant points out that there are different types of MSEs; some MSEs used to be employees and few have some experience in fieldwork before joining this project. Thus, there is knowledge and experience gap between the MSEs themselves. Enterprises who have experience perform well and carry out their task with due care and diligence. Furthermore, MSEs' coordinator commented that most MSEs has coordination problem that affects their overall performance at large.

Technical Skill

Consultant and HDPO were asked for their observation on the technical capability of MSEs. Accordingly, both project coordinator and construction officer responded that the technical skill of the MSEs is different among different MSEs; some have good technical knowledge while others struggle to apply quality system because of lack of technical skills. Technically majority of MSEs have problem in following up on the project as required.

The consultants found the technical skill of most MSEs inadequate. The coordinator of the consultant explains that when MSEs start to work they need to train and guide them. Thus, the engineers from the consultant and the client (HDPO) do most of the job to show techniques and methodologies in the construction processes to the MSEs. The knowledge transfer also depends on MSEs' interest and readiness to learn and accept. The construction officer from HDPO also added that for most MSEs it is difficult to even read drawings and understand the contract document.

Understanding contractual and technical documents

Both the consultant and HDPO rate technical know-how of the majority of MSEs and some contractors as poor. What do the MSEs say about their own technical skill? To find out this the survey uses indicators of technical skill adapted from the literature review as a checklist. The most important indicator is how well they understand the contractual and technical documents they are required to use while executing their work. As this is the case, the majority of the respondents (MSE) find the contractual and technical documents unclear and not easy to understand. On the other hand, in relation to their less educational background and lack of work experience, the majority of MSEs found it difficult to understand the contracts and technical documents.

The **figure**** below summarizes the MSEs agreement on the clarity of different types of contractual and technical document

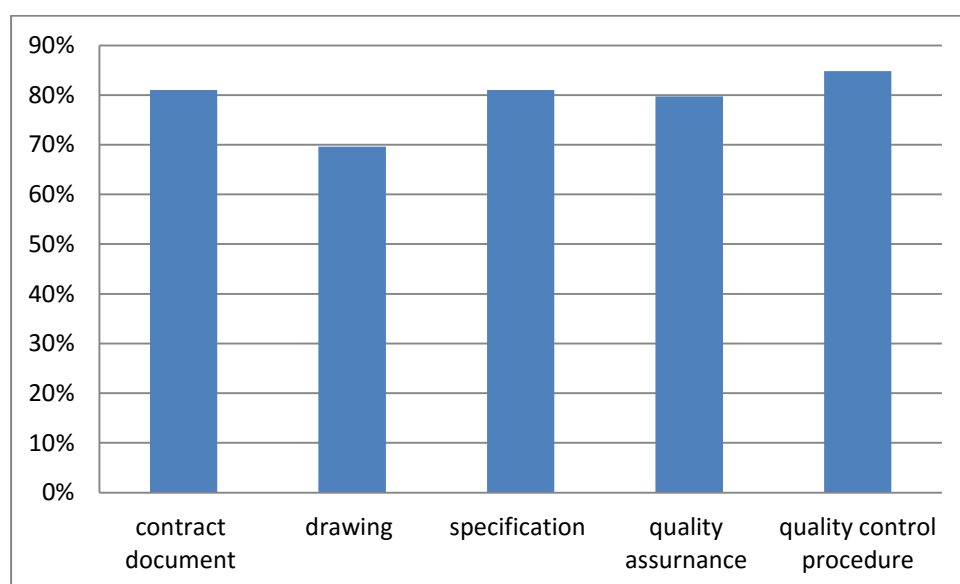


Figure:** Levels of agreement for clarity of contractual and technical documents

4.2.6. Lack of ethics in contract bidding and administration

Values ranged between 1, (strongly disagree), and 5, (strongly agree). Respondents of MSEs response to the questioner shows that

- Selection of MSEs to program has full of conspiracy is ranked first, with mean of 4.33.
- Clients' personnel seeking bribes from MSEs is ranked second, with mean of 4.28.
- Clients influence in awarding or self-fixing of rates by the client is ranked third, with a mean of 3.99.
- Client favouring some MSEs is ranked with mean of 3.87.
- Sense of rent seeking attitude to participate in program is ranked with mean of 3.78.
- Consultants seeking bribes from the MSEs is ranked, with mean of 3.59.

Table 11 indicates the prevalence of unethical conduct among the part of stakeholders. The results confirm the findings of studies by the existence of unethical conduct in the Condominium construction program of Nifas silk laft sub-city. As per response of the clients only, consultant seeking bribes come first with a mean of 4.23, self-fixing of the rate ranked second with a mean of 4.01 and bribes by client ranked third with a mean value of 3.96, which confirm the findings that some clients conduct unethically in the construction industry.

Table 11 Response given to Lack of ethics in the MSEs construction process

1= Strongly disagree, 2= Disagree, 3=Not Agree, 4=Agree, 5=Strongly agree							
Lack of ethics in contract bidding and administration	Frequency					Mean	Rank
	1	2	3	4	5		
MSEs selection conspiracy to program	1	5	8	18	47	4.33	1
Client influences in awarding contracts	2	4	12	36	25	3.99	3
Self-fixing of rates by the client	1	8	12	29	29	3.97	4
Client favoring some MSEs	4	6	10	35	24	3.87	5
Consultants seeking bribes from MSEs	3	11	18	30	17	3.59	7
Clients personnel seeking bribes from MSEs	2	4	8	21	44	4.28	2
sense of rent seeking attitude to participate in program	2	13	14	21	29	3.78	6

4.3. Lack of Capacity building schemes

Capacity building of MSEs to solve state . As per this study, for majority of the informants (93%) from the clients responded that it was the government's policy to fill the gap. The respondents also gave their thought of the existing difficult scenario and stages of development with respect to different challenges like provision technical and managerial skill training and lack of financial support.

Technical training is very important to the success of any condominium construction . respondent who participate in the program needs to have an understanding or knowledge of construction. 46% of respondents ware strongly agree that the training is not provided for all members of enterprises.

An analysis of **table** 12 reveals the level of agreement by the respondents to various questions: Values ranged between 1, (strongly disagree), and 5, (strongly agree). It shows the level of agreement by MSEs respondents to questions:

Table 12: Lack of technical and managerial skills training

1= Strongly disagree, 2= Disagree, 3=Nutral, 4=Agree, 5=Strongly agree							
Lack of technical and managerial skills training	Frequency					Mean	rank
	1	2	3	4	5		
obtained a Training is not periodical	2	8	18	27	24	3.80	4
Technical skill training is inadequate	1	9	21	21	27	3.81	3
Managerial skill training is inadequate	4	4	23	15	33	3.87	2
Training is provide for only managers and accountant	3	15	20	17	24	3.56	5
Training is not provided for all member of enterprises	2	4	13	24	36	4.11	1

MSE owners, managers or supervisors who have attended managerial-related training indicated that the training they have attended ware inadequate. **Figure** ** below shows the MSEs Agreement on the like provision technical and managerial skill training

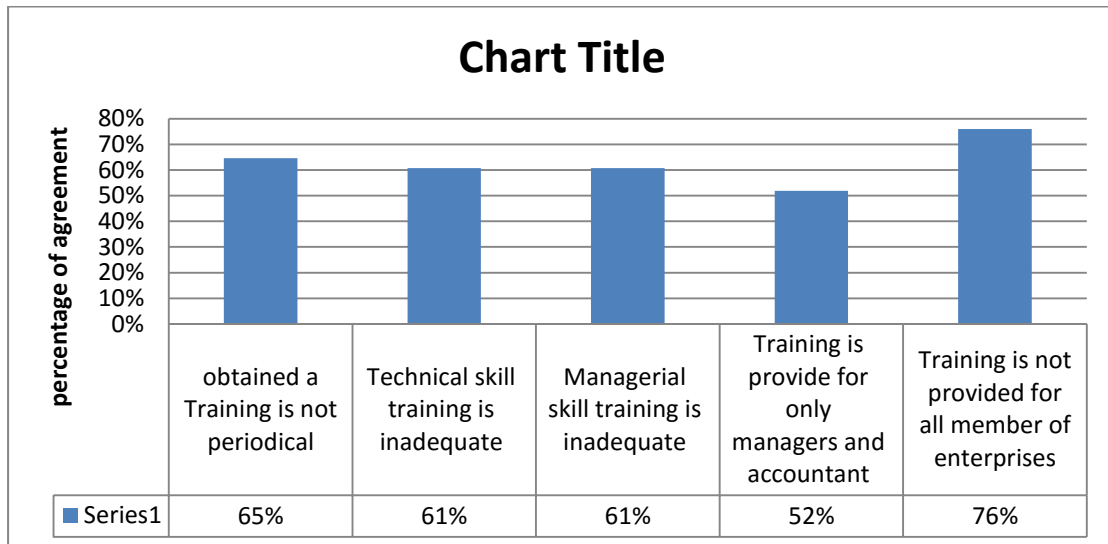


Figure **; Levels of agreement for provision of technical and managerial skill

CHAPTER FIVE

5. Conclusions and recommendations

5.1. Introduction

This study aimed at investigating the key problems which affect the performance of MSEs based on the questionnaires consisting 165 randomly selected MSEs and contractors in Nifas silk lafto sub-city in Addis Ababa. The study covers enterprises from electrical installation, sanitary installation, wood and metal works, finishing work, agro stone erection and PVC window erection which are the most prioritized and targeted areas of the sub-contracting of MSEs in Ethiopia.

This chapter presents conclusion arrived based on the research finding in relation to the literature studied in chapter two of this paper which had mainly discussed the problems and constraints of MSEs in developing countries. The findings were based on the research questions to find out the problems of sub-contracting sector of MSEs and explore the capacity-building program on enhancing the performance of micro and small enterprises in housing program, to find out the main to the constraints of MSEs face during the construction process. The first part of the chapter comprises the findings of the research questions and the problem statement stated in chapter one. Finally, recommendation for possible solution drawn from the literature or from the study made.

5.2. Project Structure

The AAIHDP is a government led program administered and managed by the Housing Development Office to supply mass housing stock and to create job opportunities for thousands of people especially the youths. Capacity building programs to train and assist small-scale contractors and MSEs in the construction process support the program. One of the unique characteristics of the program is that it has a variety of large numbers of stakeholders with distinct job specifications.

The HDPO project office manages and administers the project as a client. Assisting HDPO in contract administration, the consultants supervise and inspect the works. MSEs are responsible for the production of construction material and installation works. The contractors on the other hand are responsible for the construction of major structures of the building with the material provided to them by HDPO and MSEs.

The implementation of the integrated housing project engaged labour intensive construction for the production of building components and construction works. This result engaging so many MSEs and small-scale contractors in the project, which then results in complexity of the project. The vast number of stakeholders together with complex work relation makes the management of the project difficult.

As there are so many stakeholders in the project it raises a question whether a good relationship and communication exists or not? The analysis in this research reveals that there is some communication gap among the stakeholders especially between the MSEs with rest of stakeholders. In addition, as in many construction projects in Ethiopia discrepancy between stakeholders is a common characteristic of such project.

The main causes for the lack of communication among the micro and small enterprises in the condominium construction is Blaming each other for mistakes made at site.

5.3. Capacity Building

The MSEs' development program must include trainings and other capacity building schemes. Further, the training given should consist of both managerial and technical supports of different level based on the level of the enterprises.

The capacity-building program for MSEs is quite better since MSEs join the program empty handed. At least they are provided with a few days training which includes lessons on how to administer and manage their association. However, the technical support is still controversial and believed to be not sufficient to equip them with the necessary knowledge. Despite their poor educational background, MSEs are left to struggle by themselves to produce quality work with only three to four day lesson on technical support.

Reviewing the overall developmental program supplied to MSEs, the mechanism to improve their technical and managerial skills is poorly designed. The training given to MSEs as condemned by the consultants, head of MSEs construction officer in HDPO and MSEs themselves it is not enough or not even close to equip MSEs with sufficient technical and managerial knowledge. Similarly, the MSEs are not supplied with the necessary support to improve their performance thus; the majority of MSEs are not satisfied with the support.

Therefore, the mechanisms introduced to enhance capacity of MSEs are not adequate to bring impact on their responsiveness in carrying out their duty. This shows that the support program design by AAIHDP does not meet the program's objective to develop the technical and managerial capacity of MSEs. This also reflected through the quality of the works they are executing and the quality of products there are manufacturing.

5.4. Main constraints of MSEs

AAIHDP is weakened in providing a financial mechanism to lift up the MSEs in providing adequate training to equip them with technical and managerial capability. Because of their lack both technical and managerial know how caused by unsatisfactory educational and professional experience, most MSEs are technically incapable to undergo construction. In addition, due to lack of experience in handling a project of their own, managerial problems were observed on most MSEs. Thus it

makes them incapable to constructing quality work. They also have constraints caused by the disagreement of membership in the association.

Access to finance, insufficient profit and long payment processing are also the main constraints of the MSEs, which affect their motivation to carry out their duties. Similarly, the majority of MSEs were concerned and worried about the stability of their job. This together with insufficient profit from the project; supply of less quality raw material affects their performance negatively.

Administering a large project like this has its own difficulties. The consultants are being helpful in assisting HDPO with supervision and contractual matters. However, it does not help the project to avoid major defects during construction. HDPO has its own constraints like lack of work force, lack of construction material and above all lack of applying construction management. These constraints reflect back to the project participants and affect their performance. Non-existence of testing mechanism for raw materials and prefabricated building components also allows the usage of non-suitable materials in the construction. The last but important constraints are lack of collaborative working atmosphere at the project site.

Lack of good communication between project participants, coordination problem between contractor and MSEs and having different priority might create non-conducive working atmosphere in the project site.

5.5. Recommendation

As concluded in the above sections the “Nifas silik lafto” condominium project has so many shortcomings especially on its capacity building programs, recruitment of project participants and the management of the project. The sample is too small to conclude that the entire projects AAHDPO running has identical problems and shortcomings. However, it can be an indication for further studies of other sites for comparison and draw conclusion of the overall program.

The training organized for MSEs must be based on their level of competence. Because of their poor educational background, the training given to the MSEs need to

incorporate technical and management program. In addition, the training should be adequate to equip MSEs to become technically capable to be part of the project and also to increase managerial capability of MSEs. HDPO on the other hand, need to give attention to the quality of the building to avoid defects, which affect durability and functionality of the building.

The program meets its objective in providing a large number of houses to the urban population and Employment Creation in recruiting a large number of young people. However, it forgoes the need of providing quality houses. Thus, it is important for the program to note that quality construction is also one of the success factors for any construction as well as for the program.

Finally yet importantly, all parties in the project need to coordinate all their efforts for the construction of quality houses for the better and developed housing delivery system.

5.6. Recommended for further study

This study focused on examining the problems, which faces to sub-contracting work of MSEs sub sectors during the construction process. This is done because they are the key players in the construction process of Addis Ababa integrated housing development program. In addition, it is focused on the mitigation and alleviation mechanisms of the problems to overcoming by the government body.

Further study is recommended in assessing the constraints of HDPO in administering and managing the project and the constraints of the consultants during the works and material inspection. There is a need to carry further studies to find out how the defects observed during handing over of the houses pass final inspections by HDPO and the consultants. Additionally, further study is also recommended to identifying the alleviation mechanism of the problems and challenges micro and small enterprises to have a conducive working atmosphere in the housing construction program.

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APPENDIX A

QUESTIONNAIRES FOR MSEs

APPENDIX B

QUESTIONNAIRES FOR consultants

APPENDIX C

QUESTIONNAIRES FOR contractors

APPENDIX D

QUESTIONNAIRES FOR Government bodies

APPENDIX E

MSE participated in condominium construction

በየካቲት ወር 2009 ዓ.ም. በቤቶች ግንባታ ሥራ የተሳተፉ የጥቃቅንና አነስተኛ ኢንተርፕራይዞች(በነባር)																			
ተ.ቁ	የሥራ መስክ	በካቲት ወር 2009 ዓ.ም.		ከንግድ (%)	አፈጻጸም በሕ/ገ/ጸ/ቤት														
		ሰዓት	አፈጻጸም		ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት	ሰዓት
1	በግንባታ ቤት በሚመራ ሥራዎች																		
1.1	በሰነድ ኢንስታሊሽን	299	227	75.9	23	5	23	10	11	15	7	43	0	12	15	23	9	2	0
1.2	በኤሌክትሪክ ኢንስታሊሽን	489	517	105.7	45	31	32	20	15	32	25	45	21	40	39	25	22	8	41
1.3	በማህበራዊ ሥራዎች	499	376	75.4	98	3	48	0	0	59	2	0	0	16	24	31	0	25	47
1.4	በአግሮስቶን ገጠማ	97	55	56.7	0	0	2	0	4	11	0	17	0	0	6	0	0	3	12
1.5	በፕላን መስተጋብሪት ገጠማ	100	76	76.0	10	0	15	0	5	5	0	8	0	25	0	0	0	8	0
1.6	በብረትና አንጨት ሥራ	444	380	85.6	30	0	40	0	7	46	0	36	0	44	72	56	6	10	28
ንዑስ ድምር		1,928	1,631	84.6	206	39	160	30	42	168	34	149	21	137	156	135	37	48	136
2	በጥንቃቄና ማረጋገጫ ሥራ																		
2.1	በፕላን መስተጋብሪት	107	136	127.1	6	8	0	10	12	0	15	0	6	0	13	11	21	6	0
2.2	በብረትና ሥራ	455	400	87.9	32	12	5	20	19	0	41	57	14	0	25	24	25	13	0
2.3	በቴሌቪዥን ሥራ	3	8	266.7	0	0	2	0	0	1	0	5	0	0	0	0	0	0	0
2.4	በግንባታ ሥራ	0	2	0.0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0
ንዑስ ድምር		565	546	96.6	38	20	7	30	31	1	56	64	20	0	38	35	46	19	0
3	መሳሪያና የማህበራዊ	225	232	103.1	13	24	5	15	6	5	19	13	23	5	14	13	17	8	10
4	በምግብ ገንጠማ	36	32	88.9	2	0	1	0	0	0	2	7	12	0	1	0	0	1	0
5	በጥበቃ ሥራ	32	36	112.5	2	2	4	3	0	2	4	2	1	2	2	3	2	2	1
6	በሌሎች	0	4	0.0	0	0	0	0	3	0	0	0	0	0	0	1	0	0	0
ንዑስ ድምር		293	304	103.8	17	26	10	18	9	7	25	22	36	7	17	17	19	11	12
ጠቅላላ ድምር		2,786	2,481	89	261	85	177	78	82	176	115	235	77	144	211	187	102	78	148

Source: AAIHDPO