ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

INSTITUTE OF AGRICULTURE AND DEVELOPMENT STUDIES


FACTORS THAT AFFECT LIVELIHOOD OUTCOMES AMONG SMALL ENTERPRISE DORZE WEAVERS IN ADDIS ABABA: THE CASE OF GULELE SUB CITY ADMINISTRATION


BY

ALAZER KALBO KALAME


JUNE, 2021

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO INSTITUTE OF AGRICULTURE AND DEVELOPMENT STUDIES OF ST. MARY'S UNIVERSITY IN PARTIAL FULFILLMENT FOR THE DEGREE OF MASTER OF ARTS IN DEVELOPMENT ECONOMICS**

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As member of the board that examines the final MA thesis open defense examination we certify that we have read and evaluated the thesis prepared by Alazer Kalbo under the title "FACTORS THAT AFFECT LIVELIHOOD OUTCOMES AMONG SMALL ENTERPRISE DORZE WEAVERS IN ADDIS ABABA: THE CASE OF GULELE SUB CITY ADMINISTRATION" and we recommended this thesis to be accepted as it fulfills the thesis requirement for the Degree of Master of Arts in Development Economics

Chairman_____ Signature_____ Date_____

External Examiner_____ Signature_____ Date_____

Internal Examiner_____ Signature_____ Date_____

Advisor     _____ Signature_____ Date_____

# DECLARATION

I, Alazer Kalbo Kalame, declare that this thesis entitled "Factors that Affect Livelihood Outcomes among Small Enterprise Dorze Weavers in Addis Ababa: The Case of Gulele Sub City Administration" is my own work except as I indicated and gave credit for them in the references and acknowledgement for using their works that supported me to accomplish this study. It was independently done by me with the guidance and support of the research advisor, Wondimagegn Chekol(PhD). The study has been submitted in partial fulfillment of the requirements for the Masters of Arts in Development Economics to St. Mary's University. It has not been submitted before, in whole or part for any degree or diploma at any University.


Alazer Kalbo Kalame_____June, 2021

## ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies, Institute of Agriculture and Development studies for examination with my approval as a university advisor.


Wondimagegn Chekol(PhD)      _____      June , 2021

Advisor      Signature      Date

# ACKNOWLEDGEMENTS

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# LIST OF ACRONYMS AND ABBREVIATIONS

| | |
|---|---|
| AA | Addis Ababa |
| AACA | Addis Ababa City Administration |
| AACCSA | Addis Ababa Chamber of Commerce and Sectoral Associations |
| CSA | Central Statistical Agency |
| DFID | Department for International Development |
| FeMSEDA | Federal Micro and Small Enterprise Development Agency |
| FGD | Focused-Group Discussion |
| GDP | Gross Domestic Product |
| IDS | Ideas for Development |
| MA | Master of Arts |
| MSEs | Micro and Small Enterprises |
| MSMEs | Micro, Small and Medium enterprises |
| MTI | Ministry of Trade and Industry |
| PIP | Policies, Institutions and Processes |
| Seda | Small Enterprise Development Agency |
| SNNPR | Southern Nations Nationalities and Peoples Region |
| SSEA | Small Scale Enterprise Administration |
| UNISA | University of South Africa |

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## DEDICATION

I dedicate this thesis to my lovely father Kalbo Kalame Tulamo: You have taught me a wonderful book, Holy Bible from which I got answer for the question "who am I?" You planted great ambition in my heart by saying "My son! I went to Addis Ababa to weave for others, but you should go to learn at Addis Ababa University.

To my lovely and humble mother Woyize Tolato Tonne for her incomparable motherly love. Your love made me strong and gave hope to achieve my education.

To my third brother Lunke Booqa, for his serving my mother and father for more than twenty years while we were children and to all Dorze weaver in Addis Ababa whose livelihood outcomes are under question and their motivation for weaving tibeb is threatened with artificial tibeb.

## ABSTRACT

*In Addis Ababa Dorze weavers make their living through weaving and they are well known expert of weaving, but their livelihoods are being affected by many factors .Therefore this study carried out to identify factors that affect livelihood outcomes among small enterprise Dorze weavers in the case of Gulele subcity administration. From this sub city two largest weaving premises (Gundish_Meda and Addis Tesfa) were purposefully selected as study premises. The study used two research designs: case study research design and causal research design. Both qualitative and qualitative research approaches were employed for data that was collected from primary data sources through semi-structured questionnaire, interview and focused-group discussions. 15 enterprises from Gundish-Meda and 5 enterprises from Addis Tesfa weaving premises were purposefully selected and participated in focused-group discussions for case study design. 165 small enterprise Dorze weavers were selected using simple random sampling for causal research design and multiple linear regression analysis was used to identify factors that affect income of the weavers. From focused-group discussions: using traditional loom was main the loom related factor ; lack of common purpose and activity as an enterprise, lack of a business-centered culture, lack of saving, lack of proper time management were weavers related factors; seasonality of the demand of the weaving product on a market and existence of many middlemen were market and marketing related factors; price fluctuation for the raw materials was inputs price related factors ; rigidity of requirements to get loan from financial institutions was institution related factor that affect weavers' livelihood outcomes in Addis Ababa. From seven independent variables used in regression analysis three variables: weaving time usage, alcoholic drinks usage culture and ability of weaver to weave advanced "tibeb" were significant at 95 percent level of confidence and weaving was significant at 90 percent level of confidence. 42.08 percent of deviations in the income among small enterprise Dorze weavers in Addis Ababa were explained by the model.*

*Keywords: Livelihood, livelihood outcome, small enterprise, Dorze*

# CHAPTER ONE

# INTRODUCTION

## 1.1 Background of the Study

In physical world, every human being strives to make his or her living in different ways that secure his or her basic necessities. The way of making a living is called livelihood. A livelihood is consists of people, their capabilities to exploit the different types of assets or resources they have access to undertake the activities in strategic ways through which they gain livings or make their livelihoods.

According to Chambers and Conway (1992:9) "a livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base." Chambers developed the idea of "Sustainable Livelihoods" with the intention to enhance the efficiency of development activities which are principally determined by the capabilities of human being and it was emerged as a new approach to poverty alleviation (DFID, 2000).

Livelihood thinking puts people at the Centre of a holistic understanding of how things work: how people make a living in volatile conditions and with limited assets, how the environment or in general world where people live impacts on them, and vice versa. Chambers and Conway on their IDS (Ideas for Development) discussion paper they defined capability of a person to express people as heart of livelihood. capability is what a person or household is capable of doing and being and livelihood capabilities comprises the ability to gain a livelihood , including abilities to cope with stress and shocks , to be dynamically adaptable, and to explore and exploit opportunities( Chambers and Conway ,1992). Also Livelihood capability refers to being able to perform certain basic functions, to what a person is a capable of doing and being. It includes, for example, to be adequately nourished, to be comfortably clothed, to lead a life without shame and to keep track of what is going on (Sen ,1984; and Dreze and Sen 1990).

So the idea of sustainable livelihood approach is people-centered, People's capabilities rather than the resources they use are the priority concern in the livelihoods approach. The approach provides a framework for understanding the opportunities and assets available to poor people and the sources of their vulnerability, as well as the impact upon them of external organizations, processes and policies (Scoones 1998; Ellis 2000).

In general, livelihood is a combination of the resources used and the activities undertaken in order to live. So people derive their livelihoods by drawing on capabilities and assets (human capital, social capital, natural capital, physical capital and financial capital) to develop livelihood strategies composed of a range of livelihood activities that can generate livelihood outcomes (more income, increased well-being, reduced vulnerability, improved food security, more sustainable use of natural resource base(DIFD ,1991).

**Handloom Weaving as a livelihood process of Dorze people in Addis Ababa**

Before advanced technologies of textile industries came, In Ethiopia our grand-grandfathers, grandfathers had engaged in different activities to fulfill their basic needs. One of activities they engaged to make a living was weaving.  It is also main income sources in handloom sector for a large number of peoples in Addis Ababa. The majority of these people who are connected with the craft of weaving are Dorze people came from Gamo highlands, Southern Nations Nationalities and Peoples Region (SNNPR).

 They are well known expert weaver in Ethiopia, especially weaving decorated cloth "tibeb" on habesha libs or in Amharic Ethiopian cultural cloth. They lead their life and make their living through weaving using tradition and hand-based machine called handloom which does not use any power based technology

They are called Shemanewoch (an Amharic word equivalent to weavers), their work is Shimena (weaving) and their principal product is Shema (cloth). The Shema woven by the Dorze people is in great demand in Ethiopia, especially in Addis Ababa and to some extent in all part of Ethiopia and out of Ethiopia, destined to the international market (Abdella and Ayele ,2008) because they weave a beautiful cloth with complicatedly woven patterns "tibeb" at end and by any standards it is a skillfully woven and aesthetically beautiful piece of craftsmanship (Burley D., 1976).

All traditional cloths weavers in Addis Ababa could be classified into two major groups. The first group is those ones organized in forms of enterprises (cooperative , joint venture and team based), and engaged in weaving at the premises constructed by the government at different sub cities of Addis Ababa city administration and the second group is those ones who are not organized but engaged in weaving at their houses on individual base. Government availed working premises for the weaving enterprises as micro and small enterprises in Addis Ababa because traditional weaving sector is playing important role in decreasing unemployment, expressing wisdom of Ethiopian handcrafts and it is home grown activity which is base for economic growth because it connects both the rural and urban households together (AACCSA, 2015) and handloom weaving is growing as one of main livelihoods for many people and main business activities in handloom sector in Addis Ababa.

## 1.2  Statement of the Problem

Ethiopia is one of multiethnic and multicultural countries in the world. The ethnic and cultural diversity has given rise to many unique and dynamic visual traditions. One of these traditions is weaving through which a number of people make their living in Ethiopia. Dorze people are well known and honored expert in weaving, so the name "Dorzé" itself presupposes weaving (Prouty and Rosenfeld ,1982), According to Hudson & Spring (1995) the Dorze people migrate to the towns in search of other outlets for their product. Today there are a number of Dorze weavers involved in weaving in Addis Ababa. They are well known weavers of beautiful, attractive and stylish habesha cloths such as Gabi ,Netela ,Buluko, kemis and cultural cloths (habesha Lib's) with the woven "Tibeb".  Although they are well known professional in weaving(Eskedar G.,2007) in Addis Ababa , but the economic status of the Dorze weavers is very poor and they are in a very tragic economic condition.  They are not in a position to fulfill their basic need for them and /or their children although they have such naturally gifted talent and profession in weaving. They live corners of Addis Ababa. Even at the corners of Addis Ababa, most of the weavers are living in a joint family system consisting of three to six members in a family under one roof with more than one different heads of a family and youth Dorze weavers are living in a group consisting of greater than five members. They are living below the expected standard of life having such profession of weaving. In general their livelihood outcomes such as such more income, increased well-being, improved food security and reduced vulnerability are challenged by many factors. Therefore, this study was conducted to identify factors affecting livelihood outcomes of Dorze weavers in Addis Ababa. The study was carried out at Gulele Sub City Administration of Addis Ababa in the case of small enterprise Dorze weavers.

## 1.3   Objectives of the Study

### 1.3.1   General Objective

The main objective of this study was to identify factors that affect livelihood outcomes among small enterprise Dorze weavers in Addis Ababa.

### 1.3.2   Specific Objective

The specific objectives of the study were:

a.   To explore livelihoods challenges affecting lives of small enterprise Dorze weavers in Addis Ababa.

b.   To identify factors that affect income of small enterprise Dorze weavers in Addis Ababa.

## 1.4   Research Questions

The study attempted to answer the following question:

a.   What are livelihoods challenges affecting lives of small enterprise Dorze weavers in Addis Ababa?

b.   What are factors that affect income of small enterprise Dorze weavers in Addis Ababa?

## 1.5   Hypotheses

$H_{01}$: There is no significant relationship between income and age of a weaver.

$H_{a1}$: There is significant relationship between income and age of a weaver.

$H_{02}$: There is no significant difference on the income among weavers in relation to their weaving experience.

$H_{a2}$: There is significant difference on the income among weavers in relation to their weaving experience.

$H_{03}$: There is no significant difference on the income among weavers in relation to their educational background.

$H_{a3}$: There is significant difference on the income among weavers in relation to their educational background.

$H_{04}$: There is no significant difference on the income of weavers who have culture of saving and weavers who have not culture of saving.

$H_{a4}$: There is significant difference on the income of weavers who have culture of saving and weavers who have not culture of saving.

$H_{05}$: There is no significant difference on the income of weavers who have culture of using weaving time properly and weavers who have no culture of using weaving time properly.

$H_{a5}$: There is significant difference on the income of weavers who have culture of using weaving time properly and weavers who have no culture of using weaving time properly.

$H_{06}$: There is no significant difference on the income of weavers who have culture of using more traditional alcoholic drinks and weavers who have no culture of using alcoholic drinks.

$H_{a6}$: There is significant difference on the income of weavers who have culture of using more traditional alcoholic drinks and weavers who have no culture of using alcoholic drinks.

$H_{07}$: There is no significant relationship between income and ability of weaving advanced "Tibeb" among weavers.

$H_{a7}$: There is significant relationship between income and ability of weaving advanced "Tibeb" among weavers.

## 1.6   Significance of the Study

The current challenges of weavers in Addis Ababa specially Dorze weavers to make their living is open to anyone in Addis Ababa, but there has been no any study that was done regarding why the weavers, dominantly Dorze weavers have been facing challenges to make and gain their living in Addis Ababa and why their livelihoods are subjected to hardships. Therefore, I the researcher hope that this study finding may be milestone for others researchers for their further studies and also for the policy making institutions regarding micro and small enterprise development strategies. They may find this document a valuable addition to their development issues in order to improve livelihood challenges of weaving enterprises.

## 1.7   Scope and Limitation of the Study

The study was conducted in Addis Ababa in the case of Gullele Sub City where two weaving premises, Gundish-Meda and Addis Tesfa were purposefully selected to identify factors affecting the livelihood outcomes of small enterprise Dorze weavers.

The main challenge that the research faced during the data collection was involuntariness of weavers to be participated in the study and most of weavers were not voluntary to give correct data because they suspected the researcher as a politician sent from the government to preach them election campaign because the data collection was carried out before three months of 2021 national election of Ethiopia.

Another limitation of the study was the study considered only small enterprise Dorze weavers, even if there are a number of weavers other than Dorze weavers. The study also did not consider weavers who weave in their home at individual base and their livelihoods challenges in Addis Ababa.

## 1.8   Definition of Key Terms

Dorze is a small ethnic group inhabiting the Gamo Zone of Southern Nations Nationalities and People Region. In this study, Dorze weavers refer the weavers came from the Gamo-Zone to Addis Ababa where they make their livings through weaving.

Livelihood: is a way of making living using the assets, capabilities and activities required for it (DIFD, 1991). In this study it refers to how Dorze weavers structure their means of living; how they use capabilities, assets, and activities to achieve their livelihood outcomes.

Livelihood outcomes: are the achievements or outputs of livelihood strategies, such as more income, increased well-being, reduces vulnerability, improved food security and more sustainable use of natural resources (DIFD, 1991). In this study, livelihood outcomes represent gaining good living (at least fulfilling basic necessities) from what Dorze weavers do.

Small enterprise: are small business enterprises with total capital less than ETB 1,500,000.00 and where from 6 to 30 members are organized to form an enterprise (FeMSEDA, 2011). Therefore, In this study small enterprise Dorze weavers are Dorze weavers who are weaving traditional cloths, hand-woven cloths at government shed or working premises in the form of enterprise including members from 6-30 weavers with total capital less than ETB 1,500,000.00.

## 1.9 Organization of the Study

The study paper was organized into five chapters. The first chapter deals with an introductory part, which consists of background of the study, statement of the problem, objectives of the study, research questions, research hypotheses, significance of the study, scope and limitation of the study, definition of key terms and organization of the study. In chapter two the theoretical and empirical literatures were reviewed. The third chapter presented methodology used in the research. The result and discussion part of the study was made in chapter four. Finally, the study provided its conclusions and recommendations in chapter five.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1    Theoretical Review

### 2.1.1    The Dorze people in Ethiopia

The Dorze people are a small ethnic group living in the Gamo highlands in the Southern Nations, Nationalities and Peoples Region of Ethiopia and they are omotic language speaker belonging to the largest Afro-Asian family of languages. Specifically, Dorze village is located in Gamo Zone, the Eastern edge of the highland above Lake Abaya about 2600m above sea level. The village is situated at a distance of 493 km south of Addis Ababa, 30 km North of Arba Minch, the principal town of Gamo Zone and 7 km to South from Chencha(Etalem T. ,2019). Before the 20th century, the people were organized into districts known as guta and sub clans known as qomo. The districts were corporate units ruled by assemblies and ritually led by an appointed halaqa(leader of a districts). Halaqa is elected based on an amount of wealth and his ability (title is open only for males) to prepare an extravagant feast to please his community so as to get favors for election (Bogale C., 2016).

The Dorzé village is endowed with abundant the ways of making their livings, livelihoods through agriculture and handcrafting.  They are well known in planting enset (false banana), potatoes, barley, and beds of spices for their consumption and also planting tobacco around their an elephant-shaped house for smoking, because they are passionate smokers of tobacco in traditional ways to keep them from cold seasons, also they are well known in preparing different traditional drinks such as borede,Teji, Tela,Areqe.

In handcrafting sector, especially traditional weaving, pottery work, and unique house constriction, Dorze people are master weavers in Ethiopia. Indeed, there are a number of weavers in Ethiopia and hand weaving is an important indigenous knowledge which has been transferred from generations to generation, others weavers are not skilled and professional like Dorze weavers in the country ,so the name "Dorze" became synonymous with the term "weaver"( (Prouty & Rosenfeld, 1982).

They are not only well known by their skillful weaving of cotton cloth, but also weave their elephant-shaped house with bamboo (woyshe, their local name for bamboo). This makes them unique expert in weaving in Ethiopia. Indeed, in Ethiopia different tribes like Sidama, Awi, Sheka, Kaffa and Gumuz are predominantly construct their traditional house using bamboo like Dorze people and they dig one or more hardwood poles in the middle of the house ((Etalem T, et al., 2018). However, Dorze house has a great difference in the proportion of bamboo used, construction process, design, and durability. As researcher witnessed during field observation and as I, Alazer, the researcher of this study also real witness of it as native of Dorze community, Dorze people only used bamboo for the overall construction of the house. However, they also use other supportive materials (wood, grass etc…), but not in Dorze house.

They are also well known expert on traditional pottery profession and skill in their village as well as in Addis Ababa. Their pottery instruments are the favorite choice for most Ethiopians because they thought as traditional as traditional ornaments are donated special test and delicious flavors for foods (Etalem T., 2019). For example, most people prepare Jebena bunna (coffee prepared by Jebena (coffee pot) which made by them than machine coffee because it keeps special test of coffee. In general, they also produce traditional utensils like Jebena, Deist(Cooking pots), Gan (Water pot), Mitad (Injera pan) and etc.

As the study revealed, Dorze people have a long history of weaving profession in Ethiopia. The memorial place of Dungguza which found in Dorze Hiriphopango kebele, for instance can be taken as a piece of as a tangible evidence for this assumption. The place has more than 510 years of weaving history and this can be testified by the original place of traditional cloth of Dungguza (Etalem T.,2019).  As respondents explained during the study by Etalem Tegegn in 2019 , the three (black, yellow, and red) colored beautiful traditional cloth of Dungguza is for the first time designed and weaved by Aleka-Wara Gujufo and Aleka-Bole Abe in Dorze Hiriphopango Kebele and each and every, colors and structures of Dungguza have their own name and representation.

Accordingly, the big black is called Kawo and it symbolizes the king. The yellow, which placed in the surrounding of the black, is known as Mindiqqe, and it exemplifies the place of king for sit. Its name derived from the actual Dubbusha place of Mindiqqe, which founds near to the memorial place. The red is so-called Machara. The yellow and black mixed square is named Gaachene and it implies the soldiers of the Kawo. The thin parallel lines of three calories are named Menatha and it symbolizes the family members of Kawo(King ).

They are also well known in the weaving of other traditional cloths such as Bullukko, Gabbi(offers for the bride from their family as dowry or wedding gift) ,Kutta ,Netela ,Kemis and other shemma productions, generally now a day they are a master weavers on weaving industry in Ethiopia. Now a day, they also work and extend their handcrafting out of homeland. In Addis Ababa, they are weaving different parts of the city, especially in Shiro-Meda is called community of Dorze people where they are leading their living through weaving and their weaving products are being the main business center in handcrafts sector.

## 2.1.2  Livelihood Framework

The livelihood framework has being mostly used in Development studies regarding the life of the poor and depicts a way of understanding how households derive their livelihoods by drawing on capabilities and assets to develop livelihood strategies composed of a range of activities. Chambers R. and Convey .G (1992) defined livelihood as "a livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base." Here the idea of "sustainable livelihood" was developed with the intention to enhance the efficiency of development activities which are principally determined by the capabilities of human being. So sustainable livelihood has been a prominent theme or subject of research and academic writing over the last ten years (De Satge,R.& Holloway,A.,2002). Since its development of the idea of sustainable livelihood, different development actors have begun to mainstream the concept into policy and programme design to eliminate poverty from the life of the poor. Even if the intention of sustainable livelihood was to cause the poor to use their capability to sustain their life in future rather than depend on other supports and from others; people, non-government organization and the likes, there are factors that affects their livelihoods.

So there is a number of livelihood frameworks have been developed and they share the same fundamental concepts, but use different terms and emphasis different aspects. In this study, the livelihood Framework of DFID was used.
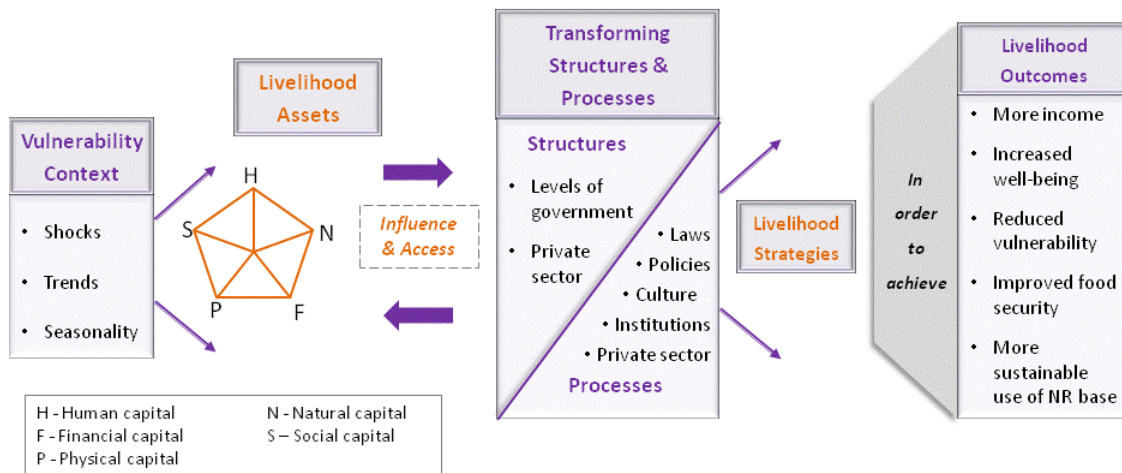


Figure 2.1 Livelihood Framework of DFID:  source DFID (1999) p.1

From the above livelihood framework, there are a number of factors that either affect or determine people's livelihood outcomes. Livelihood outcomes are the achievements of livelihood strategies, such as more income (e.g. high either weekly or monthly salary from weaving), increased well-being (e.g. non material goods, like self-esteem, access to services), reduced vulnerability (e.g. better resilience through increase in asset status), improved food security (e.g. increase in financial capital in order to buy food) and a more sustainable use of natural resources. These livelihood outcomes can be either enhanced or limited by the followings:

Vulnerability Context: The Vulnerability Context forms the external environment in which people exist and gain importance through direct impacts upon people's asset status. In Simple word it means challenges such as shocks: natural hazards, economic shocks, conflicts and seasonality: increase in prices of different goods from the environment and /or other peoples.  That means human beings are operating in a context of vulnerability to different challenges around us from the environment where we live.

These challenges may seriously affect livelihood outcomes of people. For example, impact of coronavirus (covid-19) on weavers' livelihood in Addis Ababa in 2020.

Livelihood Assets: consists of five kind capitals or assets:

Human capital: Skills, knowledge, the ability to work that together enable people to pursue different livelihood strategies and achieve livelihood objectives. This part includes ability of weaving of small enterprise Dorze weavers to make their living by generating income.

Social capital: being networked to each other to work and improve and gain their livelihood. For example, working cooperatively to make a living and participating in association of weavers.

Natural capital: the natural resources stocks that people can draw on for their livelihoods including land, forest, water, air and so on.

Physical capital: the basic infrastructure that people need to make a living, as well as the tools and equipment that they use. For example, input materials for weaving and handlooms, weaving machines of Dorze people in Addis Ababa.

Financial capital: savings, in whichever form, access to financial services and regular inflows of money.

Transforming Structures and Processes: represent the institutions, organizations, policies and legislation that shape livelihoods. Livelihoods are shaped by policies, institutions and processes (PIPs) at all levels. They determine options for livelihood strategies, as well as access to decision-making bodies and external sources of influence. For example policy of market where weavers sell their product can have influence on their livelihood and they influence significantly the conditions that promote the achievement of multiple livelihood strategies and sustainable livelihoods (Bingen,R.J.& Brinkerhoff,D.W., 2000). The framework looks at the interaction between: people, their capabilities, the different types of assets or resources they have access to and the activities through which they gain their livelihoods

### 2.1.3 Classification and Definitions of Small Businesses in Ethiopia

Definition of small businesses often vary from country to country, even it vary from sector to sector. They are defined differently according to countries, regions and sectors based on different contexts and economic activities. This made classification hard to get single benchmark to measure a business as micro, small, medium and large. So there is no universally agreed definition of microenterprises or small businesses (Kayanula and Quartey, 2000:35). Usually, the definitions are based on different attributes such as number of employees, value of assets owned by the business and the annual turnover (volume of sales generated over a period of time). But these size criteria of ranking an enterprise is not only way to rank the enterprise, there are also economic criteria (market share, independence and personalized management) in some developed countries to define and rank an enterprise. So there are a number of countries which amend their small businesses definitions over different periods. For example, Ethiopia revised its first (which was established in 1997) national micro and small enterprise definition in 2011, South Africa revised its first national ranking criteria of enterprises into different groups as micro, small, medium enterprise .The new schedule defines small businesses using two proxies: total full-time equivalent of paid employees and total annual turnover –removing the third proxy of total gross asset value which was previously considered when establishing the size of South African businesses. For example, in manufacturing sector, an enterprise is called as small class of enterprise when there are from 11 to 50 employees (total full-time equivalent of paid employees) and total annual turnover less or equal to R, 50,0million(Seda of South Africa, 2019).

Even there is lack of uniform definition at the national level to have a common understanding of the micro and small enterprise in Ethiopia. While the definition by Ministry of Trade and Industry (MTI) uses capital investment, the Central Statistical Agency (CSA) uses employment and favors capital intensive technologies as a yardstick. The definition used by MTI, which uses capital investment as a yardstick, has been developed for formulating micro and small enterprise development strategy in 1997 (Tiruneh, 2011). According to the new Small & Micro Enterprises Development Strategy of Ethiopia (published 2011), the working definition of MSEs is based on capital and Labor (Konjit, 2012).

2.1.4  Ethiopia's Definitions of Small Enterprise

Due to variation of conditions to divide small businesses into different classes  and absence of common and unique yardstick to measure what businesses make micro ,small and or large ,there may be change in definition and rank of businesses from time to time even with in one country. The definition of businesses varies as development of a country varies.  Thus Ethiopia has revised micro and small enterprises (MSEs) in two different periods, 1998 and 2010/2011.

2.1.4.1  The First, 1998 Ethiopia's Definition of Micro and Small Enterprises

The first definition of MSE was based on paid capital only (see table below). An enterprise is categorized as micro if it's paid up capital is less than or equal to 20,000 ETB. Similarly, an enterprise is considered small when its paid up capital is less than or equal to 500,000 ETB.

Table 2.1: The First definition of MSEs of Ethiopia

| The First definition of MSE of Ethiopia | | |
|---|---|---|
| Sector | Manpower | Paid up Capital |
| Micro Enterprise | Never considered | 20,000 ETB(1,200 USD) |
| Small Enterprise | Never considered | 500,000 ETB(30,000 USD) |

Source: FeMSEDA

The main limitation of the first national definition of MSEs in Ethiopia was that it never considered manpower, labor that how many people (size) work in an enterprise; it did not provide information on job creation and asset base. This is because employment and asset ownership are not part of the definition. Also, the definition did not differentiate between manufacturing (industry) and services.

2.1.4.2  The Second, 2010/2011 Ethiopia's Definition of Micro and Small Enterprises

The second definition of MSEs was published in 2011 and the classification is based on capital and labor which is added as classification criteria by addressing the limitation of the 1998, this definition of MSEs has been working in different sectors and even considered minimum asset requirement for services and industry is different as shown in table 2.2 below.

Table 2.2: The Second (Current) definition of MSEs of Ethiopia

| The Second(Current) definition of MSE of Ethiopia | | | |
|---|---|---|---|
| Lever of Enterprise | Sector | Manpower | Total Capital |
| Micro Enterprise | Industry | $\leq 5$ | 100,000 ETB(6,000 USD) |
| | Service | $\leq 5$ | 50,000ETB(3,000USD |
| Small Enterprise | Industry | 6-30 | 1,500,000 ETB(9,000 USD) |
| | Service | 6-30 | 500,000 ETB(3,000 USD) |

Source: FeMSEDA

2.1.5   The Roles of Small Enterprises for Economic Development

Micro and Small Enterprises (MSEs) have played significant roles in the growth, development and industrialization of countries, both developed and developing. Today developed countries have so-well established policies of micro and small businesses because these businesses have played as a base and crucial to their large scale industries. Accordingly, most developing countries have formulated and implemented a wide variety of the MSEs development strategies in order to support the growth of the sector, thereby transforming economies and generating substantial employment opportunities. This idea was supported by International Labor Organization (ILO), which reported at 2003 by acknowledging that micro and small enterprises play a vital role in socio-economic development as a means for generating sustainable employment and incomes.

Ethiopian government has supported and nationally recognized the growth of small businesses for country's economic development, especially growth-oriented businesses which based on their potential for job creation, poverty reduction, local raw material utilization and ease of transformation to medium and large scale businesses in a short period of time (Konjit D,2012).

Accordingly, MSEs engaged in manufacturing (metal, leather, textile, wood work, agro processing), construction (contractors and construction material producers), urban agriculture (dairy, cattle fattening, poultry, beekeeping and animal food production), trade (wholesale and retail) and services (hotel, tourism, solid waste collection, etc.) are considered as growth-oriented Micro ,Small and Medium enterprises(MSMEs).

The Ethiopian government nationally recognized the small businesses through various policy interventions. For instance, the government formulated a national Micro and Small Enterprises Development and Promotion Strategy in 1997 (revised in 2011). The primary objective of the national strategy framework is to create an enabling environment for small and micro enterprises. Given such an enabling environment, it is expected that hundreds and thousands of micro and small enterprises will themselves be responsible for the operation, growth and progress of their employees (MTI, 1997:11).

Until 2004/2005, the strategy was implemented by Federal Micro and Small Enterprise Development Agency and organized only at national level. This made very difficult to make the strategy's objectivities practical, especially in delivering business development service for MSE operators. Thus, by considering the critical role of the sector and the constrained faced by MSE operators, since 2004/2005 the government of Ethiopia decided to establish MSEs coordinating body at regional level and amended the strategies of the sector by copying a lot of experiences from different foreign countries especially from India, Japan and Malaysia ((Konjit 2012). Furthermore, small businesses were placed at the heart of different policies for example in the government's ten year economic development plans.

Micro and small enterprises and development opportunity have direct relationships. They require less capital and more labor. MSEs have the capacity to generate a much higher degree of employment opportunity with less capital as compared to large-scale sectors. Owing to the mentioned facts they are considered to be of greatest value in building up a local production structure (coordinating land, labor, and capital in that locality) and in promoting economic growth.

In successful developing countries, MSEs by virtue of their size, location, capital investment and their capacity to generate greater employment, have demonstrated their powerful propellant effect for rapid economic growth (Abdella, and Ayele, 2008). The MSE sector has also been instrumental in bringing about economic transition by providing goods and services that are of adequate quality and are reasonably priced, to a large number of people particularly in rural areas, and by effectively using the skills and talents of a large number of people without requiring high-level training, large sums of capital or sophisticated technology (Endalkachew M., 2008).

As Endalkachew M(2008) ,the MSE (Micro and Small Enterprise) sector is the second largest employment-generating sector following agriculture in Ethiopia. Beyene(,2007) explained the strategic contribution of micro and small enterprises to Ethiopian economy and they approximately accounted for about one-half of the total industrial production.

As Tiruneh A.(2011), the existence of a strong small business sector is necessary for the boosting of the economy. However, the transition of this sector to medium and large business sectors is as crucial to preserve the flow of new small businesses into the economy.

In General, in all successful economies, small businesses (micro and small enterprises) are seen as an essential springboard for growth, job creation and social progress. The small business sector is also seen as an important force to generate employment and more equitable income distribution; activate competition; exploit niche markets; enhance productivity and technical change to stimulate economic development (Zewde and Associates) 2002; Nuno and Santos; 2003).

2.1.6   Contribution of Handloom Sector to Ethiopia's Economic Growth

In Ethiopia, handloom sector is source of livelihoods of many peoples: cotton producers and suppliers, Suppliers of yarn/dir &mag, boilers, strengtheners and whiteners of yarn/dir and mag', spinners and suppliers of ginned cotton, colored threads/tilet suppliers, traditional weavers, individual traders, tailors ,designers  and  others (AACCSA, 2015).

Many peoples lead their life through weaving (Gezahegn et. al, 2009). Weaving has a long history in Ethiopia with diverse traditional handloom products. The handloom weaving has economic and development importance in terms of very high employment potential and linkages with agriculture (cotton) economy. It also builds strong nexus with agriculture (because the main providers of raw cotton to handlooms are farmers) and industrial (manufacturing) sector (for preparation of traditional fibers,). Weaving also increasing global market for furnishings products and create conducive environment for export led production activities (AACCSA, 2015:10). Especially woven cloths that are popular both at the rural and urban centers, exported to Ethiopians living in foreign countries and other foreigners (Abdella and Ayele 2008).

It absorbed so many employments and is a significant source of livelihood income for a large number of people both in rural and urban areas of Ethiopia. The handloom weaving cluster has economic and development importance in terms of very high employment potential and linkages with agriculture and other sectors of the economy (AACCSA, 2015).

## 2.2  Empirical Review

Research has moved during this century from the periphery to the Centre of our social and economic life. Most of us recognize that the progress which has been made in our society has been largely the result of research (Singh, Y. K., 2006).  In the 21st century, research findings have been playing a great role to solve problems that human beings have been facing on the Earth. Now a day especially many attentions are given to research projects to find solutions for problems based on findings, conclusions and recommendations of research, but there were a few and limited number of research literatures made by different scholars and researchers concerning weaving as well as weavers livelihood in Addis Ababa.

The followings are the attempts made to review some of the earlier studies on various aspects of weavers.

Berhanu Tadesse(2015) on his study ,socio-economic role of clustering and government constructed working premises/shed on "Traditional handloom weavers": the case of Gulele sub ciy woreda one and six. He found that 88 percent of weavers in working premises (government constructed shed) generates their income solely or mainly from weaving. In his study above half of respondents, 55 percent of respondents their sole income source is weaving. He said that in relative term income generated from weaving at least could fulfill operators, weavers and their family demand. He also identified increasing in input price and lack of suppliers as the major factors affected income from weaving in Addis Ababa and the paper concluded that the government constructed working premises and supports provided to weavers operating in the category have positively impacted business performance of handloom enterprise.

Study done by Zerihun Alebachew(2017) with research topic: "Analysis of product upgrading in weaving value chain at Shiro Meda in Addis Ababa", the major constraints of the handloom sector during the production of weaving products are insufficiency of credit availability and technological limitation to improve and expand the productivity of weaving in terms of both quality and quantity.

As findings of research done by Rahel Zelalem(2017) with research topic "Indigenous knowledge transfer methods of Shero meda weavers community: implications for adult education and community development", there were a big gap between what they work and their life in Addis Ababa. Based on her participants' response, weavers' life condition and their skill were not well-adjusted together. Due to the various challenges of weavers such as their inability to connect their product with the right market due to a number of intermediaries which benefited more than the producers themselves, poor habit of saving from their sales, less ability of business communication and consuming too much traditional drinks such as Teje, Tela, Areke, Borede…etc., their life condition become more deteriorated. The time and effort exerted to produce a single fabric, and the price made available aggravates their hope not to continue with the job.

According her study, ability to the trade system which does not supported by education could be considered as major obstacle for weavers 'community wellbeing sin Addis Ababa.

According research done by Bethelehem Shiferaw(2017) with research topic "Analyses of the Success Factors of Micro and Small Scale Enterprises: The Case of Kirkos Sub city Ethiopia" found that education and planning experiences shows a significances variation on the performances of micro and small enterprise owners while age of owners, form of ownership, record keeping and financial control ,prior industry and business experiences do not show a statistical significances.

As findings of Hanna Ketselamaryam(2010) study with the research topic "Success Factors in Micro and Small Enterprises Cluster Development: Case of Gullele Handloom Clusters in Ethiopia", the major problems of cluster development as per the views of weavers' cooperatives and support institutions were: persistent scarcity of raw materials , low working capital(there is only one micro finance institute to provide credit to Gullele handlooms cluster, Addis Credit and Saving Microfinance Institution), high instability of cluster actors, the absence of improved weaving machines , failure of loan repayment by some members of the cluster, strategic and managerial challenges(lack of shared vision and presence of vision killers (negatively affected actors in the cluster), presence of middle men in the input market. Also the researcher observed in the course of conducting the study, the business related problems in the weaving operation: the weavers have information constraints especially regarding input sources and market (spinning factories, new fashion, changing customer preferences and the like) because weaving is excessively time intensive activity which takes significant portion of the weavers' time..

According Tran Quang Tuyen, Steven Lim, Michael P. Cameron & Vu Van Huong (2014) studied on farmland loss and livelihood outcomes; they found that there was statistical evidence for a positive association between access to formal credit and income and expenditure per adult equivalent and concluded that livelihood strategies crucial factor that affects household livelihood outcomes. From human capitals, their study showed that educational background of household significantly determines livelihood outcomes, income of household, but age of household become insignificant. They suggested that moving out of agriculture or income diversification may be a way to improve household welfare.

Samuel Kakuko Lopoyetum and Joseph Nelson conducted a study on withering weavers' co-operatives and policy implications in Tamil Nadu, India at 2003. The authors found out the actual causes of low performance and ineffectiveness of weaver's cooperative societies. According their research findings, causes of low performance and ineffectiveness of weaver's cooperative societies were from internal and external factors. Internal factors referred to the inherent weakness within the organization itself; whereas external factors referred to the external environment impinging upon the efficiency and effectiveness of the weavers' societies to achieve its goals and objectives. Then, the authors suggested that the primary weavers' co-operatives should adopt effective selling strategies in order to increase their sales volume, attract new consumers and eventually provide sustainable employment opportunities to members or weavers.

The study done by Rama Mohana on the impact of handloom co-operatives on the socio-economic conditions of weavers in Vasakhapatnam District, India at 1997.The researcher said that they were subjected to social problems. Therefore, he suggested that the government should review the functioning of various primary weavers' co-operative societies to find out the real problems and take appropriate measures to strengthen and develop the cooperatives in order to direct them to play a key role for the development of weaving community.

Mhamudur Rahman Md. (2013) studied the handloom scenario in Bangladesh and stated that handloom sector had glorious past, questionable present and doubtful future due to various internal and external forces. The study revealed some predetermined factors, like-shortage of working capital, high cost of raw materials, lack of organizing capability, inadequate technology and efficiency, lack of policy support and huge knowledge gap, lack of power supply and shortage of credit facility are the main factors of the handloom industry in Bangladesh.

## 2.3    Conceptual Framework

A Conceptual framework is a hypothesized model identifying the model under study and the relationships between the dependent variable and the independent variables (Mugenda & Mugenda, 2006). According to Kothari (2003) a variable is a concept which can take on different quantitative values.

In this study, the relationship between income from weaving and livelihood capitals (activities) of small enterprise Dorze weavers in Addis Ababa is depicted in the following diagram. Monthly income of a weaver from per unit product of kemis and netela is dependent variable and independent variables that proposed for this study are mainly weavers –related factors (this because to answer why their livelihood outcomes remained unchanged in Addis Ababa.

| **Independent variables** | **Dependent variable** |
|---|---|
| -Age of weaver in years<br>-Weaving experience in years<br>-Educational background of weaver<br>-Saving Culture of weaver<br>-Weaving Time Usage<br>-Ability of a weaver to weave advanced "tibeb"<br>-Traditional alcoholic Drinks Usage Culture. | Income from weaving through which they make their living in Addis Ababa |
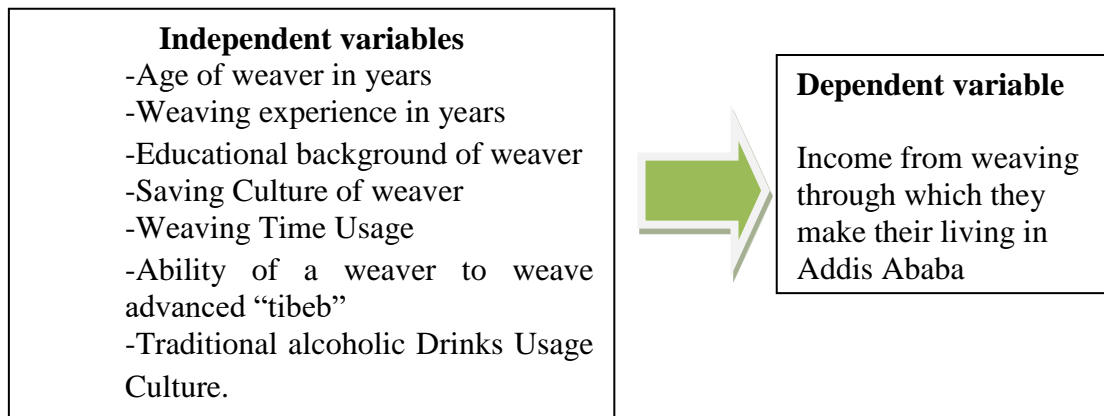
Figure 2.2 .Schematic diagram of conceptual frame work

The above diagram represents relationship between the dependent variable, income from weaving and the independent variables.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 Description of the Study Area

The study was carried out at Gulele sub city administration of Addis Ababa, Ethiopia. The sub city was purposefully selected as a study area for the research and a large number of weavers in Addis Ababa lives in this sub city. Gulele sub city is one of the ten sub cities of Addis Ababa city administration. It is located in the North Eastern part of the city. It is bordered on the north by Entoto highland, on the south by Addis Ketema and Arada sub cities, on the east by Yeka sub city and on the west by Kolfe Keranyo sub city. The area of the sub city is 30.18 square kilometer and the 6th largest sub city. The sub city administratively divided into ten (10) woredas. The total number of population inhabited in the sub city is estimated to be 284,863 of which 137,690 and 147,175 are males and females respectively (from office of Addis Ababa City Administration (AACA)) see figure 3.1 below.

The specific study area is located in North Eastern Addis Ababa at Gulele sub-city woreda 3 and 6. At two weredas, there are two first and second largest working premises of working areas in Addis Ababa, these working areas are Gundish-meda weaving premise at woreda 3 and Addis Tesfa weaving premise at wereda 6 respectively. As data obtained from Gulele sub city, office of micro and small enterprise development for this study represents, there are 41 small weaving enterprises with total number of 891 members at Gundish-meda weaving premise and 13 small weaving enterprises with total number of 285 members. This research was conducted to determine factors that affect livelihood outcomes among small enterprise Dorze weavers in Addis Ababa, in the Gulele Sub city case where the two largest weaving premises were selected as specific study area.

Figure 3.1: Map of Addis Ababa City Administration: Gulele Sub city (study area), shaded area on the above map   https://images.app.goo.gl/14obdmqcCp6MStTu5 -Found on Google from addisababa.gov.et

## 3.2   Design of the Research

The function of a research design is to ensure that the evidence obtained enables a researcher to effectively address the research problem logically and as unambiguously as possible. In social sciences research, obtaining information relevant to the research problem generally entails specifying the type of evidence needed to test a theory, to evaluate a program, or to accurately describe and assess meaning related to an observable phenomenon (Yin, 2003). In this study case study and causal research designs were employed.

### 3.2.1 Case Study Design of the Research

A case study is an in-depth study of a particular research problem rather than a sweeping statistical survey or comprehensive comparative inquiry. It is often used to narrow down a very broad field of research into one or a few easily researchable examples. It is a useful design when not much is known about an issue or phenomenon (Yin, 2003) and the case study approach excels at bringing us to an understanding of a complex issue through detailed contextual analysis of a limited number of events or conditions and relationships. According to Yin (2003, p.8) "the case study's unique strength is its ability to deal with a full variety of evidence." Accordingly, based on evidences from weavers through focused-group discussion, this case study was tried to explore or search the Dorze weavers' livelihoods challenges affecting lives of small enterprise Dorze weavers in Addis Ababa.

### 3.2.2 Causal Design of the Research

This type of research design is used to measure what impact a specific change will have on existing norms and assumptions. Most social scientists seek causal explanations that reflect tests of hypotheses Neil J. (2010). Causal effect occurs when variation in one phenomenon (an independent variable) leads to or results in variation in another phenomenon (the dependent variable). This design was employed to measure what livelihood activities of small enterprise Dorze weaver's makes variation in their income and what are factors that affect the livelihood income of small enterprise Dorze weavers in Addis Ababa.

## 3.3 Sampling Design

### 3.3.1 The Population of the Study

The target population of the study was small enterprise Dorze weavers in Addis Ababa.

### 3.3.2 Sampling Frame

Small enterprise Dorze weavers from Gundish-Meda and Addis Tesfa weaving premises of Gulele sub city administration were used as sampling frame of this study. As data obtained from the office of Micro and Small Enterprise Administration of Gulele sub city, there were 102 small scale weaving enterprises with total number of 2196 members in the sub city, but in specific study cities at Gundish-meda weaving premise there are 41 enterprises with total number of 891 members and Addis Tesfa weaving premise 13 enterprises with total number of 285 members.

### 3.3.3 Sampling Technique

The sampling technique that was used in this study was simple random sampling through which every small enterprise Dorze weaver had equal chance of participating in the study from two weaving premises.

### 3.3.4 Sample Size Determination

Determination of sample size for a study is a crucial element of a study design. The goal is to include sufficient numbers of subjects in investigation or how many sample units should be included from population over which a study is being carried out so that statistically significant results can be discovered. Achieving this goal is determined by a number of factors including the purpose of the study, population size, the risk selecting a bad sample and the allowable sampling error. But there are strategies for determining good sample size. These strategies are using a census for small populations, copying a sample size of similar studies that have already been done by other researchers, using published table developed by Carvalho (1984) and applying formulas (Yamane (1967), Cochran (1997) and others) to calculate a sample size.

The sample of this research was calculated by using Yamane (1976) formula that was developed by Taro Yamane. The calculation formula of Taro Yamane is as following with 95 percent confidence level.

Taro Yamane (1967) formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where        n       = Desired sample size

                   N       = Population of the study

                   e       = precision of sampling error or allowable sampling error (0.05).

As data obtained from the office of Micro and Small Enterprise Administration of Gulele sub city, there were 102 small scale weaving enterprises with total number of 2196 members in the sub city, but in specific study cities at Gundish-meda weaving premise there are 41 enterprises with total number of 891 members and Addis Tesfa weaving premise 13 enterprises with total number of 285 members.

Since there are two weaving premises that were selected for the study, Thus in this study there are two separate population sizes from two different weaving premises and corresponding two separate sample sizes. These are;

$N_1$ is total numbers of weavers in Gundish-meda weaving premise and corresponding sample size is $n_1$.

$N_2$ is total numbers of weavers in Addis Tesfa weaving premise and corresponding sample size is $n_2$.

According to Yamane (1976:86),

$$n1 = \frac{891}{1+891*0.1^2} = 89.91 \text{ which approximately equal to 90 and}$$

$$n2 = \frac{285}{1+285*0.1^2} = 74.02 \text{ which approximately equal to 75}$$

## 3.4  Types and Sources of Data

The study employed both quantitative and qualitative data type.  Data was sourced using both primary and secondary data sources. The primary source mainly used administered questionnaire, focused group discussions with weavers, traders, tailors and sewers and physical observations were made at weaving premises.

The secondary sources employed formal sources: reports, document and literatures review which were relevant to the study were sourced from Gulele Sub city Bureau of Micro and Small Enterprise and others such as Addis Ababa City Administration Micro & Small Enterprises Development Bureau(Konjit D., 2012) and Federal Micro and Small Enterprises Development Agency (FeMSEDA).

## 3.5  Methods of Data Collection

Data were collected employing the following methods of data collection:

### 3.5.1  Questionnaire and Face to Face Interview

The questions that were raised on the questionnaire concentrated on the aspects that have been affecting the livelihoods and lives of Dorze weavers in Addis Ababa. In order to maximize return rates, the questionnaire was designed to be as simple and clear as possible, with giving great care for the sequence of questions to minimize unnecessary efforts during data collection.

In order not block the view of the respondents in closed questions, the researcher used semi-structured questionnaire and also the researcher made physical observation and deep face to face interview with the respondents at weaving premises and Shiro-meda Sunday market.

### 3.5.2 Focused-Group Discussions

A focus group discussion (or FGD) is a qualitative research method in the social sciences, with a particular emphasis on a topic under study to understand an issue at a deeper level than a researcher can access with a survey. It is a free talk with other group members regarding the problem to be answered at end of the study. According to Creswell (2007) group interviews are useful to draw on the combined effort between members to generate diversity of opinions to share in the discussion. He also emphasized that even the size of the group is not only large enough to generate diversity of opinions but also small enough to permit everyone to share in the discussion. So in this study, the FGDs were conducted with different weavers organized into different weaving enterprises, hand woven cloths traders organized into enterprises at Shiro Meda. In the discussions held, various groups of persons with various sizes have participated and were able to express their views and opinions on different factors that have been affecting their livelihoods in Addis Ababa. From each enterprise chairperson, vice chairperson, secretary, some members of an enterprise and traders of hand woven cloths were involved in discussions.

From both weaving premises, some weavers who had spent long years in weaving were purposefully selected for focused group discussion by the researcher and participants freely discussed with the researcher about the challenges that have been affecting their livelihoods in Addis Ababa.

From Gundish-meda weaving premise, fifteen enterprises and from Addis Tesfa weaving premise five enterprises were participated in group discussions. See (annex 10) for some pictures took while conducting the group discussions with different small enterprise Dorze weavers.

## 3.6 Data Analysis Techniques

The data gathered through focused group discussions were analyzed through qualitative method that used to insight why Dorze weavers' livings have been challenged in Addis Ababa.

### 3.6.1 Descriptive Statistical Analysis

The researcher used descriptive data analysis method to describe the status of weavers regarding their livelihood activities and strategies that affects their livelihood outcomes in Addis Ababa. The tabulated and categorized data had been narrated into the forms of words. Then variables which were relevant to the topic had been presented in tabular with respective detailed explanations.

### 3.6.2 Regression Analysis

Multiple linear regression model was used to identify what determines income of small enterprise Dorze weaves from their livelihood activities, strategies and capitals. Monthly income of a weaver per unit product of kemis and netela was used as dependent variable and age of a weaver, educational background, saving culture, culture of taking traditional alcoholic drinks, working time management and ability of weaving advanced tibeb were used as independent variables.

The specified, skeleton of a model fitted to the data was:

$$Income=\beta_o+\beta_1 age+\beta_2 exp+\beta_3 edu+\beta_4 sav\_culture+\beta_5 time\_uculture+\beta_6 alcohol\_uculture+$$
$$\beta_7 tibeb\_weability+\varepsilon$$

Where $\beta_o$ is the intercept of the model and $\beta_1$……………$\beta_7$ are the coefficients of the independent variables and $\varepsilon$ is error term of the model.

From the above model that specified to data:

-The variable exp represents the weaving experience of a weaver in years.

-The variable edu represents the educational background of a weaver in categories as unschooled, can read & write, grade (1-4) complete, grade (5-8) complete, grade 9 and above complete. So this variable is dummy variable with four dummies (edu_dm1, edu_dm2, edu_dm3 and edu_dm4) using the first category (unschooled) as base.

-The variable sav_culture represents the saving culture of a weaver.

-The variable time_uculture represents the working time usage of a weaver and it is continuous variable measured by a number of full days Dorze weavers weave per week.

-The variable alcohol_uculture represents the culture of a weaver to different traditional alcoholic drinks.

-The variable tibeb_weability represents the ability of a weaver to weave advanced tibeb on average.

After dummying the categorical variable edu, the model specified above becomes:

$$Income = \beta_o + \beta_1 age + \beta_2 exp + \beta_3 edu\_dm1 + \beta_4 edu\_dm2 + \beta_5 edu\_dm3 + \beta_6 edu\_dm4 + \beta_7 sav\_culture + \beta_8 time\_uculture + \beta_9 alcohol\_uculture + \beta_{10} tibeb\_weability + \varepsilon$$

## 3.7 Description of Hypothesized Variables

Age of weaver in years: age is one of physical capital of livelihood assets and it determines the potential to carry out livelihood activities and it can be used as a proxy for experience to win problems surrounded human being. This study hypothesized that the younger the weaver, the higher the number of livelihood strategies the weaver would engage in, because supply of labour for off-farm activities is higher for younger household heads than for older household heads (Woldenhanna and Oskam, 2001). In the study done by Njuguna, Ngige, Kathuri-Ogola and Wainaina at Kenya in 2016 with title "Determinants of Livelihood outcome Differentials among Urban Youth "age was one of individual attributes used as determinant factor of Kenyan youth's livelihood outcome and there existed a statistically significant relationship between age and youth livelihood outcomes.

Educational Background of a weaver: now a day education is playing unique role over the world. (Mohan -Niell, 2009) argued that if education cultivates comprehensive literacy, this would help owner/managers to integrate relevant information to do effective planning and to make well informed decisions, which would ultimately enhance the organization's success. In the business sectors also education is a key constituent for business success. An educated individual also has higher earnings expectations than less educated individuals. Not only it determines enterprises performance but also creates an opportunity to get exposure to modern methods of doing things. The educational attainment of an owner influences how an enterprise is organized and run. Even for similar enterprises, perceptions of constraints to the business operations may differ if the owners have different educational background. Education is always good and helps human being if we use it for good and for improving and developing our minds and it was used as major human capital by Bezemer and Lerman, for rural livelihoods in Armenia at 2002. As Berhanu (2007) education level of a household head determines income of a household. In the study done by  Tuyen, T. Q., Lim, S., Cameron, M. P., & Huong, V. V. in Vietnam at 2014 educational background of a household was used human capital and the study found that there was statistically significant relationship educational level and livelihood outcome ,income of a household.

In this study educational level of a weaver was hypothesized that the higher the educational level of a weaver. It may help the weavers how to manage their income from their work.  Therefore, higher levels of education of small enterprise Dorze weaver may contribute to change their life standards through entrepreneurial capacity in weaving sector. The educational level of a weaver was grouped into five categories and was used as dummy variable using the first group (unschooled) as base. The categories: a weaver as unschooled, can read & write, grade (1-4) complete, grade (5-8) complete, grade 9 and above complete.

Experience or Years on the weaving: as a proxy for skill to measure human capital, their income may depend on what skill they have to weave and add attractive tibeb on the cloth they make. This may lead them to more income (Rushnavand N., 1999) in turn it may lead to good living. Since their work is an art of craft or skill, long period weaving experience may be vital for them special for designs like tibeb.

Saving Culture of a weaver is one of livelihood strategies to carry out livelihood activities. In this study, saving culture of a weaver represents culture of setting aside a portion of what small enterprise Dorze weavers have today to use it in future in the form of increases in modern financial institutions like banks or traditional saving system like Iqub ,Edir and other different forms. Saving is one of financial capitals that uses to empower others livelihood assets financially to obtain good livelihood outcomes (De Satgé, R., and Holloway, A. ,2002) but Dorze weavers have no a culture of saving to finance their business and some of them are not visionary (Konjit D., 2012).

Weaving time usage culture of a weaver represents the working time usage of a weaver. Using working time properly is a sign of hard-worker and it helps to change culture of wasting weaving time. Most Dorze weavers have different weaving culture than other peoples, they begin their weekly weaving on either Tuesday or Wednesday, but they never start on Monday as other peoples.  This culture is developed (Hofverberg, H. 2010*)* as culture for them. ).  Even most of them do not use weaving time properly and they do not believe them as employee to their weaving, but Gerald (2002) has defined time management as the art of arranging, organizing, scheduling and budgeting one's time for the purpose of generating more effectiveness in both work and productivity and it was also perceived as set of systems to achieve and improve the quality of life (Argarwal, 2008; Kelly, 2004).  Therefore this study measured their culture of weaving time usage by a number of full days Dorze weavers spend on weaving per week.

Culture of using different traditional alcoholic drinks: At Southern part of Ethiopia there are a number of foods and drinks for people, especially Gamo area is well known through production of fruits. They are also well known for preparation of traditional drinks suck as Tej(honey wine ),Tela ,Boride, Korefe and other traditional drinks. Drinking these tradition alcoholic drinks is familiar drink for them in their Dorze people community in Gamo as well as Addis Ababa. This culture may affect their income and then affect their livelihood outcomes in Addis Ababa, so this study took this variable to check is there any difference in income among small enterprise Dorze weavers who have and have not culture of using different traditional alcoholic drinks.

Weaving "Tibeb" ability of a weaver: on average Dorze weavers are well known weaver in Ethiopia, specially weaving stylish and decorated "Tibeb" to make Ethiopian traditional cloth (Habesha Libs in Amharic), but some of them cannot add "Tibeb" on the cloth .This may determine their income from weaving. This study took weaving tibeb ability of a weaver as categorical variable.

## 3.8 Diagnostic Tests for the Multiple Regression Model

### 3.8.1 Test for Normality

Many of the statistical procedures including regression, are namely parametric tests based on the assumption that the data follows a normal distribution i.e., it is assumed that the populations from which the samples are taken are normally distributed. So to check this assumption this study employed Kolmogorov-Smirov test to test normality of data. The null hypothesis (p value>0.05) of the test is that the data are sampled from a normal distribution and the alternative hypothesis (p value<=0.05) is that the data are not sampled from a normal distribution. Therefore, decision–making process in the normality tests with Kolmogorov-Smirov: if p value is greater than 0.05, then the data is normally distributed, others wise p value less than 0.05, and data is not normally distributed

### 3.8.2 Testing for Multicollinearity

Multicollinearity exists when there is a perfect or exact linear relationship among some or all explanatory variables as well as in the presence of an inter-correlation among the explanatory variables (Gujarati, 2004). In this study, Pair-wise correlation analysis among independent variables, variance inflation factor (VIF) and Tolerance (1/VIF) were used to test severity of multicolinearity.

### 3.8.3 Testing for Heteroscedasticity

Heteroscedasticity is a situation where the variance of the dependent variable varies across the data (Gujarati, 2004). It was tested using the Breusch-Pagan/Cook-Weisberg test. It tests the null hypothesis that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables.

## 3.9 Ethical Considerations

Before conducting the collection of primary data from March 1, 2021 to April 7, 2021, the researcher had tried to inform some of weavers that researcher have aim to conduct the research regarding the problems of Dorze weavers' livelihoods in Addis Ababa. At the beginning of data collection, the researcher first informed participants about the nature of the study and requested their consent to participate in the study and asked them to be part of solutions for the problem under investigation. They were also informed by their working premises representatives about the research and its purpose.

One common practice suggested by Leedy and Ormorod, (2005) is to present a written informed consent form describing the nature of the research project (see annex 3) and the purpose of one's participation in it. However, for some practical reasons (budget and time issues), the researcher followed the suggested procedure by informing participants orally in most cases. Further, participants were told that, if they agreed to participate, they had the right to withdraw from the study at any time. Only those organizations and personnel who were voluntary to participate in the research were approached for an interview and for a questionnaire too.

During the focused group discussion, researcher also assured that whether they were voluntary to disclose their names and enterprise's names to be written on the research paper and volunteer respondent's names were used. Steps were also taken to keep ethical considerations complete. For example, while conducting focused group discursions as well as interview the researcher put on negeste saba (Queen Saba) designed cultural cloth made by them to draw their attention(see annex 10) . The researcher also committed to report the research findings in a complete and honest fashion, without misleading others about the nature of the findings. Under no circumstance, the researcher fabricated data to support a particular conclusion. Giving appropriate credit to the use of another person's ideas is mandatory (Leedy and Ormorod, 2005). In this regard, all materials belonging to another person or organization have been duly acknowledged. Finally, the researcher took appropriate measures to ensure the research would cause no physical or psychological harm to research participants. As a general rule, therefore, the study did not raise any ethical concerns.

# CHAPTER FOUR

# RESULT AND DISCUSSIONS

This chapter discusses the results of the data obtained from sample respondents through semi-structured questionnaire, interview, and focused group discussions. It is composed of three subsections. The first subsection briefly describes numerical facts regarding the small enterprise Dorze weavers used as sample for this study and deals with the demographic characteristics of them.

The second subsection reports insights from data obtained through focused-group discussions with stockholders of handcraft businesses, such as weavers, designers, tailors, hand-woven cloth traders on the factors affecting the livelihood outcomes among small enterprise Dorze weavers in Addis Ababa, Ethiopia. The third subsection deals with the factors, weavers' livelihood activities affecting their income from weaving among small enterprise Dorze weavers using regression model.

## 4.1 Results of Descriptive Statistics

### 4.1.1 Sex of Sample Respondents

165 small enterprise weavers used as sample for this study from two working premises; 90 weavers from Gundish-Meda weaving premise and 75 weavers from Addis Tesfa weaving premise. Out of 165 sample respondents, there are no female .All are male. This does not imply that all weavers in Gulele subcity are male; rather I have not got any female weaver at two weaving premises when conducting the data collection. But I asked a weaver who has 47 years of weaving experience (30 years in Addis Ababa and 17 years in Chencha, a town in Gamo Zone of the Southern Nations, Nationalities, and People Region). The weaver said that "Our wives are very hard worker because some of them are pottery, some of them are weavers at their home and they beat, wind and spin cotton for us". Therefore, there are female Dorze weavers who weave like male Dorze weavers in their home. This may be due to manage different workloads at their home.

## 4.1.2   Age Distribution of Sample Respondent Weavers

The average age of sample respondent weavers was 30.95758, approximately 31 years (source:  Surveyed by the researcher in 2021).

Table 4.1 age distribution of sample respondent weavers

| Age Group(in years) | Frequency | In percent |
|---|---|---|
| Less than 20 | 12 | 7.27 |
| 20-35 | 106 | 64.24 |
| 36-45 | 41 | 24.85 |
| +45 | 6 | 3.64 |
| Total | 165 | 100 |

Source: Surveyed by the researcher in 2021

In the above table, ages of sample respondent weavers were categorized into four groups; less than 20 years, between 20 and 35 years, between 36 and 45 and above 45 years old. From the Survey carried out by the researcher, a large number of sample weavers are working age group. That means 64.24 percent of weavers used as the sample for the study are active and working age.

 The second largest age group is between 36 and 45 years age and this group accounts 24.85 percent of sample respondents, this group also working age of labour force. From this, it can be induced that weaving play a great role in decreasing unemployment in Ethiopia for Dorze people and the working age group of labour force dominated the weaving activities in Addis Ababa.

## 4.1.3   The Position of Weavers in a Household

Out of sample respondent small enterprise Dorze weavers, 90.30 percent of small enterprise weavers are head of his family and they lead the family by this work. The remained, 9.70 percent are son, daughter or brother of head of house and some of them are student.

4.1.4  Educational Level Distribution of Sample Weavers

The educational level of a weaver was grouped into five categories as it depicted in the below.

Table 4.2 Education Level of Sample Respondent Weavers

| Educational Level | Frequency | In percent |
|---|---|---|
| Unschooled | 69 | 41.82 |
| Can read & write | 35 | 21.21 |
| Grade(1-4) complete | 6 | 3.64 |
| Grade(5-8) complete | 26 | 15.76 |
| Grade 9 and above complete | 29 | 17.58 |
| Total | 165 | 100 |

Source: surveyed by the researcher in 2021

From the table 4.2 above, out of 165 sample weavers; 69 weavers are unschooled i.e.41.82 percent, 35 weavers can read and write i.e.21.21percent, 6 weavers are grade one to four complete i.e. 3.64, 26 percent weavers are grade five to eight complete i.e. 15.76 percent and 29 weavers are grade nine and above complete i.e. 17.58 percent.

As the above table depicts, only 61 weavers (36.98 percent) have taken modern education from grade one to higher levels and there is a significant difference among weavers in their livelihood activities they undertake due to different education backgrounds.

For example, Mesfin Abate is one of weavers participated both in the focused-group discussion and in-depth interviews of the study during data collection. He was grade twelve complete and he come to Addis Ababa from Chencha after he had lost Ethiopian university entrance pass point. He came to Addis Ababa to search work, but he did not get any work that benefits him just as weaving, so he started weaving in Addis Ababa. Now he is learning a bachelor degree in Accounting by his own income from weaving. When I was conducting discussion with him and his collogues, He said that his education helped him to be successful in three years, but there are weavers who wove for greater than three years in Addis Ababa.

## 4.2 Factors That Affect Livelihood Outcomes among Small Enterprise Dorze Weavers

The purpose of this sub section is to report ideas of different actors participating in the weaving related business about the factors affecting the livelihoods of small enterprise Dorze weavers in Addis Ababa based on data obtained through focused–group discussion from the weavers in Gulele subcity Administration of Addis Ababa, Ethiopia. The focused-group discussions were performed mainly with chairpersons, vice chairpersons and some members of an enterprise.

Totally 20 enterprises from two weaving premises (15 from Gundish-Meda and 5 from Addis Tesfa) were participated in focused-group discussions. They deeply explained factors that affect their livelihoods and make their living standards very poor and motionless over many years in Addis Ababa although their handcraft product business, traditional habesha cloth trading has been causing significant change on the livings of other peoples such as habesha libs traders in shop, tailors, and fashion designers. They were asked to tell and explain challenges affecting their livelihood outcomes and livings in relation to the following factors.

### 4.2.1 The Loom (Ye Shema Iqa) Related Factors

Cloth is one of the basic necessities in human life. It protects us from the different weather conditions. Making cloths by either traditional or modern ways pass through different processes such as: spinning the weft thread, warping, starching the warp thread, and setting up the loom, test weaving, and weaving the final order. These all processes are being carried out by traditional ways. In this study traditional ways of making clothes were discussed, making clothes through traditional handlooms.

Loom is a machine that has being used by weavers in Ethiopia to make different types of fabrics and it Amharic name is Ye shema Iqa. It is made up of either wood or metal (see annex 1o) and is operated manually, without the use of electricity to weave fabric. All Dorze weavers are using this machine to weave fabrics in Addis Ababa. Since the 19th century, the production of textiles has been taken up by the Dorze weavers who live in Southern Ethiopian at South of Addis Ababa (Gezahegn et.al, 2009). But until today there has been no research about the weaving machines and techniques to improve weaving products and save time as well as labor of weavers. In Addis Ababa since 2007/2008, cites administration of Addis Ababa has started to improve the weaving machine weavers organized as an enterprise to weave at common weaving premises. Though there has been improvisation of handloom by the city administration, it was only with respect to the material i.e. wooden frame is replaced by metal frame to make it easy to dismantle, reassemble and move from one place to another place (AACCSA, 2015). Other than this, there are no technical improvements to enhance productivity and design diversity. Even still now a large number of weavers are using a wooden made frame handloom in Addis Ababa especially all weavers who work in their own homes and some of weavers who are working in government constructed working premises. For example while conducting collection of sample data from weaving premises, researcher got that some weavers still using wooden frame handloom at Gundish-Meda and Addis Tesfa weaving premises(see annex 10(a)) and there are government constructed sheds where all weavers use wooden frame handloom (Didi Mesecha working premise at kirkos sub city keble 04).

The focused-group discussion with weavers started by raising question regarding handloom that the weavers' use. The question that was raised to them was "what are challenges regarding the handloom that you use for weaving; in turn that affects your livelihood outcomes and living standard in Addis Ababa?"

Most of weavers participated in group discussions replied for this question and explained the reasons; the followings are some of their reasons:

Teklu Tesfaye is forty seven years experienced Dorze weavers at Shiro-Meda, Addis Ababa and he is a chairperson of Ye Tibebegnoch Tibeb weaving enterprise at Gundish-Meda weaving premise. He Said that "The main problem for our work is usage of back warded machine, handloom and traditional way or process of producing the product. My son as you see this machine, it is traditional and labor consuming. Our work is just struggle with our enemies. Our enemy is the handloom that we use to produce the cloth for our income. We weavers will be discouraged at end because we spend much time on weaving single cloth. This made our life hard in Addis Ababa. At this age, I am struggling with traditional handloom, but if there were a weaving machine which can be commanded by us and work it's on by a little help of me, it was good and I would have good life".

Tamirat Melese is a vice chairman of weaving enterprise named Kokob Zegona Zegorema cooperative weaving enterprise at Addis Tesfa working premise. He is forty six years old. He has 32 years of weaving experience.  He said that "I do not think our living standard will be changed through weaving, because for 32 years I have been weaving through this rod, traditional handloom, how can I expect my living standard will be changed. Today the world technology is under dynamism and advancement greater than yesterday, but our weaving machine was the same with what my father ,Melese used to weave at his time, Look at this machine before seven or six years, a city administration of Addis Ababa replaced the wooden frame by material frame for the sake of making it easy to move from one place to another place at government constructed weaving premises ,there is any other improvement in terms of saving our labour, time and enhancing productivity . I believe that changing our weaving machine into advanced technology may be difficult. If educated people and government give attention to our weaving, it will be easy for us to improve our livelihoods outcomes".

These above two ideas of weavers were taken from two persons from weaving premises while conducting focused group discussions.

There were a number of ideas reflected during the discussion regarding the handloom that the weavers use today and its effect on the small enterprise Dorze weavers at Addis Ababa. Some of ideas they raised were:

-The handloom is traditional.

-Lack of improvement in the modernization of looms.

-Consumes a lot of our labour.

-Consumes time, since hand loom are made of wooden frame and needs special attention in order to weave different patterns..

-Hard to correct and reuse the product if design of needed tibeb is woven mistakenly. Generally, they said that the machine they use to weave is less efficiency and due to this their livelihood outcomes are subject to income they get from weaving.

### 4.2.2  Weavers Related Factors

This part discusses small enterprise weavers' livelihood activities that have been affecting their livelihoods outcomes, i.e. here ideas that raised were ideas of small enterprise weavers taken as a sample for this study and they gave during focused-group discussions regarding that their livelihoods outcomes have been affected and determined by the livelihoods activities and strategies. So hereunder the activities undertaken by small enterprise Dorze weavers and their culture of making a living were studied in this study. Their livelihood activities that affecting their livelihood outcomes are presented as follows:

Lack of Common Purpose and Activity as an Enterprise

The weavers in Addis Ababa are classified into two broad groups in terms of their working place: the first group consists of weavers who are working in their own houses on individual basis and the second group consists of weavers who are organized into different forms of enterprises ("cooperative" type, joint venture and team based) and working at the common weaving premises, condominiums constructed by the government and provided to them on monthly base rent at low price.

The Ethiopian government did this to support the weavers and Addis Ababa Micro and Small Enterprise Development Agency organized them as an enterprise, just a cooperative type with main objective to collectively overcome, withstand and solve economic and social problems which members cannot individually achieve. But almost all (except one enterprise) small enterprise Dorze weavers taken as a sample for this study are weaving as "cooperatives" or are not functioning on cooperative principals and also not guided by cooperatives proclamation and all of them are engaged weaving on an individual base and they have nothing common aims and actions line with their formation as cooperative enterprise except they commonly working in a common place.

Therefore their name as an enterprise or cooperative is not put in action on their working premises to change their livelihoods outcomes and to collectively overcome and solve their economic and social problems in Addis Ababa, a large number of Dorze weavers weave on individual base and what they have in common is very much limited.

"The main factor that has been affecting our livelihoods outcomes, a living in Addis Ababa is thinking not our livelihood to be improved through weaving while a large number of peoples' life has been improved through it ", this is voice of vice chairperson of Tibeb Le Edget Ye Shimena Hibret Sira Mahber,, one of weaving enterprises at Gundish-meda working premise.  He said that "we are well known producers and expert of hand-woven cloth of Ethiopia, commonly called Habesha Libs, but our life standard is not changed through weaving in spite it has changing the life of different peoples such as hand woven cloths traders, designers and tailors, weaving products sellers in Addis Ababa". He believes that the Dorze weavers do not think about the factors for them the weavers themselves accountable for them  and they have been affecting  their livelihoods outcomes. He supported his idea by raising question for all small enterprise weavers in Gundish-Meda "why do not Dorze weavers be cooperative and  business minded and commonly stand to solve their economic problems?" and why they follow a few weaving enterprises sucessed in weaving businesses?.  Even he raised their enterprise as a model for others enterprise . In their enterprise ,all members have the sprit of cooperation ,right attitude and understanding about what they do each other. They all believe that through weaving they can change their livelihoods outcomes, their living from stagnant to flourishing ,not only believing ,but also they have been showing in practice.

They all weave for the enterprise and sell their products at their own shops, so there are no middlemen between them and last users of their products.

During focus-group discussion with the chairpersons of this enterprise, they have also a plan to open traditional hand-woven cloths' shops at different parts of Addis Ababa city. From the above focused-group discussion with chairpersons and members of Tibeb Le Edget Ye Shimena Hibret Sira Mahber and with others enterprises at two weaving premises, weaving at individual base for self-interest setting enterprises common aim aside is affecting their livelihoods outcomes.

Lack of a Business-Centered Culture

Today we all human beings are in the game world where there is strict competition to win. This is also true in a business sector where there are a number of competitions among the businessmen in terms of different business issues. For example weaver's product, hand-woven cloth has its own brand to be needed by different customers and there are a number of designs decorated as Tibeb to upgrade the quality of the cloth. It is main way through which they compete among one another in weaving. In Addis Ababa, Dorze weavers are well known expert to weave traditional cloth with decorated tibeb, but they have not been using this potential to improve their life. Most weavers have no idea of making a business , rather they based on tradition thought even if someone do some new tibeb creatively ,other weavers ask him that for whom does he do.

Yoseph Kayre is one of traditional cloth traders at, Gundish-Meda weaving premise. I found him while conducting survey for this study at the Gundish-Meda weaving premise. Just at the second gate of the premise, there is the traditional cloth shop named "Mikias,Yoseph and Friends' Habesha Cultural Cloth Shop". It is one of large Ethiopian cultural cloth shops at the premise. Since I stayed there for more than one month for collecting data, I was forced to ask owner of this big shop about the businesses regarding handcraft sector and why its producers', weavers' life are not changed although it has significant positive effects on other actors. So I did raise the questions to him and his colleagues and he answered as follows regarding Dorze weavers:

"I was one of the Dorze weavers in Addis Ababa before eight years. I had spent my age in weaving, approximately for 29 years. Considering my experience in weaving I answer your question about the Dorze weavers' livelihood outcomes as followings:

He said "They are not business minded people. They never think about who benefited more about from my product. They never follow the strategies which may make them more advantageous. They have no motivation to weave market demand based cloth, just simple most Dorze weavers weave for a daily income. They never plan how and in what why they dominate the handcrafts market and change their livelihood outcomes .Today most Dorze weavers are just weaving and living as the weavers including me before 20 years, based traditional idea copied from their father Dorze weavers ( as the despised weavers of Ethiopia, Burley,D.L(1976)). From today eight years back I understood one fact that was: Our work, weaving is a wisdom through which we weavers can do business, which in turn change our livelihood outcomes from bad to good. This understanding helped me to do my business and you can look at my shop, today I am leading my life in good manner. From my both experiences what I recommend the Dorze weavers is they must see their weaving as a business not just as traditional work and also must weave market demand centred products on time".

Lack of Saving

Saving is process of setting aside a portion of what we have today to use it in future. It may take the form of increases in bank deposits, or increased cash holdings, purchases of securities and other different forms to save our future from different uncertain and unexpected events. So saving is the critical aspects of building wealth and having a secure future in human life. Today the lives of small enterprise Dorze weavers are facing a number of livelihood challenges in Addis Ababa; one of the reasons for their livelihood challenge is lack of saving. Most of them not put aside some of their income to direct many difficulties and obstacles in life. They believe that they can get money at any time as it is needed to them. They believe like this, because they can get some money at afternoon if they weave some cloth (for example, netela) at morning. This thought developed culture of not saving for them.

Melkamu Tafesse is a small enterprise Dorze weaver at Addis Tesfa weaving premise and he is one of grade 12 students, waiting to take grade 12th Ethiopian University Entrance National Exam of year 2020, first national exam after covid-19 pandemic disease in Ethiopia. He is a chairperson of weaving enterprise named: Hidase Befikir Yeshimena Hibret Sira Mahber. He raised critical issues regarding Dorze weavers during focused–group discussion with members of the enterprise. He said "we Dorze weavers have no culture of saving what personally we have today, but others peoples even save their time which is given equally to all people". Here Melkamu said other people even save their time to mean that Dorze weavers do not use their precious time properly.

Melkamu compared Dorze weavers' saving culture with the saving culture of Gurage people doing a business in Addis Ababa. He said that "The base for Gurages success is exceptional work ethics and incredible saving culture. There is no any secrete for their success except these two. They are employee of their work, but we Dorze weavers are not".

Generally, in Addis Ababa, small enterprise Dorze weavers' lives are being affected by their culture of not saving. Since they have no money which is put aside for next work, they sell the weaving product at cheap price for the traders by begging them at any working days.

Out of 165 weavers taken as a sample for this study, only 61 weavers, i.e. 36.97 percent of weavers save money from what they get from weaving for different purposes. Even from weavers who have educational background grade one and above, only 40.98 percent save from their income. See the table 4.3

Table 4.3 Education Background of weavers and their saving Culture

| Educational Level | Frequency | In percent | Saving Culture within each Level | |
| --- | --- | --- | --- | --- |
| | | | Frequency | In Percent |
| Unschooled | 69 | 41.82 | 24 | 34.78 |
| Can read & write | 35 | 21.21 | 12 | 34.29 |
| Grade(1-4) complete | 6 | 3.64 | 1 | 16.67 |
| Grade(5-8) complete | 26 | 15.76 | 11 | 42.31 |
| Grade 9 and above complete | 29 | 17.58 | 13 | 43.33 |
| Total | 165 | 100 | 61 | 100 |

Source: surveyed by the researcher in 2021

The table 4.3 above depicts out of 165 weavers taken as a sample for this study, only 61 weavers (fourth column) save money from what they get from weaving. The last two columns depict the saving culture with each group of education level. For example out of 69 unschooled weavers, 24 weavers (34.78 percent) have saving culture from what they get from weaving save, from 6 weavers who are grade (1-4) complete only 1 weaver saves from what he get from weaving for different purposes.

Lack of Proper Time Management

Time is only gift that God equally gave to all people on earth, over world every country 24 hours per day. It cannot be adjusted by human being as either above or below 24 hours per day and it is unstoppable except we can use it properly. Proper usage of time determines everything in this world .For example so–well organized usage of time in education determines the success of a student.  Our time usage determines our success in any work.

There is a traditional culture that the Dorze weavers have regarding usage of their working time. While conducting sample survey most people raised that they were not using their weaving time properly and believed that improper usage of time was affecting their livelihood outcomes. The culture they use every week differs from other's people usage and is organized in a weekly cycle. For example, most weavers stop weaving on Saturday, they sell their cloths on Sunday, then they take rest on Monday and Tuesday, even some weavers also are free on Wednesday. Most weavers never want to weave on these three days; this culture was inherited from their fathers as a culture.

They have special name for Monday which is called "Senio Mariam" (Amharic name), in English St Mary's day. After all these, most weavers start weekly weaving on either Wednesday (preparing the loom for weaving) or Thursday. This culture is seriously affecting weavers' livelihood in Addis Ababa.

Out of 165 weavers taken as a sample, 8 weavers on average spend only one full day per week in weaving, 31 weavers on average spend only two full days per week in weaving, 44 weavers on average spend three full days per week in weaving, 39 weavers on average spend four full days per week in weaving, 33 weavers on average spend five full days per week in weaving, 10 weavers on average spend six full days per week in weaving.

During focused-group discussion different enterprises raised that most of them, weavers use their work time improperly: Yelimat Jeginoch Hibret Sira Mahber is one of weaving enterprise at Addis Tesfa weaving premise and members said that they did not respect their weaving time. Also other enterprises, for example Entoto Godana Yeshemanewoch Hibret Sira Mahber from this weaving premise and Gundish-Meda premise raised improper usage of weaving time as affecting factor for the Dorze people's livelihood outcomes. Therefore, "there is a problem of time management of weavers and they have no confidence on their work whether it may change their livelihood outcomes or not" said by enterprise named Bemoyachin Enkura Yeshimena Hibret Sira Mahber at Gundish-Meda weaving premise.

### 4.2.3 Market and Marketing Related Factors that Affect Weavers' Livelihood

Most of the weaving products of the weavers are sold at the open market held on every Sunday at Shiro-meda. On Sunday at very morning weavers come from all directions into Shiro-meda to sell their weaving products whether they work at their homes or common working premises (weaving areas).They search a buyer for their weaving products by saying one or more of the following in different languages:

"ልብስ አለ" (Amharic) which means in English "I have a cloth for sell".

"ልብስ ትገዛለህ" (Amharic) which means in English "Do you buy a cloth".

Isho hayssa mayuwa shammane(Gamogna) which means in Amharic ወንድሜ እባክህ ይህንን ጨርቅ ትገዛለህ? in English My brother do buy this cloth please?

They beg a buyer to sell their product in Shiro-Meda. The buyer/s may be either traders of Ethiopian cultural cloths ("Yehabesha libs negadewoch" in Amharic) or direct consumers of the product. The direct consumers are Addis Ababa peoples, other parts Ethiopian people, Eritreans and foreigners. Now a days the direct consumers or users of their cloth are shifted to buy the product from traders rather than the weavers due to different reasons: disloyalty of weavers regarding the quality of the cloth whether it was made up of good yarn and inaccessibility to get a weaver after buying his or her product if some faulty is found on it. As a result, weavers beg traders to sell their cloths. This condition made number of opportunities for traders to buy the cloth from the weavers at cheap price, and then they sell it to other users, customers at expensive price with high profit.

There are also a number of inflows of weaving products at every Saturday and Sunday into Shiro-meda to sell their weaving products from out of Addis Ababa such as Araba Minch ,Chencha ,Dara Malo and other parts of SNNPR. This inflow of weaving products from out of Addis Ababa is affecting the life of Dorze weavers in Addis Ababa by making their product price cheap.

It was seriously increased after incidence of pandemic covid-19 disease in Ethiopia, because at that time the weaver could not handle effects of the disease, so a number of Dorze weavers returned to Gamo Gofa ,Arba Minch . While I was conducting the survey I found a Dorze weaver, he came from Arba Minch to sell his product at Shiro Meda and said that "I came to Shiro-Meda before three months to sell five weavers' product and in turn today I am here to sell our product, this is great opportunity for us because it made us profit".

If weavers were not able to get buyers on the open market, either Saturday or Sunday, they tend to go away from their respective working premises (weaving areas) in search of buyers of their products on any working days. This is true for all of the wavers whether organized or not.

Weavers are price takers rather than price makers because for the products they produce-they tend to sell the weaving products at whatever prices come from the traders, middlemen or brokers. Weavers complained that that the lion share of their weaving products is taken by middlemen and traders owning big shops. One of chairman of small enterprises at Gundish-meda weaving area said as follow:

 "My son, I cannot change this five year jacket through weaving, but others such as traders ,designer tailors and etc. which are in weaving related businesses have a car ,house and etc. in general they have good  life standard than me.

I do not know the reason why my life does not show improvement over long period of weaving experience. I have been in weaving for 42 years but no significant change over each year and life is being hard for me in Addis Ababa."

Dagnachew Amhare, vice chairman of Tibeb Godana Shimena Hibret Sira Mahber (one of small scale enterprises of Dorze weavers at Addis Tesfa working premise) said

"The way of selling our product is not good. Although we are producers of the product we beg a buyer for it. This made our product price very cheap. Our product demand on a market is occasional and seasonal: it is needed more at holy days seasons such as X-Mass, Ester, Ethiopian New Year etc. and ceremonial days like for weddings. On others seasons a market demand for our product is insignificant. No one buy our products at some seasons rather a few traders with a large capital buy the product from us at very low price .These all conditions affects the way we sell our product. So we beg a buyer for it."

The demand of the Dorze weavers' cloths changes over different seasons, as our culture we Ethiopians have different wearing style for different seasons. .Dagnachew said "No one wants our cloths during seasons that cause fear of people, because our product, woven cloth is wear at happy days and if there is any change in seasons and occurrence of bad events affects the livelihood of weavers" and he supported his idea by taking covid-19 pandemic disease as bad events for them in their weaving history.

Dagnachew said "Last year during the first incidence of covid-19 pandemic disease, we were fighting with living but other most people were fighting with covid-19 disease. Making an income for our basic needs was the most serious than covid-19 disease; because no one could buy our product at all. No other option had to lead our life rather going to countryside. Even this could not permitted due to movement lock down of regional states of Ethiopia, especially in SNNPR any inflow of people from any region was locked down first than other states. During first incidence of covid-19 pandemic disease the price of our cloth was decreased. For example the price of single cloth netela was Birr 250.00 but during the disease it was decreased to Birr 50.00. Even no one buys it at the time, thanks God. He helped us and through His Grace we passed the darkest seasons today I am here weaving. In general it affected our livelihood significantly than any other people in Addis Ababa."

Different focused–group discussions the researcher carried out with different enterprises at two weaving premises, most of weavers said that the market related factors that affect their livelihoods are:

-Seasonality of the demand of the weaving product on a market.

-Existence of middlemen, there is no direct connection to customers due to existence of more than one middleman.

4.2.4   Inputs price Related Factors that affects weavers' Livelihood

All weavers whether organized into different forms of enterprises or on individual base buy the inputs from retailers in Kechen and Merkato (retailers and re-retailers) areas. Inputs supply for weavers (Dir, Mag, Coloured threads/ "Tilet" etc.) has its own problems both in quantity and quality (AACCSA, 2015). Prices for the raw materials increase and fluctuate from time to time and most of weavers raised their suspecting regarding input prices.

Abera Gobeze is vice chairperson of Addis Hibret Shimena Sira Mahber, weaving enterprise at Gudish-Meda weaving premise.  He said "We cannot weave a cloth for either two or three weeks due to shortage of coloured threads (locally called Tilet) such as "Saba", "Worke-Zebo" and "Har" are imported threads and could not be found in the open markets as required , so this seriously problem for us weavers in Addis Ababa. For example the buying price of kutir 2 saba(coloured thread with identification number 2) was 21 birr last year  but this year it is being sold above 100 birr.

Abera suggested that "Government should pay attention to the system of the market of inputs for our weaving to decrease our livelihood challenges in Addis Ababa".

4.2.5    Institution Related Factors that affect weavers' Livelihoods

Institutions and processes are an important set of man-made external factors that shape the options that people have in achieving their livelihood goals. In this study, institution related factors mainly focused on financial and government related institutions which are able to play as engine for improvement of small enterprise Dorze weavers' livelihood outcomes.

Financial and small enterprise agency play very important role for growth of small enterprises (AACCSA, 2015) by providing credit service to weavers and giving tax exemption privilege for first three years and preparing weaving premises(Konjit ,2012) while enterprises start business, but  most of small enterprise Dorze weavers raised during focused group discussions most of weavers never used any loan from either banks or  micro-finance  institutions  to  finance  their  business  due  to  rigidity  of requirements(inflated collateral requirement) to get loan from them.  They raised that financial institutions should adjust special ways to give loans to finances our businesses.

Tamirat Melese(from Addis Tesfa) and Mesfin Abate(from Gundish-Meda ) they both shared the same idea regarding institution related factors affecting small enterprise Dorze weavers in Addis Ababa. They said that "As government prepared the weaving premises for us, it should control each and every progress of our business in different ways". Because most of them are unschooled, so they do not know how to increase the demand of their product and they have no knowledge regarding saving money in modern ways and use money from credit services. Also weavers raised that micro and small enterprise development  agency  should  work  with  micro  finance  institutions  to  simplify  our livelihoods in Addis Ababa.

## 4.3 The Regression Model

Under this subsection, outputs of diagnostic checking for the breakdown of major classical assumptions regression and outputs of regression model that used in this study were discussed.

### 4.3.1 Outputs of Diagnostic Tests for the Multiple Regression Model

#### Test for Normality

At annex 7, the p value of the Kolmogorov-Smirov test to test normality of data was 0.055 which depicted that according Kolmogorov-Smirov test data was normally distributed at 95 percent confidence level because 0.055 is greater than 0.05.

#### Testing For Multicollinearity

Pair-wise correlation analysis (annex 6) among independent variables revealed absence of perfect multicollinearity since the highest correlation was 0.6895 between weaving experience and age of a weaver. Multicolinearity was not serious in the study data because the highest correlation, 0.6895 is less than 0.8, it is a serious problem if pair-wise correlation among independent variables 0.8 (Gujarati, 2004). Further analysis also was undertaken using the variance inflation factor (VIF) and Tolerance (1/VIF). As a rule, if the VIF of a variable exceeds 10 or Tolerance of a variable exceeds 0.1 that variable is said to be highly collinear (Greene, 2003). In this study the highest VIF was 2.10 (the least tolerance was 0.475311) while mean VIF was 1.42 (see annex 5). The highest VIF, 2.10 depicted that there was no multicollinearity since it is even less than 5.

#### Testing for Heteroscedasticity

The STATA output (at annex 8) for heteroscedasticity using the Breusch-Pagan/Cook-Weisberg test depicted that there is no heteroscedasticity problem of the income across the data since p value 0.2136 is greater than 0.05.

4.3.2  Estimated Regression Model and Interpretation of Regression Results

See annex 4 for full information regarding regression outputs):

Table 4.4 Coefficient Table

| Variables | Coefficient | Sig or P-Value |
|---|---|---|
| Age | -0.0034 | 0.536 |
| Exp | 0.0093 | 0.096 |
| Edu_dm1 | 0.1645 | 0.038 |
| Edu_dm2 | 0.2465 | 0.134 |
| Edu_dm3 | 0.2547 | 0.006 |
| Edu_dm4 | 0.0792 | 0.361 |
| Saving_Culture | 0.0773 | 0.258 |
| Time_uculture | 0.1767 | 0.000 |
| Alcohol_uculture | -0.1351 | 0.040 |
| Tibeb_weability | 0.1505 | 0.029 |
| _cons | 7.4196 | 0.000 |

**F (10, 154) = 12.91, sig =0.0000**

The estimated model was

Ln_Income=7.4196-0.0034age+0.0093exp+0.1645edu_dm1+0.2465edu_dm2+0.2547edu_d
m3+0.0792edu_dm4+0.0773sav_culture+0.1767time_uculture-
0.1351alcohol_uculture+0.1505 tibeb_weability

From the above estimated regression model natural logarithm of income of weaver was regressed on age, weaving experience, educational background, saving culture, working time, culture of consuming more traditional alcoholic drinks and ability of weaving "tibeb" of a weaver.

The first thing in regression analysis after the diagnostic checking for the breakdown of classical assumptions of regression are checking whether a model fits the data or not using F test. At annex 4, regression output revealed that the model fit the data, since p value 0.000 is less than 0.05. Therefore, the model is significant (the model can be accepted) at 95 percent level of confidence (even 99 percent level of confidence) to explain the deviation in the income among small enterprise Dorze weavers by seven selected variables listed above. The deviation (in income among small enterprise Dorze weavers) that was explained by the model is 42.08 percent, i.e. the adjusted R-square shows that 42.08 percent of the variance in income among small enterprise Dorze weavers was explained by variation in the only seven independent variables.

## The reliability of individual coefficients

After checking whether a model fits the data or not using F test, next step is checking significance of each independent variable using t test for each estimated coefficient. The coefficient table (under annex 4) provided information on the confidence with which the estimates of each independent variable was supported or not. If the p value is less than the value of alpha (level of significance), then the variable is significant.

As output of this study showed on annex 4, three estimates are reliable with a 95 percent level of confidence and one estimate is reliable with 90 percent level of confidence. Therefore, the independent variables: time_uculture ,alcohol_uculture and tibeb_weability are significant at 95 percent level of confidence and the exp is significant at 90 percent level of confidence.

The variable edu is a categorical variable that represented educational background of a weaver and it was grouped into five groups (unschooled, can read & write, grade (1-4) complete, grade (5-8) complete, grade 9 and above complete) and dummied as four variables (edu_dm1, edu_dm2, edu_dm3 and edu_dm4) using the first category as base, but edu_dm1 and edu_dm3 are significant as at 95 percent level of confidence.

Testing Hypotheses and Interpreting significant coefficients

In regression analysis, only estimating the parameters of the regression model (point estimation) is not end of the analysis rather half of it but the remaining part is saying something or making assumption about the parameters of population based on data at hand. So this study hypothesized seven hypotheses to make assumptions about the factors affecting the livelihood outcomes among small enterprise Dorze weavers based 165 sample respondents.

These hypotheses were tested using t test in this study (see coefficient table at annex 4).

$H_{01}$: There is no significant relationship between income and age of a weaver.

As study output depicted in coefficient table at annex 4, the p value for coefficient estimate of age is 0.536 which greater than alpha value, 0.05. This implied that the null hypothesis could not be rejected. Therefore, as this study output represents there is no significant relationship between income and age of a weaver (there is no significant difference in income among small enterprise Dorze weavers due to difference in their age). This is also true for second ($H_{02}$: there is no significant difference on income among weavers in relation to their weaving experience) and fourth hypothesis ($H_{04}$: there is no significant difference on the income of weavers who have culture of saving and weavers who have not culture of saving) of the study because the p values 0.096 and 0.258 (respectively) are both greater than 0.05. But at 90 percent level of confidence, there is significant difference on the income among small enterprise Dorze weavers due to having different year of weaving experiences and the unstandardized coefficient value: 0.0093(revealing positive relationship between incomes and weaving experience among small enterprise Dorze weavers in Addis Ababa).

Holding other variables constant, one year increase of weaving experience causes an increase in the income of small enterprise Dorze weaver by approximately one birr=$e^{0.0093}$ , on average).

H03: There is no significant difference on the income among weavers in relation to their educational background.

This hypothesis made for variable edu which was dummied and consists of four variables (edu_dm1, edu_dm2, edu_dm3 and edu_dm4) using the first category as base, since these all categories were not significant, the research could not arrive at conclusion regarding the variable educational background of small enterprise Dorze weavers, but edu_dm1 and edu_dm3 are significant as at 95 percent level of confidence because the p values were 0.038 and 0.006 (respectively) which is less than 0.05.

Holding other variables constant, the income of a weaver who can read and write differ by Birr $1.18 = e^{0.1645}$, on average when compared to the income of an unschooled weaver (a weaver who has no any educational knowledge).

Holding others variables constant, the income of a weaver who learnt from grade four to eight differ by Birr $1.29 = e^{0.2547}$, on average when compared to the income of a unschooled weaver(a weaver who has no any educational knowledge).

H05: There is no significant difference on the income of weavers who have culture of using weaving time properly and weavers who have no culture of using weaving time properly.

The estimated beta coefficient value for the variable time_uculture was 0.1767 and its p value was 0.000 which implies that null hypothesis is rejected. Therefore, alternative hypothesis Ha5: that there is significant difference on the income among small enterprise Doze weavers who have culture of using weaving time properly and weavers who have no culture of using weaving time properly.

Holding others variables constant, one full day proper weaving time usage, causes an increase in the income of small enterprise Dorze weaver by approximately one birr = $e^{0.1767}$, on average).

$H_{06}$: There is no significant difference on income of weavers who have culture of using more traditional alcoholic drinks and weavers who have no culture of using alcoholic drinks.

The estimated beta coefficient value for the variable alcohol_uculture was -0.1351 and its p value was 0.000 which implies that null hypothesis is rejected. Therefore, the output supported alternative hypothesis $H_{a6}$: that there is significant difference in income among small enterprise Doze weavers between weavers who have culture of using more traditional alcoholic drinks and weavers who have no culture of using alcoholic drinks.

The negative sign of estimated coefficient shows that an inverse relationship between income and culture of drinking traditional alcoholic drinks. On average, the income of a weaver who has culture of taking traditional alcoholic drinks is decreased by approximately birr $1.15 = e^{0.1351}$ than a weaver who has no culture of taking traditional alcoholic drinks, holding others variables constant.

$H_{07}$: There is no significant relationship between income and ability of weaving advanced "Tibeb" among weavers.

The estimated beta coefficient value for the variable tibeb_weability was 0.1505 and its p value was 0.029 which implies that null hypothesis is rejected. Therefore, this study depicted that there is significant difference on the income among small enterprise Doze weavers between them who have ability of weaving advanced "Tibeb" and who cannot weave advanced "Tibeb" on average. As study output depicted, there is positive relationship between income and ability of weaving advanced "Tibeb".  Holding other variables constant, on average the income of a weaver who has ability of weaving advanced "Tibeb" is differed by birr $1.16 = e^{0.1505}$ from the income of a weaver who cannot weave advanced "Tibeb".

All above expressed and explained above were details of this study finding and conclude this chapter the followings are some studies findings reviewed in literature that support this study findings:

As findings of Rahel Zelalem(2017) ,weavers' life condition and their skill were not well-adjusted together. Due to their inability to connect their product with the right market as the result of which, a number of intermediaries are taking place, which benefited more than the producers themselves, poor habit of saving from their sales, less ability of business communication and consuming too much traditional drinks such as Teje, Tela, Areke, Borede…etc., their life condition become more deteriorated. Inadequate technology and efficiency (Mhamudur Rahman, 2013), the inherent weakness within the organization itself (Samuel Kakuko Lopoyetum and Joseph Nelson in Nadu, India and presence of vision killers (Hanna Ketselamaryam. 2010)

# CHAPTER FIVE

# CONCLUSION AND RECOMMENDATIONS

In the chapter four, an analysis of the results of the data obtained from sample respondents through semi-structured questionnaire, interview and focused group discussions was presented. This chapter provides a summation of concluding remarks about the study as whole. It also presents specific recommendation regarding factors affecting livelihood outcomes among small enterprise Dorze weaver in Addis Ababa.

## 5.1  Summary of Findings

In order to identify the factors that affect livelihood outcomes among small enterprise Dorze weavers in Addis Ababa, Gulele Sub city Administration was used as a study sub city for this research. The study used two research designs: case study research design and causal research design. Both qualitative and qualitative research approaches were employed for data that was collected from primary data sources through semi-structured questionnaire, interview and focused-group discussions.

To explore livelihoods challenges affecting lives of small enterprise Dorze weavers in Addis Ababa different issues regarding factors affecting the livelihood outcomes among small enterprise Dorze weavers were raised during focused group discussions. From focused-group discussions: lack of improvement in the modernization of looms or using traditional and back warded loom was main the loom (Ye Shema Iqa) related factor affecting the livelihood outcomes among small enterprises; lack of common purpose and activity as an enterprise, lack of a business-centered culture, lack of saving and lack of proper time management were weavers related factors affecting the livelihood outcomes among the weavers; seasonality of the demand of the weaving product on a market and existence of many middlemen were market and marketing related factors that affect weavers' livelihood outcomes; prices fluctuation for the raw materials (Dir, Mag, coloured threads/ "Tilet" etc) was inputs price related factors that affects weavers' livelihood outcomes; rigidity of requirements(inflated collateral requirement) to get loan from financial institutions was institution related factors that affect weavers' livelihoods in Addis Ababa.

To identify factors affect the income of small enterprise Dorze weavers in Addis Ababa seven independent variables (age of weaver in years, weaving experience in years, educational background of weaver, saving culture of weaver, weaving time usage, ability of weaver to weave advanced "tibeb" ,alcoholic drinks usage culture) were taken and multiple linear regression analysis was conducted in this study.

From these seven independent variables, three variables: weaving time usage, alcoholic drinks usage culture and ability of weaver to weave advanced "tibeb" were significant at 95 percent level of confidence and one variable , weaving experience in years was significant at 90 percent level of confidence. Also two groups (grade 1-4 and grade 5-8) of categorical variable, educational background of weaver dummied as four variables using the first category (unschooled) as base were significant at 95 percent level of confidence. 42.08 percent of deviations in the income among small enterprise Dorze weavers in Addis Ababa were explained by the model.

## 5.2  Recommendation and Future Research Suggestions

To conclude this study, the following recommendations are proposed by the researcher to improve the life of Dorze weavers who lead their life by weaving in Addis Ababa.
 First of all, the Dorze weavers themselves should change their traditional idea copied from their fathers. They should think weaving as a business through which anyone can change his or her life rather thinking it as despised work. They should love their work, be committed to work and have common purpose and activities as a cooperative weaver to meet their common goal, improving their living standard by struggling together.
They should seriously learn the culture of saving from Guraghe people because the base for Gurage peoples' success is incredible saving culture and exceptional work ethics.

The others recommendations regarding institutions should do to improve small enterprise Dorze weavers' livelihood outcomes in Addis Ababa is that financial institutions should teach the weavers how to manage and save money which they get from weaving for cooperative benefits because most of weavers are unschooled and they are full of fear to manage other's money.

Addition to recommendations stated above, the following further research suggestions are proposed by the researcher to development studies researchers:

This study tried to identify factors affect the livelihood outcomes among small enterprise Dorze weavers in Addis Ababa. The study findings revealed outputs regarding small enterprises who are working in government sheds/weaving premises only, but there are a number of weavers who are weaving in their home and facing livelihood challenges. Therefore, further research is evidently desirable to identify factors that affect livelihood outcomes of weavers who weaving in their homes.

Also further research is evidently desirable to modernize the weaving machine for weavers in Addis Ababa because modernized loom that can enhance productivity and save weavers' labour and time.

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## ANNEXES

### Annex 1
# St. Mary University
## School of Graduate Studies

## Department of Development Economics
Questionnaire on "Factors that Affect Livelihood Outcomes among Small Enterprise Dorze Weavers in Addis Ababa: The case of Gulele Sub city Administration"

This questionnaire is aimed at gathering the necessary information needed for the analysis of the research specified above. The data gathered hereby will only be used for research purpose, and something I want to assure you is that the information you provide will be kept secretively. Therefore, I would like to request you to answer the following questions accurately.

Questionnaire to be filled by weavers: site of work:_____.

PART I: Demographic Characteristics (please either underline encircle or underline write your answer based on the question provided below)

1. Gender

   A. Male                                B. Female

**2.** Age._____.

3. The position of the weaver in his/her house?

   A. Head of a household/family

   B. Spouse for the head of a house hold

   C. Sister/brother of a household

   D. Daughter/son of a household

   E. Other, specify._____.

4. How many people depend on your income from weaving?._____.

5. How many years have you spent in weaving?)_____.

6. How long have you been working in enterprise?_____ .

7. Educational Attainment of weaver

    A. Unschooled                        C. Grade(5-8) complete

    B. Can read & write                E  Grade 9 and above complete

    C. Grade(1-4) complete

8. Have you ever taken training regarding weaving to increase your skill in weaving from any organization/from government ,TVET or NGO ?

    A. Yes

    B. No

    8.1 If your answer is "Yes" please state kind of training and organization who gave it for you._____.

<div align="center">Part II Variables Related Questions</div>

1. How many Kemis and Netela did you work last four weeks/or one month, two months?

    Amount  (in number)._____.

    Did you sell them in the same price?

    Yes: please can you tell me the price of one kemis and netela?

    No: please can you list down each price?

    ._____.(in Birr) and please can you state your last two months income from weaving.

2. To produce the products that you answered in the question one, does it cost you the same amount of money (input price) to produce each Kemis and Netela?

    Yes: please can you tell me how much money you spent in one Kemis and Netela to produce_____.

    No: please can you list down each price?

    ._____.(in Birr)

3. How much money **on average** do earn from your weaving business per month? Please state it._____.

4. Do you have any source of income apart from weaving?

    A. Yes

    B. No

4.1 If your answer for the above question is "Yes" please state its name (Optional) and your monthly earning in birr_____.

4.2 Is it permanent or Seasonal?   A. permanent   B. Seasonal

5. For what purpose do you use/spend income from weaving?

   A. For family or individual consumption only

   B. To increase the weaving capital so as to open weaving product shops

   C. Please can you state any other

6. Do you compare and evaluate your expense after selling your product?

   A. Yes  I always compare expenses and income from weaving

   B. Not at all, just sell and use it up

7. Have you a saving account on which you regularly save money from monthly income you got from weaving?

   A. Yes

      Where do you save it?   A, In Banks

                             B, in micro-microfinance institutions

                             C, In Traditional ways of saving like Iquib

                             D, please state if you save other place _____.

Why do you save?

 A. To increase capital for weaving and further invest more in weaving

 B. To use it for consumption when  market fails to buy my product

 C. To buy private residential house ,condominium

 D. To open shops of habesha libs in Addis Ababa

 E. Please state other _____.

How much money do you usually save?

                             A. Less than 10% of monthly income

                             B. 10% of monthly income

                             C. Greater than 10%

   B. No

      Why do not you save?

                             A. Due to insufficiency of income to save

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B. Due to lack of future planning to do

C. Please state other reason if any _____.

8. Have you ever used any loan from banks, micro-finance institutions, Iqub, or from your enterprise /cooperatives to finance your business?

A. Yes

B. No

    If your answer is **"No"**, please select your reason/s for it:

       ✓ Due to rigidity of requirements to get loan from banks and other financial institutions (inflated collateral requirement)

       ✓ Due to inability to manage others money.

       ✓ Due to fear of higher interest rate.

       ✓ Please State others reasons if you have any other reasons_____.

9. Do you have a working together culture?/ Do you share idea and skill to design and weave complicated "tibeb" among each other

A. Yes, I usually want to work with others for mutual cooperation

B. Yes, some times

C. Yes, but rarely

D. No

10. Do you share idea and information about price of your product in weaving premises, market and how to change situation where you take price what middle man gives you?

A. Yes

B. No

11. Do you have your own retail outlet shop to sell the weaving product?

A. Yes

B. No

C. If your answer is no ,for whom do you sell your product? (on free market ,for contract shops with me

12. Who set the price of your product?

A. Myself

B. Buyers

C. Market demand and supply

D. Negotiation

13. How many edir or traditional burial associations in Addis Ababa are you member of them? 0, 1, 2, 3…

14. Do or can you weave any new tibeb that designed by different designers?

A. Yes

B. No

15. Have you ever had support from any organization, from government or NGO?

A Yes       B. No

If your answer is "Yes" please state from what organization you have had?

16. How many **full days** do you spend in work **most of time per week?(one** day, **two** days, three days ,---)

17. What are the factors that initiated you to involve in weaving /the reason for being involved in weaving is /are:

A. Inheritance from my family

B. Expectation of good earning/higher profit

C.  High Market demand of the products

D. Due Personal interest in it for further investment

E. Ease of entry

F.  Lack of any other option

G. Other, specify

18. What are the main constraints in producing weaving product?

A. Customer demand

B. Marketing problem

C. Society perception

D. Government problem

E. supply problem and Input price infalation

F. Internal problem among weavers /no cooperation at all

G. Not problem at all

H. Please state if any other_____.

19. Are the infrastructural facilities like electrical power, water, spare parts of loom and so forth sufficiently available for the functions of weaving?

A. Yes

B. No

   If your answer is "No" please state challenges regarding infrastructural facilities on working premise that draw your work back?

20. Do you use /consume alcoholic drinks such as Teje ,Tela,Areke ,Borede, etc

   A. Yes

   B. No

     If your answer is "YES" How often do you drink per week?

     A. Either once or twice

     B. Greater than twice

21. How do you evaluate income from weaving with regarding with your livelihood?

   A. Weak          C. Satisfactory

   B. Moderate      D. Well good

22. What is your long run plan?

   A. To stop weaving

   B. To continue the weaving and expand in different designs

   C. To be open shop where

   D. Please state if you have any plan regarding weaving  _____.

23. If you have a plan to stop weaving in future, please can you state your reason_____.

24. Do you think that coming labor force will engage in weaving in future?

25. Do you have anything to gain by working with others in a government shed? List if you have.

**Annex 2**

## For focused-group discussion participants

My name is Alazer Kalbo. I am conducting research on factors affecting your livelihood outcomes in Addis Ababa. You have been selected to participate in the study because of your valuable knowledge and a skill on weaving is highly significant. I would like to thank you for availing yourself. All information that you provide will be confidential; your name will not be mentioned in the report unless your will. The time you will spend in the interview will be a free contribution to my study and no payment is available, but I have great credit for your participation, May God Bless You!

Main Questions of Focused-group Discussions

1. What are the factors that have been affecting the production of traditional cloth by weaving in Addis Ababa?

2. Explain the factors that have been affecting your livelihood outcomes in Addis Ababa?(in terms of the loom (Ye Shema Iqa) related, weavers related ,market and marketing related, inputs price related and institution related factors and you can explain others factors if you have).

Request for Cooperation Letter

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ድጎላ-ምረቃ ት/ቤት

St. Mary's University
School of Graduate Studies

☎+251-11-552-45 37/66 ✉1211, 18490 Fax 552 83 49 e-mails: sgs@smuc.edu.et, Addis Ababa, Ethiopia

Ref No: smu-800, 20203

Date: February 11, 2021

## Request for Cooperation

TO : __Gulele Sub city Micro & Small Enterprises Administration__

Mr Alazer Kalbo ,ID No.**SGS/0518/2012A** is a graduate student in the department of Development Economics. He is working on his thesis entitled "**FACTORS THAT AFFECT LIVELIHOOD OUTCOME AMONG SMALL ENTERPRISE DORZE WEAVERS IN ADDIS ABABA."**, and would like to collect data from your institution.

Therefore, I kindly request your good office to allow him to access the data he needs for his research.

Any assistance rendered to him is highly appreciated.

Sincerely,

*Dessalegn Nigussie* MU

*Guidance Counselor &Thesis Coordinator*

**Annex 4**

Regression Output

regress Ln_income Age Exp edu_d1 edu_d2 edu_d3 edu_d4 Saving_Culture Time_uculture alcohol_uculture Tibeb_We_ability

ANOVA table

| Source | SS | df | MS | | |
|--------|-----|-----|-----|---|---|
| | | | | Number of obs = | 165 |
| | | | | F( 10, 154) = | 12.91 |
| Model | 18.4237 | 10 | 1.8424 | Prob > F | = 0.0000 |
| Residual| 21.9714 | 154 | 0.1427 | R-squared | = 0.4561 |
| | | | | Adj R-squared = | 0.4208 |
| Total | 40.3951 | 164 | 0.2463 | Root MSE | = 0.37772 |

-------------------------------------------------------------------------------

**Coefficient Table**

| Ln_income| Coef. | t | P>|t| |
|----------|-------|---|------|
| Age | -0.0033807 | -0.62 | 0.536 |
| Exp | 0.0093011 | 1.68 | **0.096** |
| edu_dm1 | 0.164464 | 2.10 | **0.038** |
| edu_dm2 | 0.2465091 | 1.51 | 0.134 |
| edu_dm3 | 0.2546966 | 2.79 | **0.006** |
| edu_dm4 | 0.0792017 | 0.92 | 0.361 |
| Saving_Culture | 0.0772776 | 1.14 | 0.258 |
| Time_uculture | 0.1766714 | 6.27 | **0.000** |
| alcohol_uculture | -0.1351382 | -2.07 | **0.040** |
| Tibeb_We_ability | 0.1505381 | 2.21 | **0.029** |
| _cons | 7.419583 | 47.09 | 0.000 |

**Annex 5: variance inflation factor (VIF) and Tolerance (1/VIF)**

| Variable | VIF | 1/VIF |
|---|---|---|
| Weaving_Exp | 2.10 | 0.475311 |
| Age | 2.06 | 0.486132 |
| Time_usage~e | 1.54 | 0.648237 |
| edu_d3 | 1.28 | 0.778861 |
| edu_d4 | 1.25 | 0.800322 |
| Saving_Cul~e | 1.25 | 0.800981 |
| Alchool_Dr~e | 1.23 | 0.813932 |
| Tibeb_We_a~y | 1.19 | 0.838368 |
| edu_d1 | 1.19 | 0.839687 |
| edu_d 2 | 1.09 | 0.920267 |
| Mean VIF | 1.42 | |

## Annex 6: Pair-wise correlation analysis

| | Age | Weavin~p | edu_d1 | edu_d2 | edu_d3 | edu_d4 | Saving~e |
|---|---|---|---|---|---|---|---|
| Age | 1.0000 | | | | | | |
| Weaving_Exp | 0.6895 | 1.0000 | | | | | |
| edu_d1 | -0.0125 | 0.0753 | 1.0000 | | | | |
| edu_d2 | -0.0491 | -0.1348 | -0.1008 | 1.0000 | | | |
| edu_d3 | -0.0084 | -0.1328 | -0.2244 | -0.0840 | 1.0000 | | |
| edu_d4 | 0.0889 | 0.0333 | -0.2396 | -0.0897 | -0.1997 | 1.0000 | |
| Saving_Cul~e | 0.1388 | 0.0990 | -0.0288 | -0.0817 | 0.0478 | 0.0752 | 1.0000 |
| Tibeb_We_a~y | -0.0371 | 0.0173 | -0.0105 | 0.0687 | -0.1882 | 0.0901 | 0.1953 |
| Time_usage~e | 0.2409 | 0.1843 | -0.0992 | -0.0550 | 0.0659 | 0.2032 | 0.4211 |
| Alchool_Dr~e | -0.1185 | -0.1838 | 0.0602 | 0.0707 | -0.0867 | -0.1612 | -0.2406 |

| | Tibeb_~y | Time_u~e | Alchoo~e |
|---|---|---|---|
| Tibeb_We_a~y | 1.0000 | | |
| Time_usage~e | 0.3009 | 1.0000 | |
| Alchool_Dr~e | -0.0857 | -0.3712 | 1.0000 |

## Annex 7

### Tests of Normality

| | Kolmogorov-Smirnov | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | Statistic | Df | Sig. | Statistic | Df | Sig. |
| Ln_income | .073 | 165 | **.055** | .973 | 165 | .052 |

## Annex 8:

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity

Ho: Constant variance

Variables: fitted values of Ln_income

$\chi^2(1)$ = 1.55

Prob > chi2 = 0.2136s

# Annex 9

## Test for Independence of Residual using

| | | | Model Summary | | |
|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .675 | 0.4561 | 0.4208 | 0.37772 | 2.023 |

Annex 10:  pictures some enterprises participated in the study



A.   Gundish-Meda Weaving premise

B.Chairpersons of  Tibeb Le Edget Shimena Hibret Sira Mahber  participated in the focused group discussion

C,During Focused-group discussion with Tibeb Le Edget Hibret Sira Mabher, weaving enterprise

D,Chairpersons of Selam Le Tsena Ye Shimena Hibret Sira Mahber from Gundish-Meda weaving premise

D. Chairpersons of Kokob Zegona Zegorema weaving enterprise from Addis Tesfa weaving premise

E.  The Researcher trying the weaving "Tibeb" at Addis Tesfa weaving premise