

The Entrepreneurial Ecosystem of Micro and Small Enterprises in the Amhara Region, Ethiopia: The Challenges and Achievements

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Abstract

This study is intended to evaluate the entrepreneurial ecosystem of MSEs and the accompanying results of the ecosystem in the Amhara region, Ethiopia. It follows a time-series analysis and review of related literature based on Isenberg's (2011) model of entrepreneurial ecosystem having 6 elements: Policy, finance, market, support, and human capital. Policy-wise it seems that strong efforts are made although implementation comes to the contrary. The results about finance, support, human capital, and culture show that a conducive ecosystem is not yet established as the results of the ecosystem are by far lower. Though some encouraging results have been observed about the market and policy for mulation , the overall result of the efforts made in developing the entrepreneurial ecosystem is not adequate taking the region's context into account. Policy manuals crafted encountered implementation problems to the ground and did not bring the expected results. Moreover, the forecasts made based on time-series analysis show that significant results are not achieved in developing the entrepreneurial ecosystem. The research focuses on the evaluation of the entrepreneurial ecosystem of MSEs by taking only Isenberg's 6 domains of the entrepreneurial ecosystem and other dimensions of the ecosystem are not addressed by the study. Similarly, only reports, directives, manuals, strategies of the government, and a review of research findings are used for the analysis. Inputs of MSEs' operators and other stake holders are not taken. Moreover, only the ecosystem of the Amhara region of Ethiopia is considered and other regions are not treated. Hence, future researchers are suggested to fill these gaps and addmore to the finding of this study. Much should be done on creating a conducive and workable environment for MSEs so that countries can enjoy the benefits that they can acquire from them. Developing an entrepreneurial ecosystem for developing countries like Ethiopia is not an option rather a must as it is the means for absorbing a large number of youth unemployed. Creating employment opportunities at large is possible through and only through MSEs development. Paid employment does not address chronic unemployment problems in developing countries like Ethiopia as medium and large organizations are not adequately available. Hence, creating a conducive entrepreneurial ecosystem should be taken as the priority of the government and other stakeholders.

Keywords: 1. Entrepreneurship, 2. Ecosystem, 3. Entrepreneurial Ecosystem, 4. Amhara region, 5. Ethiopia, 6. MSEs

1. Introduction

Entrepreneurship is believed to be the backbone of the world's economy (Kansheba, 2020; Ullah & A, 2019). The development of any nation directly or indirectly depends on the quality and quantity of entrepreneurs it has. The employment opportunities it creates, the economic wealth it generates for the country among other things makes entrepreneurship an agenda in the 21st century (Zondo, 2016).

However, entrepreneurial development is not a simple task. It requires a conducive and fertile ground under which business owners can operate. In another word, there should be an ecosystem conducive to run own business (Hussein et al., 2021). Here, the concept of entrepreneurial ecosystem refers to the overall environment (Political/legal, economic/technological, or socio-cultural) to start, operate and run own business in a suitable, conducive, and sustainable manner. The support provided to entrepreneurs for the smooth operation of their business can be taken as an entrepreneurial ecosystem (GIZ, 2018). Similarly, Stam and others highlighted that the entrepreneurship ecosystem is made up of a collection of elements that work together to keep entrepreneurship alive in a particular place. (Stam & van de Ven, 2021).

Most businesses start micro and small with the vision of growing big in their future. This is because the capital it requires, the number of employees it hires, and the technology it uses are not as huge and complex as the medium and large ones (Vandenberg, 2009).

Small and Micro-Enterprises (MSEs) are contributing a lot to the overall development of nations through the creation of job opportunities, generating income, encouraging local innovation, using domestic resources, and substituting imports (Ullah & A, 2019). MSEs are thought to be playing a key part in reducing poverty by creating job opportunities and involving the poor and disenfranchised in the community, as stated in the Millennium Development Goals (MDGs) (Vandenberg, 2009).

The importance of MSEs in generating employment and money has been progressively recognized around the world, according to empirical evidence (Al-Abri et al., 2018). For example, in North Africa, the industry employs 48 percent of the workforce, 51 percent in Latin America, 65 percent in Asia, and 72 percent in Europe (Hagos et al., 2014). He also identified that in the United States, over 96 percent of businesses are small businesses, where as, in Mexico and Thailand, almost 97 percent of businesses are MSEs.

Micro and small businesses, from an economic standpoint, are an increasing source of productive employment, particularly for low-income people, because they are more labor-intensive than major companies and require fewer technical skills (Ullah & A, 2019; Vandenberg, 2009).

Micro and small enterprises (MSE) account for a considerable part of production and employment in most African countries, and hence have a direct impact on poverty alleviation (Al-Abri et al., 2018). In Tanzania, for example, the micro and small enterprise sector contributed roughly 20-30 percent of GDP, and it consists of more than 1 million businesses employing 3 to 4 million people, or about 20-30 percent of the country's labor force (Tarfasa et al., 2016).

Many African countries suffer from high rates of unemployment and underemployment, as well as low labor productivity (ILO, 2020). Furthermore, a considerable number of people enter the job market each year due to demographic reasons (Matfobhi & Ruffing, 2002). As a result, these countries have promoted employment creation through a range of strategies, including expanding micro and small businesses (MSEs) and expanding education, particularly technical and vocational education and training (DESA, 2019).

Many African countries' economies are made up of a limited number of huge corporations and a significant number of micro, small, and medium businesses. Small businesses, for example, are responsible for roughly 70% of job creation and 60% of GDP in many African economies, according to experts (Ageba & Amha, 2006).

As a result, the presence of supportive entrepreneurial ecosystems will ensure that entrepreneurship is not only vibrant but also productive, resulting in long-term economic growth and improved societal welfare.

When we look at the Ethiopian environment, the importance of MSEs in creating jobs is obvious. According to studies, MSEs are Ethiopia's second-largest employer sector, after agriculture, and account for over half of the country's total industrial production (Tekele, 2019). According to Hagos and others (2014), MSEs account for 98 percent of all businesses in Ethiopia, while small businesses account for 65 percent of all businesses. This demonstrates that MSEs are gaining government attention as their contribution to job creation, poverty reduction, and the possibility for producing decent work grows with time (Ageba & Amha, 2006; Tarfasa et al., 2016).

Even though a large number of businesses are founded each year, several problems such as money, market, and working space obstruct their transfer to the next stage of growth and overall productivity and profitability (Esubalew & Raghurama, 2020).

2. Literature Review

2.1 The Entrepreneurial Ecosystem

The issue of the entrepreneurial ecosystem is getting attention in the recent literature of entrepreneurship, unlike prior studies that focused mainly on the behavioral and personal/individual characteristics of entrepreneurs (Lai & Vonortas, 2019).

The entrepreneurial ecosystem involves creating a fertile ground for sustainable entrepreneurial culture in a country. This includes developing a conducive economic, political, socio-cultural environment under which businesses operate. An entrepreneurial ecosystem, according to Lai and Vonortas, is a group of interrelated players in a given geographic community who are committed to long-term growth through the support and promotion of new sustainable initiatives (Lai & Vonortas, 2019).

For Isenberg (2010) individuals, businesses, and communities can be empowered by the entrepreneurial ecosystem by a mix of elements that increase economic performance and welfare by allowing a broad set of interdependent factors in a geographic region to generate profit and improve economic performance (Sangari et al., 2019)

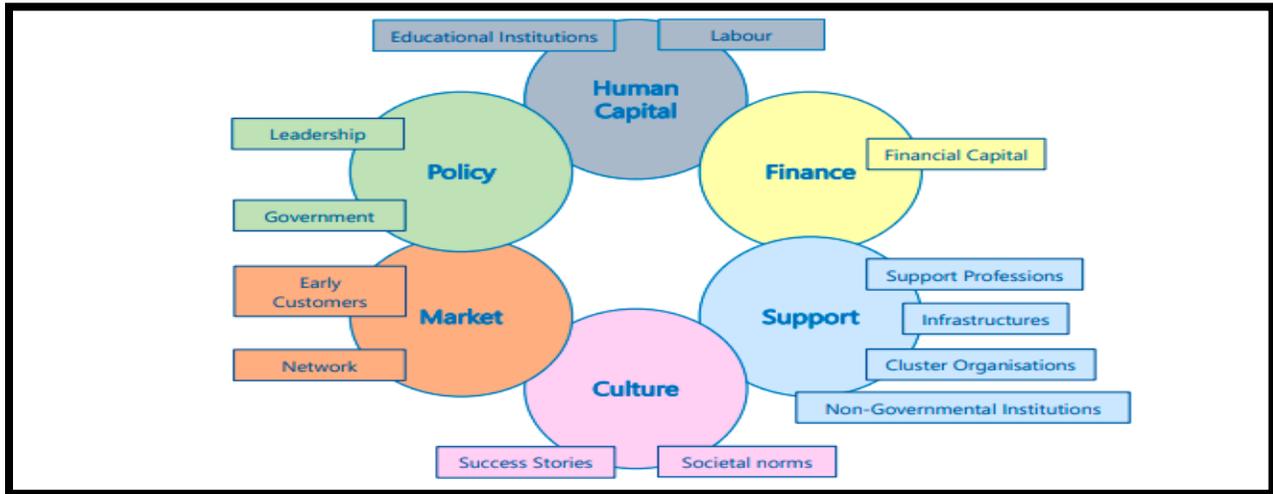
Similarly, an entrepreneurial ecosystem is a collection of social (networks, investment capital, mentors, working talent), political (policies and governance), economic (physical infrastructure, universities, open markets, support services), and cultural (supportive culture) elements within a region that encourage entrepreneurs to take the risks of starting, funding, and assisting ventures (Subhadrammal, 2019).

From the definitions given above, it is clear that the entrepreneurship ecosystem is not a single issue, rather a set of interdependent elements to create a conducive business environment for sustainable venture success and developing entrepreneurial culture in a country. Hence, the whole makeup of the entrepreneurial ecosystem is made up of a combination of the political and legal, socio-cultural, and economic dimensions of a business.

2.2 Isenberg's Model of Entrepreneurial Ecosystem

The research problem of this study has been established on a theoretical foundation of Isenberg (2011). Daniel Isenberg's model of entrepreneurial ecosystem explains an entrepreneurship ecosystem as a system of organizations to support the business person to experience every one of the steps of creating a new business (Meshram & Rawani, 2018).

Figure 1: Isenberg's model of an entrepreneurship ecosystem



Source:(Meshram & Rawani, 2018)

According to Isenberg (2011), such an ecosystem is made up of hundreds of pieces that can be classified into six categories. The first is the Market, which consists of early customers, networks, and international corporations. The second Policy entails strong leadership practices and government structures such as institutions, regulatory framework incentives, and venture-friendly legislation. The third domain is finance, which includes microloans, venture capital funding, and investors. Visible accomplishments, tolerance for risk and failure, and the social position of entrepreneurs make up the fourth factor of culture. The final category is support, which includes infrastructure, support professions such as legal and accountancy, and Non-Governmental Organizations (NGOs) that assist entrepreneurs. Human capital is the final domain, which includes workers and educational institutions.

A sustainable entrepreneurial ecosystem is defined by a hospitable culture, enabling policies and leadership, the availability of adequate money, excellent human capital, venture-friendly marketplaces for products, and a variety of institutional supports (policy)(Arruda et al., 2015).

According to Daniel Isenberg (2011), the development of entrepreneurship will only occur if these various ecosystem factors are addressed collectively, albeit it is not required to change everything at once. He went on to say that no viable entrepreneurial ecosystem can be developed without considering the local condition and context(Khattab & Al-Magli, 2017). He acknowledges the essential role that governments may play in the development of entrepreneurial ecosystems (Beugré, 2017).

2.3 The Entrepreneurial Ecosystem of MSEs

The sustainability and success of MSEs are determined by the enabling environment, which includes tax breaks, well-developed infrastructure, ease of doing business, workable legislation, and socio-cultural elements(Das, 2017;Ascarya & Rahmawati, 2018; Simeon & Lara, 2005)).To keep successful MSEs, it is suggested that appropriate financial and non-financial incentives be used(Oecd, 2004; OECD, 1996; Saini, 2014). Ullah and others also stated that aspects of the business environment outside of a firm's control, such as corruption and access to capital, impact the performance of MSEs (Ullah & A, 2019).

Furthermore, MSEs face severe obstacles such as insufficient marketing connections, technological obsolescence and inadequate application of new technologies, and a lack of competent people resources, according to Das(Das, 2017).

MSEs are more sensitive to a weak business environment than bigger organizations, according to White, since smaller firms pay a proportionally greater cost of doing business than large firms, and the external dangers posed by a poor business climate make MSEs more vulnerable(White, 2018).

Moreover, according to Zondo, the most common challenges that most MSEs face include: requiring assistance in diagnosing internal problems and increasing productivity and general competitiveness; lacking access to appropriate technologies; requiring more access to market and appropriate marketing techniques; suffering from poor human development skills; and lacking awareness of available resources(Zondo, 2016).

2.4 MSEs in Ethiopia

In Ethiopia, the small business sector is seen as an important force for creating jobs and more equitable income distribution; activating competition; exploiting niche markets; increasing productivity and technical change; and stimulating economic development through the combination of all of these measures(Tekele, 2019).

However, in Ethiopia, the concept of MSEs and the attention paid to them are relatively new. Before the development of Ethiopia's first national-level strategy and policy in 1997, and later revised in 2016, there was no defined structure for managing and organizingMSEs. The plan emphasized that harmful corrupted activities, as well as limited access to technology, skills, and capital finance, stifle MSE growth (FDRE MUH, 2016).A negative attitude against MSEs, in addition to a lack of knowledge of their potential, is the main hurdle, according to the plan. The perception that participation in MSEs is a sign of poverty and backwardness is also a persistent issue in the industry. The majority of Ethiopian graduates from higher education and technical and vocational training (TVET) institutes prefer to work for someone else rather than start their own business. The dependency syndrome, which is manifested in the expectation of getting subsidies and charity rather than working and investing in one's future, is another element identified in the plan.

2.5 Empirical Evidence

Anato and others conducted a study on 402 MSEs operators to review relevant policies and strategies and assess awareness of MSEs operators about policies and strategies. The study found that the government is committed to promoting the private sector, MSEs, and entrepreneurship in policies and strategies, despite criticism for poor implementation. The government, on the other hand, is accused of using support packages to quell youth protests, win elections, and fail to keep promises, according to the report. As a result, MSE owners are unaware of pertinent regulations and initiatives, as well as the benefits to which they are entitled.

Abebe and Gebremariam conducted another study to assess the challenges for entrepreneurship development in rural economies, focusing on micro and small-scale businesses. They found that government involvement in entrepreneurship through direct support programs, differential incentives for enterprises engaged in different sectors, and achieving social goals and political pluralism reduce entrepreneurial activity. According to the report, the government's assistance programs for MSEs are focused on supporting the formation of MSEs and encouraging the entry of entrepreneurs, but these entrepreneurs lack a coherent business strategy(Abebe & Gebremariam, 2021).

MSEs in Ethiopia are frequently confronted with a variety of ecosystem concerns. Access to capital, limited access to markets, limited access to working premises, lack of training, and cultural oppression are all typical

obstacles for MSEs in Ethiopia, according to a review of Shibru to analyze the Challenges and Opportunities of MSEs in Ethiopia. Furthermore, the fact that development strategies and policies are mostly focused on agriculture hinders MSEs from functioning in other sectors. Furthermore, unattractive market, unpredictable power outages, bureaucratic working procedures, high tax, high collateral need, high-interest rate, lack of technology, and youth's aversion to working under the auspices of MSE agencies are also prevalent obstacles (Shibru, 2017)

On the contrary, however, Kassa pointed out that access to finance, interest rate, the inflation rate, market competition, tax rate, and social attitude was not statistically significant to determine the growth and performance of MSEs in Ethiopia (Kassa, 2021).

Even though the government has made many attempts, the performance of MSEs in Ethiopia has not been sufficient. MSE's employment level and quality remain a source of concern. According to Tadesse, large and medium businesses continue to generate more new jobs than small and micro businesses (Tadesse, 2010). This is due to a variety of circumstances. Infrastructure issues (water, power, and transportation) are among them. The common reasons are economic (interest rates, lack of access to information on business opportunities, lack of state-of-the-art machinery and equipment) and socio-cultural (business skill gaps, youths' negative attitude toward working in MSE, and consumers' perception of MSE's product as poor quality) (Tadesse, 2010; Tarfasa et al., 2016; Kassa, 2021; Abebe & Gebremariam, 2021). Access to money is a critical limitation to everyday operations for over half of microenterprises and 40% of small businesses in Ethiopia, according to Tadesse. (Tadesse, 2010).

3. Methodology

The methodology that the researcher applied for the study is reviewing literatures made in the areas of the entrepreneurial ecosystem making a detailed review of more than 40 articles published in indexed journals. Furthermore, different strategies, policies, directives, manuals, and reports of the government were used bench marketing Isenberg's model of an entrepreneurial ecosystem. The qualitative narration was made by comparing two years of data in ten years' time interval focusing on selected pillars of MSEs development to know the results achieved in the process of developing an ecosystem. Finally, the researcher tried to discuss major findings and pointed out the limitations and future directions of the study.

4. Analysis and Discussions

4.1 Entrepreneurial Ecosystem Development Practices of the Region

Efforts have been made by the Ethiopian Government and Regional governments in creating a conducive entrepreneurial ecosystem for MSEs. Taking the common pillars of the entrepreneurial ecosystem of Isenberg's model, different reports and literature has been reviewed and the existing ecosystem and accompanying results are summarized in this part.

Policy

Concerning framing a workable policy, the regional government developed different proclamations, working manuals, and directives to create a conducive entrepreneurial ecosystem.

The first of these is MSE's level-to-level transition directive. This directive is developed by the regional government as MSEs' transformation directive no.004/2011 (Amhara TVED, 2011d) effective since January 2011. The directive is drafted with the aim of transforming MSEs to the next level of growth and providing the required support taking their level into account. As clearly pointed out in the MSEs strategy and transformation directive, MSEs are expected to pass through 4 consecutive levels: start-up, growth, maturity, and growth medium. The directive identified the types of supports provide at each level of transformation.

The second directive prepared for developing an entrepreneurial ecosystem in the region is the industry extension service directive (Amhara TVED, 2011a). The regional industry extension service directive is designed to make SMEs competitive enough in the national and international markets. The directive 005/2011 is intended to provide demand-driven and gap-based service packages mainly of training and counseling, technology transfer, scaling up, and market linkages. The service is designed to be provided by TVET trainers. Trainer service providers are expected to document the profile of MSEs that they are supporting to know the progress achieved through their support. The package has four components: Technical, technology, kaizen, and entrepreneurship. The technical support includes supports directly related to the sector and business that the operator engaged in mainly of machine maintenance, product quality improvement, efficiency, and others. Technology support includes transferring modern technologies (ideas, human, design, and event information) that enable MSEs to run their operation effectively and efficiently so that they can be competitive enough in the national and international market. Kaizen is designed working areas safe and conducive and entrepreneurship is aimed to develop an entrepreneurial culture in addition to training on modern financial recording, marketing, human resource management, and the like.

The third directive, Directive no.008/2011 (Amhara TVED, 2011c) is designed to provide a saving-led credit/loan service to MSEs' operators. The directive pointed out credit services to be given on a team basis making one an agent for the other. But the directive spelled out that saving is a precondition to get credits/loans from the microfinance institutions and it does not encourage individual loans and making a team of 3 to 7 individuals is taken as a precondition to get the loan.

The fourth is scaling up manual. The scaling up manual no.007/2011 (Amhara TVED, 2011b) is developed with an intention to scale up best practices of MSEs so that they can be replicated by other enterprises. The manual is designed to develop a system of capitalizing and scaling up best practices of selective MSEs' performance to others. It is presented in the manual that best performers can function as a center of training and capacitating others even in providing industry extension services.

In addition to the above directives and manuals, the regional government has adapted the national MSEs and TVET strategy and implemented taking the regional context into account. Regarding leadership and governance, the regional government has cascaded its structure from region to Kebele level and experts and leaders are appointed at each level.

Market

In promoting the capacity of MSEs, regional efforts show that market linkages are created with medium and large enterprises, government and non-government enterprises, and other stakeholders. The linkage extends to even an international level. Marketing experts are appointed in facilitating these activities. To increase their sales, MSEs are encouraged to participate in exhibitions and bazaars (at the local, regional, and national level) so that they can promote their products and services and create the opportunity to link themselves with other customers at different levels.

Finance

Regional Microfinance institutions with their structure reaching a Kebele level are designed to provide loan services to MSEs. Moreover, a huge amount of revolving funds has been allotted to support the youth although it was full of problems in getting the money back as the annual reports of the region reveal. Repayment and collateral issues are identified as key challenges of MSEs financing.

Supports

As clearly pointed out in the MSEs strategy, necessary supports are provided to MSEs through the arrangement of networks with the stakeholders mainly of urban development and construction, TVET, and higher education institutions.

In arranging infrastructural supports, directions are put to allot the required budget in building working clusters(shades) and selling/display centers. Infrastructures are expected to keep the national standard with adequate facilities: electricity, water, sewerage, roads, and others.

Human capital

As clearly spelled out in the MSEs strategies TVET is expected to be an incubation center for MSEs. It is primarily the TVET graduates that are expected to establish their businesses in their areas of occupation. Moreover, MSEs do not encounter technicians, lower and middle labor forces in the market as TVETs are designed to produce a large number of graduates each year given quality constraints. Furthermore, the expansion of higher educational institutions in the country and the regions is taken as an opportunity to access the required labor force in the market.

Culture

MSEs strategy pointed out that the attitude of the community toward self-employment in general and MSEs, in particular, is too low. In changing this bad mentality efforts have been made by the region from crafting scaling up directives to home-to-home awareness creation programs through MSEs experts. In supporting this, media coverages to MSEs are started to encourage the youth to follow in the footsteps of others. Efforts are also been made in including entrepreneurship education in the TVET curriculum.

4.2 Accompanying Results of the Ecosystem

4.2.1 Country Context

As the region's entrepreneurial ecosystem is the reflection of the country's overall ecosystem, it is important to see the effort of the country in developing an entrepreneurial ecosystem for MSEs. In this regard, the country's ecosystem in different dimensions is presented in table 1 below. Taking the six pillars of the entrepreneurial ecosystem, the country's overall ranking to the world is summarized. This rank is made out of 167 countries in the world based on the research findings of (Brien et al., 2021).

Table 1: Ethiopia's entrepreneurial ecosystem rank

S.NO.	CRITERIA	Rank
I	POLICY	
	Governance	125
	Burdon of regulation	124
	Executive constraint	133
	Environment for business creation	144
II	MARKET	
	Market Access	155
	Open market scale	129
	Domestic market contestability	139
	Price distortions	102
III	SUPPORT	

	Infrastructure	155
	Transport	127
	Communication	151
	Resource (electricity, water, sewerage,etc.)	153
IV	FINANCE	
	Financing ecosystem	143
V	HUMAN CAPITAL	
	Labor market flexibility	153
VI	CULTURE	
	Investment Environment	151
	Enterprise Conditions	140
	Investor protection	143

Source: Author's compilation from(Brien et al., 2021)

The table clearly shows that Ethiopia's overall entrepreneurial ecosystem is extremely poor that it is among the countries found in the bottom line. This reveals that, as the Amhara region is the second-largest region in the country next to Oromia, the ecosystem of the region by no means varies from the country's situation. Therefore, the ecosystem of the country in general and the region, in particular, require additional efforts in creating a conducive entrepreneurial ecosystem for MSEs.

4.2.3 Regional Context

MSEs and Employment Opportunities

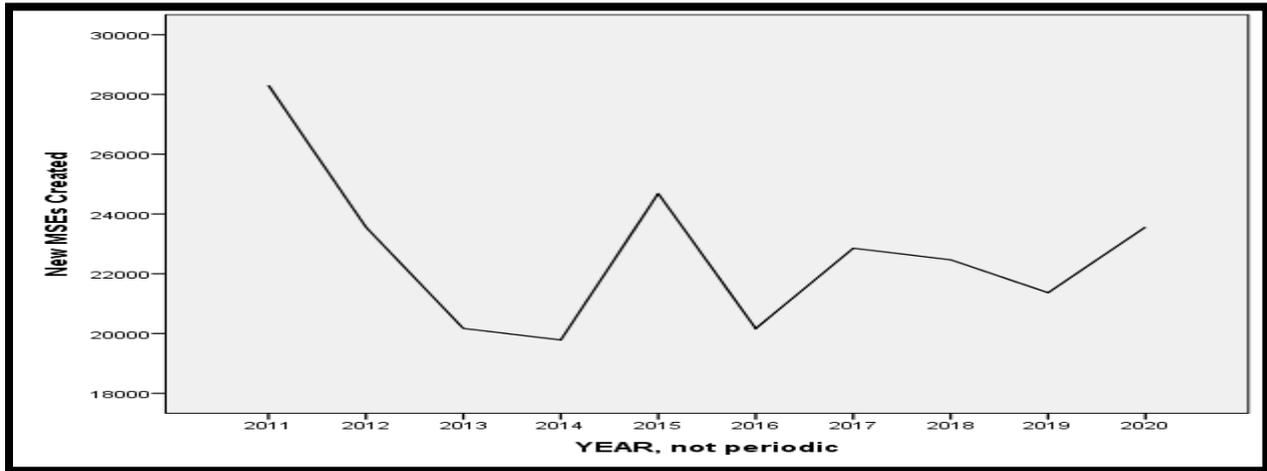
Number of MSEs established and employment opportunities created during the 10 years' time is taken from the regional Growth and Transformational plan. The following tables and graphs show the trends in the last ten years. Based on that prediction is made for five years using time series analysis.

Table 2: New MSEs established and employment opportunities created

YEAR	New MSEs Created	Employment opportunities created by MSEs
2011	28,308	93,600
2012	23,562	64,265
2013	20,168	66,480
2014	19,785	67,652
2015	24,686	65,120
2016	20,165	63,462
2017	22,853	64,867
2018	22,467	65,623
2019	21,365	65,835
2020	23,564	58,834

Source: Regional Growth and transformational reports of TVED

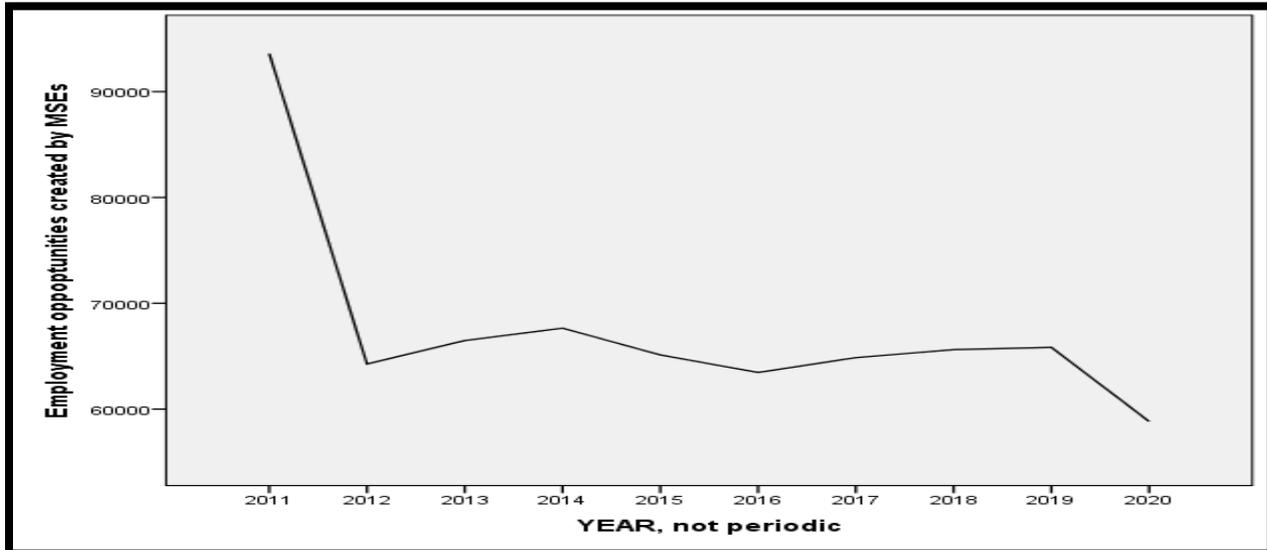
Graph 1: MSEs Created in the region from 2011 to 2020



Source: Time-series Analysis computed using SPSS

The graph1 clearly shows that the MSEs established during the period ranges between 20,000 and24,000 with some extremes between 2011 and 2012.This shows that increments are nor recorded in the period because of the entrepreneurial ecosystem in the region.

Graph 2: Employment opportunities created from 2011 to 2020 By MSEs



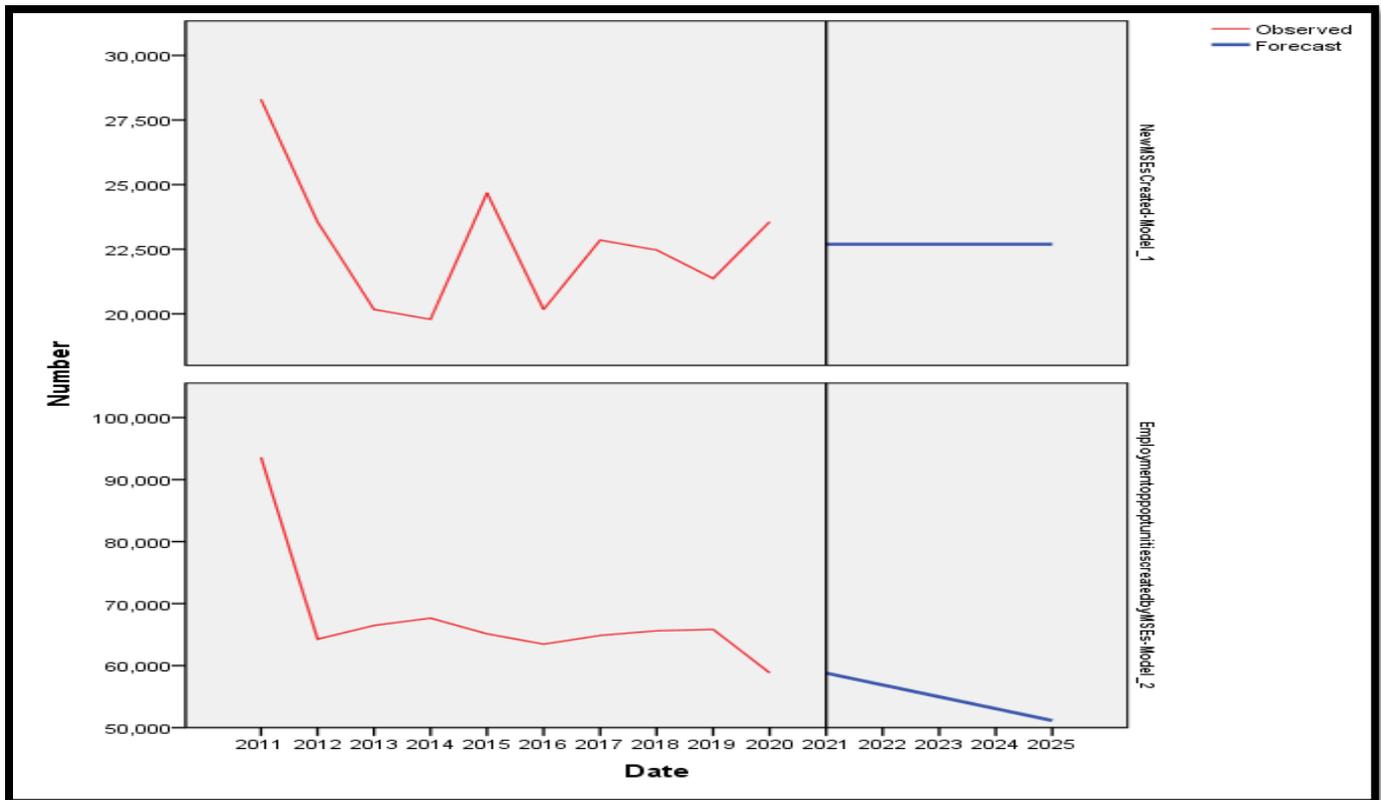
Source: Time-series Analysis computed using SPSS

Graph 2 also shows that the jobs created from MSEs are almost constant from year to year except for the extreme peakin the year 2011.This implies that the efforts made in creating an entrepreneurial ecosystem in the region did not bring significant results.

4.2.4 Future Predictions

Based on the trends in the 10 years data, forecasts have been made for the next five years about the number of MSEs established and the associated employment opportunities created during the period. The results are presented in the graphs below.

Graph 3: Five years forecast of MSEs and employment opportunities created



Source: Time-series Analysis computed using SPSS

Predictions for the next 5 years also show that the number of MSEs to be created will continue at the same pace and the employment opportunities to be created will decrease. This implies that as newer MSEs are not created, there will be a potential that additional employment opportunities will not be created for the youth.

5. Discussion and Implications

The review of different kinds of literature, as well as the reports and findings of national studies, clearly show that the entrepreneurial ecosystem of the country in general and the Amhara region, in particular, is extremely poor. This is in line with the findings of (Abebe & Gebremariam, 2021; Kassa, 2021 and Shibru, 2017) that addressed the different ecosystem challenges in the country. A conducive ecosystem is not yet established in the region. It should be noted here however that the government’s commitment to formulating policies and strategies is encouraging. This matches with the findings of Ana to and others that support the government’s commitment to developing policies and strategies (Anato et al., 2021). But the policies and strategies developed in the region did not reach the ground in bringing remarkable results to change MSEs of

the region. Policies and strategies in a paper will be of no value unless reasonable results are acquired from it. The policies crafted by the government look very interesting in bringing radical changes by reforming the MSEs of the region. But the results acquired after these policies were put into action are not that significant. Hence, the region should first try to find out where the problem lies. Strategies are internationally benchmarked but the results that other countries brought cannot be replicated in the country and the region. What is the reason for that? This is an issue that other researchers should explore.

6. Limitations and Future Direction

This study is based on Isenberg's model of entrepreneurial ecosystem having only 6 elements: Policy, market, finance, human capital, support, and culture. Although these are common pillars of the entrepreneurial ecosystem, other elements are not treated in this study. Moreover, a review of different research works together with government reports, policies, manuals, and directives are used for the analysis. Hence, the inputs of MSEs and other stake holders are not included in the study.

The trend and the culture in most developing countries like Ethiopia are that everybody wants to be paid employed than self-employed. The dream of most Ethiopian since their Kindergarten and elementary education is to be "an engineer, doctor, pilot and the like". Everybody dreams of these and you may be surprised of hearing a man that aspires to be an entrepreneur. This is a deep-rooted culture in the country and the region too. Because of this, the efforts of the government to engage the youth in self-employment options mainly of MSEs was found to be ineffective for long. Paid employment as an option does not address large unemployed youth in countries like Ethiopia as several employer medium or large organizations are not as such well developed. Hence, there should be a revolution in the country that can bring radical changes in reforming MSEs as an option to reduce unemployment through self-employment. The motto of the country and the region should be "from job seeking to job creation" and this is possible by developing a conducive entrepreneurial ecosystem for MSEs. It should be noted also that the entrepreneurial ecosystem cannot be developed overnight. Hence, efforts should be made to include entrepreneurial education in the curriculum of the country at all levels of education.

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