Factors Constraining to the Growth and Survival of Micro and Small Enterprise (MSEs) – A Study with Special reference to Dessie City-Ethiopia

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ABSTRACT

Micro and Small Enterprises (MSEs) play an important economic role and recognized as and important vehicles of employment creation, income generation and poverty alleviation. The purpose of this study was to investigate factors constraining the growth of micro and small business (MSEs) growth in Dessie city. The data collected through the questionnaire about management, government support, financial, technology, business plan, and corruption constraints from Dessie MSEs owners. Correlation and multiple regressions were used for analysis. The regression results, indicates that lack of management has the biggest potential followed by government support, financial, technology, business plan, and corruption practices negatively and significantly affect MSEs growth. Altogether, independent variables explain 70.8% of the total variance in business growth. This research paper highlights the factors that hinder the performance of MSE’s in different verticals and also supports to improve the business and economy.

Key Words: Factors, Constraints, Micro and Small Enterprise, Business and Growth.