DETERMINANTS OF WORKERS WAGE IN PRIVATE INVESTMENTS AND PERFORMANCE OF INVESTORS IN URBAN AREAS OF SOUTHERN ETHIOPIA: IN CASE OF HADIYA ZONE, HOSANNA TOWN

MSc. THESIS

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BY

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This is to certify that the thesis entitled **"Determinants of Workers Wage in Private Investments and Performance of Investors in Urban Areas of Southern Ethiopia: In case of Hadiya Zone, Hosanna town''** submitted in Partial fulfillment of the requirements for the degree of Masters of sciences with specialization in Development Economics, the Graduate program of the department of Economics, and has been carried out by **Chernet Abebe** Id. No GSR/082/11, under my supervision. Therefore, I recommend that the student has fulfilled the requirements and hence hereby can submit the thesis to the department.

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We, the undersigned, members of the Board of Examiners of the final open defense by **Chernet Abebe** have read and evaluated his thesis entitled "**Determinants of Workers Wage in Private Investments and Performance of Investors in Urban Areas of Southern Ethiopia: In case of Hadiya Zone, Hosanna town"** and examined the candidate. This is, therefore, to certify that the thesis has been accepted in partial fulfillment of the requirements for the degree of Master of Sciences in Development Economics.

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STATEMENT OF THE AUTHOR

First, I declare that this thesis is my own work and that all sources of materials used for this thesis have been duly acknowledged. This thesis has been submitted in partial fulfillment of the requirements for MSc degree at the Wolkite University and is deposited at the University Library to be made available to borrowers under rules of the Library. I solemnly declare that this thesis is not submitted to any other institution anywhere for the award of any academic degree, diploma, or certificate.

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ABBREVIATIONS

CSA - Central Statistical Agency

EIA - Ethiopian Investment Agency

EIC - Ethiopian Investment Commission

FDI - Foreign Direct Investment

FDRE – Federal Democratic Republic of Ethiopia

GDI - Gross Domestic Investment

GDP - Gross Domestic Product

GTP - Growth and Transformation Plan

HZIO – Hadiya Zone Investment Office

ILO - International Labor Organization

IMF -International Monetary Fund

LDC - Least Developed Countries

Mo FED - Ministry of Finance and Economic Development

NBE - National Bank of Ethiopia

OECD - The Organization for Economic Co-operation and Development

PI – Private Investments

PSD - Private Sector Development

RGDP - Real Gross Domestic Product

SNNPRs - Southern Nations Nationalities and Peoples Regional State

UNCTAD - United Nations Conference on Trade and Development

WB - World Bank

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ABSTRACT

This study aims to investigate the determinants of workers wage in private investments and performance of investors in urban areas of southern Ethiopia by taking Hadiya zone, Hosanna town as a case study. In this study both probability and non- probability sampling technique was used to select sample respondents. Hence, this study used a multi-stage sampling technique, in the first stage, Hosanna town was purposively selected. In the second stage, three investment area namely Lemmo, Sorro and Gibe wereda were selected by using stratified and simple random sampling method. Lastly, from 172 private investors was select the sample of 63 investor and 205 workers of private firms out of 554 workers. The study used both descriptive analysis and Econometric analysis of Multiple Linear regression model. The findings of the study indicate that Market opportunity out of Hosanna town, Access to infrastructure, Access to land, Access to finance and years of tax exemption from profit tax were statistically significant and had positive relation with the income of private investor. The rest of variables bureaucratic red tape were statistically significant, Problem faced which related during the production process were statistically insignificant and had negative relation with the income of private investor in the analysis. Thus, working hour of workers per day in private investments, additional income from part-time (out of wage), experience of working in private firms were statistically significant and had positive relationship with the income of worker in private investment in the analysis. The rest of two variables access to training for worker number of worker in the department was statistically significant and had negative impact on the income of worker in private investment in the analysis. In addition to this the private investment has its own positive outcome on the local economy in terms of creating employment opportunity and market stability. Thus, in order to encourage private investment, the government should introduce practical land development and administration procedure, accessing land for strengthen the performance of private investment.

Key words: *Private investment, Worker's wage, multiple linear regression*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Factors influencing the workers wage and performance of private investments differ worldwide from one country to the other. However the importance attached to private investment is common across the universe. Thus, over recent years, private investment is viewed as a powerful tool for maintaining and expanding the capital formation and production capacity of an economy because it allows entrepreneurs to set economic activity in motion by bringing resources together to produce goods and services. Rapid and sustained growth is facilitated by a virtuous circle whereby entrepreneurship and investment lead to higher productivity, making it possible to invest larger sums in the future. In the course of this process, jobs are created and new technologies are introduced, especially through international trade and investment linkages. Agriculture remains to be the main stay of Ethiopian economy contributing about 36.3% of GDP and providing 67% employment opportunity but agricultural labor productivity was so low, this shift gave rise to static efficiency gains as relative labor shares increased in construction and services where the average value added of a worker is up to five times higher (WB, 2017).

Ethiopia is the tenth largest country in Africa with a land area of approximately 1.14 million square kilometers. Ethiopia‘s total population is apex.102.4 million. It is the second most populous country in sub-Saharan Africa, after Nigeria. Ethiopia has the largest working population in Africa with 41 per cent of the population aged between 15 and 40 and the young and productive age group accounts for 60% of the population. Life expectancy has reached 63 years, increased by 19 years between 1991 & 2014. To grow share total investment as percentage of GDP from 36.3% in 2015 to 41.3% by the end of GTP II (2020) registering an annual average growth of 23.6% (UNDESA, 2015).

Ethiopia is urbanizing and as it does, the structure of work is changing. Unemployment rates have been decreasing but remain high and increase with small city on average 17% and in larger cities wage employment comprises a larger share of employees on average, 49 % in 2014 but, in Addis Ababa, more than 70% of urban workers are in wage employment. Wages increase with education, particularly for those with post-secondary education, but women fetch 28% lower wages than men on urban labor markets (WBG, 2016).

In Ethiopia, private sector is the second largest employment-generating sector following agriculture. According to CSA estimate in 2018, in 48 major towns indicates that nearly 602,550 and 3,900 operators engaged in private manufacturing industries respectively, which absorb about 962,000 labor forces. Accordingly, the whole labor force engaged in the private manufacturing industries is more than eight folds (962,000 persons) to that of the medium and large scale manufacturing industries (117,000 persons), this indicate that was modeled in ILO estimate employment in industry sector accounts 12 percent. This is a contribution of 27.25% of the industrial sectors to GDP and 5.82% of the manufacturing sector's contribution to the GDP of the year 2018 (World Bank indicator, 2018).

Different study was not describe the nature of urban labor markets in Ethiopia and show how several factors contribute to curb their efficiency. Increasing the efficiency of urban labor markets in Ethiopia is not only key for structural transformation but also for overall economic development. Unemployment levels are high, even among those with limited education. This can be explained in part by low labor productivity in the private sector. Low productivity in the private sector translates into very low wage levels for the less skilled, preventing wages from adjusting to clear the market. These issues are aggravated by the high costs of searching for a job in Ethiopian cities and the rural-urban migration influx. According to this the highest rates of wage worker were to be found in Southern Nations Nationalities and Peoples Regional State (SNNPRs) at 88.8%, Overall activity rate for the population aged 15 and above is 69.3% with the higher male participation rate 75.1% than female 63.4% (Bisrat, 2014).

According to Ethiopia Investment Agency (EIA), during the period 1992-2009, 1433 private investment projects were licensed to be implemented in Hadiya zone, Hosanna town of the SNNPRs. Out of the total approved private investment projects, 122 were in agriculture sector, 16 were in manufacturing sector and the rest 1295 investment projects were in service sector. Regarding the performance of these investment projects is concerned; out of the total approved investment projects 43 projects (3 %) have been implemented. Whereas, 172 projects (12%) had started operation and the remaining 1218 projects (85%) are in pre implementation stage (HZIO, 2020). Thus, the aim of this study is to investigate the determinants of workers wage in private investments and performance of investors.

1.2 Statement of the problem

The Ethiopian economic policies before Ethiopia's Investment Proclamation of 1992 had relied heavily on state-owned enterprises, and for many years had actively discouraged private investment initiatives. However, the current Ethiopian policy on investment reform for private investment is openness due to political and economic reform program of 1992. The numbers of reform measures, which are best described as a part of the country's industrial policy, have also been put in place. Most of them are contained in the investment law which was first issued in 1992 with subsequent revision and improvements (Shiferaw, 2014).

Despite such economic and political reforms and range of investments incentives given, the roles of private investors have remained at low stage in the country. According to National bank of Ethiopia (2015/2016), Ethiopia's per capita income increased to $794 from $725 a year ago and poverty was estimated to have dropped to 22 percent from 38.7 percent a decade earlier. Investment to GDP ratio slightly raised from 38.5 percent to 39.4 percent while domestic savings to GDP ratio improved to 22.2 percent compared to the previous year. With regard to economic performance, Ethiopia has been experiencing double-digit economic growth, 10.8% since 2005, which has mainly been underpinned by public-sector-led development. Real gross domestic product (GDP) is grown by 10.9% in fiscal year 2016/17, and agriculture, services and industrial sectors have accounted for 36.3%, 25.6% and 39.3% of real GDP, respectively (Badassa and Megersa , 2018).

Economic development improves the welfare of the community in addition to addressing socio-economic problems, For instance, the successful achievement of the welfare state can be measured by the ability in solving various problems, including the problem of employment. This is one important factor in overcoming the problem of employment and it is a fundamental aspect of human life, as it includes economic and social dimensions (NPC, 2016).

In developing countries, such as Ethiopia, low-skilled labor often spend long periods of time underemployed or not employed when they do find work. The growth in wage workers in many of these private investment is highest for entrants with technical skill. However there is an increasing demand for lower skilled labor. This would increase youth labor to get both work readiness and basic technical skills (WB, 2017).

Other researchers examined the determinants of firm or aggregate level private investment in Ethiopia from different perspective. For example, among the aggregate level studies Wasihun (2018) focused on macroeconomic policy determinants while Badassa and Megersa (2018) focused on the determinants of sectorial private investment. On the other hand, a number of researchers (such as Birhanu, 2019; and Ambaye et al, 2014) have examined the effect of micro level factors on private investment performance. The study conducted by Belay (2005) focused on bureaucracy related problem, power supplies as factors that determine investment activity and that of Tesfaye (2015) on institutional factors such as access to finance and credits on aggregate investment activity. However, the study by Atenaf (2019) was firm level study that examined the challenges and opportunities of private manufacturing investment. Though there are many factors that determine the investment performance this study was conducted by taking some factors such as to, Access to finance, problem faced which related during the production process, access to land, access to infrastructure, market opportunity, bureaucratic red tape and years of tax exemption from profit tax is a key instrument.

Different scholars have conducted research on the determinants of workers wage in private investments looking at the firm and aggregate level analysis. For instance, Bashier and Wahban (2013) examined the determinants of workers for Jordan case via Corrected Least Squares Method. Bhaumik et al (2004) also studied the determinants of wage workers for Egypt, India, and South Africa and Vietnam cases via regression analysis. The results of the study indicate that technology transfer and foreign direct investments have positive impact on the employment and hence workers wage. Another empirical study on the determinants of employment in private business was conducted by Colombo and Mello (2009) in Indonesia. Gül (2014) also examined the determinants of employment in Turkey. The results of the study indicate that, the quality of education level of human capital and entrepreneurship potential positively affect the employment growth.

Therefore, the various theoretical and empirical reviews in the study area only made an empirical study based on macroeconomic variables without consideration of the microeconomic variables (i.e., Income of the private investors and Income of the worker in private investments). Thus, this study is conducted to investigate the determinants of workers wage in private investments and performance of investors. It helps to fill this gap in the determinants of workers wage in private investments and performance of investor's literature.

Based on the research issue, this study aims at answering the following research questions.

1.3 Research questions

1. What are the contributions of private investment for the local economy?
2. What factors affect the wage of the workers in private investments?
3. What factors affect the performance of investors in study area?

1.4 Objectives of the Study

The general objective of this study is to investigate the determinants of Workers Wage in Private Investments and Performance of investors in Urban Areas of Southern Ethiopia by taking Hadiya zone, Hosanna town as a case study.

Specifically, the study it attempts to examine the following objectives:

- To analyze the contribution of private investment for the local economy
- To examine the factors that affect the performance of investors in study area
- To examine the factors that affect the wage of the workers in private investments

1.5 Significance of the study

The primary significance of this research lies in its contribution to knowledge through exploring information. In this regard, the study would investigate the determinants of workers wage in private investments and performance of investors in urban areas of Southern Ethiopia by taking Hadiya zone, Hosanna town as a case study. As well as how the interrelationships of workers wage in private investment and performance of investor. The findings of this study might help to fill the gap in the determinants of worker's wage in private investments and performance of investor's literature. The findings of this study moreover, assumed to be of interest to other researchers and policymakers. The government can also use the document as a stepping ground and to find ways for intervention including taking new strategic initiatives for enhancing the existing institutional support provided to workers in private investment as well as creating awareness about the determinants of the workers wage in private investments and performance of investors. The study might also serve as a basis for further research, consultancy, and training in the area.

1.6 Scope and Limitation of the study

As stated in the objectives, the aim of this study is to investigate the determinants of workers wage in private investments and performance of investors in urban areas of Southern Ethiopia by taking Hadiya zone, Hosanna town as a case study in general and specifically factors that affect the wage of the workers in private investments, factors that affect the performance of investors and the contribution of private investment for the local economy in terms of employment opportunity, market stability and income generation on the side of both the private investor and the workers of the private firms in the study area. According to Ethiopia Investment Agency (EIA), during the period 1992-2009, 1433 private investment projects were licensed to be implemented in Hadiya zone. From this, 172 projects (12%) had started operation and the remaining 1218 projects (85%) are in pre implementation stage. The existing private investment were operating in three major sectors in three sub-towns of the study area. Among this private investments responded for questionnaire, the largest proportion in the study area was agricultural sector which accounts for (43%), Industry sector which accounts (32%) and Services sector which account for (25%). This study was limited to only 63 investors and 205 workers in the private investments. To mention some of the limitations; Corona virus or COVID – 19 was the biggest challenge during data collection process, some of the respondents were unwilling to give response enough. The study might not cover all of the investors and the workers who are under the private investment in the study area.

1.7 Organization of the study

This study is organized into five chapters. Chapter one has already dealt with the introduction consisting of background of the study, statement of the problem, research questions, and objectives of the study, significance of the study, and scope and limitations of the study. Chapter two deals with the review of related literature including theoretical and empirical literature. Chapter three deals with the methodology of the study. It consists of description of the study area, sources of data, method of data collection, method of data analysis and Model specification. Chapter four presents the results and discussion. It includes demographic and socioeconomic characteristics of the private investors and workers, Bureaucratic procedures and problems related to investors, Opportunities and Incentives for Private Investment, Econometric analysis. Chapter five is about Summary, conclusion and recommendations of the study.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 History and Overview of Private investment in Ethiopia

We can safely say that private sector investment started in Ethiopia during Emperor Menelek II with procurement of land. This era was characterized by scramble of principalities more or less waging unsettled war against each other for control of the area and also to defend Ethiopia from foreign aggression. In this process acquisition of private property in the form of land, began and was seen as sign of prestige. However, development of the land by the owners for economic purposes was unknown because of rudimentary market linkages. Private sector started developing during Emperor Haile Selassie's time. Even during this period much of the private sector clustered around land and related activities. Land owners developed commercial farms and as a forward linkage agro-processing small scale industries were established by private owners. The constitution clearly supported the right of individuals to possess and develop private property (Wasihun, 2018).

Land, on which the livelihood of 90% of the Ethiopia populations is based, was privately owned and owners had confidence to develop it until confiscated by the Socialist Military Regime in 1974. In other sectors such as transport and services there were no big private investments. There were very few establishments that involved the private and public jointly owned companies.

Private sector development cannot be discussed much during the socialist military government. The policy was very clear and was to systematically hinder the private sector. Since the beginning of the region, the impact of the policy was total failure. The country experienced chronic food shortages. This resulted from confiscation of private property mainly land. Even after the collapse of the Regime, this situation continued at higher scale. The recent joint World Food Program (WFP) and Food and Agricultural Organization (FAO) report estimated that more than 40% of the agriculturally based population cannot feed itself. Structural food deficit, poor land management and other policy related problems exacerbated the indigent state of food production in the country (Adugna, 2013). Knowing of the fact the importance of private sector, the Socialist Government introduced a new period in Ethiopian political and economic history on March 5, 1990. In this economic history the change introduced was far reaching.

The proclamation recognized the role of private sector development and stated that private sector could compete with public sector in all the economic sectors. The policy, however, did not last long. Between March 1990 and May 1991 very little implementation of the policy was seen. When Transitional Government took power, the economic policies were largely based on the preceding policy that focused on deregulation of banned territory and prices control. Privatization of public ownership was clearly pronounced. Sect oral policies were designed and proclamations were pumped and implementing line organizations such as Privatization Agency (TER, 270/2012).

Policy Implementation of the Government

The government took numerous measures as part of the fulfillment of the IMF and World Bank prescriptions. In 1992 the government agreed with IMF, World Bank and other donors to adopt a structural adjustment program. In September 1992 a policy framework paper for 1992/93 - 1994/95 was prepared and agreed upon with the World Bank and the IMF. It is worth noting here that all reform measures taken mainly concerned the nonagricultural sector.

During the first years of the transaction period substantial liberalization of both factor and commodity occurred, price controls were eliminated for all goods except for petroleum and petroleum products, pharmaceuticals and sugar for household consumption. The road transport monopoly was eliminated and a new labor code was introduced. Another set of changes that most people thought would have a positive impact on the functioning of the Ethiopian economy was the up-ward adjustment reform structure of private interest rates, and reformed income tax structure implying that the maximum marginal tax rate has been adjusted down ward. Furthermore, public enterprises were categorized according to their future states of ownership. The public sector proclamation implied not only privatization of state-owned enterprises, but also reorientation of the organizations of the remaining state owned enterprises to make them more efficient and profitable. The nine state corporations that dominated the industry were dissolved to stimulate domestic and private investments. A new investment code was released and privatization agency was set up. The financial sector (banking and insurance business) was liberalized in order to stimulate investment in the private sector. Thus, we can conclude that the various liberalization measures meant positive changes along all economic system dimensions.

History of Investment Law in Ethiopia

Coming to Ethiopia, though it is not possible to pin point the date investment was started, it is not new to Ethiopia.

I. The Imperial Era

The Ethiopian economy after the war with Italy was described as a mixed economy in which the private and public sectors worked hand-in-hand to achieve economic progress. The private sector was having good ground during this period since there was no any law that limited the private business.

In the Imperial era, Proc., No 60/1944 and 107/1949 were enacted to promote foreign investment in Ethiopia. In 1950, the Minister of Finance gave an income tax exemption notice with a view to encouraging investment. After that, in 1956, the Income Tax Decree which provided for income tax emption to encourage investment was promulgated. However, this Decree was replaced by the Income Tax Proclamation of 1963. This Decree was the first proper law to regulate investment transaction in Ethiopia. After three years, i.e. in 1966, the Investment Proclamation No. 242/1966 was enacted.

What is special to those laws was that they did not provide investment areas for the government. Thus, investors could invest in all areas of the economy with no restriction. They also provided investment incentives which included: import export income tax exemptions, income tax holidays. It was also possible for foreign investors to own land required for their investment. Though the private sector was in good condition, the share of the domestic investors was very small due to lack of entrepreneurship.

II) The Derg Regime

Then, the 1974 Revolution got rid of the concept of private property including private investment. This retarded the development in the sector. During the Dreg regime, it was only the state that invests. After all that was considered investment proper.

The Derg regime adopted a socialist economic policy through National Democratic Revolution (NDR), which disfavors private investment. During this period, it was witnessed that nationalization was exercised repeatedly.

Proclamation No 26/1977 heralded the start of nationalization. The proclamation clearly stated that it was necessary to transfer to government ownership all resources that were crucial for economic development.

As a result, the government had controlled all private investments and the private sector was restricted to small industrial activities. However, the government allowed investment through joint venture, i.e. investment in Cooperation with the Ethiopian Government. The intention of the government was to introduce capital know-how, and technology into the country. But the law was taken as a disincentive to the private investors since the share of the government could grow from 51-99% while that of private investors could fall down from 49-1%.

The government felt the necessity to change the economic policy in the late period of the Derg Regime and adopted a mixed economic policy by adopting the Multilateral Investment Guarantee Agency (MIGA) of which Ethiopia became a member. Then, this economic reform was reiterated by the transitional Government of Ethiopia in 1992 after the down fall of Derg Regime.

III) The Period after Derg

The Derg regime was replaced by the Transitional Government. The Transitional Government, which was established in 1991, adopted an economic and investment policy directly opposite to that of the Derg regime. The policy emphasized the role of private investment in the development of the Ethiopian economy. In 1992, Ethiopia embarked up on the liberal economic policy which is deemed to be a favorable condition for investment. To implement this policy, the Transitional Government enacted Investment Proclamation No 15/1992 so as to open the door to private investment. The proclamation also reserved some sectors such as large scale eclectic power and postal service to the government. It also provided for joint investment with the Ethiopian government. The proclamation provided for incentives to attract and promote private investment. It also guaranteed against nationalization and expropriation. Thus, "no assets of a domestic or foreign investor may be expropriated or nationalized wholly or partially except in accordance with the due process of law". The Investment Office was established by the proclamation to regulate and supervise investment activities. The proclamation imposed a higher capital requirement for foreign investors and proclamation No 37/1996 was enacted to rectify this problem.

Thus, the following are essential developments in Proc No 37/1996 and Regulations No 7/1996.

The minimum capital required from foreign investors has been reduced from 500,000 USD to 300,000 USD to establish joint venture with our government. The minimum capital of retained profit and dividends reduced to 400,000 USD for expansion. Further, the capital requirement for foreign investors to invest in engineering and consultancy was reduced from 500,000 USD to 100,000 USD. Foreign investors were relieved from the obligation to deposit 1258,000 USD in blocked account. Foreign investors were also allowed to invest in building construction equipment, and in hotels whose standard was below the four star and five grades. Foreign investors were allowed to repatriate capital from sale, liquidation or transfer of residence to their home country, in addition to profits, dividends, interests and payments arising from technological transfer. It also provided for internationally accepted investment dispute settlement procedures where it was not possible to solve the dispute amicably. Investment incentives were also extended to additional sectors such as education, hotels, tourism and health. Further, the period of incentives was extended from 3 to 5 years. Banking and insurance, electricity generating up to 25 MW, air transport with the capacity of up to 20 passengers or 2,700kg were reserved for Ethiopian nationals. Both domestic and foreign investors were allowed to borrow money from abroad provided that they are registered with the NBE. It was also provided under the proclamation that investors should be provided land within sixty days from the date of application for land. In general, Investment Proclamation 769/2012 despite its constraints and drawbacks, the law seems to be attractive to the private investment when compared to the past regime's restrictive policy.

IV) Investment (Amendment) Proclamation No 116/1998 and Regulations No 36/1998

These laws were enacted with a view to encouraging and facilitating investment (both domestic and foreign). Thus, the amendment was made with the aim of opening more investment areas to the private sector. It also aimed at providing additional investment incentives. These laws resulted in the following essential changes to the proclamation No 37/1996 and Regulations No 7/1996. The status of foreign nationals of Ethiopian origin: A number of Ethiopians were forced to leave Ethiopia and went abroad for political and other reasons (especially in the past regime). It is felt important to give them a chance to invest in their country and to contribute in the economic development by investing their capital and know-how that they acquired abroad.

Thus, Proclamation No 116/1998 provides that foreign nationals of Ethiopian origin are at liberty to choose to be treated as domestic investors or foreign investors. If they opt to be considered as domestic investors they must apply to the then Ethiopian Investment Authority (EIA) and fill a form which is taken as a promise not to be considered as a foreign investor. Thus, they are relieved from a capital restriction on a foreign investors and be able to take part in investment with a capital of 250,000 Ethiopian Birr rather than 500,000 USD, 300,000 USD or 100, 000 USD. In addition, they will acquire a right to invest in areas exclusively reserved to domestic investors by Regulations No 35/1998. On the other hand, they will lose the rights of foreign investors. Thus, they may not claim to repatriate their profits and capital outside Ethiopia, because such a right is given to foreign investors. Once an investor is considered a domestic investor, s/he/it may participate in investment areas exclusively reserved for Ethiopian nationals such as banking and insurance.

2.2 Theoretical Literature Review

There are different models that are used to frame and shape the theoretical frameworks. Many scholars used different types of models and fit the argument with the realization of these theoretical baselines. These models are Multiplier model and explicit detail tries to address below.

2.2.1 The Multiplier Model

Multiplier effects can be seen when new investment and jobs are attracted into a particular town, city or region. The final increase in output and employment can be far greater than the initial injection of demand because of the inter-relationships within the circular flow. The Multiplier Model of investment is therefore based mainly on the feedback effect that output (production) has on investment. The basic notion is, aggregate income increases as the producers of the new investment goods enjoy higher sales and incomes. Thus an increase in investment sets off a never-ending sequence of ever-smaller increases in consumption demand that augment or ‘multiply’ the effect of investment on income.

2.2.2 Theories of private investments

Private investment means any types of investment activity operated in the expectation of public ownership. That is individual citizens, foreign investors and companies involved in the sector which are reserved for private sector. The term investment connoted different concepts and meanings according to Babul (2003) the important, concepts of investment are;

Economic investment: - means that the net additions to the capital stock of the society which consists of goods and services that are used in the production of other goods and services. Additional to the capital stock, means an increase in buildings, plants, equipment's and inventories over the amount of goods and services existed

Commitment investment: - refers money commitment to satisfy personal desire, since no rate of return is expected. Example commitment of money to a new car is an investment from an individual point of view.

Financial investment:- involves the investment of funds in various assets like stocks, bonds, real estates, mortgages etc. such investment is the employment of funds with the aim of achieving additional income or growth in value.

Business fixed investment: - this is the largest piece of investment spending; term business meant that firms for use in the future production buy the investment good. The term fixed means that spending for capital that will stay put for a while as passed to inventory investment, factories, and computers to company's cars. This standard model of business fixed investment is called neo classical model of investment. This model examines the benefit and cost to firms of owning capital good.

Residential investment: - this includes the purchasing of new house both by people who plan to live in it themselves and by property owners who plan to rent it to other.

Inventory investment: - this is the good that business put aside in storage is at the same time negligible and of greater significance. It is one of the smallest component of spending averagely about present gross domestic product, yet its remarkable volatility makers it control inventory as good are sold and inventory investment become negative

Ayele (2006) investigated the weak policy instruments of indigenous SMEs and regional development in Ethiopia. A considerable amount of work has been done on the determinants of investment in general and particularly private investment. In the context of countries in the developing world the relationship between private and public investment (in terms of "crowding in" and „crowding out") has been a major focus of analysis. Beyond the relationship between private and public investment, the concern for private investment has been in terms of its impact on growth. Using a country case study on Ethiopia from 1992 to 1998, the author found that import and income tax exemptions were "weak policy instruments of indigenous SMEs and regional development in Ethiopia" because "most SMEs founders set up enterprises where they live, work, and in industries where they have obtained training or experience".

What seemed to be the driving force for the start-up of enterprises in Ethiopia were better infrastructure, market and a broader enabling environment. The evidence on SMEs in Africa is relatively sparse and until recently there had been limited firm-level data on the SME sector in Africa to allow for in-depth analysis on growth performance of SMEs. With the availability of World Bank's enterprise survey data beyond the first half of the (1990s). For a number of private sector firms in Africa, and with the appropriate standardization of these datasets, this study provides recent insights on SMEs in Africa. If the transformation of the manufacturing structure has a strong association with a country's economic development, the speed of exploiting the advantage in existing industries and laying the foundation for emerging industries through investment becomes key for fast economic growth. This shows the estimated development patterns of industries in value added per capita (food and beverages, wearing apparel, basic metals, and electrical machinery and apparatus) and the actual development paths of the Republic of Korea, Malaysia and Sri Lanka. The three countries have advantages in different industries that reflect their stage of development. Sri Lankans is in relatively labor-intensive industries, such as food and beverages and wearing apparel, and thus rapid growth in these industries is foreseen. Malaysia has already lost its advantage in these industries, but can still expect continuing growth for some time in basic metals as well as long-term growth in electrical machinery and apparatus. The Republic of Korea has already lost, or is about to lose, its advantage in basic metals, but should keep its advantage in electrical machinery and apparatus for the foreseeable future.

Despite similar development trajectories, the speeds at which these three countries have exploited their advantages and thus increased their income and, possibly, shifted their advantage from one industry to another. All four industries developed much faster in the Republic of Korea than in Malaysia even during a similar stage of economic development: in wearing apparel around 20 times faster, and in basic metals and in electrical machinery and apparatus about 10 times faster. Sri Lankans industries lagged behind Malaysia's, apart from wearing apparel. Productivity increases are crucial in accelerating development.

The higher the growth of labor productivity, the faster a country moves along the development trajectories. Productivity growth is especially important in explaining the speed of transformation of high-tech industries; productivity and other factors, such as wages, may be associated with the growth of low-tech industries.

The Republic of Korea has experienced a fast manufacturing transformation in pursuit of raising living standards, and was much perhaps two or three times faster than the advanced countries that preceded it. Stagnant countries, conversely, may stay with the same structure and income for decades. Hence, private manufacturing investment play its own role not only on the production process but also for higher educational institutions has its own impact in order to certified skilled and educated human resource.

Adugna (2013) examined the determinants of private investment. The private sector development (PSD) is about enabling the enhanced utilization of labor and other resources of the country through the growth of private businesses by providing predictable and enabling environment both in domestic and overseas markets. PSD is about the maintaining a good balance between the complementary functions of the state and the private sector about judicious refocusing of the role of the state not about indiscriminate privatization but about sound government policies that provide room for private initiative and that set a regulatory framework which channels private initiative in ways that benefit society as a whole.

2.3 Empirical Literature Review

2.3.1 Empirical Evidences on the Determinants of Wage of the workers

Different scholars have conducted research on the determinants of workers wage in private investments looking at the firm and aggregate level analysis. For instance, Bashier and Wahban (2013) examined the determinants of workers for Jordan case via Corrected Least Squares Method. With reference to research findings; GDP, foreign investments, and trade affect the worker's wage positively

Bhaumik et al (2004) also studied the determinants of wage workers for Egypt, India, and South Africa and Vietnam cases via regression analysis. The results of the study indicate that technology transfer and foreign direct investments have positive impact on worker's wage. Moreover, the study conducted by Boheim and taylor (2001) examined the determinants of worker's wage in England for the period 1991-1998 via panel data analysis method. The findings of the study indicate that about 40% male and females prefer to work for different wages and hours. The general run of them prefers fewer hours to work. Another empirical study on the determinants of employment in private business was conducted by Colombo and Mello (2009) in Indonesia using data in 1996-2004 period via co-integration analysis is done in an Error Correction (ECM) Model framework. With reference to research findings; age, educational background, average school experience, gender, and income have determinative effects on worker's wage.

Gül (2014) also examined the determinants of employment in Turkey in 2004-2008. According to research findings, the quality of education level of human capital and entrepreneurship potential positively affect the employment growth. Moreover, developing the innovation levels of companies has a positive effect on employment. Spatial neighborhood relationship affects the employment as well. On the other hand, the study conducted by Kızılgöl (2012) investigated the determinants of participation of women in labor supply in Turkey for the period between 2002 and 2008 using Logit model analysis. The research findings indicate that education, income, dependency ratio, property, and age are accepted the dominant factors in decisions of women to participate in the labor supply. Furthermore, while the number of children decreases the participation to labor supply in the urban area, the number of children increases the participation to labor supply in the rural area.

Abdul (2015), also assessed the relationships between private investment, employment and output in the manufacturing sector. The employee wage increment in private firm were determined with experience's which refers to the wage increase over time. When the employee have the experience of being able to lead, inspire and followers, the investor have good performance to pay good wage for employee.

2.3.2 Empirical Evidences on factors that affect Performance of Private Investor

So far, some studies have been undertaken to the determinants of wage workers in private investments and performance of investors. The study done by Belay (2005) focused on bureaucracy related problem, power supplies as factors that determine investment activity in Ethiopia. Biruk (2001), examined the private investment to economic growth with special reference to employment creation in Ethiopia. Accordingly, employment was positively correlated with private investments by using Johnson co - integration model analysis.

Nuri (2017) also examined the micro level determinants of private investment in southern Ethiopia with special reference to agro-processing investment. The research findings indicate that firm size, education, access to land, access to credit, interest rate, legal system and corruption had positively affect agro-processing investment. Though there are many factors that determine the investment performance this study conducted by taking some factors such as to, Access to finance, problem faced which related during the production process, access to land, access to infrastructure, market opportunity, bureaucratic red tape and years of tax exemption from profit tax is a key instrument. Mustefa (2014) examined private investment and economic growth evidence from Ethiopia. The result indicate that private investment is positively and significantly affected by real GDP/income

2.3.2.1 The Contribution of Private investment for Local Economy

Communities and states are investing substantial and increasing levels of resources in economic development initiatives, motivated in large measure by the benefits which they expect to result from these efforts (Burnier, 1992; and Bartik, 1991). Among the benefits commonly anticipated to result from new or expanded manufacturing facilities (or from growth in other basic economic sectors) are both direct impacts (the jobs in the new facility, its expenditures to employees and suppliers, and its tax payments) and secondary impacts (jobs created in other sectors of the local economy, increased sales of local trade and service firms, etc.).

However, the benefits to be expected from a new development activity are not always easy to assess. In some cases, many of the new jobs promised by developers have not materialized, or most of these jobs have been filled by outsiders. The firms were asked to provide a variety of information, including current employment, employment five years prior to the survey, gross sales, the distribution of expenditures by type (i.e., for raw materials. Processed materials, direct labor, subcontracting, and other), and the percentage of each type of expenditure which was made to entities within the state. Hertsgaard et al, (1984) examined the secondary economic effects of the various types of firms, the estimates of each firm in-state expenditures were applied to the North Dakota Input-Output Model. Input-output have been used extensively in estimating secondary economic impacts of a variety of projects and programs.

Bhaumik et al (2004), examined determinants of employment Growth at multinational Enterprises (MNEs). Based on each firms in-state expenditures, the input-output model provided estimates of the total economic impact (gross receipts or gross business volume of all sectors) resulting from its annual operations, as well as the secondary (indirect) employment attributable to its activities. There is great importance of private sector for the purpose of economic development within a state.

2.3.2.2 Private investment on the Employment opportunities

According to (world investment report, 2014), When viewed as one aggregate industrial sector, South Carolina's manufacturing sector represents the largest industry cluster in the state's economy. This report is a brief overview of some of the many highlights of the industry and the importance of the sector to South Carolina's economy. South Carolina's manufacturing sector, like manufacturers across the country, has experienced significant declines in employment over the last decade. This trend continues today and the current economic crisis has only made this decline worse. Since 1998, there have been over 151,000 manufacturing jobs lost in South Carolina. However, the sector still represents a major employer in the state with over 15% of total employment in the sector. In addition, the sector pays wages well above those of the state average. The average manufacturing wage is 27% above the state average. The importance of manufacturing varies across the state.

Mlambo and Oshikoya (2001) examined the macroeconomic factors and investment in Africa. In some counties, the sector represents more than 20% of the total employment and helps elevate the counties‟ per capita income levels well above the state average. In some counties the manufacturing sector pays more than 50% of all property taxes. If these industries left these counties, the tax bill on the rest of the county residents could almost double. And finally, this report documents the tremendous economic impact that manufacturing has on the state's economy. The direct and indirect impacts from manufacturing total over $141 billion per year. Manufacturing is still fundamental to the labor market. Manufacturing jobs tend to be more productive than others, and so tend to be better paid and to offer better labor conditions, such as security and employment benefits. This particular feature of manufacturing lies at the heart of the growth-enhancing structural change argument. Further, manufacturing's strong productive linkages with other sectors lead to a much greater impact on employment creation due to indirect effects. A job in manufacturing is typically associated with more jobs in other sectors. This subsection aims to quantify the number of jobs created in manufacturing around the world over the last 40 years, but faces two methodological problems.

First, sector-disaggregated employment data are limited, especially in developing countries and over a long period. Second, even when there are data, comparability among countries may be affected by different definitions for employment status, type of occupation, coverage and so on. Still, two main sources of information can be used: industry surveys and general household surveys. Most countries carry out industry surveys. They typically provide reliable data on the number of manufacturing employees working in formal enterprises and over a long period. But depending on country they may well cover firms employing at least 5 or 10 workers, and exclude self-employed workers and unregistered employees, thus heavily under estimate. Manufacturing jobs possess some characteristics that make them more desirable than other types of employment, including higher productivity from a macroeconomic viewpoint and higher wages, better working conditions, more opportunities for skill upgrading and many jobs for women from a social view point. Higher productivity jobs are normally associated with higher wages. Historical evidence for the advanced economies and the successful newly industrialized countries shows that wage gains associated with industrializing structural change have greatly helped pull large sections of the population out of poverty.

Frederick and Alfredo (2007) also they assessed the impact of Italy‘s outward foreign direct investment FDI on local domestic employment growth between 1996 and 2001 for 12 manufacturing industries and 103 administrative provinces. Their main result was that, controlling for the local industrial structure and area fixed effects, FDI is associated with faster local employment growth, relatively to the national industry average. They also found that employment in small plants was not negatively influenced by higher levels of FDI. Their findings didn‘t support the idea that FDI was detrimental to local employment growth in the home country.

2.3.2.3 Private investment on the Market Stability

NPC (2016) emphasized on the Growth and Transformation Plan II (2015/16-2019/20) which sustained economic growth and employment generation is necessary for poverty reduction and require enhanced private sector investment resulting in economic growth, reduction in poverty and improved quality of life for the majority of the population. Private initiative, unleashed in competitive markets is key to promoting growth and poverty reduction in parallel with public sector efforts. Tax revenues generated by private markets and employments are critical to support public expenditure programs. One of the major contributing factors to the economic crises of Ethiopia during the 1980s was the restrictive policy imposed on the activities of the private sector. At the beginning of the transition period i.e. 1991/92, it was obviously clear that without changes in the policy regime of the 1980s efforts to realize socio-economic recovery and sustained development would be futile. As a result, the New Economic Policy took the creation of an enabling environment for both domestic and foreign private investment as one of its objectives. Thus, the Poverty Reduction Strategy (PRS) now proposes to build on these reforms and broaden them into a comprehensive strategy for private sector development that is meant to foster a qualitative jump in the role of private activity in generating growth and supporting poverty reduction. Competitiveness is the key to success in sustained economic development.

Ambaye et al, (2014) the domestic private sector needs to be more competitive to capture the opportunities in the global market. The most important factors that should come into the basis of competitiveness are: Investment Climate, Investment Finance, Infrastructure, Input/output Markets, and Institutions that run and support the system, Investment climate: focuses on peace and stability and macro-economic environment. Wasihun (2018) also assessed the determinants of private investment in Ethiopia.

Macro-economic stability reflected by exchange rate, money supply (interest rate and credit) and fiscal policy (taxes and expenditure), is enhanced and sustained by sound policy and regulatory framework covering the investment regime and market conditions that can foster competitiveness both domestic and at international level and an equitable and objective tax regime. Investment finance: plays an important role in PSD. The availability of financial management transparency, efficiency and the equitability of access are the key factors. Efficient management of investment finance concerns both the financial institutions and private sector operators who use resources for business development. An equitable disbursement system based on transparency and objective evaluation is an essential element for all players in the financial sector.

2.3.2.4 Private investments on productivity

Atenaf (2019) examined the challenges and opportunities of private manufacturing investment. We now turn to look in more detail at a particular feature at the core of the special role of manufacturing as the engine of growth. Its larger opportunities for productivity gains compared with other sectors of the economy. We analyze how the relative productivity of each major sector (here taken to be agriculture, manufacturing, non-manufacturing industry and services) evolves as countries development. Relative productivity is here simply defined as the ratio between the output labor ratio of each sector and that of the whole economy. This coefficient is obtained by dividing the share of manufacturing in GDP by the share of manufacturing in total employment. To get figures of this coefficient by income, we estimate the average (weighted) shares of each sector in GDP and total employment for all countries and years that fall in that income range. In the light of the evidence showing structural breaks over the last 50 years, we restrict the analysis to the last two decades.

Tesfaye (2018) assessed the determinants of investment activities, in the study were difficulties of finance and lack of credits when they started their business, and low encouragement from the investment offices were significant and has positive effects on determinants of investment activities. Yet the level of investment activity in the town is rather small particularly when compared with the level of the investment in other small towns that recently gained a higher administrative status. Bureaucratic system of land lease policy has a negative impact on investment activity.

2.3.4 Enabling environments for Private investments

Private sector needs its own environment and it under consider as good opportunities for the private investment. It depends on the sweat able environment such as; peace and stability, macroeconomic stability, Institutional and Legal environment, Taxation and others.

2.3.4.1 Peace and Stability for investment

Belay (2005) examined factors that affect private investment in Ethiopia. In this study peace and stability was used as a key factor for investment attraction and sustained economic development. Investors need free and fair conditions to be able to pursue productive activity. They also need to have conditions where contracts and property rights are respected and corruption is kept at its lowest possible level. The Federal Democratic Republic of Ethiopia (FDRE) constitutes a federal system of government where both economic and political responsibilities have been considerably decentralized giving more autonomy to regional and Woreda administrations with the objective of deepening the democratization process and bringing about improved governance. In order to deepen the decentralization process, implementing powers and responsibilities for resources allocation are being designed for Woreda and Kebele level administrations. The civil service reform program, which includes the judicial system, is being implemented. Overall, the democratization process has helped to create peace and stability in Ethiopia.

2.3.4.2 Macroeconomic Stability

Biruk (2001) analyzed the contribution of private investment to economic growth with special emphasis to employment creation. Low inflation, low interest rates and a realistic exchange rate, continuing trade reforms and relatively decreasing role for the state through privatization and deregulation helped to redress the imbalances of the 1980s and created conducive environment for sustained macroeconomic stability. This is a strong feature of the Ethiopian economy since the beginning of the economic reform in 1992/93. Trade, exchange rate and other structural reforms resulted in about 6.3% average annual growth in real exports. However, despite this trend, Ethiopia's participation in the global economy is still minimal. Per capita exports were less than US$ 15.00 in 1999 compared to the Sub-Saharan Africa average of US$ 163.00. The reforms of the 1990"s have not led to a diversification of exports away from agriculture nor have they spurred the export of agricultural produces and manufactured goods significantly.

2.3.4.3 Taxation

Tax exemption Regulation (2012) suggests there had been revisions in the tax regime many times in the past reducing income tax from 89% to 40%. But overall, the measures taken were piece-meal and essentially left the system of tax assessment and collection full of loopholes for evasion and non-payment of taxes. A comprehensive tax reform is currently underway with the objective of removing past weaknesses. The tax reform program has measures to broaden the base and build the capacity of tax administrators. It is envisaged that the reform process would reduce the rates but enlarge the base improving tax collection.

The tax rate is set to fall from 40% to 35% for individuals and single proprietor businesses, from 35% to 30% for companies. Furthermore, value-added Tax (VAT) will be introduced from January 2003 replacing sales tax. All exports of goods and basic services will be exempted from VAT. The present rate of capital gains tax will also be reduced to enable a free and transparent fixed asset market. The administrative measures that are to be introduced include the introduction of Tax Identification Number (TIN) beginning fiscal year 2002/2003. This will enable the Government and other operators (banks and other financial institutions) to work from an objective database. Audited books of accounts on which tax has been paid and property and income records will be easier to produce. The implementation of the TIN and the tax reform program will start at Federal level and standard application in all the regions is under discussion.

MoFED (2002) referred from the annual report of macroeconomic development the government and the private sector representatives will try and alleviate capacity problems related to the effective implementation of the tax reform program. Manuals prepared to train taxpayers and tax collectors will be in place initially in Addis Ababa and subsequently in the regions. One of the issues for further consultation with the private sector will be capacity building for the majority of taxpayers to maintain proper books of accounts. The Government will assist in the provision of the necessary resources through private sector and donor assistance to educate and enable private sector operators in general and Small and Medium Enterprises (SMEs) in particular to build the required capacity to maintain proper accounting records. The private sector was not able to play significant role and the bulk of the private sector contribution is in the services and informal sectors.

World Bank (2015) the top five problematic factors for doing business in Ethiopia are: inefficient government bureaucracy, foreign currency regulations, and access to finance, corruption, and inadequate supply of infrastructure.

2.3.4.4 Institutional and Legal Environment

World investment report (2014) more highlighted on investing in the sustainable goals and development. An Investment code was issued in 1992, which created space for private investment with a number of incentives. Investment Offices were also established at federal and regional levels to coordinate and facilitate private sector investment. A one-stop arrangement was also put in place to reduce the cost of doing business and expedite private investment implementation. Furthermore, the investment code was revised several times to improve the investment environment. The last revision was made in May 2002. Improvements introduced by the new Code that would help enhance the investment climate are the reduction of the minimum threshold for FDI to US$ 100,000 for wholly foreign-owned ventures, to US$ 60,000 for joint ventures, to US$ 25,000 for joint investment in the areas of engineering, architectural, accounting and audit services, project studies or consultancy, and no minimum investment requirement for those exporting at least 75% of output.

2.3.4.5 Problem faced which related during the production process

Grant (1991) studied the investment input requirements. During the production process; resource endowment, capabilities and competitive advantages are major problems for production and also investment growth as per resource-based view since resources are basis for profitability and growth. Problems faced during the production process is expected to have a positive effect on the private investment.

2.3.4.6 Access to Land for private investors

Access to land is also identified as one of the major constraints in different study for development and expansion especially for firms operating and intending to operate in Ethiopia, where there is huge gap between supply of land and demand. Consequently land acquisition delays are very long, and investors complain of waiting for years and a minimum of six to twelve months World Bank (2015). To mitigate the access to land constraint highlighted by investors, the Government has rolled out an Industrial Parks (IPs) development program that includes setting up IP sites in and around Addis Ababa, along with multiple regional cities.

Developing industrial parks in the country is very essential and it can address the working premise requirement of domestic and foreign large enterprises. However, domestic small and medium enterprises require a plot of land to establish their own manufacturing premises thus, unless the government undertakes rapid reform in land management and administration systems of the regions and city administrations of the country, industrial park development alone cannot enable the nation to achieve the required goals.

Tesfaye (2018) assessed the determinants of investment activities. Moreover, the government should also develop transparent land allocation system for those interested to engage in the private sector. However, it is recognized that impediments exist for the smooth progress of investor's desire for the implementation of projects. Such constraints include high land lease rate, bureaucratic hurdles to secure land and absence of infrastructure services. In consideration of these constraints, the Government is taking steps to considerably reduce the minimum lease rate and increase the supply of land to minimize escalation of prices during auction, streamline the bureaucracy involved in the identification and delivery of land, and prepare/develop infrastructure on plots to be offered for lease. Moreover, the Government plans to improve governance in all major towns and put in place a transparent and investor friendly system to minimize the bureaucratic impediments in the delivery of land. The government and the private sector will continue to be engaged in consultations to reach an understanding on how to further improve the land lease system. Issues for future consultation will relate to lease policy collateralization of land held under lease and assisting investors in large-scale commercial farms to have access to agricultural land with basic infrastructure.

Nuri (2017), examined the micro level determinants of private investment in southern Ethiopia with special reference to agro-processing investment. The research findings indicate that emphasis on the firm size, education, access to land, and access to credit, interest rate, legal system and corruption. Moreover, the study result indicated firm size, education, access to land, and legal system were positively and significantly related with private investment. Whereas corruption and interest rate were negatively and significantly associated with private investment. The level of interest rate was found to have a significant investment deterrent effect on the private sector in the study area. The implication is that a comprehensive measure to make loans available at reasonable interest rate is more capable of attracting private investment.

2.3.4.7 Shortage of skilled and unskilled labor

World Bank (2016) identified skilled labor as a segment of the work force with a high skill level that creates significant economic value through the work performed. Skilled labor is generally characterized by high education or expertise levels and high wages. In Ethiopia tertiary gross enrolment ratio 8% where the world average is 32% in 2012. This shows that the country's education and training system is unable to produce enough qualified labor. This is more visible in the construction sector. This creates challenges for the private sector, because managers have to spend time finding the right employee. It should be noted that skilled labor is critical to attract more private investment particularly into the manufacturing sub sector.

The mechanism by which organizations develop value through new products, processes, and organizational systems that are needed to respond to changing markets, technologies and modes of competition in the market. It plays a critical role in determining the long-term survival of enhancing investment success, and maintaining its sustainable competitive advantages through value creation. Most of the successful private investment were characterized by qualities such as innovativeness, specialization and networking in their daily operations. Timo et al, (2009) Similarly, skilled employee is also one of the important determinants of private investment, since higher skilled employees is associated with higher employees productivity which will improve operational performance of investments. Duenas (2006) found that skilled manpower, as measured by the share of skilled workers to total workers, has a significant and positive effect on the private investments.

2.3.4.8 Access to finance

Access to finance is a top obstacle to small and medium enterprises as firms in Ethiopia are more likely to be credit constrained than global comparators. It is argued that micro-enterprises and large firms in Ethiopia have relatively better access to finance than small and medium enterprises (SMEs). SMEs are considered as a missing middle in the country. In this regard data from the World Bank (2016) shows that while only 16.4% of firms using banks to finance working capital in Ethiopia in 2015, 41.1% and 21.4% of firms relay on banks to finance working capital in Kenya and Uganda respectively in 2013. Moreover, the value of collateral needed for a loan (as percent of loan amount) in Ethiopia is 296.2%, while the sub-Saharan average is 214.2%.

Therefore, we have also learned that access to finance is a major obstacle to do business in Ethiopia. Both prospective and operational investors in the country have limited access to finance their initial investments as well as working capital requirements. To achieve this target, various policy instruments such as awareness creation and public mobilization; maintaining positive real interest rate; controlling inflation; expanding and improving financial institutions; implementing saving instruments and services such as saving for housing program, saving for investment equipment scheme, social security saving, health insurance saving, etc. will be undertaken. Moreover, accelerated economic growth and transformation, as well as expanding productive job opportunities are part and parcel of the strategy designed to promote domestic savings during the plan period. In addition to this the governance can motivate investors to increase their willingness to invest by providing them to credit from loan institution for private investment.

2.3.5 Foreign currency regulations

EPPCF (2014) analyzed the major issues for businesses operating internationally are delays in the approval and disbursement of foreign currency, as well as in opening letters of credit (LC). Bank approval of foreign currency requests and opening of letters of credit can take from a minimum of two months to up to two years. Young and/or smaller firms are at a particular disadvantage. In addition, the criteria, procedures and guidelines used by banks in allocating foreign currency are neither clear nor transparent, reducing predictability of bank practices and informed decision making on the part of businesses. Key informants also argued that the foreign currency allocation system to the private sector is not transparent and firms are forced to wait for several months to get response for their application. Regarding foreign exchange, the government is aimed to exert massive effort to encourage export and promote the establishment of export oriented manufacturing enterprises. Furthermore, a set strategies has been devised to promote healthy macroeconomic conditions with stable foreign exchange that will facilitate an internationally competitive private sector and also support key sectors that can serve as source of foreign exchange.

2.3.6 Age of the Private investment

Private investment age, indicating a learning-by-doing experience, can also significantly affect investment operational performance, since old enterprises are able to participate in competitive markets due to their cumulative experience, business networks and reputation. On the other hand, there are a number of researchers who find that the age of a firm and private investment are positively correlated. For example, Gebreyesus, (2008) found that the length time in operation may be associated learning curve. Study findings support consideration of age of an organization as a factor that may affect firm survival and growth. Organizational decline and death is the liability of newness that makes new micro enterprises face a greater risk of survival than older firms is that new firms do not have the experience, access, links, reputation or the legitimacy of the older firms, leading to limited access to external resources Amyx, (2005). The period of operation is one important factor for credit access to strengthen the performance of the business who suggest that a firm that has operated for long is likely to get finance as a result of its reputation.

2.3.7 Access to infrastructure

Ambaye et al (2014) investigated modeling the determinants of domestic private investment. In this study, infrastructure refers to roads, water, electric power and telephone service. As a general rule, investors prefer country with a well-developed network of roads, water supply, uninterrupted power supply, and reliable telephone services. Several studies and economic theory have shown that infrastructure plays a key role in promoting investment. Poor infrastructure increases the cost of doing business and reduces the rate of return on investment. Other things being equal, production costs are typically lower in countries with well-developed infrastructure than in countries with poor infrastructures. Earlier studies have shown that countries with good infrastructure tended to attract more private investment.

2.3.8 Education level of worker

Apulu and Latham (2011) examined that the drivers for information and communication technology adoption. Education and skills are needed to run investment. Research shows that majority of the lot carrying out micro enterprises in Nigeria are not quite well equipped in terms of education and skills. Majority of those who run micro enterprises are the ordinary lot whose educational background is wanting.

Hence they may not be well equipped to carry out managerial routines for their enterprises in their study suggest that those with more education and training are more likely to be successful in the micro enterprise sector. They also summarized that the entrepreneurs with higher education level and experiences have greater chances of succeeding than the people without education and experiences. As such, for small businesses to do well in Nigeria, entrepreneurs need to be well informed in terms of skills and management. Micro enterprises in ICT appear to be doing well with the sprouting of many commercial colleges offering various computer applications. Further, studies show that most of those running micro enterprises in this sector have at least attained college level education.

2.3.9. Market opportunity out of the town

UNECE (2004) studied the self-employment and entrepreneurship. The ability to tap into new markets requires expertise, knowledge and contacts. Investor often lack access to training and experience in on how to participate in the different market place and are therefore unable to market goods and services strategically. Thus, private investment are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many micro level private investment.

2.3.10. Experience of manager working in private firms

Atenaf (2019) examined the challenges and opportunities of private manufacturing investment firms. The experience of manager in private firm refers to the knowledge or skill acquired over time. When the managers have the experience of being able to lead, inspire and champion followers, the enterprises have good performance. Because of this reason the experience of managers assumed to have positive influence on the private investment. Wage refers to the straight time hourly wage an individual is paid or an amount of a money that a worker is paid based on the number of hours, day or week that are worked. Employment: is measured in several different ways. The degree of fineness turns on whether the measure refers to the total amount of paid (employed) labor, typically the number of hours, or cruder measures, such as the number of employees. One aspect of employment that is closely related to the quality of jobs an economy is producing is the relative share of wage jobs versus non-wage jobs.

Wage jobs tend to be more secure and better paid and wage workers are also believed to be more productive and contribute more to economic growth.

2.3.11. Access to training for workers

Birhanu (2019) examined the micro level determinants of private investment. In fact, investor on average have less access to education than worker, and technical and vocational skills can only be developed on a strong foundation of basic primary and secondary education. For example, South Asia is characterized by low enrolment among in education, high dropout rates and poor quality of education. The existence of sufficient training access in building the capacity of enterprises provides them with high opportunity to have good performance.

Shiferaw (2014) assessed foreign direct investment effectiveness in development and its challenges and prospects. Ethiopian government recognizes the need to support private sector development as the engine of economic growth and productivity enhancement and it is clearly committed to advancing industrialization and other high-value activities. The government describes itself as a revolutionary democracy and developmental government. It can in fact be characterized as "developmental" in the sense that its attitude and activities are strongly driven by the desire to lay the foundations for long-term economic development. Probably few developing countries show such a determined and credible commitment to industrial development, technical and vocational education and training (TVET) as well as science and development.

There is a strong policy focus on improving education and health as well as infrastructure, accessing credit and maintain land policies that keep the investors performance. Papers written by various study all refer to the lessons that Taiwan and Korea (and in some cases Japan) hold for Ethiopia's development. These include: early focus on productivity growth in agriculture in order to accumulate capital, increase supply for agro-industries, and generate demand for manufactured goods; restriction on ownership of land; a nationalized banking system that has enabled governments to channel credit from rent-seeking to value-creating activities; incentives for export-orientation; ''carrot and stick" policies for enterprises, e.g. Setting productivity and export targets; a focus on export-led industrialization; and control of industries as a ''cash cow" to generate the financial means the ruling party needs to retain political hegemony.

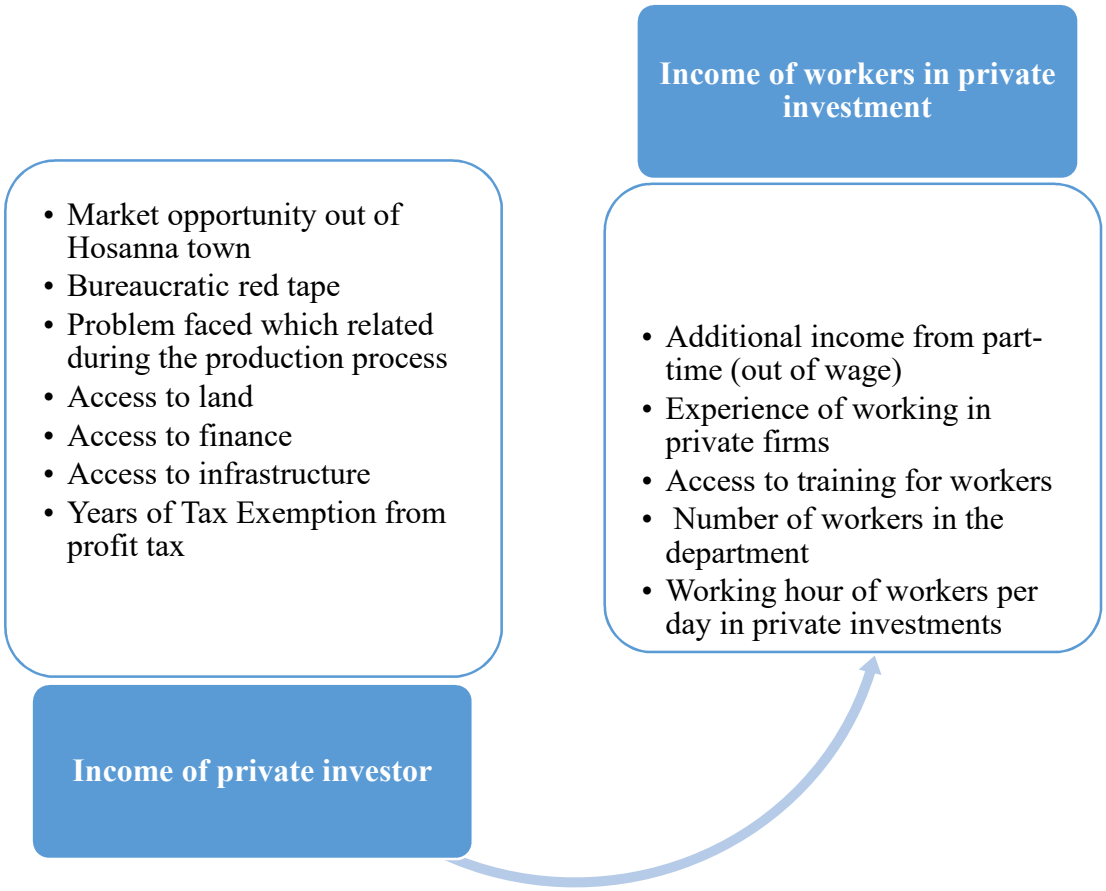
Other researchers examined the determinants of firm or aggregate level private investment in Ethiopia from different perspective. For example, among the aggregate level studies Wasihun (2018) focused on macroeconomic policy determinants while Badassa and Megersa (2018) focused on the determinants of sectorial private investment. On the other hand, a number of researchers (such as Birhanu, 2019; and Ambaye et al, 2014) have examined the effect of micro level factors on private investment performance. The study conducted by Belay (2005) focused on bureaucracy related problem, power supplies as factors that determine investment activity and that of Tesfaye (2015) on institutional factors such as access to finance and credits on aggregate investment activity. However, the study by Atenaf (2019) was firm level study that examined the challenges and opportunities of private manufacturing investment. Though there are many factors that determine the investment performance this study was conducted by taking some factors such as to, Access to finance, problem faced which related during the production process, access to land, access to infrastructure, market opportunity, bureaucratic red tape and years of tax exemption from profit tax is a key instrument. On the other hand the uniqueness of this study is that, it encompasses wide range of factors influencing private investor and worker in private investment instead of dwelling on income of the private investors and income of the workers in private investments. Moreover, various studies and models elsewhere explain factors influencing private investment in a particular sector with factors that do not suit environment, hence leaving various variables which presumably can influence private investment. Therefore, there is lack of survey studies aimed at presenting the current situation on factors influencing the performance of private investor and workers in private investment in the study area generally. However, these theories fail to explain performance of investor and workers in private investment by considering other factors in the same model.

In general, as shown in the above theory the various theoretical and empirical reviews in the study area only made an empirical study based on macroeconomic variables without consideration of the microeconomic variables (i.e, Income of the private investors and income of the workers in private investments). Thus, this study is conducted to investigate the determinants of wage of the workers in private investments and performance of investors in urban areas of Southern Ethiopia by taking Hadiya zone, Hosanna town as a case study. It helps to fill this gap in the determinants of wage of the workers in private investments and performance of investor's literature based on the research issue.

2.4 Conceptual Frame Work

In view of the problem statement as well as research questions, theoretical foundations, and review of literatures presented in the prior chapters, a conceptual framework is developed and depicted in below figure shows that the determinants of workers wage in private investment and performance of investors in urban areas of Southern Ethiopia: in case of Hadiya zone, Hosanna town.

Figure 2.1 Conceptual Framework



Source: - *Own Design (2020)*

CHAPTER THREE
METHODOLOGY OF THE STUDY

3.1 Description of the study area

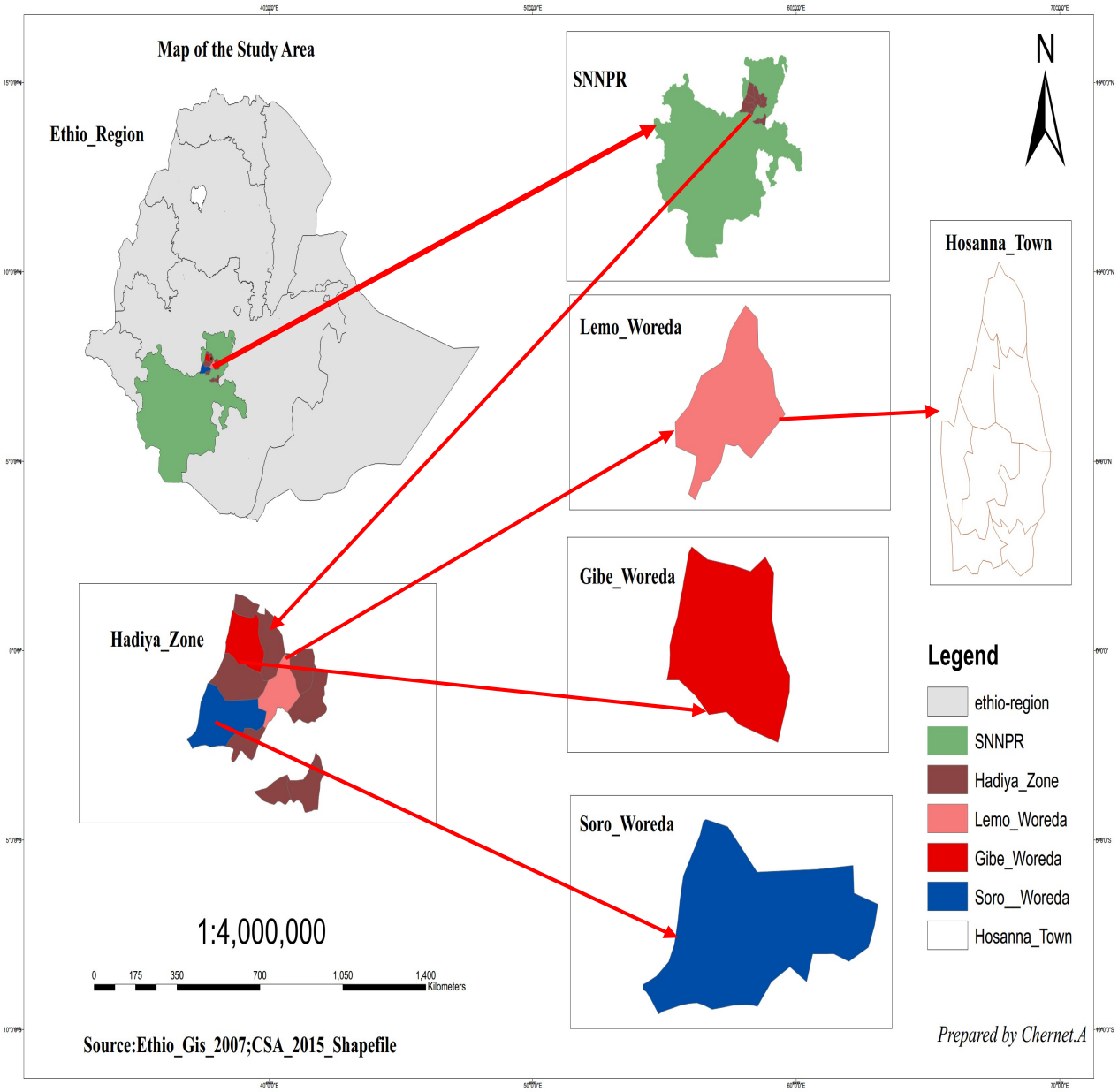
The study conducted in Hadiya zone, Hosanna town the reason that the town was selected due to have received little research attention so far conducted on private investment. The workers wage in private investments was not yet done in the study areas. So this study is outstanding in the sense that, it encompasses opinions from different angles to investigate the significance of specific factors in explaining the workers wage in private investment and performance of investor.

The administrative center of Hadiya zone is Hosanna town, which is located 232 km southwest of Addis Ababa following the asphalt road that passes through Alemgena, Butagera to Arbaminch and also to south and 180 kilo meters away from regional site of Hawassa Town to North West. The estimated total area of the zone is 346,958.5 hectares. It is characterized by temperate type of climate with daily temperature ranging from 18^0c to 27^0c, and is located 1900 meters above sea level. It have low to high rainy season for 7 months from February to August and for the remaining 5 months from September to January have bright and conducive air condition throughout the year. The total population of the zone as per the national census of 2019 was estimated to be male 756,576 (48.9%) and female 831,194 (51.1%) the total of 1,587,770 hard-working, peace-full, multi-ethnic and religious people are found. It is divided into 13 Woreda administrations and 4 town administration. Hosanna town is divided into 3 sub-towns and 8 administrative kebeles. Business activities and public sector employment are the dominant economic activities in the town. The population is 38,413 of which 48.9% are male and 51.1% are female. Out of these, 13% live in towns and the rest 87% live in rural areas (HZF, 2019).

EIA (2009) during the period 1992-2009, 1433 private investment projects were licensed to be implemented in Hadiya zone Hosanna town of the SNNPRs. Out of the total approved private investment projects, 122 were in agriculture sector, 16 were in manufacturing sector and the rest 1295 investment projects were in service sector. Regarding the performance of these investment projects is concerned; out of the total approved investment projects 43 projects (3 %) have been implemented. Whereas, 172 projects (12%) had started operation and the remaining 1218 projects (85%) are in pre implementation stage.

The existing private investment were operating in three major sectors in three sub-towns of the study area. These three major sectors are; Agriculture, Industry, services (HZIO, 2020).

Figure 3. 1: Location Map of Hadiya zone



Source: *Own design (2020)*

3.2 Data Type and Source

This study used both primary and secondary data. Primary data was collected through structural questionnaires distributed to individuals who engaged in investment activity in the town and workers of private firms and through interviews with selected managers of Hadiya zone Investment office. Secondary data were gathered from documents, reports books, magazines, internet and manuals.

3.3 Sampling Technique and Sample Size Determination

In this study both probability and non- probability sampling technique was used to select sample respondents. A multi-stage sampling technique was conducted for this study, which is generally used in more complex survey designs of real life social research (Singh, 2007), was used in sampling procedure. In the first stage, Hosanna town was purposively selected. The selection of the town was made on the account that it is the center of commercial area to Hadiya zone. In the second stage, three investment area namely Lemmo, Soro and Gibe woreda were selected by using stratified sampling technique. Lastly, simple random sampling method was used to select the sample respondents. The main rationale behind the usage of simple random sampling techniques is the homogeneous nature of the respondents in the study area. Since the study was used stratified and simple random sampling techniques in order to select the required sample. Stratified random sampling is used when the population is divided into two or more relevant strata based on one or more attributes. The advantage of stratified sampling is said to be its ability to ensure inclusion of subgroups, which would otherwise be omitted entirely by other sampling methods because of their small number in the population. It is appropriate for any social science research when a sample size of more than 30 and less than 500 (Ruth, 2015).

Accordingly, the town has 172 private investors who took investment license from Hadiya zone and investing permanently in the town, that means individual investor's, workers and government organization of the Hadiya zone, who give important information about the investment is the target population for this study. Out of these investors the researcher would select the sample of 63 (37%) investor and 205 (37%) sample out of 554 workers of private firms. The desired size of sample who represent the other else and to fill the questionnaires for data collection purpose.

Both Slovin's and (Yamane, 1967) formula was used to determine the samples size for workers in private investment and investors respectively.

Formula, which is written as; $n = \frac{N}{1 + N(e)^2}$

Where, N = Total population,

n = Number of samples and

e = the margin of error for this study is 10% with confidence level 90%.

$$n = \frac{172}{1 + 172\,(0.1)^2} = 63$$

Therefore, 63 private investors and 205 worker were selected as a sample size from each sector that can be determined proportionally by using ratio sample to the total population as follow;

RR = n/N, that is RR= 63/172 = 0.37 or 37%; for both private investor and worker respectively.

Respondents ratio of private investor were in Agriculture = 75* 37/ 100 = 27; Industry = 43* 37/100 = 16, Services 43*37/100 = 20 and Total = 63.

Respondents ratio of worker in private investments were in Agriculture = 187* 37/ 100 = 70; Industry = 193* 37/100 = 71; Services 174*37/100 = 64 and Total = 205.

Table 3. 1: Sample size of respondents for private investor and worker

Types of investment activities run by private investor	***Number of approved project***	***Sample size***	***Number of workers in private investments***	***Sample size***
Agriculture	75	27	187	70
Service	43	16	174	64
Industry	54	20	193	71
Total	**172**	**63**	**554**	**205**

Source: *Own survey (2020)*

3.4 Method of Data collection

In this study, both qualitative and quantitative data was collect from the target population. Accordingly quantitative data was collect from private investor and worker of private investment by distributing questionnaires and the qualitative data was collect from Hadiya zone investment office by using in-depth interview. The researcher was collect data by using different instruments in order to gather qualitative and quantitative questionnaire were consist of both close-ended and open-ended items. Both primary and secondary data was collected and surveyed. According to this, the data was collect from the sample of private investors, workers of private firms and from Hadiya zone investment office.

3.4.1 Questionnaire Design

The study designed survey questionnaire used in order to investigate the determinants of the worker wage in private investment and performance of investor. The questions would repair first in English. Moreover, translates in to Amharic language. This would support the respondents clearly understand the question. The questionnaire divided in to three parts. “Part I” for Private investor’s survey questionnaire, “Part II′′ for Private investment Workers survey questionnaire, and “Part III” an open-end questions which would be used to collect secondary data from Hadiya zone investment office. All the three parts would focus on the determinants of the workers wage in private investments and performance of investors. Furthermore, few open ended question which give opportunity to respondents to reflect their views freely regarding the topic of study included in questions. In order to make contact with both private investor and worker, the address on the documents obtain from Hadiya zone investment office was used. Before distributing the questionnaires to the respondents, the instruction was given for each section of the question. Due to corona virus some questionnaire was distributed to worker and investor by using E-mail and phone for easy reference. Finally, the designed questionnaires was distributed by hand also to the computed sample size in order to gather information then collected immediately after they finish it.

3.4.2 In-depth Interview

The main purpose of conducting in-depth interview in this study is to dig the detail information on the topic research. The target population for this study is individual investor's and government organization of the Hadiya zone, Hosanna town who give important information about the private investment. Interviews were held by the investigator using guiding questions. It was also held in secured place, where there is no interruption and well maintained privacy to be interviewed after obtaining verbal consent from the participants.

3.5 Method of Data Analysis

This study was used both descriptive and econometrics analysis. The descriptive analysis includes percentages, charts and mean. Multiple Linear regression were employed to investigate the factors that affect the wage of workers in private investment and factors that affect the performance of investors. Multiple Linear regression for the other variables that were used for continuous variables. Accordingly, the data was prepared and processed for the analysis in appropriate ways and finally the main data would be coded and enter to STATA software version 14 would employed.

3.6 Model Specification

Multiple linear regression models is model in which the dependent variable, Y depends on two or more explanatory variables. Multiple linear regression model were used to investigate factors that affect the wage of workers in private investment and factors that affect the performance of investors. In estimating income of workers and private investor by using multiple linear regression model is applicable. In multiple regressions, for example, we try to predict the average value of dependent variable for given values of the independent variables with the use of a regression line.

$$Y=\alpha+\beta_1X_1+\beta_2X_2+..\beta_kX_k+\varepsilon \text{ ---------- (3.1)}$$

Where, Y = Income of the private investors respondent response as a dependent variables

The coefficients $\beta_1, \beta_2 and \beta_k$ are vector of parameters to be estimated, X_1, $X_2 andX_k$ are vector of explanatory variables, and ε are disturbance term or stochastic term, α is the intercept term which gives the average value of Y when, X_1, $X_2 andX_k$ are zero.

Model 1: Determinants of workers model

$$Y = \alpha_0 + \beta_1 AddInc + \beta_2 EX\inf irm + \beta_3 AcTRW + \beta_4 NoWork + \beta_5 WHRs + \varepsilon \text{ ---------- (3.2)}$$

Y = Income of the workers in private investments

α_0 = are parameters or the magnitudes

Description of variables in the model and expected signs

Income of the workers in private investments (IncWkrs): This is the dependent variable of model (3.2). It is a continuous variable that will help to capture the wage of the workers in private investments. An income for workers from wage, it refers to the monetary compensation (or remuneration, personnel expenses, labor) it is paid by an employer to an employee in exchange for work done. Payment may be calculated as a fixed amount for each task completed (a task wage or piece rate), or at an hourly or daily rate (wage labor), or based on an easily measured quantity of work done. The predictor variables for this dependent variable is; Additional income from part-time (out of wage), Experience of working in private firms, Working hour of workers per day in private investments, Number of workers in the department and Access to training for workers.

Additional income from part-time (AddInc): This variable is continuous it is used to measure worker's effort seek to demonstrate indications of employee's behavior in the job. Unpaid overtime work and absence are variables commonly used in the literature about job effort and indicate the effort performed by the employee. According to (Booth et al, 2002), there is a positive correlation between a worker's efforts as measured by the number of unpaid hours of overtime work. Additional income from pat-time out of wage has expected a significant and positive effect on the income of the workers in private investments. Thus, $\beta_1 > 0$

Experience of working in private firms (Exinfirm): Effective worker in private investment with skills and experiences will lead to a higher innovation as well as competitiveness in the business performance of private investment. It leads highly competitive in work environments and an ineffective entrepreneurship will lead to bad performance of private investment. Thus, Work experience has expected a significant and positive effect on the income of workers in private investments**.** Thus, $\beta_2 > 0$

Access to training for workers (AcTRW): In some private investment especially micro level private investments have limited access to training for workers. In fact, workers in private investment on average have less access to training. The existence of sufficient training access for building their capacity of workers in private investment provides good opportunity to private investment growth (UNECE, 2004). This variable is also continuous, which takes a value if the workers had access to training; always, sometimes and no opportunity to accessing training. This variable has expected a significant and positive effect on income of workers in private investments. Thus, $\beta_3 > 0$

Number of workers in the department (NoWork): The number of worker are statistically significant at less than 5% significance level as hypothesized and positively related with the private investment. The number of workers in the private investment leads to profitability (financial performance of investor) will be increased. This indicates that proper number of individual worker in the department with the work load and efficient use of working capacity of the operators in the investment improve their benefits. Similar results were found by (Islam, M. and S. Siengthai,, 2010) reported that proper number of individual in the department and match of worker in the investment activity had a momentous and positive impact on the income of worker in private investment. $\beta_4 > 0$

Working hour of workers per day in private investments (WHRs): Working hour of workers per day in private investments were engaged in working activity only which means, based on an easily this is measured by quantity of work done the majority of workers spent more than ten hours per day in work although for seven days a week on private sector. On the other hand, permanent workers who work six days a week and five days a week but not temporary workers. This variable has expected to significant and positive effect on the income of workers in private investments. Thus, $\beta_5 > 0$

Model 2: Determinants of performance of private investors

$$Y = \alpha_0 + \delta_1 MktOppo + \delta_2 BEURT + \delta_3 AcLND + \delta_4 \text{Pr}oFaced + \delta_5 AcFin + \delta_6 AcINFrs + \delta_7 YrsOTEXe + \varepsilon \quad \text{---------- (3.3)}$$

Y = Income of the private investors

δ_i = are parameters or the magnitudes independent variables

More precisely, a brief discussion on the dependent variable of the model will be followed by the definition and the hypothesis of the independent variables. In selecting the potential explanatory factors that affect the explained variable, key consideration is likely to be exogenous to the dependent variable. Moreover, selection of variables to the model is also guided by the findings of similar studies (Bhatt and Jain, 2006, Cole, et al, 2007 and McCarthy, 2003).

Income of private investors (IncaPinv): This is the dependent variable of model (3.3). It is a continuous variable that will help to capture the performance of an investor to participate in investment activities by contributing money, labor, time and his entrepreneurial ability. The amount of capital that an investor registered while obtaining his/her investment permit is used to measure the intensity of capital use for the investment project in question. This variable takes a value of one or 1 for capital investment greater than given requirements for investment decision, those investors who had started operation and/or were under the implementation phase. Whereas, those investors who were in the pre-implementation stage or those who did not start any investment activity it takes the value of zero. So that their initial registered investment capital was censored to zero.

Market opportunity out of Hosanna town (MktOppo): Access to adequate and reliable market out of Hosanna town. This is a dummy variable, which takes a value if the investor reported that he/she had access to adequate and reliable market for the final products and by products. Earlier studies revealed that access to reliable and adequate market was positively and significantly related to income of private investment (Alemayehu and Befikadu, 2004). As a result, in this study, access to reliable and adequate market is expected to have a positive effect on the income of private investor. Thus, $\delta_1 > 0$

Bureaucratic red tape (BEURT): It is a composite index, based on questionnaire, which assessed the opinions of the sample respondents about the efficiency of the government bureaucracy which is proxies by the time required to get investment license, land and title deed, construction permit, import machineries, bank loans and operation license. The values of this index range from zero (less bureaucratic) to one (highly bureaucratic). Previous empirical studies reported that bureaucratic red tape deters investors from investing in a country (Ayal and Karras, 1996; Rivlin, 2001). This variable is expected to have a negative impact on the income of private investor. Thus, $\delta_2 < 0$

Access to land (AcLND): It should be noted that any investor who would like to have land for investment activity is required to have an investment permit. It is quite obvious that land is one of the major factors of production and investment in private sector could not be materialized without having access to land. This is also continuous variable, which takes a value if the sample investor has access to land for investment activities; below one week, until two weeks and More than one month. Recent empirical studies confirm that access to land is significantly and positively related to private investment (Kefay, 2005). This variable is expected to have a positive association with income of private investment. Thus, $\delta_3 > 0$

Problem faced which related during the production process (ProFaced): During the production process; resource endowment, capabilities and competitive advantages are major problems for production and also investment growth as per resource-based view since resources are basis for profitability and growth (Grant, 1991). This variables is a continuous variable. Problems faced during the production process is expected to have an insignificant and Negative effect on the income of private investor. Thus, $\delta_4 < 0$

Access to finance (AcFin): is a key issue for private investor. Accessing credit, particularly for starting business, is one of the major constraints faced by private investor. This is a continuous variable, which takes a value if the sample investor reported that he/she had access to adequate credit from formal credit sources; based on intensity to getting the credit access. Economic theory has shown that access to credit plays a significant role in enhancing investment (Islam, M. and S. Siengthai,, 2010). Thus, this variable is hypothesized to have a positive impact on the income of private investor. Thus, $\delta_5 > 0$

Access to infrastructure (AcINFrs): In this study, infrastructure refers to roads, water, electric power and telephone service. This is a continuous variable, which takes a value 1 if the sample investor reported that he/she had access to good infrastructure facility, moderately good and better. As a general rule, investors prefer country with a well-developed network of roads, water supply, uninterrupted power supply, and reliable telephone services. Several studies and economic theory have shown that infrastructure plays a key role in promoting investment. Poor infrastructure increases the cost of doing business and reduces the rate of return on investment. Other things being equal, production costs are typically lower in countries with well-developed infrastructure than in countries with poor infrastructures. Earlier studies have shown that countries with good infrastructure tended to attract more private investment (Mlambo and Oshikoya, 2001). Hence, this variable is expected to have a positive impact on the income of private investment. $\beta_6 > 0$

Years of Tax Exemption from profit tax (YrsOTExe): Investment incentives and investment areas reserved for domestic investors. This is a continuous variable, Exemption income tax for new enterprise, For Example, Food industry such as: processing of meat and meat products, Fish and Fish products Fruit and/or Vegetables manufacturing of edible oil and others can be exempted from income tax for 5 years (TER, 270/2012).Years of tax exemption from profit tax has expected Significant and Positive effect on the income private investor. $\beta_7 > 0$

CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the empirical findings of the study based on quantitative and qualitative data collected from respondents and analyzed by using descriptive and econometric analysis. As mentioned in the previous section the objective of the study was to investigate the determinants of workers wage in private investments and performance of investors in urban areas of Southern Ethiopia by taking Hadiya, Hosanna town as a case study. For this study, private investors, workers of private firms and investment bureau were included.

4.2 Descriptive Analysis

4.2.1 Demographic Characteristics of Respondents

The following table shows that the demographic information of sample respondents of private investors, workers of private firms and Investment Bureau were include (Sex, Age, Educational level and marital status) that were participated in this study.

Table 4. 1: Respondents Sex distribution patterns for Private investor's and Workers

Private Investor's				Workers in private investments		
Sex	Frequencies	Percentage	Cumulative	Frequencies	Percentage	Cumulative
	19	30.16	30.16	36	17.56	17.56
	44	69.84	100	169	82.44	100
Total	63	100		205	100	

Source: *Own survey data (2020)*

There were two kind of respondent's private investor and workers of the private investment. They were 63 private investors and out of 44 (69.84%) them were males and the rest 19 (30.16%) of them were females. The table shows that most of the respondents are male with account 70% and the rest 30% are female investor. According to this table the number of male respondents is greater than the number of female respondents, from this we can understand that males have positive attitude to investment than female.

The above table 4.1, shows that there were 205 respondents was workers of the private investment and out of them the 169 (82.44%) were males while the rest 36 (17.56%) were females. The table shows that most of the respondents are male with account 82% and the rest 18% are female workers in private investments. According to this table the number of male respondents is greater than the number of female respondents, female often face steeper challenges in the working environments than men, and in many societies, upon marriage women may reduce their work or exit the labor force entirely, from this we can understand that males play a great role in improving families' life and they have higher responsibility for their families. So, in general there were 175 respondents were found in the study out of them the 126 (72%) respondents were males while the rest 49 (28%) were females. This indicates that there were not proportional participation of male and female workers in private investment in the study area.

Table 4. 2: Respondents Age of the Private Investor's and Workers

Private Investor's				Workers in private investments		
Age group	Frequencies	Percent	Cumulative	Frequencies	Percent	Cumulative
18 - 20	6	9.52	9.52	61	29.76	29.76
21 - 35	6	9.52	19.05	93	45.37	75.12
36 - 45	18	28.57	47.62	27	13.17	88.29
46 - 55	26	41.27	88.89	18	8.78	97.07
56 and Above	7	11.11	100	6	2.93	100
Total	63	100		205	100	

Source: *Own survey data (2020)*

The above table 4.2, shows that the respondents were asked to demonstrate their age ranges during the survey time. Regarding the private investor age of the respondents most of private investor (37%) were included in the sample were under the age group of 21-35, 9.52% were in between 36-45, 28.57% were in between 18-20, 9.52% age group and 11.11% were in age group 56 and above. This shows that more than half of the private investment in Hadiya zone, were run by the youth. According to the study, the mean age of the private investors was 44years age and standard deviation was 11.0742 with minimum of 18 and maximum of 66 years of age. Table 4.3 above shows that of the respondents replied to the questionnaire 44 (69.84%) are males and 19 (30.16%) is female.

Majority of investor assigned in the firm are Male who found in the age level of more than 46 years while the participation of Female is very minimal which account for only 26.67%. This shows that the participation of women in investment activities like any other economic activities lag behind the men counterpart. It can be generally concluded that those private firms are managed by aged individuals as the proportion of respondents greater than 46 years account for more than 43%. As shown in table 4.2, Regarding the workers in private investments age of the respondents most of workers in private investments (34%) were included in the sample were under the age group of 21-35, (45.37%) were in between 36-45, (13.17%) were in between 15-20, (29.76%) age group and (2.93%) were in age group 56 above. (Table 4.4). This shows that more than half of worker in private investment in the study area, were surrounded by youth. According to the study, the mean age of workers in private investment was 28years age with minimum of 15 and maximum of 66 years of age.

Table 4. 3: Respondents Marital Status of the Private investor's and Workers

Private Investor's				Workers in private investments		
Marital status	Frequencies	Percent	Cumulative	Frequencies	Percent	Cumulative
Single	10	9.52	9.52	129	62.93	62.93
Married	41	65.08	74.6	46	22.44	85.37
Widowed	6	15.87	90.47	14	6.83	92.22
Divorced	6	9.52	100	16	7.80	100
Total	63	100		205	100	

Source: *Own survey data (2020)*

As indicated the table above, 4.3 shows that the sample respondent marital status of the private investors were 10 (15.87%) was single, 41 (65.08%) were married, while only 6 (9.52%) were Divorced and 6 (9.52%) were widowed respectively. This shows that more than half of private investor in the study area were Married. As shown in table 4.3, the sample respondent marital status of the worker in private investment were 129 (62.93%) was single, 46 (22.44%) were married, while only 16 (7.80%) were Divorced and 14(6.83%) were widowed respectively. This shows that more than half of workers in private investment in the study area were Single.

4.2.2 Socio-Economic Characteristics of the Respondents

Table 4. 4: Respondents Educational level of the private investor

	Categories	Frequency	Percentage
Educational level	Basic education	7	11.11
	Primary education	16	25.40
	Secondary education	4	6.35
	TEVET graduate	24	38.10
	Diploma	4	6.35
	Degree and above	8	12.70
Total		**63**	**100**

Source: *Own survey data (2020)*

As shown in Table 4.7, About 16 (25.40%) of the private investor attained Primary education, and the rest 4(6.35%) attained Secondary education, 7 (11.11%) attained Basic education, 24 (38.10%) were TEVET graduate, 8 (12.70%) had Degree and above and 4 (6.35%) of the respondents have upgraded their educational status up to diploma level. This shows that the majority of private investor have attained primary education. This has its own influence relatively with the educated one on the investment activities. This is in terms of accepting the new system of production, new technology, and new system of administration and others. Educational level of private investor have implications on the effectiveness and efficiency of the organization for which they are responsible. In this regard it is generally argued that, other things remain constant; managers who are well educated and have related work experience with his/her position will have the capacity to improve the overall productivity of the firm. For this problem the private firms should to recruit educated workers. When we look at their educational status of respondents, 16 (25.40%) respondents were either attained Primary education or below secondary school this may has its influence on the investment activities. Only 4 (6.35%) were in diploma graduate and/or in post graduate studies. This clearly shows that the education level of investor is minimal suggesting skill training either by government or business association. However, as argued by many respondents, no significant on job or off job related training have been given by the institutions themselves and/or by the government to upgrade their managerial capacity that would enable them improve efficiency and effectiveness of the firm since the establishment of their firms.

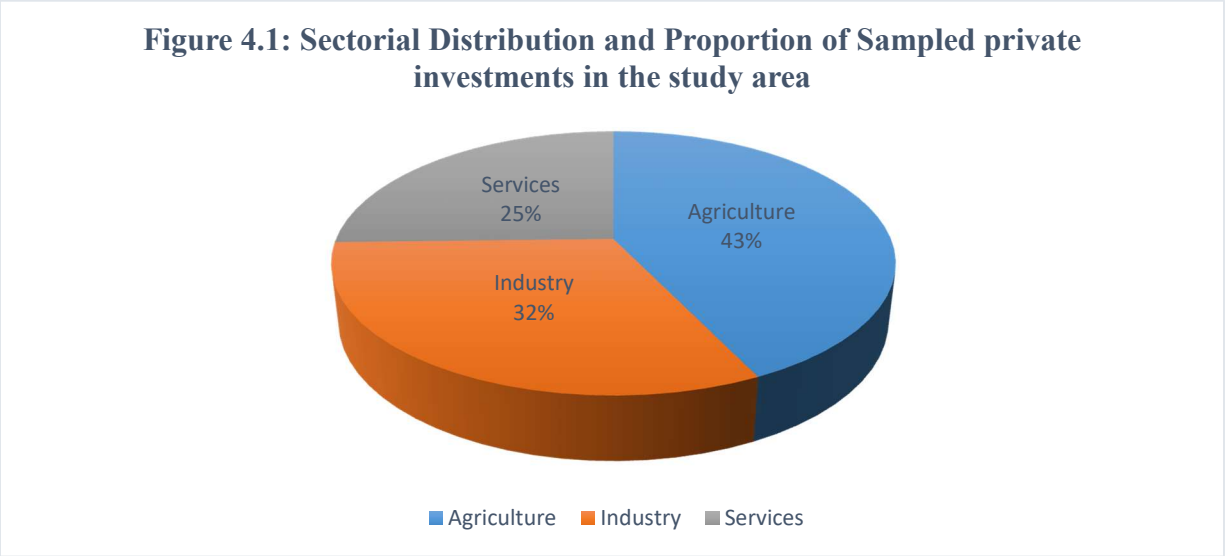
Table 4. 5: Respondents Educational level of the Workers in private investments

	Categories	Frequency	Percentage
Educational level	Basic education	5	2.44
	Primary education	16	7.80
	Secondary education	49	23.90
	TEVET graduate	76	37.07
	Diploma	6	2.93
	Degree and above	53	25.85
Total		**205**	**100**

Source: *Own survey data (2020)*

As shown in Table 4.8, About 76 (37.07%) of the Workers in private investments were TEVET graduate, and the rest 49 (23.90%) attained Secondary education, 16 (7.80%) attained Primary education, 53 (25.85%) had Degree and above, 5 (2.44%) attained Basic education and 6 (2.93%) of the respondents have upgraded their educational status up to diploma level. This shows that the majority of private workers in private investment have were TVET graduates. This has its own influence relatively with the educated one on the investment activities. This is in terms of accepting the new system of production, new technology, and new system of administration and others. Educational level of private worker have implications on the effectiveness and efficiency investment which they are responsible. In this regard it is generally argued that, other things remain constant; workers who are well educated and have related work experience with his/her position will have the capacity to improve the overall productivity of the firm. According to the data 37% of the workers of the private firms are TVET graduates and 3% are diploma holders. And this has its own Negative effect on the private investment in terms of income generation, employment opportunity and market stability. Especially, the educated workers can be take the employment opportunity and this also used for both the workers as well as the private investor.

Figure 4. 1: Sectorial Distribution and Proportion of Sampled private investments



Source: *Own survey data (2020)*

Figure 4.1 shows that among private investments responded for questionnaire, the largest proportion in the study area was agricultural sector which accounts for (43%) and are engaged in activities like agro processing dairy farm, beef cattle, flower production, crop production and etc. the next larger share were industry sector which accounts (32%) were engaged in activities like building construction, road construction, masonry and bar bending work, brick production, plastic factory, metals manufacturing, textile industry, water bottling and etc. The next larger shares went services sector which account for (25%). Social services such health, education, hotel and tourism were account for 25% while out of the total private investment responded for questionnaire.

Table 4. 6: The working hour of workers per day in private investments

Working hours/day	Freq.	Percent	Cum.
10 hours per day	32	15.61	15.61
6 hours per day	12	5.85	21.46
8 hours per day	49	23.90	45.37
More than 10hrs/day	112	54.63	100.00
Total	205	100.00	

Source: *Own survey data (2020*)

As shown in table 4.9, From 205 respondents of workers from the private investment were, 112 (54.63%) of workers was engaged in working activity only which means, the majority of workers spent more than ten hours per day in work although for seven days a week. On the other hand, permanent workers who work six days a week and five days a week accounted for 24 percent respectively. Those respondents who reported said they were working four days a week accounted 5 percent, no child worker said only three, two and one day per week. Regarding the amount of time spent on work per day, on average the mean working hours per day accounts 3.19 were, 32 (15.62%) of worker spent ten hours per day, only 49 (23.90 percent) of worker spent eight hours per day, The child worker only spent six hours per day in working, 12 (5.85%) of workers were engaged in working activity which means only 5 percent of working children in the study area were attended school. During the data collection period the irregular nature of working hours and working days for the child workers found it difficult for them to tell the exact number of hours worked in a day and the exact number of days in a week. Thus, the accuracy of the data on the number of working hours and days should be accepted with caution.

In the informal sector where labor regulations are difficult to apply many children remain unprotected from working long hours and consequently endangering their physical and mental development (ILO, 2004). Information on the number of hours spent on work in a day and the number of working days spent in a week has great importance to determine whether child had ample time for schooling and leisure. In an attempt to gain insight into the situation, child workers were asked to indicate the actual and usual number of hours they spend working in a day and the number of working days spent in a week.

4.2.3 Bureaucratic procedures and problems related to investors

4.2.3.1 Project Screening Procedure and related Problems.

Other factor that was argued to attribute for the lower performance approved private investment in the study area is factors related to appraising of investment project proposal prepared by the investor him/herself. From the investors point of view projects are evaluated on the basis of profitability and associated risks thereof. However, government documents show that private projects promoted by investors are evaluated from government point of view on the basis of factors such as the benefits obtained through creating job opportunities, its ability in transferring technological knowhow, creation and saving of foreign currency, production of goods and services for domestic consumption, relatedness of the project objectives with government priority areas and projects' impact on social, economic and environmental conditions of the locality. In this regard, in Hadiya zone, hosanna town administration there are cases where land is allocated for projects by negotiation that falls within the government priority which are expected to export oriented, substitute imports, add value, labor intensive and also involve in technology know how transfer.

Before assessing whether the project is actually evaluated and get decision as pre the stated criteria, identifying investment application and approval procedure of project proposal is worth mentioning. In particular investment office found at different level of administration of the Hadiya zone, an investor is required to apply project proposal showing major elements such as job creation potential of the project, projected financial status, total land area requested and its use plan, the types of project an investor wants to engage in and include other related factors. An investor is also required to provide his/her financial status report from financial institution and other beneficial information to the investment office. In principle, in detail analysis of these components of project proposal help to screen out the most beneficial projects that can benefits all stakeholders including the promoter him/herself. Therefore, to provide application of investment before the decisions of the concerned body, responsible expert or department is required to appraise the proposal by considering the above mentioned factors. Experts of the investment office found at town, zonal and commission level were interviewed to what extent the project proposal appraisal and screening procedure is effective to select competent project that is feasible as per the government policy and objectives before getting decision by members of investment board or investment committee that found at town/district and zonal level.

Accordingly, majority of the interviewee argued that project proposal appraisal process and screening procedure is not well organized. They further suggested that project proposal is used to be prepared by inexperienced and uncertified individuals that employed by the investor him/herself just for the sake of fulfilling the required criteria. Moreover, to screen out those feasible projects from not, experts found at different level of administration assigned to evaluate the contents of project proposal were not well trained as related training opportunities have not yet given by concerned institutions that would enable evaluators to appraise projects as per government policy and objectives. To guide the appraising processes, clear directive helpful for appraising and selecting a feasible project is also not formulated by concerned body. Due to these mentioned factors as argued by interviewees many individuals who were allocated land for investment activities have sold it? It was also suggested that the frequency of transferring project owner ship through selling from one to another is high indicating that many investors specifically the domestic one take a plot of land with lower prices from government in an intention to sale and transfer at much higher price. The rent seeking behavior of individuals is also reflected by enclosing vacant land illegally from the adjacent and fencing towards their site.

The other factor which determines the performance level of project is the work experience and financial status of the investor. As argued by majority of interviewee, to select competent project which is applicable, in most cases the work experience and the long term financial status of the investor or developer is not evaluated in detail. In this regard, it was suggested that in some cases some individuals borrow and deposit money in their account today and will bring bank balance statement tomorrow. After bank statement is brought after the investment office and got acceptance, he/she will immediately withdraw and pay back the money to the lender. In this regard, one of the interviewee stressed that he came across an individual who borrow one million birr for two days with an interest of fifty thousand that would enable him to deposit in his name and provide a bank statement showing his financial status to the concerned investment office which shows that in some cases investors have been allotted land for investment purposes by providing false information to the investment office. As also argued by interviewees some investors borrowed money from the bank by the name of approved projects and perform other factors with money. The ultimate consequence of this that some investors deliberately making the government for additional costs as in some case that project cannot cover its costs.

4.2.4 Investment flow in the study area

The private investment is expected to solve the problem of employment opportunity, the shortage of the production in the market and the income of the private investor as well as the workers of these firms. According to this, the researcher was used simple year series to know the flow of investment in the study area.

Table 4. 7: Investment flow from the year 2000 to 2020 G.C

No	Time	Total number of private investor on the operation	Registered initial capital in pre-operation	Investor capital on the operation
1.	2000 – 2004	11	Below 1,000,000	15,000,000
2.	2005 – 2009	37	16,000,000	25,000,000
3.	2010 – 2014	44	26,000,000	35,000,000
4.	2015 – 2019	51	36,000,000	45,000,000
5.	2020	29	46,000,000	55,000,000
Total		**172**	64,000,000	Above 175,000,000

Source: *Hadiya Zone Investment Office Annual Report, (February, 2020 G.C.)*

As shown in Table 4.13, According to HZIO, there is increment on the number of private investor who are on operation. This shows that the investment operation increase from year to year on the production process. Therefore, when we see the investor minimum initial capital was in pre- operation below 1,000,000 Birr and the maximum investor initial capital was above 175,000,000 Birr. Their employment opportunity for permanent employee 58,922 and also 5,783 temporary employee job opportunity was created. In addition to that the researcher were asked the respondents whether their private investment have created adequate job. Accordingly, 70% of the respondents replied that their private investment have created adequate job for them whereas, 30% of the respondents replied that their private investment have not created adequate job for them. Those respondents who believed that their private investment job creation was inadequate were asked the core reasons why their private investment job creation were inadequate. Most respondents indicated that shortage of capital was their major problem.

Similarly, insufficient entrepreneurial skill, improper number of employees' low access of market and managerial incompetence results the inadequacy of job creation. So, the private sector can be playing its own positive role on employment opportunity and income generation.

4.2.5 Shortage of Skilled and Unskilled labor

Availability of both skilled and unskilled of labor force with reasonable wage rate is one of the factors that determine performance of private investment. Very committed unskilled and skilled labor force will increase performance of investment. Labor regulation of the country is the other factor that affect the effectiveness of the firm that run for profit. Higher wage rate increase the cost of the firm and hence decrease its profit margin. However, in the country where labor force is abundant like Ethiopia it is an opportunity for business firms as it decreases cost of the firm as major costs for most industries is the cost associated with wages and salaries. In this regard, respondents were asked whether availability of both skilled and unskilled labor force at study area is an opportunity for potential investors.

For example, medium scale industries like Bereket Bottle and TENA spring water factory is expanding and hiring wage workers, but many people are migrating to the town from day to day in search of job and this would enable the firms to get abundant labor force at lower wage rate. However, as suggested by many respondents there are still some problem with skilled labor forces as college and universities in most cases do not train students specifically in plastic industry.

The demand for competent and experienced professionals has always been high in the country in general and for SNNPRs particular. However, supply has continuously fallen short of demand. The country's capacity to train higher-level personnel is below current requirements, mainly because of the extreme limitation of space in institutions of higher learning. To address the problem of skilled manpower, the Ethiopian Government is engaged in reorganizing higher education institutions, including expansion of higher education activities to more regions and increasing institutional independence. It is believed that this measure is a move in the right direction. However, it is important to note that institutions of higher education in the country must go beyond the traditional ways of imparting too much theoretical knowledge and produce competent and confident graduates with good communication and entrepreneurial skills and abilities to deal with the wider problems of national development.

Private investment can be applied in terms of structural change from agriculture based economy in to industry based economy. This can be applied by using different ways. First, shift in labor from lower to the higher productivity sector. Second, shift in the capital-labor ratio. Third, improvement in overall technology. This tends to create more employment opportunity.

4.2.6 Opportunities and Incentives for Private Investment in the study area

Identification of opportunities for private investment in the study area are concerned with a comparative advantage available for potential private investors seeking investment in the area or an opportunity area or sector that would enable an existing investor to diversify, expand and that can also to help to engage in new investment in the locality. In order to identify opportunities for private investment in the area, data gathered through primary sources and secondary sources have been utilized. Opportunities for private investment can be evaluated in terms of location, availability of resources, existence of developed infrastructure, potential market availability, easily trainable labor force, Industry zone with fair price for payment of lease, higher educational institutions and etc.

4.2.6.1 Incentives for the private investors

Investment incentives and investment areas reserved for domestic investors. Exemption from income tax for new enterprise, For Example, Food industry such as: Processing of meat and meat products, Fish and Fish products Fruit and/or Vegetables manufacturing of edible oil and others can be exempted from income tax for 5 years. Vehicles, Trailers and Semi-Trailers industry such as: manufacturers of bodies/ Components for motor vehicles, trailers, manufacturing parts and accessories for motor vehicles and others can be exemption from income tax to four years. Additional income tax for investors when exporting products/services have additional incentives. When investors export at least 60% of their products/services, they can take additional two years exempt from income tax. In addition to income tax exemption there is also exemption of tax for the imported capital goods, construction materials and raw materials from custom duty. Where an investor was not used the incentives of tax exemption he/she can use his/her right at any time. Council of Ministers Regulation No 84/2003 as amended and directives issued there under has not yet exercised his/her right, opts instead to be a beneficiary of incentives provided for in this regulation, he/she may notify.

4.3 Econometric Analysis

In this section the study presented the results of multiple linear regression model of analysis to investigate the determinants of the wage of workers in private investments and performance of investors. The study measured in order to investigate the performance of investor in terms of income of private investment and wage of workers in private investments was measured in terms of income of workers in private investment. As described in the methodology part, there were two equations in the model the selection and outcome equations. The selection equation estimates effect of the private investment on the local economy. The outcome equation estimates the effect of income of private investment and income of workers in private investment. Data exploration is an important preliminary step before estimation is done.

4.3.1 Data Property Test (Pre-Estimation Test)

4.3.1.1 Data Distribution (Normality) Test:

In this study, as shown in (***Annex 1***), the result is determined by the nature of the data, it is essential to check normality of the data by using the possible ways, and if the data set is non-normal in distribution we will transform it into logarithmic form to get relative distributions that minimize the effect of extremes (outliners) value on the estimation result. In this study, the researcher are going to check the distribution by employing the Skewness and kurtosis and according to this test if kurtosis is equal to three and the skweness is equal to zero, the distribution is normal. Thus, before running the model variables were assessed by employing the gladder test in STATA to come up with the appropriate transformation of count variables. And if these three measures of distribution of data, skewness, kurtosis and gladder test do not give us symmetric distribution result, some transformation and modification of data will be made (Gujarati, 1995).

4.3.1.2 Multicolinearity test

The term Multicolinearity indicates the existence of association between two or more of explanatory variables, this association level might be nil that can be ignored or high that significantly affects the estimation of the parameters. If Multicolinearity is perfect, the regression coefficients of the independent variables are undetermined and their standard errors are immeasurable. If Multicolinearity is less than perfect, the regression coefficients, although determinate, possess large standard errors, which mean the coefficients cannot be estimated with great precision or accuracy.

In this study, the correlation Matrix which is made among the independent variables reveal that the slight existence of Multicolinearity problem (***Annex 2***). Multicolinearity problem is occurred when the explanatory variables are highly correlated with each other. In the correlation matrix it is indicated that there is a little evidence for Multi-co-linearity problem. A serious problem for Multicolinearity is occurred if the correlation is about 0.8 or larger. The Multicolinearity of the explanatory variable are below 0.50 and it can be confident to say there is significant Multiclinearity since any of them are not above the conventional 80 percent (***Annex 3***).

4.3.2 Post Estimation Test (Heteroskedasticity Test)

Econometric theory tells us that we are likely to encounter Heteroscedasticity frequently in econometric data, particularly with cross-sectional data. Before passing in to the analysis of the result of the estimation of the models, test on the possible existence of Hetroscedasticity is important for this study. The violation of Homoscedastcity assumption in the general linear model, OLS estimates are consistence but inefficient (Gujarati, 2003).

In this study, as shown in (***Annex 4***), Breusch-Pagan test for heteroskedasticity. Most of the tests that can be used to test for heteroskedasticity in life, linear regression assumes that the spread of the residuals is constant across the plot. Anytime that we violate an assumption, there is a chance that we can't trust the statistical results. While heteroscedasticity does not cause bias in the coefficient estimates, it does make them less precise. Lower precision increases the likelihood that the coefficient estimates are further from the correct population value. Heteroscedasticity tends to produce p-values that are smaller than they should be. This effect occurs because heteroscedasticity increases the variance of the coefficient estimates but the OLS procedure does not detect this increase. Consequently, OLS calculates the t-values and F-values using an underestimated amount of variance. This problem can lead us to conclude that a model term is statistically significant when it is actually not significant.

4.3.3 Results and Discussions of the Multiple Linear Regression Model

4.3.3.1 Factors Affecting the Wage of Worker in Private Investments

The regression estimation results obtained by using STATA version 14. A multiple linear regression analysis was employed by using the income of worker in private investment as the dependent variable and working hour of workers per day in private investments, additional income from part-time (out of wage), experience of working in private firms, access to training for workers and number of workers in the department as explanatory variables. The coefficients of the regression model give the significance and the direction of each explanatory variable on the income of the workers in private investment due to a unit change in continuous explanatory variables which are effect on the dependent variables.

Table 4. 8: Result of Multiple Linear Regression Model

Source	SS	df	MS		
Model	32.3441077	5	6.46882153	Number of obs	205
Residual	17.4119899	199	.087497437	F(5, 199)	73.93
Total	49.7560976	204	.243902439	Prob > F	0.0000
				R-squared	0.6501
				Adj R-squared	0.6413
				Root MSE	.2958

incwkrs	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
exinfirm	.0964887	.0199436	4.84	0.000	.0571607	.1358168
whrs	.1308356	.019734	6.63	0.000	.091921	.1697501
addinc	.1984138	.0193199	10.27	0.000	.1603159	.2365118
nowork	-.1883633	.0178153	-10.57	0.000	-.2234942	-.1532323
actrw	-.145962	.0191307	-7.63	0.000	-.183687	-.108237
_cons	.3516114	.1052975	3.34	0.001	.1439694	.5592534

*** Significant at 1%, **Significant at 5%, * Significant at 10%

Source: *Own survey data (2020)*

$$Y = 0.351 + AddInc - 0.198 * EX\inf irm + 0.96 * AcTRW - 0.1450 * NoWork - 0.188 * WHRs + 0.13 + \varepsilon$$

In the output of above table 4.12, the researcher first saw that all 205 observations in the data set were used in the analysis. And the coefficients, their standard errors, the t-statistics, associated p-values, and the 95% confidence interval of the coefficients. The variables which were statistically significant in the model to predict the income of workers in private investment are discussed as follows.

The result showed that 64% the variation in the income of workers in private investments was due to independent variables included in the model. Therefore, the model was the best fit model for the data.

Additional income from part-time (AddInc): Additional income from part-time were statistically significant at 1% significance level and had positive relationship with the income of worker in private investment in the analysis. The results of multiple linear regression model indicates that additional income from per time (out of wage) has statistical significance effect on worker's income in the study area. This shows that the worker's effort seek to demonstrate indications of employee's behavior in the job. Unpaid overtime work and absence are variables commonly used in the literature about job effort and indicate the effort performed by the employee. According to Booth et al, (2002), found that there is a positive correlation between a worker's efforts as measured by the number of unpaid hours of overtime work.

Experience of working in private firms (Exinfirm): Experience of working in private firms were statistically significant at 1% significance level and had positive relationship with the income of worker in private investment in the analysis. The results of multiple linear regression model indicates that Experience of working in private firms has statistical significance effect on worker's income in the study area. Thus, this shows the effective worker in private investment with skills and experiences will lead to a higher innovation as well as competitiveness in the business performance of private investment. This is in agreement with the finding of George, (2005) who stated that when the managers have experience of being able to lead, inspire and champion the followers, the enterprises have good performance and become successful in the business.

Access to training for workers (AcTRW): Access to training for worker in the private investment was statistically significant at less than 1% significance level and had negative relationship with the income of worker in private investment in the analysis. The results of multiple linear regression model indicates that Access to training for worker has statistical significance effect on worker's income in the study area. That is the availability of accessing to training for workers on different issues of the investment have good chance for performance in their business and in addition to workers.

Number of workers in the department (NoWork): The number of worker in the department was statistically significant at less than 1% significance level and had negative relationship with the income of worker in private investment in the analysis. The results of multiple linear regression model indicates that number of worker in the department has statistical significance effect on worker's income in the study area. The improper number and mismatch of employees in the private investment had not momentous and negative impact on the income workers in private investment.

Working hour of workers per day in private investments (WHRs): Working hour of workers per day in private investments were statistically significant at less than 1% significance level and had positive relationship with the income of worker in private investment in the analysis. The results of multiple linear regression model indicates that working hour of workers per day has statistical significance effect on worker's income in the study area. This shows that who are engaged in working activity spent more than ten hours per day in the work for seven days per week has positive effects on the income of workers in investments.

Generally, working hour of workers per day in private investments, additional income from part-time (out of wage), experience of working in private firms were statistically significant and had positive relationship with the income of worker in private investment in the analysis. The rest of two variables access to training for worker number of worker in the department was statistically significant and had negative impact on the income of worker in private investment in the analysis.

4.3.4 Results and Discussions of the Multiple Linear Regression Model

4.3.4.1 Factors Affecting the Performance of Investor

The regression estimation results obtained by using STATA version 14. A multiple linear regression analysis was employed by using the income of private investment as the dependent variable and market opportunity out of hosanna town, access to finance, problem faced which related during the production process, access to land, access to infrastructure, years of tax exemption from profit tax and bureaucratic red tape as explanatory variables. The coefficients of the regression model give the significance and the direction of each explanatory variable on the income of the private investor due to a unit change in continuous explanatory variables which are effect on the dependent variables.

Table 4. 9: Result of Multiple Linear Regression Model

Source	SS	df	MS	Number of obs =	63
				F(7, 55) =	75.40
Model	9.3437611	7	1.33482301	Prob > F =	0.0000
Residual	.973699213	55	.017703622	R-squared =	0.9056
				Adj R-squared =	0.8936
Total	10.3174603	62	.16641065	Root MSE =	.13305

incapinv	Coef.	Std. Err.	t	P>|t|	[95% Conf.	Interval]
mktoppo	.3763397	.0401899	9.36	0.000	.2957973	.4568821
acfin	.1644707	.0409219	4.02	0.000	.0824613	.24648
profaced	.0169095	.0376368	0.45	0.655	-.0585164	.0923353
aclnd	.0941953	.0373631	2.52	0.015	.0193179	.1690727
acinfrs	.1465742	.0388547	3.77	0.000	.0687077	.2244407
yrsotexe	.2555235	.0444841	5.74	0.000	.1663753	.3446717
beurt	-.505097	.0242731	-20.81	0.000	-.5537413	-.4564526
_cons	1.245116	.081171	15.34	0.000	1.082445	1.407786

*** Significant at 1%, **Significant at 5%, * Significant at 10%

Source: *Own survey data (2020)*

$$Y = 1.245 + 0.376 * MktOppo - 0.5 * BEURT + 0.094 * AcLND + 0.016 * \Pr oFaced + 0.164 * AcFin + 0.146 * AcINFrs + 0.255 * YrsOTEXe + \varepsilon$$

In the output of above table 4.10, the researcher first saw that all 63 observations in the data set were used in the analysis. And the coefficients, their standard errors, the t-statistics, associated p-values, and the 95% confidence interval of the coefficients. The variables which were statistically significant in the model to predict the income of private investor are discussed as follows.

The result showed that 89% the variation in the income of private investor was due to independent variables included in the model. Therefore, the model was the best fit model for the data.

Market opportunity out of Hosanna town (MktOppo): Access to adequate and reliable market out of Hosanna town were statistically significant at 1% significance level and had positive relationship with the income of the private investor in the analysis. The results of multiple linear regression model indicates that market opportunity has statistical significance effect on investor's income in the study area. This shows that private investment which have reliable and adequate market access for their products and services have higher probability of having good performance in the business. In the same manner the finding of UNECE (2004) states that the decisive decision making of private investment good or bad performance is in the hand of market. This is also supported with the finding of number of scholars (such as Ambaye et al, 2014, Belay, 2005; and Kefay, 2005). So the existence of market access for the private investment products and services can improve the performance of investment to exist in the business.

Bureaucratic red tape (BEURT): The results of multiple linear regression model indicates that bureaucracy has statistical significance and had negative effect on investor's income in the study area. As the inefficiency of the legal system which assessed the opinions of the sample respondents about the efficiency of the government bureaucracy which is proxies by the time required to get investment license, land and title deed, construction permit, import machineries, bank loans and operation license etc. This is the main factors to decrease the income of private investors, creating a favorable institutional environment for investors' rights protected with laws and contracts are enforced must be given priority.

Access to land (AcLND): The results of multiple linear regression model indicates that access to land has statistical significance effect on investor's income in the study area. The sign of its coefficient was found to be positive and significant ($p<0.05$), indicating that investors with access to land showed greater propensity to invest. It should be noted that any investor who would like to have land for investment activity is required to have an investment permit. It is quite obvious that land is one of the major factors of production and investment could not be materialized without having access to land. Thus, in order to encourage private investment, the government should introduce proactive land development and administration procedure, for accessing land. Moreover, the governance put in place a transparent and investor friendly system to minimize the bureaucratic impediments in the delivery of land to attract private investor.

Problem faced which related during the production process (ProFaced): The results of multiple linear regression model indicates that problems has statistical insignificance effect on investor's income in the study area. In line with prior finding of Grant (1991) problems during in production process; resource endowment, capabilities and competitive advantages are major problems for production and also investment growth as per resource-based view since resources are basis for profitability and growth. This shows that, problem faced which related during production process for example; resource endowment, problem of communication, fragment of electric power, Shortage of water, capabilities and competitive advantages are major problems for production and also investment growth as per resource-based view since resources are basis for profitability and growth has its own negative impact on the income of private investor.

Access to finance (AcFin): The results of multiple linear regression model indicates that access to finance has statistical significance effect on investor's income in the study area. This is supported with the finding of number of researchers (such as Aynalem et al, 2018; and Birhanu, 2019). Availability of credit use is positively correlated with income of private investments. The result shows that if private investor had a credit use the performance of investor increases much more. The implication is that a comprehensive measure to make loans available at reasonable interest rate is more capable of attracting private investment. Thus, sufficient access to adequate credit from formal credit source for investor improve the capacity of private investor to operate with full potential to run their business and hence facilitates good performing environment for the investment to survive and continue in the business.

Access to infrastructure (AcINFrs): The results of multiple linear regression model indicates that access to infrastructure has statistical significance effect on investor's income in the study area. This shows the infrastructure refers to roads, water, electric power and telephone service. As a general rule, investors prefer country with a well-developed network of infrastructure. Several studies and economic theory have shown that infrastructure plays a key role in promoting investment. This result is consistent with the findings of several studies (Ambaye et al, 2014, Tesfaye, 2018, Kefay, 2005; and Atenaf, 2019) carried out in many developing countries that have concluded that investing with poor infrastructure increases the cost of doing business and reduces the rate of return on investment. Other things being equal, production costs are typically lower in countries with well-developed infrastructure than in countries with poor infrastructures.

Years of Tax Exemption from profit tax (YrsOTExe): Years of tax exemption from income tax were statistically significant at 1% significance level and had positive relationship with the income of the private investor in the analysis. The results of multiple linear regression model indicates that years of tax exemption from income tax has statistical significance effect on investor's income in the study area. This shows that, the new entrants in the investment activity are very high due to tax exemption from profit tax.

Generally, Market opportunity out of Hosanna town, Access to infrastructure, Access to land, Access to finance and years of tax exemption from profit tax were statistically significant and had positive relation with the income of private investor. The rest of variables bureaucratic red tape were statistically significant, Problem faced which related during the production process were statistically insignificant and had negative relation with the income of private investor in the analysis.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

This study was undertaken to investigate the determinants of workers wage in private investments and performance of investors in urban areas of Southern Ethiopia by taking Hadiya zone, Hosanna town as a case study. For this end, the study investigated the relevant literature based on the macroeconomic variables and microeconomic variables. This study mainly focus on the income of private investment and income of worker in the private investment. As shown in descriptive part of the study, from 172 investor about 63 (37%) private investors was sampled and out of them 70% were males and the rest 30% were females and from 554 wage worker about, 205 workers of the private investment was sampled out of them 82% were males while the rest 18% were female informants were included in the study. According to this we can understand that males play a great role in improving investment performance and they have positive attitude to investment than female. The mean age of the private investors was 44years age and standard deviation was 11 with minimum of 18 and maximum of 66 years of age. The mean age of the private worker in the private investment was 28years age with minimum of 15 and maximum of 66 years of age. Accordingly, about 25% of the private investor attained Primary education, and the rest 6% attained Secondary education, 11% attained Basic education, 38% were TEVET graduate, 13% had Degree and above and 6% of the respondents have upgraded their educational status up to diploma level. This shows that the majority of private investor have attained primary education. This has its own influence relatively with the educated one on the investment activities. According to the data 37% of the workers of the private firms were TVET graduates and 3% were diploma holders. And this has its own Negative effect on the private investment in terms of income generation. The existing private investment were operating in three major sectors in three sub-towns of the study area was; Agriculture, Industry, services. From 205 respondents of workers 56% of workers were engaged in working activity. That means, the majority of workers spent more than ten hours per day in work although for seven days a week. On the other hand, permanent workers who work six days a week and five days a week accounted for 24 percent respectively. As shown in Econometric analysis part of the study, Multiple Linear regression model for the continuous variables was used.

5.2 Conclusions

The findings of this study indicate that there are many factors influencing workers wage and performance of private investors. Furthermore, the study measured in order to investigate the performance of investor in terms of income of private investment were identified. A regression analysis was applied with income of private investment (performance of investor) as the dependent variable. The results showed that market opportunity out of Hosanna town, access to infrastructure, access to land, access to finance and years of tax exemption from profit tax were statistically significant at less than 1% ,5% ,10% significance level and had positive relation with the income of private investor. The rest of variables bureaucratic red tape were statistically significant, problem faced which related during the production process were statistically insignificant and had negative relation with the income of private investor in the analysis. Thus, in order to encourage private investment, the government should introduce proactive land development and administration procedure, for accessing land for strengthen the performance of private investment. Moreover to this, as it mentioned in the study there is a need for a continuous supervision on firms' performance in investment condition like investment access to finance, access to market, years of tax exemption from profit tax. Furthermore, good climate of legal systems and reducing the problem faced with production process can motivate the firm encouraged to invest in the town.

The study measured the workers wage in terms of income of workers in private investment were identified. A regression analysis was applied with income of workers in private investment as the dependent variable. working hour of workers per day in private investments, additional income from part-time (out of wage), experience of working in private firms were statistically significant at less than 1%, 5%, 10 and had positive relationship with the income of worker in private investment in the analysis. The rest of two variables access to training for worker number of worker in the department was statistically significant and had negative impact on the income of worker in private investment in the analysis.

5.3 Recommendations

From the analysis of the determinants of workers wage in private investments and performance of investor's, the study recommends the following policy implications related to the empirical findings; the contribution of private investment for the local economy, in terms of employment opportunity, income of private investor and income of the workers in private investments.

Private sector is to remain the engine of growth in the economy as envisioned by many policy makers, for the workers wage and performance of private investors, the government needs to promote access to credit for private investor is which is found to have positive and significant effect on private investment in the analysis, thus address the need to extend the operation of financial institutions such as; commercial banks, development bank even in remote areas to promote saving mobilization and credit availability to the growth of private investor.

If the government encourage private investment by providing incentives and opportunities to ensure private investment such as: accessing land, access to market, tax exemption due to free for raw materials and technical supports such as: preparing studies on project profiles and these are motivating strengthening the performance of private investment.

If the government focus on the problem faced which related during the production process. For example; the inadequacy of infrastructure has been one of the major constraints for the private sector development. This study has identified that roads, electric city, water supply, and other facilities are not well-developed to support the development of the private sectors in the study area.

If the corporate upgrading the technological capability of the firms by developing technological capability, it requires adequate and continuous investment not only on equipment, machinery and related assets, but also on information, access to training for workers and technological know-how.

If the government use serious effort to improve and shorten the bureaucracy for the private sector. In this regard, the merits and qualification of people employed by government need to be assessed very carefully. Furthermore, business entry regulations and processes should be simplified to promote a dynamic and thriving private sector.

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Appendices

Annex 1: Normality (Distribution) Test by Skweness and Kurtosis

Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	joint adj chi2(2)	joint Prob>chi2
incapinv	63	0.0000	0.5683	13.62	0.0011
mktoppo	63	0.0350	0.0000	.	0.0000
acfin	63	0.3126	.	.	.
profaced	63	0.5737	.	.	.
aclnd	63	0.0587	0.0000	.	0.0000
acinfrs	63	0.4315	.	.	.
yrsotexe	63	0.0029	0.0009	15.61	0.0004
beurt	63	0.0030	0.1122	9.61	0.0082
sex	63	0.0058	0.0000	21.33	0.0000
agegroup	63	0.3412	0.8300	0.98	0.6119
educationl~l	63	0.8783	0.0157	5.61	0.0606
maritalsta~s	63	0.0030	0.1122	9.61	0.0082
sector	63	0.4501	0.0000	.	0.0000
incwkrs	205	0.0412	.	.	.
exinfirm	205	0.1977	0.0000	46.70	0.0000
whrs	205	0.0000	0.0000	44.23	0.0000
addinc	205	0.1830	0.0000	.	0.0000
nowork	205	0.0272	0.0000	.	0.0000
actrw	205	0.1141	0.0000	.	0.0000
sexwkrs	205	0.0000	0.0254	45.73	0.0000
agewkrs	205	0.0000	0.0418	30.21	0.0000
educwkrs	205	0.7193	0.0008	10.12	0.0063
mrtswkrs	205	0.0000	0.0092	40.30	0.0000
workinghrs~y	205	0.0000	0.0000	28.11	0.0000

Annex 2: Multicollinearity Test Using Pair Wise Correlation Coefficients

```
. pwcorr
```

	incapinv	mktoppo	acfin	profaced	aclnd	acinfrs	yrsotexe
incapinv	1.0000						
mktoppo	0.1202	1.0000					
acfin	-0.1132	0.0961	1.0000				
profaced	0.0799	-0.2757	-0.2298	1.0000			
aclnd	-0.1022	-0.1361	0.0761	0.2373	1.0000		
acinfrs	0.0175	0.2829	0.3873	-0.2492	0.0147	1.0000	
yrsotexe	0.2853	-0.3159	-0.4463	0.1208	-0.0313	-0.3536	1.0000
beurt	-0.8152	0.2876	0.3087	-0.2153	0.1710	0.2662	-0.2999
sex	-0.3351	0.2441	0.5691	-0.4681	0.1391	0.7347	-0.4156
agegroup	-0.3530	0.1613	0.3458	-0.3290	0.2564	0.4008	-0.3290
educationl~l	-0.7035	0.1720	0.5848	-0.2446	0.2836	0.4506	-0.4662
maritalsta~s	-0.8152	0.2876	0.3087	-0.2153	0.1710	0.2662	-0.2999
sector	-0.6614	-0.0173	0.4868	-0.1570	0.3678	0.3315	-0.4512
incwkrs	-0.2216	0.0048	0.0206	0.0125	-0.0589	0.1040	-0.0678
exinfirm	0.1954	0.1711	-0.0151	-0.0655	-0.1820	0.1675	0.0881
whrs	-0.1371	0.0236	0.0849	-0.2243	-0.0228	0.1935	-0.1642
addinc	0.2576	0.1453	0.2121	-0.1785	-0.1605	0.2054	-0.0533
nowork	0.0810	0.0688	0.1897	-0.1824	0.0402	0.0570	0.0000
actrw	0.1639	0.2355	0.0759	-0.4068	-0.2438	0.5229	-0.1525
sexwkrs	.	.	.	.	.	.	.
agewkrs	-0.5492	0.1970	0.0278	-0.1574	0.1844	0.1130	-0.1179
educwkrs	-0.3323	0.3113	0.5643	-0.4007	0.2338	0.6277	-0.4121
mrtswkrs	-0.4274	0.0623	0.7260	-0.1920	0.3008	0.4830	-0.5302
workinghrs~y	-0.3591	0.4882	0.3820	-0.3303	0.0483	0.5437	-0.3845

	beurt	sex	agegroup	educat~l	marita~s	sector	incwkrs
beurt	1.0000						
sex	0.5457	1.0000					
agegroup	0.4754	0.7029	1.0000				
educationl~l	0.8471	0.7752	0.6497	1.0000			
maritalsta~s	1.0000	0.5457	0.4754	0.8471	1.0000		
sector	0.6806	0.6819	0.7275	0.8889	0.6806	1.0000	
incwkrs	0.1891	0.1459	-0.0230	0.1612	0.1891	0.0881	1.0000
exinfirm	0.0046	0.0620	-0.0977	-0.1016	0.0046	-0.1943	0.2020
whrs	0.1128	0.3280	0.1117	0.2243	0.1128	0.2402	0.3371
addinc	-0.1205	0.0985	-0.0684	-0.0624	-0.1205	-0.1490	0.4509
nowork	0.0189	0.0909	0.1467	0.0737	0.0189	0.1375	-0.4900
actrw	0.0224	0.4023	0.0382	0.1003	0.0224	-0.0436	-0.3172
sexwkrs	.	.	.	.	.	.	0.0279
agewkrs	0.6502	0.2983	0.4617	0.5045	0.6502	0.4587	0.0352
educwkrs	0.5831	0.8824	0.7219	0.8092	0.5831	0.6762	-0.0906
mrtswkrs	0.5452	0.7839	0.6717	0.8686	0.5452	0.8699	-0.1348
workinghrs~y	0.6942	0.7000	0.6592	0.6922	0.6942	0.5381	-0.1581

	exinfirm	whrs	addinc	nowork	actrw	sexwkrs	agewkrs
exinfirm	1.0000						
whrs	-0.0108	1.0000					
addinc	0.0227	0.0418	1.0000				
nowork	-0.0181	-0.1038	-0.0075	1.0000			
actrw	0.0502	0.0153	-0.0002	0.0248	1.0000		
sexwkrs	0.0500	0.1331	-0.0398	-0.0591	0.1410	1.0000	
agewkrs	-0.0164	-0.1589	0.0249	-0.0334	-0.0903	-0.7989	1.0000
educwkrs	0.0026	-0.1612	-0.0707	0.0881	0.0357	-0.6561	0.8671
mrtswkrs	0.0270	0.0148	-0.1228	0.1175	0.1572	-0.0275	-0.0583
workinghrs~y	0.0464	-0.1121	-0.1665	0.0671	0.1562	-0.3769	0.6808

	educwkrs	mrtswkrs	workin~y
educwkrs	1.0000		
mrtswkrs	0.0106	1.0000	
workinghrs~y	0.8185	0.0392	1.0000

Annex 3: Multicollinearity Test Using Variance Inflation Factor (VIF)

Variable	VIF	1/VIF
educationl~l	37.06	0.026983
mrtswkrs	16.46	0.060760
sector	14.51	0.068933
maritalsta~s	12.18	0.082097
sex	11.34	0.088171
educwkrs	9.58	0.104436
workinghrs~y	6.40	0.156364
agegroup	6.26	0.159744
acfin	3.51	0.285000
agewkrs	3.37	0.296718
acinfrs	3.25	0.307847
actrw	3.20	0.312548
incwkrs	2.75	0.363921
profaced	2.24	0.445975
mktoppo	1.98	0.504527
addinc	1.86	0.536755
yrsotexe	1.81	0.551740
whrs	1.77	0.563698
nowork	1.73	0.577402
aclnd	1.55	0.643401
exinfirm	1.47	0.682260
Mean VIF	6.87	

Annex 4: Test of Heteroskedasticity (Breusch Pagan, Cook Weisberg Test)

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
         Ho: Constant variance
         Variables: fitted values of incapinv

         chi2(1)      =    41.18
         Prob > chi2  =   0.0000
```

Wolkite University

Post Graduate Studies

College of Business and Economics

Department of Economics

Dear respondent,

This survey will be conducted by student of wolkite university college of Business and Economics Department of Economics as a partial fulfillment for the award of MSc degree in Economics. The chief purpose of this questionnaire is to collect information to conduct the study on the Determinants of Workers Wage in Private Investments and Performance of Investors in Urban Areas of Southern Ethiopia: In case of Hadiya zone, Hosanna town. Hence, the success of this study relies upon your genuine responses. So, be objective and honest in replying each question found in this questionnaire. Surely, all information you provide will be treated in confidence. Your response will be used for academic purpose only and be sure that it will not be transferred to third person and will be kept confidentially. Please don't write your name in any part of the questionnaire.

Thank you in advance.

Part I: Background Information for Private investor's survey questionnaire

Here under are provided different questions. Please, read each question thoroughly and provide your responses by marking "x" in the box.

1. Age ____
2. Sex

   Male ☐

   Female ☐
3. What is your marital status?

   A. Single ☐ B. Married ☐ C. Widowed ☐ D. Divorce ☐
4. What is your academic level?

   A. Basic education ☐ B. Primary education ☐ C. Secondary education ☐

   D. TEVET graduate ☐ E. Diploma ☐ F. Degree and above ☐
5. When you take the investment license, is there any problem to take it?

   Yes ☐ No ☐
6. If your response for question no 5.is yes which is the problem?

   A. There is long and bulky chain ☐

   B. The investors have not enough awareness ☐
7. What is the sector you are engaged?

   A. Construction B. Agriculture C. Manufacturing D. Service
8. Are there opportunities for private investment in your town?

   Yes ☐ No ☐
9. If your answer for question no 8.is yes, on what is the opportunity?

   A. Taking the working place easily ☐

   B. The presence of higher educational institutions ☐

   C. Good and attractive temperature ☐

   D. If any, specify _____
10. How much price for the land /Lease / per m^2 in your town?

    A. Less than one birr ☐

    B. It is not constant ☐

    C. If any, specify_____

11. Is the price of land per m^2 faire?

Yes ☐ No ☐

12. Is there opportunity of getting easily trainable labor force?

Yes ☐ No ☐

13. If your response for question no 12. Is yes, what are the benefits for the private investors?

A. The private investors can minimize labor cost ☐

B. The private investors will have opportunity to select labor force ☐

14. When you want additional land for working place. At how long you take from authorized bodies?

A. Below one week ☐ B. Until two weeks ☐ C. More than one month ☐

15. Is there incentives for your project?

Yes ☐ No ☐

16. If your response for question no 15. Is yes, which incentive is you get?

A. Tax exemption and due to import free machineries for profit ☐

B. Only tax exemption ☐

C. Only due to free for machineries ☐

17. If your response for question no 16. Is tax exemption for how long years you exempted from profit tax?

A. From 2 - 4 years ☐ B. From 3-5 years ☐ C. More than 5 years ☐

18. What is the impact of private investment for the local economy?

A. The market can be taken enough production of the firms ☐

B. Increase Employment opportunity ☐

C. There is no much useful for local economy ☐

D. If any, specify _____

19. What are the problems faced you which are related with infrastructure?

A. Problem of communication ☐

B. Fragment of electric power ☐

C. Shortage of water ☐

D. If any, specify_____

20. When you started your project, how many worker you employed?

A. Less than 20 ☐ B. 20- 30 workers ☐ C. 30-45 workers ☐ D. 46-60 workers ☐

E. 81—100 workers ☐ F. More than 100 workers ☐

21. When you compare the number of workers initially and now, is there any increment in your firm?

Yes ☐ No ☐

22. If your response for question no 21. Is yes, by how much you increase your number of workers on average?

A. Less than 30% ☐ B. 31%—50% ☐ C. 51%—70% ☐ D. 71%---100% ☐

D. More than 100% ☐

23. Is your project recruits skilled manpower who are certified from higher educational institutions?

Yes ☐ No ☐

24. When you recruited new workers, do you give them on job training or orientation?

Yes ☐ No ☐

25. Do your workers have the right in order to be guarantee during the working in your firm?

Yes ☐ No ☐

26. If your response for question no 25. Is yes, which one is used for your workers?

A. Pension ☐ B. Provident fund ☐ C. If any, specify_____

27. Do you have market opportunities out of Hadiya zone, Hosanna town?

Yes ☐ No ☐

28. If your response for question no 27.is yes, which are your market places?

A. Addis Ababa ☐ B. Hawassa ☐ C. Amhara ☐ D. Afar ☐ E. Oromia ☐

F. If any, specify _____

29. Is your participation in different market areas increase from time to time?

Yes ☐ No ☐

30. If your response for question no 29.is Yes, Averagely, by how much your production increase when you compare the previous two years production?

A. Less than 20% ☐ B. 21%---40% ☐

C. 41%---60% ☐ D. More than 60% ☐

31. Is your product compute with the imported product in the market?

Yes ☐ No ☐

32. During your production process, what kind of shortages your firm faced?

A. Raw materials ☐ B. Skilled man power ☐ C. Transportation ☐

D. Foreign currency ☐ E. Others, specify_____

33. Do you have a program to discuss with the workers of your firm?

Yes ☐ No ☐

34. If your response for question no 33 is yes, how often you discuss with them?

A. Once a month ☐ B. Quarterly ☐ C. Twice a year ☐ D. Once a year ☐

35. Did you have an opportunity of getting loan/credit from Development Bank for the purpose of your project or firm?

Yes ☐ No ☐

36. If your response for question no 35.is yes, how could you use the loan?

A. Depending on the Development Bank's policy ☐

B. Simply use the money what I like ☐

C. Others, specify _____

37. When you compare your firm's capital with the initial and actual status is there increment?

Yes ☐ No ☐

38. If your response for question no. 37. Is yes, by how much it increases on average?

A. Less than 20% ☐ B. 21% till 30% ☐ C. More than 31% ☐

Wolkite University

Post Graduate Studies

College of Business and Economics

Department of Economics

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Thank you in advance.

Part II: Background Information of Private investment Workers survey questionnaire

1) Age ____
2) Sex

   Male ☐ Female

3) What is your marital status?

   Single ☐ Married ☐ Widowed ☐ Divorce ☐

4) What is your academic level?

   A. Basic education ☐ B. Primary education ☐ C. Secondary education ☐

   D. TEVET graduate ☐ E. Diploma ☐ F. Degree and above ☐

5) On what you work in the firm?

   A. Production class ☐ B. Packaging class ☐ C. Administration class ☐

   D. Marketing class ☐ E. if any, specify_____

6) How many years you have been working in this firm?

A. Less than two years ☐ B. 2 - 4 years ☐ C. 4 - 6 years ☐ D. More than 6 years ☐

7) Do you have worked in other firm before this?

   Yes ☐ No ☐

8) If your response for question no 7.is yes, for how long you had worked?

A. Less than two years ☐ B. 2 - 3 years ☐ C. 3 – 5 years ☐ D. More than 5years ☐

9) When you were recruit in this firm, do you got short training or orientation?

   Yes ☐ No ☐

10) When you compare your initial and actual wage, is there increment?

   Yes ☐ No ☐

11) If your response for question no 10.is yes, how much you increase your wage on average?

   A. Less than 10% ☐ B. 11%--20% ☐ C. 21%--30% ☐ D. More than 31% ☐

12) What is the impact of private investment on the employment opportunity?

   A. There is good employment opportunity ☐

   B. There is less employment opportunity ☐

13) How many workers work with you in your department?

   A. Less than 10 workers ☐ B. 11 - 20 workers ☐ C. 21 - 30 workers ☐

   D, More than 30 workers ☐

14) Depending on the social affairs, are you insured in the firm during working time?

Yes ☐ No ☐

15) If your response for question no 14.is yes, on what way you insured in the firm?

A. In the way of pension ☐ B. In the way of provident fund ☐ C. If any,_____

16) What is the impact of social affaire policy for the workers who are working in different firms?

A. They are guarantee when they faced accident ☐

B. There is no difference on the workers' life ☐

17) Is there any difference your wage with the workers of government workers who have the same level with you?

Yes ☐ No ☐

18) If your response for question no 17.is yes, which is better payment for the workers?

A. The private firm ☐ B. The government sector ☐

19) If your response for question no 18.is the private firm, what is your point of view on the impact of private firm for the local economy?

A. Give the employment opportunity and income generation including

B. Supply production to the market ☐

C. There is no impact on income generation ☐

D. There is little impact on employment opportunity ☐

20) What is your incentive in addition to your monthly salary in your working place?

A. Additional payment for part-time ☐

B. Sometimes there is bonus for us ☐

21) There is no incentive out of our salary ☐ D. If any, specify Do you have an opportunity to buy the firm's product in discount price relatively with the market price?

Yes ☐ No ☐

22) For how long time you work in the firm during the working day regularly?

A. For 8 hours a day ☐ B. For 6 hours a day ☐ C. For 10 hours a day ☐

C. More than 10 hours ☐

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Thank you in advance.

Part III: Questions to Collect Secondary data from Hadiya zone investment office

1. **Opportunities for private Investment**

1.1 What complains have been heard from private investors and in what way such compliments are addressed?

_____

_____

_____

_____

_____

_____

1.2. How proposed projects are selected and approved? What are the criteria used? And who are responsible in selecting projects proposed by promoters?

_____

_____

_____

_____

_____

_____

1.3. Why some significant numbers of private investments at zonal level as well as in the study area have not been implemented on time? With how many weeks/ months/ are these investors agreed to enter into practical activities? And what measures yet undertaken to correct the problems?

_____

_____

_____

_____

_____

_____

_____

_____

2. Incentives for private Investment

2.1. What services, support and incentives are given by government and administrators of the study area to expand and help the growth of private investments?

2.2. What do you think the cooperation of different sectors of government institution in achieving their duties and responsibility in facilitating the service provision of private investment so as to enhance their effectiveness and efficiency in operation? And what problems are seen in this area and what measures have undertaken yet?

2.3. What problems are seen in service provision, what are standards of service provision for each activities and how these standards are kept or achieved? And what measure is undertaken from government to improve service provisions and promote the principles of good governance?

3 Benefits of private investments for the local Economy

3.1 What are the benefits that government as well as the communities got from the expansion of private investments in region in general and in the study area in particular?

_____

_____

_____

_____

_____

3.1 For the employment opportunity?

_____

_____

_____

_____

_____

3.3. For the capital increment of the private investors

_____

_____

_____

_____

_____

3.1.3 Please, add any information you like with regard to the employment wage versus private investments in the area?

ወልቂጤ ዩኒቨርሲቲ

የድህር ምረቃ ት/ቤት

የብዝነሰ እና ኢኮኖሚክስ ኮሌጅ

ኢኮኖሚክስ ዲፓርትመንት

ውድ መስሾች ፣

ይህ የዳሰሳ ጥናት የሚከናወነው በኢኮኖሚክስ ውስጥ በኤም.ሲ.ሲ ዲግሪ በከፊል እንደ መሚያ እንድሆን በብዝነሰ እና ኢኮኖሚክስ ኮሌጅ፤ ኢኮኖሚክስ ዲፓርትመንት፤ የወልቂጤ ዩኒቨርሲቲ ተማሪ ነው ። የዚህ መጠይቅ ዋና ዓላማ በደቡብ ኢትዮጵያ ከተሞች በሚገኙ ከተሞች ውስጥ ሀዲያ ዞን ሆሳዕና ከተማ ካለው የስር ሰምሪት ደመወዝ እና የግል ኢንቨስትመንትን የሚወስኑ ጉደዮች ስይ ጥናት ለማካሄድ መረጃ ለመሰብሰብ ነው ። ስለሆነም የዚህ ጥናት ስኬት በእውነተኛ ምላሾችዎ ላይ የተመሠረተ ነው ። ስለዚህ በዚህ መጠይቅ ውስጥ የሚገኙትን እያንዳንዱን ጥያቄዎች መልስ ለመስጠት ተጨባጭ እና ሐቀኛ ይሁኑ ። በእርግጥ የሚሰጡት መረጃ በሙሉ በሚስጥር ይያዛል ። ምላሽዎ ለአካዴሚ ዓላማ ብቻ ጥቅም ላይ ይውላል እና ወደ ሶስተኛ ሰው እንደማይተላለፍ እና በድብቅ እንደሚጠበቅ እርግጠኛ ይሁኑ። እባክዎን ስምዎን በየትኛውም መጠይቁ ውስጥ አይጻፉ።

የቀደመ ምስጋና!!!

ክፊል አንድ፡ ስግል ባስሃብቶች የዳሰሳ ጥናት መጠይቅ

ከዚህ በታች የተስያዩ ጥያቄዎች ቀርበዋል ፤ አባክዎን እያንዳንዱን ጥያቄ በደንብ ያንብቡና ምላሾችዎን በሳጥኑ ውስጥ ምልክት በመድረግ ያቅርቡ ።።

1. **ዕድሜ** _____

2. **ጾታ**

ወንድ ☐

ሴት ☐

3. **የጋብቻ ሁኔታዎ ምንድ ነው?**

ሀ. የስገባ/ች ☐ **ስ. ያገባ/ች** ☐ **ሐ. የትዳር ጓደኛ የስው/ሳት** ☐ **መ. ፍቺ** ☐

4. **የአካዴሚያዊ ደረጃዎ ምንድ ነው?**

ሀ. መሠረታዊ ትምህርት ☐ **ስ. የመጀመርያ ደረጃ ትምህርት** ☐ **ሐ. የሁስተኛ ደረጃ ትምህርት**☐
መ. የቴክኒክና ሙያ ትምህርትና ሥልጠና ተመራቂ ☐ **ሠ. ዲፕሎማ** ☐ **ረ. ድግሪ እና ከዛ በላይ** ☐

5. **የኢንቨስትሜቱን ፈቃድ ሲወስዱ እሱን ስመውሰድ ምን ችግር አስ?**

አዎ ☐ **አይ** ☐

6. **ስጥያቄዎ መልስ 5. አዎ ከሆነ ችግሩ ምንድ ነው?**

ሀ. ረዥም እና ግዙፍ ሰንሰስት አስ ☐

ስ. ባስሀብቶቹ በቂ ግንዛቤ የሳቸውም ☐

7. **የተሰመሩበት የሰራ ዘረፈ ምንድ ነው?**

ሀ. ኮንስትራክሺን ስ. ግብሪና ሐ. መኑፈክቻሪንግ መ. አገልግሎት ዘረፈ

8. **በከተማዎ ውስጥ ስግል ኢንቨስትሜንት ዕድሎች አሱ?**

አዎ ☐ **አይ** ☐

9. ለጥያቄዎ መልስ 8. አዎ ፤ ከሆነ እድሉ ምንድነው?

ሀ. የሥራ ቦታውን በቀላሉ መውሰድ ☐ ለ. የከፍተኛ ትምህርት ተቋማት መኖር ☐

ሐ. ለሰራ ዘረፉ ምቹ መሆን

መ. ሌለም ከለ----------

10. በከተማዎ ውስጥ መሬት / ኪራይ / በአንድ ካሬ ሜትረ ምን ያህል ዋጋ ነው?

ሀ. ከአንድ ብር በታች ☐

ለ. ቋሚ አይደለም ☐ ሐ. ሌለም ከለ----------

11. በመሬቱ ዋጋ በ m^2 ዋጋ አንድ ነው?

አዎ ☐ አይ ☐

12. በቀላሉ ሊሰለጥኑ የሚችሉ የጉልበት ኃይል የማግኘት ዕድል አለ?

አዎ ☐ አይ ☐

13. ለጥያቄው መልስ 12. አዎ ፤ ከሆነ ለግል ባለሀብቶች ምን ጥቅሞች አሉት?

ሀ. የግል ባለሀብቶች የሠራተኛ ወጪን ሊቀንሱ ይችላሉ ☐

ለ. የግል ባለሀብቶች የሰው ኃይልን የመምረጥ ዕድል ይኖራቸዋል ☐

14. ለሥራ ቦታ ተጨማሪ መሬት ሲፈልጉ ከተፈቀደላቸው አካላት ምን ያህል ጊዜ ውስጥ ይወስዳሉ?

ሀ. በአንድ ሰምንት ውስጥ ☐ ለ. እሰከ ሁለት ሰምነት ውስጥ ☐ ሐ. ከአንድ ወር በላይ ☐

15. ለፕሮጄክትዎ ማበረታቻ አለ?

አዎ ☐ አይ ☐

16. ለጥያቄ ቁጥር 15. መልስዎ አዎ ፤ ከሆነ የትኛውን ማበረታቻ ያገኛሉ?

ሀ. ከግብር ነፃ መሆን እና ለትርፍ ማሽኖችን በነፃ መሰገበት ☐

ለ. ከግብር ነፃ መሆን ብቻ ☐ ሐ. ማሽነሪዎች ብቻ በነጻ እንድነሰገባ ይፈቀደል ☐

17. ለጥያቄ ቁጥር 16. የተሰጠው ምላሽ ከታክስ ግብር ነፃ ከሆና ለምን ያህል ዓመት ነፃ ነው?

ሀ. ከ 2 - 4 ዓመታት ☐ ለ. ከ 3-5 ዓመት ☐ ሐ. ከ 5 ዓመት በላይ ☐

18. በአከባቢው ኢኮኖሚ ለይ የግል ኢንቨስትሜንት ምን ተፅእኖ ልያሰድረ ይችለል?

ሀ. ገበያው የድርጅቶችን በቂ ምርት ልያገኝ ይችለል ☐ ለ. የስራ ዕድልን ከፍ ሲያደርግ ይችላል ☐

ሐ. ለአካባቢያዊ ኢኮኖሚ ምንም ጠቀሜታ የለውም ☐ መ. ሌለም ከለ----------

19. ከመሰረተ ልማት ጋር የተዛመዱ ችግሮች የትኞቹ ናቸው?

ሀ. የግንኙነት ችግር ☐ ለ. የኤሌክትሪክ ኃይል መቆራረጥ☐ ሐ. የውሃ እጥረት ☐

20. ፕሮጀክትዎን ሲጀምሩ ስንት ሰራተኛ ተቀጠሩ?

ሀ. እሰከ 20 ☐ ለ. ከ 20 እስከ 30 ሠራተኞች ☐ ሐ. ከ30-45 ሠራተኞች ☐

መ. ከ46-60 ሠራተኞች ☐ ሠ. ከ81 - 100 ሠራተኞች ☐ ረ. ከ 100 በላይ ሠራተኞች ☐

21. በመጀመሪያ እና አሁን የሰራተኞችን ብዛት ሲያነፃፅሩ በኩባንያዎ ውስጥ ጭማሪ አለ?

አዎ ☐ አይ ☐

22. ለጥያቄዎ መልስ 21. አዎ ከሆነ የሰራተኞች ብዛት ምን ያህል ይጨምራሉ?

ሀ. ከ 30% በታች ☐ ለ. ከ31% –50% ☐ ሐ. ከ51% –70% ☐ መ. ከ71% --- 100% ☐

ሠ ከ 100% በላይ ☐

23. ፕሮጄክትዎ ከፍተኛ የትምህርት ተቋማት ብቃት ማረጋገጫ ያላቸውን የሰለጠነ የሰው ኃይል ቅጥር የጋኛል ወይም ይፈጽመል?

አዎ ☐ አይ ☐

24. አዳዲስ ሰራተኞችን ሲመለምሏቸው በስራ ስልጠና ወይም አቅጣጫ ላይ ሰልጠና ይሰጣቸዋል?

አዎ ☐ አይ ☐

25. በድርጅትዎ ውስጥ በሚሰሩበት ጊዜ ሠራተኞችዎ ዋስትና እንዲኖራቸው መብት አላቸውን?

አዎ ☐ አይ ☐

26. ለጥያቄዎ መልስ ቁጥር 25. አዎ ከሆነ ፤ ለሠራተኞችዎ የትኛው ጥቅም ላይ የሚውለው?

ሀ. የጡረታ ☐ ለ. የአዋጁ ገንዘብ ☐ ሐ. ሌለም ከለ----------

27. ከሀዲያ ዞን ሆሳዕና ከተማ ውጪ የገቢያ ዕድሎች አለዎት?

አዎ ☐ አይ ☐

28. ለጥያቄዎ መልስ 27. አዎ ከሆነ ፤ የገቢያ ቦታዎችዎ የት ናቸው?

ሀ. አዲስ አበባ ☐ ለ. ሀዋሳ ☐ ሐ. አማራ ☐ መ. አፋር ☐ ሠ. ኦሮሚያ ☐ ረ. ሌሎች

29. ከጊዜ ወደ ጊዜ በተለያዩ የገበያ አካባቢዎች ውስጥ ተሳትፎዎ እየጨመረ ነውን?

አዎ ☐ አይ ☐

30. ለጥያቄዎ መልስ 29. አዎ ከሆነ ፤ በአማካይ ካለፉት ሁለት ዓመታት ምርት ጋር ሲነፃፀሩ የምርትዎ መጠን በምን ያህል ጨምሮል?

ሀ. እሰከ 20% ☐ ለ. ከ21% --- 40% ☐ ሐ. ከ41% --- 60% ☐ መ. ከ 60% በላይ ☐

31. ምርትዎ በገበያው ውስጥ ከሚመጡት ምርቶች ጋር ይመሰሳለል?

አዎ ☐ አይ ☐

32. በምርት ሂደትዎ ወቅት የእርስዎ ድርጅት ያጋጠሙዎት ጉድለቶች የትኞቹ ናቸው?

ሀ. የጥሬ ዕቃዎች ☐ ለ. ችሎታ ያለው የሰው ኃይል ☐ ሐ. ትራንስፖርት ☐ መ. የውጭ ምንዛሪ ☐

ሠ. ሌሎች ከሉ----------

33. ከድርጅትዎ ሠራተኞች ጋር ለመወያየት ፕሮግራም አለዎት?

አዎ ☐ አይ ☐

34. ለጥያቄ ቁጥር 33. መልስዎ አዎ ፤ ከሆነ ምን ያህል ጊዜ ከእነሱ ጋር ይወያያሉ?

ሀ. በወር አንድ ጊዜ ☐ ለ. በዓመት ሩብ ጊዜ ☐ ሐ. በዓመት ሁለት ጊዜ ☐ መ. በዓመት አንድ ጊዜ☐

35. ለፕሮጀክትዎ ወይም ለድርጅትዎ ዓላማ ከልማት ባንክ ብድር የማግኘት ዕድል አልዎት?

አዎ ☐ አይ ☐

36. ለጥያቄዎ መልስ 35. አዎ ከሆነ ፤ ብድሩን እንዴት ሊየገኙት ይችላሉ?

ሀ. በልማት ባንክ ፖሊሲ ላይ የተመሠረተ ☐

ለ. በቀላሉ እኔ የምፋልገውን ገንዘብ ይሰጡኛል ☐ ሐ. ሌሎች ከሉ----------

37. የድርጅትዎን ካፒታል ከመጀመሪያው እና ትክክለኛው ሁኔታ ጋር ሲያነፃፅሩ ጭማሪ አለ?

አዎ ☐ አይ ☐

38. ለጥያቄ 37. መልስዎ አዎ ፤ ከሆነ በምን የይል ፓረሰንት እየጨመር ነው?

ሀ. ከ 20% በታች ☐ ለ. ከ21% እስከ 30% ☐ ሐ. ከ 31% በታች ☐

ወልቂጤ ዩኒቨርሲቲ

የድህር ምረቃ ት/ቤት

የብዝነሰ እና ኢኮኖሚክስ ኮሌጅ

ኢኮኖሚክስ ዲፓርትመንት

ውድ መስሾች ፣

ይህ የዳሰሳ ጥናት የሚከናወነው በኢኮኖሚክስ ውስጥ በኤም.ሲ.ሲ ዲግሪ በከፊል እንደ መሚያ እንድሆን በብዝነሰ እና ኢኮኖሚክስ ኮሌጅ፤ ኢኮኖሚክስ ዲፓርትመንት፤ የወልቂጤ ዩኒቨርሲቲ ተማሪ ነው ። የዚህ መጠይቅ ዋና ዓላማ በደቡብ ኢትዮጵያ ከተሞች በሚገኙ ከተሞች ውስጥ ሀዲያ ዞን ሆሳዕና ከተማ ካለው የስር ሰምሪት ደመወዝ እና የግል ኢንቨስትመንትን የሚወስኑ ጉደዮች ስደ ጥናት ለማካሄድ መረጃ ለመሰብሰብ ነው ። ስለዚህ በዚህ መጠይቅ ውስጥ የሚገኙትን እያንዳንዱን ጥያቄዎች መልስ ለመስጠት ተጨባጭ እና ሐቀኛ ይሁኑ ። በእርግጥ የሚሰጡት መረጃ በሙሉ በሚስጥር ይያዛል ። ምላሽዎ ለአካዴሚ ዓላማ ብቻ ጥቅም ላይ ይውላል እና ወደ ሶስተኛ ሰው እንደማይተላለፍ እና በድብቅ እንደሚጠበቅ እርግጠኛ ይሁኑ። እባክዎን ስምዎን በየትኛውም መጠይቁ ውስጥ አይጻፉ።

የቀደመ ምስጋና!!!

ክፍል ሁለት፡ የግሉ ኢንቨስትመንት ሠራተኞች የዳሰሳ ጥናት መጠይቅ።

ከዚህ በታች የተለያዩ ጥያቄዎች ቀርበዋል ። እባክዎን በሳጥኑ ውስጥ እያንዳንዱን ጥያቄ በደንብ ያንብቡ እና ምላሾችዎን ያቅርቡ ።

1) ዕድሜ _____

2) ጾታ

ወንድ ☐

ሴት ☐

3) የጋብቻ ሁኔታዎ ምንድ ነው?

ሀ. የሰገባ/ች ☐ ለ. ያገባ/ች ☐ ሐ. የትዳር ጓደኛ የለው/ሳት ☐ መ. ፍቺ ☐

4) የአካዴሚያዊ ደረጃዎ ምንድ ነው?

ሀ. መሠረታዊ ትምህርት ☐ ለ. የመጀመርያ ደረጃ ትምህርት ☐ ሐ. የሁለተኛ ደረጃ ትምህርት☐
መ. የቴክኒክና ሙያ ትምህርትና ሥልጠና ተመራቂ ☐ ሠ. ዲፕሎማ ☐ ረ. ድግሪ እና ከዛ በላይ ☐

5) በኩባንያው ምን እንደሚሰሩ?

ሀ. የምርት ክፍል ☐ ለ. ማሸጊያ ክፍል ☐ የአስተዳደር ክፍል ☐ ሐ. የግብይት ክፍል ☐ ሠ. ሌለ----

6) በዚህ ድርጅት ውስጥ ስንት ዓመት ሲሰሩ ቆይተዋል?

ሀ. ከሁለት ዓመት በታች ☐ ለ. ከ2 - 4 ዓመት ☐ ሐ. ከ4 - 6 ዓመት 6 መ. ከ 6 ዓመት በላይ☐

7) ከዚህ በፊት በሌላ ኩባንያ ውስጥ ሠርተዋል?

አዎ ☐ አይ ☐

8) ለጥያቄዎ መልስ 7. አዎ ከሆነ ለምን ያህል ጊዜ ሰርተው ነበር?

ሀ. ከሦስት ዓመት በታች ☐ ለ. ከ3 - 5 ዓመት ☐ ሐ. ከ5 - 7 ዓመታት☐ መ. ከ 7 ዓመት በላይ☐

9) በዚህ ድርጅት ውስጥ በሚቀጣሩበት ጊዜ አጭር ስልጠና ወይም የሥራ መመሪያ ግንዛቤ አግኝተዋል?

አዎ ☐ አይ ☐

10) የመጀመሪያዎን እና ትክክለኛውን ደሞዝዎን ሲያነፃፅሩ ከበፊቱ ጭማሪ አለ?

አዎ ☐ አይ ☐

11) ለጥያቄ ቁጥር 10. መልስዎ አዎ ፤ ከሆነ ደሞዝዎ በአማከይ ምን ያህል የድጋል?

ሀ. ከ 10% ☐ ለ. ከ11% - 20% ☐ ሐ. ከ21% - 30% ☐ መ. ከ 31% በታች ☐

12) የግል ኢንቨስትመንት በሥራ ስምሪት ዕድሉ ላይ ምን ተጽዕኖ ያሳድራል?

ሀ. ጥሩ የሥራ ስምሪት ዕድል አለ ለ. የሥራ ቅጥር እድሉ አነስተኛ ነው

13) በዲፓርትመንቱ ውስጥ ስንት ሰራተኞች ከእርስዎ ጋር አብረው ይሰራሉ?

ሀ. ከ10 ሠራተኞች በታች ☐ ለ. ከ11 - 20 ሠራተኞች ☐ ሐ. ከ21 - 30 ሠራተኞች ☐

መ. ከ30 በላይ ሠራተኞች ☐

14) በማኅበራዊ ጉዳዮች ላይ በመመርኮዝ በስራ ሰዓት ውስጥ በኩባንያው ውስጥ መድን ዋስትናዎ አለዎት?

አዎ ☐ አይ ☐

15) ለጥያቄ ቁጥር 14 መልስዎ አዎ ከሆነ በኩባንያው ውስጥ ምን ያህሉ ነበር?

ሀ. በጡረታ መንገድ ☐ ለ. በፕሮቪደንት ፈንድ መንገድ ☐

16) በተለያዩ ኩባንያዎች ውስጥ የሚሰሩ ሰራተኞች ማህበራዊ ጥምረት ፖሊሲ ተፅእኖ ምንድነው?

ሀ. አደጋ ሲገጥማቸው ዋስትና ናቸው ☐

ለ. በሠራተኞቹ ሕይወት ላይ ልዩነት የለም ☐

17) ከእርስዎ ጋር ተመሳሳይ ደረጃ ካላቸው የመንግሥት ሠራተኞች ጋር የሚያገኙት የደሞዝ ልዩነት አለ?

አዎ ☐ አይ ☐

18) ለጥያቄዎ መልስ ቁጥር 17 አዎ ከሆነ ለሠራተኞቹ የተሻለ ክፍያ የምከፍለው የትኛው ነው?

ሀ. የግል ኩባንያው ☐ ለ. የመንግስት ዘርፍ ☐

19) የግል እንቨስትሜንት ለአከባቢው ኢኮኖሚ ምን ምን ተጽዕኖ ሊያሳድር ይችላል?

ሀ. ለገበያው የምርት አቅርቦትን በሰፊ መሰጠት ለ. የሥራ ዕድልን እና የገቢ ዕድገትን መስጠት ☐

ሐ. በገቢ ማመንጨት ላይ ምንም ተጽዕኖ የለም ☐

መ. በሥራ ስምሪት ዕድሉ እምብዛም ተፅእኖ የለውም ☐ ሠ. ሌለም ከለ----------

20) በሥራ ቦታዎ ከወርሃዊ ደመወዝ በተጨማሪዎ ማበረታቻዎ ምንድነው?

ሀ. ተጨማሪ ክፍያ ☐

ለ. አንዳንድ ጊዜ ለእኛ ጉርሻ አለው ☐

ሐ. ከደመወዛችን ውጭ ማበረታቻ የለም ☐

21) በአንዛራዊነት የዋናውን ኩባንያ ምርት በቅናሽ ዋጋ በገበያው ዋጋ ለመግዛት እድሉ አለዎት?

አዎ ☐ አይ ☐

22) በመደበኛ የስራ ቀን ውስጥ በኩባንያ ውስጥ ለምን ያህል ጊዜ ይሰራሉ?

ሀ. በቀን ለ 8 ሰዓታት ☐ ለ. ለ 6 ሰዓታት በቀን ሐ. ለ 10 ሰዓታት በቀን ☐

መ. ከ 10 ሰዓታት በላይ ☐

23) ከድርጅቶች ባለቤቱ ጋር ካላቸው መብቶች ጋር ተያያዝነት ያላቸውን ስምምነቶችዎን የመወያየት መብት አልዎት?

አዎ ☐ አይ ☐

ወልቂጤ ዩኒቨርሲቲ

የድህር ምረቃ ት/ቤት

የብዝነሰ እና ኢኮኖሚክስ ኮሌጅ

ኢኮኖሚክስ ዲፓርትመንት

ውድ መስሾች ፣

ይህ የዳሰሳ ጥናት የሚከናወነው በኢኮኖሚክስ ውስጥ በኤም.ሲ.ሲ ዲግሪ በከፊል እንደ መሚያ እንድሆን በብዝነሰ እና ኢኮኖሚክስ ኮሌጅ፤ ኢኮኖሚክስ ዲፓርትመንት፤ የወልቂጤ ዩኒቨርሲቲ ተማሪ ነው ። የዚህ መጠይቅ ዋና ዓላማ በደቡብ ኢትዮጵያ ከተሞች በሚገኙ ከተሞች ውስጥ ሀዲያ ዞን ሆሳዕና ከተማ ካለው የስር ሰምሪት ደመወዝ እና የግል ኢንቨስትመንትን የሚወስኑ ጉደዮች ስይ ጥናት ለማካሄድ መረጃ ለመሰብሰብ ነው ። ስለዚህ በዚህ መጠይቅ ውስጥ የሚገኙትን እያንዳንዱን ጥያቄዎች መልስ ለመስጠት ተጨባጭ እና ሐቀኛ ይሁኑ ። በእርግጥ የሚሰጡት መረጃ በሙሉ በሚስጥር ይያዛል ። ምላሽዎ ለአካዴሚ ዓላማ ብቻ ጥቅም ላይ ይውላል እና ወደ ሶስተኛ ሰው እንደማይተላለፍ እና በድብቅ እንደሚጠበቅ እርግጠኛ ይሁኑ። እባክዎን ስምዎን በየትኛውም መጠይቁ ውስጥ አይጻፉ።

የቀደመ ምስጋና!!!

ክፍል ሦሥት : ለሀድያ ዞን ኢንቨስትሜነት ብሮ የተዘጋጃ መጠይቅ፡፡

1. በከተማ ውስጥ ለግል ኢንቨስትሜነት የሉ ዕድሎች

1.1. ከግል እንቨስትሜንት በለሀብቶች ምን ዓይነት ጥያቄዎች ይቀረበሉ? እናም በምን መንገድ ጥያቄዎች ልፈቱ ችለዋል?

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1.2. የቀረቡ እንቨስትሜንት ፕሮጀክቶችን ለማምረጥም ሆና ለመረገጋጥ በእናንተ በኩል ምን ዓይነት መሰፈረት ይጠቃመሉ?

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1.3 ለምን ብቁ የሆኑ የግል እንቨስትሜንት በዞኑ ወይም በጥናቱ አከበቢ በግዜ ወደ ሰራ አይገቡም እናም በምን የይል የግዜ ገደብ ዉሰጥ ለምሰሌ በሰምንት/በወረ/ የግሉ በለሀብት ወደ ሰራ ለመግበት ይሰመማሉ? ምን ዓይነት እረምጃዎችሰ ይተገበረሉ ይህን ችግረ ለማሰተከካል?

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2. ለግል ኢንቨስትሜነት ምን ተጨማሪ ዕድሎች አሉ

2.1 ለግል ኢንቨስትሜነት እድገትና መሰፋፋት መንግሰት ወይም አሰተደደረ ምን አገልግሎት ፤ ድጋፈ እና ጥቅም ያደረገል?

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2.2. መንግሰት እና የተለየዩ ድረጅቶች ለግል በለሀብቶች ዉጤተማ እንድሆኑ ዕድሎትን በመማቻቸት ረገድ ሀለፊነት ወሰደዉ ከመሰራት አንጻረ ምን ይመሰለሉ? በዚህ አከበቢ የጋጠሙ ችግሮች እና የተወሰዱ አረምጃዎች ከሉ ብየብረሩ?

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2.3. መንግሰት አጋልግሎትን ሲሰጥ ምን ችግሮች አገጥመዉ ነበረ ፤ ምን ደረጃዎችሰ ወጥተዉ ነበረ ህግ ከመሰጠበቅ አንጸረ እናም በመልከም አሰተደደረ መመሪያ አኮያ?

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3 ለአከበቢ እኮኖሚ የግል እንቨሰትሜንት ምን ፋይደ አለው

3.1 በከተማ ውሰጥ የግል ኢንቨሰትሜነት መሰፋፈት ምን ዓይነት ዕድሎችን ለመንግሰትም ሆና አከበቢ ለሱ ህብረተሰብ ደሰጠል በተጨመሪም በክልሉ በአጣቃለይ እና በጥነቱ አከበቢ በጥቅቱ የተገኙ ጥቅሞች ከለ ብጠቀሰ?

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3.1.1 የሥራ ዕድሎችን በታመለከተ

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3.1.2 የግል በለብቶችን የገቢ ዕድገትን በተመለከታ

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3.1.3 አበኮዎ ፤ በሰራ ሰምሪት ደሞዝ እና የግል እንቨሰትሜንት ዙሪያ ሌለ ተጫማሪ መራጃዎች ከሉ?