

Berichte aus der Volkswirtschaft

Isaac Hailemariam Desta

**Democratization, Improved Governance and
the Creation of Conducive Environment for Small
and Medium Scale Enterprise Development in
sub-Saharan Africa: The Case of Eritrea**

D 46 (Diss. Universität Bremen)

Shaker Verlag
Aachen 2009

Bibliographic information published by the Deutsche Nationalbibliothek

The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the Internet at <http://dnb.d-nb.de>.

Zugl.: Bremen, Univ., Diss., 2008

Copyright Shaker Verlag 2009

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publishers.

Printed in Germany.

ISBN 978-3-8322-8454-1

ISSN 0945-1048

Shaker Verlag GmbH • P.O. BOX 101818 • D-52018 Aachen

Phone: 0049/2407/9596-0 • Telefax: 0049/2407/9596-9

Internet: www.shaker.de • e-mail: info@shaker.de

Summary of Thesis

Democratization, governance and institution building and their impact on SMEs is the central theme of this paper. Following a comprehensive discussion of the theoretical grounding of these concepts, the thesis undertakes a detailed discourse on the status of sub-Saharan African (SSA) democratization, governance and institutionalization process and its influence on businesses with particular focus on Small and Medium scale Enterprises (SMEs). The study then focuses on Eritrea analyzing the impact these issues (democratization, governance and institution building) have on selected firms. To this end, a descriptive survey design is used to collect data from 50 SMEs. The data is analyzed using chi-square and regression. The findings of the study indicate that democratization and governance are key environmental factors that determine the success of SMEs.