

THE IMPLICATION OF MICROFINANCE ON
EMPOWERING WOMEN AND SUSTAINABLE
LIVELIHOOD: A CASE STUDY AT OROMIYA
CREDIT AND SAVING SHARE COMPANY IN
HITOSA WOREDA, ARSI ZONE

BY

MULETA SHAREW

A Thesis Submitted to the School of Graduate Studies of Addis Ababa
University in Partial Fulfillment of the Requirements for the Degree of
Masters of Art in Rural Livelihood and Development.

July 2008
Addis Ababa

Acknowledgments

First and foremost, I would like to express my deep gratitude to my supervisor, associate professor Getachew Yoseph for his concerned supervision throughout the research. His critical comments, encouragement, ease and considerable support have contributed a lot to this work.

I am also very grateful to my wife, w/o Hana Teshome for her unreserved support and encouragement through out my studies. Her strong commitment to take responsibility to manage the housework, care for our children and handle social affairs made it possible for me to complete this research work.

My thanks also go to the directors of Ethiopian Graduate School of Theology, Dr. Debela Birri (the former) and Dr. Desta Heliso (the current) for their enormous encouragement and assistance to the completion of my class work as well as this thesis. And I wish to express my sincere indebtedness to my sister Mulu Sharew and my brother Zinabu Sharew for their encouragement and support in my work. I also want to say thank you to Dr. Steve Bryan, Dr. Mary Evans and Drs. Ann and John Wheeler-Waddell for their proof-reading my thesis.

I am also highly indebted to express my gratitude for OCSSCO staff for their unreserved cooperation to provide all necessary and pertinent information during and after my field work for my study.

Finally, I want to convey my heartfelt thanks and glories to my Lord Jesus for his abundant grace and kindness, tremendous gifts and blessings throughout my studies.

	Pages
Table of contents	
Acknowledgements -----	i
Table of Content -----	ii
List of Figures, Tables and Boxes -----	v
List of Acronyms -----	viii
Abstract -----	ix
Chapter One: - Introduction -----	1
1.1 Backgrounds -----	1
1.2 Statement of the problem -----	3
1.3 Objective of the study -----	4
1.4 Rationale and Significance of the Study-----	5
1.5 Delimitation and Limitation of the studies -----	6
1.6 Organization of the thesis -----	6
Chapter Two: - Concepts, Related Literatures, Theoretical And Analytical Frameworks -----	7
2.1 Concepts -----	7
2.2 Related Literature Review -----	8
2.2.1 Empowerment in Development Discourse --	8
2.2.2 The Genesis of Microfinance -----	12
2.2.3 The Role of Micro finance -----	13
2.2.3.1 Antipoverty Strategy: As Vehicle for Sustainable Livelihood -----	13
2.2.3.2 Women’s Empowerment -----	15
2.2.4 Women and Microfinance Nexus -----	17
2.2.5 Women’s Situation in Ethiopia -----	18
2.3 Theoretical and Analytical Framework -----	21
2.3.1 Theoretical Framework: Gender Perspectives ---	21
2.3.1.1 Women in Development -----	21
2.3.1.2 Gender Mainstreaming -----	23
2.3.2 Analytical Framework -----	24
2.3.2.1 Empowerment Framework -----	24
2.3.2.2 Sustainable Livelihood Framework---	26
2.3.2.3 Analytical Framework Diagram-----	28

Chapter Three: -Description of the Study Area	
Research Methodology -----	29
3.1 Description of the Region and Study Area -----	30
3.1.1 Brief Description of the Region-----	30
3.1.2 Description of the study Area-----	30
3.2 Why are Hitosa Woreda and OCSSCO Chosen -----	31
3.3 Research Methods -----	32
3.2.1 Qualitative Method -----	32
3.2.2 Quantitative Method-----	34
3.4 The Subjects of the study -----	35
3.5 Sampling Technique -----	35
3.6 Data Collection -----	36
3.7 Secondary Material and Documents -----	36
3.8 Method of data analysis -----	37
Chapter Four:-Background Characteristics of OCSSCO	
And the Study Population -----	38
4.1 Description of OCSSCO and Its Program -----	38
4.2 OCSSCO Clients in the Woreda -----	43
4.3 Background Characteristics of the Study	
Population -----	44
4.3.1 Demographic Characteristics-----	44
4.3.1.1 Age-----	44
4.3.1.2 Area-----	45
4.3.1.3 Information Resources -----	45
4.3.1.4 Marital Status-----	46
4.3.1.5 Household Head -----	46
4.3.1.6 Religion -----	47
4.3.2.7 Duration of Loan Use -----	47
4.3.2 Socio-Economic Characteristics -----	48
4.3.2.1 Educational status -----	48
4.3.2.2 Loan Purpose -----	48
4.3.2.3 Credit Sources -----	50
4.3.2.4 Land Size -----	51
4.3.2.5 Wealth Groups -----	52

4.3.2.6 Household Income, Productive Assets ----	53
Chapter Five: - Women’s Empowerment --- -----	59
5.1 Empowerment Indicators: At Individual Level -----	59
5.1.1 Decision Making -----	60
5.1.2 Community Participation -----	66
5.1.3 Self-Confidence -----	73
5.1.4 Respect/Self-esteem -----	75
5.1.5 Social Position -----	76
5.1.6 Training and Advisory Service -----	78
Chapter Six: - Sustainable Livelihood----	81
6.1 Sustainable Livelihood Indicators: At Household level-	81
6.1.1 Contexts: -----	81
6.1.2 Asset Resources -----	86
6.1.3 Access Modifiers: Institution, Organization and Social Relation -----	94
6.1.4 Livelihood Strategies-----	95
6.1.5 Livelihood Outcomes-----	100
Chapter Seven: - Women and Microfinance Nexus-----	104
7.1 Challenges for Empowering Women and Sustainable Livelihood -----	105
7.2 Best Ways for Microfinance Institutions to Serve Women	110
Chapter Eight: - Summary, Conclusion and Policy Implications -----	113
8.2 Conclusion -----	113
8.3 Policy Implications -----	116
References	
Appendices	

List of Figure, Tables and Boxes

I. List of Figures	Page
2.1 Analytical Diagram	28
3.1 Location of the study area	31
4.1 Trends of OCSSCO Credit Participants in Hitosa Woreda	43
II. List of Tables	
4.1 Loan size provided by OCSSCO	40
4.2 Loan Terms Provided by OCSSCO	41
4.3 OCSSCO Credit Participants in Hitosa Woreda	43
4.4 Percentage Distribution of Respondents by Age group	44
4.5 Percentage Distribution of Respondents by Resident Area	45
4.6 Percentage Distribution of Respondents by source of Information	45
4.7 Percentage Distribution of Respondents by Marital Status	46
4.8 Percentage Distribution of Respondents by Household Head	46
4.9 Percentage Distribution of Respondents by Religion	47
4.10 Percentage Distribution of Respondents by Duration of Loan Use	48
4.11 Percentage Distribution of Respondents by Educational status	48
4.12 Percentage Distribution of Respondents by the Loan Purpose	49
4.13 Percentage Distribution of Respondents by Credit Sources	50
4.14 Percentage Distribution of Respondents by Land Size	52
4.15 Percentage Distribution of Respondents by Wealth Group	53
4.16 Percentage Distribution of Respondents by Perception of changes In Income, Productive and Durable Assets, etc	54
4.17 Percentage Distribution of respondents by Reasons for Positive Changes in Living Condition	57
4.18 Percentage Distribution of Respondents by Proportion of changes Due to OCSSCO Credit	57
5.1 Percentage Distribution of Respondents by Decision on Loan Use	60
5.2 Percentage Distribution of Respondents by Involvement in the Household Decision-making	64
5.3 Percentage Distribution of Respondents by the Changes on Participation in Household Decision-making	65

5.4 Percentage Distribution of Respondents by Group Meeting	67
5.5 Percentage Distribution of Respondents by Kebele General Meeting	68
5.6 Percentage Distribution of Respondents by Women’s Meeting	70
5.7 Percentage Distribution of Respondents by Reasons for not attending Women’s Meeting more Frequent	71
5.8 percentage Distribution of Respondents by Reasons for Attending Women’s Meeting Frequently and always	71
5.9 Percentage Distribution of Respondents by Self-confidence Before Loan	73
5.10 Percentage Distribution of Respondents by Self-confidence after Loan	74
5.11 Percentage Distribution of Respondents by Respect from Others	75
5.12 Percentage Distribution of Respondents by Social position changes	76
5.13 Percentage Distribution of respondents by OCCSCO Program Contribution to Social Position Changes	77
5.14 Percentage Distribution of Respondents by Receiving Training	78
5.15 Percentage Distribution of Respondents by Type of Training	79
6.1 Percentage Distribution of Respondents by Major Constraints for Crop Production	82
6.2 Percentage Distribution of Respondents by Major Constraints for Livestock Production	83
6.3 Percentage Distribution of Respondents by Major Constraints for Non-farm Activities	84

6.4 Percentage Distribution of Respondents by Children’s Dropout	
85	
6.5 Percentage Distribution of Respondents by Shocks	
86	
6.6 Percentage Distribution of Respondents by Personal Savings	
87	
6.7 Percentage Distribution of Respondents by Housing Conditions	
88	
6.8 Percentage Distribution of Respondents by Consumer Assets	
89	
6.9 Percentage Distribution of Respondents by Domestic Animal	
92	
4.10 Percentage Distribution of Respondents by Reasons for like the credit program	94
4.11 Percentage distribution of Respondents by the Capacity to find 100 birr for Emergency within a Week	95
4.12 Percentage Distribution of Respondents by sources for 100 birr for Emergency	
97	
6.13 Percentage Distribution of respondents by Strategies to Easy Food Shortage Prior to Join to OCSSCO	
98	
6.14 Percentage Distribution of Respondents by sources for Cash And In-kind	
99	
6.15 Percentage Distribution of Respondents by the Effect of OCSSCO	
101	
6.16 Percentage Distribution of Respondents by Food Shortage after Loan	
102	
6.17 Percentage Distribution of Respondents by Household Diet	
102	
7.1 Percentage Distribution of Respondents by Major Challenges	
107	

7.2 Percentage Distribution of Respondents by Ways of Best Serving
111

III. List of Boxes

5.1 Clients' Involvement in Group Meeting	67
5.2 Credit Clients' involvement in Kebele Meeting	69
5.3 Improvements in Women's Self-esteem /respect	76
5.4 Changes in Social Status	78
5.5 Clients Training	80
6.1 Common Shock	86
6.2 Reflection on Housing Condition	88
6.3 Changes in number of Animals	93
6.4 Changes in Social Capital	94
6.5 Source of Cash and In-kind	100
6.6 Livelihood outcomes	103
7.1 Microfinance and Women Nexus	104
7.2 Loan Size	109

List of Acronyms

ACSI- Amhara Credit and Saving Institution
AEMFI- Association of Ethiopian Microfinance Institution
AKC- Addis Kidan Church
ARWEA- Amhara Regional Women Entrepreneurs Association
CGAP-Consultant to Assist the Poor
CSA- Central Statistics Authority
DCSI- Dedebit Credit and Saving Institution
DFID- Department for International Development
DVD- Digital Video Display
ETB- Ethiopian Birr
ETZAM- Cristian Enterprise Trust of Zambia
FAO- Food and Agricultural Organization
FGD-Focus Group Discussion
GB- Grameen Bank
GAD- Gender and Development
GDP- Gross Domestic Product
HIV/AIDS-Human Immunodeficiency Virus and Acquired Deficiency Syndrome
IFAD-International Fund for Agricultural Development
LPRs- Local Poor Representatives
MDGs- Millennium Development Goals
MFIs- Microfinance Institutions
MoFED- Ministry of Finance and Economic Development
MoWAs- Ministry of Women Affairs
NBE-National Bank of Ethiopia
NGOs- Non-governmental Organizations
No. – Number
OCSSCO- Oromya Credit and Saving Share Company
ODA- Oromya Development Association
ONRS- Oromya National Regional state
ORCSDP- Oromya Rural Credit and Saving Development Project
OSHO- Oromo Self-Help Organization
OSSREA-Organization for Social Science Research Eastern and Southern Africa
PAs- Peasant Associations
PLC- Private Limited Company
SL-Sustainable livelihood
SLF-Sustainable Livelihood Framework
TGE- Transitional Government of Ethiopia
UN- United Nations
UNFPA- United Nation Population Fund
USAID- United States Agency for International Development
VCD- Video Compact Disk
WID- Women in Development

Abstract

The objective of this thesis is to probe the implication of OCSSCO on women's empowerment and sustainable livelihood in Hitosa woreda, Arsi zone, Oromiya region. Generally, micro-finance intervention programs have an explicit potential that intends to empower women and affect their livelihoods. Nevertheless, did these microfinance programs bring the intended contributions for and implications on empowering women and their sustainable livelihood? Offering some possible responses to this question is the central objective of this research. The results could have considerable significance for academia, MFIs, to build on growing body of research on the topic and others.

The control group method was used as general approach to assess the contribution of micro-credit programs on the lives of women in the selected woreda. Further, the mixed method or the blending of both qualitative and quantitative methods was used. In the qualitative method the case study, FGD, Key informant and direct observation were used whereas in the quantitative method the household survey was used. The later method with randomly selected 100 clients was served as supplementary to the former. Descriptive, table and percentage techniques were used for analysis.

The role of OCSSCO is significant in terms of empowering women clients with respect to increasing control over resources, self-esteem, respect from others, change in social position and increased community participation. OCSSCO's programs have enabled its clients to build resilience against vulnerability to unintended risks and shocks and undesired livelihood outcomes through introducing coping mechanisms such as intensification and diversification of livelihood activities. This MFIs' contribution for empowering women and sustainable livelihood could also create self-sustenance for MFIs themselves. Nevertheless, microfinance services are not still free of constraints. Indeed, they are still facing overlapping categories of challenges that could prevent them from attaining anticipated goals in full.

The first group of challenges exists at a community or governmental level. They encompass low infrastructure, conducive and appropriate policies, land shortage and infertility and cultural problems. The second group of constraints exists at organizational level. They include lack of career structure and incentive system and lack of resources. The third category is at individual level. The challenges include inadequacy of transportation, lack of information, low literacy, low competency, lack of hardworking and commitment, business failure, inflexible repayment schedule and inadequacy of group lending policies, limited products and insufficient loan size. Indeed, it could be difficult to draw a boundary to delimit these challenges as aforesaid. Instead, they can be intermingled and amalgamated to make huge effect on process of women's empowerment and creating their sustainable livelihood through microfinance services.

Therefore, economic activities are not the only vehicle for helping women to escape from poverty and advancing gender equality and empowerment. There needs to be a combination of activities in various spheres of women's life such as "Soft" service and cooperation of three main stakeholders (government, MFIs and individual users). However, when and how these remedial actions would be realized synergically and cooperatively remains a research agenda in its own right.

CHAPTER ONE

INTRODUCTION

“Gender Awareness: the missing element in the Third World development project” (Williams *et al.*, 1994)

1.1. Background

Ethiopia is one of the largest populated countries in Africa. Its population is around 79.221 million with projected real per capita annual income of \$195 (CSA, 2008; MoFED, 2007). This amount is far below the one-dollar threshold set by UN for absolute poverty. Out of which, 85% of the population living in rural areas 89.1% earn less than a dollar per day. The poverty situation is further exacerbated by rapid population growth and periodic drought that hit the country. The country ranks 171 out of 174 countries in terms of overall human development. This shows that Ethiopia can be said to be one of the poorest countries in the world (Tebeje, 2007; Tsehay and Mengistu, 2002).

Although Ethiopian women constitute about 50% of the population, they comprise the majority of the unemployed segment of the population that is hardest hit by poverty. They often resort to self-employment. All in all, rural women live in worst situation where basic social services such as health and education are scarce and diseases, malnutrition and illiteracy are widespread (ARWEA, 2007; Tsehay and Mengistu, 2002). Hence, today, more than any other time, the Ethiopian government is exerting an effort to realize the equality of women and men. It is undertaking positive and affirmative actions to facilitate legal grounds for their active involvement in struggling for gender equity and to encourage their participation in the overall development process. Likewise, improving women’s access to financial services can contribute to poverty reduction as it enables women to contribute to their household income and welfare.

Furthermore, access to credit is enhancing the social and political positions of micro credit clients. It increases their capability for economic planning and management, with a corresponding boost to self-confidence and self-esteem, assets and income (Tassew, 2005). However, it is noted that formal financial sector in Ethiopia does not

provide credit to poor households for income generating activities. In other words, the formal sector does not respond to the credit needs of the poor, micro entrepreneurs, women and others. The main

reasons given are lack of collateral, physical remoteness, lack of information and the smallness of the transaction (Gebrehiwot, 2002).

Since the 1980s, an alternative approach to providing credit to the poor has been designed and successfully tried in Asia such as Bangladesh. Additionally, to alleviate poverty and reduce unemployment, providing the poor (women) with loans and use of local entrepreneurship has been accepted as solution. Accordingly microfinance are designed to fill the gap of formal credit institutions by providing credit particularly for empowering women, to promote self-employment and income growth without physical collateral but with group collateral. As result, the Ethiopian government and various NGOs have started providing credit to the poor even since 1970s by targeting women. Most of these schemes that targeting women intended to expand income-earning opportunities and new areas of women's off-farm activities to alleviate poverty and to economically empower women (Bekele, 1996; Solomon, 1996). This displays that microfinance programs expand women's economic opportunities to promote women's empowerment and sustainable livelihood that would in turn result in greater economic efficiency and decrease the levels of poverty. In conclusion, empowerment and sustainable livelihood of women could be built through credit and saving facilities of micro finance.

The Oromia Credit and Saving Share Company (OCSSCO) is one of the micro finance institutions in Ethiopia. It was established with the aim of filling the gap left by formal financial institutions and to meet the needs of small-scale borrowers for income generating activities (OCSSCO, 2002). Hence, it provides credit and saving services in the region.

The changes in the lives of microfinance women clients in terms of increasing food security and improving acceptance in the community and household activities are promising. Nevertheless, the role of microfinance on women's empowerment in relation to their sustainable livelihood has not been well studied. Furthermore, no

detailed study has been done to date to know the contribution of OCSSCO in Hitosa woreda in particular for empowering women and sustainable livelihood in rural and semi-urban contexts.

1.2 Statement of the Problem

Ethiopia is predominantly an agricultural country that 85 percent of its population depends on agriculture for their livelihood. Its agriculture is also characterized by low productivity, which can be attributed to shortage of skilled human, lack of good governance and lack of capital that compounded by inaccessibility of the poor to the existing formal financial institutions due to some factors such as high collateral requirements and high transaction cost for small loans. Since poor people were regarded as credit worthless, access to credit is very limited. As a result about half of 85% of the population is living below the poverty line. These people lack the financial capacity to meet the minimum standard of living. They also suffer from different kind of deprivations such as isolation and powerlessness. Most of these poor are women, children, elders, disabled, small-scale farmers, unskilled workers (Gebrehiwot, 2002).

Nevertheless, women are vital human resources for development. They constitute about half (49.7%) of the agricultural labor force. They are also the principal food producers and responsible for the care and nutrition of their family. Further, they are actively involved in economic, political, social and cultural aspects of their society. But they have low access to credit. All these show that the extent of the problem confronted by Ethiopia in development intervention in the process of addressing growth and income distribution (Ahmed et al, 2001; Tsehay and Megistu, 2001).

Growth and income distribution target presuppose poverty reducing instruments as a main policy intervention. Thus, it follows from the general consensus that the success of any development endeavor is largely determined by the extent to which the poor have access to productive resources, income, power, and employment levels of the poor (Tsehay and Mengistu, 2001). Therefore, microfinance has been considered as an important instrument to the poverty reduction objectives through providing micro-credit and saving products. It is also a tool to empower the poor (women) to have sustainable livelihoods.

In this context, therefore, it is relevant to identify how micro finance could be a powerful instrument in achieving the objective of women's empowerment and

sustainable livelihood especially in semi-urban and rural contexts. In his study of ‘Impact of Micro Credit on Rural Women’s Reproductive Behavior in the case of Jabi Tehinan woreda in west Gojjam Zone’ Kerebih (2005) stated that micro credit have significant impact on women’s empowerment and their reproductive behavior through increasing their income and awareness on contraceptives. However, he did not incorporate the impact of micro credit on sustainable livelihood of women.

Furthermore, Meron (2007) in her thesis titled as ‘The Role of Microfinance in Empowering Women in Addis Ababa’, concluded that the delivery of microfinance has positive impacts on the economic empowerment of the clients, although the income increases were small. But she did not further investigate about the role of micro finance on their sustainable livelihood. Bahiru (2002) has also discussed women’s empowerment issue in his senior essay on ‘The contribution of credit and saving projects towards socioeconomic empowerment of rural women in Ethiopia’. He concluded that women clients’ decision making power has increased after the intervention. However, he did not consider the implication on their sustainable livelihood.

Hence, the limited studies have indicated that the deliveries of micro finance services have increased income and social services of households. They also improved the economic autonomy status and decision making capacity of women clients. Nevertheless, the contribution of micro finance for empowering women in connection with sustainable livelihood in semi-urban and rural contexts has not been studied. Therefore, this research is motivated to fill this gap. In other words this research is undertaken to investigate the nexus between micro credit and empowering women and their sustainable livelihood, with focus on women clients of Hitosa district branch of OCSSCO.

1.3 Objective of the Study

General Objective:

Examining the contributions and the implications of microfinance institutions on empowering women and promoting sustainable livelihood.

Specific objectives:

- To investigate the role and impact of microfinance services on women's empowerment and sustainable livelihood.
- To assess microfinance and empowerment and sustainable livelihood nexus and their challenges.
- To identify loan purposes and income generating activities of microfinance women clients.

Research Questions:

According to the stated objectives of the study, the following research questions are designed for investigation.

- What are the contributions and implications of microfinance services on empowering women and sustainable livelihood?
- What are the major challenges of women in accessing micro-credit and the nexus between women and microfinance institutions?
- What are the main loan purposes and income generating activities of microfinance women clients?

1.4 Rationale and Significance of the Study

The product of this research identifies the major women's empowering and sustainable livelihood factors including socioeconomic, political and cultural factors in relation to microfinance institutions. And it comes up with possible remedies for those problems. It also aims find out of the integration of the micro credit service and empowerment and sustainable livelihood in poor women's life.

Further, this study is initiated to generate and add some information to the existing knowledge of micro finance contributions for empowering women and sustainable livelihood. The findings of this research would provide multipurpose information to different users, including

practitioners in microfinance, donors, policy planners, academicians and the public at large. At worst, it will raise questions for further research and study.

1.5 Limitation and Delimitation of the study

The researcher used limited data collection methods. It was designed to deal with specific micro finance institution and its single branch. Hence, it was not a representative of other financial institutions. Further, financial and time constraints have forced the researcher to limit the sample size and the scope of the research. Therefore, generalization may not possible. The research also focused only on women clients of OCSSCO at Hitosa branch. It restricted itself to assess a few empowerment indicators, particularly changes in economic decision-making, community participation and social position. In connection with sustainable livelihood, this research focused on the changes of contests, asset or resources, mediation process, strategies and outcomes.

1.6 Organization of the Thesis

The thesis is organized into eight chapters. Chapter one treats introduction, statement of the problem, the objective, significance of the study and organization of the paper. A literature review related to the issue under discussion such as conceptual, related literatures, and theoretical and analytical frameworks are discussed in chapter two. Brief description of the study area and methodologies are presented in chapter three. Background characteristics of OCSSCO and the study population are treated in chapter four. Chapter five is devoted to women's empowerment. Sustainable livelihoods are presented in chapter six. Chapter seven treats women and microfinance nexus. Conclusion and policy implications are provided in chapter eight.

CHAPTER TWO

CONCEPTS, RELATED LITERATURES AND THEORETICAL AND ANALYTICAL FRAMEWORKS

2.1 Concepts

Understanding of Empowerment: The concept of empowerment was the outcome of several important critiques and debates generated by women's movement throughout the world, and particularly in the Third World (Wickramasinghe, 2000).

The term empowerment is used to refer to self-reliance and self-respect in order to enable each person reach his/her God given potential (Cheston and Kuhn, 2002). According to Rowlands (1995), the definition of empowerment is bringing people on the outside of a decision process into it. It is also considered as the ability to obtain an income that enables participation in economic decision-making. Individuals become empowered when they obtain the right to control over material and non-material resources to determine choices in their life.

Empowerment is a process of change by which individuals or groups gain power and ability to take control over their lives. It involves increased well-being, access to resources, increased self-confidence, self-esteem and respect, increased participation in decision making and bargaining power and increased control over benefits, resources and own life (Kabeer, 2002). Empowerment process generally involves change at three broad levels: within the household, within the community, and at a broader institutional or policy level (Zafar, 2002).

Sustainable Livelihood: Sustainability is a widely utilized but problematic concept that recurs in discussions about human livelihoods. Sustainability means both the ability of the livelihood systems to deal with and recover from shocks and stresses, by means of coping or by adaptation, on which it depends on either to maintain or to enhance productivity over time (Ellis, 2000; Stephen and Simon, 2001).

Livelihood is means to a living. A livelihood comprises the capabilities, assets (natural, physical, human, financial and social capital), the activities, and the access to

these (mediated by institutions and social relations) that together determine the means of living gained by the individual or household (Chambers and Conway, 1992; Scoones 1998; Ellis, 2000). A livelihood is sustainable when it can cope with and recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base both now and in the future. (Scoones, 1998; www.tamarackcommunity.ca).

Sustainable livelihood is a normative concept can be defined as a capability to cope with stress and shocks and displays resilience when faced with adverse events (Ellis, 2000). It is analyzed through interaction of five livelihood indicators (contexts, assets, access modifiers, strategies and outcomes) which are termed as sustainable livelihood framework (Scoones, 1998).

Understanding of Microfinance: The meaning of microfinance is derived from its main characteristics and functions provided. It has been defined as the means by which poor people convert small sums of money into large lump sums (Mayoux, 2001). Thus, micro finance broadly refers to small scale financial services, primarily credit and savings provided to poor people who farm or fish or herd; who operate small enterprises or micro enterprises where goods are produced, recycled, repaired or sold; who provide services: who work for wage or commissions; who gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and groups at local levels of developing countries both rural and urban (Robinson,2001).

Furthermore, micro finance is not simply banking. It is a development tool that involves in provision of small loans for working capital, collateral substitute such as group collateral and secured saving products. Commonly the term microfinance refers to the provision of financial services to low-income clients; however, some micro financial organizations also provide insurance, social intermediation service such as group formation, development of self confidence, and training in financial literacy and management capabilities among member groups (Ledgerwood, 1999). Thus, the definition of micro finance extends to include both financial and social intermediation.

2.2 Related Literature Review

2. 2.1. Empowerment in Development Discourse

Understanding the 'concept of gender' is essential to our understanding of how development process affects men and women. Women hold a disadvantageous position in the development discourse and processes. In other words, they are not empowered in various situations. These will be explained in the following readings.

According to Williams *et.al.* (1994), the purpose of development is enlargement of people's basic choices. The three important concepts under these basic choices are equality of opportunities, sustainability of such opportunities and empowerment of people to participate in and benefit from development process. Thus, development had been entailed ensuring that women are equally the participants and beneficiaries in the development process. It is concerned with how fairly the benefits of development, income and economic power are distributed between men and women (Todaro and Smith, 2006).

Nevertheless, several literature evidenced that development processes, theories and practices were solely economic growth-oriented and men-centered in the 1950s. All benefits and fruits of development were geared towards men alone with the intention of 'trickle down'. Only men were considered as unit of development analysis and indispensable factors of economic change. In other words, development theorists were blind and ignorant of gender differences; 'gender roles' 'gender strategic needs' and 'gender practical needs' in their development assumptions, planning and practices. As a result, women were ignored to be seen as economic actors and an integral part of their population. Rather, they only were treated as mothers and 'special interest group'. In short, development processes, theories, and practices were economic-growth focused and men-based (Boserup, 2001).

This conceptual shortfall of development was not only curtailed at the level of development assumptions but also it precipitated in practices over the entire world. Evidences usually depict that though women constitute about half of the world's population and they also perform two-third of the world work, they earn one-tenth of the world income and own one-hundredth of the world's property. Moreover, they are

placed at various disadvantageous positions due to the flawed assumption of development theories, processes and practices. Still women are vulnerable to: violence at home, workplace and public places; exploitation, discrimination and marginalization, rampant abuse, regarded as negotiable property, and grouped as second class in the society. They also have less money, less education, less power, less represented in public life, less employment, lower status and lower self-esteem throughout the world (Williams *et.al*, 1994; UN, 1995; Tapan, 2006). This was also true for the situation of women in Africa and sub-Sahara Africa. They are still remaining with lower status that needs to be empowered (ECA, 1999a; Ahmed *et al.*, 2001). This displays the extent of how women are denied their right to own property (land), mobility, education, employment and have equal status with men at various decision structures and share the fruit of production both globally as well as regionally. In short it is possible to say that there is no country in the world where men and women are with complete equality.

Therefore one can see that flawed development assumption's repercussion was a huge disparity in economic, political, social positions and power relations between men and women. Consequently, development and changes could not have attained as much as they were to be desired. Rather it became stagnant, unproductive, disproportionate and diminishing process. Therefore, its continuity and sustainability felt under a question mark. This scenario was forcing the development planners, practitioners and theorists to examine and reevaluate their flawed understanding of development in the 1950s (Emiliana, 2001).

Gradually, in the late 1960s it was realized that women could play triple roles: reproductive role, productive role and community management role specifically in most developing countries. Despite their involvement as producers, procreators and mothers in the development process, women live under the conditions of poverty. Especially, for those who live in developing countries, the situation is worse due to limited access to power, education, training, productive resources, absence of employment opportunities, credit, land ownership, inheritance, lack of autonomy and modernization (UN, 2000; Sharma, 1997). This indicates that women were being left out of the development planning process. As a result, a number of programs were introduced for women. They were welfare-oriented and reinforced women's most

important contribution to development. Further, well-trained and healthy workers were recognized as an essential input for increasing productivity. As a result, education and health care became two important elements of development, though they were not inclusive. Only men were considered as workers in the process (Emiliana, 2001).

Therefore, a consensus on equality of opportunity for all people has become essential to the construction of just and democratic societies for the twenty-first century. The Platform for Action states that the 'eradication of poverty' based on sustainable economic growth, social development, environment protection and social justice requires the advancement and empowerment of women as prerequisites for achieving political, social, economic, cultural and environmental security among all peoples. To reach this it is essential to design effective, efficient and mutually reinforcing gender sensitive development policies and at all levels that will foster the empowerment and advancement of women (UN, 1996: IFAD, 2001). Otherwise, the strategic human development objectives such as economic growth, poverty reduction, population planning, and sound management of natural resources and the environment cannot be fully achieved (<http://www.adb.org/Documents/Policies/Gender/gender0200.asp-39k>)

As a result, public policies and investment that promote the development of women have become mandatory measures. Those is, increased investment in women and improve their access to financial services which enable them to contribute to household income and welfare and to produce a healthier, better educated, and literate workforce and provides sound human resources foundation on which to build the economy. It creates also an economic autonomy for women (FAO, 2005). Consequently, economic independence is called for by various theories to ensure the equality of women. For instance, the Second Wave Movement including liberal feminists denounces housework because it is basically unpaid. It insisted that such work devaluates women and makes them dependent on men since it is not within the sphere of public economic production (Friedan, 1963). Furthermore, feminists propose interventions to provide access to economic resources such as micro-credit as a stepping point to promote the empowerment of women in the economic, social and political arena (Solomon, 1999). As a result, micro finances are designed to poverty

reduction or promoting sustainable livelihood and empowering the poor by providing credits, particularly for women with group collateral.

In conclusion, the issues concerning women in the development process have been examined over the years. Even though the principle of equality between men and women is the basic concept of development, in reality it was not. Despite of their quantitative congruency, in all global, regional and country levels, women continued to be vulnerable for various violence, exploitation, discrimination, low literacy and living condition almost throughout the world. As a result, the desired development couldn't have been achieved. For this reason, recent development thinking has expressed its concern on how fairly the benefits of development, income and economic power distributed between men and women. To ensure this microfinance came to the surface as remedial action for previous mistakes.

2.2.2 Genesis of Micro-finance

It is noted that the formal sector does not respond to the credit needs of the poor and micro entrepreneurs' women in developing countries like Ethiopia for income generating activities (Bouman, 1984). Consequently, poor people will be inclined to use informal sources of finance such as family and friends, money and suppliers' credit (Gebrehiwot, 2002). Therefore, in order to bridge the gap between the formal and informal systems, the first microfinance, Grameen Bank (GB) was established in Bangladesh in 1983 (Khandker, 1998). It was started out as a small action research project to provide credit to landless and asset-less households using the principle of peer group monitoring to reduce lending risk. Grameen Bank of Bangladesh is the brainchild of Dr. Muhammad Yunus, an economics professor at Chittagong University and social scientist. What started out as a personal antipoverty experiment and a social revolution in 1976 became a fully-fledged bank in 1983. Since then it has continued to expand globally, particularly in developing countries (AEMFI, 2001).

These imply that, unlike conventional banks, MFIs work on the principle that the bank should go to the people. Conventional banks are based on the principle that the more you have, the more you can get, and if you don't have anything, you don't get any thing. The Microfinance has literally turned this principle around. The Microfinance institutions' principle is that the less you have, the higher the priority you get in receiving loans from the bank. If you have nothing, you get the highest priority (Robinson, 2001).

Lending Methodology: Group lending methodology is the sole lending approach of all microfinance institutions in Ethiopia. The rationale behind the group formation is their screening role and monitoring, enforcement and guarantor roles. It will be screened out in the process of self-selection at times of group formation. This methodology is very useful for identifying less likely people to repay the loans. The reasons are first, group members know each other well and they can identify if an applicant has prior commitment or dishonest behavior. Second, the group members are jointly liable for the repayment of default loans and even the entire group will be excluded from future loan if it fails to repay the default loans. Taking responsibilities

for the others is of course the core of the group methodology and it reduces the risk of the lending without collateral (AEMFI, 2002; Tebeje, 2007).

Microfinance Products: The provision of credit and saving products are the two important financial products delivered by all MFIs in Ethiopia. In general, one can divide the loan products of MFIs in Ethiopia into two categories. These are agricultural loans, petty trading and saving products. Agricultural loans are loans for agricultural input, livestock, bee-keeping, etc. Saving and insurance products provide additional protection to the lender by assuring the return of a loan in case a borrower becomes financially depleted. Saving services assist in building investment capital and consumption smoothing which reduce poverty. Savings are also effective weapons against economic shocks. They include; center savings, compulsory group savings, individual voluntary savings and institutional voluntary savings (Idir) (AEMFI, 2002). For Mayoux, microfinance services are seen in terms of four main dimensions: loans, savings, insurance and pensions (Mayoux, 2001). Furthermore, currently loan products and saving products at international level have developed into different forms. For instance, loan products are developed into individual collateral loans, loans-tied to savings, housing loans, educational loans, leasing loans, sanitation loans and disaster loans (Casuga, 2005).

2.2.3 The Role of Micro finance

Microfinance is an important tool to empower the poor. It provides them self-confidence, self-esteem and financial means to increase their income and access to social services (Baffeo *et.al*, 2000). Furthermore, microfinance is much more than simply an income generation tool. It has become one of the key driving mechanisms towards meeting the millennium development goals. Croos (2003) stated that there is a direct link between the microfinance and four of millennium development goals: eradicating extreme poverty and hunger; achieving universal education; and improve child mortality, maternal health and promoting gender equality and women's empowerment. These show that microfinance plays different roles in development process. This research has limited itself to assess micro finance as strategy for empowering women and sustainable livelihood.

2.2.3.1 Antipoverty Strategy: Vehicle for Sustainable Livelihood

Microfinance is considered by many governments in developing nations as a potential tool in reducing poverty (Casuga, 2005). After a less than successful experimentation with top down (trick-down) development policies over the last few decades to alleviate poverty in most developing countries, microfinance institution is now considered as a new paradigm for bringing about development and alleviating absolute poverty. Moreover, microfinance is emerging as a powerful tool to fight poverty and a means of building a financial system that serves the poor in low-income countries (Yaron, 1992). This implies that micro credit is a reducer of poverty on one hand and a builder of sustainable livelihood on the other.

According to Ellis and Borjorjee *et. al.*, the poverty level is a key criterion in the assessment of livelihoods based on level of income or consumption and inequality. Poverty studies illuminates that the capability of individual or household to construct livelihoods is determined by assets. Therefore, poverty reduction requires that particular attention is paid to the asset resources, and the activities that distinguish the poor from the other members of communities (Borjorjee *et.al.*, 2002; Ellis,2000). Furthermore, a well-being approach to poverty reduction and livelihood may allow the beneficiaries themselves to define the sustainable livelihood outcome criteria including; self-esteem, security, happiness, stress, vulnerability, power, exclusion as well as more conventionally measured material concerns (Chambers, 1995).

On top of the above, Yaron states that, when poor people have access to financial services, they can earn more, build their assets and cushion themselves against external shocks. Poor households use microfinance to improve from everyday survival to planning for the future; they invest in better nutrition, housing, health, and education with increased assistance from donors (Yaron, 1992). In addition, recent writing on livelihoods focuses on the nature and use of assets as key element to determining constraints and choices for raising living standards. Women's ownership and control over assets are, hence, a critical attribute of their livelihood capabilities. For example, in a rural and agricultural context, land is the fundamental asset. Nevertheless, in worldwide, women's ownership or access right to land is rarely firmly designed. Therefore, the inaccessibility of women to land ownership can be regarded as one of the most factors of gender inequalities (Ellis, 2000).

Furthermore, gender inequalities and gender differences also occur with respect to access to capital in conventional credit schemes since women were less able to supply the collateral against loans. Thus, group lending approaches that have been directed specifically to women have readdressed this (Ibid; 2000; FAO, 2005). Hence, micro finances can have significant role of building sustainable livelihood through their interventions.

In relation with interventions, there are two basic interventions that communities can pursue in their creating sustainable livelihoods. 'Practical intervention', that includes counseling and support for small business development, facilitates the efforts of low-income households to build their livelihood assets. On the contrary, 'strategic intervention' is directed toward the vulnerability contexts like organizing, alliance building, and advocacy (Murray and Mary, 2001). However, under this study 'practical intervention' through microfinance is pursued.

Thus, microfinance can potentially play protective role and reduce vulnerability by helping micro-entrepreneurs to diversify their sources of household income, increase their savings, expand their options for credit, and improve household money management, accumulate physical assets, strengthen women's role in economic decision making and self-insurance (Getaneh, 2005; World Bank, 1998).

2.2.3.2 Women's Empowerment

Micro-finances for women are currently promoted not only as a strategy for poverty reduction but also as women's empowerment (Results, 1997). The linking of micro-finance with women's empowerment is neither new, nor is it a Northern imposition. It was built on Bangladesh and India's development practices in the south. The problem of women's access to credit was given particular emphasis at the first International Women's conference in Mexico in 1975. Access to credit was seen as vital to women's ability to earn income, to wider their status and autonomy (Mayoux, 1997).

Furthermore, according to Schuler et al (cited in Rahman, 1999) micro finance may reduce domestic violence and lead to progressive social change through empowering women, increase their income and changing gender relations in the household and in the community. Micro finances are also powerful methods to deal the problems of

powerlessness building the self-confidence of the poor by providing a demonstration of trust in their clients (Rogaly and Johnson, 1997). Moreover, there is a global consensus that microfinance to the poor and women in particular, are important for both economic and social development. As a result, one cannot dispute the fact that there was a significant improvement in the quality of lives of the beneficiaries (Ledgerwood, 1999). Hence, microfinance could play paramount role in women's empowerment process to improve social relations.

As a result, micro finance, mainly targeting women and claiming empowering women to link with formal banks and mainstream development, have become popular among donor NGOs in recent years (Oxaal and Baden, 1997). In the same sprit, Hadi (2001) (cited in Kerbih, 2005) has vividly discussed the contribution of credit to women's empowerment. Additionally, Batliwala (1994) has noted that women can get access to the world knowledge that enables them to make new informed choices in their personal and public lives. Organizing into a collective united forum is helping women to arm with a new consciousness and growing strength that enable them to challenge their subordination status, to control their resources, to participating in decision-making with family, village and community (Kabeer, 2002).

As stated in Addis Kidan Church Gender Training Manual (AKC, unpublished), there are three prominent empowerment indicators: legal empowerment, political empowerment and economic empowerment. However, Kanyoro has added new elements of empowerment namely social empowerment and cultural empowerment. Further, Oakley who comes up with a notion of empowerment dimensions has added other new empowerment indicators: psychological empowerment and organizational empowerment (Kanyoro, 2001; Oakley, 2001).

Legal empowerment is concerned with the number of cases related to women's legal rights of divorced and widowed women and increase/decrease in violence against women heard in local courts and their results (AKC, Unpublished). Unlike legal, *political empowerment* is related with getting the women more effective power, which could be manifested through active vote, occupy elective posts, intervene in authorities, intervene in allocation of resources, participate as citizen in governance,

get shift in policies, the freedoms of expression and association; access to information (Oakley, 2001; Mukassa and Nije, 2001).

Regarding *social empowerment*, it is concerning with having greater equity of opportunities, access/use of services and higher social status. But in the context of this research, social empowerment is treated as group networks, trust, and respect from others. Concerning *cultural empowerment*, it is mainly connected with more acceptance of identity that displayed via voice and music, language recognition. *Psychological Empowerment* is concerned with: self-image and identity, acquiring knowledge of women. *Organizational empowerment* is related to: collective identity, establishing representative organization, and organizational leadership of women (Oakley, 2001). Nevertheless, this study has emphasized on economic empowerment.

Economic empowerment is aiming at making all potential women economically independent and self-reliant. Moreover, the level of economic empowerment can be depicted by enjoying equal rights of property rights; attainment of economic self-sufficiency; women's work participation; membership of women's organization; use of credit inputs, entrepreneurial skills and decision-making power in development. Therefore, the status of women in the society depends to a large extent on economic empowerment (Mukessa and Nije, 2001)

2.2.4 Women and Microfinance Nexus

Since women play important roles as producers of food, managers of natural resources, income earners, and caretakers of household food and nutrition security, giving them access to assetresources could increase families' welfare. That is, increasing assets that women control has a positive impact on the next generation, particularly on nutrition, education and health. Hence, empowering women is key factor to achieving food security by empowering through strengthening their asset bases or capitals (natural, physical, financial, human, financial and social) and providing the legal and institutional framework to guarantee their command over resources (Quisumbing and Menzen-Dick, 2001).

Therefore, financial capital, among others, is one of core microfinance services, which leads women to greater levels of economic independence and women's

empowerment by positively influencing women's decision-making power, and enhancing their overall socio-economic status. Furthermore, Mayoux (2001) and Goetz and Gupta (1996), state that woman's economic empowerment and asset-building resources process can start with strategies such as income generation through micro-credit. As result, assisting women generates a "multiplier effects that eagles the impact of the institution's activities" (Kabeer, 2005).

In sum, the gender dimension and subsequent relevant interventions of micro finance are crucial for improving livelihood sustainability, political, social, economic, cultural and environmental securities In turn, this also enhances the sustainability of microfinance which is the major challenges for all microfinance institutions. Sustainability manifests itself via operational self-sufficiency and financial self-sufficiency (Tebeje, 2007).

That is why MFIs currently constitute a key development intervention in many poor countries. Yet, albeit their considerable success, MFIs have many constraints limiting both their supply and demand in very poor countries like Ethiopia. Furthermore, Getaneh assesses the gaps in financial services in Ethiopia. He also sorts out the major problems that include organizational behaviors, incentive problems, distance, client's business absorptive, culture and the women's issue, microfinance policies, fraud, lack of adequate manpower, lack of management information system, weakness of group lending policy and lacks effective supervision of its implementation are the real treat for the industry (Getaneh;2005; Tebeje, 2007).

These above discussions illuminate that by putting financial resources only in the hands of women microfinance institutions may not able to play a significant role in the process of promoting women's living conditions. Hence, what is required is holistic empowerment approach or blending of activities that combines the delivery of credit with "soft" services in various spheres of women's life that address the dynamic and relational nature of poverty (Cheston and Kuhn, 2002). In a nutshell, an integrated approach, which is involving other aspects of development in microfinance projects is paramount important to improve a women's empowerment and their livelihood.

2.2.5 Women's Situation in Ethiopia

Ethiopian women are actively involved in all aspects of life of their society. Particularly, Ethiopian rural women are playing the major three roles-reproductive, productive and community management. But they are invisible due to the legal, structural and traditional division of labor. The patriarchy cultural structure is the main factor to masking the women's role (Tsion, 1994). As a result, Ethiopian women have not been able to equally benefit from the nation's wealth. That is, their contribution and participation in the economy have not been fully- valued (TGE, 1993).

Moreover, the gender issue in Ethiopia has been marginalized for long times. It gained recognition only sporadically due to pressure from different directions such as women's right movement and UN decade for women in the early 1970s. As a result some characterized Ethiopian society as patriarchal whereby women are inferior to men. Most of the time women are assigned for routine and laborious works like cooking, raising children and household caring. They are less encouraged to involve in decision-making structure and job opportunities such as ministerial, managerial, administrative and technical positions (Panos Ethiopia, 2005).

Besides to their lower status in public offices and household decision-making structure, women have less access to and control over resources, property ownership and employment opportunities. Quinsumbing and Maluccio as below manifest this truth;

In Ethiopia, total assets, including land and livestock, brought into a marriage by husbands averaged 4200 birr in 1997, while wives brought just fewer than 1000 Birr. These asymmetries in asset ownership persist throughout the lifecycle, closely mirroring those at the time of marriage and beginning a cycle of dependence and dominance that all too often to dominance abuse (Quinsumbing and Maluccio, 1999).

This shows that Ethiopian women bring far fewer assets into marriage. This aspect of gender profile is the most difficult to define in the context of development. It needs a lot of work to bring the desired change. Hence, the power relation between the two sexes was addressed seriously during communist regime for the first time in the country's history. For instances the land reform legislation gives equal opportunity to both women and men in the implementation process. It also established women's

affairs units in government offices such as Minister of labor and Social Affairs, the Minister of agriculture, Minister of Health and the Office of the National committee for central planning (Almaze, 1991).

Similarly, the recent Ethiopian government has formulated a national women's policy aiming at ensuring gender equality throughout the country. It provides enjoyment of their fruits on equal terms with men and the right to own property. The policy is also assumed to facilitate the conducive conditions for active women's participation in the political, social and economic life of their country via performing all public functions at all levels of public offices. The responsibility of translating this policy mainly lies on the shoulder of the government. Particularly, the Women's Affairs Office under the Prime Minister's Office is the machinery for enforcing the policy (TGE, 1993). Since October, 2005 Women's Affairs Office, that at ministry level, is responsible for this task (MoWAs, 2006).

These demonstrate that as Ethiopia moves into the twenty-first century, gender equality must be addressed as a primary concern. Women and men should have equal access to, and control over, productive assets. Economic capacities and incentives must be tunneled in ways, which affect supply response, resource allocation within the household, productivity, and welfare. That is gender becomes a critical mediating factor in distributing the benefits and costs of growth. Otherwise, gender-differentiation based practices on development processes and could have negative impact on the development of the Ethiopian economy. As a result, gender has become an important area of concern in national and sub-national economic development of current Ethiopia. Microfinance is considered as a pushing factor to empower the poor women and enable them to work to get out of poverty (Rao and Bavaiah, 2005).

Poverty in Ethiopia is a multi-dimensional problem. Owing to poverty's large scope and multiplicity of actors, there is no single and guaranteed approach to its eradication. The solutions to poverty are multifaceted as are its causes. But the poor in Ethiopia can be explained as the one who have low income, which leads to low investment, and which in turn leads to low productivity and income. The reason for this is access to institutional credit, which contributes to the increase in investment, is very limited in Ethiopia. As a result, the majority of the poor are accessing financial

services through informal channels, moneylenders, Iqub, Iddir, friends, relatives, traders, etc (Wolday, 2006).

Therefore, to address the financial need of the poor, countries have adopted micro finances which based on group collateral. Ethiopia is one of those countries that adopted credit on group- based collateral to reach the poor as entry point for the achievement of food security objectives (Getaneh, 2002). The emergency of informal institutions that specialized in the provision of micro finance service to the poor in the country is relatively recent. Most of the MFIs being young (established following the enactment, in 1996 of the licensing and supervision of micro financing instructions proclamation), there is substantial room for learning and improvement. Recently the industry has shown a remarkable growth in terms of outreach among poor rural households. Many of them are Grameen Bank type to the poor (Abdi, 2003).

Therefore, micro finance is currently enjoying wide spread acceptance as an anti-poverty and women's empowerment strategy in Ethiopia. It empowers and builds livelihood assets in stainable base for the poor women. It also provides confidence, self-esteem and financial means to them that increases their income and access to social services. Nevertheless, though microfinance can play important role in making the above interventions to realized, it is not panacea for poverty and gender equality. In other words, microfinance alone can't improve roads, housing, water supply, education and health services, self-confidence and self-image.

2.3 Theoretical and Analytical Frameworks

2.3.1 Theoretical Framework: Gender Perspectives

According to Tapan, the status of women has remained low since time immemorial. There is no recorded history as to how and why women got to receive such a secondary position in society (Tapan, 2006). Nevertheless for Engles, women are assumed to have inferior position due to the dismantled of communal mode of production and evolution of private property. This scenario changes a family into a patriarchal one where women are treated as the property of men and economically dependent (Engles, 1942).

Furthermore, all development theorists and planners did not address the fundamental issues and real pain of women. Based on this fact, women started questioning their roles in their societies and the discriminations they faced in the market and in the political arena. This situation led to a hostile relationship between men and women. As a result a social and political upheaval took place in the developed world in late 1960s. It paved the way for the emergency of women (in development) movement (Desta, 2007).

2.3.1.1 Women in Development

According to Tapan, the women's committees coined the term 'Women in development' (WID) in early 1970s for international development. It is traced back to the milieu of the second wave of feminism movement (Tapan, 2006). The WID was focused on integrating women into the development process and improving their conditions. But it did not address their subordinate role. On the other hand, it recognizes a need to involve women more actively in the planning and decision making processes, not just in implementation. Otherwise, sustainable development wouldn't be realized (Biseuar I, 2001 cited in Bahiru, 2002).

According to Moser, Woman in Development is the composition of distinct conceptual strands. The key strands in Women in Development (WID) approach are classified as Welfare, Antipoverty, Equity, Efficiency and Empowerment. Despite their shortcoming in terms of categorization, these approaches are very influential in ascertaining WID initiatives through the years (Moser, 1993).

The WID welfare approach is the oldest and still the most popular social development policy for women. It brought women into development as better mothers and as passive beneficiaries of development. It seeks to meet practical gender needs through the top-down handouts of food aid, measures against malnutrition and family planning. The anti-poverty approach is the second WID analysis introduced in the 1970s. Its purpose is ensuring that women increase their productivity. It also seeks to meet practical gender needs to earn an income through small-scale income generating projects (Moser, 1993). However, Anderson stated that the practical gender needs would meet if women are provided more employment opportunities and if the increase women's capacity for self-determination (Anderson, 1992).

The equity approach recognizes that women are active participants in the development process through their productive and reproductive roles. It is the original idea of WID. Equity approach assumes that the strategic needs could be met by means of development with equity (Moser, 1993). The empowerment approach is the recent approach. Developing countries' women articulated it. Its objective is to empower women through greater self-reliance and self-esteem. It also recognizes the triple role of women. This approach requires meeting strategic needs through bottom-up mobilization around practical gender needs. Besides to this, Anderson added that the empowerment approaches centered on equity of men and women in development processes (Anderson, 1992).

Further, the WID approach was fruitful in exposing the wrong ideology of development that resulted in severe discrimination and disadvantage towards women in developmental practice. Thus, the facilitation of an international dialogue on issues concerning women and development is the greatest achievement of the WID movement (Wickramasinghe, 2000).

All these explanations point to the fact that the policy approach towards women in the development has shifted over years. The shift has brought changes in macro-economic development policies. As a result many agencies and organizations adopted a 'Women in Development' approach where 'efficiency' was perceived as the key element in overcoming poverty. Eventually, however, this directly increased women's workload without recognizing their multiple roles (Biseuar I., 2001 cited in Bahiru, 2002).

In recent years using the term 'gender' rather than women as a base of analysis and understanding is stressed. In this analysis, it is looked into how women and men define their roles, how it should be dealt to redress and consider systematically their different roles as they engage in, and are affected by, development activities. This is a great shift from the purely economic to social variables, and to analyzing gender issues in a development. Hence, 'Women in Development' evolved into 'Gender and Development' in order to remove its drawbacks. In other words, GAD is emerged as more powerful and stronger than WID in its gender dimension analysis in development process (Wickramasinghe, 2000).

Gender and development rebukes the centrality of women's roles as fundamental to development. In this regard, development is seen as having at its core a commitment to breaking down the structures of gender inequality and subordination. It enables the women to come up with their own vision as full and equal participants of their own development. Thus, development is seen as a social reformation to foster women's self-definition and to spell out the strategies of self-actualization and empowerment (Desta, 2007).

2.3.1.2 Gender Mainstreaming

Although the principle of equality of men and women was recognized in both the UN charter in 1945 and the UN declaration of Human Rights in 1948; the majority of development planners and workers did not fully address women's position in the development process. As a result, gender inequality is very evident in relation to sharing the world's material goods and remunerations (Tapan, 2006). This implies that women have less right to property ownership and usually run after their counterparts, men.

Therefore, recognition of the need to improve the status of women and to promote their potential role in development has not only become an issue of human rights or social justice but also crucial to achieving sustainable development. Research from around the world has shown that gender inequality tends to slow down economic growth and make the rise from poverty more difficult. Thus, gender mainstreaming is adopted by the Beijing UN conference on women as a strategy to bring about gender

equality. It has become an international phenomenon that is emerging in development policies. The concept of bringing gender issues into the mainstream of society was clearly established as global strategy for promoting gender equality in the platform for action. Its ultimate goal is to achieve gender equality in all political, economic and social spheres. It recognizes gender potential of both men and women and identifying constraints that each faces in all of an agency's policies, strategies, administrative and financial activities at every level (UN, 1995).

These indicate that mainstreaming includes gender specific activities and affirmative action, where women or men are in a particular disadvantageous position. Gender-specific intervention can target women exclusively, men and women together, or only men, to enable them to participate in and benefit equally from development efforts. These are necessary measures designed to combat the direct and the indirect consequences of past discrimination.

Moreover, mainstreaming is not adding only “women’s component” or even a “gender equality component” into an existing activity. But it goes beyond increasing women’s participation that brings the experience, knowledge, and interests of women and men to bear on the development agenda. It may entail identifying the need for changes in that agenda. It may also require changes in goals, strategies and actions so that both women and men can influence, participate in, and benefit from development processes (Yigremew, unpublished). The goal of mainstreaming gender equality is, thus, the transformation of unequal social and institutional structures into equal and just structure for both men and women. As a result, promoting gender equality and empowering women has become the third Millennium Development Goal. Empowering women is a central component to the overall mission of MDGs to reduce poverty and stimulate economic growth (MoFED, 2004).

2.3.2 Analytical Framework

Analytical framework is derived from theory and identifies the concepts that are included in the complex phenomena and show their relationship. It can be explained either graphically or in narrative form. Graphical form that adopted from Scoones (1998) and Degefa (2005) is applied under this research. Credit affects empowerment and sustainable livelihood through their services.

2.3.2.1 Empowerment Framework

To investigate problems, needs, positions, conditions and privileges of women in the society under the various scenarios require gender analysis frameworks. The women’s empowerment framework is employed under this research to analyze empowerment at individual level. This framework involves various facts that include

welfare, access, conscientisation, mobilization and control. These are ordered in ascending hierarchy (Williams *et.al*, 1994).

The first level, *welfare*, is mainly related with the material welfare benefits of women such as nutritional status, food supply and income. However, the entire issues of gender gaps cannot take place at the welfare level, rather it will entail increased access to resources. *Access* to resources, the second level, is the direct factor, which raises gender inequality even at welfare level. Women's lower productivity stems from their restricted access to resources (land, credit, and services) in the society. As a result, relative to men, women have less access to: education and wage employment; service and training; time to invest in her advancement and lower utilization of opportunities. However, to overcome obstacles to access, they must include the higher level, conscientisation in their struggle (Wickramasinghe, 2000, AKC, unpublished).

At the level of conscientisation, the third level, women require their sensitizing and recognizing that subordination and discrimination are socially constructed and can be altered. Hence, conscientisation involves women's refusal to accept and internalize oppression, but instead to recognize themselves as equal human beings, with equal rights and entitlements. But an individual woman in the home cannot make progress in challenging traditional assumptions. Mobilization is required as means towards conscientisation. *Mobilization*, the fourth level, prevails when women get together and are able to collectively discuss and raise their consciousness on gender issues and analyze the burden of labor put upon them, the discriminatory practices and the male domination on decision-making. However, to take collective action, women need be able to exert direct control over distribution of resources and benefits (Williams et al, 1994; AKC, unpublished).

Control, the fifth level of empowerment, is gender equality in decision-making. Equality control is the direct outcome of conscientization and mobilization. It enables them to improve their families' welfare and exercising power to end all discriminatory practices. In conclusion, empowerment is the summation of welfare, access, conscientisation, mobilization and control. These are necessary conditions of women's

empowerment process. In other words, empowerment is the final product of all these processes and practices (Ibid).

However, under this research women's empowerment is explained in the sense of community participation in terms of different meetings, and elections as byproduct of economic empowerment through credit. Hence, this study uses more qualitative empowerment indicators such as the degree of women's awareness to local politics, the perception of women that they are becoming more aware and the ability of women to make decisions independent of men in their households. These can be summarized as decision making on credit, loan purpose, and socio-economic activities, attendance and participation in women's association meetings and training, building self-esteem and confidence and trust/social capital and changes in social position.

2.3.2.2 Sustainable Livelihood Framework

Sustainable livelihood framework is a holistic, asset-based framework for understanding poverty and the working of rural poverty reduction. The distinctiveness of the sustainable livelihood approach is the attention it gives to contextual and institutional settings, capital resources, and livelihood strategies. It also points out the need to building the assets of individuals and households. Moreover, this asset-access-activities framework is iterative and is a process unfolding over time for individuals, households, and communities (UK-DFID, 1999; Stephen and Simon, 2001; Ellis, 2000). This study is restricted to analyze the fields of equity, intra-household issues and gender.

Context/Settings: The settings in which livelihoods constructed are crucial part of the sustainable livelihood analysis. The main notions in the analysis of livelihood resources and contexts are access, trade-off, trends and shocks (Scoones, 1998). Under this study access to asset resources such as micro credit, land, housing, social ties by women is assessed. And the trade-off taking place among different livelihood strategies-coping strategies such as selling crops and animal products, taking credit, land rent out, eating less or inferior foods at time of difficulties.

Trends and Shocks- Trends are prevailed in terms of availability of different types of livelihoods resources. Trends can be understood as lack of access to credit, lack of

pastoral land, and lack of agricultural inputs and voicelessness. Shocks represent a particular challenge to livelihood sustainability. Shocks can be individual as well as social in scope. Events such as food shortage, pests, and lack of rain, loss of access to rights to land; accident, sudden illness, death, and abandonment are all shocks with immediate effects on the livelihood viability of the individuals and households to whom they occur (Stephen and Simon, 2001).

Asset Resources: Assets are resources owned, controlled, and claimed to access by the individual and the household who needed to cope with stresses and shocks, and to maintain and enhance capabilities now and in the future (Ellis, 2000; www.tamarackcommunity.ca). Resource assets (natural, physical, financial, social and human) that contribute to a sustainable livelihood are interdependent (Lipton pers. Comm. cited in Scoones, 1998). The conceptual understanding of each capital will be elaborated in following paragraphs.

Natural Capital comprises the land, water, and biological resources that are utilized by people to generate means of survival. Whereas *physical capital* is produced goods comprising building, irrigation canals, roads, power lines, water supplies, tools, machines, technologies and housing that are created by economic production processes. *Financial capital* refers to stock of money to which the household has access. It is chiefly likely to be cash, savings, and access to credit in the form of loans. Further, *human capita* is demographic such as gender structures, the body of education, skills, knowledge, ability to and good health and physical capability important for the successful pursuit of different livelihood strategies. So, human capital refers to the available to the household; its education, skills and health that is enhanced by investment in education, training and pursuing one or more occupations (Scoones, 1998; Ellis, 2000; Stephen and Simon, 2001).

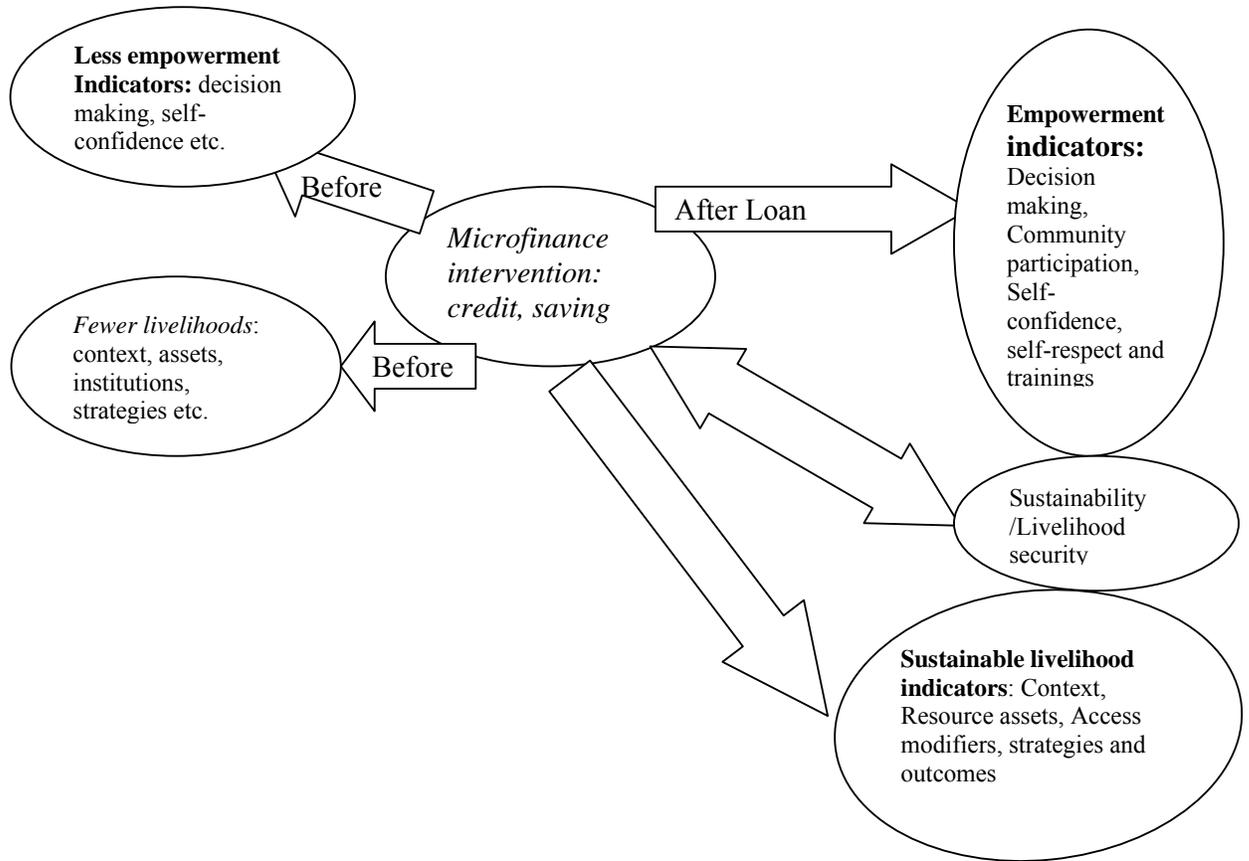
Social capital is the social resources (social networks, social claims, social relations, affiliations, associations more generally; and consensual norms and relationships of legitimate authority) upon which people draw when pursuing different livelihood strategies (Scoones, 1998; Ellis, 2000; Stephen and Simon, 2001). Therefore, the options open to women and their household are determined largely by their asset status with respect to land, physical assets, education, social networks (group

relations), and financial capital (Ellis, 2000). As a result, women can acquire and enhance these resources through access to microfinance institutions.

Mediation Processes: In a livelihood approach, institutional arrangements (rules of the game) and organizational forms (player of the game) play a critical role, since they determine the access of livelihood resources. For instance, credit policies for livelihoods may focus on broader loan strategies with reinvestment route according to rural people's own objectives. Therefore, interrelationship between assets, mediating processes, and livelihood activities is unfolding over time. All in all, institutions really matter for the policy and practice of development for sustainable livelihoods (Scoones, 1998; Ellis, 2000; North, 1990). Here institutions are related with credit policies and procedures, client selection criteria of micro institutions while organization is related with kebele and woreda administrations and MFIs.

Livelihood Strategies: These are the planned activities women undertake to build their livelihood. They include coping strategies designed to respond to shocks in the short-term, and adaptive strategies designed to improve circumstances in the long-term (Binayak, 2007). There are three identified broad clusters of livelihood strategies. These are: agricultural intensification/ extensification, and livelihood diversification and migration (Ellis, 2000). In this study agricultural intensification/ extensification and income diversification would be considered.

Livelihood Outcomes: These are the results of women's livelihood strategies such as food security, poverty reduction, positive attitude, autonomous, self-esteem and happiness. Whereas on the contrary, resource poor-livelihood outcomes resulted in lack of confidence, food insecurity, powerlessness, stress, exclusion, poverty, hunger (Binayake, 2007; Stephen and Simon, 2001). In this study, livelihood and food securities, and children's school would be considered as desired outcomes while livelihood insecurity, food insecurity and children dropout would be taken as undesired outcomes.



Sustainable livelihood indicators: Context, Resource assets, Access modifiers, strategies and outcomes

CHAPTER THREE

DESCRIPTION OF THE STUDY AREA AND RESEARCH METHODOLOGY

The research methodology was designed in line with the questions to be answered and information needed. In other words, the choice of research methodology was mainly based on factors related to the nature of the research topic, type of information sought, the perception of reality and the availability of resources on theoretical and methodological principles. Hence, the control group method or before and after method was used as a general research approach under this study.

The control group method is the most widely used approach in the field of micro credit impact assessment. The method entails a before and after contrast of the population that participated in the credit program and an identical population that didn't participate in the program (Kerebih, 2005). However, apart from its ethical issue for the researcher, this technique is condemned for its assortment partiality; difficulties in finding a location at which the control group physical and social environment matches that of the treatment group; the control group may be infected by contact with the treatment group; getting any interference may result in a short term positive responses from the treatment group; inaccuracy of essential casual associations (Hulme, 2000; Mosley, 1997; and Rogaly and Johnson, 1997). Despite of these weak points, the control group technique is favored for microfinance impact evaluation by many practitioners. The possible alternatives suggested for the above tribulations by Hulme (2000), Mosley (1997) and Rogaly and Johnson (1997) as follows:

Using new clients as control group and use retrospective deep interview; Using prospective borrowers who have been approved for loan but have yet not borrowed as control group and mix of quantitative and qualitative data; and Using multiple regression analysis to assess changes in a specified dependent variable produced by change in specified independent variable.

Furthermore, in assessing the impact of microfinance institutions in Ethiopia, for instance, Bamlaku, (2004) and Asmelash, (2003) (cited in Kerebih, 2005) used clients one year and less (new clients) as control group and frequent clients as treatment group. However, the degree of exactness desired, objectives of the research, cost, time, etc, determine the types of sampling design to be adopted (OSSREA, 2001). As a result, in this research before and after method was used without making a

distinction among clients based on stayed in OCSSCO. In other words, all respondents were treated as controlled and treatment group. They are treated as controlled group when they are asked questions related with lives before they joined OCSSCO retrospectively while they are treated as treatment group when asked the same question related with their lives after they joined OCSSCO. Then comparison is made between the two responses for the same question by the same respondent.

3.1 Description of the Region and Study Area

3.1.1 Brief Description of the Region

The Oromia National Regional State has area of 353, 006.81 square km, which accounts for 32% of the total land size of the country. According to the Statistical Abstract of 2007 the population of Oromia is estimated to be 28,067,000 out of which the women accounted to 14,253,310. Out of total population of the region about 86% resides in the rural parts of the region (CSA, 2008). The total fertility rate ranges from 4.8% to 6.3%. This signifies that the region is among those regions with galloping population growth rates in the country. Moreover, the average household sizes in the region are 4.9 and 4.5 in the rural and urban areas respectively. Currently the region is divided into 12 administrative zone and 180 “woredas” (districts). Arsi and Hetosa are among the 12 zones and 180 districts respectively (CSA, 2008).

The climate of the region ranges from “qolla” (hot lowlands) to “dega” (temperate highlands) with an average temperature of 19⁰c. The minimum and maximum temperatures of the region are 10⁰c and 30⁰c, respectively. The region gets an annual rainfall of 400to 2400mm on average. Agriculture is the backbone economic activity of the region which accounts about 50% of the GDP and 90% of the exports of the region. The economic dependency ratio is about 56% (Ibid; 2008).

3.1.2 Description of the Study Area

Location and area size: Hetosa, one of the 180 woredas in Oromya regional state in Arisi zone. It is located to east Addis Ababa and at the north of Arsi zone. The woreda is bounded by Dudotano-sire, Lodo-e-hitosa, Digeluma-tijo, Tiyo and Ziway-gololcha woredas in North, East, South and West respectively. The total area of the woreda is 1215.47sq.m² (5.12% of the total area of the zone) (CSA, 2008).

Population: The woreda is inhabited by 262,687 people of which 132,025 are female and the remaining 130,662 are male. Of the total population, 236,418.30 (90% percent) were rural population. It has a population density of 216.10 per sq.m², which makes the woreda relatively densely populated. The number of the household of the woreda is 197,015 with nearly 4.07 household sizes. Among these households 90% are from rural parts and the remaining are urban dwellers (Woreda Adimin., 2000 EC, unpublished; CSA, 2008).

Administrative division: Administratively, the woreda is divided into twenty five (25) kebeles of which 23 are rural kebeles (PAs). The capital city of the woreda is Iteya. Its distance from Addis Ababa (Finifine) and Adama is 50 and 150 kilo meters respectively.

Climate condition: Climatically, the district is divided into three agro-climate zones including Dega (temperate highlands) (20%), Woinadega (temperate) (48%) and Kola (hot lowlands) (32%), with a mean monthly temperature range from 9.2⁰c to 22.3⁰c. The study area lies between 1700f and 4000f above sea level. The woreda experienced average rainfall between 94.2ml and 800ml (Woreda Agricultural, 2007, unpublished; CSA, 2008).

Economic Activities: Mixed agriculture is the mainstay livelihood system of population.

3.2 Why are Hitosa Woreda and OCSSCO Chosen?

The main reasons to select the were the following;

- The researcher was familiar with the area due to field work while he was working in EECMY-Etoto Evangelical Mekane Yesus as finance head from 1999 to 2000. He went there to train the outreach workers in accountancy and administrative issues. This familiarity helped me to select the areas based on the criteria of proximity which made the researcher cost effective in terms of financial, personnel and logistic.
- The researcher assumed that the area was new researchable related to study topic.

- The researcher found it was appropriate for rural and the specialized study area.
- Devoted collaboration of head office authorities and staffs was also attracted and encouraged the researcher to carry out his study in the area and OCSSCO.

3.3 Research Methods

In order to acquire the best results, the researcher used the way of triangulation. A combination of both qualitative as well as quantitative method was employed in this research. While more emphasis was given to the qualitative method, quantitative analysis was also used as supplement to the former approach. The researcher believes that using these two methods simultaneously enables him to tackle the research problem under study. According to Tashakkori and Teddlie (1998) (cited in Degefa, 2005), the use of multiple methods can abandon some of the drawback of certain methods; since both qualitative and quantitative methods have their own innate weakness.

Mixing different methods can strengthen a study; it will be a great advantage when the findings of one are corroborated by the other (Creswell et al. 2003; cited in Degefa, 2005). A complex social phenomena are best understood through different methods; some phenomena have multi-dimensions and have linkage with a range of variables, the understanding of which should be based on a mix of divers method (ibid; 2005).

This shows that the blending of the two techniques is more effective data collecting method than independent. Furthermore, in doing this research various data collecting instruments such as household survey, focus group discussion, direct observation, key informant, case studies and secondary data were employed.

3.3.1 Qualitative Method

Qualitative methods are usually employed for deeply rooted studies that attempt to interpret social reality (Roger and Nall, 2003). Qualitative analysis is believed to provide an appropriate understanding of the gender issue. Beside, feminists have used qualitative research method in order to make women's diverse voices and experiences heard (Jane and Lewis, 2003). Qualitative data is also consist of a range of behavioral traits such as belief, customs, values, knowledge and experiences and resultant structures, which cannot be accounted for in numerical terms. Such kinds of data are recollected when attitudes, beliefs, knowledge, and perceptions of the target population must be known (Degefa, 2005).

In accordance with the above, this research mainly focused on qualitative method by assessing the areas and extent of empowerment and sustainable livelihood resulting from the intervention of microfinance and also identifying the challenges and

problems faced by the clients in the undertaking. In this regard, the participatory tool that includes, focused group discussion, key informant interview, direct observation and case studies, has been used for the purpose.

I. Focused group discussions

Focus group discussion allows for a dialogue among participants and stimulates them to openly express their views on the issues raised. Since questions are directed to the group as opposed to the individual, the dialogue has its own peculiar flow (Roger and Nail, 2003). Rather than being a simple question-answer type, the discussion tends to grasp information regarding the ideas and opinion of the group towards an issue (Jane and Lewis, 2003). To fulfill the aforementioned objective, a discussion is initiated on given topic among the members under the guidance of a facilitator.

In this study, four focus group discussions were conducted with 24 women that are clients of OCSSCO using semi-structure interview. The discussions were moderated by the researcher. The focus groups were consisting of clients from different centers and groups as married women FGD, community participation FGD, economic opportunities FGD and general FGD. The participants were selected and discussions arranged by staff of the institution that have direct contact with the clients and are able to identify those that provide more information. The participants that involved were representative from different age groups and economic strata. Media of instruction were in both Amharic and Oromifa.

The focus group discussions lasted one hour to one hour and fifteen minutes. The information obtained was generally valuable. The ideas raised, the dialogue held and the cooperativeness of the participants was also very much appreciable. Although some appear to be shy and a few attempted to dominate the discussions, the moderator managed the sessions well.

II. Key informant interview:

Key informants are people who did have particular insight opinion about the topic under study. They are experts and authorities those in power or officials. These key persons were determined based on who could provide information pertinent to the topic under study. This method was carried out to obtain basic information on

community and organizational profile. The informants were selected from kebeles and woreda administration officials and micro finance officials.

III. Direct observation:

Physical structure, social difference, behaviors and actions of observations were undertaken by attending events and visiting clients such as bazaar, case study's interview and respective offices. This method was used during the research period to get better understanding of the community's relationship, interactions, formal and informal institutions, social sanctions, un written customary laws, cultural practices and traditional knowledge in relation to the research topic. It was used to prove relevant information or raising core questions.

IV. Case Studies

Case study is a qualitative research technique that allows for a person-to-person discussion. Such discussion provides the opportunity to have a deeper understanding of a person's belief, feelings, and behaviors on important issues. Since the interviews are unstructured, they allow for inducing the interviewee to talk intensely about the topic at hand (Jane and Lewis, 2003).

Accordingly, it was used in addition to above mentioned methods in order to obtain more information from the respondents. This method is believed to provide more accurate information as the respondents appear to be more open to discuss issue during a one-to-one interview as compared to group discussions. The questions raised during the interview deal with issues such as economic decision-making, socio-cultural empowerment etc.

It was conducted with five selected women clients who were nominated by the staff based on their skill to narrate their life experience before and after they joined OCSSCO in Amharic. The researcher explained the objective of the research work to the respondents prior to the interview. The interview on average lasted from 45 minutes to an hour and half. The interviews conducted have been tape recorded. The privacy and confidentiality of the respondents was kept both during the interview and in the compiled reports.

3.3.2 Quantitative Method

In this research quantitative method was also used to generate empirical data. Quantitative data refers to measurable and countable demographic and economic characteristics of the household (Degefa, 2005). Such kind of data was drawn via household survey and from secondary data documents.

Household survey: The household survey was carried out to generate quantitative data pertaining to the topic under study. The survey also helped the researcher to generate social and demographic data. According to Fink (1995) (cited in (Degefa,2005), survey is a way of producing information to describe, compare, and predict attitudes, opinions, values, and behavior based on what people say or see and what is contained in records about them and their activities.

This method was used to identify different dimensions of the objectives of the thesis. Standardized semi-structured questionnaire were developed that include items like source and level of income, living condition, saving and credits, business activities, participation, and decision making capacity of women clients in their lives, household and community. Both closed and open-ended questions were employed.

3.4 The Subjects of the Study

OCSSCO has currently 4582 clients, out of which 1065 (23.24 percent) are women in Hitosa woreda. The subjects of the study were total number of women, who were members of the OCSSCO program and living in rural and semi-urban areas. The respondents of the study were purposefully selected to be entirely women. This was made in order to get information from their own experience regarding the effects of microfinance in their empowerment and sustainable livelihood in different circumstances.

3.5 Sampling Technique

For various reasons such as time, cost and energy, census for all clients was impossible. Hence, sampling technique was employed to select the sample population that to be treated as both controlled and treatment groups. Accordingly, 120 clients from the total of 1065 were selected through simple random sampling procedure. Based on this, the researcher adopted a simple mathematical formula that suggested by Taro Yemane (1970) (cited in Meron,2007) for determining sample size.

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

Where, N is the total OCSSCO women clients
e is the error or confidence level

Even though the common confidence level is 95 percent, the researcher adjusted it to the level of confidence of 92.24% due to small size of the population. Based on this, the error term was estimated or adjusted to 0.086. Using the total population of 1065 and error margin of 0.086, the sample size was calculated as follows.

$$n = \frac{1065}{1 + 1065 (.086)^2}$$

$$n = \frac{1065}{1 + 1065 \times 0.007396} = 119.99 \approx 120$$

With the objective of obtaining accurate quantitative information, a semi-structured questionnaire was developed for the total of 120 respondents. The questionnaire was translated from English into Amharic. But the majority of the respondents were illiterate and Oromos. Hence, five assistants were recruited to translate into local language (Oromiffa) and explain the questions and fill out the questionnaire on their behalf. Only 100 women were surveyed successfully due to various reasons such as shortage of time, sickness of the respondents and death of the respondent in some cases, some were in hurry and busy. This was also the negative effect of MFI services on women that resulted in work overload. Hence, replacement was done for some but it was impossible for all failures due to above stated reasons.

3.6 Data Collection

The data used for the research were collected by the researcher and five well oriented enumerators. That is, household survey interview was conducted by the enumerators, who are the staff of the OCSSCO. This was done for convenience of identifying the clients' home or to meet the candidates at their monthly center saving date. Before launching the survey, the enumerators were given proper orientation and training on the objective of the research and the content and detailed explanation on the ways of filling each questionnaire. The field work took ten weeks with frequent travel that depended on candidates' saving date.

3.7 Secondary Materials and Documents:

The secondary data was collected from various sources like the existing policies of micro- finances, relevant literatures, annual reports, statistics, archives, files, manuals. These materials and documents were employed during the research process. Relevant

research literatures such as books, articles, internets, journals, and magazines on issues and contribution of micro finance on women's empowerment and sustainable livelihood were reviewed. They helped the researcher in developing the background information, to observe the existing trends and policy issues in relation to the research topic.

3.8 Method of Data Analysis:

The analysis process was done based on research objectives, questions and theoretical concepts that are highlighted in the analytical framework. Roger and Nall (2003), states that the data should be completed before leaving the field and additional required notes also to be included.

Hence, data editing task was conducted in the field. Furthermore, unsoiled data set were used for the analysis.

The tape recording of both the case studies, key informants and focus group discussion was initially transcribed. The researcher then read the transcripts and the notes by using interpretative reading. Jennifer (2005), states that there are literal, interpretative and reflexive readings of the data. Interpretative reading involves constructing and documenting what the data mean or represent was used in this study to describe and explain the phenomenon being studied from the data.

After reading the transcripts, the main concepts were categorized and an index constructed which contain broad themes like empowerment indicators and sustainable livelihood indicators. In turn these were divided into sub-themes such as decision-making and income changes. Each category was then labeled using appropriate headings. Finally, the major findings under each topic and sub-topic were analyzed, interpreted and conclusion and policy implications drawn. With regard to the quantitative analysis, SPSS version 12 software was employed for the data entry and calculating percentage values. Then result of the data were analyzed and interpreted.

CHAPTER FOUR

BACKGROUND CHARACTERISTICS OF OCSSCO AND THE STUDY POPULATION

4.1 Description of OCSSCO and Its Program

Formation of OCSSCO: - Oromia Credit and Saving Share Company (OCSSCO) is a micro finance institution operating in Oromia National Regional State (ONRS). It was initiated in June 1995 as a project under Oromo Self Help Organization (OSHO). OCSSCO is a transformation of Oromia Rural Credit and Saving Schemes Development Project (ORCSDP) that was organized and operated under OSHO. The scheme was transformed into the company on August 4, 1997 under the proclamation No. 40/96 issued for licensing and supervision of business of microfinance. OCSSCO has been providing resources to poor people who otherwise have no access to financial services through the provision of financial services and has contributed to the national development endeavor (OCSSCO, 2007).

OCSSCO was established by five shareholders as a share company. These shareholders are Oromia National Regional State (ONRS), Oromia Development Association (ODA), Oromia Self-Help Organization (OSHO), Dinsho PLC and Ato Alemayehu Atomsa. OCSSCO had commenced its formal operational activities with head office in Addis Ababa and four branch offices namely Kuyyu, Shashemene, Hitosa and Sinana Dinsho in 1997. Then onward it has been working in the region with 180 branch offices and 64 satellite offices in 2007 (Ibid;2007).

Growth: - OCSSCO has undergone a remarkable journey by expanding from 1529 in the 1997 to 253,345 loan clients in 2007. The amount of loan disbursed since the establishment of the company in the year 1997 grew from Birr 815,926 to Birr 363,714,494 in 2007. Annual saving mobilization has grown from Birr 1,200,000.00 in the year 1998 to Birr 68, 378, 374 in year 2007 (OCSSCO, 2007).

Vision and Values: - OCSSCO has the vision to enhance the livelihood and resources of poor households of Oromia and become a model micro financé institution in Africa.

Its mission is to provide need-based financial services that strengthen the economic base of the low-income rural and urban active poor through increased access to financial services. OCSSCO (2007) has carried out its day-to-day activities with the following operational values and philosophies:

- Trustworthiness and zero tolerance for fraud and embezzlement
- No tolerance for delinquency.
- Regular and intensive monitoring and follow-up of credit and saving operations.
- Encouragement of regional and branch offices' participation.
- Commitment to excellence and quality operations.
- Dedication to clients' need satisfaction and efficient services
- Effective and efficient management
- Hard working and completeness
- Attain significant outreach and financial self-sufficiency

Goals and Objectives: - OCSSCO has attainable goals and objectives. The overall goal of the company is to access the need based and sustainable micro financial services through cost efficient methodologies. It works to strengthen the economic base of the low-income and economically active people in the region. It also works to create self-employment in the attempt of poverty reduction. OCSSCO also has an objective of poverty alleviation through provision of financial services [i.e. saving, credit and micro-insurance facilities and advisory services] to the poor. That is enhancing target groups income through increasing their generating capacity. Additionally, it has a long-term objective of improving and strengthening household's asset base through which sustainable economic development is achieved. According to (OCSSCO,2002), the key objectives of the company are:

- Accessing ranges of credit or micro financial services, which can meet clients need.
- Providing flexible saving services that respond to clients' needs.
- Increasing portfolio and outreach by diversifying the existing services in the potential areas of the region.
- Improving portfolio quality and reduce portfolio at risk as much as possible.
- Improving the working capacity of the company at all layers.
- Enhancing company's operational and financial sustainability.

OCSSCO is playing significant role in serving the poor that constitute half of the country's population. The poor is denied access to financial services for many reasons such as, high collateral requirement, intrinsic banking procedures and banks desire to work with the rich. Thus, it is established as a micro financing institution to fill the

gap created as result of the above reasons. Moreover, it has been active in both rural and urban areas of Oromia. But OCSSCO is largely operating in rural areas to support agriculture-led development effort of the government (OCSSCO, 2007).

Services and Expected impacts: OCSSCO is delivering the service to the poor using group guarantee mechanisms [peer pressure] that do not require material collateral. Delivering loan to the poor through peer pressure requires only good character. The possible expected impacts are:

- Increasing income and ensuring household food security
- Promoting saving culture
- Alleviating poverty and restoring self-reliance
- Improving social status of the poor

Thus, to achieve the stated above expected impacts, OCSSCO provides three major services to the poor. These services are credit, saving and micro- insurance. It delivers the credit with some norms. The main norms of the credit are loan size and loan terms.

Loan size: is the amount of money that clients are eligible to take as loan in each loan cycle. OCSSCO’s average loan size for the first loan period is 1000 Birr. However, this loan is subject to change every year if a loaner continues as a client with OCSSCO. This shows that start new clients always with the first average loan amount (1000 birr) and pass to the higher loan size after they settled the first loan. The maximum loan size (5000) was sated by NBE by 40/96 proclamation (AEMFI,2008). This loan size hierarchy is depicted in the table 4.1 below:

Table 4.1 Loan size provided by OCSSCO

Loan Cycle	Loan size in Birr (average)
1 st	1000
2 nd	1200
3 rd	1500
4 th	1800
5 th	2000
nth	≤5000

Source: OCSSCO operation manual, 2002

But this does not mean that every client receives the average loan when the client needs. On the contrary, OCSSCO delivers its loan on actual enterprise demand/ business plan.

Loan Terms: In relation to loan terms, they are established at different levels for different activities with maximum loan period being one year i.e. loans are extended for a maximum duration of 12 months. Loan terms are related with maturity of enterprise for which loan is used. Agricultural loans are given for a period of one production cycle and paid back at once at the end of that production period. The other activity for which micro loan is extended is petty trade. This type of trade as the term indicates that it involvement in turnover activities. That is buying and selling activities in which benefits or profits can be obtained. As a policy, repayment for petty trade is planned to be installment base. But in actual fact it will be advantageous to use paying as client earns. Paying installment based has good advantage of reducing interest expense and risk of default for both clients and OCSSCO respectively. The main loan term types are elicited in following table 4.2.

Table 4.2 Loan terms provided by OCSSCO

Loan purpose	Loan terms
Farm Oxen	One year
Agricultural Inputs: Selected seeds Fertilizer Agro- chemicals	8 months
Fattening: Oxen fattening Small ruminants	6 months
Petty trade activities-relates purchase and resale of small ruminants (Sheep, goat, etc) grain trade	Installments
Farming operation related activities Tractor rent Combine harvester etc	3 months
Animal husbandry practices	Installment

Source: OCSSCO operating manual, 2002

Target Group Selection: OCSSCO delivers its credit provision on a non-random basis. Due to the scarcity of loanable fund and the limited capacity of the institution, it could not meet all the demands in the region. It uses targeting principles based on area, household and gender priorities. Hence, priority is given to chronic food

insecure areas with the consultation of woreda and kebele administration. OCCSCO uses a combination of poverty assessment at the household level and targeting methods for program eligibility. OCSSCO has drawn the line of the poverty to differentiate its rural and urban target groups. In rural areas context, target group refers to those sections of society that possess the worth one ox or below and who still do not have sufficiently cover for daily consumption. In the urban areas, target groups refers to those who sell their labor for daily consumption but still do not enough to cover for their daily consumption (OCSSCO,2002)..

Client selection Criteria: Moreover, OCSSCO (2002) has the following clients' selection criteria.

- Physical and mental fitness in terms of the requirement of the specific enterprise intended to be undertaken- it should be in productive age.
- Hardworking- having history of being hard working
- Willingness to join OCSSCO program-
- Willingness to adhere to group and center by-law and joint responsibility
 - Willingness to adhere to solidarity group norms and decisions.
 - Willingness to assume joint responsibility for loan repayment
- Good personal conduct- good reputation in the community- honesty and industriousness, free from other debts and not addicted to alcohol and other bad habits
- Residence-Permanently resides within the boundary of OCSSCO's operation.
- Prompt loan utilization and repayment.

Based on these principles, careful selection and screening is made by local poor representatives (LPRs) and Peasant Associations (PAs) administrations with assistance of branch staff. Selected clients should be honest, no credit default, capable to produce, repay without endangering family living and demonstrate other good social characters of the whole family. After selection, orientation on the institution objectives, strategies, policies, group, center formation, in addition to the training of loan utilization is given for the eligible group (OCSSCO, 2007). The eligible criteria of the program indicate that all households are not free to participate in the program.

Group formation: Eligible individuals of four to six members who know each other form a group and eight to ten groups form a center. A center meeting is held once a month for compulsory saving, loan installment and discussion on the economic and social issues of their environment. In addition, OCSSCO makes capacity building efforts for both the employees and the clients. For clients, they include skill upgrading, introduction of new technologies, business orientation and experience sharing at client's meetings (OCSSCO, 2007).

Participating in credit program is self-selective. An individual or a household, which is eligible to participate, is free to choose whether to participate in the program. The decision is made based on the expected costs and benefit from participation. The eligible individual must demonstrate willingness to bear the implicit costs of the group formation, training, monthly meeting and adhere to group discipline to get program benefit. Generally, OCSSCO has selecting criteria for eligibility of program

participation; and codes of conduct for eligible individual to be admitted in the program.

4.2 OCSSCO Clients in the Woreda

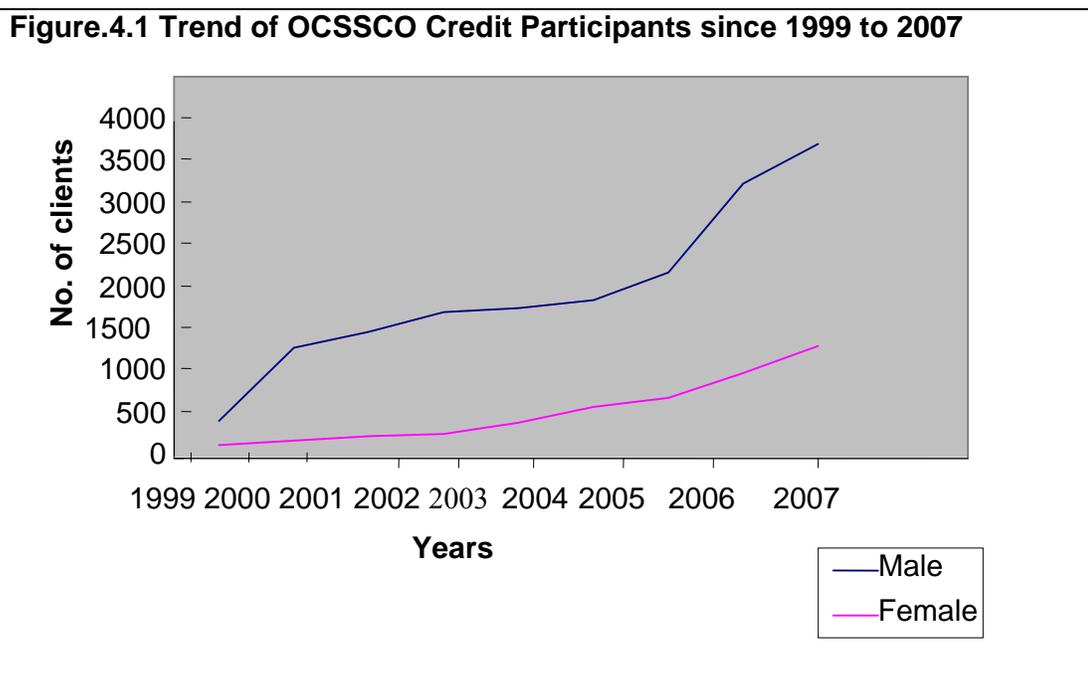
OCSSCO began its intervention in Hitosa woreda in 1997. By December 2007, it had a total of 4,582 clients of which 3,517 and 1065 were male and female clients respectively (Table 4.3).

Table: 4.3 OCSSCO Credit Participants in Hitosa Woreda

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
Male	382	1202	1382	1608	1653	1746	2045	3051	3517
Female	84	123	184	203	304	467	556	795	1065

Source: Field Survey, 2008

The data indicated that the number of credit participants increased since the program's inception. The data also indicates that the number of women participants in the credit program has increased. Nevertheless, compared to men, women's participation increased less proportionally. Figure 4.1 below shows the trends of credit participants in the woreda.



Source: Field Survey 2008

Hitosa branch is one of the first branches of OCSSCO at its commencement in 1997. It even started its operation a year ahead in 1996 loan with ETB 581,923 disbursement. Currently, it has achieved 8, 034,649 birr loan disbursement. Out of this, 1,086,489 birr was disbursed for women (Field Survey, 2008). This implies that only 13.63 percent of the fund portion was disbursed to women.

4.3 Background Characteristics of the Study Population

The demographic and socioeconomic characteristics of the study population related to women's empowerment and sustainable livelihood are presented here blow. A total of 5 individuals were involved in case studies and four, focus group discussions organized. The age of the study participants ranged from 20 to 40 and above. The majority of the participants were above the age of 30 and predominantly followers of Orthodox Church and Muslims respectively. The respondents, whose educational level ranged from illiterate to secondary level, mostly learned about the existence and functions of OCSSCO from their friends and relatives. The respondents had been clients from one year to more than six years. Furthermore, it was observed that the participants differ in their marital status, i.e., consist of single, married, widow and divorced women. Regarding the quantitative study, it involved a total of 100 respondents.

4.3.1 Demographic Characteristics

4.3.1.1 Age

The study considered currently involved women in the credit program of productive ages (20-60). Table 4.4 indicates the age distribution of the study population. As indicated in the table; 31 percent of the study populations failed in the age group of 35 to 40 years. Women who did not know their age and above 40 constituted 6 and 15 percent respectively. Generally the majority of the clients were below the age of 35. The age distribution of the respondents supports Hossain's (1998) contention that credit participants are largely young adults.

Table 4.4 Percentage Distribution of Respondents by Age Group

Age group	Number	Percent
Don't know	6	6.0
20-24	5	5.0

25-29	19	19.0
30-34	24	24.0
35-40	31	31.0
40 and above	15	15.0
Total	100	100.0

Source: Field Survey, 2008

4.3.1.2 Area

Area refers to the location of the place where the women lived at the time of the survey. As it is indicated in table 4.5 of all respondents, 66 percent of respondents lived in rural area. 34 percent lived in urban centers. This displays that the majority of the OCSSCO clients are rural residents.

Table 4.5 Percentage Distribution of Respondents by Area

Areas	Number	Percent
Urban	34	34.0
Rural	66	66.0
Total	100	100.0

Source: Field Survey, 2008

4.3.1.3 Information Sources

Information is a paramount important seed in making-decisions on many aspects of women's lives. Thus, level of an individual woman's access to information could be a determinant factor on her life decision. As shown in table 4.6 below, the responses of the study clients for the means through which they joined the OCSSCO are three. 52 percent of the respondents had been informed about the OCSSCO through people and 33 percent of the respondents had heard from OCSSCO employees. The 15 percent of the respondents had heard from their kebele. This illuminates that the main source of information about OCSSCO are people whereas the least source is Gendda (kebele). In other words, people are the main channel of advertising for OCSSCO.

Table 4.6 Percentage Distribution of Respondents by Source of Information about OCSSCO

Information sources	Number	Percent
OCSSCO workers	33	33.0
People	52	52.0

Kebele	15	15.0
Total	100	100.0

Source: Field Survey 2008

Results of the focus group discussion also indicated that the majority heard basic information about the micro finance institute, i.e. the existence of OCCSCO, how to borrow money, collateral requirements, etc. from their neighbor, friends or relatives. The others indicated that they learned about OCSSCO from OCSSCO staff and kebele administration through meetings that organized to explain about kebele's activities and such program opportunities. Majority of respondents described the following situations during the FGDs.

They heard all necessary information from neighbors who are clients of OCSSCO. They told them that they were extremely poor prior they joined to the program. They also expressed that they had nothing even lame hen but now they become profitable and they have seen changes in their lives (FCD, Group 1). The others also explained that they knew about OCSSCO from its staff. They came and taught them while they were at Idir meeting at one time. On the other time they came and oriented them while they were at women's meeting. Their orientation was focused on how one could be a member, requirements, group formation process and overall orientation about OCSSCO (FGD, Group 3).

4.3.1.4 Marital Status

As elicited in table 4.7 below, 65 percent of the sample women are married while 24 percent of the respondents are widows. Respondents who had divorced constituted 10 percent while the remaining 1 percent was single.

Table 4.7 Percentage Distribution of Respondents by Marital Status

Marital Status	Number	Percent
Married	65	65.0
Widow	24	24.0
Divorce	10	10.0
Single	1	1.0
Total	100	100.0

Source: Field Survey 2008

4.3.1.5 Household Head

As shown in table 4.8 below 35 percent of the respondents were self headed whereas 65 percent of respondents' households were male headed and managed issues jointly.

Table 4.8 Percentage Distribution of the Respondents by the Head of the Household

Household head	Number	Percent
Self	35	35.0
Husband alone	0	0.0
Jointly I and my husband	65	65.0
Total	100	100.0

Source: Field survey, 2008

4.3.1.6 Religion

According to table 4.9 below, 52 percent of the respondents were Orthodox Christians while 44 percent of the respondents were Muslims. And the remaining 4 percent were Protestants. This reveals that all respondents reported as believers because it is a very important aspect in Ethiopian social and cultural life. According to Berhanu (2001), Ethiopia is a highly traditional and religious country in which women are kept at a subordinate position. This situation in turn contributes to the unbalanced gender relation at the household level.

Table 4.9 Percentage Distribution of the Respondents by their Religions

Religion	Number	Percent
Orthodox	52	52.0
Muslim	44	44.0
Catholic	0	0.0
Protestant	4	4.0
Others	0	0.0
Total	100	100.0

Source: Field survey, 2008

4.3.1.7 Duration of Loan Use

Duration of loan use refers to the length of time and frequency that the client took from the institution. Accordingly, 47 percent and 49 percent of the respondents had duration of one up to three years and four to six years respectively. Clients of less than a year and six and above constituted 1 percent and 3 percent of respondents respectively (Table 4.10). In this regard, a great majority of the clients have participated in the credit program for more than three years. It is believed that the microfinance is fairly meaningful as most of the clients participated in the OCSSCO for three years.

Table 4.10 Percentage Distribution of Respondents by Duration of Loan Use

Duration of loan use	Number	Percent
Less than a year	1	1.0
One to three years	47	47.0
Four to six years	49	49.0
Greater than six	3	3.0
Total	100	100.0

Source: Field survey 2008

4.3.2 Socio-economic Characteristics

4.3.2.1 Educational Status

Concerning the educational status of the study population, table 4.11 shows that about 45 percent were illiterate while 19 percent of the respondents had informal education which enabled them to read and write. Respondents who attended formal education (elementary to secondary level) constituted 36 percent. This reflects that none of the respondents is above secondary level and that the majority lack basic formal education. It also appears from the figures that the MFI provides financial access generally to those with low level of education.

Table 4.11 Percentage Distribution of Respondents by Educational Status

Level of education	Number	Percent
Never	45	45.0
Informal education	19	19.0
Formal education	36	36.0
Total	100	100.0

Source: Field Survey, 2008

4.3.2.2 Loan Purpose

Respondents had been examined based on their aims of loans. Their responses are presented in table 4.12 below. According to table 4.12, 75 percent of respondents had taken for agricultural inputs (e.g. selected seed, fertilizer, ox etc). The rest 25 percent of the respondents had taken for commerce/petty trading or service.

Table 4.12 Percentage Distribution of Respondents by the Loan Purpose

Loan purpose	Number	Percent
Agricultural Inputs	75	75.0
Commerce/Service	25	25.0
Total	100	100.0

Source: Field Survey 2008

FGD and Key informants which comprises of practitioners, woreda and kebele authorities were interviewed on OCSSCO' client women's income generating activities. The results from this interview substantiated this reality. They also illustrated that the majority of the clients utilize the money for agricultural purposes. Some of the respondents used the loan to buy and resell some tradable items. Some used the loan to prepare 'Baltena' (food items) such as 'berbere' (hot pepper), 'Shiro' (powdered beans), 'Mitimita' (hot bend of pepper and spices), etc for sale. Others build house in their compounds for rent. Furthermore, some are engaged in planting of cash crops in their garden such as vegetables (onion, potato, and carrot) and sell it in the 'Gullit' (a small commodity market). Others are used their loans to prepare 'Areki' and Tella' (local made drinks). Most of the clients that are residing in urban and its vicinity carried out these commercial activities while the rural women execute agricultural activities.

Most of the FGDs respondents described their circumstances as follows.

We used the loan secured through OCSSCO to buy and resell tradable goods in our shops. Although We are not as such able to make profit, our commerce has enabled us to support our children and ourselves (FGD, Group 1).

A key informant, who is the OCSSCO branch manager, described the below loan purposes during key informant interview.

Our clients' main income generating activities which can be financed by OCSSCO are agricultural inputs and activities including tractor and combiner rent, improved seeds, pesticides, fertilizer animal fattening, and so forth. They consisted of two-third of the total loan. The remaining one-third of the total loan was given for none farm activities or commerce and service such as petty trading, cultural beverages, home economics (Baltina), hair dressing etc (Key Informant Interv.).

From the above results, one can see that the majority of the clients are engaged in economic activities which put forward self-employment, livelihood security and economic empowerment. As depicted in the literature review component of this

research, micro-credit plays a role in fostering the capabilities of economic productivity and social well-being of the poor women. Nevertheless, their loan secured from OCSSCO does not automatically empower them; it would lead them towards the goal.

4.3.2.3 Credit Sources

Traditionally, there are different sources of loan for clients in both before and after they joined OCSSCO. Thus participants were inquired to assess their access to and given priority to these alternative sources in both before and after they joined OCSSCO. These situations are presented in table 4.13 below. Accordingly, 52 percent and 20 percent of the respondent had responded that they had no any alternatives of loan sources and they had been used relative/ friend loans as credit sources before loan respectively. Clients who had been used private money lender loans and Equib/ Iddir as source of loan were 17 percent and 11 percent of the respondents respectively. Subsequent to loan 100 percent of the respondents were preferred OCSSCO credit program (Table 4.13).

Table 4.13 Percentage Distribution of Respondents by Credit Sources

Source of credit	Before loan		After loan	
	Number	Percent	Number	Percent
No means	52	52.0	0	0.0
Relatives/friends	20	20.0	0	0.0
Equib/idir	11	11.0	0	0.0
Private money lender	17	17.0	0	0.0
OCSSCO credit	0	0.0	100	100.0
Total	100	100.0	100	100.0

Source: Field Survey, 2008

The above figures illustrate that the majority of the respondents lacked a means of credit before they joined OCSSCO. Similarly, the participants of FGD revealed that they hadn't a source of credit before joining OCSSCO. Those who used to borrow money from private money lenders were encountering problems in the repayment policy and high interest rates that some times could be even 100 percent. In addition, if the borrows failed to settle their debts within the specific time, they suffered threats

from the loan lenders causing them serious stresses. Many of clients described the following situations during the FGDs.

We borrowed cash from a private lender for personal purpose. Shortly after we took the loans, the lenders started pushing us to settle the debt earlier than formerly contracted. They had been threatening us to double the interest rate if we failed to accept the new date. The lenders also threatened to seize our household equipments if we did not comply with their directives. We had no option but to beg money from others and reimburse the debts. We remembered that anxiety time in which we suffered from stress. Our health has been started to weaken following the then situation (FGD, Group 3).

The aforementioned breed of mistreatment of the clients was apparent whether the loans were taken from relatives, neighbors or friends. By means of budging from private money lenders to OCSSCO, the latter presently plays a great role and also relieves the clients from relatively high interest rate and prevalent mistreatment. In this regard, OCSSCO help them to get credit when they needed without panic of taking loans from individuals. OCSSCO offers credit once the prior one has been settled and clients can borrow money at any time as far as they clear their arrears on time. The initial footstep that MFIs should take in the process of empowering women and building their livelihoods is delivery of credit that ultimately enable them to contribute to their households and communities development (Cheston and Kuhn, 2002). As result, it is possible to say microfinance is excellent source of working capital for the poor women. Particularly, after joining OCSSCO, all of the respondents do not use any other sources of credit.

The respondents also said that they found OCSSCO with its easier guarantee requirements contrast to other sources such as formal banks. Because they lack basic education, formal job, working capital etc. OCSSCO offer them to make a group of four to six clients and allow them to play a collateral role for each other.

4.3.2.4 Land Size

Land is the basic means of production in the study area. The size of the household land of the sample population under study varied from none (0) ‘chimid’ to 12 chimids’. Size of household land of the study population is presented in table 4.14. The data indicates that 39 percent of the respondents had no land and 55 of the respondents had 1 to 3 ‘chimidis’¹ of land. Only 1 percent of respondent had greater than eight ‘chimdis’ of land before loan. Whereas after loan as depicted in table 4. 14,

¹ One chimd (timad)i is equivalent to 0.25 hectare.

36 percent of the respondents had no land and 52 percent of the respondent had less 4 chimdis. 3 percent of the study population had greater than eight chimdis.

Table 4.14 Percentage Distributions of Respondents by Land Size before and after Loan

Land Size	Before loan		After loan	
	Number	Percent	Number	Percent
None	39	39.0	34	34.0
1-3 chimdi	55	55.0	54	54.0
4-6 chimdi	2	2.0	4	4.0
7-8 chimdi	3	3.0	5	5.0
> 8 chimdi	1	1.0	3	3.0
Total	100	100.0	100	100.0

Source: Field Survey, 2008

This illustrates that there was improvements on land size of some respondents after they got loans. For instance, the percentage of participants who have land greater than eight chimdis is increased from 1 percent to 3 percent. This illuminates that the number of clients that are able to access to land somehow has increased. As per the FGD, the land size of some clients was fostered due to various reasons. The respondents have explained that they able to rent a farm land which enabled them to either to increase or to have new land for their agricultural activities. Although there is no a formal institutionalized way of land renting or leasing mechanism, the clients were used the informal device or system which is administrating by local/ village elders. In sum up, this demonstrates that credit program of the MFI could have a potential to promote the productive asset ownership of women. FGD participants described the conditions as below.

Some of us did not have any pieces of land prior to joining OCSSCO. Since we had no any access to credit and enough money, it was difficult for us to rent and to have a land to cultivate. But now we can take credit from OCSSCO which enables us to renting a piece of land to cultivate some crops. This would build our asset resources that in turn would sustain our family's livelihood (FGD, Group 1).

4.3.2.5 Wealth Groups

As it is demonstrated in Table 4.15 below, 54 percent of the respondents perceived themselves and reported as medium (Gido-gallessa) while 42 percent of the study population reported as poor (Iyyeessa). The remaining 3 percent and 1 percent of the respondents perceived themselves as bayy'ee iyyeessa (extremely poor) and sooreessa

(rich) respectively. Based on local understanding of key informant (OCSSCO officer), sooreessa is the one who possesses more than four oxen (saangoota), more than two milk cows (anaan saa'oota), more than ten sheep (hooleeta) and more than five goats (ree'oota), one faarda (horse), more than 8 chimdi, has more than enough to feed his/her families, has corrugated and painted house as well as who is able to send all her/his children to school. Whereas the poor was perceived as the one with size of land less than three chimdi, one or no ox, no cows, one to three sheep and with poor quality of house. A person can be identified as medium (giddo-galeesa) if he owns one to two oxen, one milk cow, 4 to 6 chimdi of land, has enough food to eat, well-done grass or corrugated iron sheet covered house and who is able to send only a few children to school. The extremely poor are the one who doesn't have any enough food to eat on regular bases, no land, with poor house, unable to send children to school.

Table 4.15 Percentage Distribution of Respondents by Wealth Groups

Wealth groups	Number	Percent
Extreme poor (Bayy'ee iyyeessa)	3	3.0
Poor (Iyyeessa)	42	42.0
Medium (Giddo-gallessa)	54	54.0
Rich (Sooreessa)	1	1.0
Total	100	100.0

Source: Field survey, 2008

4.3.2.6 Household Income, productive and durable assets and others

Respondents were asked to judge their household income, productive assets, quantity and quality of food, access to drink water and health condition and clothing and children schooling since they became credit beneficiaries. Accordingly, 89 percent of the respondent replied that their total income and standard of living has increased since their loan membership; 8 percent reported that they experienced no change in their total income and standard of living; and 3 percent explained that their total income and standard of living has decreased after loan membership (Table 4.16). Furthermore, 77 percent of the respondents answered that their productive and durable assets have changed while 22 percent of the respondents replied that their productive and durable assets have remained the same. The remaining 1 percent stated that their productive and durable assets have decreased.

Regarding the perception of changes in household diet, 85 percent of respondents reported that their quantity and quality of food has changed whereas 15 percent of the respondents replied that their diet has not changed. In connection to access to drink water and health condition of their family, 75 percent of the respondents explained their access to drink water and health condition have improved while the remaining 25 percent of the respondents had expressed their perception as having no change in their access to drink water and health conditions.

Concerning clothing and children schooling, 92 percent of the respondents perceived their clothing and ability to send their children to school has changed positively while the remaining 8 percent of the respondent responded that they did not experienced changes in the their clothing and sending children to school.

Table 4.16 Percentage Distribution of Respondents by Perception of Changes in Income, Productive Assets etc

Perception of changes on:	Decreased		No change		Increased		Total no/per
	Number	Percent	Number	Percent	Number	Percent	
Total income and standard of living	3	3.0	8	8.0	89	89.0	100
Productive and durable assets	1	1	22	22.0	77	77.0	100
Quantity and quality of food	0	0.0	15	15.0	85	85.0	100
Access to drink water and health	0	0.0	25	25.0	75	75.0	100
Clothing and children schooling	0	0.0	8	8.0	92	92.0	100

Source: Field Survey, 2008

The results of the focus group discussion and key informant are also illuminated a similar scenario as the majority of the repliers in the above discussions. The respondents have revealed that they have seen enhancement in their level of income and standard of living, productive and durable assets, quantitative and quality of diet,

access to drink water and health and clothing and children schooling subsequent to becoming member of OCSSCO. Some of FGD participants stated as follows.

We had nothing before we joined to OCSSCO. We had been working as cook workers to feed our fatherless children. All our income was used only to food consumption. We hadn't any thing leftover for other things. We were worried when we borrowed some money from private money lenders in monthly bases. But now we have changes. We are working our own works. We have gained income over our expenses that enabled us to buy some consumer assets such as bed, TV, telephone. Beside this, now we can cover all our expenses related to our children clothing and schooling and social costs such as Idir's contribution. In short, we can say that we have seen some encouragable changes in our livelihoods (FGD, Group 1).

Moreover, a lady, who is deputy chairperson of the woreda women's office, explained her eyed witness as below.

A fortunately, I and our expert had visited some of the OCSSCO'S clients during last month. Before they had joined the program, they had nothing. To that extent some of them, they hadn't even water fetching tin. Nevertheless, subsequent to loan they have irreconcilable change in their living. For instance, they have taken land by lease from government and construct new houses for themselves and for rent as income generating. Some of them have reached at 10, 000 birr saving capital. Some of them have their own dairy caws. They can also send their children to school properly. In general, by this time they are living like governmental salaried employees. Their housing condition was improved and their consumer assets were also enhanced like table, chairs, and beds (Key Informant Interview).

The abovementioned discussion and table 4.16 above indicate that the majority of the clients have managed to bring changes their livelihood after they joined OCSSCO although others still have the same livelihood as before they joined OCSSCO. There were also clients that noted that their livelihood has actually decreased after they membership in OCSSCO. Some FGD members stated their situations as follows.

We were previously engaged in agricultural- horticultural activities and we continued in the same business after we joined OCSSCO. We have not seen any changes in our lives since our participation in OCSSCO. We can say our living condition remained the same (FGD, Group 1).

These respondents remain engaged in the same business before and after joining the OCSSCO and find it no increase or decrease in their living condition as result of their participation in

OCSSCO. There are also clients who said that their living condition has decreased after they joined the OCSSCO. Other women in the same group noted that their living conditions actually decreased after they joined the institution.

We have been engaged in fattening ruminants or small animals sometimes like sheep and some times goats both before and after joining the institution. However, after joining the OCSSCO, we were not able to carry out our businesses as before. That is, no graze land and the overall economic situation are changing increasingly. Our living conditions have generally deteriorated but we continued to settle our debts as per our commitment (FGD, Group 1).

Additional evidence about increase or decrease in living condition of the credit participants was given by a person, who is the manager of OCSSCO Hitosa branch, sated the situation as below.

I have been working here since 2000. Many of the current changes in the woreda are resulted from our program. Previously, who was without single ox, now she

is the owner of two oxen. The one who was living in grass rural house earlier, currently she is living in corrugated roofed house. A woman who was unable to send her children to school but now she enables to send her children to school even up to college education. Some rural women have started to live as urban life. They have telephone, electricity and better bed in their home. You may assume that I might be exaggerating but you can hear the truth from the women themselves. Generally, there are good changes. However, on the contrary there are also failed women. These women could be one to five percent of the total clients. The major reason for their failure was lack of skill in money and credit management. Cash is liquid. It can be misused. These people also need regular tight supervision. But this is impossible for OCSSCO with its current resource capacity (Key Informant Interview).

As it can be seen the above cases, although no changes in living conditions or decreases have been recorded for some/few clients after joining the institution, it is possible to generalize that the credit delivery of micro finance would have positive implication on enhancing the living condition of the majority their clients. The respondents had also provided their views on what factors were influencing their livelihood changes. Table 4.17 below describes this fact by considering a particular incidental change in total income and standard of living condition of respondents which presented in table 4.16 above.

As indicated in table 4.17 below, 77.53 percent of the respondents of the had perceived that the reason for their changes in living condition was credit from OCSSCO while 20.22 percent of the respondents felt that the positive changes in their living condition came from their additional investment and involvement in different agricultural activities such as rearing livestock or use of improved agricultural implements. The remaining 2.25 percent of the respondents had understood that access to additional land was the cause for changes in their living condition. This shows that most of the changes in living condition of women clients come from micro-credit program. Nevertheless, there are also some clients who perceived the changes in their income and living standard are the product of their additional investments. Therefore, though there are some expected changes outside the credit program, micro-credit has positive outcomes on living condition of the participants.

Table 4.17 Percentage Distribution of Respondents by the Reasons for Positive Changes in Living Condition in terms of Income and Standard of Living

Reasons	Number	Percent
Credit from OCSSCO	69	77.53
additional investment in agriculture(livestock, farm implemented-ox, fertilizer, seed)	18	20.22
Access to more land	2	2.25
Total	89	100.0

Source: Field Survey 2008

As per the explanations of the participant that presented in above table, the major factors for changes in living condition were credit and additional investments that comprises 97.75 percent of the 89 percent of the study population. Moreover, the candidates also were inquired their understanding on OCSSCO contribution for their living condition changes in terms of percentage. The assumed replies will be displayed in Table 4.18 below.

As illustrated in Table 4.18, 78.26 percent of the participants responded that the contribution of OCSSCO credit for changes in their living condition was assumed from 1 to 25 percent while 17.39 percent of the study population had replied that the OCSSCO credit contribution for their living condition changes was guessed from 26 to 35 percent. The remaining 2.90 percent and 1.45 percent of the respondents had felt that the contribution of OCSSCO credit their living condition changes were assumed 36 to 45 percent and greater than 45 percent respectively.

Table 4.18 Percentage Distribution of Respondents by Proportion of the Change in Living Condition due to OCSSCO Credit

Proportion in %	Number	Percent
1-25	54	78.26
26-35	12	17.39
36-45	2	2.90
>45	1	1.45

Total	69	100.0
-------	----	-------

Source: Field Survey 2008

As elicited in the table 4.17 above, the same feedback was revealed by FGD. The responses which were exposed by these respondents elucidated as follows. Clients stated the following.

We have used our first cycle loans to prepare injeras (local bread) and sell it. We have found good improvements from it and hence, we have continued with 2nd cycle loans. The latter loans were served to construct new services for rent. Now we have another source of income which can be used to repay our loans and as financial backup for more improvements in our living conditions. Therefore, even if we do not have any empirical evidence, we can guess the contribution of OCSSCO credit for changes in our living conditions probably could be up to 35 percent (FGD, Group 2).

The aforesaid discussions imply that the microfinance institutions have big potential to play a significant role in improving well-being of poor women and their families that could be resulted in poverty reduction, community's well-being and societal as whole. Alternatively, it is possible for one to say that microfinance institutions are promising on enhancing women's empowerment and livelihood as well. In other words, micro-credit can be considered as development agents that have huge potential to contribute for a country's development in its totality (social, political and economical) as well as an individual woman personal development. However, as it stated in the literature review of this study, microfinance institutions could not be the sole pathways of societal development and personal development of women rather they are the part and parcel of the avenues towards development.

CHAPTER FIVE

WOMEN'S EMPOWERMENT

Micro finances are thought to be potent agent of social change. They are currently being promoted as key strategy for simultaneously addressing both poverty alleviation and women's empowerment (Mayoux, 1997). This depicts that MFIs are direct and major contributors for sustainable livelihood too that will be analyzed in the subsequent chapter.

Micro finance intervention can be seen at different levels: at the individual, household, enterprise and community levels (Getaneh, 2004). In this study, the contributions of OCSSCO at individual and household levels are assessed. At the individual level, contributions for women's empowerment are manifested by women's autonomy in household decision making and their self-esteem, self-confidence, level of participation in political and community development activities. At the household level, contributions for household livelihood as illustrated by income and welfare will be examined in chapter six.

5.1 Empowerment Indicators: At Individual Level

Empowerment is the development of individual autonomy, self-control and confidence. It could be also understood as the development of a sense of collective influence over the social conditions of one's life (June, 2007). Thus, women's empowerment can be perceived in two ladders, i.e. women's empowerment at societal level (e.g. gender empowerment actions) and women's empowerment at specific projects (e.g. credit). The former enables them to gain information and make comparison whereas the latter are developed in order to measure the effects of specific programs (Hashemi, 1997, Oxaal and Baden, 1997). This study attempted the latter aspect of women's empowerment.

In their study of empowering women through microfinance, Cheston and Kuhn (2002) considered participation in family decision-making and increased in self-esteem as indicators of empowerment. Steel et al. (1998) and Tebeje (2007) treated women's

freedom of mobility, the treatment they received from their husbands, their attitude towards children's education, control over resources and self-confidence as indicators of women's empowerment. On top of this, Osmani and Khan (1998) considered women's perceived contribution to their household due to participating in the credit program as indicators of women's relative well-being.

In this study the combination of these measures that are feasible in the study area were considered. Women's involvement in household decision-making, participation in community, self-esteem, confidence, respect from the others, social position and training were considered as indicator of empowerment and treated accordingly.

5.1.1 Decision Making

Women's ability to influence or make decisions that affect their lives and their future is measured to be one of the principal parts of empowerment by most intellectuals. Many microfinance institutions focus their attention on women's use of the loan and ability to make decisions about her business as the most direct impact of their program (Cheston and Kuhn, 2002). Thus, the measure of women's autonomy in the household decision making was constructed to capture women's status within their household. It was measured by the extent of their participation and role in making decisions on issues such as buying or selling livestock or crops, repairing or constructing houses, use of land for different crops, use of household income, children's schooling and clothing, buying small items and use of loan. In such cases, the woman was asked whether she made these decisions mostly alone, jointly with her husband/children or her husband made them alone in both before and after loan. Table 5.1 presents the distribution of responses for the selected empowerment indicators of household decision making on use of loan. Furthermore, Table 5.1 shows that 85 percent of the respondents replied that they made decisions on use of loans jointly with their spouse while the remaining 15 percent of the respondents reported that they made decision on use of loan mostly themselves. This entails that the decisions pertaining to the loan received from OCSSCO are made either by the women mostly alone or jointly with spouse or children.

Table 5.1 Percentage Distribution of Respondents by Decision on Use of Loan

Who made decisions	Number	Percent
Mostly I alone	15	15.0
Jointly I and my husband/ children	85	85.0
Total	100	100.0

Source: Field survey 2008

The outcomes of the focus group discussion also portray the scenario as the role of the wife and the husband in such discussions. Those who decide by themselves gave two reasons for this. The first one is that some clients are widow or divorce or single. The second reason was some clients acquired trust from their husband. Hence, the clients used the money by themselves. Of course, they used the money for their families' well-being.

Some client noted that;

Our husbands know that we use the money secured through OCSSCO to support the family. They trusted us. They have no say on the money. We decide on the money and hold sole responsibility for the repayment (FGD, Group 3).

On the other hand, there are cases where the husband fully participates in the taking and repayment of the loan as well as the management and decision about it. Many of women explained this as below.

We discuss and jointly decide on all issues. I joined OCSSCO with his full consent and decide on the money. He knows also we share the responsibility of debt repayment. There is nothing he decides alone. Even sometimes we add the involvement of our children. Since the entire family is the beneficiary of the loan, they have to be aware of it. The other reason is that since marriage is the common institution, it can not be effective and successful unless we decide on common issues together (FGD, Group3).

All the above cases demonstrate that the loan is managed and administrated either by mostly the woman alone or jointly the woman and spouse. One can also see that those who make decisions by themselves have two reasons. One is some women have built trust in their husbands. The other rationale is that the client might be widow or divorce or single. In conclusion, one can draw one important point from the exceeding results. The foremost fact is that women make sole or joint decisions on the use of credit is a good beginning for their empowerment. This decision making power of women is not restricted only to the level of the loan usage but also women are

beginning to discuss other household affairs in comparison between before and after joining the credit program. This association will be considered in the Table 5.2 below.

As depicted in Table 5.2, 39 percent of the respondents replied that mostly their husband decided on buying or selling livestock or crops while 27 percent of respondents had involved jointly with their husbands in decision making on buying or selling livestock or crops. Only 12 percent of the respondents were able to make decision mostly by themselves. Regarding to repair or construct new houses, 42 percent of the participants reported that decisions on repair of the existing house and or construction of new houses was made mostly by their spouse alone while 36 percent of the repliers answered that they had made decisions on these issues jointly either with their husbands or children or both. The rest 22 percent of the respondents replied that they made decisions on these matters mostly themselves alone (table 5.2).

Concerning use of land for various crops Table 5.2 displays that 28 percent of the participants reported that decisions were made mostly by their spouse alone while 29 percent of the respondents conformed that they made decisions on these issues jointly either with their husbands or children or both. The remaining 18 percent and 16 percent of the respondents replied that they made decisions on the matter mostly alone and not applicable for those landless urban residents respectively. On top of this, when we come to the decisions on how the household income was used 51 percent of the study population responded that they had made decisions jointly either with their husbands or children or both. The others, 30 percent and 19 percent of the respondents had reported that they had made decision independently and mostly by their husbands alone respectively.

In connection to children's schooling and clothing, 61 percent of the repliers responded that they made decision on the issues jointly either with their husband or children or both while 31 percent of the participants replied that they made decisions on these issues mostly by them alone. The remaining 8 percent of the study population reported that mostly their spouses had decided on the affair alone (table 5.2). Finally the other issue was related with buying small items such as edible oil, soap, 84 percent of the participants responded that they made decisions on these things mostly by themselves while 14 percent of the respondents had replied that they

made decisions on these matters jointly either with their husbands or children or both. Only 2 percent of the respondents revealed that mostly their spouses made decisions alone.

By the same token for the same questions after the loan, the participants responded as follows:

As indicated in table 5.2 below, 87 percent of the respondents replied that they made decisions on buying or selling livestock or crops jointly either with husbands or children or both. The other 7 percent of the participants made decisions on these things mostly by themselves alone. The remaining 4 percent and 2 percent of respondents answered that the decisions on the issue were not applicable and decisions were made mostly by their husband alone.

In relation with repair and construct new houses, 90 percent of the respondents made decision jointly either with their husbands or children or both while 8 percent and 2 percent of the respondents reported that they made decisions mostly by themselves alone and husband alone respectively. Moreover, regarding the use of household income, 91 percent of the respondents replied that they made jointly either with their spouse or children or both while the remaining 9 percent of the respondents reported that they made decisions by themselves (table 5.2).

In connection to use of land for different crops, 73 percent of respondents had made decisions jointly either with their husbands or children or both while 15 percent of the respondents replied that the matter was not applicable. The remaining 7 percent and 5 percent of the participants responded that decisions were made mostly by themselves alone and mostly their husbands alone respectively (table 5.2). Further, concerning children's schooling and clothing, 86 percent of the respondents replied that they made decision on their children's school and clothing jointly either with their husband or children or both. The remaining 14 percent of the respondents responded that they made decisions on their children's schooling and clothing mostly by themselves alone (table 5.2).

Regarding buying small items (soap, oil), 67 percent of the respondents reported that they made decisions mostly by themselves alone. The remaining 33 percent of the

respondents had made decisions on the matter jointly either with their husbands or children or both.

Table 5.2 Percentage Distribution of the Respondents by their Involvement in the Household Decision-making before and after Loan

HH decision making	Mostly I alone	Jointly I and my husband/child(ren)	Mostly my husband alone	Not applicable	Total
Before loan who makes decision regard to :	No/Percent	No./percent	No./percent		
Buying and selling livestock or crops	24	37	39	0	100
Repairing and constructing houses	22	36	42	0	100
Use of land for different crops	18	29	37	16	100
Use of household income	30	51	19	0	100
Children's schooling and clothing	31	61	8	0	100
Buying small items(soap, oil)	84	14	2	0	100
After loan who makes decision regard to:					
Buying and selling livestock or crops	7	87	2	4	100
Repairing and constructing houses	8	90	2	0	100
Use of land for different crops	7	73	5	15	100
Use of household income	9	91	0	0	100
Children's schooling and clothing	14	86	0	0	100
Buying small items(soap, oil)	67	33	0	0	100

Source: Field Survey 2008

In conclusion, as indicated in Table 5.2, majority of the respondents play joint role concerning use of household income, and repairing or constructing house. While majority of the respondents had low autonomy regarding the use of land for different crops before loan. After loan, decisions about issues considered in the study were mainly discussed jointly by woman and husband. Generally when we compare women's decision making capacity before credit with the women's decision making ability after credit, women's involvement in household decision making had significantly improved after they joined MFI. Table 5.2 also displays that the credit program had increased the harmonious relationship between the spouses. Most of the FGD results have portrayed that their decision making power is augmented after loan than before they joined OCSSCO. This scenario prior to they joined OCSSCO was stated as follow.

Our husbands somehow involve us on decisions relating to our children and use of household income. We had made decisions mostly alone on buying small items. Otherwise, they are the one who decide on all issues particularly like constructing or repair houses, buying and selling livestock or crops and use of land to cultivate various crops (FGD, Group 2).

Other participants also replied the following.

Before we joined OCSSCO, we were only involved in decisions mostly regarding buying small items such as oil, soap and match and rarely, we did participate in decisions on use of household income. However, subsequent to loan we have played a part in decisions on each aspect of our households concern (FGD, Group 3).

Other clients elicited their understanding of the circumstances as below.

We and our spouses make decisions jointly both before and after we joined OCSSCO. There are no changes in this regard. Indeed, our relation and respect for each other has become more strong and harmonious now than before. We also turn out to be more respectful for one another at present than previously. Nowadays we focus on exerting good efforts in order to be a bread winner or successful in our life. Even sometimes we call our children in order to participate in decision making process of the household. The participation helped our children to have sufficient awareness to support us. For instance, we do have sheep and one 'Yeferengi lam' (highbred cows), and these animals are cared of by our children based on their schooling shifts (FGD, Group 2).

Furthermore, the sample clients were asked whether their involvement in household decision changed since they became OCSSCO client. Their responses are displayed in Table 5.3 below. According to Table 5.3, 56 percent of the respondents expressed that their overall involvement in household decision making has increased. The rest 44 percent of the respondents replied that their participation in the household decision-making has not changed. The reason is either they already had adequate participation before loan or they were fully responsible for making decision due to their widow or divorce marital status before and after loan. Similar results were obtained from FGD. See discussions made on table 5.2 above.

Table 5.3 Percentage Distribution of Respondents by Changes on their Participation in Household Decision-Making since they become Clients

Decision-making	Number	Percent
No Change	44	44.0
Increased	56	56.0
Total	100	100.0

Source: Field Survey 2008

The above findings in tables 5.1, 5.2 and 5.3 depicted that husbands held most decision making powers prior to their wives joined the OCSSCO than after. OCSSCO

assisted the women to enhance their economic status and make decisions on using the loan to their family. It also made a meaningful shift on their decision making power on other issues at the household level. Hence, OCSSCO has a potential to bring about changes in gender relations on the decision making power with regard to the loans secured. This implies that women's participation in household decision by using the loan is a positive step towards their empowerment. However, women involvement in household decision also could result in unnecessary burden for women (Mayoux, 2002).

5.1.2 Community Participation

Participation is a voluntary process by which people, including the disadvantaged (in gender, income or education), influence or control the decision that affect them. Through participation people are able to organize themselves and are able to identify their own needs, share in the design, implementation and evaluation of their actions (Saxena N.C 2003 cited in Tapan, 2006). Nevertheless, in this study participation is concerned with the MFI's women clients' involvements in group meeting, kebele (lower level of administration) general meeting, women's meeting, political poll and any financial contribution for community development work. Each of these ways of participation discussed below.

According to Table 5.4 below, 57 percent of the respondents responded that they had attended group general meeting frequently while 33 percent of the respondents replied that they had attended the meeting regularly. The remaining 10 percent of the participants reported that they had attended the group assembly meeting rarely. Furthermore, the table pin points that 72 percent of the study population responded that they had participated or spoken sometimes. Whereas the rest 17 percent and 11 percent of the study population reported that they had participated the meeting often and they had never participated in the meeting respectively. Regarding the level of acceptance, 65 percent of the respondents replied that their ideas had been accepted sometimes while 21 percent of the respondents replied that their ideas had been accepted often. The remaining 12 percent and 2 percent of the respondents responded that they couldn't determine whether their ideas had been accepted or not.

Table 5.4 Percentage Distribution of Respondents by Group Meeting

Meetings	Attendance	Participation/ level of speak	Acceptance level
Never	0	11	2
Rarely/sometimes	10	72	65
Frequently/often	57	17	21
Always/regularly	33	0	0
Can't determine	0	0	12
Total	100	100.0	100.0

Source: Field Survey 2008

The respondents of FGD and case studies have highlighted that the level of their attendance, participation and level of acceptance of their views increased after they joined OCSSCO than before. Some of clients noted their situations during the monthly group meeting as below.

We have attended the group meeting frequently. Usually it is held on monthly saving dates. Regarding the level of our participation, we speak sometimes and sometime we do not. Similarly, our ideas are accepted sometimes and rarely are they refused by the attendants (FGD, Group 2).

In addition to the abovementioned, respondents expressed their views as follows.

We always attend the group meeting that is usually fixed at our saving dates. But the problem is that we are shy and afraid of people to speak among them. Thus, we can't determine whether our ideas were acceptable or not (FGD, Group 3).

Box.5.1 Clients' involvement in group meeting

Bezunesh Seyoum from Borru, whose is divorce and 38 years old, explained her position in relation with group meeting in the following words.
I often attend the meeting, on my monthly saving dates. In connection to my level of participation and my ideas acceptance, I speak sometimes and my ideas are accepted frequently (Bezunesh).

In relation with kebele's (gendaa) general meeting, Table 5.5 below illuminates that 58 percent of the respondents had answered that they had attended kebele general assembly meeting rarely. The remaining 20 percent and 20 percent of the participants responded that they had attended the meeting frequently and they had never attended

the meeting respectively. Only 2 percent of the study populations replied that they had never attended the meeting. Besides, this level of participation, ideas acceptance of the study population was assessed. Based on Table 5.5 below, 51 percent of the participants had reported that they had spoken sometimes while 22 percent of the respondents had responded that they had never spoken at kebele general meeting. The rest 18 percent and 9 percent of the respondents reported that they couldn't determine their level of participation and they had been spoken frequently. Regarding the level of the acceptance, 43 percent of participants recognized that their ideas had been accepted sometimes while 44 percent of the respondents reported that they couldn't determine. The rest 12 percent and 1 percent of the study population replied that their ideas had accepted always and had never been accepted respectively.

Table 5.5 Percentage Distribution of Respondents by Kebele General Meeting

Kebele meetings	Attendance	Level of participation/speak	Level of acceptance
Never	20	22	1
Rarely/sometimes	58	51	43
Frequently/often	20	9	12
Always	2	0	0
Can't determine	0	18	44
Total	100	100.0	100.0

Source: Field Survey 2008

The FDG and case studies respondents elucidated that their involvement in Kebele general meeting was similar to the resulted reported in Table 5.5 above. The following reflections were noted by many of FGD participants.

We have attended kebele general meeting sometimes. For various reasons such as lack of time due to house workload, shocks or sudden action and other social commitments, we could not participate in the meeting often or regularly upon the call. When we got chance to attend the meeting we spoke sometimes. In relation with the level of acceptance of our ideas, it is difficult to measure for us. Since we spoke only sometimes, our ideas are accepted sometimes and sometimes not. How we can know and present empirical data? We can't (FGD, Group 3).

Some of the women replied that they have never attended the kebele's meeting for three dissimilar reasons. The foremost reason is that since the meeting is not gender-specific their husbands usually attend the meeting. The second rationale is that since they are divorce or widow, they are fully responsible for their family. In consequence, they are highly overloaded with housework and family care. In other words, they are sky-scraping with multiple roles in particular, reproductive, productive and community management roles. The third factor was that they don't have any knowledge about its significance for their livelihood activities. Accordingly, they can determine neither the level of their participation nor the level of the acceptance their ideas or they can't determine both. These facts are pinpointed in the next focus group discussants.

Some participants presented their understanding of the situations as follows.

We have never attended the kebele general meeting because we can't see its significance for our daily duties and we are disinterested in attending the meeting. This might be the product of our lack of comprehension about its importance. Alongside with this, since we are widow and over shouldered with all responsibilities for our household to care and administer, we can't have time to attend the meeting. Consequently, we can't attend the meeting as well as determine the level of speaking and the level of acceptance of our ideas (FGD, Group 1).

Some of the study population, specifically in the life history narrative question, participants replied that they have attended kebele meeting often and to some extent always. In addition, these respondents also stated that they participated frequently and their ideas are always acceptable. These circumstances are highlighted in the next client's life history reflections.

Box. 5.2 Credit Clients Involvement in Kebele Meeting

A 57 years old and widow respondent from Borru-jowe, whose name is Brike Umer, reacted on her position in kebele meeting involvement as below.

I attend kebele's general meeting regularly unless I encounter some shock or sudden strokes. Whenever I attend meetings I speak frequently. Whatsoever I speak on meeting I speak on our common problems and issues such as family planning, genital mutilation or female circumcision, HIV/AIDS and credit management which benefit me and others. Hence, the level of acceptance for my ideas is high as well as frequent (Brike).

Likewise, the participants were inquired for their frequency of attendance, the level of participation and the approval level of their ideas at women’s meeting. The responses which were given are presented in Table 5.6 below.

As per table 5.6, 57 percent of the repliers had responded that they had attended women’s association meeting rarely while 18 percent of the participants responded that they had never attended the meeting. The remaining 17 percent and 8 percent of the respondents reported that they had attended regularly and they had never attended the meeting respectively. Moreover, 65 percent of the respondents responded that their participation on women’s meeting was speaking sometimes while 14 percent of the respondents replied that they kept silent. The remaining 18 percent of the repliers responded that they couldn’t determine their level of participation. With regard to the level of acceptance, 39 percent of the study population couldn’t determine their level of ideas acceptance while 31 percent of the respondents replied that their ideas had been accepted rarely. The rest 28 percent and 39 percent of the respondents reported that their ideas had been accepted often and their ideas had never accepted respectively.

Table 5.6 Percentage Distribution of Respondents by Women’s Meeting

Women’s meeting	Attendance	Level of Participation	Level of acceptance
Never	18	14	2
Rarely/sometimes	57	65	31
Frequently/often	8	3	28
Always	17	0	0
Can’t determine	0	18	39
Total	100	100.0	100.0

Source: Field Survey 2008

Outputs from FGD and case studies of participants also reflected the responses and explanations of majority participants that are presented in Table 5.6 above. Moreover, the above table indicates that 75 percent of the study population had attended such meetings either rarely or never. The reasons are presented in Table 5.7 below.

As illustrated in Table 5.7 below, 56 percent of the participants reported that the reason for not attending women's meeting frequently or always was lack of time. The other 34.67 percent of the respondents replied that they perceive women's association as irrelevant organization while 2.67 percent of the participants replied that they had never been initiated. Only 1.33 percent and 1.33 percent of the respondents had reported that they didn't know and their husbands didn't support them respectively. The remaining 4 percent of the respondents reported that they are shy to appear in public.

Table 5.7 Percentage Distribution of Respondents by Reasons for not attending Women’s Meeting more Frequent

Reasons	Number	Percent
Lack of time	42	56.0
The meeting is not relevant	26	34.67
Husband doesn’t want me to go	1	1.33
Shy of appearing in public	3	4.0
I have never been asked	2	2.67
Don’t know	1	1.33
Total	75	100.0

Source: Field Survey 2008

The above discussions have demonstrated that the main factors for not attending women’s meeting are lack of time and poor understanding of its significance. The 90.67 percent of the respondents raised at either of the aforesaid reasons. The remaining 9.33 percent of the participants had forwarded their reason such as shying behavior or they have never been asked, or lack of spouse support or they don’t know about the meeting. On the other extreme, there were reasons that explained why participants had attended women’s meeting more frequently or always. Table 5.8 in the subsequent passages is enlightening on these matters.

According to Table 5.8 below, 60 percent of the respondents responded that their reason for attending the meeting always was finding an opportunity to discuss problems. The remaining 40 percent of the repliers attended the meeting often to learn new things from other.

Table 5.8 Percentage Distribution of Respondents by Reasons for Attending Women’s Meetings Frequently and Always

Reasons	Number	Percent
Learn new things	15	60.0
Opportunity to discuss problem	10	40.0
Total	25	100.0

Source: Field Survey 2008

In accordance with the aforementioned conversations, the results from FGD were the same. FGD women noted the following.

We attend the meeting more frequently to learn new things from our friends, neighbors, government appointees and community elders. The issues could be social affairs, political issues and economic matters as well. Previously, we gained good lessons which are very basic to lead our daily life duties. Hence, we will continue to attend the meeting always/ regularly as far as private reasons do not occur. In other word, sunless we encounter shocks and undeniable social commitments, we would continue to attend the meeting (FGD, Group 2).

Similarly, some participants stated, regarding their status on factors which encourage them to attending women's meeting more frequently, they regard it as an opportunity to discuss their common problems with others. Many of respondents explained their positions and views as follows.

We attend women's meeting regularly. Our reasons were to have opportunity that supports us to raise some common impediments with others. Furthermore, the discussion is used to come across some remedies to those ordinary obstructions with others. Most of the issues raised on such forums are gender focused. The gender issues such as rape, forced marriage (telefa), underage marriage and women's economic and political rights are usually irrelevant for my spouse. They haven't shown any interest to discuss such matter in our homes (FGD, Group 1).

Additionally, the key informants were inquired about the contribution of women for and the role they play in community development. The key informant's interview results are presented below.

A deputy chairperson of the woreda women's affair office stated the following.

A fortunately, this is a nice time that we are preparing a bazaar which is going to be held in the coming days (Yekatit 1-5 2000 EC). Our women and credit participants in particular are playing a great role. Credit clients from rural and urban areas have contributed for development purpose through their institution. Their participation in development work was not only at the time of bazaar but also it was at other events. For instance, there was 'Berkume' (millennium) program that was arranged for a brainstorming about the bazaar. At that time women were involved in program arrangement and made financial contribution for the bazaar preparation. The financial contribution was bout 5000 birr. This shows that the involvement of women in community development work is great (Key informant interview).

These women's involvements through idea generation, financial contribution and social were also acknowledged by Iteya, kebele 01 chairperson. The other key informant, who is the branch manager of the OCSSCO, explained the involvement of the credit members in community development work as below.

It is true that our clients are always the role model regarding community development. I am sure there is no doubt about it. Every one can conform and learn about this. For this I have a good example. Currently, the woreda is preparing a bazaar that is going to be held in Yekatit (February) 1-5 2000 EC for development of the woreda. I am a member of the preparation committee. The main purpose of the bazaar is public fund raising that will be allocated to build technical school, additional one junior school, preparatory school and one health post. Now there are only two schools, one elementary and one secondary school. Each school serves for four to five thousand number of students. The community believes that this small sized and crowded compound must be changed. In this historical and memorial juncture our clients are leading participants. They have decided to contribute 10 birr per head. The full amount is 50 thousand birr. Out of this 10,650 birr is the contribution of women. From total sum 50,000 birr we are already able to collect 32, 000 birr. This contribution is at level of our institutional. They also participate through their kebeles. Further, our clients are always devoted to our activities. Whenever we call them and they come on time and cooperate with us. The non-client people are not like them. Not alone they don't keep the time; they may not come whenever they are called for any gatherings. In this regard, our clients have made behavioral change (Key Informant Interview).

These all indicate that microfinance clients can play positive and constructive role in community development work. They also could be the potential fertile ground for any social, political and economic changes. In other words, a microfinance intervention generally has a positive impact on women's empowerment to involve in community developmental activities.

5.1.3 Self-Confidence

As it is illustrated under the review of the literature, self-confidence is one of the potential results of women's empowerment. Cheston and Kuhn (2002) identified self-confidence as one of the most crucial areas for empowerment. Therefore, participants were surveyed and assessed with some elements of self-confidence pointers which are discussed in Table 5.9 below. As indicated in table 5.9, 52 percent of the respondents responded that they were with little confidence before loan while 35 percent of the respondents replied that they were not confident. Only 12 percent of the respondents reported to be highly confident.

Table 5.9 Percentage Distribution of Respondents by Self-confidence Before loan

Level of self-confidence	Number	Percent
Do not know	1	1.0
Highly confident	12	12.0
slightly confident	52	52.0

Not confident	35	35.0
Total	100	100.0

Source: Field Survey 2008

Based on the above table 87 percent of the respondents replied that they were either slightly confident or without confidence. However, the field survey indicates that credit participants have improved their self-confidence after loan. This fact is displayed in Table 5.10 below. As per Table 5.10, 92 percent, 87 percent and 96 percent of the study population had reported that they felt more confident, capable of money management and confident enough to go to the market and health center respectively. The remaining 6 percent, 9 percent and 4 percent were not more confident, were not capable to management their money and confident enough to go to market, police station respectively.

Table 5.10 Percentage Distribution of Respondents by Self-confidence after Participating in OCSSCO Program

Self-confidence development	More confidence	Capable of money management	Confidence enough to go (market etc)
Do not know	2	4	0
No	6	9	4
Yes	92	87	96
Total	100	100.0	100.0

Source: Field Survey 2008

According to the above table, the self-confidence of the women has generally improved after they joined OCSSCO. The same results appeared from the response of the FGD participants that their self-confidence and value toward themselves has enhanced after the intervention of the microfinance. Many ladies said the following.

Previously we were financially dependent on our family. But the fact that we now engage in some sort of our business, our confidence has improved because now we have our own income. This economic independence itself enhanced our self-image and self-confidence to manage our money. We can also go anywhere like market, police station, kebele and others (FGD, Group 1).

Others noted the following.

We are encouraged with the changes brought about in our family after we joined OCSSCO. This has given us the confidence that we can work and improve our living. Not only that we can work but also now we are capable of making economic and business decisions which help us to handle and utilize

our resources such as and money. We have no fear to be alone and go to any of these places such as kebele, court, market etc. (FGD, Group 3).

All in all, the self-confidence, one of the necessary conditions for women's empowerment, of the majority of women has enhanced after they participated in OCCSCO. Consequently, as their self-confidence enhances the women would be encouraged to work hard and improve their lives.

5.1.4 Respect/Self- esteem

Enhancing perception of women's contribution to household income and family welfare, increasing women's participation in household decision about expenditure and other issues and leading to greater expenditure on women's welfare, making more general improvement in attitudes towards women's role in the household and community are the main objectives of the MFIs. These objectives were probed and the results are presented in Table 5.11 below. As shown in Table 5.11, 51 percent of the respondents that they had received respect from most people in the community while 19 percent of the respondents replied that they had won respect from everybody. The remaining 15 percent and 14 percent of the respondents replied that they gained respect from some people and only few people in the community respectively.

Table 5.11 Percentage Distribution of Respondents by Respect from Community after Loan

Community respect	Number	Percent
None	1	1.0
only a few	14	14.0
Some people	15	15.0
Most people	51	51.0
Every body	19	19.0
Total	100	100.0

Source: Field Survey 2008

The table portrays that the majority of women clients have received respect from most the people and have good self-image or esteem for themselves. According to them these changes mostly came from their strong efforts. This does not mean that credit facilities did not have any contribution for enhancing self-image. But they serve as seeds or steppingstones for creating a desire of self-change or development that can help one to move forward to self-actualization. A product from case interviews was similar to the above assertion. In this regard, Bezunesh Seyoum noted the following.

Box.5.4 Improvement in Women's Self-esteem/ respect

I have respect from both younger and elder people. The main reasons behind my respect are my contribution for community, hardworking and establish harmonious relationship with my neighborhood. I had served my people as deputy chairperson of our kebele for three years. While I was working in our kebele I organized about six groups of women in order to get the first credit from OCSSCO. Five out of six groups were from rural areas. My other contribution was giving training for women on family planning and health issues for the last 9 years. In a nutshell, these were the sources of changes in my respect and self-esteem. Thus, I can't say credit could be the only and adequate way of enhancing one's self-esteem and respect from others. For me, good behavioral ethics and attitude towards others is the best source of creating a cordial relationship and friendship with others. However, it is undeniable that credit for the poor could serve as benchmark to work with and to realize one's personal goals and development. All what you have seen in this hotel and the hotel itself are the output of mainly my strong efforts and commitment plus credit (Bezunesh).

5.1.5 Social Position

Several microfinance supports have experiential enhancements in women's status in their communities. Contributing financial resources to the family or community bestows greater authenticity and value to women's views and gives them more right than they would otherwise have (Cheston and Kuhn, 2002). According to Table 5.12 below, 63 percent of the repliers responded that their social position had improved after loan when compared to their social status before loan. 35 percent of the respondents reported their social position did not changed for different reasons such as they had already good social status before loan. The remaining 2 percent of the respondents reported that their social status has deteriorated.

Table 5.12 Percentage Distribution of Respondents by Social Position after Compare to before Loan

Social positions	Number	Percent
Deteriorated	2	2.0
Remained the same	35	35.0
Improved	63	63.0
Total	100	100.0

Source: Field Survey 2008

The above table depicts that micro-finances can generally contribute for the improvement of social status of their clients. Nevertheless, their contribution couldn't be a sufficient condition or complete guarantor to reach the optimum desired level of

social position changes rather they would possibly serve as tributaries for one's social class change. In this sense the main inputs for the desire output that could serve as necessary condition are the person's physical and mental fitness, his creativities, his commitment and hardworking along with access to credit.

This situation is further elaborated in the Table 5.13 below as well. As indicated in table 5.13, 87.30 percent of the respondents responded that OCSSCO credit program has contributed for the change of their social status while 4.76 percent of the respondents replied that they did not know whether the OCSSCO credit program had contributed for their social position change or not. The remaining 7.94 percent of the study population responded that their social position change did not result from credit but rather from their hardworking and effort.

Table 5.13 Percentage Distributions of Respondents by OCSSCO Program Contributed to Social Position Change

OCSSCO Contribution for Social Change	Number	Percent
Do not know	3	4.76
No	5	7.94
Yes	55	87.30
Total	63	100.0

Source: Field Survey 2008

The above table shows that some of the participants have a feeling that credit has no contribution for enhancement of their social status. This was also true to a large extent for the majority of respondents. In other words, the part of the seed money or credit is there but it is not the sole source of change. E.g. In a plant life sawing is one thing, duties such as watering, caring and protecting are other things. The same is true for credit, it is seed for business but the seed itself doesn't make any change to business to grow rather it needs the person's care, protection, commitment, creativity and qualified leadership like that of watering to a plant. The results from case study interviews in connection with self-esteem and social position were similar to the above discussions. 50 years old and married woman from Iteya, whose name is Saba Yshitila, stated the following.

Box. 5.5 Changes in Social Status

I have respect from most people of my community. If you are productive and hard worker everybody loves and respects you. Others' view including respect towards you is dependent on and measured by what you have on your hand. In other words, changes in self-esteem and respect from others are the effect of your hardworking. Eventually, these changes would lead you to improvements in your social status. Furthermore, If you are hard worker you will be respectful, will have recognition and you will be gracious and listenable person before others. This is which I believe and any part of change in my current social status is the product of my hardwork mostly and credit. This could be true for all women who have access to credit as well as non-credit user as far as they are hard workers and able to come out of their kitchen work which is non-valued and able to develop entrepreneurial business skills (Saba).

5.1.6 Training and Advisory Services

Training is good path of sharpening interpersonal skills and empowering women by creating awareness. According to Oxaal and Baden (1997) the nexus between empowerment and health in general and specific for women is on the whole acknowledged. The researcher considers here the awareness of women gained directly from the MFI and through interactions amongst themselves in group. In this regard, the provision of awareness creation training to the clients on business entrepreneurship is dealt with here. As a result, participants were assessed whether they had received training or not. They were also surveyed as per the type of trainings they received. Their responses are indicated in Table 5.14 and 5.15 below. According to Table 5.14 below, 88 percent of the respondents had reported that they had received trainings. The remaining 12 percent of the respondents replied that they hadn't received any training.

Table 5.14 Percentage Distribution of Respondents by Received Training

Training Received	Number	Percent
No	12	12.0
Yes	88	88.0
Total	100	100.0

Source: Field Survey 2008

Based on Table 5.15 below, 26.14 percent of the respondents replied that they had received trainings more focused on finance and credit management while 23.86 percent of the respondents were trained more on social and political awareness. The

other 20.45 percent and 18.19 percent of the participants had received additional training on agricultural aspects and gender issues respectively. The remaining 11.36 percent of the respondents responded that they received trainings on adult education.

5.15 Percentage of Distribution of Respondents by Type of Received Training

Type of training	Number	Percent
Agricultural	18	20.45
Finance and credit management	23	26.14
Adult education	10	11.36
Gender issue	16	18.19
Social and Political awareness	21	23.86
Total	88	100.0

Source: Field Survey 2008

As illuminated in abovementioned discussion, the majority of the participants had received trainings from the credit program that focused on agricultural activities (marketing, soil and waster conservation, etc), finance and credit management, Adult education, gender issues and social and political awareness. Similarly, results from the FGD and key informant interviews generally indicate that the majority of women have received some sort of trainings on small business entrepreneurship or finance and credit management. Some clients have received training once while others did not have the chance to get it even once a year. Most of them attended trainings after they joined the OCSSCO. This implies that the clients' awareness regarding business entrepreneurship has reasonably increased subsequent to joining MFI. Participants stated the following about their experience on training that is provided by OCSSCO.

We have received trainings from OCSSCO once a year since we joined it. We remember most of the trainings were oriented towards group formation, credit management, marketing issues, saving, agricultural issues, social awareness, some sort of education on HIV/AIDS and family planning and others. Sometimes we attended trainings for the whole week (FGD, Group 1).

Another key resource person concerned with training of clients, who is branch manger of OCSSCO, was noted the following.

As it is written in the manual the main objective of CSSCO is poverty reduction which possibly could be attained through our financial services (credit, saving and insurance) and training and advisory services. We provide orientation and training usually for both prospective and potential clients and active members. For our potential clients we often offer them a kind of general orientation on

our activities. After they come to our institution we give them extensive and intensive trainings on how they handle their money and administer their credit, family planning, gender issues, socio-politico-economic issues, when and where they should sell their production, HIV/AIDS awareness creation and others. For that matter, I can guess the current food price raise and increase in cost of living is probably the outcome of the MFIs interventions. In other words, farmers would not be forced any more to sell their production as soon as they harvest. That is, whenever farmers need money they can get it from us (Key Informant Interview).

Additionally, regarding training, Bezunesh Seyoum reflected her perception as follows.

Box. 5.6 Client's Training

I have attended much training with my group and other workshops or clients, conference. The training was focused on ways of money and credit handling, entrepreneurial skills and social issues such as family planning, HIV/AIDS, adult education, gender issue etc. I have received some kind of awareness on how each penny or cent is very useful which I did not have before I Joined OCSSCO. Now I have become trainer for other groups particularly in family planning and gender issues (Bezuinesh).

In conclusion, all the aforementioned explanations demonstrate that microfinance institutions have positive implications and good potential to play a great role in enhancing women's empowerment. However, they would not be a sufficient condition for and a sole means and full guarantor of fostering women's empowerment. In other words, credit can be a necessary condition but not an independent and adequate device of women's empowerment. This means that there are also other factors that can mainly contribute for women's empowerment at both individual and household levels. These attributes are the person's hardwork, commitment, creativity, business skills, mental and physical fitness and good communication skills. Hence, the beneficiary must be capable with mental and physical fitness to work hard. Otherwise she might be shortfall to achieve the intended goals of her life.

CHAPTER SIX

SUSTAINABLE LIVELIHOOD

6.1 Sustainable Livelihood Indicators

Livelihood is not only self-employment but also access to natural productive resources or social networks that play an important role in supporting people's lives in a given ecosystem. Therefore, livelihood can be understood as a set of self-employment and assets building; nutrition, health and sanitation, skill and indigenous knowledge systems, environmental protection and strengthening political spaces and decentralization (Binayak, 2007). Additionally, the idea of sustainable livelihood is more enlarged in some concepts such as stability, resilience, sensitivity, security, poverty reduction, capability, and adaptability also deployed with respect to the viability of rural livelihoods in the long run (Ellis, 2000).

It is therefore imperative that micro-credits are one of the main sustainable livelihood mechanisms in the rural context of the country. The experience shows that such a micro-credit mechanism not only raises rural livelihood and employment but also promotes the sustainable development of rural areas. Credit, hence, is an essential need for starting small enterprise for livelihood. The really poor women cannot have access to the mainstream banks for saving small deposit and availing credit (www.vikash.org/Krushak%20Nidhi.htm).

Sustainable livelihood can be analyzed through interaction of five livelihood indicators (contexts, assets, institution and organizations, strategies and outcomes) and termed as sustainable livelihood framework (Scoones, 1998). As a result, sustainable livelihood approach begins with people's perception and realities; address their needs, social relations within and outside the communities, and their coping strategies to shocks; and identifies alternatives paths of the socioeconomic transformation (Binayak, 2007).

6.1.1 Contexts: Contexts are settings (historical, political, economic, social and current policies) in which particular assets are accessed by the individual or households (Scoones, 1998). They are used to construct livelihood strategies, which

result in positive or negative outcomes. In this study trends and shocks will be explored.

Trends and Shock: Trends may be fortuitous or adverse. They can be also mixed or outright inimical to poverty reduction. Further, they may be defined in terms of the availability of different types of livelihoods resources (Scoones, 1998). Under this study, trends can be categorized into farm related and non- farm related. Farm related activities are lack of credit, land shortage; land infertility, shortage, transportation (distance), poor rain and low agricultural input availability (oxen, fertilizer, improved seed) and shortage of grazing land. Whereas non-farm activities are manifested in different scenarios such as low return, lack of demand, culture, lack of skill and lack of husband’s support.

The following Tables display these above issues. Lack of credit access was the main constraint of clients in the before-loan context. The after-loan context is discussed in the tables blow. According to Table 6.1 below, 28 percent of the respondents reported that the main constraint/challenge for their crop production was land infertility while 19 percent of the respondents replied that their major problem for crop production was land shortage. Further, 14 percent and 12 percent of the respondents were replied that the main challenges for their crop production were transportation and low input availability respectively. The remaining 23 percent of the participants responded that the question is not applicable for their crop production.

Table 6.1 Percentage Distribution of Respondents by Major Constraints for Crop Production

Constraints	Number	Percent
Lack of access to credit	1	1.0
Land shortage	19	19.0
Household labor shortage	1	1.0
Poor rain/water shortage	2	2.0
Transportation (distance)	14	14.0
Low input availability	12	12.0
Land infertility	28	28.0
Not applicable	23	23.0
Total	100	100.0

Source: Field Survey 2008

Most of the FGDs, results have elucidated that the main difficulties in relation with their crop production are land infertility, land shortage, distance and low input access. A 33 years old widow client stated her situation before and after she joined OCSSCO as follows.

Prior to joining OCSSCO, our livelihood had been desperately affected by land shortage and land infertility. We had less than two and half chimids(1.12hectar) pieces of land that was also infertile. But since we joined OCSSCO, our situation has somehow improved. Now OCSSCO's credit has enabled us to rent additional farmlands and improved the productivity of our land via fertilizer. As a result, our crop production has increased which also in turn sustain our family's livelihood. But, our problems for land shortage is not still fully resolved (FGD, Group 3).

Similarly, participants were inquired to identify the current and previous constraints in connection with their livestock production. The responses are stated in Table 5.19. As depicted in table 6.2 below, 56 percent of the respondents reported that the major constraints for livestock production was shortage of grazing land while 17 percent of the respondents replied that the major constraints for their livestock production was shortage of water. The remaining 16 percent and 11 percent of the respondents reported that the main constraints for livestock production were transportation and the question not applicable respectively.

Table 6.2 Percentage Distribution of Respondents by Major Constraints for Livestock Production

Constraints	Number	Percent
Not applicable	11	11.0
Grazing land	56	56.0
poor rain/shortage	17	11.0
Transport	16	16.0
Total	100	100.0

Source: Field Survey 2008

As it is displayed in the above table, the main problems for the majority of the respondents were grazing land, water shortage and transportation. Similarly, the respondents of FGD have expounded that core problems for their livestock production are grazing land, water shortage and transportation. Indeed, these are persistent

problems even after they joined OCSSCO. Some of ladies noted their condition during both prior and subsequent to joining OCSSCO as follows.

We had cows even before we became client of OCSSCO. Then after, we have added other cows via loan to increase production. But we have faced grazing land and transportation problems that restrained our productivity. Finding a grazing land is a great constraint especially at the time of farming and harvesting. Every nearby land is farmed and sowed; we should send cows and other animals to a far place which needed an hour to an hour and half to go. The other problem is distance that prohibits us to sell animal products in vicinity town. To find a car, first we have to travel more that two hours. Not only this probably have we also spent between thirty minutes and an hour in waiting for minibus. The other sad situation is rising of transportation cost that we am charged. It cost us from three to ten birr, if we want to sell our livestock production (FGD, Group 1).

Furthermore, the study populations were asked to explain the main hindrances in connection to their non-farm activities like cereal and animal commerce. In connection to constraints for non-farm activities Table 6.3 below shows that 28 percent of the respondents replied that the major challenge for their non-farm business was cultural problem while 24 percent of the respondents replied that the main problem for their non- farm works was low return. The others 15 percent and 13 percent of the study population reported that their main challenges related with their non-farm business were transportation/road and lack of skill. The remaining 11 percent and 9 percent of the respondents said that their major constraints for their non-farm business were lack of husband support and low price respectively.

Table 6.3 Percentage Distribution of Respondents by Major Constraints for Non-farm Activities

Reasons	Number	Percent
Low return	24	24.0
Lack of demand/low price	9	9.0
Cultural problem	28	28.0
No skill	13	13.0
Transportation	15	15.0
Lack of husband support	11	11.0
Total	100	100.0

Source: Field Survey 2008

Results from FGD showed the same scenario. Clients explained their condition as follows.

Before we joined OCSSCO, we never worked as a merchant. Because being a merchant in our culture, particularly for women is unacceptable. However, subsequent to our loan membership we have received advice from OCSSCO staff. Hence, now we are a trader of food crops. We buy these resale-able crops usually from nearby areas. Then we bring them to the market to sell. But the return is very low. The overall cost has increased, therefore, it is very difficult to add markup price with good margin. At this time we can find a quintal of wheat about for 400 to 430 birr from the farmer. But it very difficult to sell it again even with 30 to 40 birr profit margin in nearby towns. Hence, we can't sell as much as we want to sell (FGD, Group1).

Additionally, other constraints in relation with trends are children dropout. The situation could be exacerbated due to various factors like too much transportation expense, child refusal to go school, school distance and textbook cost. Respondents were asked to explain their circumstance with the respect to their children's dropout. The main difficulties which were stated by the respondents are depicted in Table 6.4 below. Based on table 6.4, 89 percent of the respondents reported that their children dropout was a serious challenge to their livelihood before loan. The remaining 11 percent of the participants stated that they had not faced children dropout. Regarding the reasons for dropout, 34.83 percent of the respondents replied that their children dropped out for being unable to cover transportation cost for their children while 32.58 percent of the participants reported that distance of the school was the main factor for children dropout. The remaining 28.09 percent and 4.50 percent of the participants replied that the reasons for the dropout of children were inability to cover uniform or textbook costs and child's refusal to go to school respectively (table 6.4).

Table 6.4 Percentage Distribution of Respondents by Children Dropout

Dropout before loan	Number	Percent
Yes	89	89.0
No	11	11.0
Total	100	100.0
Reasons for dropout	Number	Percent
School is too far	31	34.83
Uniform/text book expensive	29	32.58
Transport too expensive	25	28.09
Child refusal to go school	4	4.50

Total	89	100.0
-------	----	-------

Source: Field Survey 2008

The table indicates that the majority of clients had experienced dropout of their children before they joined OCSSCO. The FGD revealed the same results. Participants put their view on her child dropout prior to her membership with OCSSCO as below.

We were very much needy. We didn't have enough income that meets school expenses (textbook and uniform) of our children. For this reason we couldn't send any of our children. But now we are able to send them to school without many difficulties (FGD, Group 2).

Shocks: are short-term challenges (such as sickness, accident, death & abandonment) to livelihood sustainability. They can be individual as well as social in scope. All shocks have immediate effect on the livelihood viability of the individual and household to whom they occur. These things were identified by the surveying participants. The responses are presented in Table 6.5. According to table 6.5, 29 percent of the study population replied that they had experienced sudden poor sales while 28 percent of the participants replied that they had faced sudden sickness/death. The remaining 24 percent and 17 percent of the participants replied that they experienced poor agricultural sales and natural disasters such as fire burn and flood respectively. Only 2 percent of the respondents reported that they faced unexpected debts or failure to repay the credit due to sickness of group members.

Table 6.5 Percentage Distribution of Respondents by Risks/Shocks

Risks/ shocks	Number	Percent
Poor agricultural season	24	24.0
Natural disaster (flood, fire)	7	7.0
Credit indebtedness	12	12.0
Sickness/ death	28	28.0
Poor sales	29	29.0
Total	100	100.0

Source: Field Survey 2008

The feedback that was given from the case study interview displays the same outcomes as the survey respondents. 56 years old and widow client from Borru-Jowe explained her understanding about the situation as below.

Box. 6.1 Common shock

My husband had been sick for a considerable of time. He was in bed nearly for a year. Then he passed away. This happened a year and half ago. After my spouse death, life was not easy for the whole family. I had finished all things what I had. I became very poor and remained devoid of a single broken hen. I had no choice but joined OCSSCO. Now I have better strength to withstand the unintended calamity (Dirbe Kebede).

6.1.2 Asset Resource

Assets are the underlying resources and capacities needed to escape poverty on sustainable basis. In other words, asset resources are the means by which individuals and families are built and supported to acquire assets needed for long-term well-being.

Financial capital: Financial capital (cash, saving and access to credit) is critical for the pursuit of any livelihood strategy. From these elements financial capital saving is considered as financial capital indicator since credit is accessed already (Ellis, 2000). The provision of saving facilities is one of the major advantages of MFI. Although the savings might be small, it makes the women familiar with the benefits of the scheme. In addition, having some amount of savings is believed to help them build confidence and can serve as a positive sign of sustainable livelihood or livelihood security as well as empowerment. Participants were asked about their personal savings custody. The responses that were provided by the participants are presented in Table 6.6. According to Table 6.6 below, 93 percent of the respondents reported that they have their voluntary personal savings within microfinance institutions. The remaining 7 percent of the respondents replied that they had no savings.

Table 6.6 Percentage Distribution of Respondents by Personal Savings in MFI after Loan

Personal savings	Number	Percent
No	7	7.0
Yes	93	93.0
Total	100	100.0

Source: Field Survey 2008

As per the FGD, the majority of the respondents have savings accounts in the MFI. But they are not aware of the amount they have and the applicable interest rates. In some cases the clients withdraw all or some amount of their saving and start again to save. The responses explained that not only that they had no money on hand to save prior to joining OCSSCO but also there is no bank at all near to them. Additionally, even if they had small money, they did not have the notion of bank and saving and time to go to the bank as well. Clients explained the scenario as below.

We did not have a saving account before joining the MFI. Since we did not have any money, it was difficult for us not only to save but even to think about it. There was no formal bank and we had not concept of saving and banking. Beside to this we were overloaded by housework. As a result we did not have spare time to think about bank and to save by roaming to other places like Assela. However, by this time we have a saving account opened with OCSSCO that allows us to deposit our savings upon settlement of the loan (FGD, Group 1).

This implies that the MFI supports the poor women to earn money and open saving account. They can now deposit money, starting from birr one, when they go to the OCSSCO to repay their loans.

Physical capital: Physical capital is defined as a producer good that creates a flow of outputs into the future. It includes infrastructural assets (roads, power line, and water supplies), and buildings (Ellis, 2000). In this research, housing condition and consumer assets are taken as physical capital. The responses of the repliers are illuminated in tables 6.7 and 6.8 below respectively. Based on Table 6.7, 61 percent of the respondents replied that their housing conditions had improved while 24 percent of the respondents reported that there was no change in their housing condition. The remaining 15 percent of the participants responded that their housing condition had improved significantly.

Table 6.7 Percentage Distribution of Respondents by Housing Condition

Housing Condition	Number	Percent
Improved	61	61.0
Significantly improved	15	15.0
Remained the same	24	24.0
Total	100	100.0

Source: Field Survey 2008

The above table expounds that the housing conditions of the majority of women clients have improved. Most of case interview results support this fact.

Box. 6.2 Reflection on Housing Condition

Before I secured loan from OCSSCO, my housing condition was poor. It was unpainted and roofed by old rested corrugated iron sheet. I had no electricity, telephone and tap water. In sum, when I compare the current situation of my house with previous condition it has significantly changed. Now I have telephone, tap water and electricity. Beside to this I have a nicely painted and renovated house (Kelemewa W/Giorgis).

Moreover, participants were asked to convey their scenarios in relation with their consumer asset holdings. The reports are noted in Table 6.8 as follows. As indicated in Table 6.8 below, 81 percent of the participants responded that they had no modern consumer assets, which valued less than 500 birr before loan. The remaining 19 percent of the respondents reported that they had these items prior to they joined MFI. However, situations have changed for clients after they joined MFI. Table 6.8 shows, 52 percent of the respondents reported that they have consumer assets, valued of less than 500 birr while the remaining 48 percent of the respondents responded that they did not have such items.

In relation with medium modern consumer assets which valued between 500 and 2000 birr, the study population was also surveyed. The responses are elicited in table 6.8 below. Based on this table, 98 percent of the participants replied that they hadn't any modern consumer assets that valued between 500 and 2000 birr prior to they joined MFI. Only 2 percent of the respondents said that they had these items before loan. Nevertheless, following loans 23 percent of the participants reported that they had these items while the remaining 77 percent of the respondents replied that they do not have any of these modern consumer assets (table 6.8).

Regarding high modern consumer assets which valued greater than 2000 birr, Table 6.8 indicated that 100 percent of the respondents replied that they did not have any of these modern consumer assets. But this situation seemed to have changed gradually. As per table 6.8 below, 7 percent of the participants reported that they had these items while 93 percent of the respondents replied that they did not have any of these items.

Table 6.8 Percentage Distribution of Respondents by Consumer Assets

Consumer Assets	Before loan	After loan
-----------------	-------------	------------

Less than 500.00 birr (Tape, radio)	Number	percent	Number	percent
No	81	81.0	48	48.0
Yes	19	19.0	52	52.0
Total	100	100.0	100	100.0
Consumer assets valued between 500 and 2000 birr(modern Tape, VCD)	Number	Percent	Number	Percent
No	98	98.0	77	77.0
Yes	2	2.0	23	23.0
Total	100	100.0	100	100.0
Consumer assets valued greater than 2000 birr (modern sofa, buffet)	Number	Percent	Number	percent
No	100	100.0	93	93.0
Yes	0	0.0	7	7.0
Total	100	100.0	100	100.0

Source: Field Survey 2008

With regard to results from FGD, responses of the majority discussants were similar to the above observation. Ladies stated their situations as below.

We have some consumer assets like table, chair, bed and tape. We bought all of them after we joined OCSSCO. Indeed all of them cost below 500 birr. We don't have any other modern consumer assets that valued greater than 500 birr. We hope we will have additional modern consumer assets like TV in the near future if we work hard (FGD, Group 1).

Natural capital: It comprises the land, water and biological resources that are utilized by people to generate means of survival. In all societies worldwide, particularly, in rural and agricultural context women's land and animal ownership can be regarded as one of the most cause for all gender inequalities (Ellis, 2000). Nevertheless, this study concentrates on land (land size) and biological resources such as number of animals for household. While the data on land size and ownership has been indicated in chapter four (Table 4.14 page 52), the number of animals for the household is elicited below in Table 6.9. According table 6.9, 56 percent of the respondents had no ox prior to joining OCSSCO while 41 percent of the respondents responded that they had one to two oxen. The remaining 3 percent of the respondents replied that they had more than two oxen. The after loan scenario is different. After loan 45 percent of the respondents reported that they had one to two oxen while 36 percent of the respondents reported that they do not have any ox. The remaining 19 percent of the respondents replied that they had more than two oxen.

In the same table 6.9 below, 52 percent of the respondents replied that they had no cow before they joined to OCSSCO while 44 percent of the respondents reported that they had one to two cows. Only 4 percent of the participants reported that they had more than four cows. When we come to the situation after loan, 64 percent of the respondents were replied that they had one to two cows while 24 percent of the respondents replied that they have not any cow even after loan. The remaining 12 percent of the respondents have more that two cows after loan. In connection to number of donkeys, 65 percent of the participants had said that they did not have any donkey prior to they joined MFI while 34 percent of the respondents reported that they had one to two donkeys. Only 1 percent of the study population reported that they had more than two donkeys before loan. However, subsequent to loan 48 percent of the respondents reported that they one to two donkeys while 2 percent of the participant replied that they had more than two donkeys. The remaining 50 percent of the study population reported that they did not have any donkey after loan Table 6.9).

The other investigated domestic animal was horse. Based on the table 6.9 below, 93 percent of the respondents responded that they had no any horse prior to joining OCSSCO. Only 7 percent of the participants stated that they had one to two horses. But after loan Table 6.9 shows that 23 percent of the participants replied that they

have one to two horses while 77 percent of the respondents said that they do not have any horse after loan. Concerning the number of mules owned within the household, 99 percent of the participants reported that they hadn't any mule before loan. Only 1 percent of the respondents replied that they had one to two mules prior to they joined to OCSSCO. However, 97 percent of the respondents said that they do not have mules even after loan while the remaining 3 percent of the respondents reported that they have one to two mules (table 6.9).

Regarding goats, 88 percent of the respondents responded that they do not possess any goat before loan while 9 percent of the participants said that they had owned one to two goats. The remaining 3 percent of the respondents reported that they had more than two goats prior to they received loans. Nevertheless, subsequent to loan, 16 percent of the participants reported that they had one to two goats while 6 percent of the study population replied that they had more than two goats. The remaining 78 percent of the respondents responded that they had no goat (table 6.9). The other natural asset which could indicate status of livelihood of the household is sheep. As per Table 6.9 below, 59 percent of the participants responded that they did not have any sheep before they joined OCSSCO while 39 percent of the study population replied that they had one to two sheep. Only 2 percent of the respondents had reported that they had more than two sheep before they received loans. But after they received loans, 37 percent of the respondents replied that they had greater than two sheep while 28 percent of the respondents answered that they had one to two sheep. The remaining 35 percent of the participants replied that they hadn't any sheep after loan.

In relation with number of chickens, 68 percent of the respondents reported that they did not have any chicken prior they joined to OCSSCO while 31 percent of the participants said that they had one to three numbers of chickens. Only 1 percent of the study population responded that they had more than three chickens. However, subsequent to loans, 30 percent of the respondents reported that they had one to three chickens while 28 percent of the participants replied that they had greater than three chickens. The remaining 42 percent of the respondents reacted that they hadn't any chicken after they received loans.

Table 6.9 Percentage Distribution of Respondents by Domestic Animals

No. of animals	Before loan		After loan	
	Number	percent	Number	Percent
Ox				
None	56	56.0	36	36.0
1-2	41	41.0	45	45.0
>2	3	3.0	19	19.0
Total	100	100.0	100	100.0
Cows				
None	52	52.0	24	24.0
1-2	44	44.0	64	64.0
>2	4	4.0	12	12.0
Total	100	100.00	100	100.0
Donkeys				
None	65	65.0	50	50.0
1-2	34	34.0	48	48.0
>2	1	1.0	2	2.0
Total	100	100	100	100
Horse				
None	93	93.0	77	77.0
1-2	7	7.0	23	23.0
>2	0	0.0	0	0.0
Total	100	100	100	100
Mules				
None	99	99.0	97	97.0
1-2	1	1.0	3	3.0
>2	0	0.0	0	0.0
Total	100	100	100	100.0
Goats				
None	88	88.0	78	78.0
1-2	9	9.0	16	16.0
>2	3	3.0	6	6.0
Total	100	100.0	100	100.0
Sheep				
None	59	59.0	35	35.0
1-2	39	39.0	28	28.0
>2	2	2.0	37	37.0
Total	100	100.0	100	100.0
Chicken				
None	68	68.0	42	42.0
1-3	31	31.0	30	30.0
>3	1	1.0	28	28.0
Total	100	100.0	100.0	100

Source: Field Survey 2008

As indicated in the above discussion, majority participants have perceived that their possession of animals has increased. This condition was also true for FGD participants. Clients noted their positions as below.

Our first intention was to work on ox and ruminant fattening. But the loan that we secured was insufficient. For this reason we changed our mind to work on crop production. We rent farms via credit. Then we sold some of the harvest to buy an ox. In our second harvest we added another ox and one sheep. The sheep gave twins in its first birth. Now we have sixteen sheep. Recently, we have bought a cow. Now we have two oxen, one cow and sixteen sheep. This shows our wealth rank is improving (FGD, Group 2).

Box.6.3 Changes in No. of Animals

Another lady from Borru-Jowe stated her situation as follows.

After my spouse's death, I had nothing except bare farmland. Then I decided to join OCSSCO to purchase an ox. Subsequent to my loan membership, now I have three oxen and two cows. Further, I have milk and enough food crops. This is a big shift for my family. In sum, I have benefited a lot (Deribe Kebede).

Human capital: It refers to the available to the household; its education, skill, good health and physical capability which are critical for successful pursuit of different livelihood strategies (Scoones, 1998). Children's schooling is more focused under this research in terms of building women's spending capacity on such matters through micro credit. Women's expenditures on the health and education of their families enhance the human resource base, that contributing to national development goals. As it was discussed already (table 4.14 page 54), majority of respondents reported that their expenditure on their children schooling and clothing has increased. In turn, this also depicted that MFIs have made significant contribution for future human capital.

Social capital: Social capital is generally associated with social relations, networks and trust. Trust reduces the costs of control. A lack of trust makes the realization of cooperative solutions more difficult (Lutz, 2007). Access to networks, information and markets gives to women wider experience of the world outside the home and possibilities for development of social and political roles. In some contexts, most microfinance programs are group-based. This may provide a very necessary structure for building networks and social capital. This is shown in Table 6.10 blow. According to Table 6.10, 44 percent of the respondents reported that they liked the credit

program for its creation of social relations while 32 percent of the respondents replied that they liked the credit program for its being a source of information. The remaining 24 percent of the respondents responded that they liked the credit program for its awareness creation and training provision.

Table 6.10 Percentage Distribution of Respondents by Reasons for Like the Credit Program

Reasons	Number	Percent
Group solidarity /social relations	44	44.0
Training and social awareness	24	24.0
Easy information access	32	32.0
Total	100	100.0

Source: field Survey 2008

As the aforementioned conversations, the majority of respondents (76 percent) said that they like OCSSCO for its group solidarity and facilitation to access valuable information. The same outcomes were depicted from case study interview.

Box. 6.4 Change in Social Capital

I have monthly group meeting. In monthly meeting I have discussed on common matters such as settlement of debt, social relation issues if any like illness, death, and other problems. I visit if any of my group members faced such kind of problems. I have shared new things usually. In general, I have strong and wide social ties and networks now than before I joined OCSSCO (Berike Umer).

6.1.3 Access Modifiers: Institutions, Organization and Social Relation

Under this research major access modifiers taken into consideration are institutions, organization and social relations.

Institutions: The role of institutions and organizations, which determined in large part access of the household or individual to resources and strategies, is critical. Understanding of institutional character is therefore a key factor to designing interventions which improve sustainable livelihood outcomes of women (Scoones, 1998). In this research selection criteria, guarantee policies, and loan terms are considered as elements of institutions.

According to OCSSCO (2002), guarantee *rules* are more related with group lending methodology. *Loan terms* are mainly related with delivery products, repayment schedule and the size of loan to be disbursed. Yet the loan terms and group collateral requirement are not without problem. That is why the majority of the FGD and key informant interview participants explained that they dislike about MFIs is taking responsibility for others, smallness of loan, inflexibility of repayment schedule, and interest rate. Clients stated their positions as below.

We like the group solidarity. Our problem is paying the other's debt. Now we pay on behalf of the defaulter from our group with other members. This is major risk which we hate. The other hindrances that concern us are limited size of loan, limited product and repayment schedule. Loan amount is insufficient. We couldn't translate our business plan fully into action. Another thing which made us much worried is product limitations. OCSSCO has also very specific loan purposes or products- either for agricultural or petty trading. It doesn't have any loophole for any other terms, for instance, educational loan, construction loan, and money transferring and pension service. Further, repayment schedule is quite anxiety. It lacks flexibly and enough period of grace depending on business activities. It is a must to settle within a year. We would be happy if OCSSCO makes some adjustments on these matters (FGD, Group 2).

Another key informant, who is officer of OCSSCO, noted her view as follows.

I have been working with OCSSCO since 2004. While I am dealing with many of our women clients there are common challenges which arise always from their 'legitimate demand'. The core ones are connected with small of loan size, a few credit products, group lending drawbacks. Clients need usually diversified products like construction loan, educational loan, pension and individual group methodology. Nevertheless, our operation doesn't have any space to provide such products. This needs reassessment of the current loan terms and warranty requirement policies (Staff Interview).

Organizations and Social Relations: These are players of the game in the process of women's empowerment and sustainable livelihood activities through MFIs. In the context of Hitosa woreda, OCSSCO administration, Kebele administration, woreda micro-enterprise office and woreda administration (women affair) are the main organizations with respect of women-related issues. Concerning the social relation, it is based on gender, age and group. I have observed that OCSSCO administration and woreda micro-enterprise have somehow good relationship. They shared common office and officers. Nevertheless, kebele administration and woreda women's affairs offices have simply eye witnesses, sometimes information giving and give a confirmation letter of residence.

6.1.4 Livelihood Strategies

Livelihoods are dynamic activities that resulted from the tangible and intangible asset status of individual/ household mediated by social factors and exogenous trends or shocks (Stephen and Simon, 2001). Coping strategies and some aspects of portfolio will be taken in account in this research. *Coping Strategies* are designed to respond to shocks in the short term. In other words, these are short-term responses to specific shocks such as illness, job loss and accidents in the household (Binayak, 2007). Based on Table 6.11 below, 55 percent of the study population responded that before the loan they had no capacity to find 100 birr within a week for emergency. The remaining 45 percent of study populations replied that they had capacity to find birr 100 within week for emergency prior to receiving loans. However, subsequent to loan, 82 percent of the respondents reported that they do have capacity to find 100 birr within a week for emergency. Only 18 percent of the respondents said that they did not have the capacity to find 100 birr within week for emergency.

Table 6.11 Percentage Distribution of Respondents by the Capacity to find 100 birr for Emergency within a Week

Do have a capacity to find 100 birr within week for emergency	Before loan		After loan	
	Number	Percent	Number	Percent
No	55	55.0	18	18.0
Yes	45	45.0	82	82.0
Total	100	100.0	100	100.0

Source: Field Survey 2008

But the majority of the participants responded that they have better capacity to find 100 birr per week after they joined OCSSCO. This means that their coping strategies at time of risk have been enhanced. Similar results were found from FGD and case study participants. The source of this hundred birr and coping strategies that ease food shortage are expounded in Tables 6.12 and 6.13 respectively below. According to Table 6.12, 41 percent of the respondents replied that they had not identified the sources in which they could find 100 birr within week for emergency before they joined to MFIs. The other 23 percent of the participants replied that they could find

birr 100 within a week for emergency as gift from relatives while 20 percent of the participants reported that they had used agricultural products sales as source to find 100 birr within a week for emergency. The remaining 9 percent and 7 percent of the respondents said that they had found 100 birr within a week from the sale of animals or animal products and hired out respectively.

When we come the after loan scenario, 53 percent of the respondents reported that they had used their saving account in OCSSCO while 19 percent of the respondents replied that they used sale of agricultural products to their emergency cases. The other 13 percent and 11 percent of the respondents replied that they could have found 100 birr within week for emergency from sale of animal products or animals and gift from relatives respectively. The remaining 2 percent and 2 percent of the respondents reported that they used money from hired out and unidentified sources respectively.

Table 6.12 Percentage Distribution of Respondents by Source for 100 birr for Emergency

Sources	Before loan		After loan	
	Number	Percent	Number	Percent
Not known	41	41.0	2	2.0
Sale of animal/ animal products	9	9.0	13	13.0
Sale of agricultural products	20	20.0	19	19.0
OCSSCO	0	0.0	53	53.0
Gift from relatives	23	23.0	11	11.0
hired out	7	7.0	2	2.0
Total	100	100.0	100	100.0

Source: Field Survey 2008

Similarly, participants were asked about selected strategies to ease food shortage if they would have faced. As illuminated in table 6.13 below, 31 percent of the respondents responded that they had used selling high valued crops and purchasing cheaper valued crops as coping strategies to easy impact of food shortage. The 28 percent of the respondents reported that they had preferred downsizing the amount of food to ease the impact of food shortage while 18 percent of the respondents reported

that they had selected to cut down the number of meals as coping strategy to ease the impact of food shortage. The remaining 16 percent and 7 percent of the respondents responded that they had sought for gift from relatives and eating inferior food respectively as coping strategies during food shortage times.

Table 6.13 Percentage Distribution of Respondents by Strategies to Easy Food Shortage Prior to Join OCSSCO

Strategies	Number	Percent
Cut down no. of meals	18	18.0
Cut down an amount of food for each meal	28	28.0
Selling high value crops and buying cheaper crops	31	31.0
Look for gift/loan from relatives	16	16.0
Eating inferior goods (vegetables)	7	7.0
Total	100	100.0

Source: Field Survey 2008

As illustrated in table 6.13 above, the selected coping strategies were ranked based on the responses of the study population as follows: **First important strategy:** Selling high valued crops and purchased cheaper crops. **Second important strategy:** Cutting down amount of food. **Third important strategies:** Downsizing the number of meals. **Fourth important strategy:** Looking for gift/loan from relatives. **Fifth important strategy:** Eating inferior goods (potatoes, vegetables). These strategies were also indicated in responses of the FGD. Some of participants elaborated their experience on coping mechanisms at the time of shocks as follows.

We did not have any means of tackling emergency needs prior to joining OCSSCO. Additionally, when our families faced food shortage particularly during the summer seasons, we had used different mechanism such as reducing number of meals per day, selling high value crops and buying the cheaper ones and sometimes eating inferior goods. Nevertheless, since our loan membership, we can find hundred birr within a week at the time of emergency from various sources such as sale of crop, or animal products or our deposits with OCSSCO. We can also use better strategies depending on their positive and negative sides in accordance with advice of OCSSCO officers (FGD, Group 3).

Livelihood diversification: refers to the existence of many different income sources and social support capabilities which families construct at a point in time in their struggle for survival in order to improve their standard of living. Diversification, therefore, may involve response to handle a particular type of common shock or stress through well-developed coping mechanism (Scoones, 1998). This research treats portfolios, which consist of farming and non-farming activities. These diversified activities are stated in Table 6.14. According to table 6.14 below, 62 percent of the participants responded that they used agriculture (mixed/agro-pastoralist) as their

source of cash in kind assets while 28 percent of the respondents replied that they used commerce of service as their source for cash and in kind assets before loans. The other 6 percent and 4 percent of the respondents reported that they used commerce and others and agriculture and commerce/service respectively as their source for cash and in kind assets prior to loans. The remaining 3 percent of the participants responded that they used agriculture and others (house rent) as their source of cash and in kind assets prior to joining to OCSSCO.

However, subsequent to loan, diversification or portfolio of means for cash and in kind was enhanced. Hence, 13 percent of the respondents replied that they had used agriculture and commerce as their source for cash and in kind assets while 9 percent of the respondents reflected that they had used commerce and others as their source of cash and in kind assets. Furthermore, 5 percent of the respondents responded that they had used agriculture and others as means for cash and in kind assets. The remaining 49 percent and 24 percent of the respondents reported that they used agriculture and commerce respectively independently as source for cash and in kind assets.

Table 6.14 Percentage Distribution of Respondents by Sources for Cash and In-kind

Sources	Before loan		After loan	
	Number	Percent	Number	Percent
Agriculture	62	62.0	49	49
Commerce/service	28	28.0	24	24.0
Agriculture& commerce/service	4	4.0	13	13.0
Commerce/service & others(rent)	6	6.0	9	9.0
Agricultural and others (rent)	3	3.0	5	5.0
Total	100	100.0	100	100.0

Source: Field Survey 2008

As per the above table, the diversification sources for both cash and in kind have improved from 4 percent to 13 percent and from 6 percent to 9 percent in agriculture plus commerce and commerce and others respectively. The level of diversification can further be broken down within one sector. For instance, agriculture in the area is mainly mixed agriculture; therefore, a client can involve her-self in farming, animal

husbandry and fattening oxen including ruminants. Similarly, results from FGD and case studies have demonstrated the scenarios.

Clients stated their perceptions on status of their source varieties for cash and in kind as below.

Before we joined OCSSCO, we were involved only in commercial activities. Specifically, buying and reselling cereals (such as wheat, mullet, lentil, beans and barely) was our trade activities. But since we joined OCSSCO, we have been involved in distinct income generating activities like animal husbandry, fattening small animals and farming. Our first loan was used to rent a plot of farmland to produce food crops. And later we bought cows and sheep. In sum, these and our personal deposits are our all sources of cash and in kind (FGD, Group 2).

Box. 6.5 Source of cash and in-kind

A 64 years widow and old woman from Iteya explicated the scenario as follows.

Prior to joining OCSSCO, I had been involved in traditional beverage (Areke) production and selling activities. I felt short of capital either to diversify or expand the existing business. However, after I joined OCSSCO I have been able to expand my existing business and diversify as well. I have started fattening sheep as you can see them. Beside these improvements I have some hindrances like shortage and feed for the sheep. Now I am above sixty years old. Hence, I couldn't work as much as I want (Kelemwa W/Giorigis).

6.1.5 Livelihood Outcomes

Livelihood security: is one of the outcomes of livelihood strategies that containing some combination of attributes related to income level, income stability, reduction adverse seasonal effects, and reduction in over all risk profile of the income portfolio. This leads people to becoming less vulnerable to adverse trends or shocks (Ellis, 2000; Stephen and Simon, 2000). In this research, the overall effect of OCSSCO on livelihood security is accounted in general and diet changes and children's dropout in particular. These issues will be elaborated in table 6.15, table 6.16 and table 6.17 below. According to table 6.15, 89 percent of the respondents replied that the effect of OCSSCO on their level of income was positively amplified while 10 percent of the participants reported that they hadn't seen any effect of credit on their level of income. The remaining 1 percent of the respondents replied that their level of income was decreased. Furthermore, 84 percent, 61 percent, 65 percent, 84 percent and 93 percent of the study population replied that the OCSSCO credit had a boosting effect on their diversity of income, housing condition, use of agricultural inputs, household diets and saving capacity respectively. The remaining 14 percent, 38 percent, 35

percent, 16 percent and 7 percent of the participants responded that the OCSSCO credit hadn't brought any change on their diversity of source of income, housing condition, agricultural inputs, and household diets and saving capacity respectively.

Table 6.15 Percentage Distribution of Respondents by the Effect of OCSSCO

Effect of OCCSSCO on:	Decreased	No change	Increased	Total
Level of income	1	10	89	100
Diversity of income	2	14	84	100
Housing condition	1	38	61	100
Agricultural inputs	0	35	65	100
Household diet	0	16	84	100
Capacity to saving	0	7	93	100

Source: Field Survey 2008

The above table highlights that the livelihood security of majority clients has generally improved.

Food Security: It is a sub-system of needs, neither independent of nor necessarily, more important than other aspects of subsistence and survival within poor households. Food security is thus usefully seen as one important element of drought livelihood. It is no also longer seen simply as a failure of agriculture to produce sufficient food at the national level, but instead as a failure of livelihoods to guarantee access to sufficient food at the household level. In other words, food security is not just an issue of productivity; or even the sustainability of production, or of entitlements, but depends on how people, especially poor people, gain access to production and exchange capabilities (Stephen and Simon, 2000).

Evidence exists of the notable contribution of micro-finance institutions (MFIs) to the enhancement of food availability, particularly to the households that are given loans to improve their small-scale business in division. Giving credit to poor women in the small scale business division enables them to invest in activities that will enhance household food security. Women in the division noted that soft credit enables them to buy fertilizers, adopt new technologies and buy certified seeds, which in turn improved their food crops output (Eliud, 2007). As a result, participants were inquired explain their situation in relation with food shortage. Majority of the respondents replied that they hadn't faced food any shortage. This situation will be elicited in

Table 6.16 below. As illuminated in table 6.16, 93 percent of the respondents reported that they didn't face any food shortage after loan. Even the remaining 7 percent of the participants replied that they faced food shortage only for one to two weeks.

Table 6.16 Percentage Distribution of Respondents by Food Shortage after Loan

Food shortage	Number	Percent
No	93	93.0
Yes	7	7.0
Total	100	100.0

Source: Field Survey 2008

As illustrated above, the majority of the respondents explained that they did not have food shortage. Furthermore, participants were inquired how their diet has improved. Their responses are presented in Table 6.17 below. As illuminated in table 6.17, 40.48 percent of the respondents expressed that their diet had improved since they were able to eat three meals per day while 19.05 percent of the percent of the participants expressed that their diet was improved as they were able to consume more animal products. The other 14.29 percent and 13.10 percent of the respondents replied that their diet was improved for they were able to eat more convenient food like pasta/spaghetti and they were able to consume more cereals respectively. The remaining 8.33 percent and 4.76 percent of the repliers expressed that their diet was improved since they were able to consume more vegetables and eat better during hunger season respectively.

Table 6.17 Percentage Distribution of Respondents by Household's Diet

Household diet	Number	Percent
Able to consume more cereal staples such as wheat	11	13.10
Able to consume more animal/dairy products	16	19.05
Able to consume more vegetables, legumes	7	8.33
Able to consume more food like pasta	12	14.29
able to eat better during hunger season	4	4.76
Able to eat three meals a day	34	40.48
Total	84	100.0

Source: Field Survey 2008

As stated in the above discussions, many of the respondents have noted that their livelihood security has improved. Results from FGD and case studies interview revealed similar responses.

Ladies explained their situations as follow.

Since I secured loan from OCSSCO, I have a feeling of security for my life and my family as well. My total income and its sources have improved. Hence, now I am able to eat better diet three times per day. I haven't had any food shortage. My saving capacity has also improved. It has increased from 2 birr to 10 birr per month in cash. Further, my saving has also increased in kind (animal) (FGD, Group 3).

Another woman, during her life narrative interview, also stated her view on the situation as follows.

Box. 6.6 Livelihood Outcomes

Prior to joining OCSSCO, food shortage was a big challenge for my family. Particularly in summer season, this was common for my family. Source of my income was depending on a single service activity-traditional drink (Tella). However, now I have different sources of income such as house rent, sheep fattening, and milk cow. Hence, now my family is able to eat cereals (Teff), animal products. In sum, I am in good condition. Even though food price has risen, I have no fear about tomorrow (Berike Umer).

Generally, the above discussions and explanations portray that microfinance institutions have positive and significant impact on women's livelihood, their families' welfare and sustainable societal changes. In sum, the interconnection between women and microfinance institutions seems positive.

CHAPTER SEVEN

Women and Microfinance Nexus

Women are good customers for micro finances. As a result, a large number of microfinance institutions have already identified women clients as their primary market niche. Nevertheless, arguments have been made for targeting women on the grounds of the efficiency and sustainability. Proponents of targeting women on the grounds of sustainability cite women's repayment rates are typically far superior to those of men. Lower arrears and loan loss rates have an important effect on the efficiency and sustainability of the institution. Many have also found women to be more cooperative and prefer to work with them for that reason as well. With this, the women are able to mobilize themselves towards economic empowerment.

To put it in nutshell, increasing women's access to financially sustainable microfinance will enable them to increase their incomes through micro-enterprise and that this will increase their control over income and resource (Mayoux, 2001). Individual institutions are then able to commercially finance their loan portfolios, earn profits on interest rates from credit and savings accounts, can multiply their outreach capacity by utilizing their extra capital (Robinson, 2001). Hence, one may conclude that credit and empowerment and sustainable livelihood would have positive association as far as credit accompanied by 'soft' services. This was also inspired in case study interview for some women, particularly those in the nuclear family are found to be economically empowered by their access to credit from OCSSCO in Hitosa woreda. Regarding this issue a client, Saba Yeshitila stated her view as follows.

Box. 7.1 Microfinance and Women Nexus

Since I have joined OCSSCO, my food security and decision making ability has been improved. I have developed to manage and diversify my business activities. Hence, my confidence, self-image, social network and community involvement have also increased. Further, I do not have difficulties to settle my debt. Now I am remaining only four month to finish all my debt (Saba).

The above discussions indicate that participating in micro finance credit program helped majority of rural women experience increased household income and improvement in their autonomy of household decision making and livelihoods. This

enhancement of women's empowerment and livelihoods in turn also brings institutional sustainability. However, there are challenges in all levels: individual, organizational and governmental which need to be addressed.

7.1 Challenges for Women and Microfinance Institutions

As it stated in literature review, MFIs are not out of restraints. Similarly, the replies of the majority participants for the survey opened ended questions appraisal, the most important identified challenges for women's empowerment and livelihood at community level, household level and individual level consecutively are identified as presented below. As they are responded by household survey in the open ended, some the major problems which can be combined as universal set or broad context challenges for advancement of women in connection to MFIs are lack of access to credit, distance or transportation, cultural problems and women's issues. But these can also be hindrances for all organizational level, household level, and individual level at the same time. In other words, they can hamper and hammer both organizational and personal progresses.

Analogous to the above explanations, the results from assessment of opened ended survey questions, key informant interviews, FGD and case studies explicated the same situation of women. The major constraints which affect both participants and non-participants as well as at all levels include cultural problems (low credit culture, male dominance, etc.), distance or basic public goods (road, telephone, electricity etc.), lack of collectiveness (organized as group), illiteracy, lack of information capital, low awareness and low social capital. A key informant lady, who is the deputy chairperson of woreda women's affair's office, noted the following.

It is impossible to say our community is 100 percent clean from pitfalls. There are some cultural challenges for women. For instance, our community has various religious beliefs. Some of these beliefs prohibit women to gather with their friends to discuss on some common matters outside their home. The reasons behind are the prejudices that women must be house wife in order to guard the house from any attack and to herd cattle. The second factor is that women can be considered as notorious ('ayin awuta') by the community if she stays out for few minutes for public works and issues out side the home. Particularly, these problems are sometimes significantly reflected in remote areas and among Muslim followers. However, these days we are reducing these impediments step by step. As yet, this doesn't mean that we have totally overcome these cultural challenges (Key informant interview).

Another key informant, who is the manager of OCSSCO, stated the following.

In relation to women's issue, there are different constraints. The central problem is cultural barrier. Still husbands are accounted as head of a family in the Ethiopian culture. Hence, women couldn't be involved in public sphere or activities since they are assumed to be duties of men only. Even if we call women for orientation about our program, their husbands come always. Furthermore, women are less exposed to public media that lead them to less information capital and low awareness about our credit program, political and socio-economic affairs (socio-economic setting), and gender issue. Low infrastructural development is another hindrance. As a result, we have much less number of women clients compared to men (Key informant interview).

Similarly, obstacles at the household level are mostly connected with maternal liability, ill-health, patriarchy (male dominance and lack of husband support), and awful traits of household members. Regarding this, results from FGD and key informant interview are revealed below. Key resource persons from woreda's microfinance office stated the following.

There are many challenges for women in relation to micro finance institutions. Of course, they are highly associated with cultural problems. For instance, I can tell you three of them. The first factor is patriarchal way of life. Husband is always dominant and superior. He would never allow his wife to work outside. The husband also thinks and says how come that while I am alive my wife works outside. Thus, women are usually represented by their husbands. The second factor is connected with reproductive role of women. They become pregnant and give birth. Hence, during their pregnancy, maternal and ill-health they could not execute these external works. The third reason is religious related. Particularly, in Muslim belief it is forbidden ('haram') to take interest from loans and pay interest to loans. In addition to these misconduct or bad behavior of family members discouraged them from participating in the credit program (Key informant interview).

In relation to the individual, the core constraints are lack of skill, illiteracy, sickness, fear and shyness and lack of capacity and competency. Some member of the program stated the following.

In both prior to and after joining OCSSCO we know each other. We have been evaluated ourselves. For us the great challenges for women are lack competence, hardwork, commitment and strong effort which emanated from low literacy, low skill and capacity. A woman has to have self-confidence to make changes on her life as well as her family through hardwork. Additionally, she has to understand herself as profitable and faithful to settle her debts. We believe that poverty does not restrain woman to secure loans from MFI, rather it is the deficiency in the desirable personal qualities (FGD, Group 1).

At the organizational level, the main restraints are institution-related including, lending methodology policy, limited products, lack of resources and work facilities, and lack of career structure. These obstacles can be divided further into two categories based on two views. The first class of problems is from the point view of clients while the second one is from the point view of MFI. But the two altogether affect the MFIs' services towards women's empowerment and sustainable livelihood.

Cheston and Kuhn (2002) stated that microfinance institutions around the world have been somewhat creative in developing products and services that evade barriers that have usually kept women from accessing formal financial services such as collateral requirements, male or salaried guarantor requirements, documentation requirements, cultural barriers, limited mobility and literacy. Nevertheless, in a number of countries and areas few or no institutions still offer financial services under terms and conditions that are favorable to women. Likewise, the most common problems within the institution pointed out by the respondents are illustrated in Table 7.1 below.

Based on Table 7.1, 32 percent of respondents replied that they considered the loan methodology or guarantee policy as major challenges while 31 percent of them took the loan size as the main problem from among the facilities provided by OCSSCO. The perceived problematic group dynamics and repayment policy appear to be the main challenges respectively for 22 percent and 11 percent of the clients. The remaining 3 percent and 1 percent replied that their major challenge was high interest rate and inability to identify any constraints regarding OCSSCO.

Table 7.1 Percentage Distribution of the Respondents by Major Challenges within MFI

Reasons	Number	Percent
Don't know	1	1.0
High interest rate	3	3.0
Too small loan size	31	31.0
Limited products	22	22.0
Guarantee policy and problematic group dynamics	32	32.0
Repayment policy	11	11.0
Total	100	100.0

Source: Field Survey 2008

According to aforementioned statements, one of the great roles of MFIs is their easier guarantee requirements as it permits clients to get cash by forming a group and be collateral to each other. Although the advantage of such an arrangement is clear, it might be also leave the clients in a detrimental position. This comes to surface when a group member fails to pay the debt and making the rest of the group pay on her behalf. Clients realized the consequence they faced as result of the default of group members as follows.

When we joined OCSSCO all of us had agreed to settle our debts timely. But one of the members failed to repay the loan and we had to settle their loans on top of ours. We still remember the situation was very difficult to manage even our own affairs properly. It created financial and social tie disorder (FGD, Group 1).

The above explanations imply that although MFIs have alleviated the clients from fulfilling collateral requirements and enabled them access to credit, they still bear burdens when a group member fails to settle debts as per the repayment schedule. In addition, in spite of its advantages, some of the clients still complained about the repayment policy and the relatively high interest rate on the loan that is 11.50 percent as compared to only 4 percent when they save in the OCSSCO. Members of OCSSCO noted the following.

In our opinions the repayment schedule and the grace period for repayment is very short. Even if it varies depending on the type of loan purpose, it is not much flexible to the extent of providing sufficient grace period. For instance, we used the money to purchase calves for husbandry purpose but we could not settle our debt from the product of the calf. We paid the debt from other things. But the grace and the repayment policy should have gone with the rearing time of the calves. Furthermore, indeed the interest rate applied by OCSSCO is smaller compared to that levied by private lenders. But the rate is still too much for us. Besides, the interest rate on loans taken is not comparable to the amount offered for savings. Interest used to be calculated on the remaining balance of the loan taken but these days the initial amount is considerable for interest (FGD, Group 3).

The above implies that while the clients are grateful to the MFI for the loans provided, they are unhappy with the fact that interest are calculated on the base loan. Even if while they are settling their debts as per the agreed repayment schedules, the principal on which interest rate is based remains constant. In addition, clients complain about the huge difference in the interest rates that are applied on loans and

savings. The other area which was complained about is repayment schedule. It is sometimes too short and not flexible it does not consider the scenarios of the clients.

As seen in the literature review part of the study, the MFI usually offers small loan amounts. This small loan size impedes large capital investments and also limits their engagement in business activities. In the support of this, most of the participants in FGD as well as the case study interview consider the loan offered as very small which is not sufficient to start business or any other activity. Members had this to say.

In fact, the loan size increases as we settle the loan in full and take another. However, the loan still falls short of the amount needed to start business. It would be better if they could increase the amount of the loan so that we are able to engage in our own business, earn better incomes and settle our debts more quickly (FGD, Group 2).

Results from case studies were similar to the replies from the above participants of the FGD.

Box. 7.2 Loan size

Saba Yeshitila, noted the following about her position on loan size.

I have been a client of OCSSCO for the last three years. I have used the three loan cycles for various purposes such as milk cows and coffee machine. Until now the loan was somewhat enough but not for the future. Unless and otherwise OCSSCO arranges some improvements on the loan size, I am planning to discontinue my membership and find another means.

Buzunesh Seyoum, also stated the following about her view on the size of the loan.

I have stayed with OCSSCO since 1996 EC. My first loan was 1000 birr. At that time it was enough to purchase 10 quintals teff. But now I have got 3000 birr during my last loan that did not enable me to purchase five quintals teff. This doesn't give me much sense like before. Therefore, I can say the loan was enough for my need. Even I had been thinking about and planning to leave the program. In short, I mean I am on the way to stop the program unless OCSSCO opens some possibilities to improve the size of loan.

Moreover, OCSSCO has been facing diverse hindrances in provisioning its financial and advisory services in order to empowering and creating sustainable livelihood for women. The dominant challenges are resource and work facility deficiencies and lack of career structure. These situations were noted during the staff interview. Staff informant, who is the manager of OCSSCO, explained the scenario as below.

I have been working in OCCSCO since 2000. In my opinion the major problems had been lack of resources and structures. Regarding deficiencies of resources, OCSSCO has very limited human resources, financial resources, facilities like offices, computer, and motorcycles/logistics. For instance, we still have one cashier, one accountant and one computer to provide our services for more than five thousand clients. It has no vehicle until now except for two motorcycles only. Not only these factors but also OCSSCO doesn't have clear career structure for its employees even at national level. For example, I have been a branch manger for the last seven years but I have not idea about my future career and personal development. The other problem of OCSSCO is lack of satisfactory incentives and remunerations. The compensations and fringe benefits are very low. As a result, employees and including myself are less motivated to work. In turn this can also contribute for less empowerment and ill-well-being of women. Low infrastructure and cultural barriers are also the focal constraints for our program (Staff interview).

From the aforementioned discussion, it is possible for one to conclude that although micro finance intervention and activities can play significant role in fostering women's empowerment and sustainable livelihood, they are cornered

by many challenges which could be linked to the community/society, organizations, household and individuals.

7.2 Best Ways for Microfinance Institutions to Serve Women

Serving women from a development perspective creates broader benevolent effects. Income accruing to women usually benefits their families through improved nutrition, health, education etc. Furthermore, serving women is a profitable business. In other words, serving women is an attractive market even for MFIs themselves. The market is barely served and therefore available. There is hardly any competition and so provided easy entry (Mutalima, 2007). Women are not only an attractive business for MFIs but also it is proven that they tend to be better payers and work better in groups. This was verified by the microfinance industry itself.

As it is stated by Mutalima (2007), the microfinance industry has proven that women tend to be better payers and work better in groups which so help improve repayment rates and create efficiency respectively for microfinance institutions. On the other hand, women bring valuable perspectives of assets, needs and challenges. Women's leadership also avails wider spectrum of talent, creativity and diversity. Thus, it becomes critical in designing appropriate products, policies and rules and regulations that will be accepted by the market (Ibid). In accordance with the abovementioned views and perception, the study population provided their views on what should be done by OCSSCO. The responses are presented in Table 7.2 below.

Based on Table 7.2, 30 percent of the respondents replied that client women could be served best if the loan warranty alternatives increased while 29 percent of the participant responded that women could be served best if the loan size increases. The other 18 percent and 11 percent of the participants stated that women could be served best if new products are developed and the repayment policy is improved respectively. The remaining 10 percent and 2 percent of the respondents replied that women could be served best if more training is provided and the interest rate is decreased.

Table 7.2 Percentage distribution of Respondents by Ways of Best Serving Women

Reasons	Number	Percent
Decrease interest rate	2	2.0
Improved loan size	29	29.0
Repayment policy change	11	11.0
Providing more training /technical assistance	10	10.0
Develop new products	18	18.0
Increase loan guarantee alternatives	30	30.0
Total	100	100.0

Source: Field Survey 2008

Additionally, results from the open ended survey, FGD and key informant interview portray that the possible remedies and resolutions are advocacy, mobilizing, organizing, training/teaching/ adult education, using role model clients, using media for encouragement of hero women in development, consulting, bringing cultural shift, building psychological capital-positive self-perception, hardworking, commitment and creativity. Clients reflected their thinking as below.

Women must organize themselves in order to access the credit. Unless they have collective power, they couldn't be listened to and articulate their common interest. On other hand, women can do nothing individually rather in group. For example, we had applied for loan individually prior to joining OCSSCO but we didn't secure any loan. Later, however, we formed a group with our other colleagues enabled us to secure loan. The other factors women need to be mobilized and trained to make them capable and entrepreneurs (FGD, Group 2).

Besides the above, a key informant, who is deputy chairperson of the wereda women's affairs office, elicited the scenario as follows.

In order to serve women at best through microfinance institutions, the community should transform its attitude towards women first. Awareness creation on gender issues is not essential only for women but also for men including their children. This phenomenon could lead the community to take responsibility to consider women issues. Furthermore, women should have organized themselves as collective power that can be easily trained and taught. Women's organizing independently as group can help them to develop their social capital and social networks. It also serves as stage to discuss their common affairs and challenges. Nevertheless, this needs coordinated and co-operated work among woreda's women's affairs office, kebele administration, woreda micro-enterprise office and OCSSCO. As far as I know there aren't synergized activities except information sharing to women's matter among these organizations. But now we are planning to undertake coordinated

activities. Finally, government must come with clear gender policy about women and microfinance, specifically synergic policies amongst the stated organization (Key informant interview).

With regard to solutions for the organizational challenges, a loan officer stated the following during staff interview.

I can suggest some possible remedies for the crucial problems which restrained OCSSCO in particular and probably other MFIs. To execute the program effectively, OCSSCO should improve its resources (such as human, financial, logistics and facilities), incentive system and career structure. It also needs to carry out its program review and amendments for instance on loan purpose, repayment schedule, group size and products. In connection to loan purpose for example, OCSSCO heavily depends on agricultural inputs. This must be diversified and credit should be provided to other purposes such as educational loan, housing loan, factory loan and others. Unless it diversifies its products and purposes, there could be risk. For instance, If the agricultural production fails for a number of reasons such as poor rain and poor harvest, our failure is automatic. The other case is the repayment schedule. The repayment schedule should be flexible based on the loan purposes. For example, our maximum repayment period is one year but a loan that has been given to purchase milk cow is difficult to settle in a year's time because, the probability of the cow's giving birth and milk and selling either of these products to settle the debt within a year is very low. Regarding center and group sizes, should be declined from 32 to 15 to 20 and 6 to 3 to 4 members respectively. Because it is time consuming and very difficult to find appropriate persons who know each other to fulfill the size. OCSSCO has to also add some new products such as local money transfer (like Dedebit Credit and Saving Share Company) and pension. This all improves the services that are provided to enhancing women's empowerment and societal well-being (Staff interview).

Generally, the aforesaid explanations and discussions on both the challenges and the ways forward for women's empowerment and sustainable livelihood through MFIs intervention depict that the crucial hindrances for empowering women and their sustainable livelihood emanate from the deviation between potential supply and legitimate demand. Potential supply reflects the country's endowment of various factors of production such as physical and human capital, institutional infrastructure (framework for property right and contract enforcement), and its knowledge about financial technologies and potentials clients (information capital). On the other hand legitimate demand reflects the true willingness and ability of the rural population to demand different types of financial services at the prices and terms and conditions at which they are offered or could be offered under competitive conditions (Getaneh, 2005).

Moreover, the above discussions imply that though provision of microfinance is one of the most essential instruments of tackling the problem of gender equity, poverty and underdevelopment, it needs the implementation of practical and sound

development instruments and strategies. Otherwise, sustainable development and poverty reduction objectives cannot be successfully achieved. Therefore, such institutions should gain all necessary support from the government, the public, funding institutions and other development stakeholders. It is only through working together that Ethiopians can tackle the challenges of women's empowerment and sustainable development in Ethiopia.

CHAPTER EIGHT

CONCLUSION AND POLICY IMPLICATIONS

“Attention to gender equality is essential to development practice and the heart of economic and social progress” (Katy, 2004) . . . “Most poor people are women and most women are poor” . . . “Most of the people in the world are poor; so if we know the economics of being poor would know much of the economics that really matters (Shultz, 1979 cited in Getaneh, 2005).

6.1 CONCLUSION

Women's economic disadvantage and concerns about simple human equity constitute perhaps the most fundamental reasons for looking at the effect of gender in microfinance interventions. Seventy percent of the 1.3 billion world's population living in poverty and earn less than \$1 per day are women. Yet they have been disadvantaged in access to credit and formal financial services (Katy, 2004). Hence, microfinance institutions have been developed to fill this gap. Nowadays one of the most popular forms of economic empowerment for women is microfinance, which provides credit for impoverished women who are usually excluded from formal credit institutions. That's why MFIs with group lending methodology has been imported to Ethiopia recently and is thought of as an avenue for development (FDRE, 2002).

With regard to MFIs roles they play in women's livelihood, they enabled women to make choices about their livelihood strategy, hinging on their perceptions about their own vulnerability, food security and basic needs. Despite the fact that the findings are incoherent, microfinance can also move to change the livelihood of clients. Nevertheless, nobody is known to the writer who investigated the contribution to and implication of microfinance on sustainable livelihood in Ethiopia, particularly of OCSSCO in Hitosa woreda. This study tried to appraise the contribution of OCSSCO for rural and semi-urban women's empowerment coincident with its implication on their sustainable livelihood.

Furthermore, data were collected from randomly selected currently active women participants. Both qualitative and quantitative techniques were used to collect the data. They also were analyzed using descriptive statistics, tabulations and percentages to examine the results of MFIs' in empowering women and in building their assets. The following are the major findings.

Implications on Empowerment: Individual Level

- Majority of the participants (56%) perceived that their autonomy in household decision making showed significant improvement after loan.
- About 92 percent, 87 percent and 96 percent of respondents replied that their self-confidence, capability of money handling and confidence enough to go anywhere respectively have improved and 51 percent said that their respect for others has increased.
- Majority of the participants (63%) reported that their social position has been fostered after they joined OCCSCO and women's community participation (group, kebele, women's meetings, and political poll) showed noteworthy changes subsequent to loan.

. Implications on Sustainable Livelihood: Household level

- Majority of the respondents (89%) perceived that the total earning and standard of living of their household have increased since loan membership.
- About 77 percent of the respondents reported that their productive and durable assets have improved after loan and 85 percent stated that their quantity and quality of food have enhanced after loan.
- Majority of the participants (92%) replied that their children schooling and clothing have improved after loan and 93 percent responded that their deposits have enhanced since loan membership.
- Joint decision making within family and group interactions and community participation of participants showed significant advancement in their social capital after loan membership.
- About 91 percent of the repliers stated that their diversification source of income has increased since they joined OCSSCO.
- About 93 percent of the respondents stated that they hadn't faces food shortage since loan membership.

In sum, the results of this study revealed that credit participants perceived enhancements in their livelihoods. They are also experiencing promoted autonomy in household decision making since loan membership. In short, microfinance has the potential to have a powerful effect on women's empowerment and sustainable livelihood. Furthermore, as it is illustrated in literature review of this study, credit and empowerment and sustainable livelihoods have direct association among them. However, their nexus is not without problems.

Challenges for Women and MFIs Nexus

As it is stated in literature review, despite their opportunity to access credit and other economic services provided by micro-credit projects, they have yet to receive help for long-term strategic needs. They are facing various constraints at different levels in different scenario that probably could be classified into *broad context level* (like macro MFIs policies, property and ownership rights, and infrastructure network system), *organizational level* (lack trained human, financial and material resource, lack of career structure, inadequate incentives and cultural challenges) and *individual level* (lack of information, low literacy, limited products, insufficient loan size, guarantee policy-group lending methodology and , distance, low support from husband, low competence, and interest rate). This indicated that MFIs with their clients are suffering from an overlapped bondage of challenges. As a result, though the potential benefits of women's access to microfinance are enormous, simply making micro finance services available does not mean that these services will be accessible to women and meet their strategic needs.

Moreover, as Wariara Mbugua of UNFPA (1994) (cited in Cheston and Khun, 2002) says, "no longer can this strategy be reduced to simple income-generating activities through revolving funds, but rather it entails and includes other elements of empowerment such as leadership, self-management, networking and entrepreneurship. Therefore, even if women do enjoy access to financial services, their empowerment and sustainable livelihood as result of those services is not guaranteed. Access to credit may be the only input needed to start women on the road to empowerment and sustainable livelihood.

Best Ways to Serve Women

Generally, the ability of a woman to transform her life through access to financial services depends on many factors- some of them linked to her individual situation and abilities, organizational rules and governmental regulatory polices. Consequently, it is unlikely that any one intervention such as the provision of credit or the provision of training with completely alters power and gender relations. As a result, by adopting the *holistic approach* that takes cultural, economic, and political factors affecting women's empowerment and livelihood into account with other stakeholders, MFIs

can insure that women are more deeply and consistently empowered and food secured through their programs. Nevertheless, how and when can this ‘holistic strategy’ or combination and synergic activities of the three stake holders (government, MFIs and individuals) be materialized? It remains researchable.

6.2 POLICY IMPLICATIONS

These are suggestions reflected on improved performance of MFIs in general and the company in particular.

- *Playing a Role in Cultural Transformation:* Non-client women are mainly challenged by lack of information, low literacy, fear, cultural barriers, lack of husband support, and lack of collective power. It would be better if OCSSCO plays a role in and contribute for some kind of cultural transformation through teaching, mobilizing, organizing, using role model clients in order to change the attitude of non- clients poor people who are reluctant for cultural reasons (including religion) with the collaboration of kebele and woreda administrations and woreda micro-enterprise office.
- *Expand Information Dissemination Channel:* Information is a crucial capital resource which can provide awareness for an individual to make a right decision, to build social capital. Hence, it would be better for OCSSCO it expand it medias such as fliers, brochure, radio, magazine, news paper and promotional DVD to address the non-clients women as well as to reduce cultural barriers or to improve loan culture. Of course, it should be done with collaboration of local governmental authorities and other NGOs partners.
- *Develop Gender Sensitivity:* Women’s access to microfinance is not automatic; nor are the benefits they can derive from it. Both necessitate gender-sensitivity and innovation in the design and delivery of microfinance products and services. As a result, bring gender notions into its governance and management and review its organizational policies and implementation could be necessary adjustments for OCSSCO to ensure gender sensitivity and gender equity.

- *Reassessing Institutionalism (Rule and regulations)*: Institutions are set of rules that mediate to reach client needs. OCSSCO should, therefore, tailor its product specifications, such as loan terms and amounts, repayment schedules and adjusting collateral requirements to reach women client needs. For in stance, it can add some loan purposes like educational loan and small constructional loans.

- *Develop Diversified Products*: MFIs can design products and services delivery mechanism that mitigate negative impacts and enhances positive ones. Hence, it would be better for OCSSCO to have product design and program planning system which considers women's needs. For example, design individual loan products ('village bank'), money transfer, pension, and saving capital-tied-up loans that meet the needs of women.

- *Use Holistic and Coordinated Strategy*: A comprehensive, systematized and well integrated holistic approach that links the credit with others development interventions is essential to meet women needs. Therefore, it would be better if OCSSCO reassess its trainings in terms of types and contents which can promote gender equality and facilitate women's access to better jobs and income-generating opportunity.

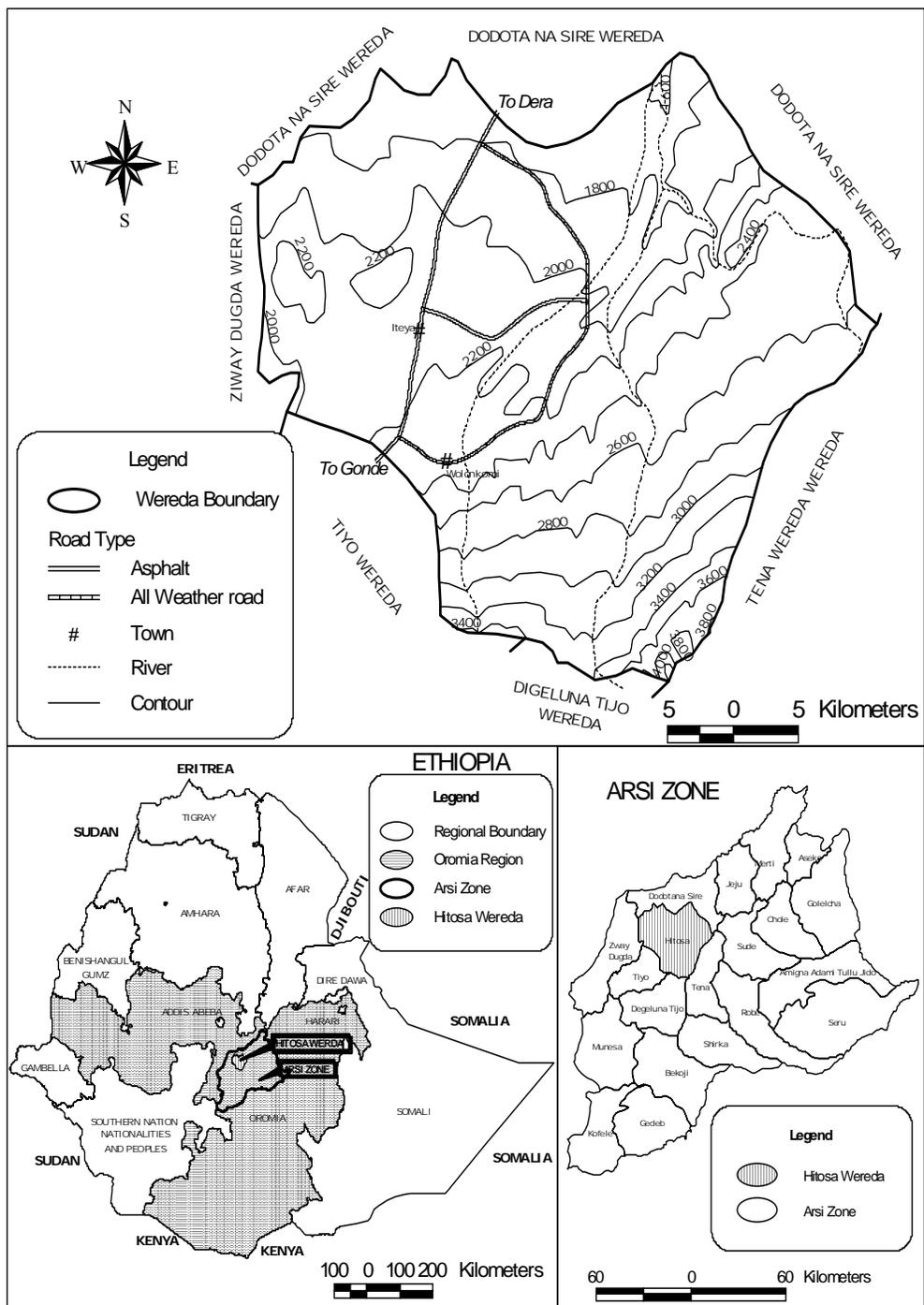
- *Minimize Resource Deficiency*: Financial and non-financial inputs are critically important for organizations to attain their intended goals and objectives. Thus, OCSSCO needs to make an appropriate adjustment like short-term training, workshop, review its personnel manual and develop manpower planning and providing necessary and sufficient facilities to reach the rural poor women and promote gender equity.

- *Develop Career Structure and Incentive System*: These mainly serve as motivational and retention devices for competent employees of organizations. Hence, establishing a clear career structure and incentive system alongside with portfolio quality and quantity of staff would be better to be considered by OCSSCO.

- *Addressing Legal environments and infrastructural network systems*: They play significant role in MFIs activities. Hence, it would better if all MFIs,

regional and federal governments can promote rural infrastructures and reassess microfinance related policies as their priorities.

The outcomes of this study were obtained from women credit participants of single district. For this reason, this study calls for further study, which reflects on both feminine and masculine credit participants and sufficient exposure of the region.



Source:- CSA, 1984

Figure 3.1 Location of the Study Area

APPENDIXES

A. Semi-structured Survey Questionnaires

The main purpose of this questionnaire is to explore the contribution of OCSSCO- for empowering women clients and their sustainable livelihood in Hetosa district. Its Objective is for academic purpose. The responses given by the respondents will be kept confidential. Hence, you are required to give authentic responses. Thank you for your cooperation in advance.

Section I. Identification

101. Questionnaire Identification number _____
102. Name of the interviewer _____ sign _____
103. Name of supervisor _____ sign _____
104. Date of Interview _____ (Ethiopian Calendar)
105. Interview started at ____: ____ hrs
106. Interview finished at ____: ____ hrs (fill at the end)

Section II. Background Information

201. Age
 - 1 Don't know
 - 2 20-24
 - 3 25-29
 - 4 30-34
 - 5 35-40
 - 6 40 and above

202. Area
 - 1 Urban
 - 2 Rural

203. What was your source of information about OCSSCO?
 - 1 OCSSCO workers
 - 2 People
 - 3 Kebele

204. Marital Status
 - 1 Married
 - 2 Widow
 - 3 Divorce
 - 4 Single

205. Who is the head of the household?
 - 1 Self
 - 2 Husband alone
 - 3 Jointly I and my husband

206. What is your religion?

- 1 Orthodox
- 2 Muslim
- 3 Catholic
- 4 Protestant
- 5 Others

207. For how long (in years) you have been a member of OCSSCO?

- 1 Less than a year
- 2 One to three years
- 3 Four to six years
- 4 Greater than six

208. What is your level of education?

- 1 Never
- 2 Informal education
- 3 Formal education

209. For what purpose(s) do you use the loan borrowed from OCSSCO?

- 1 Agricultural Inputs
- 2 Commerce/Service

210. What credit source were you used before and after joining OCSSCO?

- 1 No means
- 2 Relatives/friends
- 3 Equib/idir
- 4 Private money lender
- 5 OCSSCO credit

211. Size of land household cultivates in 'cimadi' before loan _____ after loan _____

- 1 None
- 2 1-3 cimdi
- 3 4-6 cimdi
- 4 7-8 cimdi
- 5 > 8 cimdi

2.12 Wealth ranking of the client

- 1 Extreme poor (Bayy'ee iyyeessa)
- 2 Poor (Iyyeessa)
- 3 Medium (Giddo-gallessa)
- 4 Rich (Sooreessa)

Section III. Empowerment Indicators

I. Decision- making

301. Who makes decision pertaining to the use of loan secured through OCCSSC?

- 1 Mostly I alone
- 2 Jointly I and my husband/ children

302. Who decides on the following household issues?

Before loan who makes decision regard to :	Mostly I alone	Jointly I and my husband/child (ren)	Mostly my husband alone	Not applicable
Buying and selling livestock or crops	1	2	3	4
Repairing and constructing houses				
Use of land for different crops				
Use of household income				
Children's schooling and clothing				
Buying small items(soap, oil)				
After loan who makes decision regard to:	1	2	3	4
Buying and selling livestock or crops				
Repairing and constructing houses				
Use of land for different crops				
Use of household income				
Children's schooling and clothing				
Buying small items(soap, oil)				

303. How do you assess the decision making power you have after joining the OCSSCO?

- 1 No Change
- 2 Increased

II. Participation in Community

304. How do you assess your involvement in group meetings?

		Attendance	Participation/ level of speak	Acceptance level
1	Never			
2	Rarely/sometimes			
3	Frequently/often			
4	Always/regularly			
5	Can't determined			

305. How do you assess your involvement in kebele meetings?

		Attendance	Participation/ level of speak	Acceptance level
1	Never			
2	Rarely/sometimes			
3	Frequently/often			
4	Always/regularly			
5	Can't determined			

306. How do you assess your involvement in women's meetings?

		Attendance	Participation/ level of speak	Acceptance level
1	Never			
2	Rarely/sometimes			
3	Frequently/often			
4	Always/regularly			
5	Can't determined			

307. What are the reasons for not attending frequently or always?

- 1 Lack of time
- 2 The meeting is not relevant
- 3 Husband doesn't want me to go
- 4 Shy of appearing in public
- 5 I have never been asked
- 6 Don't know

308. What are the reasons for attending frequently or always?

- 1 Learn new things
- 2 Opportunity to discuss problem

309. Have you ever-participated in political poll?

Before loan: _____ After loan: _____

- 0 No
- 1 Yes

II. Self-Confidence/ Self- Esteem/Capacity

310. How confident were you about yourself before joining OCSSCO? _____

- 1 Do not know
- 2 Highly confident
- 3 slightly confident
- 4 Not confident

311. Do you fill more confidence? Are you capable to manage your money, and confidence enough to go any place like market, police station, and clinic?

Self-confidence development	More confidence	Capable of money management	Confidence enough to go (market etc)
99	Do not know		
0	No		
1	Yes		

IV. Self-esteem/Respect from Others

312. Do other people in the community respect you? Listen to you? And invite you now than before the loan?

- 1 None
- 2 only a few
- 3 Some people
- 4 Most people
- 5 Every body

V. Social Position

313. How is your social position changed after loan?

- 1 Deteriorated
- 2 Remained the same
- 3 Improved

314. If your social position has changed, has the CSSCO program contributed to the change?

- 99 Do not know
- 0 No
- 1 Yes

VI. Trust/Social Capital

323. Do you feel as though you are really a part of this community? _____

- 0 No
- 1 Yes

VII. Training

315. Have you received training?

- 0 No
- 1 Yes

316. If answer to question 230 is yes: What type of training?

- 1 Agricultural
- 2 Finance and credit management
- 3 Adult education
- 4 Gender issue
- 5 Social and Political awareness

Section IV. Livelihood Indicators

A. Changes

401. After you took loans, what is your condition on the following matters?

		Decreased	No change	Increased
1	Total income and standard of living	1	2	3
2	Productive and durable assets			
3	Quantity and quality of food			
4	Access to drink water and health			
5	Clothing and children schooling			

402 What are reasons for positive changes?

- 1 Credit from OCSSCO
- 2 additional investment in agriculture(livestock, farm implemented-ox, fertilizer, seed)
- 3 Access to more land

403. How much do you think OCSSCO contributes for your living condition changes?

- 1 1-25
- 2 26-35
- 3 36-45
- 4 >45

404. Does your household own any of these items?

Consumer Assets	Before loan		After loan	
	0=No	1= Yes	0=No	1= Yes
Less than 500.00 birr (Tape, radio)				
Consumer assets valued between 500 and 2000 birr(modern Tape, VCD)				
Consumer assets valued greater than 2000 birr (modern sofa, buffet)				

405. Fill in the number of animals before and after you received the loan

No.	Animal Type	No. of animals before loan	No. of animals after loan
a	Oxen		
b	Cows/heifers/calves		
c	Donkey		
d	Horse		
e	Mule		
f	Goats		
g	Sheep		
h	Chicken		
i	Honeybee (hives)		
j	Others		

B. Constraints

406. What is your major constraint of crop production? (One or more answers are possible)

- 1 Lack of access to credit
- 2 Land shortage
- 3 Household labor shortage
- 4 Poor rain/water shortage
- 5 Transportation (distance)
- 6 Low input availability
- 7 Land infertility
- 77 Not applicable

407. What is your main difficulty for livestock production? (One or more answers are possible)

- 77 Not applicable
- 1 Grazing land
- 2 poor rain/shortage
- 3 Transport

408. What is your core hamper for non-farm activities? (One or more answer are possible)

- 1 Low Return
- 2 Lack of demand/low price
- 3 Cultural problem
- 4 No skill
- 5 Transportation
- 6 Lack of husband support

409. Had your child/ren experienced dropout prior you joining to OCSSCO? What were the reasons?

Dropout before loan

- 1 No
 - 2 Yes
- Reasons for dropout
- 1 School is too far
 - 2 Uniform/text book expensive
 - 3 Transport too expensive
 - 4 Child refusal to go school

410. What was the major shock you faced in your family during last year? (one or more answers are possible.

- 1 Poor agricultural season
- 2 Natural disaster (flood, fire)
- 3 Credit indebtedness
- 4 Sickness/ death
- 5 Poor sales

411. Do you have personal saving within OCSSCO?

- 0 No
- 1 Yes

412. What is your housing condition after you joined OCSSCO?

- 1 Improved
- 2 Greatly improved
- 3 Remained the same

413. What is the main benefit from OCSSCO in relation to your social capital?

- 1 Group solidarity /social relations
- 2 Training and social awareness
- 3 Easy information access

414. What you dislike about OCSSCO?

- 1 High interest rate
- 2 Too small loan size
- 3 Limited product
- 4 Group guarantee policies

415. What is the major hindrance for non-clients to joining OCSSCO?

- 99 Don't know
- 1 High interest rate
 - 2 Too small loan size
 - 3 Limited products
 - 4 Guarantee policy and problematic group dynamics
 - 5 Repayment policy

C. Strategies

416. Do have/ had a capacity to find 100 birr within week for emergency?

		Before loan		After loan	
0	No				
1	Yes				

417. What was your source of 100 birr for emergency before and after you joined OCSSCO?

Sources	Before loan		After loan	
-99 Not known				
1 Sale of animal/ animal products				
2 Sale of agricultural products				
3 OCSSCO				
4 Gift from relatives				
5 Labor hired out				

418. What strategy your family used while it faces food shortage? E.g. before loan

- 1 Cut down no. of meals
- 2 Cut down an amount of food for each meal
- 3 Selling high value crops and buying cheaper crops
- 4 Look for gift/loan from relatives
- 5 Eating inferior goods (vegetables)

419. What are the sources of your household income in both cash and in-kind?

Sources	Before loan		After loan	
1 Agriculture				
2 Commerce/service				
3 Agriculture& commerce/service				
4 Commerce/service & others(rent)				
5 Agricultural and others (rent)				

420. What the possible ways of serving best through OCSSCO?

- 1 Decrease interest rate
- 2 Improved loan size
- 3 Repayment policy change
- 4 Providing more training /technical assistance
- 5 Develop new products
- 6 Increase loan guarantee alternatives

D. Outcomes

421. What is the effect of OCSSCO's credit program on your:

	Decreased	No change	Increased
1 Level of income			
2 Diversity of income			
3 Housing condition			
4 Agricultural inputs			
5 Household diet			
6 Capacity to saving			

422. Did your household face food shortage after you joined OCSSCO?

- 0 No
- 1 Yes

423. How has your family's diet improved?

- 1 Able to consume more cereal staples such as wheat
- 2 Able to consume more animal/dairy products
- 3 Able to consume more vegetables, legumes
- 4 Able to consume more food like pasta
- 5 able to eat better during hunger season
- 6 Able to eat three meals a day

V. Major problems

501. What are the three major constraints and challenges to empowering women through credit service? Do not give vague answers such as poverty (dihnet) or drought (dirik)

1st

2nd

3rd

502. How could women be best served?

1st

2nd

3rd

B. Life History Narratives

I. Client's history

1. How did you get to know about the OCSSCO program?
2. Why did you want to become a client?
3. Was the amount you were able to borrow sufficient for your purpose?
4. What kind of the training and instructions did you get from OCSSCO?

II. Empowerment Indicators

- a) Explain more about the changes your household has experienced in income or living conditions. _____
Have these changes in any way been due to the credit program? _____
- b) Has your OCSSCO experience made you more capable of handling economic affairs (Planning to save, deciding how to invest your money, planning for how to repay your loan, etc)? _____
Did you feel more confident in your ability to handle economic affairs? _____
- c) For married women only: Is it mainly you or mainly your husband who decide on how to use the loan? Who is the one who handles/runs the economic activity you have used the money for? Who ensures that you have money have for savings and for repayment? _____
Has your involvement in taking economic decisions within the household changed after you become an OCSSCO client? _____
- d) After taking the OCSSCO credit, has social position changed in any way (Do people respect you more/listen more to what you say/invite you more?) _____
Do you have more people you can rely on for help if you need? Fewer? _____
Did you help others to a greater extent than before? If so, does this have anything to do with your OCSSCO credit? _____
Are you more willing than before to speak at meetings? If so does this have anything to do with your OCSSCO experience? _____

III. Livelihood Indicators

1. Effect of OCSSCO's loan on your:

	Increased/enhanced significantly	Increased/ enhanced slightly	Stayed same	Decreased
Level of income				
Diversity of income sources				
Housing condition				
Capacity to save				

2. How do you evaluate your household income since loan membership?

3. If decreased, would you tell us the reasons?

4. If Increased, Would you tell us the reason?

5. Change in the number of livestock since loan membership, if any.

Livestock	Before loan	After loan
Cows		
Oxen		
Goats		
Sheep		
Donkeys		
Others (Specify)		

6. Which of the following improvements have been observed in the household since your loan membership?

No.	Improvement Observed	1= Yes	0= No
1	Increased use of Agricultural inputs		
2	Improved existing roof the house		
3	Built new house		
4	Built additional rooms		
5	Improved household diet		
6	Other (specify)		

C. Key Informant Interview Guide

Kebele		Date		
No.	Name	Sex	Age	Responsibility
1				
2				
3				
4				
5				
6				

1. **Local authorities, Experts/practitioners and Women's Association**

2. What are the income generating activities that credit participants carried out?

3. Is there change in the income and well being credit participant?

4. Do credit participant contribute for local development? What roles they played for the neighboring women?
5. Do credit clients participate in community issues?
6. Other observation you have concerning credit participants?
7. What are the constraints and challenges to empowering women through the credit service?

1st _____
 2nd _____
 3rd _____

8. What are the constraints and challenges to change the livelihood of women through the credit service?

1st _____
 2nd _____
 3rd _____

9. How could women be best served? _____
-

II. Staff Interview Guide

1. What is the objective of the Institution?
2. . What support mechanisms are available?
3. What are the main issues discussed at center meeting and clients conferences?
4. What is the maximum and minimum amount of loan allowed for clients?
5. What are the criteria for allowing different amount of loan?
6. How do you evaluate the participation of women in the institution?
7. What is the attitude of the local community in general and clients in particular towards the institution?
8. What are the constraints and challenges to empowering women through the credit service?

1st _____
 2nd _____
 3rd _____

9. What are the constraints and challenges to change the livelihood of women through the credit service?

1st _____
 2nd _____
 3rd _____

10. How could women be best served? _____
-

III. Assessment of OCSSCO

1. How could the OCSSCO program be improved?
2. Should there be loans for other purpose?
3. Should there be a different repayment period?
4. Different ways of approving loans?
5. Different ways of creating the groups (Mixed group with men or women only)
6. Add individual loans instead of group loans alone

7. What other services could OCSSCO offer? (Financial training, marketing, skills, advising etc)

8. Does OCSSCO serve the poorest of the community? Could changes be introduced to make it easier for the poorest to participate in the program?

D. Focus Group Discussion (FGD) Guidelines

Center _____ Date _____ (Group leader Iteya)

Composition of the group clients of different loan duration considering age distribution

List of Discussants

No.	Name	Age	Duration of membership
1			
2			
3			
4			
5			
6			

I. General Discussion Points

1. Discuss how you become member of the loan program.
2. What information (e.g training and others) you were provided after you admitted to be beneficiary of the program.
3. What were/are the income generating activities you engaged in to make living before and after loan membership?
4. Is there change in the income and well being of the family loan membership? Why? Discuss the changes (if any) observed at center meetings?
5. What are the main issues discussed at center meetings?
6. Describe your participation in house hold decision-making both before and after program membership in terms of buying or selling livestock, use of land, use of household income and repairing or constructing houses.
7. When did/ do you feel that are contributing to the income and wellbeing of the family? Can you support yourself if you are left alone?
8. What is the response of the local community towards your activities?
9. Do you have any responsibility in the community?
10. Do you have any support mechanism among group members?
11. What problems you encountered since membership of the program?
12. Any other issue you want to discuss

II. Format for Married women focus Group on Household Decision-Making

Place _____ Date _____ time _____ Started _____ Finished _____ led by _____

Who decide within the household on:

Food consumption: (How much food to prepare, whether to buy food, etc)
Purchase?
Children's Schooling/marriage?
Women's credit (whether to take, how to use it, how to repay)
Agriculture or other main economic activities of the household?
What happens if the woman disagrees with her husband?
Do some women have a stronger role than others?
Why do some women have a stronger position than others?

Why does the husband decide more than the wife?
Should this be changed, and if so how?

III. Format for Participation Focus Group

Place _____ type of group _____ Date _____ Time started _____ finished _____ Led by _____

Most important institution (name)
Why important?
Participation
Constraints to participation
Acceptance
Weaknesses

Possible choices: Village assembly, Women’s Association, Youth Association, Farmers’ Association, OCSSCO, Iquib, Edir, Mahber, Cooperative, kebele, Woreda (Adda)

IV. Format for Credit and Economic Opportunity Focus Group

Place _____ Date _____ Time started _____ finished _____ Led by _____

Loan source	Advantage	Disadvantage
Most important loan sources		
Second most important source		
Third most important		
Suggestion for new credit sources		
Suggestion for new credit products		
Suggestion for new economic activities		

Possible loan sources: OCSSCO regular, OCSSCO input, Package loan, moneylenders, Friend or relative, Iquib, cooperative, Corporation, NGO, Merchant, other government institution, mahber,

References

Abdi Ahmed. (2003). “Micro finance and pastoralism.” *Pastoralist Forum in Ethiopia*: Proceedings of the third National Conference on Pastoral Development in Ethiopia, Addis Ababa (pp. 95-116).

Addis Kidan Church. (2004). *Gender training Manual*, Addis Ababa, Ethiopia Unpublished

- AEMFI. (2001). *Development of Micro finance in Ethiopia*, Addis Ababa, Ethiopia.
- AEMFI. (2002). *Product Development in the Ethiopian Micro finance Industry: Challenges and Prospects*, Addis Ababa: AEMFI, Occasional Paper no 4, March 2002.
- Ahmedet J., Aurora,A., Alemtsehay,B.,Silvana.S. (2001). *Gender Issues, Population and Development in Ethiopia*. Roma: IRP-CNR, Oct 2001.
- Alamaz Eshete. (1991). *Perspective on Gender and Development*, IES, AAU, Addis Ababa
- Anderson. (1992). *Practical Guidelines on Gender Development*, London: Routerledge, I New Fetrlance.
- ARWEA. (2007). *National Women Business Network: Trade Faire and Bazar*, at Addis Ababa Exhibition Center, From March 8-12, 2007.
- Asian Development Bank (ADB). (2000). “*Gender and Development issues in the Asia Pacific Region.*”www.adb.org/Document/Policies/Gender/gender0200.asp-39k.
- Association of Ethiopian Micro finance Institutions (AEMFI). (2008). *Micro finance Development review*. Vol.8 (1) Addis Ababa.
- Bahiru Gemechu. (2002). *The Contribution of credit and Saving Projects Towards Socio-economic Empowerment of Rural Women in Ethiopia: The Case Study of Hunde’s Lencho Telecho credit and Saving Project*. BA Senior Essay, Addis Ababa University.
- Batilwala, Srilatha. (1994). “The Meaning of Women’s Empowerment: New concepts from Action.” In Sen, Gemain and Chen (eds.). *Population Policies Reconsidered Health, Empowerment and Right*. Boston and Massachusetts: Harvard School of Public Health (pp. 127-138).
- Beijing Platform for Action. (1995). Fourth United National World Conference on Women, Beijing.
- Bekele Tilahun. (1996). “The Role of Credit in the Informal Sector for Poverty alleviation.” In Bereket and Mekonen (eds.). *The Ethiopian Economy poverty and poverty Alleviation: Proceedings of the fifth annual conference on the Ethiopian Economy*, Addis Ababa, (pp. 281-304).
- Berhanu Temesgen . (2001). “Micro finance and Gender in Ethiopia: the case of Micro finance Institutions in Addis Ababa”, paper presented for the international conference on the *Micro finance development in Ethiopia, prospects, sustainability and challenges in Poverty alleviation*, Addis Ababa.
- Binayak, Rajbhandari. (2007). “Sustainable Livelihood and Rural development in South

Asia: Issues, concerns and general Implications.” *Globalizing Rural development: competing Paradigms and Emerging Realities*, New Delhi: SAGE Publications, (pp.211-239).

- Biswal, Tapan. (2006). *Human Rights Gender and Environment*. New Delhi: Viva.
- Boserup, Ester. (1970). *Women’s Role in Economic Development, St. Martin: Fertility and Labour force participation in the Philippines (1968)*, working Paper NO. 2. World Employment program, ILO Geneva.
- Bouman, FJA. (1984). “Informal Savings and Credit Arrangements in Developing Countries: Observations from Sri Lank,” in dale, W.A.,G.H Graham and J.D.Von Pischke (eds.), *Undermining Rural Development with Cheap Credit*, London: West view Press.
- Burjorjee, Deena M., Rani, Deshpande and Weidemann, C. Jean. (2002). *Supporting Women’s Livelihoods: Micro finance that Works For the Majority: A Guide to Best practices*, United nations Capital Development fund Special Unit for Micro finance January, 2002
- Casuga, Magdalena S. (2005). *Documentation of Product development Process in Selected MFIs: Review of Literature*, for the Micro finance council of the Philippines, Inc, funded by Interchurch Organization for Development Co-operation (ICCO), Micro finance Council of the Philippines Inc.
- Chambers, R. and G. Conway. (1992). “Sustainable Rural Livelihood: Practical concepts for the Twenty-first Century”, IDS Discussion Paper No. 296. University of Sussex, Brighton: Institute of Development Studies.
- Chambers, Robert. (1995). *Poverty and Livelihoods: Whose Reality Counts?*, Institute of Development Studies, Discussion Paper No. 347, January, 1995, NORGRIC.
- Chao-Bernoff, Renee, *et. al.* (2000). *Enhancing Rural Financial Intermediation in Ethiopia: A study sponsored by IFAD and the World Bank*.
- Cheston, S. and L. Khun (2002). *Empowering Women Through Microfinance. Innovation from the Field*. Published by UN IFEM for Micro credit summit vol.1 issue 4.
- Croos, David. (2003). *Micro fiancé as an effective too to achieve Millennium Development Goals*. [www. Acdi. Cida:gc.ca/consultations/PSDCconsult.nsf/o/7ac73c7](http://www.Acdi.Cida:gc.ca/consultations/PSDCconsult.nsf/o/7ac73c7).
- CSA. (2008). *Statistical Abstract 2007*, Addis Ababa, Ethiopia.
- Degefa Tolassa (2005). *Combining household qualitative data and quantitative data in food security research*. A trial lecture for the PhD-degree. Trondheim, 10,06,2006, working paper on population and land use in central Ethiopia, no.5

- Degefa Tolassa. (2005). *Rural Livelihoods, Poverty, and Food Security in Ethiopia: A case Study at Erenssa and Garbi Communities in Oromiya Zone, Amhara National Regional State*. Doctorial Thesis, Norwegian University of Science and Technology. Faculty of Social Sciences and Technology Management. Trondheim.
- Desta Demessie, (2007) '*Gender and Development: A Christian Perspectives*' Addis Ababa: Unpublished.
- ECA. (1999a). ECA, *Sixth Regional conference on women, General Report*. Addis Ababa: Nov 22-26, 1999.
- Eliud, Wandabwo W. (2007). "Engendering Participatory Development in the Analysis of Household Food security: Small-Scale Farmers in the Vihiga District of Kenya". *Globalizing Rural Development: Competing Paradigms and Emerging Realities*, New Delhi: SAGE Publication, (pp.323-349).
- Ellis, Frank. (2000). *Rural Livelihoods and Diversity in Developing Countries*, Oxford: Oxford University press.
- Emiliana, Tapia. (2001). *Reflection: Documentation of the forum on Gender*. Number 6, Dec. 2001.
- Engles, Fridrich. (1942) *Origins of the Family, Private Property and the State*. New York: International Publications.
- Federal democratic Republic of Ethiopia (2002). *Rural Development Strategies, Policies and Instruments*, Addis Ababa: Ministry of Information.
- Food and Agriculture Organization of the United Nations (FAO). (2005). *Sustainable Development: Promoting Gender-sensitive Entrepreneurship via Micro finance Institutions*, Paper Presented at FAO Headquarter on March, 8 2005 for the events of International Women's day.
- Friedan, Betty. (1963). *The Feminine Mystique*. New York: Norton.
- Gebrehiwot Ageba. (2002). Microfinance Institution in Ethiopia: *Issues of Portfolio Risk, Institutional Arrangement and Governance, in Microfinance Theory, Policy and Experience*, Mekele University, Mekele (pp. 42-62).
- Getaneh Gobezie. (2002). "Evaluating the Potential of Micro finance as anti-Poverty Strategy: a Case Study of the Amhara Credit and Saving Institution." *Micro finance Development in Ethiopia: prospects, sustainability and challenges in poverty Reeducation: Proceedings of the conference on Micro-finance Development in Ethiopia*, Addis Ababa, (pp. 17-49).
- Getaneh Gobezie. (2005). *Livelihoods Through Micro-enterprise Services? Assessing Supply and Demand Constraints for Microfinance in Ethiopia: With*

Particular Reference to the Amhara Region, Paper presented at the 3rd International conference on the Ethiopian Economy, Organized by the Ethiopian Economic Association June 2-4, 2005, Addis Ababa Ethiopia.

- Getaneh Gobozi. (2004). *Micro finance Development*. Can Impact on poverty and food Insecurity be improved upon? Paper presented on international conference on Micro finance Development, January 21-23, 2004.
- Goetz, Am and R. Gupta. (1996). *Who Takes the Credit? Gender, Power and Control over Loan Use in Rural credit Programmes in Bangladesh*, World development, Vol. 24 (1), (pp. 45-63).
- Hashemi, Syed (1997). *Building up Capacity for Banking with the poor: The Grameen Bank in Bangladesh*, in Hartmut Schneider (eds): *Microfinance for the Poor?* OCED/IFAD.
- Histosaworeda administration office (2000 EC), *Forecasted population statistics*, Unpublished
- Histosaworeda agricultural office. (1999 EC). *Agro-Climate zones*, Unpublished
- Hossain, Mahabub (1988), credit for the Alleviation of Rural Poverty: the Grameen Bank Bangladesh, International Food Policy Research Institute: Research Report 65.
- Hulme, David (2000). *Impact Assessment Methodologies for Microfinance: Theory, Experience and better practice*, WWW.Undp.Org/sum/microsave/ftp-downloads/hulme-pdf.
- IFAD. (2001). “*Gender Perspective Focus on the rural Poor: an Overview of Gender Issues in IFAD-assisted projects*” Rome.
- International Labor Organization (ILO). (2007). *Small change, Big changes: Women and Microfinance*, micro credit summit campaign report, 2007
- Jane, Ritchie and Jane, Lewis. (2003). *Qualitative Research Practice*. London: SAGE Publication Ltd.
- Jennifer, Mason. (2005). *Doing Qualitative Research*. London: Cromwell Press Ltd.
- June, Lennie. (2007). “Critical Evaluating Rural Women’s Participation and Empowerment: An Interdisciplinary feminist Framework for Research and Analysis.” *Globalizing Rural Development: Competing Paradigms and Emerging Realities*, New Delhi: SAGE Publications, (pp.350-373).
- Kabeer, Naila (2005). *Is Microfinance a “magic bullet” for Women’s empowerment? Analysis of Findings from South Asia*. Economic and Political Weekly, October 29, 2005.

- Kabeer, Naila. (2002). “*Resource, Agency, Achievement and reflection on the measurement of Women’s Empowerment.*” *Discussing Women’s Empowerment: theory and practice, SIDA studies*, (pp.17-54)
- Kanyoro, Musimbi. (2001). “Empowerment and Women.” *Evaluating Empowerment: Reviewing the Concept and Practice*. UK: INTRAC, (pp. 35-56).
- Katy, Skarlatos. (2004). *Microfinance and Women’s Economic Empowerment: Bridging the Gap, Redesigning the Future*, Working paper Series No. 1
- Kerebih, Asres. (2005). *Impact of Micro credit on rural Women’s reproductive Behavior: The Case of Jabi Tehinan Woreda in West Gojjam Zone*. MA thesis, Addis Ababa University.
- Khandker, Shahidur (1998). *Fighting poverty with Micro credit Experience in Bangladesh*. New York: Oxford University press.
- Ledgerwood, Joanna. (1999). *Micro fiancé Handbook: Sustainable Banking with the poor*.
- Lutz, Laschewski. (2007). “Systems of Local self-Administration after Agricultural Transportation: Experiences of a Local Resources Management Project in East Germany.” *Globalizing Rural Development: Competing and Emerging Realities*, New Delhi: SAGE Publication, (pp. 242-255).
- Mayoux, L. (2001). *Impact Assessment of Microfinance: Towards A Sustainable Learning Process*. Summarized Paper in the November, 2001 Enterprise – impact News edition.
- Mayoux, L. (2002). *Women’s Empowerment and Microfinance*. A concept paper for the Microfinance field. Paper presented to the Micro-credit Summit +5 New York
- Mayoux, Linda (1997). *The Magic Ingredient, Micro finance and Women’s Empowerment*: A Briefing paper prepared for the Micro- credit Summit, Washington, Feb. 1997. www.gdrc.org/icm/wind/magic.html.
- Meron H/Sellassie. (2007). *The Role of Micro finance in Empowering Women in Addis Ababa*: MA thesis, Addis Ababa University.
- Michael P. Todaro and Stephen C. Smith. (2006). *Economic Development in the Third World: An Introduction to Problems and Policies in Global Perspectives*, (9th edn.), New York: Center for Policy Study.
- MoFED. (2004). *Millennium Development Goals Report: Challenges and Prospects for Ethiopia*, Vol. 1, Addis Ababa.
- MoFED. (2007). *National accounts Statistics of Ethiopia: The 1999 EFY Estimate Series and the 2000 EFY Forecast*, Nov. 2007.

- Moser, Co. N. (1993). *Gender Planning and Development theory and Practice*, London: Routledge, New Fettleone.
- Mosley, Paul. (1997) *The use of Control Groups in Impact assessment for Micro finance poverty oriented Banking*. Workingpaper19. www.ilo.org/public/English/employment/fiancé/papers/wpop19htm.
- MoWAs. (2006). *Empowering Women in Leadership by Eliminating Harmful Practices*, Addis Ababa, Ethiopia, March 8,2006.
- Mukassa, G. and Nije S.F. (2001) "Regional Reviews of the Evaluation of Empowerment." *Evaluating Empowerment: Reviewing the Concept and Practice*. UK: INTRAC Publication, (pp. 74-96).
- Murray, Janet and Mary Fruson. (2001). *Women in Transition Out of Poverty*. Toroto: Women and Economic Development Consortium, www.cdnwomen.org/eng/3h.asp.
- Mutalima, Irene KB. (2007). *Microfinance and gender equity: Are we getting there?*, Zambia: Christian Enterprise Trust of Zambia (CETZAM).
- North, Douglass C. (1990). *Institutions, Institutional Changes and Economic Performance*, USA: Cambridge University press.
- Oakley, Peter. (2001). "Understanding Empowerment." *Evaluating Empowerment: Reviewing the concept and practice*. UK: INTRAC Publication.
- OCSSCO. (2002). *Planning, Research and Business Development*, Addis Ababa, Ethiopia Unpublished.
- OCSSCO. (2007). *RUFIP PROJECT YEAR FIVE IDBP for 2007-8*, Addis Ababa, Ethiopia Unpublished
- Osmani, L. and N. Khan (1998). *Impact of Credit Program on the Relative Well-being of Women: Evidence from the Grameen Bank*, in IDS Bulletin: Micro finance, Impact, targeting and sustainability: Vol.29, (4), Oct. 1998.
- OSSREA, (2001). *Issues in social science research: Module 1*, Addis Ababa, Ethiopia.
- Oxaal, Zoe and Sally Baden. (1997). *Gender and Empowerment: definition, Approaches and Implication for Policy*. Briefing prepared for the Swedish International Development Agency (SIDA), October 1997, Report No. 40.
- Panos Ethiopia. (2000). *Focus on gender issue*, Addis Ababa, Ethiopia.
- Quisumbing, Agens R. and John Maluccio. (1999). *Intrahousehold Allocation and Gender Relation: New Empirical Evidence*. Policy Research Report on Gender and Development Working paper Series, No. 2, Washington, D. C.

- Quisumbing, Agnes R. and Menzen-Dick, Ruth S. (2001). *Empowering Women to Achieve Food Security Overview*, A 2020 vision for food, Agriculture, and the environment, August 2001.
- Rahman, A.C. (1999). *Micro-credit Initiatives for Equitable and Sustainable development: Who Pays?* World Development, Vol. 27(1), PP. 667-82.
- Rao, J. N. and M. D. Bavaaiah (2004). *Impact of Micro finance on Household Income and Employment: A Study of Andhra Pradesh state in India*, Paper presented in the International conference on Micro finance Development in Ethiopia, January 21-23. Awassa: SNNPR, Ethiopia.
- RESULTS (1997). *The Micro finance summit February 2, 1997, Declaration and Plan of Action*. Washington D.C: RESULTS
- Robinson, Marguerite S. (2001). *The Microfinance Revolution: Sustainable Finance for the Poor*. Washington D.C: The World Bank
- Rogaly, B. and S. Johnson (1997). *Micro finance and Poverty reduction*. London: Oxfam (UK and Ireland) and Action Aid.
- Roger A. Rennekkamp and Martha A. Nall. (2003). *Using Focus Groups in Program Development and Evaluation*. London: University of Kentucky.
- Rowlands, Jo. (1995). *Questioning Empowerment*. Working with women in Honduras. London: Oxfam.
- Scoones, Ian. (1998). *Sustainable Rural Livelihood: Framework for Analysis*; IDS working paper 72.
- Sharma, D. (1997). *Making the Human Development Index (HDI) Gender Sensitive*. UK: Oxfam UK and Ireland, 224 Banbury Road.
- Skarlatos,k. (2004). *Micro finance and Women's Economic Empowerment. Bridging the Gap, Redesigning the future*. Wisconsin Coordinating Council in Nicaragua. Working Series No.1
- Solomon Damitie. (1996). "Credit to the poor Households: the Case of financing Micro enterprise in the Debre berhan town; Northern Shoa, Ethiopia." In Bereket and Mekonen (eds.) *The Ethiopian Economy poverty and poverty alleviation*; Proceedings of the fifth annual Conference in the Ethiopian Economy, Addis Ababa. (Pp. 306-324).
- Solomon Desta. (1999). *Economic Empowerment. Documentation of the Forum on Gender*. Reflections, Panos Ethiopia, No. 1, Addis Ababa.
- Steel,F.,S. Amin, and R. Naved. (1998). *The Impact of an Integrated Micro-Credit Program on Women's Empowerment and Fertility Behavior in Rural*

Bangladesh, Policy Research Division Working Paper No. 115. New York: Publication Council.

Stephen, D. and Simon, M. (2001). *Food Security in Sub-Saharan Africa*. London: ITDG Publishing.

Tebeje, Chokole. (2007). *Role and Challenges of Micro finance Institutions in Ethiopia.*, MA thesis, Addis Ababa University.

TGE. (1993). *National Policy on Ethiopia Women*, Addis Ababa, Ethiopia.

Tsehay T. and Mengistu B. (2002). *The Impact of Micro finance Service among poor women in Ethiopia*. Occasional paper No. 6, AEMFI, Addis Ababa.

Tsion Dessie, (1994) A Glimpse of situation of Ethiopia Women, Adama: paper presented on Gender Issue and Primary health care organized by Panos Ethiopia.

UK-DFID. (1999). *Sustainable Livelihood Guidance Sheet: Introduction*, www.livelihood.org_guidancesheet.htm#1.

UN General Assembly. (2000). "Women 2000; Gender Equality, Development and Peace for the Twenty-first century" New York.

United Nations (1996). *The United Nations and advancement of women 1945-1996*, New York: Department of Public Relations.

Vikash. (2007). *Microfinance Focus*, Vol. 1, Issue-12.

Wickramasinghe, Maithree. (2000). *From Theory to Action-Women, Gender and Development*, FES publication 40.

Williams, S., Janet, S. and Adelina, M. (1994). *The Oxfam Gender Training Manual*, Oxfam UK and Ireland.

Wolday Amha. (2006). *Managing the growth of micro finance institutions to Reach Large Number of Clients: Experience from Ethiopia*. A paper presented on the bi-annual conference of the association of Ethiopia Micro Finance Institution (AEMEFI), Mekele.

World Bank. (1998). *Using Micro-credit to Advance Women*, PREM notes no.8 from the Development Economics vice Presidency and Poverty Reduction and Economic management Net work.

_____.(____). *The Sustainable Livelihood Framework*, www.tamarckcommunity.ca.

Yaron, Jacob. (1992). "Successful Rural Fiance Instutions," World Bank Discussion paper. The World Bank, Washing ton, D.C.

Yigremew Adal. (2005). *Gender and Development*, Lecture Notes, Addis Ababa University,
Unpublished.

Zafar, Roshaneh. (2002). "Micro *finance and Women's Empowerment. Turning Lead to Gold.*" Unpublished.