



ADDIS ABABA UNIVERSITY

COLLEGE OF DEVELOPMENT STUDIES

CENTER FOR REGIONAL AND LOCAL DEVELOPMENT STUDIES

**THE ASSESSMENT OF COMMUNITY SELF-HELP SAVING GROUPS IN
IMPROVING THE LIVELIHOODS OF VULNERABLE HOUSEHOLDS: THE CASE
OF CHILDREN'S HOPECHEST ADDIS ABABA PROGRAM**

MA THESIS

**BY
YARED AYELE**

JUNE, 2023

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO CENTER FOR REGIONAL AND LOCAL
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This is to certify that the thesis prepared by **Yared Ayele** entitled “**The Assessment Of Community Self-Help Saving Groups In Improving The Livelihoods Of Vulnerable Households: The Case Of Children’s HopeChest Addis Ababa Program**” and submitted in partial fulfillment of the requirements for the Degree of Masters of Art in Regional and Local Development Studies fulfills with the regulations of Addis Ababa University and meets the accepted standards with respect.

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Declaration

I, the undersigned, declare that this thesis is my original work, that it has not been submitted for a degree at any other university, and that all sources of materials included in the thesis have been properly cited.

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Acronyms

AACATID	Addis Ababa City Administration Total Ionizing Dose
AIDS	Acquired Immunodeficiency Syndrome
CF	Community Facilitators
CHC	Children's HopeChest
CLA	Cluster Level Associations
CSA	Central Statistics Agency
DFID	Department for International Development's
FAO	The Food and Agriculture Organization of the United Nations
FGD	Focused Group Discussion
GIS	Geographic Information System
HH	Household
HIV	Human Immunodeficiency Virus
IGA	Income Generating Activities
ILO	International Labor Organizations
MYRADA	Mysore Resettlement and Development Agency
NABARD	National Bank for Agriculture and Rural Development
NGO	Non-Governmental Organization
PPS	Probability Proportional to Size
SHG	Self-Help Group
SLF	Sustainable Livelihoods Framework
SNNPR	Southern Nations Nationalities People Region
SPSS	Statistical Package for the Social Sciences
UFP	Urban Food Security
UK	United Kingdom
UNDP	United Nations Development Program
US	United States
WB	World Bank

Abstract

Poverty with its multifaced have negatively impacted the urban populations who have been resided in the city like Addis Ababa. Because of the prevailing challenges, people have been struggling to alleviate vulnerabilities in one or another way. These vulnerabilities caused by not only financial limitations but also impeded the households' active social role which pave the way for social marginalization. That is why its saying poverty is multifaced.

To alleviative and minimize the vulnerability, there are a number of organizations, which are working on. One of is Children's HopeChest. In doing so, the organization launched the Community Self-Help Saving Groups Economic Empowerment Program as a means of ensuring community economic sustainability with the goal of establishing Income Generating Activities (IGA). These initiatives each have their own favorable effects on the areas where the Children's HopeChest Program is active.

At this time, 32 program areas have more than 204 Community Self-Help Saving Groups (SHG) with around 3140 participants each. However, the determinates of the SHG in improvements of the livelihoods of the vulnerable households has not been that much impacted the financial assets the given members of SHG which are challenged by poor time management, lack of motivations for saving of SHG members and lack of accountability among groups leader and lack of clear and Measurable follow-up structures.

Data which is required for the study it can be primary and secondary sources. The research has employed both qualitative and quantitative research approaches. The data questionnaires, interview and focused groups discussion, were collected from the members of SHG of Children's HopeChest Addis Ababa program. The final analysis of this study demonstrated that the women SHG initiative has indeed changed the beneficiaries' livelihood assets in particular by enhancing the women's attitudes and skills, expanding their social networks, enabling access to finances and IGAs, improving housing, and encouraging local decision-making. SHGs are not a panacea, though, and in the study area they have run against all listed challenges, such as the high cost of living and unpredictable inflation, negligent leadership of SHG, poor time management among SHG members and low levels of dedication and literacy as well as the lack of a formal or legal registration option.

CHAPTER ONE: INTRODUCTION

1.1 General Background of Study

According to the United Nations Department of Economic and Social affairs on Sustainable Development Goals (SDG) has reported in 2022 the fact that out of total global employments in 2019, 39% is accounted for Women and out of global employments losses in 2020 ,45 % is goes to the women of the world. (Indicators, 2022)

If the world continues at its current rate, equal representation of men and women in national political leadership will take 40 years, according to the above report. (Indicators, 2022) It clearly envisions the inevitability of pushing forward women empowerments in accordance with a set of principles under Sustainable Development Goal five (5) to achieve Gender equality and empowerment of all women and girls. (Indicators, 2022)

By considering the above fact, let's define what empowerment is. It the process of granting someone the authority to think, act, and control their own work. It is the feeling of being self-empowered to control one's own destiny. (Singhal, 2015) The ultimate goal of economic empowerment of women and specific communities is to achieve substantial increases in household income and improved food security for the ultimate goal of breaking the poverty cycle that has engulfed the given community in a sustainable manner. (Singhal, 2015)

It includes both controls over principles (belief, values and attitudes) and over resources (physical human, intellectual and financial). According to Singhal, empowerment can be viewed as a means of creating a social environment in which one can take decisions and make choice either individually or collectively for social revolution. It strengthens innate ability by way of acquiring knowledge power and experience. (Singhal, 2015)

Empowerments, as stated above, are made up of the vibrant intuitions and are also multifaceted. They are specifically outlined in Goal 5¹ of the United Nations Sustainable Development Goals and by the various scholars mentioned above about how it is whole, autonomous, and includes self-determination.

¹ Sustainable Development Goal 5 concerns gender equality and is fifth of the 17 Sustainable Development Goals established by United Nations in 2015. The 17 SDGs recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

By taking into account the aforementioned components, these empowerments can be attained through various establishments in the relevant societies, one of which is by creating and operating Community Self Help Saving Groups (Commonly abbreviated in to SHGs).

There are numerous discussions on the origins of SHGs, but the most notable literatures point to India as the first source. (Aloysius P.Fernandez, 2007) There are hot debates in between the two countries scholars, India and Bangladesh, on to topic of who invented first the idea of SHGs. In the case of Bangladesh, the Noble Prize winner and an economist in Chitgaon University Bangladesh, Muhammad Yunus. He started microfinance in 1976 by arranging credit for landless poor who were not qualify for traditional bank loan system and being the reason 7.8 million borrowing people since then. (Aloysius P.Fernandez, 2007) (Anjali, 2005)

However, though debatable, SHGs first appeared in India in 1985 as tools and strategies for poverty reduction, women's empowerment, and providing financial services to the poor. In this case the two profonde organizations, National Bank for Agriculture and Rural Development (NABARD) and Mysore Resettlement and Development Agency (MYRADA), both played major roles in promoting an alternative micro-credit system that went beyond savings and credit to build people's institutions and empower the poor in India through initialization of establishment of community SHGs. (Vasa (S., 2014) (Kropp, 2002) (Aloysius P.Fernandez, 2007)

In the case of Ethiopia, the Indian prototype of SHGs was reportedly introduced to Ethiopia by two international organizations, *Kindemthilfe*² of Germany and Tearfund of the United Kingdom³. The Ethiopian Kale Heywet Church and the Jerusalem Children and Community Development Organization, both of which participated in an experience-sharing workshop in India, were instrumental in introducing the approach.(Yntiso, 2015)

The basic premise of the approach is that poor people have untapped potential to help themselves with only limited outside assistance. The approach is primarily concerned with alleviating poverty, improving livelihoods, empowering women, and promoting social inclusion. (Yntiso, 2015)

² *Kindemthilfe* is a charity organization and was founded in 1959 by a group of Christians in Duisburg, Germany, in order to help needy children in India.

³ Tearfund is an international Christian relief and development agency based in Teddington, UK.

By the considering the above perspectives, the SHGs development approach promotes the enjoyment of human rights for all vulnerable and marginalized people, particularly the poorest of the poor. It accomplishes this by first focusing on the poorest women, and then expanding the focus to include entire families and communities. The SHG approach is bottom-up, relying on people's existing capabilities and strengths. It is an empowerment strategy that prioritizes the establishment and strengthening of a community Self-Help Saving Groups. It does this by investing in social capital and human capabilities, especially those of women with their children, to enable them to participate in decision-making at the household, community, and macro level and to lift themselves out of poverty. (Yntiso, 2015)

As the result, Children's HopeChest (CHC) is an international Non-Governmental Organizations (NGO) that is registered under the new Ethiopian Civil Societies Proclamation Proc. No. 1113/2019 and works on community development and child sponsorship projects in four regional states, namely Amhara, Oromia, Sidama, and SNNPRs, as well as two city administrations, namely Hawassa and Addis Ababa, with 32 program interventions to address the needs of over 5000 children in a holistic manner.

In doing so, the organization launched the SHGs as approach of Economic Empowerment Program as a means of ensuring community economic sustainability with the goal of establishing Income Generating Activities (IGA) in the given communities. These initiatives each have their own favorable effects on the areas where the Children's HopeChest Programs are active. At this time, 32 program areas have more than 204 SHGs with around 3140 participants each most of them are women.

As stated previously, the ultimate goals of the SHG will be economically sustained by improving the lives of the aforementioned households in the respective projects. As a result of the aforementioned intended objectives, the organizations have injected more than 15 million Ethiopian Birr as seed money to motivate the respective Community SHGs to move.

1.2 Statements of the Problem

According to World Bank report (2021/22), (World Bank, 2023) Ethiopia is with 117 million people the second most populous African country after Nigeria. Despite the country has fastest growing economy with 6.3 % the per capita gross national income is \$960. (World Bank, 2023)

Ethiopia's levels of urbanization, gender, and age groups all likely to affect how poor and food insecure a country is. The tendencies of inequality and food insecurity are rapidly increasing in Ethiopia's urban areas. According to the (CSA, 2018), the urban unemployment rate for young people, who make up 51% of the population, is expected to be 25.3%, compared to 26.4% for women and 12.2% for men (CSA, 2018).

To address the concerns of unemployment and extreme poverty, the Ethiopian government and non-governmental organizations have developed and executed a number of program and policy interventions. In one of the programs, SHGs are established and given power in order to promote and expand income-generating enterprises. The program's empowerment initiatives include providing financing to unemployed members to assist them in participating in micro and small-scale companies, as well as various trainings to equip SHG members with technical and entrepreneurial skills. Despite having all the information, the program's contribution was not as thoroughly scientifically explored as it should have been.

Experiences from numerous development initiatives that have been made to lessen the effects of poverty thus far have shown that although there are attempts to improve the horrible living conditions of many impoverished people around the world, doing so is not simple. Numerous development techniques that have been tried in the so-called poor countries of the world by different development agents or organizations have not produced the anticipated outcomes. However, it is clear that only a select few nations have profited from such development initiatives and have been successful in achieving rapid economic growth and the reduction of poverty.

The government of Ethiopia has implemented a number of economic and social reform program to assure improved living conditions in an effort to improve the miserable lives of its citizens. The 2002-enacted national "Sustainable Development and Poverty Reduction Program" is one of these initiatives. The four main goals of this program are agricultural development-led industrialization, justice system and civil service reform, decentralization and empowerment, and capacity building in the public and commercial sectors. Although efforts have been made by various agencies to improve the dreadful living conditions of the poor, reducing poverty remains the greatest difficulty facing the country even though it is the main agenda item for its growth. Ethiopians have their own unique traditional manner of pooling their resources so as to aid one other at the neighbourhood level in order to deal with their difficulties through collective action.

'Iqub,' 'Iddir,' and 'Mahber' are a few of the main coping mechanisms used by the poor to deal with their circumstances. Although these coping strategies do not perfectly match the Self-Help Group (SHG) concept, which this study aimed to investigate, they do have some things in common. In order to reduce poverty in general and the dreadful living conditions of impoverished women in particular, the Self-Help Group development model is a community owned and managed development project.

Though some of the various studies that have been conducted that are more related to my research area are listed below. Mtenga is one of the researchers who conducted research on the topic of Self-help Groups' determinates in improving members' social and economic conditions among women in various forms of SHGs. (Mtenga, 2018) Similarly, (Sarkar, 2018) conducted a study under the National Rural Livelihood Mission on the function of SHGs in empowering rural women. Correspondingly,(Sangtam, 2017) (Saravanan, 2016), and (Das, 2016) invest on IGA ted the significance of SHGs in rural women's socioeconomic transformation.

As a result, previous studies focused on women and rural areas, whereas the current study focused on households and Addis Ababa's metropolitan urban city. In the case of Children's HopeChest Addis Ababa programs, this study examined the factors that influence SHGs in improving the livelihood of vulnerable households. Above all, the study concentrated on the Assets component of household livelihoods, one of five components of household livelihoods. As we all know, the assets components of livelihoods include both tangible and intangible resources, which are divided into seven capitals according to the DFID⁴ and Oxfam International⁵ Sustainable livelihood Frameworks (SLF). My research only focused on five capitals of assets of livelihood. There are four types of capital: financial, social, physical, Political and human. Children's HopeChest promotes economic empowerment initiatives in the communities where its program interventions are implemented. One method for carrying out its economic empowerment initiatives is through SHGs that are organizing and empowering, which include

⁴ The Department for International Development was a department of HM Government responsible for administering foreign aid from 1997 to 2020.

⁵ Oxfam is a British-founded confederation of 21 independent charitable organizations focusing on the alleviation of global poverty, founded in 1942 and led by Oxfam International.

intensive trainings, distributions of millions of dollars as seed money to self-initiative SHGs, and extensive follow-up in the project's specific areas.

Despite these efforts, the organization fell short of its sustainability goals and was unable to achieve the desired outcome of breaking poverty cycles. Organizing and ensuring the development of these organizations takes a lot of work, but the goal of enhanced livelihood and self-sufficiency is what our economic empowerment program is aiming towards. A distinct explanation exists for why the objectives were not achieved. However, there some explanations for why the stated aims are not being achieved, which is why I conducted this study on the list of topics.

1.3 Objectives of the Thesis

This research thesis has the following general and specific objectives

1.3.1 General Objectives

- To examine the determinates of the Community Self-Help Savings Group's (SHGs) in socio-economic empowerment mechanism for improving the livelihoods of target vulnerable households.

1.3.1 Specific Objectives

- To examine the determinates of SHGs on financial Capital of household in the study area.
- To examine the influences of the SHGs on the physical capital of households in the study area.
- To examine the factors that influence of the SHGs on human capital of household's the in the study area.
- To examine the determinates of SHGs on social capital of household in the study area.
- To examine the determinates of SHGs on political Capital of household in the study area

1.4 Research Questions

1. Why not the determinates of SHGs influence financial capital of the livelihoods of the vulnerable households of the study area?

2. How does the determinates of SHGs affects the social capital of the livelihoods of the households?
3. What are the determinants of SHGs on households' physical capital of the livelihoods in the study area?
4. What are the determinants of SHGs on households' human and Political Capital of the livelihood in the study area?

1.5 Significance of the Study

Both theoretical and practical ramifications flow from the research. As a mechanism for community economic empowerment, the majority of governmental and non-governmental organizations are now creating and implementing SHGs. In theory, this means that the research on the factors that determine SHGs' impact on the livelihoods of certain community households contains fresh knowledge. It presents a concise and reliable summary of SHG policy and practice in Ethiopia. By identifying the discrepancies in the livelihood of Ethiopia's disadvantaged households and SHGs, this study can assist pique the interest of academics who are interested in the subject. By providing pertinent information, it can also help governmental and non-governmental organizations working on SHGs, policymakers, administrative bodies, women, and other interested entities. Finally, the study will aid in broadening the areas covered by relevant literature.

1.6 Scope of the Study

The Addis Ababa city Administration in Ethiopia served as the boundary for the study's geographic scope. The researcher chose Addis Ababa since it is the country's capital and has a significant number of projects available there and making it convenient for the researcher as well. Conceptually, the study is limited to how SHGs at Children's HopeChest Addis Ababa Programs to determine on how to improve the livelihood of vulnerable households. The study used a mixed research approaches and a multistage sample technique in terms of methodology. Cross-sectional research design also used in the study. The research completed between the months of January 2023 and June 2023.

1.7. Limitation of Study

A portion of the truth-finding process was hampered because a certain number of respondents were unable to answer the questions despite being in a position to do so due to the study area's organizational specificity. In addition, the number of questionnaires were not collected as the researcher had intended for which means that, the number of distributed questionnaires were 264 and the collected one were 227. Above all , it is difficult to discuss the topic at hand in a thorough and interesting manner because there is an a lack of empirical literature that is specifically related to national Self-Help Group members and their urban livelihoods situation, as well as current asset profiles for those living well in towns and in the study area.

1.8. Organization of the Thesis

There are five chapters in this thesis. The first chapter's introduction part includes information about the setting, problem statement, objectives, research questions, significance, and range of investigations for the study. The second chapter included an examination of the literature that was conceptual, theoretical, and empirical as well as a conceptual framework for the study. The research design, data types and sources, sample design and sampling strategies, sample size estimation, data collection procedures, and data analysis techniques are all covered in the third chapter. The fourth chapter gave and described the outcomes of the data analysis, presentation, and interpretation. The final chapter provided conclusion and the way forward based on empirical facts and finding.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter contains synthesis and summery of various relevant literatures related to the field of this study. The review of literature is organized in a topical order. The chapter included conceptual, theoretical, and empirical literatures pertinent to this study.

2.1 Definition and Concept of Community Self -Help Saving Groups

2.1.1 Definition Community Self-Help Saving Groups (SHGs)

Community Self-Help Saving Groups (SHGs) have various definitions and conceptualizations. The term SHGS refers to a situation when a person or group of people participates in actions to improve their social, cognitive, political in nature, and psychologically circumstances, among others, in the context of this paper. SHGs are thus defined as a group of people who share common interests and work together to improve their living conditions. (Kropp, 2002)

According (Thomas M, 2003) can be defined as informal groups of people who get together to solve common problems. While SHG may imply a focus on the individual, one important feature of self-help groups is the idea of people helping each other. (Thomas M, 2003). As a result, the above Thomas's definitions were chosen based on my research aspirations, development elements, and aspects.

2.1.2 The SHG Approach's Three Dimensions

The SHG Approach is a process that leads to people's empowerment. Empowerment is a long-term process involving both individuals and institutions. Individuals are the ones who band together and go through the empowerment process. Institutions such as Promoting Organizations and Government Agencies can help empower people by facilitating processes that increase self-confidence, develop self-reliance, and assist people in setting their own agendas in order to realize their full potential. ((KNH)., 2014)

The SHG Approach is comparable to creating a People's Institution built on the principle of "Empowerment." Three strong pillars social, economic, and political empowerment support the institution. The term "Social" is inclusive and covers social and cultural facets. To give the poorest people the chance to assert and realize their rights as individuals, as citizens, and as equal members of civil society, social, economic, and political empowerment are all necessary. ((KNH)., 2014)

Political empowerment entails removing obstacles that restrict people's options and keep them from acting to enhance their well-being. More specifically, political empowerment entails advancing democratic accountability and transparency, improving pro-poor development

effectiveness, and strengthening the fundamentals of good governance by increasing public participation. Because poverty is linked to helplessness, injustice, and exclusion, empowerment entails advancing human rights, diversifying civil society actors, strengthening the rule of law, ensuring the impartial administration of justice, and giving the disadvantaged a stronger voice and more control over the type, quality, and delivery of services they receive. ((KNH)., 2014)

2.1.3 SHG Structure and Function

The SHG Approach has a hierarchical structure. Approximately 15 to 20 individuals who are acquainted and come from the same socioeconomic background form one SHG and create their own rules. As they develop, a Cluster Level Association (CLA) is formed, with 8 to 12 SHGs residing nearby.

The CLA, which acts and speaks on behalf of its members (the SHG community) to lower levels of local government (Kebele and Woreda) and engages in a range of other activities, has two representatives from each SHG. A group of CLAs, normally 8 to 10, constitute a Federation Level Association (FLA), which is what is commonly referred to as a "Federation." It performs numerous more duties in addition to representing the membership at higher governmental levels, including city, zone/province, and region/state levels. (Yntiso, 2015). ((KNH)., 2014)

The CLA addresses social, economic, and political issues that fall outside the purview of a single SHG, which is more concerned with the growth of its members' economies and the resolving of immediate social issues. Members of the CLA typically get together once per month at a time and place that works for them. Based on identified needs as well as to reflect the CLA's action plan and goals, the CLA creates subcommittees to handle their activities, such as new group formation, audit, conflict resolution, and so forth. ((KNH)., 2014)

They are responsible for taking care of the SHGs that make up their constituency and are also involved in the overall structural and facility development of the SHG community. The CLA takes on community social issues that fall outside the scope of a SHG. The CLA performs the roles and tasks listed below, in more detail. SHGs are strengthened and new ones are formed, resources (financial, material, information, etc.) are mobilized and made available, and capacity building trainings are organized. ((KNH)., 2014) (Yntiso, 2015)

The Federation meets every two months or every three months and is made up of two representatives from each constituent CLA for an agreed-upon term of three years. It is represented by an Executive Committee that has a two-year term and is typically made up of 7 to 9 federation members who were chosen using its own standards. In order to carry out decisions made by the Federation; the Executive Committee meets more frequently, typically once a month. (Yntiso, 2015)

Federations' main area of focus is political empowerment, where they can effectively push for structural changes that benefit the poor. As a result, Federations supports SHG organs by, among other things, organizing trainings, establishing links, and expecting them to play roles such as developing and upholding a strong People's Institution, promoting the availability of community-based services, promoting peace, security, and justice, and positively influencing public opinion and current policies ((KNH)., 2014) (Yntiso, 2015)

The Federation also develops the People's Institution's Vision, Mission, and Goals. It creates its own bylaws, which cover the functional requirements and standards that the Federation must adhere to. To ensure that the nature of registration is compatible with the operational features of the SHG concept, it is necessary to be registered and to have acquired legal identity based on the legal framework in the nation ((KNH)., 2014)

2.1.4 Why Community Self-Help Saving Groups (SHGs)?

From the personal reading and empirical data of various literatures which define the very nature of SHGs is that they include the vital development elements of social, economic (financial), and political dimensions of human relations and development at local grassroots level of society. In this instance, according to the *Kindernothilfe*,⁶ manual, SHG is founded on rights-based ideals that support a setting where people and communities can realize their full potential and work toward their own development. The strategy maintains a focus on behavioural modifications, with material prosperity, social and political advancement, and empowerment as the end results. ((KNH)., 2014) Self-Help enables the most vulnerable women and children in a community to acquire adequate sustainable economic and social living conditions, as well as political participation. ((KNH)., 2014)

⁶ Abid pag.6

Based on the above aspiration, the SHG was introduced in Ethiopia in 2002 by *Kindernothilfe* following an experience sharing workshop held in India, in which Non-Governmental Organization (NGO) representatives from Ethiopia and other African countries participated. (CoSAP., (2014).)

According to the Consortium of SHG Approach Promoters (CoSAP., (2014).), Ethiopian Kale Hiwot Church and Jerusalem Children and Community Development Organizations were the first to adopt and implement the approach. *Kindernothilfe* established the SHG approach National Coordination Office-Ethiopia to coordinate and provide technical support, which was hosted by the German Development Service (DeD) until 2006. ((KNH)., 2014) (CoSAP., (2014).)

2.1.5 SHGs Approach as Poverty Eradication Mechanisms

The basic premise of SHG, according to (Karmakar, (1999).), is the mobilization of money through the instillation/development of regular thrift habits. Borrowed money can also be used effectively because of the group members' collective responsibility. SHG formation is said to benefit from members' savings and availability loans. Many studies have been conducted to evaluate the SHG approach to poverty reduction, particularly microfinance institutions' initiatives to promote all-round skills among the poor masses (especially women). According to (Karmakar, (1999).)bringing individual group members into a group allows them to explore the benefits of collective perception, collective decision making, and collective implementation of programs for the common good.

2.2 Understanding Sustainable Livelihood Conceptual Frameworks

In the mid-1980s, Robert Chambers' work paved the way for livelihood thinking. Recognizing that traditional development concepts were not yielding the desired results and that humanity was also under enormous population pressure, Chambers developed the concept of "Sustainable Livelihoods" to improve the efficiency of development cooperation. (Chambers, 1992) His concepts serve as the cornerstone of the Sustainable Livelihoods Approach (SLA) of the British Department for International Development (DFID)⁷.

⁷ Abid, page 6

The strategy was incorporated into DFID's development cooperation program in 1997. (Chambers, 1992). According to Chambers and Conway (Chambers, 1992) "*A livelihood comprises the capabilities, assets, and activities required for a means of subsistence, according to the definition of sustainable livelihoods. A way of life is sustainable if it can withstand stresses and shocks, recover from them, and retain or increase its capacities and resources both today and in the future without endangering its natural resource base.*" (Chambers, 1992) (FAO, 2022)

However, conceptually, the term "livelihood" is crucial because it denotes any means of securing the essentials of life. (Singh, 2014). As most of them emphasise assets and income-generating activities, the numerous definitions of livelihoods provided by various writers or organisations are complementary and mutually inclusive. Additionally, a livelihood describes how people or households make use of their skills or resources in a selected activity or collection of activities to make a living. (Maharjan, 2014); (Rigg, (2007)).

Adding to this definition, (Morse, 2013) ,providing resources with which people can improve and enjoy their lives is referred to as providing a livelihood, which supports quality of life and goes beyond simply being a means of survival. The meaning used by ((UNDP), 2013) includes the capabilities, assets (material and resources), and activities required for a means of living. Aside from income and employment, the concept of livelihoods includes any reliable means by which people can obtain food, shelter, health care, education, safe water and sanitation, security, and protection. Thus, a livelihood is more than just money. In this case, a household's entitlements include access to assets (physical, financial, etc.), social resources (networks, institutions, values), and human endowments (skills, aptitudes, initiatives).

2.2.1 Nexus between Livelihood and Community Self-Help Saving Groups (SHGs)

Assets are one of the components that express the building blocks of livelihoods ((UNDP), 2013). The focus of much livelihoods research has been on how people might gain access to a variety of livelihood assets, such as financial, physical, human, social, and environmental capital. (Morse, 2013); (King, 2012) (VanWey, 2012). According to the livelihood frameworks, in particular the Assets component of it, the contributions and nexus of the SHGs for livelihood are described in the following paragraph.

2.2.1.1 SHGs in Human Capital

The most impoverished members of the community, the bulk of whom had been denied an education and its benefits, created the SHGs. Capacity building focuses on both individual and group activities. Members of SHGs are ready to learn and progressively develop the capacity to help them fulfil their potential as a group. Because of this, capacity-building trainings are still essential parts of SHG approaches with their economic, social, and political elements in the local community. (Florescu, 2009) ((KNH)., 2014) Additionally, in order to increase the capability of the group members, promoters different non-governmental organisations (NGOs) organize and provide them a tonne of training in capacity building and competence development. The training approach is crucial in this scenario. The trainer guides the SHG members through engaging activities aimed at eliciting their own knowledge and perspectives. Trainers can aid participants in appreciating and understanding the subject matter by using music, role-playing, storytelling, examples, visualisations, and other innovative techniques. ((KNH)., 2014)

There are two different sorts of trainings in the SHG approach. Two of them are empowerment and growth of institutions (fundamental concepts). The SHG idea, administration of savings, loans, and credit, planning, leadership and communication skills, dispute resolution and problem solving, fundamental business skills, participatory techniques, civil and child rights, and soon will be included in training modules for institution construction. There is an understanding that members want training, which is offered by the promotional organisation, hence members are typically not compensated for travel or per diem. ((KNH)., 2014)

As the group grows, members will require more input on personal development agendas in addition to the aforementioned "institution building" trainings. Examples include fundamental health and hygiene, wholesome food for children, immunisations against infectious diseases, family planning, adult reading, adult numeracy, and other subjects. ((KNH)., 2014)

In these situations, in addition to gathering members' savings, SHGs identify issues of social or other skill gaps and discuss them at their regular (weekly) meetings. When this occurs, community facilitators step in to facilitate or offer training inputs that are logical and pertinent to the groups, enabling the participants to change their attitudes. (Deininger, 2012). According to ((KNH)., 2014) there is a strong sense that what the women learn in the group about child rights,

conflict resolution, nutrition, health care, and a host of other things immediately affects their children. The SHGs receive extra training in areas like Cluster Level Associations (CLA) idea, formation, function, and management as they develop and create CLA. Advanced capacity building inputs on institutionalisation at the Federation level, grassroots engagement, empowerment, and general growth would be provided as these CLAs evolve. ((KNH)., 2014)

2.2.1.2 SHGs in Social Capital

Another essential element of the Asset of Sustainable Livelihoods frameworks that is connected to the social dimension of the SHGs approach is social capital. According to ((KNH)., 2014), affinity, trust, involvement, and reciprocal responsibility are the main tenets of the social dimension of SHG organisations that are founded in villages. SHGs prioritise social empowerment for its largely female members and act as a forum for members' greater social involvement in neighbourhood affairs, among other things. (Desai, 2013).

As a result, as they have access to knowledge and/or possibilities about livelihoods, people are lured to the pursuit of livelihoods. Individual SHG members are able to access a variety of social resources, including networks, participation in groups, social connections, and access to more powerful institutions in society, thanks to their social capital. ((KNH)., 2014). Network quality is further determined by the degree of mutual trust and accepted norms among network (group) participants. These networks are used by members to lessen risks, gain access to services, prevent deprivation, and obtain knowledge and opportunities for less money per transaction. SHG social activities, child rearing and protection, child education, illness and health, family member deaths, home management, member psychological health, member business activities, happy events (birth, marriage, graduation, etc.), encouragement of member participation, and availability of internal lending may lessen members' vulnerability. (Deininger, 2012)

In addition, group members visit one another's houses (during weekly meetings held in a rotating fashion at each member's home) to track progress and motivate one another to develop their home management abilities. (Yntiso, 2015) SHGs have generally improved social ties and mutual aid systems, restoring the ancient social insurance system, which has deteriorated in part because of urbanisation. (Ban, 2015).

2.2.1.3 SHGs in Financial Capital

An inclusive financial system is essential for structural change and the creation of livelihoods, according to a UNDP report. Over 2.5 billion individuals, or roughly half of all adults, lack access to banking services. Lack of financial access disproportionately affects women. Most persons who make less than \$2 per day do not have a bank account—75% of them. However, a household needs vulnerability protection more the poorer it is. ((UNDP)., 2015)

When the facts are taken into account, the SHG Approach provides its disadvantaged members with chances and access to inexpensive financial resources, principally to raise their standard of living and promote social cohesion. (Ban, 2015); (Desai, 2013). A typical SHG in their situation consists of 15 to 20 women, who gather on a monthly basis to collect savings (deposited in a common bank account) and address other social and personal matters. Members who have saved money can use that money to apply for internal loans at a fair interest rate that is established by the group as a whole. (Deininger, 2012)

Some of these ideas are present in microcredit programmes designed for the underprivileged and resource-strapped. However, because the money to be lent is saved by every group member rather than being handled by a fund or an institution, the SHG concept is not a micro-credit programme. In contrast to microcredit facilities, the savings and other income, like interest payments, are meant to be owned by the members and kept inside the SHG. Only group members who meet the requirements for repayment and interest rates are granted loans. These traits avoid external dependencies while fostering and defending the group's and its members' interests. ((KNH)., 2014). Particular attention is paid to the guarantee of loan repayment and the payment of interest, and financing is paired with group assistance and encouragement for the beginning of individual entrepreneurial initiatives. Additionally, group members learn about finances from one another by taking out small loans, participating in enterprises, and eventually developing with the business. ((KNH)., 2014)

2.2.3.1 Savings and Loan Facilities

The SHG Approach places a significant amount of emphasis on the weekly savings; since saving is one of its fundamental principles, there are typically three different types of savings that can be made depending on the needs of the group: regular, social, and/or optional savings.(Yntiso, 2015)

Members select what their minimum regular weekly saving should be based on their capacity to save. This quantity must be routinely brought by each member of the group. In addition to the first method of saving, some groups also include a social and/or optional saving system. These additional funds are distributed as loans for those specific purposes. For instance, some organisations budget for medical expenses. For tuition or textbooks, other organisations set aside money. These loans often have longer repayment terms and lower interest rates than loans from the main fund, which are typically for micro-businesses.

Members of SHGs frequently borrow money for business purposes in addition to covering household expenses like consumption. The two most notable advantages of getting loans from SHGs rather than from traditional banks or microfinance organizations are the low interest rates and the lack of collateral requirements. (Yntiso, 2015)

2.2.1.3.2 Relationship between of SHG and Income Generating Activities (IGA)

Since income work is limited and SHGs are comprised of some of the least economically productive people of the community, the majority of them find self-employment to be an appealing alternative. Additionally, while money is essential to a business' expansion, many people in poverty have not had the opportunity to obtain it. They only spend money that comes into their possession. The SHG members need to be motivated to recognise this new chance to use "capital" to earn "profit" now that they are in a different situation where tiny capital is freely available to them. ((KNH)., 2014)

Even if it's easier said than done, SHG members can have a substantial impact on their economic development by adopting a business attitude thanks to the capacity-building inputs employed during group formation. The process of business development incorporates the three basic business activities—trading, production, and delivering services—the market potential, as well as preserving a distinction between business capital and personal cash. Profit must be the main objective of every commercial operation. ((KNH)., 2014)

The beneficiaries' access to microloans and business development training empowers them to launch small businesses that help them raise funds and support their families. According to (Ephraim Tsegay, 2013), *"The most immediate and obvious impact of the SHGs is a reported increase in incomes as a result of increased investment in income generating activities (IGA)"*

The authors' analysis of the consequences of SHGs made it abundantly evident that compared to non-SHG households, SHG households spent more than twice as much on food and more than seven times as much on clothes. (Ephraim Tsegay, 2013)

2.2.1.4 SHGs in Physical Capital

It is believed that people and their households have a variety of capital resources at their disposal for enhancing their well-being. The interaction or interchange of various capitals as households raise or decrease some at the expense of others is crucial to keep in mind. Physical capital, for instance, can be bought with finance and sold with finance. Therefore, rather of being seen in isolation, capital needs to be seen in dynamic situations. (Morse, 2013). Physical capital, which includes housing, consumer durables, productive capital, and animal capital, is one type of capital because natural resources are viewed as being less significant in urban regions. (Baud, 2015)

According to (Deininger, 2012), By stimulating investment and asset accumulation, SHG activities like better credit access, particularly the capacity to employ internal loans, raise members' income while lowering vulnerability. In this regard, the study of Ephraim and his team (Ephraim Tsegay, 2013), which performed a cost-benefit study on the effects of SHG on recipients' lives and discovered that over an 8 to 10-year period, the overall increase in asset value per SHG household was 50% higher when compared to non-SHG families. Additionally, over the same time period, the proportion of SHG households residing in private homes has more than doubled.

Gebre (Yntiso, 2015) described how SHG members borrow money to start businesses, pay for home costs, and accumulate assets. Similarly, Deininger and Liu (Deininger, 2012) by analysing programme impacts on mature SHGs, a very substantial result of addressing investment in non-financial assets was observed, suggesting that as the groups expand, the objective of driving higher levels of investment and capital formation was realised. These examples show how SHG members have accumulated material or non-financial assets.

2.2.1.5 SHGs in Political Capital

It is becoming increasingly evident that, in addition to the categories of assets previously defined and stated, it is crucial to take into account political capital, which transcends social capital in that it determines a person's capacity to participate in and influence policy as well as the procedures of local administration. (Teshome, 2016)

Understanding political capital is also important in determining households' and individuals' ability to claim privileges ((ILO), 2009). The ability to wield power to advance political or economic positions, which has an impact on alternatives and results for livelihood, is generally referred to as this capital. It discusses how power and rights are fairly distributed as well as how illegal power plays can thwart impoverished people's attempts to claim and protect their rights.

State officials and community elites abusing political power can divert significant resources away from the poor. In this case, the words of ((KNH)., 2014) have revealed that: *"...political empowerment entails fostering democratic accountability and openness, increasing public engagement, and reinforcing the fundamentals of good governance. Empowerment entails promoting human rights, diversifying civil society actors, strengthening the rule of law and impartial administration of justice, and giving the underprivileged a stronger voice and more say in the type, calibre, and manner in which services are provided because poverty is linked to powerlessness, injustice, and exclusion."* ((KNH)., 2014)

2.3 The Role of Stakeholders to SHG Approach

The role of stakeholders in SHGs and relevant parties is inextricably linked to their effectiveness and efficacy in one way or another. In our case, the three major stakeholders are the government, civil society organizations, and various financial institutions. Based on the scenarios provided, the above interlinkage institutions have their own context and relevance to SHGs.

Government

SHGs are actively working to improve the wellbeing of the more disadvantaged and impoverished communities while also reducing poverty and vulnerability. SHGs are unable to conduct official correspondence or request public resources and services due to their lack of legal

personality. The establishment of such agreements and the levelling of the playing field, as well as for diverse participants in the People's Institution programme, are crucial roles played by the government. (Ephraim Tsegay, 2013); (Florescu, 2009) the substantial contributions and involvement of the government in the broader SHG effort, including the promotion and setting up of enabling conditions. Among them are SHG-led national policy initiatives like the development of state-backed SHG policies, SHG registration and regulation frameworks, strategies for promoting SHG capacity building and training for financial institutions and state governments, promoting SHGs, where the government itself promotes SHGs through its agencies or organs and people's Institutions are formed, and SHG-Bank linkages guidelines, where the creation of SHG-Bank linkage arrangements . (NABARD, 2005)

Civil Society Organizations

SHG started out as an NGO project, but as it gained popularity for improving livelihoods and offering public goods and services, state authorities got involved in helping SHG gain access to funding. The role of civil societies (donors and NGOs) is particularly important when it comes to executing the SHG Approach as a pro-poor effort that promotes all-around development for the underprivileged groups. They also mobilise resources, aid community organisations in their attempts to enhance residents' quality of life, and, most crucially, they develop the Institution's and its members' capacities in addition to furthering the Approach.

As the SHG Approach is applied, they help identify success factors and success stories. They also support research and study to replicate the variables and make them accessible to disadvantaged and unreachable communities. Consequently, the civil society sector continues to serve as the SHG Approach's cornerstone in terms of promotion, capacity building, and financing. ((KNH)., 2014); (Florescu, 2009)

Financial Institutions

Particularly in India, where SHG banking has developed into the largest microfinance programme for the poor in the world, financial institutions play a significant role in the creation and financing of People's Institutions. (Singh, 2014)

Through a variety of methods (directly through the SHG-bank connection model, or indirectly through NGOs or government channels), state banks, commercial banks, and microfinance

institutions all aggressively support SHG formation and loan facilities. (NABARD, 2005). As a result, financial institutions have been actively involved in SHG institutions and improved financial services to impoverished SHG members.

2.4 Empirical Review

In the empirical review, the findings of six selected studies were reviewed for the organization of this thesis based on the research subject matter preference. As a result, the empirically reviewed studies are as follows.

According to Mtenga (Mtenga, 2018) reportedly conducted research on how SHGs in the Dodoma Municipality can improve the social and economic circumstances of women. The study included 60 women who participated in SHGs in the Dodoma Municipality. The information was gathered using a variety of techniques, including focus group discussions (FGDs), key informant interviews, and household surveys. There are, roughly speaking, three different types of SHGs in the study area, and each one makes a unique contribution to improving the social and economic conditions of the underprivileged. While Rotating Savings and Credit Association (ROSCA) is a community revolving fund where members contribute and share the money in an agreed-upon manner, Village Community Bank (VICOBA) provides financing to its members on an agreed-upon basis.

On the other hand, neighbours or any ethnic groups typically provide social support in the event of a social problem such as funeral arrangements, illness, or any other agreed-upon festival. In any case, SHGs have been an important mechanism for the poor to improve their social and economic situation. The study suggests that the government help groups with training and formalization so that they can reap more benefits. Men should be encouraged to join SHGs as well, as they are an important tool for poverty reduction not only for women but also for men.

Sarkar and Chattopadhyay (Sarkar, 2018) examine the role of SHGs in empowering rural women through the National Rural Livelihood Mission (NRLM) through a case study. Members of various SHGs, as well as the organizers, were interviewed at the study site using specific question schedules. Joining a SHG through the NRLM microcredit program has resulted in significant changes in women's lives in terms of social mobility, awareness, and skill development. The household level, however, economic decision-making power in terms of loan use, loan income use, loan utilization, and loan repayment are unappealing.

The Sangtam and Yaden (Sangtam, 2017) studied the role of SHGs in rural development with particular reference to Chare, Longkhim, and Sangsangyu blocks in Tuensang District, Nagaland. The findings of the study show how effectively SHGs in the study area can bring together poor and marginalized women in a self-serving economic institution. People's living conditions in rural areas, particularly women's, have significantly improved.

The study area contained a variety of Income Generating Activities, with piggery farming being the second-highest income-generating activity in the study area and being practiced by the greatest number of SHGs. Handicraft and weaving, on the other hand, generate the most income. The study discovers that the amount of income generated by the various SHG economic activities varies significantly due to differences in product value. (Sangtam, 2017) The assurance of good transportation and market networks could be extremely beneficial to rural poor development. Despite so many obstacles in rural areas, particularly in a district like Tuensang, the formation of SHGs has been extremely beneficial in increasing the opportunities for rural poor livelihood activities.

As a result, it can be concluded that women's participation in SHGs contributes significantly to the development of self-reliance, self-confidence, and social empowerment among SHG members, thereby contributing to the process of rural development in the region. (Sangtam, 2017)

Saravanan (Saravanan, 2016) examined the impact of SHGs on the socioeconomic development of Tamil Nadu's rural household women. The study's information was gathered entirely from secondary sources, and the full paper was followed. SHGs are an important tool for rural women to gain power in order to achieve self-sufficiency. Clearly, the SHG Program has a significant impact on the lives of the poor. Women's empowerment is critical not only for meeting their economic needs, but also for more comprehensive social development. Evidence suggests that household income has risen.

The program participants' standard of living has improved significantly, as has their food security. Microfinance is pivotal to poverty alleviation and rural development. Because women are the primary caregivers for their families, proper emphasis on rural women should be placed,

and funding is required to empower rural women. Microfinance for rural SHGs is a method of increasing income and improving rural women's living standards and economic independence. Gaining more self-confidence is often a more long-lasting achievement that serves as the foundation for future social and economic advancements. (Saravanan, 2016)

Das (Das, 2016) carried out a micro-level research into the role that rural women's self-help groups play in their socioeconomic transformation at Rural Dinhata-II. The study made an effort to assess how beneficiaries viewed the role of SHGs and to analyse any behavioural, socioeconomic, or cultural changes that might have occurred as a result of members' participation in SHGs. Another objective of the study is to identify the main problems that SHGs in the study area face.

It uses both primary and secondary data. An on-the-ground survey is used to gather primary data in the study area. To study the various aspects of the SHGs, including their educational profiles, economic situations, occupational patterns, etc. before and after SHG formation, a sample of ten SHGs were selected. When compared to the pre-SHG period, it has also significantly increased the empowerment of women members, increased self-confidence, and positive behavioural changes. (Das, 2016)

2.5 Conceptual Framework of the Study

SHGs are by definition inclusive of the political, social, and economic facets of human development. It provides opportunities for the underprivileged who are unable to independently obtain financial services like credit from reputable credit sources and other useful resources. Additionally, SHGs have their own leadership, allowing the members to empower one another with their human and material resources. Above all, in honor of the critical roles SHGs have played in raising living standards and reducing poverty on a national level. It is crucial to create a conceptual framework that illustrates the connection between SHGs and the enhancement of the lives of those vulnerable families after the completion of numerous theoretical and empirical reviews. When it came to gathering and analyzing data for the study, this conceptual framework acted as a guide. As a result, by studying the components associated with dimensions of SHGs,

the framework gives information about the variables, dependents and independents, researched as well as the expected link between the various variables evaluated for research.

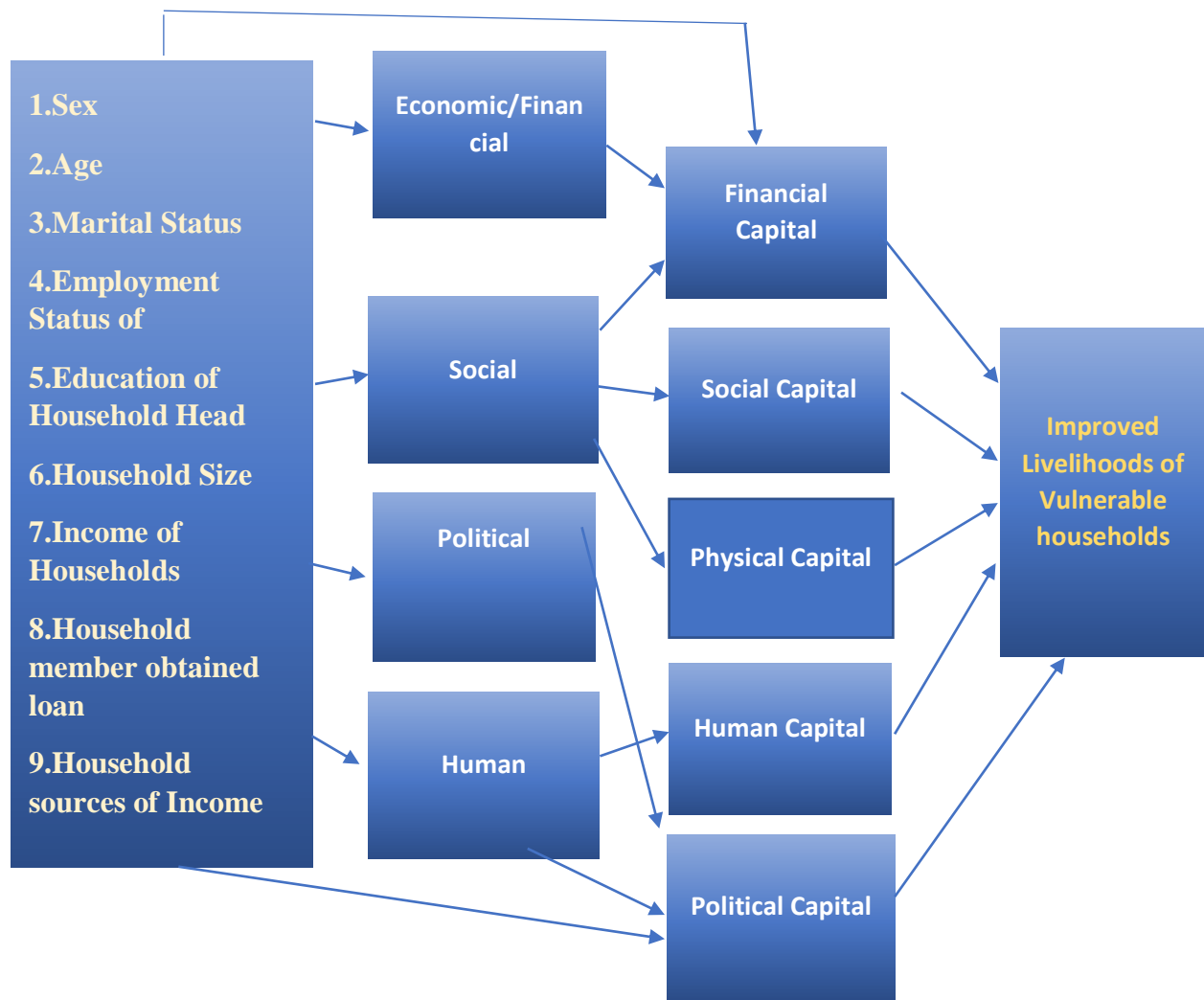


Figure 1: Conceptual Framework (Own construction)

CHAPTER THREE: RESEARCH METHODOLOGY

Introduction

The research's methodological features are covered in this chapter. An overview of the study region is presented first, and then the research design and methodology, data sources, sampling, data collection instruments, and data analysis are covered.

3.1 Description of the Study Area

The research has taken place in Addis Ababa. Ethiopia's capital city is Addis Ababa. As of 2017, the most populous city with an estimated population of 5,227,794 inhabitants and an average household size of 4.95 individuals.(Review, 2023). The City's GDP is estimated around 111.27 USD Billion with GDP per capita around 834.96 USD. (Economics, 2023). Addis Ababa is the world's third highest capital, standing 7,726 feet (2,355 meters) above sea level in the foothills of the Entoto Mountains. It is located in the geographic center of the country. The city is the site of two major continental Intergovernmental organizations, African Union (AU) and United Nations Economic Commission for Africa (UNECA) and different international institutions and Diplomatic corners. (Britannica, n.d.)

Today, the city is surrounded by a greenbelt of forests and semi-subsistence agricultural land. The city is divided into ten boroughs known as sub cities (woredas) and 99 Woreds (kebeles). The eleven sub-cities are as follows:

Table 1 Sub city and Demographics Distributions

Nr	Subcity	Area (km2)	Population	Density
1	<u>Addis Ketema</u>	7.41	271,644	36,659.1
2	<u>Akaky Kaliti</u>	118.08	195,273	1,653.7
3	<u>Arada</u>	9.91	225,999	23,000
4	<u>Bole</u>	122.08	328,900	2,694.1
5	<u>Gullele</u>	30.18	284,865	9,438.9
6	<u>Kirkos</u>	14.62	235,441	16,104
7	<u>Kolfe Keranio</u>	61.25	546,219	7,448.5
8	<u>Lideta</u>	9.18	214,769	23,000
9	<u>Nifas Silk-Lafto</u>	68.30	335,740	4,915.7
10	<u>Yeka</u>	85.46	337,575	3950.1
11	Lemi Kura	N/A	N/A	N/A

(Sources: AACATID, 2018)

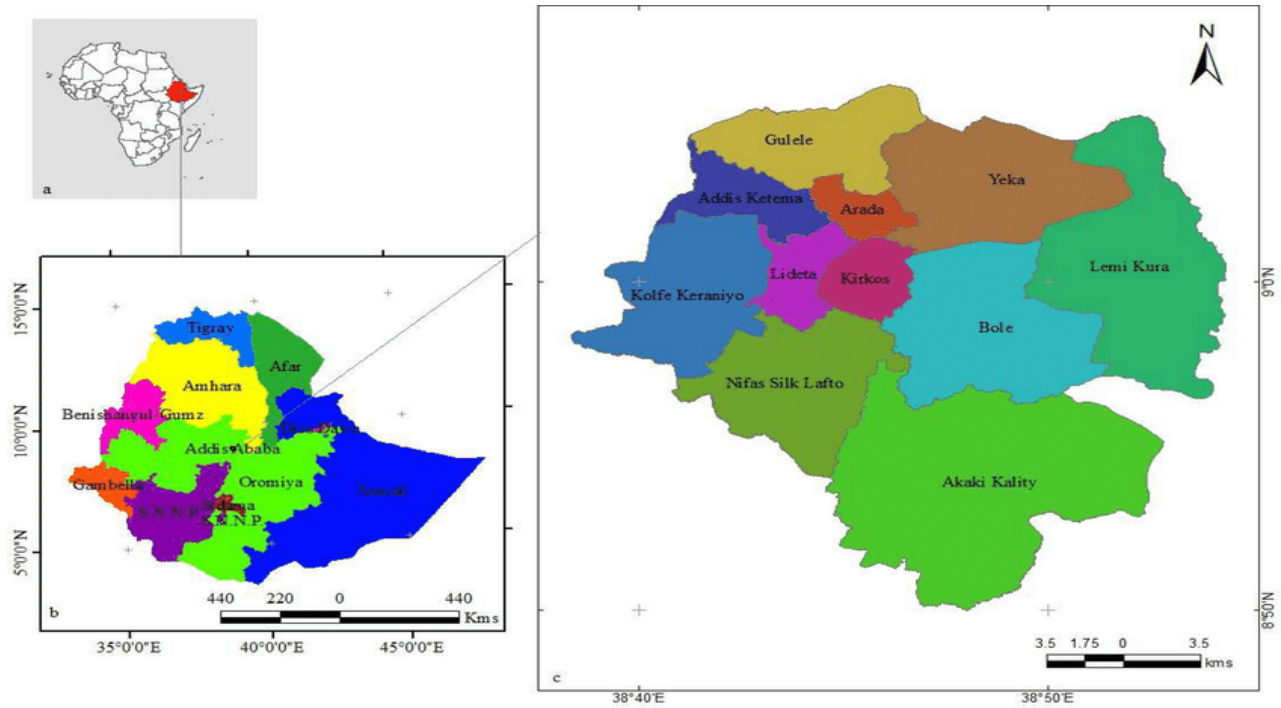


Figure 2: Administrative Map of *Addis Ababa* City

Source: Ethio GIS (2022)

3.2 Research Design and Approach

The study has used cross-sectional research design because cross-sectional studies are generally quick, easy, and affordable to perform accordingly. They are often based on a questionnaire, and there is no loss to follow-up because participants are interviewed only once (Sedgwick, 2014). Moreover, this research employed the combination of both quantitative and qualitative approaches (with specification of process tracing approach for qualitative part). A mixed method is considered as a tool to triangulate, explain complexity, and describe processes and outcomes (Johnson, 2012) Therefore, the researcher has adopted mixed of descriptive and explanatory research method, in order to make the study more reliable through triangulation, and deeper understanding of the determinates of community SHGs for improvement livelihood of the vulnerable household.

3.3 Data Sources

This study's data was collected from both primary and secondary sources. The primary data collected directly from the SHGs members and non-members, employees of projects

implementing organizations, and local government administrations. Secondary data also collected from different sources such as books, articles, journals, research works and reports written on the performance of IGAs and SHGs.

3.4 Sample Size and Sampling Technique

Six Community SHGs target projects totaling 764 families are part of Children's HopeChest at Addis Ababa programs. Out of the total families for whom the program is being implemented, 369 are members of SHGs (48.29%) and are benefited from the SHGs family empowerment program, while the remaining 395 (51.70%) did not. As a result, the sample size is determined using this data as a benchmark. The Slovin's formula (1960) found to be suitable for calculating the representative sample size.

$$n = N / (1 + N e^2)$$

Where n = the desired sample size

N = the target population size (764)

e = Marginal error (5%)

$$n = N / (1 + N e^2)$$

$$n = 764 / (1 + 764(0.05)^2) = 263$$

After determining the sample size, individual SHGs members have been selected using multistage sampling technique. In the first stage, purposive sampling was used to divide the population into non-overlapping groups (SHGs beneficiary and non-beneficiary). In the second stage, proportional numbers of respondents from each group have determined using Probability Proportional to Size (PPS) sampling method (see Table 2). In the third stage, individual respondents from the sampling frame sampled using systematic random sampling techniques.

Table 2: Sample Size Distribution for Respondents

S.No	Projects	Community Self-Help Savings Groups	Total members	Sample member
1	Merkato	On the project	108	20
		Waiting for the project	39	10
2	Jemo /Ayirtena	On the project	81	70
		Waiting for the project	154	30
3	Woyira	On the project	44	25
		Waiting for the project	91	22

4	Aware	On the project	89	40
		Waiting for the project	61	13
5	Onesimus	On the project	9	5
		Waiting for the project	41	10
6	Bole Bulbula	On the project	38	15
		Waiting for the project	9	5
Total			764	264

Source: Own construction, 2023

3.5 Data Collection methods and Instruments

3.5.1 Questionnaires

Concerning the research instruments, the researcher used semi-Structured closed-ended and open-ended questionnaires directed to members of SHG and projects staffs and stakeholders' local government officials. The questionnaire is prepared to assess the determinates community SHGs and IGAs on vulnerable household's livelihood situations. Likewise, the questionnaire focused on status financial capital, social capital, physical capital, and human capital of assets components of livelihoods. One day training was given particularly based on the purpose, significance of the study and all the parts of the questionnaire. Special attention has given on how to fill data using the questionnaire, and equally to the importance of freedom of the respondents. The questionnaire originally is prepared in English and translated into Amharic for ease of understanding by the enumerators and respondents. The translated version of the questionnaire is validated by the research adviser to assess the content clarity and logical flow of the questions. As a result, based on the given advisers' comment, the questionnaire finalized after making the necessary corrections and reorganizations.

3.5.2 Interview Schedule

The interview schedule included semi-structured interviews. The questions covered important topics such as the determinates of SHG on vulnerable household's livelihood in various programs. The interview also examined respondents' financial capital, social capital, physical capital, Political capital and human capital. Basically, implementation issues and institutional support with "how's," "what's," and "why's" will be addressed here. In this case that, the process of the SHGs is questioned and traced through identification of observable implications as well.

3.5.3 Focus Group Discussion (FGD)

For triangulation purposes, the researcher is also used Focus Group Discussion (FGD) data collection technique. In our case, the researcher has conducted group discussions on selected community self-help groups members in various projects. The purpose of a focus group discussion is to observe the group's dynamic, their responses to focus group questions, and even their body language in order to guide to research on members' decisions or controversial topics.

3.6 Data Processing and Analysis

Both quantitative and qualitative data analysis methods were used in this study. To collect relevant data, a semi-Structured questionnaire-based survey, key informant interviews, and a Focus Group Discussion were conducted. In addition, secondary data was used. Additionally, narrative triangulation was done to strengthen qualitative and quantitative data.

Quantitative Data Analysis

The data analyzed using the descriptive statistics, which was created using the computer software SPSS. Frequency, percentage, and mean were used to describe study variables. Income, (Financial/economic capital) was used to measure the improvements of livelihood assets of participants. Chi-square test was used to compare the difference in income level between intervention and control groups. The income data was skewed, and median was used to categorize income level.

Qualitative Data Analysis

By reading through interview transcripts and extracting common themes from respondents' accounts using inductive analysis, data from key informant interviews and focus group discussions were gathered and analyzed. Process tracing research methodology is used to analyze the qualitative data.

3.7 Ethical Considerations

The study has been ethically cleared by Addis Ababa University's College of Development Studies at the Center for Regional and Local Development Studies. The purposes of the research have explained to the respondents during the study to make it more formal, and only those who are willing to participate in the study have been enrolled as respondents. Appropriate time agreed

upon with key informants so as not to interfere with their daily routines. The confidentiality of the information obtained from the participant has strictly maintained.

CHAPTER FOUR: DATA PRESENTATIONS, FINDING AND ANALYSIS

4. Introduction

This chapter is dedicated to discussing the data collected and the analysis that has been done in accordance with it. The research's primary goal, as stated above, is to investigate the determinates that community Self-Help Savings Groups in various sub-cities within the Children's HopeChest Program intervention region consider while enhancing the livelihoods of vulnerable households. Four Sub Cities are where the programs are being implemented by the Addis Ababa city jurisdiction. Furthermore, the chapter includes a section on the demographic characteristics of the respondents, as well as lists of economic, human, and capital gains, as well as claimed psycho-social health benefits, that beneficiaries obtained as a result of their participation in SHGs.

For this research 264 questionnaires were distributed to respective six program areas and 227 were responded properly with response rate of 85.98%. The researcher additionally collected data through key informant interviews and focus group discussions. In accordance with this, interviews were held with project staffs and government stakeholders' officials who play a role in CHC program implementation areas. In this case, those quantitative data is analyzed and interpreted by using SPSS software whereas the qualitative part of the data is analyzed and interpreted through Process Tracing researching approaches. Process tracing is a qualitative research method that attempts to identify the causal processes the causal chain and causal mechanism between a potential cause or causes and the outcome. It is a robust technique that tests different theories of causality-in-action by examining the intervening steps.⁸ (Bank, 2023) the definition that taken from World Bank.

Then the researcher estimated the response rate and verified for and cleared errors and missing value before proceeding with further analysis of collected responses. The descriptive analysis in the section that follows focuses on respondents' characteristics and perceived advantages to their way of life. Additionally, thematic analysis was used to examine participant interview data along with the respondents' narratives.

⁸ (Bank, 2023)

4.1 Demographic Characteristics of the Respondents

The basic demographic data about the respondents, such as their Groups interventions, sub city, age group, sex, level of education, and other factors connected to their involvement in SHGs, is shown in the section below.

Table 3: Groups intervention distribution of Respondent

Category	Frequency	Percent
Treatment	135	59.5
Control	92	40.5
Total	227	100.0

Source: Survey data computed SPSS 25,2023

Above table 3, demonstrated that about Groups intervention distribution of Respondent. In this 135 (59.5%) of the respondents are treated groups who are part of SHG groups and whereas 92 (40.5%) respondents are controlled group, that means who are not part of the SHG intervention.

Table 4 Respondent's sub city

Sub-city	Frequency	Percent
Kolfe Keraniyo	117	51.5
Nefas silk Laftto	55	24.2
Bole	36	15.9
Addis Ketama	19	8.4
Total	227	100.0

Table 4, Source: Survey data computed SPSS 25,2023

The above table 4 depicts that the sub-cities under Addis Ababa city administration where data is collected. In this case, under Kolfe Keraniyao sub-city, we had 117 respondents (51.5%), 55 (24.2%) from Nefas Silk, 36 (15.9%) from Bole, and 19 (8.9%) from Addis Ketama.

Table 5: Age of Respondents

Age	Frequency	Percent
28-32	58	25.5
33-38	93	41
39-43	36	15.9
44-55	40	17.6
Total	227	100

Source: Survey data computed SPSS 25,2023

The majority of the SHG members fall into the 28–32, 33-38, 39–43 and 44-55 age groups, accounting for 25.5%, 41%, 15.9%, and 17.6 % respectively. On the other hand, those aged 44 to 55 make up the remaining 21.7 %. This table shows that the majority of SHG members (78.9 %) are in the productive age range, which is consistent with Ethiopia's demographic dynamics. Therefore, integrating these young people in effective Self-Help Groups could be a technique for decreasing poverty in the nation with alleviation of improved livelihoods at households.

Table 6: Education Level of Respondents

Education Level	Frequency	Percent
No Formal Education	151	66.5
Primary Education	57	25.1
Secondary Education	15	6.6
College/University /TVET	4	1.8
Total	227	100

Source: Survey data computed SPSS 25,2023

According to the above table 6, demonstrating the respondents' levels of education, the majority of respondents, or 66.5%, have not completed any grade-level coursework. Those who have completed elementary school (25.1%), secondary school (6.6%), and college/TVET (1.8%),

respectively. This implies that, the significant number of respondents are still illiterate who are not attended any formal educations. A person who is unable to read or write struggles to understand their rights, vote, obtain work, pay expenses, and secure home. They may also have low self-esteem or experience emotions such as shame, fear, and powerlessness, which can lead to social isolation. (Anon., n.d.) Because of the vested condition, the respondents were unable to make as much finances, socialize, accumulate vested assets, or participate in community activities as they desired.

Table 7:Marital Status of Respondents

	Frequency	Percent
Singe	5	2.2
Married	173	76.2
Divorced	35	15.4
Widow	14	6.2
Total	227	100.0

Source: Survey data computed SPSS 25,2023

In above table 7, the majority of the 173 respondents (76.2%) are married, followed by singles (2.2%), widows (6.2%), and divorced (15.5%), in that frequency. In this case, the researcher is interested to measure the level of respondents both controlled and treated groups level of responsibility and socialization. The researcher desired to examine the marital status of respondents in order to determine how many households are headed, whether by single, married, divorced, or widow women and to assess the livelihood position of those respondents. In the present scenario, both respondents were from the control and treatment groups.

Table 8:Gender Distribution of Respondents

	Frequency	Percent
Female	213	93.8
Male	14	6.2
Total	227	100.0

Source: Survey data computed SPSS 25,2023

The before- mentioned table 84 pointed out the gender distribution in data response participation, with 93.8% being female and 6.2% being male. This clearly demonstrates the significant level of

female participation in the relevant program's community Self-Help Saving Groups (SHG). It was not on purpose; the opportunity was made accessible to all parents of children, whether father or mother; the majority of women simply came and remained members of the SHG. However, in most cases, the family's breadwinner usually the father of the household and were not in position to be part of the SHG.

4.1. The Study's area's Community SHGs Family Empowerment Mechanism and Implementing strategy

According to interviews of projects staffs and Focus Groups Discussions with SHG members, Children's HopeChest focuses primarily on three areas of empowerment for the realization of sustainability in children's and youths' lives, as well as the families and communities where they live. In order to achieve family empowerment, the CHC has chosen to operationalize the former through Community Self-Help Savings (SHGs) as an approach of implementation. During the formative stage, the CHC develops and operates its strategies for family empowerment in collaboration with its various stakeholders, following the preparation of project proposals and the signing of project agreements involving multiple Addis Ababa City Government signatories Bureau namely Bureau of Finance and Woman, Child and Social Affairs.

4.2.1 SHGs Members Selection Process

Based on the interview and Focused group discussion with project staff, Addis Ababa City administration sectors bureaus (Bureaus of Women and Children Affairs and Finance), and members of SHGs at respective Program areas, the selection process to be Community Self-Help Saving Groups (SHGs), based on the Agreement Project Plan which has been signed between City administration and Children's HopeChest (CHC). The number of families expected to be part of the SHGs is clearly specified in the project plan, along with their financial requirements for the entire project year, yearly, as well as quarterly.

Following the identification of intervention areas with raging poverty, CHC and the concerned bureau initiate the SHG intervention in the formative stage. Projects Staff and a list of CHC animators have held extensive awareness creation significant meetings about the program of SHGs family empowerment approaches. These platforms for awareness discussions have been established in collaboration with the offices of various sectoral stakeholders. According to the

project staff, these awareness creation programs were conducted for the entire project family members without any form of prejudice, with the objective of creating opportunities for all.

“The Seventh Merkato project started with the structure of self-help group in 2020, and when it started, it organized five groups with fifty-six members, that is, one group consists of eleven members. Each group had a committee with a total of three members, one secretary, one collector and one treasurer, but the group could not continue with the total members due to various reasons. Each group had a committee with a total of three members, one secretary, chairperson and one treasurer, but the group could not continue with the total members due to various reasons. The number of members was reduced by half in the first round and remained as three groups with twenty-nine members.” /35, Social worker, Key Informant Interview participant ,2023/“

Finally, those who are interested form their own groups, which consist of 10-15 members in their own locality and with whom they are more familiar, in addition to their own leadership, which consists of three members, Chairperson, Secretariat, and Treasures, and bring a program area and register in accordance with. In this case, FGD and interview data demonstrate that there were no involvements of project staffs or other local government stakeholders during the entire process of selecting, forming, and even selecting the SHGs leadership, so it was entirely administered by SHG members' families.

"After holding meetings, the project workers informed us about the formation of SHGs, and after receiving this information, we formed. Our group was dubbed "Rehobot". /36, SHG member and FGD participant ,2023/

Once registered with their own distinct name, each SHG is expected to produce their own bylaws outlining each article they have agreed upon. According to FGD and interview data with projects staffs, the SHG members expected to manage and save weekly savings as per their groups agreements which was based on the capacity of the members at the groups during the initial intervention periods. This comes after the provision of capability-strengthening trainings on themes like the SHG idea, leadership, financial literacy, fundamental business skills, problem-solving, etc., with the goal of bringing about behavioral changes and increasing members' decision-making abilities.

"Children's HopeChest directed the formation of SHG with the exclusive purpose of achieving self-sufficiency through minimizing hand out material distributions and commencing business accordingly."/ 48, SHG member and FGD participant,2023/

4.2. The Determinants of Community Self Help Savings Group (SHGs) in improvement of livelihood of SHGs Members

As stated previously in chapter two of this research, specifically in the literature and empirical review, and conceptual frameworks, the Assets of livelihoods are the composition of the five distinct and major categories that comprise Capital and can be employed to measure the improvement of lives. These include Human, Social, Financial/Economic, Physical, and finally Political. Therefore, the researcher examined the data collected from the various respondents, whether SHG members or not, in accordance with their determinants parameters for improving livelihood assets.

4.3.1 SHG Determinants in Improving SHG Members' Human Capital

According to the FGD, survey data, and interviews, the subsequent procedures were to conduct SHGs specialized trainings for those SHGs members, treated Groups henceforth, as instead of the control group for those who are not SHG members. These training lists were solely for registered SHG members, not for anyone else involved in CHC program for other interventions unlike family empowerment program through SHG approach.

Table 9: Groups intervention distribution of Respondent

	Frequency	Percent
Treatment	135	59.5
Control	92	40.5
Total	227	100.0

Source: Survey data computed SPSS 25,2023

The SHG Approach's most important component, training, is made available to SHG members as soon as the first groups are established. Members of the SHG are low-income women households who have missed out on an education and its advantages, according to interview of project staffs and FGD data with SHG members.

“We have raised awareness for SHG groups and individuals on how to manage their expenses and profits according to their business context.” /32, Social Worker, Key informant interview (KII) participant,2023/

The trainings were designed to inform the women about important SHG concepts, saving and borrowing, IGAs, business, and life skills, among other things. This empowers them and improves their welfare.

Table 10: Number of Trainings attended from Groups

	Frequency	Percent
Controlled Group	92	40.5
1	13	5.7
2	66	29.1
3	56	24.7
Total	227	100.0

Source: Survey data computed SPSS 25,2023

The above table 10, demonstrated that the number and types of trainings, as capacity building, that have been taken conducted by the Children’s HopeChest program areas during the interventions carried out. In this Case, the first table, demonstrated that, 92 (40.5%) of Controlled groups were not attended any of the training since they are not members of SHG of any of the program’s area. Therefore, out of 135 treated SHG, 13(5.7 %) of them responded as they were attendee for once, 66(26.1%) of respondents of the treated SHG were attended at least twice and 56 (24.7%) were attended more than three times of the organized trainings.

“Before organizing saving groups, we have held several awareness raising meetings with all target groups. We have discussed the merits of saving particularly for starting a business. We also had involved guardians who are willing to participate and practice saving at project level with a common account. Therefore, those who practiced and make a habit of saving finally engaged in a group of self-help members.” /28, project coordinator, Key Informant Interview (KII) participants,2023 /

Table 11: Type of trainings taken as intervention made for Human Capital

	Frequency	Percent
Business Development skill	13	5.7
How to Start and Manage Small business	73	32.2
How to Enhancing Saving habit	49	21.6
Total	227	100.0

Source: Survey data computed SPSS 25,2023

Whereas the second table 11 above depicts the types of capacity building trainings conducted by the programming area as a mechanism of intervention for human capital development. As a result, out of 135 SHG members, 13 (5.7%) attended Business Development Skill trainings, while 73 (32.2%) attended "How to Start and Manage Small Business" trainings. Whereas 49 (21.6%) SHG members attended training on "How to Enhance Saving Habits" at the Children's HopeChest Programming locations. Children's HopeChest capacity-building Intervention trainings were attended by a substantial number of SHG members. The other important initiative, the researcher has observed during the FGD and interview, was that the SHG member's capacity building trainings, were organized after the assessment made by the project staffs and government stakeholders on the gaps what they have noticed from members of SHGs of respective program areas.

Table 12: SHGs members Benefited from lists of Trainings

	Frequency	Percent
Developed Saving Habit	15	6.6
Enhanced knowledge/Life skills	26	11.5
Developed habit of discussion and decision-making skills	43	18.9
Enhanced Self-confidence	51	22.5
Total	135	100.0

Source: Survey data computed SPSS 25,2023

The above table 12 demonstrated the extent to which SHGs members benefited from various trainings. Out of 135 SHGs members, 15(6.6%) were benefited from training and then

"developing saving Habit", 26(11.5%) of SHGs members were benefited from training and then "Enhancing Knowledge/life Skills", and 43(28.9%) of SHGs members were benefited from training and "Developed habit of discussion and decision-making skills". In the last one, 51 (22.5%) of SHG members benefited from various trainings and "enhanced Self-Confidences."

The inputs for (human) capacity building, according to the FGD participants, are by far the most significant benefit they have acquired since joining their groups. Additionally, they have mentioned how numerous capacity-enhancing sessions from the trainings, meetings, and coffee ceremony communications have helped them develop skills for a variety of socioeconomic as well as institutional empowerment, raise awareness, and shift attitudes. Without the trainings, they would never have been able to be aggressive, save money, obtain loans, start small enterprises, or raise their level of living.

4.3.2. SHG Determinants in Improving SHG Members' Social Capital

The concept of social capital conveys the idea that social relationships and norms are essential for long-term sustainability. People have the confidence to invest in collective activities when social capital is high in formalized groupings, knowing that others would do the same.⁹

Because affinity, trust, involvement, and mutual responsibility are the main elements of the social dimension in SHGs, social capital is the most important component of SHGs. According to data obtained, interviews with the project's staffs, and FGD with SHG members, women are frequently the most valuable resources when it comes to the level of trust among members.

"...The advantages of joining a self-help group for members include social interaction, problem-solving, and discussion of issues." /32 Social worker, Key Informant Interview Participant ,2023/

However, during the course of FGD, the some of SHG members have mentioned about their challenges quite having time with some of their members. They continued bringing up personal disputes and conflicts among themselves that sprang from various personal issues.

"I did not notice the so-called group get-together time in our groups for various reasons." Everyone is in a hurry and would rather go about his or her business than sit

⁹ (Anon., n.d.)

and share thoughts...It could be because we live in the same neighborhood and anticipate having more time...” /42 SHG member FGD participant,2023 /

Table 13: Purpose of saving Distribution

	Frequency	Percent
For medical	13	5.7
For social security	14	6.2
For Assets building	16	7.0
Food security	26	11.5
For Business	66	29.1
Total	135	100.0

Source: Survey data computed SPSS 25,2023

The table above clearly demonstrates, with 6.2%, the relevance of social capital for social security. In this situation, 13 of the 135 respondents from the treatment groups stated that they were saving for the purpose of obtaining social security. In this context, the phrases "Iquib" and "Ideir" and similar terms are used to refer to Social Security.

Based on the results of the FGD and interviews with project personnel and SHG members, SHGs were formed among children's parents who knew each other and lived in the same neighborhoods. Above all, the saving and loan distribution methods were designed on the basis of the most reliable, which has been in place for a long time and has resulted in the assurance they have.

During the interview, the researcher discovered that the Project staffs mentioned a method named "Home Visit" at the location where those SHG members live. During these visits, the staff had the opportunity to discuss their strengths and weaknesses in terms of saving and loan repayment, as well as their enhancement of conducting business and similar things in tables. Because of the trust and connections established throughout the visit, the parents decided to share their personal affairs.

Table 14: Reason for being a member of SHG

	Frequency	Percent
Since it is mandatory	27	11.9
Just my colleagues convinced me	43	19.0

To be just benefit from project	64	28.3
Total	135	100.0

Source: Survey data computed SPSS 25,2023

According to the above data, 43 (19.0%) of respondents clearly demonstrated that social capital or how colleagues are the cause of trust and development. In this scenario, these individuals are persuaded to join SHG by colleagues because of their established familyhood and social connections.

"Our SHG is made up of members who live in the same area and know each other, which makes it easier for us to meet during our gathering."/ 29, SHG member and FDG participants ,2023/

According Interview of project staffs, they have mentioned that due to SHG members shared socioeconomic background and shared experiences of social stigma and exclusion brought on by their poverty, these members instantly identify and connect with one another. Members share their experiences, worries, feelings, problems, and victories through self-disclosure. They come to see that they are not the only ones dealing with the issue.

They can support one another practically, emotionally, and socially. The phrase "better a neighbor than a relative who lives far away," which emphasizes the value of close neighbors, was emphasized by members of the FGD. They made it clear that their group is the one to which they may turn if all else fails. They claimed that they depended on the group and one another.

Table 15 :SHG member Saving Status

	Frequency	Percent
900	1	.4
1000	1	.4
1500	4	1.8
1700	2	.9
2500	19	8.4
2700	22	9.7
3000	22	9.7

3300	39	17.2
3700	1	.4
4000	22	9.7
4700	1	.4
Total	135	100.0

Source: Survey data computed SPSS 25,2023

The amount that the SHG has been referred to as social insurance in relation to regular saving appears to be a rather tiny fraction, as this table 15 indicates.

4.3.3 SHG Determinants in Improving SHG Members' Financial/Economical Capital

SHGs enable financially excluded and unbanked poorer and most vulnerable women in the study region to access financial assets by creating saving and loan opportunities, which is one of the basic principles of the SHG Approach. The most important factor in building financial capital in livelihood assets is the development of awareness and financial literacy inputs that assist members in understanding the concept of saving and loan contribution and its benefits. The first capacity building training and the group sessions both have a lot to offer for the aforementioned reasons, according to the data from interviews and focus groups discussion.

For this case, from the survey data which were collected from respective program area's project staffs, the current trend and of SHG saving and loan distribution relatively comparable and which are the saving amount is around 2,020,521.00 ETB whereas loan dispersed is around 3,538,832.00 ETB.

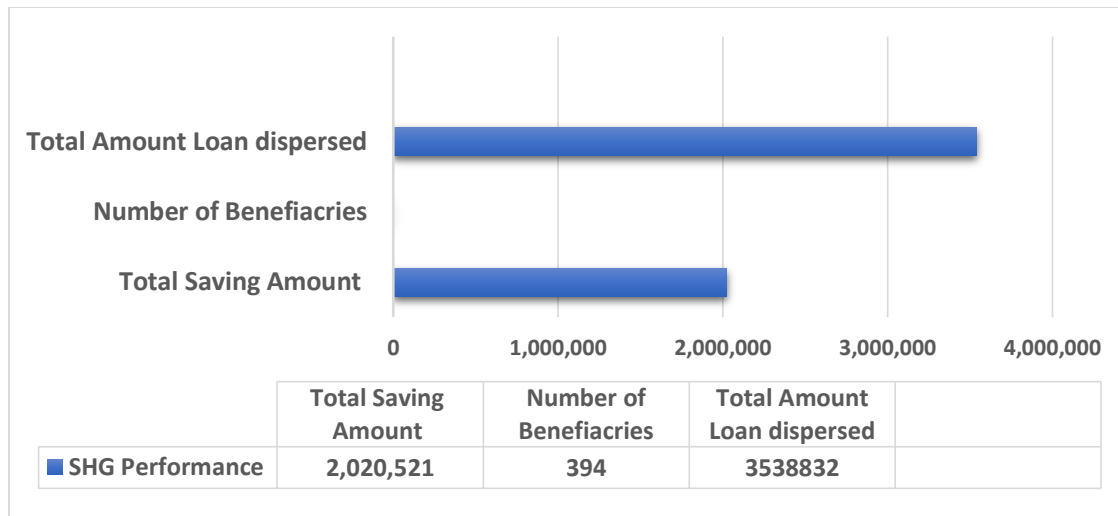


Figure 3: Data collected from respective Children’s HopeChest program areas

The Figure 4 above depicts the overall group's current saving status, which is approximately 2,020,521 Birr, with 394 Self-Help Saving groups members who are beneficiaries. Savings and seed money were pumped into the Children's HopeChest as a doner.

"I have collected additional 3000 Birr in the middle of the loan period, immediately after I started to return my loan monthly wise at 280 Birr." /33, SHG members FGD participant,2023/

Savings and Loan Trend among in Respective SHG and its Members.

According to the data in the above table, as well as the FGD and interviews with project staff, the distributed loan, which is 3,538,832, represents a significant portion of the seed money injected by CHC into respective program areas with the very purpose of motivating the SHG after all capacity building interventions that have been conducted.

According to the FGD and interviews, there are particular procedures and actions that every SHG member must adhere to. The most noticeable aspect is that all saving amounts are established by the consensus amount of each SHG member during their developmental stages. Furthermore, each Community Savings group has its own set of rules and regulations known as Bylaws. In these rules, the organizations' agreed on their own negotiating agreements that govern how to save and borrow money. Before requesting a loan, a member of the SHG should have a saving record for at least six consecutive months, which means that the SHG procedure must be

followed and used as proof of the loan taker's integrity. Furthermore, the individual should obtain approval and collect assurance signatures from all members of his or her group. Once the aforementioned procedure is completed, the individual has to develop a mini-business plan that outlines the objective of the loan in accordance with the FGD and the related interview. The groups' agreement stipulates the minimum saving amount and the date by which they must reach their savings commitment.

“Before taking out a loan, SHG members save some money. We appreciate members saving for six months before taking money. Every month, the members of the group collect the savings.” /28, Social Worker, Key Infomart Interview Participant,2023 /

"After receiving training, our "Serto Melewot" SHG began saving 100 birr per month with a total of 10 members."/45, SHG member, FDG participant,2023 /

According to the FGD and project staff interviews, each SHG has its own individual bank account into which the savings are placed. In this situation, for security reasons and group agreements, the accounts are handled in the names of four people. Three of them are SHG representatives, namely the current group leaders, who are Chairpersons, Secretaries, and Treasurers. The fourth is a member of the project team. Taking into account the facts, facilitating loan access for women from underprivileged households in study areas stipulated an opportunity for the actualization of developments in the economic/financial capital of livelihoods. The primary constraints here were that such households did not have access to financial institutions like as banks and microfinances, which are mandated by legislation to allow loans and other related items with provision of securities. As a result, the availability of credit alternatives for those households allows them to participate in a variety of income-generating activities, according to survey data and FGD. The loan inquiry by SHG members presented based on the status of saving, then the first loan was 8000 birrs for expanding up of their business, then that loan should be returned with a maximum of 12 months and a minimum of 6 months.

Table 16: Access to group loan source

	Frequency	Percent
Yes	96	33.3
No	31	10.8

Even worst of before	7	2.4
Total	227	78.8

Source: Survey data computed SPSS 25,2023

According to the aforementioned Table, out of the total respondents who are SHG members, 96 (33.3%) have accessed loan opportunities and engaged in various income-generating activities (IGA), while the remaining 31 (10.8%) are on waiting lists to obtain loans as soon as they are available.

The SHG members may apply for loans for a variety of purposes and causes, but the one that receives the most responses are Loan for Business. Because, the choice of the SHG members the significates go with loan for business. The SHG members have submitted requests for loans in various capacities, whether they be start-up or scale-up initials. Therefore, 178 (78.4%) of the total respondents mentioned a loan for business. The previous loan was used to buy food for their family. A total of 63 (27.8%) respondents asked for a loan that could be used to buy food for their families through income-generating activities. The third one, the requested loan might be utilized for medical purpose with 50% respondents and the last one but bit appalling, only 24(10%) of the total respondents have responded that, they have required loan for future assess building but in contrast the CHC aspiring to see self-sustaining families in the near future. The implied here is that the target of SHG members to sustainability falls short in contrast with the rest of the rationale for obtaining a loan. With the rest of the reasons, it would have been considerably more competitive.

However, during interview and FGD, members have expressed their thoughts about the performance of currents Saving trend of their respective Community SHGs since its establishment in one way or the others.

	Frequency	Percent
As it is	39	13.2
Total	135	78.8
Total	135	100.0

Source: Survey data computed SPSS 25,2023

The above table, illustrated that, out of 135 respondents who are the members of SHG, 96 (33.3%) have responded about the current status SHG are getting decreasing with respect of especially saving bouse of high cost of life, lack of clear follow-up, inflation, and poor time management of the leadership of SHG and Lack of market for their commodities to sell in accordance with FGD and interview response. The rest that means 38(13.2%) of respondents have responded that the SHG are as it is no increments. In this case, the responses have some implications, the one is the SHG members are losing motivations for including other colleagues to their groups or the other families are losing some initiation or courage to join the groups.

“The most common challenges we have faced from SHG members are negative attitude towards saving, fear of borrowing money, illiteracy, fear of impoverishments, and unwillingness and slowness to participate in SHG meeting and various trainings.” /33, Project Coordinator, Key Informants Interview participant,2023/

Though the above challenges, there some sort of change in financial capital of SHG members within themselves not compared according to as compare to the previses life after the Children’s Hopechest interventions made.

Table 18:Change in financial asset/capital after SHGs

	Frequency	Percent
Yes	70	30.4
No	57	25.1
Even the worst of before	8	3.5
Total	135	100.0

Source: Survey data computed SPSS 25,2023

The above table, demonstrated about the change of financial asset/capital in households after being members of respective SHG. In this case, out the total respondents, 70 (30.4%) have responded by saying “Yes”, whereas 57(25.1%) of respondents were said “No”. The last 8(3.5%) respondents said “even the worst of before”. Therefore, from the table in the above we can understand that the level of intervention the SHG for the change of financial capital is substantial which are only based on the respondents’ responses which compares with in SHG members. The value of the SHG asset as a whole, including savings, fines, interest from loans given, interest

from bank deposits, and funds from group IGAs, is therefore represented by this financial capital.

Unquestionably, a SHG strategy to increase financial assets for a living must include savings as a key component. It makes financial resources available, offers a financial stock, and grants members access to credit. The act of amassing money led naturally to members' involvement in financial services and improved knowledge with financial ideas. The SHGs, being an essential step towards financial inclusion, have thus given financially excluded people saving opportunities and empowered the study area's impoverished communities.

“The distinctive attributes what SHG loan facility offers to its SHG members unlike other financial Institutions are its flexible time to return loan, interest free loan and continues capacity building trainings “/ 29, Project Coordinator, Key Informants Interview participant ,2023/

The FGD discussion concluded that in order to grow their low wages and thereby enhance their quality of life, SHG members should develop a saving culture. Therefore, the SHG's capacity to direct savings into loan facilities for members' investment and employment prospects is essential to the success of any project for improving urban livelihood and the ensuing economic development.

“The loan we have collected is not enough, it only subsidized our business. I am working my business by adding with other saving amount I have already. “/35, SHG member FGD Participant,2023/

The majority of urban SHG members engage in various livelihood activities both indoors and outdoors, such as Sunday open markets and public areas (such as streets or squares), according to the FGD's findings. However, only a small number of people were successful in finding housing through rental agreements with significantly higher charge rates. The focus group participants also emphasized that the largest barrier to members' short-term IGA endeavors is their inability to pay their rent. They frequently struggle to find a business location that is both accessible and cheap. The three primary determinants of business success are location, training intensity, and loan amount (which is only supported by member savings); their absence would have a

significant negative impact on the earning or employment opportunities that SHG members and their families depended on for their livelihoods. However, the FGD members did add that as their capital and their SHG-based institution grew, they would eventually be able to manage and afford to acquire their property.

4.3.4 SHG Determinants in Improving SHG Members' Physical Capital

The essential producer commodities and infrastructure required to support livelihoods make up physical capital. Infrastructure refers to physical environment modifications that make it easier for individuals to fulfil their basic needs and be more productive. This includes having access to affordable transportation, safe homes and buildings, sufficient water supplies and sanitary facilities, clean, affordable energy, and communications. Producer goods also include the tools and equipment that people use to work more productively. These include equipment, home items, radios, and agricultural implements. (Anon., 2023)

Table 19: Housing of respondents

	Frequency	Percent
Private Owned	51	22.5
Rent	150	66.1
Government House	26	11.5
Total	227	100.0

Source: Survey data computed SPSS 25,2023

The above table demonstrate the housing distribution of the housing of Respondent, out it the 51(22.5) owned their own house whether it can be legal or not. It is very the critical physical capital specially at study area in the city Addis Ababa. Here, the most important beside the physical assts. the 22 (9.9 %) respondents have mentioned their source income are that comes from house rents. Out of the participants of FGD, and interview, 20(8.8%) of respondents were expressly noted that the necessity of availability of work locations. Since 150 respondents (66.6% of the total) to the FGD are renting a single room for an average monthly cost of 2500 Birr.

Since, the respondents are living at Urban and particularly at the Capital city of the Country, they are a benefited to access clean water, affordable electricity and private latrine house relatively as compare to the rural one. In this case, all respondents have confirmed that, they have accessed the aforementioned utilities and facilities.

Table 20:For Loan for Physical Assets building		
	Frequency	Percent
Yes	24	10.6
No	203	89.4
Total	227	100.0

Source: Survey data computed SPSS 25,2023

As a result, the accompanying table illustrates how SHG members used their institution's loan program to develop their physical capital as well as their means of subsistence. Non-financial and non-consumption resources, such as furniture, tools or equipment (for the home or business), and home furnishings, are included in this category of assets. As seen in the accompanying table, informal neighborhoods organizations' have been successful in enabling their members to enhance these resources through microloans in order to promote growth in all aspects of their means of subsistence. Therefore, the FGD participants said that they had used their loan, among other things, to buy capital items given that physical capital development accounted for 10.6% of the loan. These products aren't consumables; rather, they are the machinery or tools required to make other consumables. Utensils (items used for baking, roasting, cooking, and serving), shelves, tables, and chairs are a few examples. Loans are encouraged for SHG members, especially for IGAs. According to the above table, members used the available loan to pay for household expenses like consumption, furnishings, home repairs, and education.

4.3.5. SHG Determinants in Improving SHG Members' Political Capital

The primary contribution of SHG is its role in encouraging grassroots empowerment and participation, in addition to socioeconomic empowerment. This may be explained by their nurturing function, which is demonstrated by interviews and his FGD. This is not only through awareness-raising activities on human and social assets, but also a culture of accepting disadvantaged people and democratically engaging in decision-making within groups. In community where the majority (up to 93.8%) of the SHG members in the research region are

from female families, the SHG method, as seen here, attempts to empower the most disadvantaged women.

Table 21:Sex of respondents			
	Frequency	Percent	
Female	213	93.8	
Male	14	6.2	
Total	227	100.0	

Source: Survey data computed SPSS 25,2023

Focus group participants and interviewees commented that their involvement and engagement in SHG and household decision-making has improved over time. The table here below, illustrated the women's level of change in the family decision making role.

Table 22:Change in family decision maker role			
	Frequency	Percent	
Yes	110	48.5	
No Change	2	.9	
Even worse than before	22	9.7	
Total	135	100.0	

Source: Survey data computed SPSS 25,2023

According to the above table 22, 110 respondents out of the total number of respondents said "Yes" when questioned whether they would ensure a change in the decision-making role at household level, following the interventions made. This is because 93.8% of SHG participants are women.

Table 23:Change in social interaction in community after being a member of SHGs			
	Frequency	Percent	
Yes	111	48.9	
No	22	9.7	
Even the worst of before	1	.4	

Total	135	100.0
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Source: Survey data computed SPSS 25,2023

Pursuant to the above table, for instance, members of their group take an active role in internal dialogue and actions to raise awareness of gender violence, women's rights, human rights issues, etc. Based on the results of the FGD and interviews demonstrated that the bylaws of the SHGs in the study area were created with direct participation from the members. The democratic process is used to decide on problems pertaining to savings, loans, interest, and loan repayment, as well as social issues, women's rights, children's rights, and community service.

The other democratic process of the SHG is selecting their own leaders based on the will of each member in the community. This leadership, as it was mentioned before, composed of three members namely, Chairperson, Secretary and Treasurers with limited term of years.

“Each group had a committee with a total of three members, one secretary, one collector and one treasurer, but the group could not continue with the total members due to various reasons. Each group had a committee with a total of three members, one secretary, chairperson and one treasurer, but the group could not continue with the total members due to various reasons”. /31, Social worker, Key Informants interview participant,2023/

Table 24:Change in leadership and responsibilities taking Skill after being a member of SHGs

	Frequency	Percent
Yes	122	53.3
No	3	1.3
Even the worst of before	10	4.4
Total	135	100.0

Source: Survey data computed SPSS 25,2023

Additionally, regular meetings are rotated among ordinary members, which fosters the development of leadership skills and management skills Participants are strongly urged or

motivated to speak up in front of others at these meetings, helping them to overcome their anxieties, fears, and timidity. Members have consequently grown more determined and confident over time, and this was clearly implied by their narrative. It has been believed that educating a woman would educate a family or community, therefore enlightening and empowering them strengthened their self-assurance and voice, both at home and within the community. As a result of the empowerment inputs they received from their groups, they now have better decision-making authority in their homes regarding managing household finances, health care, parenting children, and community sanitation, among other things. SHG members now pay more attention to maintaining their homes' cleanliness and sanitation.

4.3.6. Interventions by Stakeholders in Respective Projects

Stakeholder participation in SHG Approaches and overall project agreement are essential. Due to the project's agreement, they each have a part to play in promoting the SHG Approach. The Approach is a method that gradually transforms people's lives from being vulnerable to being empowered, engaged, and advanced. The SHG project has received assistance from sub-city governments in the study region on a variety of levels, according to interviews with the organs and project staff. For example, from the very beginning, the administrations of the Sub-cities granted permissions in their area of responsibility to the Children's HopeChest and its partnering organizations to launch the community Self-Help Saving Groups (SHG) Approach, and the organs facilitated beneficiary selection and provided free training venues when SHG was initially established.

Table 25: List of Trainers of SHG Members

	Frequency	Percent
By Local Gov. Stakeholders	152	67.0
Project Staffs	45	19.8
Volunteers	26	11.5
Both	4	1.8
Total	227	100.0

Source: Survey data computed SPSS 25,2023

For the purposes of characterizing the above table 25, the function of local government was clearly established and responded accordingly with 152 (67.0%) respondents that indicating that

Sub cities officials were involved in the conduct of different capacity building trainings to SHG members in different program areas. In this scenario, the majority of the various trainings were overseen by officials from several Sub Cities and concerned Sector Offices of the Addis Ababa City government.

4.4. The Shortcomings of The Community Self-Help Saving Approach in the Case of Children's HopeChest Programs

The researcher has compiled a list of the impediments and limitations of the community Self-Help Saving approach based on the written record of FDG, interviews, and the number of provides information they had had. Based on the results of the FGD and interviews, the responders of SHGs members have identified existential challenges that may hamper the overall outcome of the SHG. The following are the most prevalent and regularly mentioned and reacted to by SHG members. As a consequence, 38 (16.7%) respondents cited the high cost of living and unpredictable inflation as main obstacles they faced while implementing the SHG as a group.

According to 32 (14.1%) respondents, the second was negligent leadership of SHG across various program areas. 14.1% of total those who responded is a pretty large proportion, indicating that there are significant leadership gaps, which equals to the SHGs that aspired to assure proper and innovative leadership. According to survey data respondents, this inattention is producing a lack of motivation for saving and a loss of desire to attend meetings. The third issue is poor time management among SHG members, as well as a lack of accountability among group leaders throughout the loan distribution and collection period. According to survey respondents, the leadership lacks a clear and measurable follow-up structure.

“One of the difficulties we confront is the area's wrong credit culture, people's lack of enthusiasm to work, inability to collaborate, and the mismatch between the amount of credit they are permitted and the money they want to work with, as well as inflation.”
/38, Project coordinator, Key Informant Interview participants ,2023/

Other challenges identified by respondents include disagreements among SHG members and a lack of loan funds that may be divided among loan requesters. Obtaining market spaces is another major difficulty that was addressed by a large percentage of responders. In this case, the

Children’s HopeChest , sub cities officials and their stakeholders will be in charged to give responses on given issues.

4.5. Difference in income level between intervention and control groups

Since the controlled groups did not participate in the Children's HopeChest SHG intervention program, no outcomes were received from the survey’s-controlled groups. The controlled groups said they hadn't answered any questions about outcomes during data collection since they hadn't taken part in interventions.

However, the income data was skewed, and median was used to categorize income level. The median income was 2500 birr. Income levels below median were labeled as low while median or higher considered as good.

The chi-square test is a statistical test used to determine the association between two categorical variables. This indicated that there was no difference in income between intervention and control groups (P=0.12).

Table 26: Crosstabulation of income between intervention and control groups

Groups	Income Category		Chi-Square
	Low	Good	
Treatment	67	67	P=0.12
Control	36	57	
Total	103	124	

Source: Survey data computed SPSS 25,2023

There is very strong evidence of no relationship between increment of income and treated group of SHG (Chi-square=0.12, and df=1. As a result, the researcher has rejected the null hypothesis (Ho)and accept the alternative hypothesis. There is no statistically significant relationship between increments of income and treated SHG.

4.6. Discussion

The study presented evidence that SHGs made substantial improvements for their members under the Children's HopeChest Program in the areas of members' income levels, saving habits,

and the development of social and material assets based on interviews and FGD responses. These complements to the current literature on the relevancy of SHGs in alleviating poverty and empowering women. From its beginnings, SHGs are typically founded with the objective of improving members' socioeconomic conditions by increasing members' capacity, asset holding, and skills for economic self-sufficiency through participation in IGAs. According to ((KNH), 2014), SHG's approach relied on rights-based concepts that foster an environment in which individuals can realized their potential and work towards their own growth. So that, material well-being, as well as social and political development and empowerment, are the results of an attitudinal shift in the approach of SHGs.

However, when the only income of the Controlled and Treatment groups is compared which is the only categorical variables on which both groups have had responded, the researcher could able to test statistically and examine their relationship of the two variables. In this case, after testing the relationship, the controlled group outperforms the treated group, i.e., members of community SHGs, according to the researcher's findings utilizing the Chi-Square Test in the above. This meant that the amount saved and the money infused as seed money could not modify the financial capital of the homes of SHGs. The interventions which have made for treated groups, that could not enable to boost income against that of Controlled one.

4.7. Main Findings

By being the participants of the respective SHG at various Programs of Children's HopeChest, there is improved involvement in the community participants that indicated that they have demonstrated households the benefits of working together to tackle their own and the community's common problems as well. SHGs by its nature which facilitate public gatherings to discuss gender issues including violence against women and girls with government officials, religious leaders, and community leaders as well. Numerous of this study respondents have stated that because of their gathering at SHG, they are also exposed to contribute to various community issues. Above all, women are taking up leadership roles and members of SHG have also benefited from the program's interventions which enable them to take on leadership roles, including positions of responsibility within the SHG.

According the responses of interviews and FGD, because of the intervention made women

improved their entrepreneurial and business skills, as well as their revenue generation scenarios. One of the most notable improvements are that majority SHG members use SHG savings and loans, as well as entrepreneurial and business skills trainings and experience earned through SHG activities.

The majority of participants SHG have responded about they are of being able to buy furniture and electronic goods for their houses. Some responded about helping their houses to cover expenses. Some responded about they could able to help their husbands and children. Other SHGs members said that they had been able to use the money they had saved or earned from business on the children's education, with a number of women also able of sending their children to private schools or colleges as well.

In addition to that, several SHGs members also indicated that since joining the SHG they had not had to request their colleagues for financial assistance and loans. said that when their families are economically comfortable, their intimate relationships are less fraught, and there is less conflict.

Therefore, the following are considered as the finding of the researches based on Interview and FGD discussants with its clear limitations which is examined by its data.

- The SHGs have empowered and enabled members to interact with one another, and to work collectively. This has meaning that previously socially isolated members have been able to form support networks and also understand the value of working together.
- The economic benefit of SHGs members participation in the SHGs and members' increased confidence has had an important, demonstration effect to both men and women in the community about the value of women.
- Establishing collaborative relationship between SHGs, community leaders and government stakeholders have resulted in the creation of referral linkage which have been ensuring that members are willing to report violence, and are able to get appropriate information and support, influential stakeholders have also been able to speak with one voice on beneficiaries' socio-economic problems of members and develop collaborative solutions.

From the interview and FGD discussants responses and the Chi-squares Test, the researcher triangulated the result accordingly. In the case qualitative data responses on interviews and FGD,

the respondents have made their responses that there is notable change in their livelihoods of the listed households with regards to human capital, financial capital, Political Capital, Social Capital and physical capital upon the majority of the SHG members because the interventions made.

Whereas, the qualitative data were tested by using Chi-Squares test, the income of Treated and Controlled groups by taking 2500 median, the letter income better than that of Treated group which is SHG. In this case, the missing link is absence of baseline survey of both groups which impeded the researcher conclusion very challenging. In other words, the respective groups formative income of whether it could be controlled or treated groups were not known. Therefore, there may be assumptions that, those controlled one have had better income than that of treated groups which caused the conclusion very unpredictable. In addition to that, these treated groups have no that much income during formative and now they have changed by earning some income which can be compared to that of the controlled group.

CHAPTER V: CONCLUSION AND RECOMMENDATIONS

5.1. CONCLUSION

The objective of the study was to explore how SHG could contribute to vulnerable households participating in the SHG Children's HopeChest Addis Ababa Area Program improve their standard of living. The effect of the SHG approach and its dimensions in relation to the capital of the asset's components of the livelihood have been examined in the study. SHGs capitalize on the ability and resources of the members to empower poorer women in socioeconomic as well as local decision-making because they are initially simple and easy. Beneficiaries are given the opportunity to build solid assets for their livelihoods, permanently releasing them from vulnerability and poverty.

By advancing the women's attitudes and skills, extending their social networks, enabling access to finances and IGAs, enhancing housing, and promoting local decision-making, the women SHG initiative has in fact changed the beneficiaries' assets that support their livelihoods. SHGs

are not a cure-all, however, and in the study area they have encountered all of the aforementioned difficulties, including the high cost of living and unpredictable inflation, careless SHG leadership, poor time management among SHG members, low levels of dedication and literacy, as well as the absence of a formal or legal registration option.

However, in terms of income growth, SHG members did not demonstrate a significant difference when compared to those who are not SHG members, even if their income was higher than that of SHG members. Overall, it is concluded that despite the challenges they faced, the women's SHG Approach has shown that it can improve the livelihood assets of the poor and marginalized members of society, particularly women and their children in the study area, and address vulnerability and poverty. Because of this, the SHG Approach has developed with a progressive intervention, starting from what the community already understands and transforming what is intended to be appropriate change, economical and productive, feasible, and establishes sustainable local institutions that serve the development and governance goals of the society.

5.2 RECOMMENDATION

Based on the findings of this research, the following recommendations are forwarded:

1. Effective and efficient rule-making and regulation: Since SHG serves a marginalized segment of society, its informality predominates over being governed by strict law that has binding implications through the legal system. The establishment of a well-defined legal framework and recognition, both of which have a substantial impact on the community's overall well-being.
2. Presence of Leadership transparency among the community representatives who are working SHG leadership
3. Presence community engagement and consultation during training topics selections period for SHG members
4. Strengthening community-based development projects: The research examined underlines the importance of local competence, long-term commitment, teamwork, monitoring, and

evaluation in community-based initiatives for development. In order to strengthen their community-based development program, it is advised that organizations like Children's HopeChest continue to concentrate on these issues.

5. Enhancing financial inclusion: The research shows that self-help saving groups can significantly improve the livelihoods of vulnerable households by providing access to credit and financial services. Therefore, it is recommended that organizations such as Children's HopeChest work with financial institutions and local government to enhance financial inclusion and promote access to credit for vulnerable households.
6. Improving monitoring and evaluation: The research points out the significance of monitoring and evaluation in self-help saving group achievement. To ensure the effectiveness and long-term viability of self-help saving groups, it is recommended that groups such Children's HopeChest enhance their monitoring and evaluation operations.

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