

EXPLORING THE CHALLENGES AND OPPORTUNITIES OF POOR WOMEN IN
MICROFINANCE INTERVENTION: THE CASE OF SPECIALIZED FINANCIAL
AND PROMOTIONAL INSTITUTION, CLIENTS OF CHANCHO BRANCH, OROMIA,
SULULTA WOREDA

BY: ABDULAH AHMED

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Acronyms

ACSI_ Amhara Credit and Savings Institution

ADB- African Development Bank

ADB -Asian Development Bank

AEMFI – Association of Ethiopian Microfinance Institution

CAMEF- Conference of African Ministers of Economy and Finance

CGAP – Consultants Group to Assist the Poor

DECSI -Dedebit Credit and Savings Institution

FDRE-Federal Democratic Republic of Ethiopia

IDC – International Development Communities

FGD – Focus Group Discussion

IARC- Impact Assessment Research Center

IFAD – International Fund for Agricultural Development

IFC- International Food Corporation

IMF - International Monetary Fund

ILO – International Labor Organization

ITC- International Trade Center

ISAPSO- Integrated Service for AIDS Prevention and Support Organization

KI- Key Informants

MDG – Millennium Development Goal

MFI – Microfinance Institutions

MoFED – Ministry of Finance and Economic Development

NBE - National Bank of Ethiopia

NGO – Non-Governmental Organizations

OCSSCO – Oromia Credit and Savings Share Company

SEDP -Small Enterprise Development Project (Bangladesh)

SFPI - Specialized Financial Promotional Institution

SHG- Self Help Group

UN/OSCAL -United Nations Office of the Special Coordinator for Africa and the Least

Developed Countries

Abstract

The central objective of this study was to explore the challenges and opportunities of poor women in SFPI microfinance intervention in Oromia Special Zone Surrounding Finfine, Sululta Woreda. Accordingly, a qualitative case study approach was used to undertake the study. Hence, purposely selected four key informants and twelve in-depth interviews have participated in the study. Beside to these, two focus group discussions one in urban and the other in rural area of Sululta Woreda was conducted. The qualitative data collected from the participants were transcribed and analyzed manually. The finding of the study indicated that, most of the poor women in microfinance institution get the opportunity of accessing money, starting business, detachment from local money lenders, enhancement in social relationship. Moreover, those poor women who have another source of income like land, livestock, house renting and also non loan diverters were obtained the opportunity of expanding their businesses, educating their children in terms material support, improvement in income, expenditure and home utility, generally improvement in social and economic condition. On the other hand, the study indicated that, poor women in the intervention of MFI face various challenges that are related to the community, institution, the poor women themselves, and family. As a result, these challenges have been influenced the achievements of the poor women in microfinance intervention. In addition, these challenges are accompanied by various social problems like that of leaving the area where loan has been taken, committing suicidal attempt etc. Generally, these findings indicated that, there is implication for collaboration between policy makers, social work and microfinance practitioners and researchers to address the challenges of poor women in microfinance service.

Keywords; *Intervention, Microfinance Institution, Microfinance, Poor women, Special Financial and promotional Institution (SFPI), Sululta Woreda*

CHAPTER ONE

1 .Introduction

Microfinance institutions were agents that established to facilitate community development process by providing financial service to the poor. The importance of microfinance to contribute to the poverty alleviation was widely recognized from the time when Grameen Bank began providing small loans for groups of women in Bangladesh in 1974 (Khan and Rahaman,2007). Since then, in many developing countries a number of organizations were offering financial services to their clients, including loans, saving plans, insurance and payment transfers (International Trade Center, 2011).Even to meet the Millennium Development Goals(MDGs), access to microfinance was utilized to mitigate poverty by assuming that, it can generate income, create jobs, facilitate children to go to school, their needs, but the problem will be to tackle the obstacles that reduce individuals from full participation in the financial sector (Asamoah,2012).

Supplementary to this, according to United Nations Office of the Special Coordinator for Africa and the Least Developed Countries (UN/OSCAL, 1997) report in Africa,microfinance initiatives can effectively address material poverty, physical deprivation of goods, services, and the income to attain them when properly guided. Furthermore, as per International Fund Agricultural Development (IFAD, 2008) the material benefits of micro financing can extend beyond the household into the community level, and also at the personal level, microfinance can effectively deal with issues related with non-material poverty, which take into account the social and psychological effects that inhibit people from recognizing their potential.

In South Africa, following the period when apartheid is broken, the international development communities (IDC) quickly come up with the microfinance model, expecting that it

would speedily bring new work, incomes, and empowerment and enable the poorest black communities. But, the microfinance intervention applied to post-apartheid in South Africa has not brought the expected change and nowadays micro finance intervention model induce serious damage on the South African economy and the community (Bateman ,2014).

As indicated above, in the world many attempts and efforts were made to mitigate the circle of poverty, for instance various development strategies including micro finance intervention was designed in so called poor nation of the globe, but when these development strategies were evaluated by different agents it does not yield the desired outcome which is challenge for MFI participants, evidence show that few countries benefited from such development attempt (Zeman , 2001).

The government of Ethiopia also assimilated and designed various development strategies to tackle the miserable life of its people and to reform the social and economic condition of the country. Thus, interventions through the microfinance institutions is considered as one of the policy tools of the Government and Non Government Organizations to empower the rural and urban poor population to enhance development (MoFED, 2005). The emergence of sustainable microfinance institutions in Ethiopia is required to address the problem of poor people who are not served by the usual financial institutions, such as the Commercial Banks (Wolday Amha, 2000).

As far as this study and the researcher`s exploration is concerned, since the operation of microfinance institution allowed in accordance with FDRE(1996)proclamation No. 40/ 1996 in Ethiopia , some researcher(;Itana Ayana,1994 ; Getana Gobazie,2007;Mesfin Bekalu,2012; Meron Haileselassie,2007;Esayas Bekela & AEMFI,2009; Daba Moti,2003 &Bamlaku Alamirew,2006) searched on impact of MFIs , poverty reduction, effectiveness and accessibility of MFI, loan repayment performance of clients, challenges of MFI ,women empowerment in

micro finance , Credit policy, sustainability of MFIs .But, there is no adequate research that shows the opportunities that women gain and challenges they faced in MFI intervention.

Therefore, the overall objective of this study is to explore the opportunities women gain and challenges they face in microfinance service. So, Specialized Financial and Promotional Institution of Chanco Branch in Oromia National Regional State, Sululta Woreda is selected for this study. SFPI is one among the first micro financing institutions in Ethiopia established in 1997 with the objective of improving the socio-economic condition of underprivileged people, especially women, by offering them access to services like credit, saving and business training .

1.1 Statement of the problem

Seventy percent of the world's poor are women (Roodman and Morduch, 2009). Until now, women have been disadvantaged in access to credit and other financial services and commercial banks often focus on men and neglecting the women who make up a large and growing segment of the informal economy (ILO, 2007). Research shows that an estimated 2.5 billion working age which is more than half of the total population in the world have no access to the formal financial institutions that wealthier people rely on. As an alternative the poor depend on informal method like buying livestock as a form of savings, placing jewelry as collateral, and they visit the local moneylender for credit. These method are unsafe and often expensive (CGAP, 2014).

Some study show that accesses to microfinance add efforts to poverty reduction, particularly for women participants, and to overall poverty mitigation program at urban and rural community level which is opportunity for MFI participants. It also contributes to women's empowerment, including higher levels of mobility, political participation and decision-making through micro loan and associated financial service which is opportunity for women participants of MFI (Kulkerni, 2011). Micro financial services are needed most in Africa's poorest countries

emerging out from conflict and it is a critical tool in the fight against poverty (International Food Corporation,2009).Similarly, Kabeer's (2005), analysis of responses by women loan borrowers of the SEDP show that, most women that experienced violence and stress was reduced as a result of women's access to loans and now women's were sharing responsibility in the family with men and they had greater bargaining power within the family .

However, research findings conducted on women loan borrowers in Bangladesh show that, although the benefits of loans build up men and other household members, the responsibility and duty for repaying the loans lay on the hands of woman client, which in turn create stress and dependency (Asian Development Bank, 2007). It has also been argued that loans hardly pull women and their households out of poverty (Kulkerni, 2011). The study of Ghalib (2007) show that ,as women bear the burden of repayment, they often borrow from other sources to pay back loans, leading to indebtedness and, they lack the means to repay, because women generally invest in existing activities that are low profit and insecure. According to Kabeer (2005) and Eshetu Debabu (2000)patriarchal cultures negatively affect women empowerment for most women borrow for their husbands` activity

Farthermore, as Kulkerni (2011) argued, although many studies show that women's access to microcredit can add important contributions to the economic productivity and social well-being of poor women and their households, many other studies reveal that, in the context of women's empowerment, loan alone does not bring automatic change in women empowerment. So, unless microfinance initiatives understand and build upon local knowledge and resources and the individual potentials is realized, it cannot improve and empower the social wellbeing of unprivileged people (UN/OSCAL, 1997).

Since the idea of lending very small amount of money to poor people was initiated by Yunus, the approach has been applied by many NGO`s, donor agencies and the United Nations

as an important part of their poverty reduction program and it has accessed countless people to financial services. However, research shows that, beside financial accessibility, the poor people were facing challenges (CGAP, 2013). Evidence from India showed that, recently microfinance service was leading numerous clients to suicides and political crises, when clients failed to pay back the loan and inserted in total bankruptcy (Mehdi and Schwank, 2011). As per Bateman (2013) studies in South Africa, although microfinance is introduced to help the poor and the vulnerable population, it has pushed them further in to debt.

In Ethiopia, since the launching of the microfinance institutions, some studies were conducted on micro finance concerning the impact and effectiveness, success in expanding the opportunities of MFI and role of MFI in empowering women. For instance, studies conducted by Getaneh Gobezie (2007) on Amhara Credit & Saving Institution (ACSI); Ebisa Deribie, Getachew Nigussie and Fikadu Mitiku (2013), found that microfinance is good strategy to mitigate poverty and it creates an opportunity for the marginalized segment of population in accessing to finance. On the other hand, Meron Hailesillassie (2007) conducted research in Addis Ababa on the role of Microfinance in empowering women which show that, although women benefited in economic empowerment from MFI interventions, women's work load increased as result of MFI, spent income for family purpose and also it does not make significant change for women in political empowerment. Getneh Gobazie and Jemal Abafita (2007) also added that, cultural and environmental barriers, lack of marketable skill and workload are among the challenges of women in microfinance services.

However, as far as my reviews of various literatures are concerned, the challenge women face and the opportunity they get in microfinance intervention were mostly seen from economic view of empowerment (mostly searched in light of poverty reduction). That is, how MFI raises

people's income, increases their consumption and help them to accumulate asset. Moreover, as far as, the above mentioned studies on MFI's are concerned most of them (Bamlaku Alamirew, 2006; Ebisa Deribie et al, 2012; Getaneh Gobazie, 2007 & Mesfin Bekalu ,2012) were done using survey research in which an in-depth understanding of the issue is overlooked.

Furthermore, after operation of microfinance institution is legalized in Ethiopia by proclamation 40/1996, the challenges poor women faced and the opportunities they get in Sululta Woreda, SFPI client particularly from social and economic dimension of empowerment is not explored. Therefore, this is the main gap that the researcher attempted to fill the gap by conducting this study.

1.2 Research Questions

The study aimed at addressing the following basic research question

1. What are the benefits of the poor women that participated in SFPI intervention?
2. What are the challenges of poor women that participated in SFPI intervention?
3. What are the life experiences of the poor women before and after the loan is disbursed to them?

Objective of the study

1.3.1 *General Objective*: It is to explore the challenges (constraints) poor women client of the SFPI faced and the opportunities they got due to SPFI intervention in Oromia special zone surrounding Finfine, Sululta Woreda.

1.3.2 *Specific objectives*: The specific objectives of the study are to:-

1. Explore the opportunities or the positive effects to the poor women of SFPI intervention
2. Assess the challenges that poor women faces in the SPFI intervention

3. Describe the life experiences of poor women in SFPI intervention before and after loan disbursement.

1.4 Significance of the study

The study is to explore the challenges that poor women faced and opportunities they obtained both in rural and urban areas in the interventions of SFPI microfinance, so as to maximize the benefit and reduce the negative effect. It also helped to see whether microfinance is empowering women in a various ways (Opportunity) or creating tensions to its client. Moreover, the study is helpful for policy makers, information, social work practice, education and to be consumed by researchers.

1.5 Delimitation the Study

According to Yin (2003) delimitation is all about narrowing the scope of the study. Thus, the study was delimited to the challenges and opportunities of poor women in Microfinance in Oromia National regional state; Special Zone Surrounding Finfine; Sululta Woreda , and also from the various microfinance institutions serving people in the town the researcher selected Chanco Branch, Special Financial and Promotional Institutions(SFPI) clients.

The study units of analysis were also delimited to the women clients of the SFPI who were participated in the SFPI for a year and above, the branch office practitioners and also Kebele leaders.

1.6 Definition of key terms

I used the following operational definitions in this study:-

Challenge; -Any negative effect happened to the clients while they are operating with the loan taken from SFPI and also unmet needs that those women clients of SFPI faced as a result of their participation in the SFPI micro Finance

Client; - customers or beneficiaries of the SFPI and who are screened by the institution and took loan from the institution to repay on agreed time and also who are saving in that institution

Microfinance; - is the extension of small loans to groups of poor people, especially women, for the purpose of investing in self-employment programs to improve earning capacity and standard of living (Maheswaranathan and Kennedy, 2010).

Micro finance Institutions (MFIs); - a microfinance institution is an organization, engaged in extending micro credit loans and other financial services to poor borrowers for income generating and self-employment activities.

Opportunity; - opportunity means benefit clients of the SFPI obtain or any value added to the life of the client due to SFPI microfinance. For example, enhancements of children school attendance, enhancement in social relation etc.

Women; - for this study women are mothers who are economically poor and clients of SFPI.

CHAPTER TWO

2. LITERATURE REVIEW

This chapter presents the combination of literatures related to the challenges and opportunities of women in microfinance intervention. It has three sections that are arranged according to the following thematic areas. Firstly, overview and history of microfinance in the world are discussed and followed by analysis of microfinance evolution in Ethiopia. Secondly, the goal of microfinance is discussed. Finally, the opportunity that women gain in microfinance intervention are presented and followed by the challenge women faced in MFI interventions

2.1 Overview and History of micro finance in the world

The concept of microfinance is not something novel. It is originated from informal savings and credit groups that have operated for centuries indifferent parts of the world that include, the "susus" of Ghana, "chit funds" in India, "tandas" in Mexico, "arisan" in Indonesia, "cheetu" in Sri Lanka, "tontines" in West Africa, and "pasanaku" in Bolivia, as well as a number of saving clubs and funeral societies found all over the world (The History of Microfinance, 2006). In the 1800s, various types of giant and more formal savings and credit institutions began to emerge in Europe, structured primarily among the rural and urban poor (Ledgerwood, 1998). In the early 1900s, different copy of these models began to emerge in parts of rural Latin America with aim of increasing commercialization of the rural sector, by activating unused savings and increasing investment through credit, and also to collapse the oppressive feudal system (ADB, 2006). Mean while, starting in the 1970s, trial programs in Bangladesh, Brazil, and a few other countries extended tiny loans to groups of poor women to invest in micro businesses(The History of Microfinance, 2006).

The experiment of Professor Muhammad Yunus in Bangladesh, in the year 1976 is a turning point in development of microfinance (Otoo, 2012). He explained how he motivated people by going to their houses, talking to them to understand their life. He observed how people suffered for lack of a tiny amount of money. Thus, Yunus and his student made a list of 42 people who requires a total of \$27, less than \$1 (one dollar) and he responded by establishing the Grameen Bank to engage borrowers in discussions about the social problems that they face in their lives and the kind of solutions they imagine for themselves (Begun et al, 2000).

In 1990s the globe became interested to microfinance as poverty alleviation strategy. That is why in the Mid-1990s the word microcredit began to be substituted by a new word that contain not only credit, but also savings and other financial services such as insurance and money transfers. Today, the microfinance industry viewed as an essential tool to reduce poverty and it also it is important strategy to reaching specific Millennium Development Goals (MDGs) in education, women's empowerment, and health, among others(Khan and Rahaman,2007).

Generally, microfinance has existed for centuries in Africa and around the world. Everyone, no matter how poor, needs and uses financial services all the time. Many people use moneylenders that usually charge high interest rates on loans. There are many global examples of the history of microfinance, ranging from informal, small-scale, revolving savings and loans clubs in England, Ireland, and Germany during the eighteenth century to savings and credit cooperatives in Indonesia in the nineteenth century. In Africa, detection of microfinance as part of the formal financial sector began to gain thrust in the late 1990s (African Development Bank, 2006).

2.2 Overview of Micro finance in Ethiopia

For many years in Ethiopia the formal and informal sector was sources of finance for individuals, family and organization. The major formal financial institutions in Ethiopia are

Commercial Bank of Ethiopia and the Development Bank of Ethiopia (AEMFI,2009). The informal and semi-formal lending institutions such as Iqub, Iddir, loan shark, relatives, friends are the leading sources of finance for poor households in Ethiopia(Itana Ayana ,1994).

Throughout the imperial regime, the banking system was partly held by foreigners and the lending policy was largely feed foreign enterprises and wealthy clients (Esayas Bekele,2009). However, providing credit to domestic small borrowers were limited and they are forced to look for credit from informal finance where the collateral necessity were up to 200% and the credit for agricultural investment was almost abandoned for the financial institutions think that, investing on agricultural activity was risky(Mauri cited in Jemal Abafita, 2003).

From (1974-1991) the Dreg nationalized all financial institutions and credit was mostly given to public enterprises, state farms , cooperatives and in some cases credit was provided to rural agricultural household for purchase of agriculturalinputs and tools, the private sector was marginalized, even the interest rate is 9% for private sectors and 6% for public enterprises (Itana Ayana ,1994). In addition to the Government, since 1970 some NGOs have been providing credit to poor households in some parts of the country, parallel to delivering relief and development services (Mengistu Bediye, 1997).After economic liberalization, in 1994 poverty and food insecurity forced the Government of Ethiopia (GoE) to accept microfinance as a prime component of its new economic development policy, and encouraged microfinance because of the conventional banks low accessibility in providing financial services for small farmers and petty traders (Wiedmaier-pfister et al ,2008).

Generally in Ethiopia micro financing is a recent phenomenon and the Proclamation of microfinance 40/1996 (FDRE, 1996) allowed the establishment and expansion of potentials MFIs over the past decade and also excluded NGOs and any other institutions from providing financial services. Currently, under supervision of National Bank of Ethiopia (NBE) 34(thirty

four) microfinance institutions were legally been registered and delivering service for more than 1.5 million poor clients (SFPI report, 2014).

2.3 Opportunity of poor women in the Microfinance Institution

This section deals with the review of literatures related to the opportunity women obtained in provision of loan in microfinance institutions

2.3.1 Women Empowerment

According to UN (2001) women empowerment is a process by which women gain the ability to generate choices, exercise bargaining power, develop a sense of self-worth .It also a belief in one's ability to secure preferred changes, enrichment of resources and capabilities of women(Bennet ,2002) .For Mayoux (1999) empowerment is a process by which women become aware of their own situation and strive communally to gain greater access to public services. Empowerment is also defined as a process through which women are able to transform their self perception and gender roles (Levin, 2012). Generally empowerment involves transformation at three broad levels: within the household, within the community, and at a broader institutional level (cheston and Kuhn.2002).

2.3.2 Women Economic Empowerment by providing startup capital

Women's empowerment is underlying goal of microfinance institutions, aiming to set the idle of human asset and potential of every poor person to undertake responsibility and to reclaim his/ her human dignity (ILO, 2007). And also microfinance attempt to modify the financial and social structure of society, whereby the poor, particularly women, can create job through self-employment (Begun, et al 2000). Access to financial services can add essential contributions to the economic productivity and social well-being of poor women and their household, but it does not routinely empower women, in education, politics etc, (Kabeer, 2005 .As per Khan and

Rahaman (2007), MFIs significantly improved women's security, autonomy, selfconfidence level within the household by providing opportunities for self-employment.

In Ethiopia, research done by Getaneh Gobazie, 2007 in Amhara Region; Jemal Abafita, 2007 in Oromia; Meron Haileselassie, 2007& Abebe Tiruneh, 2006 in Addis Ababa found that, microfinance empowered women in providing startup capital which intern helped them for self employment.

2.3.3 Empowerment in Income and consumption

Research conducted by the Consultative Group to Assist the Poor (CGAP) (2013) in Indonesia, found that microcredit borrowers increased their incomes by 12.9 percent compared to 3.0 percent by the incomes of non-clients. As per Mayoux (1999) client of microfinance were not only able to increase their earnings, but also to diversify their income. Kabeer(2005) in her contribution added that clients of MFI showed improvement in income and expenditure . Moreover, as per Cornwall and Edward (2010) unless the social environment within which women"s everyday lives are bounded is taken into consideration, intervention such as providing microcredit loans to women may simply sustain women in their existing circumstances. Yogendrarajah and Semasinghe(2013 p.22) concluded that "microfinance raised household consumption, especially when lent to women".

Similarly, according to research by Asian Development Bank (ADB, 2007) microfinance has the positive impact on the living of standard of the poor people and on their livelihood. It has not only helped the poor people to come over the poverty line, but has also helped them to empower themselves.

2.3.4 Improvement in Skill of Saving

According to Collins, Morduch, Rutherford & Ruthven (2009) women client in

microfinance save more when it is compared with non clients. When women participated in income generating activity like that of coffee production, their skill saving was enhanced (ILO, 2007). As per Basu, Blavy & Yulek (2004) In the process of mobilizing Savings either in group or individuals in MFIs, clients skills of saving was enhanced for it helps poor women to have safety against loans taken ,to access more to credit services and alsoto generate income.

On the other hand, in Ethiopia, Esayas Bekela(2009) and Wolday Amha (2000) added that, in microfinance women save not only money but also use all resource properly for if they misuse loan, it will lead them further to debt. Getaneh Gobezie (2007),Mesfin Bekalu and Eggermont (2012) also added that, after participating in MFI women learn and began saving both in the MFI and other banks. Moreover, Meron Haileselassie (2007) found that, the study indicated that the income andsaving levels of the majority of the clients have increased after the delivery of microfinance.

2.3.5 Social and political empowerment

As per Rutherford (2006) when women accessed to microfinance, they are directly empowered in the ability to feed, clothe, educate and provide medical care for their families and also women gain confidence as they produce goods and services for community members in which this intern, empower their families, their community and their nation.Otoo (2012) added that, economic control improves self-esteem and strengthens women"s decision-making power in their families.

According to Maheswaranathan and Kennedy (2010) microfinance plays extensive roles in empowerment for it assists the very poor households to meet basic needs and it protects against hazard and assist to empower women by encouraging women's economic participation which in turn uphold gender equality.MFI has progressive social change by empowering women in the community and helps women to participate in productive activity, to reduce income

independency ratio at household level and generally at community (Kabeer , 2005).However, providing loan alone cannot always bring change to womenMaheswaranathan and Kennedy (2010).On other hand, to have service in MFIs individuals are organized in groups with regular meeting to enhance group solidarity and for consistent repayments in which it suits networking and information dissemination and the group also can reduce administrative cost by giving certain responsibilities, such as loan monitoring to the members themselves (Mehdi and Schwank ,2011). Naturally, small group size is more effective to ensure that, members genuinely know and trust each other (UN/OSCAL, 1997).Morduch (2010) added that, mutual trust and peer pressure within savings and credit groups ensure participation and repayment in microfinance. The group liability loan replaced the physical collateral with social collateral in which it allows the poor to guarantee one to another (CGAP, 2013).

On the other, among the Ethiopian researchers Getaneh Gobezie & Meron Hailesellassie (2007), Abebe Tiruneh (2006) and Wolday Amha(2000) found that, in rural Ethiopia, the group methodology has a lot of favorable atmosphere and has opportunity for the most poor for it removes the main access barrier for those with no collateral, limited literacy, weak technical knowledge and experience and it also helps for MFIs in conditions of screening those not credit worthy. Moreover,Bamlaku Alamirew (2006) found the,financial services alone could not be sufficient enough to raise the living conditions of the poor.

2.3.6 Reduced Violence at household and community

As per Ghalib (2009)effects of microfinance go beyond influencing the lives of individuals alone, but also impact entire households, communities and the society at large.Research by Cheston and Kuhn (2002 p.32) found that 40.9 percent of microfinance clients that had experienced domestic violence prior to joining microfinance ceased it because of their personal economic empowerment through microfinance. Supplementary to the above as per

Zaman (2001) microfinance is also meant to escape from an abusive relationship and greater capacity to resist wife-beating and alcoholism. Kabeer (2005) also add that, improvement in wife and husband relation, reduced abuse within household as a women opportunity in MFI.

Kabeer(2005,23) quoted view of oneSEDP client who was valued by her husband as follow:

He gives me more value since the loan. I know, because now he hands all his earnings to me. If I had not gone to the meeting, not taken a loan, not learnt the work, I would not get the value I have, I would have to continue to ask my husband for every taka I needed before, my husband used to beat me when I asked him for money, now, even if he doesn't earn enough every day, I can work, we don't have to suffer.

2.3.7 Poverty Eradication

According to Ghalib (2012) microfinance services targets raising individual's income, creating employment opportunity and enhancing family's expenditure to eradicate poverty.

Ledgerwood (2000) added, MFIs increase the income of the clients and reduces the circle of poverty when it considers the availability of other nonfinancial services.either provided by Government or NGO`s. For example, the availability of education and health services greatly influences the capacity of micro entrepreneurs to increase the client's enterprise activities.

Likewise, Begum et al (2000) also conclude that, microfinance provides money to a neglected sector of the population. Thus, increased income can leads to better health, especially if it is linked to other social programs. Pervin (2012) using repeated household surveys carried out in rural Bangladesh, he find out that, poverty reduction among the borrowers due to microfinance is 1.6 percentage points per year. Moreover, microfinance programmes have overflow effects on the non-borrowers and their poverty level goes down by 0.3 percentage point a year.

In addition to this, in Ethiopia, some researchers argued that micro finance plays great role in mitigating poverty; for instance, according to Lakew Behailu (1998) micro financing

programs contributes to poverty reduction. He found that, after the credit program employed in Tigray region; opportunity for the beneficiaries have been created in which he identified positive effect on income and saving of the clients. In addition, he stated that medical, education and nutrition access of the clients had been improved. Daba Moti (2003) also found that, the MFI intervention has enabled the clients to generate income in which it improves the living standard of clients. And he concluded that, strengthening the MFIs operation is appropriate socio-economic policy in the country. Finally, as per Khandker and Zaman (2012) microfinance is not cure for all,not provides all skills and also not eliminates all poverty in any country.

2.4 Challenges of women in Micro finance intervention

This section deals with review literatures that related to challenges of people who are participated in microfinance service intervention.

2.4.1 Interest Rate

Micro finance Institutions charge high administrative costs and higher charges for risk coverage, which is in addition to the market interest rates, and taking advantage of the niche market for microloans (Morduch, 2010). However, According to Khan and Rahman (2007) study although some individuals argue that ,the interest rate of MFIs is high, in their analysis they found that most of the study participants did not have the same opinion on this issue and found it to be reasonable.

2.4.2 Diverting loan to urgent problems

According to Khandker and Zaman (2012) diverting loan money to urgent problems especially for basic need and for unexpected crises is among the challenges individuals face in microfinance in repaying the credit. Thus, the potential of microfinance can be best exploited by recognizing the lessons from careful impact evaluation studies. Bamlaku Alamirew (2006) also added that, clients were using the loan for unintended purposes. The poor divert loan to their

urgent problems, because, it is clear that not all borrowers benefit equally as it depends on their local economic environment, their entrepreneurial ability and the extent their income sources is diversified(Levin ,2012).

2.4.3 Gender Difference

Studies show that microfinance does little to change gender inequities by limiting female control over loans (CGAP, 2013). Mayoux (1999) stated that women's choice of activity and the ability to increase their incomes are seriously challenged by gender inequalities Kabeer (2005) also found out that ,although microfinance institution is striving to increase income and asset in poor household, women is likely to spend income on household consumption and security-related assets" such as child clothing and feeding, whereas men borrowers are more likely to invest in further productive activities. Similarly, Pervin (2012) stated because of inheritance most of women continue to register land and productive assets in their husband's name laws assets will be inherited by sons if registered in the husband's name, and by daughters if registered in the wife's name. Likewise Rahaman's (1999) study conducted in the Pakistan found that, 40 to 70 per cent of the loans disbursed to women were used by the husband and that tensions within the household increased and productive credit is of no use to such people without other inputs and women's empowerment in decision-making decreased (cited in Ledgerwood, 2000)

2.4.4 Verbal Abuse

Microfinance practitioners often are blamed of lending to women because they are obedient, submissive and easily bullied. Borrowers' husbands or brothers take the loan money and expect the wives or sisters to repay. When women do not have the money to repay the loans, they are subject to verbal and physical abuse from both their husbands and bank workers regarding the repayment of loans (Begun, et. al, 2000).

2.4.5 Production failures in Rural and Small Size enterprises

Concerning the constraints of client in microfinance intervention, the study done by Jemal Abafita (2007) and IFAD(2008) noted that poor rainfall, small farm size, and shortage of labor during peak agricultural seasons as the main constraints. Poor women entrepreneurs own small enterprises and they require small loan amounts that are not considered profitable by their husbands (Otoo, 2012). According to IFAD (2009) in developing country most of poor women participate on similar activity in addition to the size the activity.

2.4.6 Absence of effective group collateral

Cheston and Kuhn (2002) stated that due to social and legal disadvantages, such as lower wage incomes or limitations in the ownership of property, women in general have less personal capital to start a business or to be used as collateral. In many countries, women cannot even hold land titles, thus they are effectively barred from formal sector credit. ILO (1999) added the requirement for the male spouse's co signature and it is also often a requirement that women must obtain a guarantee declaration from their husband or father which is challenge for women. Moreover, since women's enterprises are usually in the service sector and do not have tangible assets for collateral, such firms rely mainly on intangibles assets which are difficult and costly to evaluate for MFI (Otoo, 2012). On the other hand, as per Meron(2007) although the advantage of group collateral is clear, it might also leave the clients in disadvantageous manner when a group member fails to pay the debt making the rest of the group to settle on her behalf.

2.4.7 Lack of information and track records

Women entrepreneurs often lack information on the existence of credit facilities, financial instruments, networks and the borrowing conditions of financial institutions (Mehdi and Schwank, 2011). Women entrepreneurs have difficulty in showing past business performance information or continuous business activity since they are often forced to stop their livelihood to

take care of their families (Ghalib, 2009). Levin (2012) in her study found that, most illiterate poor women cannot keep record of their profit and loss in their enterprise or petty trade which is a great challenge to women and the business.

2.4.7 Work burden

In Ethiopia, women are responsible for almost all the household chores, in addition to the support they provide in agriculture and caring for livestock production (Bezabih Tolosa, 2007). Women entrepreneurs normally combine their business activities with their family obligations (Levin, 2012). According to IFAD (2008) about 40% of households in Ethiopia are headed by women and credit was offered to women based on the assumption that rural women are familiar with non farm income generating activities, have sufficient time to start new income generating activities. However as per Getaneh Gobazie (2007) practically most domestic tasks such as grinding grain and food processing, water and fuel wood collection are known to be highly difficult, labor intensive and time-consuming in Sub-Saharan Country. Furthermore, in addition to this accountability for household subsistence expenditure; lack of time due to unpaid domestic work and others are among cultural barriers that challenge women in microfinance. Meron Hailesellassie (2007) also found out that, the participation of women in microfinance increased their work burden. Women may also struggle with the heavier workload created by the responsibility for loan repayment (ILO, 2007)

2.4.8 Summary of the literature Review

As far as the reviews of various literatures were concerned, accessing finance to the marginalized segment of the society is best strategy to achieve MDGs in addressing economic and social poverty. Thus, the aforementioned literatures have tried to show the overview and history of microfinance both in Ethiopia and some parts of the world. Then, opportunities of poor women in microfinance which includes economic empowerment by providing start capital,

improvement in income and consumption, improvement in skill of saving, social and political empowerment, reduced violence at house and community, opportunity of MFI in poverty eradication etc were discussed. In addition to these, interest rate, diverting loan to an urgent, gender difference, verbal abuse from both group member and the MFI practitioners, production failure and small size enterprise, absence of effective group collateral, lack of information and track records and work load to women etc were among challenges that women participant of microfinance service encountered so far indifferent countries of the globe in general and in some parts of Ethiopia in particular. In general, the literatures reviewed somewhat explain contexts that underlie the challenges that poor women participants of MFI intervention faced and opportunities the poor women obtained in microfinance intervention.

CHAPTER THREE

3. Research Methods

This section discusses the research method that was employed in conducting this study. Thus, issues discussed in this part include; the research design, study area, study participant, instrument of data collection, inclusion criteria, data collection procedures, data quality assurance, ethical considerations and data collection analysis.

3.1 Study Design

The study design was qualitative exploratory research utilizing case study research approach to explore and describe the challenges and opportunities of poor women in SFPI microfinance at individual and household level. According to Creswell (2007 p.123), “the qualitative approach helps to establish the meaning of the phenomenon and the researchers also conduct qualitative research when they need a complex, detailed understanding of the issue”. Likewise, in this study the challenges that poor women faced and opportunities they harnessed as a result of SFPI microfinance was deeply understood. In addition, Yin (2003) stated that the case study research approach permits researchers to maintain the holistic and meaningful characteristics of real-life events like individual life cycles, organizational and managerial process and also it helps to cover the contextual conditions and contemporary events. In this case to understand the real life events, Chanco Branch clients of SFPI organization were taken as cases to construct the reality from them. So, I heard the issue from the clients using case study which is qualitative research design in a cross sectional way.

3.2 Study area

As per Creswell (2007), for a case study the researcher needs to select site or sites to study, such as programs, events, individual or several individuals. Thus, the study was conducted in Oromia National Regional State, Special Zone Surrounding Finfine, Sululta woreda. It is found in a distance of 40km to the north of Addis Ababa . Sululta Woreda was surrounded by rural Kebale(villages) in addition to its town i.e. in the south Koreroaba, in the north Gorfo , in the

north west Moyegajo. So that, rural poor women who are 3km away from the chanco town and the urban poor women those who are clients of the SFPI were included in the study to capture the challenges and opportunities of poor in microfinance intervention. The rationale behind for the selection of Sululta woreda is that to the researcher's knowledge (work experience) and being the resident the area and the Chanco woreda is one among the sites where SFPI intervention is high (practiced for long period of time). In addition, the geographical accessibility of the site for the researcher and its nearness to his residence area helps to afford the financial limitation of the transportation cost.

3.3 Instruments Development

Concerning the data collection instruments, the researcher had developed interview protocols by taking into consideration the basic research questions/objectives, and some probing questions were developed for the purpose of revealing rich data. Similarly, the researcher addressed aspects of the challenges and opportunity of poor women in microfinance intervention in the interview guides. Generally, the instruments developed for the Study were described in the following paragraph.

In-depth interview guide; concerning the in-depth interview tool, it is primarily developed for women clients of SFPI for face to face interview in a form of open ended questions. It has three parts for it is developed in accordance with the three basic research questions i.e. the opportunities of the poor women, the challenges and life experiences poor women before and after their participation in SFPI microfinance services. Under the research questions issues like causes of success and failure, limitation of SFPI in providing the service, feelings of participant toward the loan are among the content of the tool. Generally as a background, information the participant's family size, family status, sources of family, duration of membership in the SFPI and credit sources etc are includes in the interview guide.

Focus group discussion; this tool also designed for poor women participants of SFPI. In this study, FGD was used to collect qualitative data and accordingly an open ended focus group

discussion guide was prepared and utilized to gather data about the challenges and opportunities of poor women so far in SFPI microfinance service .It covers specifically questions that related to social and economic empowerment, feelings of women toward loan and challenges that poor women faces in SFPI microfinance service in general.

Key informant interview; is another tool that developed for SFPI experts and the kebele leaders. The tool was designed in an open ended way to covers issues like how the clients were screened for the service and the challenges and opportunities of poor women in provision microfinance. Interview was conducted with two (2) SFPI practitioners and other two (2). The SFPI practitioners are officials who were providing loans to poor women and helpedme to have better understanding of the organizational function. On the other, also the Kebele leaders are who

know very well the potential clients of the SFPI for they provide support letter for the clients and they interfere when the client failed to repay loan.

Generally, before collecting the data from the field the researcher administered pilot test particularly for in-depth interview to see whether it explores what researcher intended to explore. Accordingly, some improvement was made to the tool after pilot test.

3.4 Selection of research participants

According to the first quarter report of SFPI, Chanco Branch (2014), currently the institution is serving 2673 (500 male and 2173 female) population in both urban and rural area. Among these all registered clients of SFPI, the researcher purposely selected those women client who participated in SFPI intervention for more than one year for the need of long life experience in the SFPI service. In addition, the SFPI branch practitioners and kebele leaders were included as key informantsto generate contextually rich qualitative data. Accordingly, twelve women (six from urban and six from rural) clients of the SPFI will be selected and contacted for an in-depth interview while twelve women beneficiaries of the SPFI were included in the FGD participants of two groups (one group having seven participants from Chanco town and the other having five participants from the rural beneficiaries of Sululta Woreda. In addition, four key informants will be included in the study, two from the staffs of SPFI and the other two from Kebele leaders. The justification behind including both urban and rural participant is that, the Woreda constitutes both urban and rural population, the SFPI is providing the service both at urban and rural area and in general to find out, the overall challenges and opportunities of poor women clients of SFPI in the Woreda.

3.5 Inclusion criteria

Concerning the inclusion criteria, in purposeful sampling the researcher intentionally include a group of people that can best notify about the research problem under examination

(Creswell, 2007). Therefore, firstly, poor women clients of the Specialized Financial and Promotional Institution those who participated more than one year in the SFPI intervention were included in the study since women are the majority of the clients, the program has also far reaching repercussion for them and due to their experience and exposure. Secondly, the branch practitioners of the SFPI who has more than one year work experiences in the site were also included in the study because they might know the challenges and opportunity while they are doing with their clients. Finally, the Kebele leaders were included in the study for they interfere when the clients want loan from SFPI and also when clients fail to repay the loan to the SFPI.

3.6 Data collection procedure and technique

Data collection is a set of interrelated activities which include locating site, gaining access and making rapport, purposefully sampling, collecting data, recording information, resolving field issues, and storing data (Cresswell, 2007). Thus, upon the approval of my thesis proposal by my advisor, I submitted the proposal to the School of Social Work and ethically cleared and I obtained the support letter. Then, I submitted the ethical clearance and support letter to Sululta woreda, Chanco Branch office of SPFI for work permission. After the permission, I discussed the details of the study with the potential study participants and I got the information how to access the actual study participants. This is followed by the researcher engagement with the study participants through good rapport with them. Then, through my inclusion and exclusion criteria, I made an appointment with the study participants including the place, time of the interview, and contact information. After that, I met them and conducted the interviews and FGDs.

Concerning data collection technique, the required data were collected using various data collection tools. Data for this study were collected using in-depth interviews, key informant interviews, and focus group discussions in which semi-structured and unstructured interview

guides will be used to collect the necessary information. The secondary sources of information were gathered through reviewing different literature. According to Yin (2003) case studies can be collected from documents, interviews, archival records, and the like. Thus, the data collection techniques used to collect primary data are described in the following way

3.6.1 In-depth interview

In-depth interviews were conducted with the clients of SFPI in which their challenges and opportunity were deeply explored. According to Creswell (2007), one-to-one interviewing is preferable since interviewees are free to speak and share their ideas. Thus, face to face in-depth interviews were conducted with the poor women clients of SFPI and it was conducted at the time and place favorable to interviewees. The interview protocol were prepared using open ended questions and probes for eliciting more information which helps to discover the detailed data concerning the challenges and opportunities of poor women in SFPI microfinance. In general, the in-depth interview guide addressed the women opportunity in terms social, economic and political empowerment and challenge they faced socially and economically while they are operating with loan provided from SFPI. The interview protocols were prepared in three languages; English, Amharic and Afan Oromo because, there are many Ethnic groups particularly in Chancho town and also to avoid the language barrier.

3.6.2 Key Informant Interview

In this case, first hand information concerning the challenges and opportunities of Poor women clients of SFP were gathered from those SFPI Chancho branch practitioners, and from Chancho Woreda Kebele administrations. Among the Kebele leadears one was from Chancho and the Other one is included from rural area (Moye Gajo).

3.6.3 Focus Group Discussion

According to Creswell (2007) group interviews are useful to draw on the synergy between members and the size of the group is not only large enough to generate diversity of opinions but also small enough to permit everyone to share in the discussion. Likewise, the researcher played the role of moderator by asking open ended questions and was sensitive, flexible, and emphatic and also the researcher was balancing the domination of one person and lack of participation by some group members by motivating and giving chances to low participants. Thus, two FGDs comprising of twelve members (one group having seven members from urban and the other group having five members from rural) were participated.

3.7 Data analysis

The data gathered from the study participants was analyzed manually. Word for word transcriptions of the interviews was done through listening what is recorded and reading the notes taken during the interview. At this stage, internalizing of the raw data was done by rereading and re-listening. Accordingly, 63 pages of first information gathered in Afan Oromo and Amharic language was translated into English language by keeping their context and verbatim transcription.

As I finished transcribing word by word, I grouped the main concepts that contain broad themes like the opportunities, and the challenges of the poor women in microfinance and sub-themes such as client related challenge, family related challenges, and institutional related challenges, social and economic opportunities etc. Each category (social and economic opportunities, client related challenge etc) was then labeled using appropriate heading like enhancement in social relation and children school attendance, income increments, loan diverting, clients' negative feeling about the loan etc. Then, the major findings under each topic and sub topic were analyzed. Finally, the report was written by keeping the anonymity and confidentiality of the clients.

3.8 Trustworthiness

The researcher employed various techniques to assure the quality of the data collected. Above all, the data collected through different techniques (i.e. in-depth interview, key informant interview and FGD) and data from secondary sources was triangulated with each other which are important to validity and reliability of the data. In addition, the interview guides were pre-tested and redesigned carefully so that leading questions, double barreled, vague, and ambiguous questions were avoided to get across the messages correctly. During the interview probing was used to illicit more information and clarifications. Moreover, different interviewing techniques such as paraphrasing; seeking for clarification etc was used in order to take care not to misinterpret the messages of the respondents.

3.9 Ethical Consideration

Concerning ethical consideration the researcher was conscious enough about the legal and sensitive issues. Thus, primarily, I obtained ethical clearance and proposal approval from Addis Ababa University School of Social Work. Secondly, I obtained permission to work from Chanco Branch office of SPFI. Then, during the data collection the written and verbal consents of the study participants were obtained in Sululta woreda. In addition, the participant's confidentiality was kept confidential by using pseudo names and they had the right to quit their participation whenever they felt uncomfortable with the research proceeding

CHAPTER FOUR

4. FINDINGS

This chapter is organized under four sections. The first part deals with the background information of the study participants, clients screening criteria for SFPI services, clients sources of information about the existence and function of SFPI, amount of loan taken by clients at first time and factors that motivate poor women to take loan. The next three parts of the chapter deal with the three basic research questions of the study. The first part of these sections presents the opportunities poor women obtained in microfinance intervention. The second part presents the challenges poor women face so far in SFPI at client level, family level and community level. Finally, the third section addresses the life experiences of poor people both before and after loan provision.

4.1 Study Participants Background Information

In this research, age, sex, marital status, educational level, family size, source of credit, family source of income, participants work before and after loan disbursement, duration of membership were found to be important variables that affect the opportunity and challenges of the poor particularly women while they are participating in SFPI microfinance intervention. Thus, the detailed background information of each study participants of the urban and rural (information from in-depth interview, FGD and Key informant interview (KII) were described by the following tables.

Table 1. Background information of the in-depth interview participants

Pseudo name	Age	Sex	Education level	Family status	Family size	Duration of membership in year	Source of credit before SFPI	Source of saving before SFPI
Beza	27	F	7 th Grade	Married	5	2	No	Ikub
Caltu	31	F	7 th Grade	Divorced	2	3	Relatives	No
Aster	36	F	4 th grade	Married	5	3	Local money lender	Ikub
Ebise	37	F	Un educated	Widowed	6	3.5	No	No
Sinke	37	F	4 th Grade	Married	5	3	No	Ikub
Banchu	39	F	Un educated	Widowed	5	6	No	No
Birke	39	F	3 th Grade	Divorce	5	4	Relatives & friends	No
Danse	40	F	3 rd Grade	Married	5	4	No	No
Etagu	41	F	Un educated	Married	7	4	Local money lender	Ikub
Mulu	46	F	2 th Grade	Divorced	6	2	Family& relatives	No
Shawu	42	F	Un educated	Divorced	4	4	No	No
Lelo	48	F	Un educated	Divorced	5	4	Neighbors& friends	No

Source; survey 2014

Note that, F stands for female.

As it is shown in table 1, the age of the clients ranges from 27-48, family size ranges from 2-7, year of membership ranges from 2-6 years. On the other hand, source of credit for

some client were relatives, friends, neighbors and few other clients used to borrow from local money lenders and some of them were using Ikub as a saving source

Table 2. Family income source of in-depth interview participants before and after their participation in SFPI service.

Pseudo name	Family source of income	
	Before participating in SFPI	After participating in SFPI
Banchu	Husband salary	Petty trade, daily labor
Sinke	Daily labor	Daily labor
Mulu	Petty trade in the Gullit	Petty trade on the street
Caltu	Pension , petty trade	Pension, petty trade, house renting
Beza	Daily labor	Petty trade& house renting
Aster	Guard(her husband)	local beverage &daily labor
Shawu	Daily work	petty trade
Birke	Farming & livestock rearing	Farming , petty trade & sheep fattening
Etagu	Farming, Daily labor & Making Local beverage	Farming, Making local beverage & horse and cart
Ebise	Daily labor	Daily labor
Danse	Daily labor	Daily work &petty trade
Lelo	Weaving	Weaving

Source; survey 2014 NB:the sample taken for theFGD participants were exclusive of the sample taken for in-depth interview participants. As it is shown in the above table the source of income for the in-depth interview participants before participating in SFPI were husband's

salary, petty trade in the Gullit, Making Local beverage, daily labor, pension, farming and livestock rearing and weaving. Whereas after participating in SFPI, their source of income were petty trade in the Gullit, Making Local beverage, daily labor, pension, farming and livestock rearing, weaving and poultry rearing.

Petty trade includes :activities like Selling „shiro“ literary mean powdered bean, „barbare“ (hot pepper) „Injera“ (Ethiopian traditional food like pancake), „Dabo“ (bread) „Anbasha“ (local bread) salt, charcoal, vegetable, edible oil, fruits, cheese, butter, and etc in the „Gullit“ or in their home or in front of their home. **Local beverages** includes; selling local drinks, „Arake and Tela“ both in the „Gullit and in their home. But, few of participants were stay in their home as a house maid and only one woman engaged in weaving. **Daily labor includes;** the wage earned through washing clothes; being house servant; collecting fire wood to sell in the market, participating in construction activities to earn living.

Table 3. Background information of FGD participants

Focus group discussion	Age	Sex	Duration of membership in year	No. of participants
Urban poor women SFPI clients	39-48	Female	1.5- 4	7
Rural poor women SFPI clients	28-50	Female	2- 5	5

Table 3, show that a total of 12 women participated in two groups one group from urban having seven members and the other were from rural area. All of them were females and their age ranges from twenty 25- 50 (eight to fifty). And also they were beneficiaries of the SFPI for a

period that ranges from one and half year to five years

Table 4, Background information of Key informant interview participants

Code	Age	Sex	Educational status	Job position	Work experience
KI02	28	Male	first Degree	Branch manager	3
KI03	32	Female	Diploma	Loan officer	4
KI01	34	Male	12 complete	Kebele leader	5
KI04	40	Male	9 th grade	Kebele leader	8

Table 4, indicates that, the participants of key informant interview includes both male and female sex and their educational level ranges from secondary to first Degree level. Their job position includes, loan officers, branch managers and kebele leaders. And also, their work experience ranges from three to eight years.

4.1.1 Clients Screening Criteria to include in SFPI service

Regarding the criteria of screening specific group or individuals for credit access, the information from some FGD participants and from all KI01 and KI02 indicates that, SFPI have several criteria to select the potential clients, which include:-The client should have identity card and willingness to join credit group of self selected members; readiness to take responsibility of the loan taken by other group members (group collateral); willingness to save voluntary saving and the compulsory saving; have support letter from Kebele or Municipality; being from 19 to 59 years old and the client should have the capacity to engage in viable income generating activity. However, if individual wants to borrow individually, the SFPI will give loan to the individual clients if they fulfill the bureaucracy requirements i.e. providing collateral like individual with formal job, fixed asset or the client should provide map of their house as collateral to borrow

from SFPI. One urban FGD participant describes how she borrowed individually by bringing her house land map as collateral as follow;

Because of intensive conflict with my husband we ended our relation. And, he gone out of home leaving me with four children. Before, my family depends solely on my husband's salary. Although he give us some percent of his salary, it was not adequate for my home expenditure. So, I requested the SFPI staffs how to borrow money by telling them my plan. They told me the criteria needed to borrow as group and individual. Accordingly, I brought the map of my house to the institution and loan of 3000.00 is given to me after ten days (FGD 24:03:14)

A rural FGD participant also added that;

I came to the SFPI Chanco office to have credit from the institution. One of the staff told me that, I have to make group of 3-5 individuals with my neighbors, I have to bring support letter from my Kebele. I did it accordingly, and then each of the group members took loan of 2000.00birr.(FGD , 25:03:14).

4.1.2 Client's source of information about the existence andfunction institution

Most of the clients heard basic information about the micro finance institution i.e. theexistence of MFI, how to borrow money, collateral requirements, etc., from theirneighbors, friends or relatives. One of the in-depth interview participants described where she heard about the existence of microfinance as follow:

Me and my neighbor was going to the market together, when we arrived at main get of the market, two individuals were announcing loudly using microphone about the existence of SFPI and its function (Sinke, 25:03:4).

During in-depth interview Mulu, Beza , Aster, Etagu and Ebise and some of the FGD participants heard the existence and function of the SFPI microfinance from their friends, neighbors and relatives. Others have indicated that they learned about the MFIs from Kebele administrations on meetings organized to explain about such programs. Shawu explained during in-depth interview where she heard about existence and function the SFPI as follow;

We are forcedly invited by the Kebele administration to attend meeting organized to discuss about social security when the agenda of meeting was finalized, one of Kebele leaders make introductory speaking about the SFPI and then the SFPI staff continue mobilizing about existence and function of the SFPI. I heard the information the SFPI on that meeting and I became member of the SFPI for the last four year (Shawu, 25:03:14).

4.1.3 Amount of loan taken for first time and the round loan taken by the client

Concerning the loan taken by the clients at the first time, it ranges from 1000.00 birr to 1500.00 and the round they took also ranges from three to seven. Sinke explained the amount of loan she took by saying; “I take loan of 1000.00ETB in 2004 E.C for the first time. After that, I take the loan for four rounds from SFPI”. In addition, KI02 said that,

Previously, not more than one 1000.00ETB loan was given for clients but, currently we lend according to the saving capacity of the client and also as client’s membership in the SFPI increases, the amount of loan given to the clients also increases (27:03:14).

4.1.4 Factors that motivate clients to take loan

Most of the clients were motivated to take loan to overcome the miserable life they are leading. During in-depth interview, Etagu expressed what motivate her to take loan From SFPI as follow;

It is the time of farming and I don't have enough money on my hands to buy seeds and fertilizers (urea dap). So, I decided to take loan from SFPI and then I bought the seeds and urea to my farming (26:03:14).

Another participant of urban FGD added by mentioning what motivated her to take loan as follow;

I am head of the family. My children sometimes go to school without breakfast for the problem we had in the family. And then, I go to the Sululta Woreda Social and Labor Affair Office in which I informed them all about my family problem. Then, they told me that, I have to take credit from SFPI in order to ease my family problem. Finally, I take loan from SFPI (24:03:14).

Others were motivated by relatives, neighbors or friends to fulfill the collateral requirement. Here Lelo's case reveal this truth as she mentioned during in-depth interview what motivated her as follow:

Before three years ago I do not want to take loan from any microfinance for fear of indebtedness. But one of my neighbors motivated me by planning what to do with the loans that we are going to secure from SFPI .I agreed with her idea and took the loan for the first time (25:03:14).

Moreover, KI02 added "clients of SFPI were stimulated to take loan from SFPI solely to overcome their life challenges and also in some other cases to expand their petty trade either on the street or in Gullit".

4.2. Opportunities women gain as a result of Microfinance Intervention

I asked the participants the opportunities they gain so far while they are participating in SFPI microfinance intervention. Accordingly, what all of them mentioned falls under the following major categories.

4.2.1 Social and Economic Opportunities

The study participants were also asked, the social and economic opportunities they gain while they are participating in specialized Financial and Promotional Institution at individual level, family level and at community level. Thus, some of them argue that SFPI micro finance helped them in various ways. For instance, detaching them from local money lenders, enhancing their skill of saving and improvement in time usage. And also few of the interviewee proudly speak that, microfinance helped them in income increment, expanding enterprise, self employment improvement in nutrition, educating children and etc.

4.2.1.1 Detaching borrowers from local money lenders: Most of the respondents of the in-depth and FGD interview did not have a source of credit prior to joining SPFI serving in the Woreda (district) but some of them were used to borrow money from relative, friends and neighbors. While other few study participants get loan from local money lenders and they were encountering problems in the repayment policy for its high interest rates which is 100 percent. In addition, if the borrowers failed to settle their debts within the specified time, the interest rate increases in which it cause serious stresses for the borrowers. A participant who views the coming of SFPI microfinance as opportunity in detaching them from local money lenders described the situation during urban FGD as follow:

I borrowed one thousand birr from local money lender to pass hard ship time. After I took the loan and utilized it for what I required, the time we agreed to pay back the borrowed money arrived and I did not have the capacity to pay back at that time. Three month was passed from time of agreement and interest rate increases as the time move out of agreement date. He is humiliating me and my children in the village by saying I will double the interest rate and present the case before court if you failed to pay back the borrowed money. Finally, I sold a plot of land and paid 2300.00 ETB to the money lender.

Imagine I borrowed 1000.00 ETB and paid back 2300.00 ETB! And in these three years I was detached from shark money lenders and participating in SFPI in which the interest rate is reasonable when it is compared with that of local money lenders.(26:03:14).

Similarly, during in-depth interview, Beza described the problem she faced in borrowing money from her relative as follow;

I used to borrow money from my relatives. To secure the loan I needed from my relatives I have to help them whatever activity they are doing i.e. farming activity, keeping cattle"s, fire wood collection , grinding grain, food processing etc. After that, I ask them in frightened and shame full feelings and in a way of showing I am inferior to them. But, when you came to SFPI, it is an institution that established to access credit to the poor and I am not ashamed to have credit from it. (24:03:14).

KI03 also added that,

Many wealthy individuals who are providing money in the their locality were exploiting illegally the labor and money of the poor .Thus, the coming of SFPI and other microfinance operating in the Woreda is good news to the poor. Because of this, the interaction between local money lenders and borrowers decreased (28:03:14).

4. 2.1.2 Improvement in house equipment, clothing and children's school attendance. Some participant of in-depth interview and FGD mentioned the opportunities they get by the loan they secured from SFPI. Banchu, mentioned how the material wellbeing in her home, clothing and how her children school attendance were improved as follow:

I used to live with my children and husband in Wollega. My husband died there and I came back to my birth area Chanco with my three children having nothing in my hand. I took 1000.00ETB loan in 2002E.C from SFPI for the first time. I bought 50 Kg of „teff“ to bake Injera , ingredients of local alcohol beverage like „Gesho“, malt and etc to make

„Arake“ and „Tela“ (local alcohol beverage), „shiro“ (powdered bean)and „ barbare“ (hot pepper) to sell in the market and also I bought 20kg of charcoal to sell in front of my home. I and my children only consume the profit .Beside this I engage myself in different activity like home servant, daily worker to ease loan repayment. I took loan for more than six times, Now a days, my home equipment improved, my clothing is changed, my children who quitted learning as a result of problem we faced before loan provision was readmitted and I say nothing, but thanks to the Government(26:03:14).

Another in-depth interviewee participant (Lelo) mentioned the opportunity she obtained in providing to her children’s school uniform, exercise books and also she gave transportation fee to attend technical school at Addis Ababa although, she engaged in daily work to repay the loan. In addition, one of the urban FGD participants also added by mentioning the opportunity she gets as a result of SFPI microfinance in clothing herself and her children as follow.

I took 1500.00ETB loans from SFPI when only three months was left for holy day of Christmas. So that, I bought two sheep, one by 550.00ETB and the other by 500.00ETB.And by the remaining money I bought necessary material to fatten them. I sold them a week beforecoming Christmas by 1200.00ETBbirr and 1000.00ETB respectively. Therefore, I bought clothe for myself and children, and that holy day was happy holy day for me and my children (27:03:14).

4.2.1.3Expanding enterprise; few study participants expand their business in addition to what they are doing before loan granted from SFPI. During in-depth interview, Caltu explained how SFPI helped her to add and expand the petty trade she was doing before. In addition, she was working in the „Gullit“ with capital of 300.00ETB before she took loan from SFPI. But, after loan of 1000.00ETB provided to her the size and variety of her petty trade increased in which the profit and her family consumption also increased. The reason of her success is that, her husband

pension and his engagement in other activity. So, the loan cannot be utilized for any other purpose rather than for petty trade (24:03:14).

Moreover, Etagu (in-depth interview participants) from rural area mentioned how her family enterprise was expanded in smiley feeling as follow;

I took loan of 1500.00 ETB from SFPI before 6 years ago at the first time. On the third round because of my saving account increased I took 5000.00birr. So, by adding small amount of money on the loan I took, I bought horse and cart for my child. He worked hard with cart and helped me to repay the loan without any difficulty and save both the compulsory and the voluntary saving. As soon as I finished repaying back the loan with assistance of my child, I took loan of 5000.00ETB to buy Holland Caw by adding some amount money from what I saved voluntarily in SFPI. Accordingly, I bought the Holland Caw in which it gave me milk after a year. Here, the horse and Cart was doing well and my caw start bearing milk. Therefore, I planned with my child to buy Bajaj by selling the horse and Cart, securing loan of 7000.00ETB, withdrawing the voluntary savings, money from rented milk and also by selling plot of land to individuals on the contractual agreement. Thus, I did it as per my plan, the Bajaj was bought before a month, and my child was doing well with it and in the near future I am going to buy car (24:03:14).

Likewise a rural FGD participant added by describing the opportunity she gains in expanding her business from the SFPI as follow;Prior to loan she was making „Tela“ and „Arake“ (local beverages) in her home and she sell during market day at Chanco town. However, after the provision of loan in addition to what she was doing before she began rearing sheep in which she got significant profit (1500.00ETB) from the activity (rural FGD ,26:03:14). KI04 expressed that,

You can see some of the rural SFPI customers those who are a little bit expanded their activity by taking farming land based on taking contractual agreement etc but, when you came to the urban customers, you can't find significant change in their business in which they do their petty trade and pay the loan. However, few clients were changed by the loan of SFPI (28:03:14).

4.2.1.4 Improvement in family economy: some of the study participants family economy was enhanced as a result of their participation in SFPI microfinance. Birke, during in-depth interview speaks how micro finance had helped to improve her economy. She said that before the health problem of her husband, her family was in a good condition as per a rural life. But, for the treatment of her ill husband till his leg has been cut off by health professionals she sold all cattle the family owned. And also all farming and grazing lands was sold on contract agreement. So that her family became burden on her brother. Finally she decided to take loan from SFPI with her four neighbors to move out of this miserable situation. SFPI offered her loan of 1500.00ETB and immediately she bought 3 sheep with average of 400.00ETB for fattening and she sold them after two month with profit of 530.00 birr from each sheep. Repeatedly, she bought and sold the sheep in a year for more than three times in which she bought cloth and feed the family beyond loan back payment. On the fourth round, her saving is increased and the amount of loan offered to her also increased, the sold plot of land based on contractual agreement became free. So she bought a Holland cow in which it currently it gave her calf and milk (Birke, 27:03:14).

Likewise, for few clients microfinance can be a cause for radical change for a family economy. Participant of in-depth interview, Beza described how her family was changed by the opportunity she conquered as a result of loan taken from SFPI that:

I used to collect firewood to feed my five children for consecutive three years. Once upon a time, I heard the information of SFPI from my neighbor and took loan of four thousand

ETB by making group of five individuals. By this loan my daughter began the process to go to Middle East and after three month, everything is succeeded and she was employed in Middle East as a house maid. After that, as a result of money transferred by my daughter from Middle East, I bought 200sq.km of land, and then I constructed a house with three rooms on it. Then I gave for rent and also many house equipments were changed (24:03:14).

In the same way, the participants of FGD also mentioned the opportunity they came across in their family economy. For instance, one FGD participant mentioned her opportunity in family economy as follow;

I took 3500.00ETB at the third round and bought seedling and urea .prior to the loan I was selling farming land to individuals. So, by the seedling and urea bought, I done the farming well in which the crops gave me best result in that year. Then I sold some of the crops (wheat and bean) to renovate my house and to repay the loan. As a result of this, my house is renovated (FGD, 26:03:14).

In addition to this KI02 expressed that most of the rural client took loan to fatten sheep and oxen, to buy seedling and urea or to take farming land on contractual agreement. Thus, some of improvement has seen especially on rural clients. For instance, they buy ox for farming purpose and sell that ox by fattening to the high cost, this is double profit. So, it is easy for them to pay back the loan.

4.2.1.5 Easier Guarantee Requirement: Some of the participants during in-depth interview said, they are benefited from SFPI microfinance due to the easier guarantee requirements compared to other sources in which it helped them to start business (petty trade), to employ themselves and participate on farming activity . SPFI organize the clients in groups of three to five clients and allow them to play a collateral role for each other. In this collection, if

one member of the group fails to pay back the loan, the rest other group members are responsible to settle the debt.

Another participant from FGD explained that;

I needed the loan to pass hardship time with my children. Then I go to the SFPI office with three women, who are my neighbors. Although I don't have fixed asset, my three neighbors trusted me. I took the loan and used it as per my plan .So, being in the group to have loan is good if the individuals you grouped with trusted you (FGD,26:03:14).

4.2.1.6 Having startup capital and self employment; As it is understood from in- depth interview, most of the participants were get opportunity of starting their own work by the loan offered from SFPI microfinance in which it helped them struggling with poverty. Banchu said that, “rather than setting idle, it is better to work by securing loan from SFPI microfinance”. Aster also explains how she began work with her group by the loan she had from SFPI .She said following the death of my husband, she was in miserable life condition for she was totally depended on her husband income. Her role is only serving in the home. She feels as her hand is apprehended. But, thanks to the SFPI microfinance, she get herself doing petty trade i.e. cheese and butter in the market and feeding other traders bringing the material to Addis Ababa because of the loan secured from the institution(25:03:14)

Another participant during urban FGD added by explaining how SFPI helped poor people especially in accessing loan as startup capital. She said before many years ago she was planning to participate on poultry farming. To do this she tried to have credit from different source but because of many reasons it was not succeeded. However, three years ago, after they grouped in group of 5 individuals and each of them secured loan of 1500.00ETB and they all together began rearing the poultries by the help of Agricultural Development Agents of Sululta Woreda (27:0314).

Moreover, another participant in-depth interview explained the opportunity she gained as result of group collateral in the microfinance as follow:

Following divorce with my husband, my life was threatening and I was very stressful in thinking how to feed my 3 children. I had no body that could provide me money. And also I had not good feeling toward loan. What I have is only the motivation to work. Until I get money, I engaged in daily work. Mean while, one of my neighbors told me that as loan is offered from SFPI if I fulfilled the collateral requirement of each other. I do that in a fearful manner and I get the money from SFPI and then, I start petty trade by the loan I secured from SFPI (Shawu, 24:03:14).

Furthermore, KI01 also explained the opportunity of starting business if women secured loan, He said that money people are out of work due to lack of accessible finance in the Woreda. So, if finance is accessed to individuals as SFPI and other institutions were doing, individuals can easily start work according to their plan unless another factor detain their hand.

2.1.1.7 Improved saving skill; on the other hand, one of the expected opportunities of women in microfinance is that, it equips the customers with the skill of saving and its importance in eradicating the poverty. Although some members both in-depth interview and FGD were using Ikub as a source of saving, most of the respondents had no saving skill prior to joining the SFPI microfinance. Banchu, Mulu and Beza said that they do not have saving account before participating in SFPI microfinance. It helped them to had saving account and learn the importance of saving.

Participant of rural FGD also explained the opportunity she obtained in saving as result of her participation in SFPI as follow;

I was extravagant before my participation in SFPI. I understand the importance of saving from SFPI staff; media and also from clients that participated in SFPI before me and

those who have more information than me. Because of my knowledge of saving increased, I start saving not only money but also other resource in the home in proper way. For example, preparing food by limiting the capacity of the family (FGD, 26:03:14).

In addition, KI03 said that, “because of the SFPI provide information and mobilize the customers on how to save and the importance of saving, some clients are saving both in SFPI and other banks”.

2.1.1.8 Enhancement in business skill: almost all study participants in in-depth interview and FGD stated that, although SFPI pave the way to the enhancement of its clients in business skill it is not only because of SFPI but also life experiences of women and the intervention of various Government and NGO`s activity has considerable factor in clients improvement. In-depth interview participant (Beza), said she started doing petty trade by the loan she secured from SFPI. The expert of SFPI told her to use the loan in my business activity (local beverage trading) in good manner. Beside to this, she learned from her aunt how to make profit, how to manage the trade. In addition to this, one NGO provide her business skill training in which she learned how to attract the customer and others.

Supporting the above idea KI01 also said, before three years ago the institution was offering training about business skill, entrepreneurship skill and others for customers prior to loan disbursement but in the last three years such training was not offered because of the trainers were unable to speak Afan Oromo but, some orientation was given by the loan officers and also the Government was giving training on business skill through the Development Agents (28:03:14).

4.2.1.9 Enhancing social relations; the result of in-depth interview with most participants (Danse, Banchu, Birke, Aster, Sinke & Lelo) shows that, the social relations of those group members who are collateral for each other in the neighborhood is determined by the loan

repayment. If the entire group member repaid the loan disbursed to them timely no problem will occur and their relationships would be enhanced. But the problem may occur in the social interaction if the loan was not settled timely to the institution.

Similarly, mentioning the importance of SFPI in enhancing social relation one of the rural FGD participants said, before providing loan the institutions examine whether the grouped individuals were not from nuclear family but it is allowed to be distance relatives and friends from the same neighborhood for they are taking responsibility for each other. The organized group meets once a month formally in which they pay the interest and save their monthly saving. In addition to this, they discuss about the existing situation. Thus, all individuals under the center know each other well and they interact and help each other when social support needed (urban FGD,26:03:14).

In addition, the KI02 and KI04 also added that microfinance strengthen the social relation especially in rural area by facilitating the interaction of their customers. For instance, the SFPI organizes 15-45 individuals of same neighbor as a center and under the center there were many groups consisting of 3-5 individuals. Thus, the individuals in the center have regular meeting monthly to save and pay interest. Beside this, they discuss on social issues like helping each other especially during harvest time. Beyond this, most of participant at both areas mentioned as their participation in various „Iddir“ enhanced. For instance, interviewee Banchu and Birke were not a member of any „Iddir“ before for they had not the capacity to pay as per the „Idirs“ requirement prior to participating in the SFPI. But currently they are participating in two „Idirs“ to have social and economic guarantee at difficulty time especially funeral.

4.2.2 Political empowerment; concerning political empowerment, according to findings from all study participants there were not significant change that clients gain in political empowerment as a result of SFPI. For instance, their decision making in the household,

awareness about their right and responsibility were enhanced as a result of various meeting and trainings organized by the Woreda Women & childrens Affair Office, Health Office and Ethiopian Women of Health Association. Supporting the above idea, Banchu, said that, " I was empowered politically during Derg regime by participating in Ethiopian Youth Women Association".

Generally, although women get Social and economic opportunities (i.e. detaching borrowers from local money lenders, improvement in material well being, educating children, starting business, expanding enterprise, enhancement in time usage, saving, social relation and etc while they are participating in SFPI microfinance), most of the study participants (in-depth interview, FGD and KII) said that, unless the loan taken is properly used, it only benefits for short period of time and clients face great challenge to pay back the loan. Similarly, participants were asked what takes individual toward success in SFPI, Etagu and Danse mentioned that, to achieve best in SFPI microfinance; client should use the loan only for something that generates income. However, to do this, client should have another income.

4.3. Challenges of poor women due to SFPI microfinance This section deals with the challenges women face in SFPI microfinance intervention. Participants were asked the challenge they face while they are participating in SFPI microfinance intervention. Thus, the challenges were discussed thematically as follow:

4.3.1 Community related challenges.

4.3.1.1 Negative Feeling about loan; The findings of in-depth interview and FGD show that, when clients of SFPI told to their family, relatives, neighbors and friends as they borrowed money from SFPI, most of them scared the participants by referring specific individuals who has faced problem as a result of loan taken from microfinance .An In-depth interview, participant

Mulu said she borrowed loan of 1000.00ETB from SFPI and informed her brother about the loan she had taken .Then he shouted to her and said she is going to fall in further

indebtedness and poverty by selling her house (24:03:14).

Participants of rural FGD also added that;

Most of the people in my neighborhood said, „Babidir Yamata Ganzeb Aybarakitim“ literary mean that money comes through loan cannot serve more. So, they don't want to take loan for themselves and if another individual took loan, they conclude as that person is going to bad way. However, some improvement is coming.

Similarly, participants of urban FGD also added that, “I took loan of 3000.00ETB from SFPI and I informed my aunt as I took loan of 3000.00ETB from SFPI, she said to me that, „Gara Boolloitti seente“ „Eyayesh Weda Gedel“ (entering the hole delebrately)”.Moreover, KI03 also mentioned the feelings of the community toward loan as follow;

The community is highly affected by the credit they took from local money lenders before the coming of the microfinance to this area. And some individuals in the neighborhood were generalizing what they witnessed on local money lenders to the SFPI. Although, this negative feeling becomes obstacles on some individuals to do with it , other individuals were using it.

4. 3.2 Client related challenge

The study participants were also asked the challenge women face in their observation and self experience. So that, they revealed different issues as discussed below:

4.3.2.1 Clients' negative feeling about the loan: The findings of in-depth interview and FGD showed that, most of study participant prior to participating in microfinance intervention, they had negative feelings as loan might take individuals toward further indebtedness and those who participated for the first time have mixed feeling about the loan taken from SFPI. The feelings of study participants toward loan is not uniform; few participants were happy about loan and most clients have mixed feelings and the majority has negative feeling even they don't

borrow unless they have another source to payback. Banchu was happy about borrowed money from SFPI and Beza ,Etagu ,Birke ,Lelo Caltu, and some participants from FGD has mixed feeling about the money they borrow and Sinke ,Aster , Shawu, & Danse ,Mulu and some participants from FGD has negative feelings about loan taking. In this case the attitude of the clients affect their practice .Thus, Those individuals who has positive and neutral feeling toward taking loan was more or less benefited from microfinance and those who has negative feeling and consider the loan as „Boollo scene“ „Eda“ (literary mean serious debt) were not benefited although some of them were not kept in further indebtedness Birke reflect her feeling as follow;

I fear taking credit from any individual in my neighbor by anticipating I'm going to „Eda“ what will happen to me if I failed to repay the credit back. But, after divorce with my husband, the situation in my home forced me to take loan from SFPI to start petty trade in which I was tensioned by thinking that; it might take me to further debt (25:03:14).

Supporting the above idea, participants of urban FGD mentioned her feeling before and after she participated in SFPI. She said before 6 years ago I refused to take loan when my neighbor informed me to take loan for I had negative feeling toward loan and all micro finances. But I took loan of 1000.00birr three years ago after the first refusal of loan taking. So that, I spend on my petty trade fearfully and sometimes I kept the loan in home and do labor work (25:03:14).

In-depth interviewee, Mulu also mentioned her feeling as follow;

I began doing petty trade in the „Gullit“ by the money my father offered me .And by planning to expand my business I took loan from SFPI and I did it before 2 years ago. However, as soon as I took the loan things are okay before six month of loan repayment. In addition to this, to repay the loan, interest and saving to the institution, I take from the petty trade .And, the variety and amount of my petty trade decreased in a

very amazing way. I am sure the money taken from SFPI has bad spirit (Mulu, 27:03:14).

4.3.2.2 Depending only on the loan; Loan diverting; Negligence of client; most of the study participants (Sinke,Mulu,Caltu ,Aster ,Birke and Ebise),FGD and KI04) indicate that, those customers of SFPI who do not have another income and solely depend on the loan for home consumption i.e. pay house rent and use for every urgent activity from loan secured will face a number of challenge. For instance, Ebise during in-depth interview mentioned that, her challenge as follow;

I don`t have another income rather than the loan I took. I used the loan to pay house rent, to feed and clothe my children .So, to pay back the loan I was engaged in daily labor and the money I get from daily work is not sufficient to pay the monthly paid loan and interest. So that, I quitted paying the loan with interest and saving to the institution in which I move only on very limited road for the fear of face to face contact with the the SFPI staffs (24:03:14).

On the other hand, loan diversion is another challenge for some of the clients in SFPI i.e. If loan is diverted to non-income generating purposes (such as consumption, clothing), it is expected that, the capacity to repay loan is limited. Caltu stated the situation by saying she bought a uniform for her three children by the loan she received from SFPI. Then to pay back the loan, she engaged herself in daily work (holding stones for construction purpose and other activity) for full one year in which she faced health problem as a result of the work overload (Caltu,24:03:17).

Urban FGD research participant also added that;

I took loan to spend on urgent problem I had in the home. And I was too much stressed when the month of paying interest, saving and loan comes. So that, I don`t go to the institution till I get what to pay including the penalty (26:03:14)

In the same way, KI03 mentioned about client that used the loan for basic need. He said she used the loan totally for home consumption, and she failed to pay monthly loan repayment interest and saving after three month in which she stopped, paying the interest and saving for about eight month and also the time to pay the principal is arrived. Finally, although the time is farming time she is forced to sell one ox among two oxen to pay back the loan

KI02 mentioned that by saying few individuals carelessly utilize the loan for wedding ceremonies, Mehaber (social gathering in which each group member facilitate food and local beverage in their respective home), drinking alcohol for themselves and inviting other .So such individuals will encounter further indebtedness (28:03:14).

4.3.2.3 Challenge in Group Collateral policy and losing property; The other challenge women face in SFPI microfinance according to the findings is the group collateral methodology in which the group members are responsible for each other to settle the loan and sometimes became problem in individuals relationship and finally will leads to losing property.

During group discussion, one of the group participants expressed her discomfort about the group collateral policy as:

We took the loan by group consisting of four individuals; we paid back the loan for consecutive three months without any problem. But, on the fourth month one of our group members quitted repaying the loan. Me and other group go to her house and asked her to pay the loan but she replied as she has nothing to pay. So, we paid for her and that situation is too challenging for poor women like me. Finally, we take the case to the court and she paid for us selling her the material in the home (urban FGD, 26:03:14).

In addition, Etagu described that by generally mentioning the challenges of group collateral in affecting the individual relationships. She took the loan with her two best neighbors and among the two neighbors one diverts the loan for other purpose and at the end of the month

she was unable to pay back the loan she took to repay at intended time. Her and the other group member were arrested in the office of SFPI for about 6hour.Finally, although she paid back the loan with force of the kebele and the institution by selling a plot of landbased on contract, our relation is spoiled still(Etagu,27:03:14).

Moreover, Mulu during in-depthinterview mentionedsadly the challenge she faced from her group members as follow;

we are organized in group of 5 members. We all are neighbors and took 3000.00ETB individually at third round. On the next days after loan disbursement, my elder child who is 15 years old was caused by serious health problem and I took the child to the hospital to cure my child by the borrowed money in which surgery was made. I have been in hospital for a month with him to take care of the child in which I took another additional credit from my relative. Sad..... I lost two things at same time .Sad.....my child and the loan. What makes me sad above all is that although I faced these problems and my group was not merciful and not helped me in paying back the loan. So that, I sold home utility to repay the loan (24:03:14).

Likewise, according to findings of some study participants, the loan taken from the SFPI microfinance will be the cause to lose property owned by individuals in the community. A participant from rural FGD expressed what happen to other family as follow:

The institution registers the property of the borrowers before lending the money to the group of clients. A female aged 23, living with her mother grouped with other individual to have loan from SFPI microfinance and registered the property of her mother as her property and her mother signed for her daughter unknowingly and she took loan of 5000.00 birr and left the area with her boy friend. Finally, forcefully the registered property was sold to pay back the loan taken by her daughter (26:03:14).

Banchu also added that, “when individuals carelessly used the loan, they are unquestionably fail to repay the loan back and such individual are forced to sell their property instead of profiting from loan which leads them toward further indebtedness”.

4.3.2.4 Suicidal attempt: During in-depth interview in rural area, Birke mentioned how she attempted to commit suicide as a result of the challenge she faced as follow;

I took loan of 5000.00ETB. At that time my family was not in a good condition .There is a time when we stay the whole day without meal. So I bought for the family what to be eaten in the house at least for one month. By the money that left on my hand, I bought 3 sheep. However, after a month, all the three sheep were eaten by Hyena. And after four month of loan repaying, the interest and saving, I failed to save and pay the monthly interest. The group member made pressure on me and sometimes they are insulting me by saying, if you didn’t have the capacity of repaying why you take the loan. In addition to them, the kebele court passed decisions on me to take the only farming land I have if I failed settling loan repayments at agreed time. It is this time that I lost my hope and immediately I took rope to commit suicide. But, my children are there and prevented me from the attempt (27:03:14).

4.3.2.5 Challenge in business activity: study participants were asked if they faced a challenge in their business activity while they were working by the loan secured from SFPI microfinance. During in-depth interview, Chaltu explained the loss she comes across in her business. She makes „Arake” (local beverage) by investing 1000.00ETB. For the reason she don’t know she failed to produce quality Arake. In the mean time, although she invested that much money excluding her labor she only sold to 200.00 ETB in which she lost 800.00ETB at once. But, the institution is not merciful in paying the loan back. So, she borrowed loan from other

institution (OCSSCO) to pay back to SFPI. Finally, she was overloaded since she was repaying back loan for both institution and she totally engaged herself in daily labor activity to payback loan (24:03:14).

In addition, rural FGD participants also added by mentioning the challenge she faced in her petty trade in the „Gullit“ (small commodity market). She bought 50kg of salt, 5kg of coffee, 3kg of shiro (powdered bean), barbare (hot pepper) and 10kg of onion to sell in the „Gullit“. She take all this to the „Gullit“ but surprisingly she sold only 3.00ETB in the first day and 5.00ETB in the second day. The reason as she think is that almost all the supply in the „Gullit“ is similar. And after she paid back the loan with great challenge, she changed to cheese and butter trading which has high demand in Addis Ababa by loan secured from SFPI at second round (FGD, 26:03:14)

In the same way, urban FGD mentioned the challenge she faced in the death of poultries that are bought by loan taken from SFPI as follow;

We invested money for house rent and for necessary materials to begin poultry rearing. Although we made the medication for them each day more than one chicken will die in which we loss instead of making profit from it and finally we stopped doing it (25:03:14).

Furthermore, Birke added by describing the challenge she faced in her business activity with government tax collectors in her petty trade in the market. she have „Madab“ (little place for trade) in the market area. Each week, the tax collectors comes an ask her to pay 20.00ETB. And this situation sometimes disturb me and reverse my hope to be out of poverty (Birke, 27:03:14).

In general, some study participants both from urban and rural encountered problem in their business activities like death of stocks (sheep`s, chicken`s), Crop failure and others, while the urban participants are challenged in their business activity like unbalance of supply and

demand in the „Gullit“ or market, failure in producing the quality „Arake“ and tax related problem with tax collectors in the market.

4.3.2.6 Clients Dependency syndrome on loan; most of the client mentioned that they don't know the time when they give up borrowing money from SFPI and start doing by their own money. Participating of in-depth interview, Banchu participated on the loan accessed by SFPI by taking and paying back the loan with interest and also by saving for about 6 years. She thought she will continue doing this in the future and she don't know the time she start doing the petty trade by her own money (24:03:14).

Lelo, added by mentioning the existence of various microfinance in the town as the cause of clients dependency on the loan for long period of time as follow;

The existence of many microfinance in Chanco Woreda make us to depend on the loan for long period of time. Because, all of them were mobilizing the people to take loan and encourage long time membership in the institution (25:03:14).

Rural FGD participant also reveal that how she became dependent on the loan at the past time and future; she said by the loan she secured from SFPI she make small profit from it. By that profit she bought something to be consumed by her children. And also from this loan she was going to pay the interest and save monthly. And at the end the year she paid the principal loan (the only money she has in her hand). So I was forced to take loan for the next time in which it continues for money years (Rural FGD, 24:03:14).

KI04 added that, the institution was motivating their customers to continue with the institution rather than ending their membership in which the clients were depended on the loan for long period of time. In addition to this KI02, said that, “we mobilize our customers to continue with SFPI whatever, the economic status of the client is”.

4.3.3 Family Related Challenge

Most of the study participants mentioned as the following challenges were related to family situation in the intervention of SFPI microfinance.

4.2.3.1 Work load on women; most respondent both in-depth interview and FGD mentioned the situation they faced while they are working the whole day in the „Gullit“ or market and in their home during night for they have family obligation.

Participant of in-depth interviewee, Danse said that;

To pay back the loan I took effectively, I obliged to work hard. So that, I went to all markets which were found in the distance of 10km from Chanco town. And I was participating in five markets within a week. Beside these, I make meal for my children when I came back from market at night. In addition to this during non market day I engage myself in daily work. Finally, although doing is better than setting idle, the work burden is challenging to women like me (Danse, 24:03:14).

A rural FGD participant also stated the following in explaining the work burden of women when they participated in microfinance intervention. She said, at early morning we wake up and make breakfast for our children and then we take the petty trade materials to the „Gullit“ at 8:00am, then we stay in market selling the commodities till the sunset. Finally we gone to home and do various activities in the home in which this will continue through our life time.

4.3.3.2 Loan can be cause for family conflict; according to the findings from both in-depth interview and FGD the loan of SFPI micro finance can be a cause for family disagreement or divorce in the family if they are unable to pay back the loan. Lelo expressed the situation that happened to another family in her neighbor as follow;

One of my neighbors took loan of 3,000.00 without discussion with her Husband. She starts petty trade in the „Gullit“ in which she encountered loss in the mean time after she paid back the loan for about five month. After that, she failed to pay back the loan and

the group member told the issue to her husband and he was irritated by the action of his wife, he paid the rest loan to the institution and decided to divorce his wife(27:03:14)..

Another participant of in-depth interview, Beza also mentioned the challenge she faced from her husband on the loan she took from the SFPI. As soon as she secured the loan from the institution her husband forced her to give him half of the loan she secured. She does not have another choice rather than giving him. And her husband drink alcohol by the money he took from his wife.

Participants of rural FGD said that:

I took loan from SFPI a loan of 3000.00ETB.And my husband, diverted the loan I took to another activity. When the time of repaying the loan comes, I asked my husband and he refused to give me the money. This is a cause for my family conflict (25:03:14).

4.3.3 Leaving area where loan is taken: few SFPI clients leave Sululta Woreda when they feel that they are unable to pay back the loan and they are going to be detained. Sinke during in-depth interview generally expressed about her relative who run off from Chancho town and gone to Behir Dar (town in North West Ethiopia) leaving alone her four children when she failed paying back the loan .Shawu also mentioned the situation that happened to her as follow;

Once upon a time I encountered loss of 900.00 in my petty trade. And I was highly stressed by the loss for I don`t have money to repay the loan. So I decided to leave Chancho town .However, my husband stabilizes me not to leave Chancho and he paid the loan by doing daily work (27:03:14).

Another participant from urban FGD mentioned about her group members who leaved the area by taking loan from SFPI children when she lacks what to pay back to the institutions as follow;

She is my neighbor and also my group member in which all the group member was

collateral for each other. She leaved the town after she paid loan for four months. We the group members paid the rest unpaid loan for her facing great Challenge both in our family and business (26:03:14).

KI02 also added by describing the cause that makes some clients to leave Chanco town and the consequence on the present group members. He said some clients of SFPI were facing problem in the group pressure in which they are collateral to each other. When clients feel, they are unable to pay back the loan and also the group members made pressure on them to pay back they are forced to leave Chanco town. However, the burden of repaying loan backed on the present group member, although, they have the right to present the case to the court. Furthermore, KI03 also added that; “some client leaved Sululta Worada when they are too much indebted by the loan secured from various micro finances in the town”(28:03:14).

4.3.3.4 Challenge in educating children; some of the study participant faced problem of lack of time to follow their children at school. During urban FGD one participant stated the problem faced by another clientas follow:

She took loan of 3000.00 for third round from SFPI microfinance and expands her petty trade both in the market and „Gullit“ area. „Gullit“ is used during non market day .Her two children who are grade six and eight were helping their mother before and after their school. But their mother think that rather than paying back the loan from her petty trade it is better to participate in other activity during non market day by substituting her daughter to sell in“ Gullit“. Finally, the child dropped out of school (27:03:14).

Birke also mentioned the challenge she faced in her Children“s schooling as follow;

I am too much busy on my work to improve my family life situation, to educate them in a good way. So that. I leave my home early in the morning and come back at night almost four five days in a week. Thus, I am very tired to ask about the education my children.

For that matter, my child who is attending grade 9 learned playing gambling and finally he was dropped from school (24:03:14).

4.3.4 Institution related Challenges

4.3.4 .1 Credit usage period; Concerning the credit period of SFPI micro finance, the result from KI02 and KI04 show that, SFPI offer loan for short period (12-24 months) and long period (24 - 30 months). On the other hand, for fattening only six month is given and for irrigation 12 months was given. In case of urban the client pays both interest and loan monthly, but in the rural area, the clients pay only the interest monthly and pay the principal annually. Mulu during in-depth expressed what happened to her son because of short period provision of loan as follow:

My son took a loan of 3000.00ETB from SFPI in 2004EC to open mini kiosk with his wife. He began the work with his wife and he started paying back the loan, interest and saving after a month. They do not have another income rather than the kiosk. As the months of paying the loan, interest and saving increases the kiosk equipments decreases and finally he stopped work.

Aster also added the challenge she faced in credit usage by saying that; I bought sheep by the loan for fattening purpose which needs more than two month, but according to the law of SFPI I have to pay back the loan with interest monthly. Thus, for me paying loan with interest monthly is challenge.

4.3.4.2 Waiting hours; most of the study participants argue that, they get the loan waiting more than a week, after they finish all requirements the institution need. Banchu & Sinke expressed the challenge she faced from institution in securing loan at intended time. She planned to take loan to buy cheap material which has great profit after a month. However, she does not secure the loan at the time she needed and another individuals who has money bought that

material.

KI02 added that, after all requirement to take loan is fulfilled by clients in Chanco town, then it taken to Addis Ababa, Mercato branch to process the loan for the client after it is checked in the branch the money is released. As a result, the clients might wait for a week. KI01 and KI02 also added that, the money order and cashier is from Addis Ababa, Mercato branch the loan is not simply given to one or two groups but for many groups at a time because of the time it takes for transportation and loan disbursing. So, some client will encounter challenge in timely implementing their business action plan for about 10 day.

4.3.4.3 Challenge of not supervising and guiding the client in their business activity; some study participant mentioned not being supervised by the SFPI as challenge. KI04 mentioned the limitation of the institution and the effect it has on the clients follows:

The loan is only given to the client after the client specifies his/her purpose. However, the institution has less interested to supervise and provide advice for the clients after loan is disbursed whether the clients were doing according to their plan or not. It seems as the SFPI's main objective is only providing loan and collecting the loan with interest.

Because of this some clients were not achieved as expected (26:03:14).

Caltu also described that most of clients SFPI took loan by verbally mentioning their action plan, But, because of the SFPI does not supervise and evaluate the clients, some of the client was diverting the loan in which they are challenged in repaying the loan(27:03:14).

4.3.4.4 Saving related challenge; although saving is an opportunity for women, most of the study participant mentioned that compulsory saving is challenge for them. Sinke, Danse and Mulu during in-depth interview said that:

Although we learn the importance of saving from the institution, the institution is forcing us to save monthly, and it is above our capacity especially the compulsory saving in addition to 10% subtracted from the original loan given to us.

Similarly, Ebise also said that, “my life is almost from hand to mouth, and the institution is forcing me to save” .Participant of rural FGD also added the challenge she faced from SFPI concerning saving. She said, the institution will not provide what client saved especially the compulsory saving although the client wants to have it until the customer’s membership is over. However, the voluntary saving was provided at every time the client needs.

4.3.4.5 Interest rate; concerning the interest rate, few clients were claiming that, the interest rate of SFPI microfinance is high specially by comparing with other MFT s. For instance Etagu said that;

Although the interest rate is low compared to the local money lender still the interest is high when it is compared with other MFI`s operating in the Woreda which is 24% for rural clients and 16% for urban clients.

Another rural FGDparticipant said that, “we are paying the interest monthly until we finalize the loan. For me rather than paying monthly I prefer to pay at the end of the year”. However, Aster & Banche, KI02 mentioned that, the interest rate is reasonable both for the clients and the SFPI.

4.3.4.6.Problems of accessing finance to the poor: findings of in-depth interview (Sinke & Birke FGD and KI02 and KI04 show that, the loan cannot be given to the poor individuals, unless they have collateral or fixed asset to be sold if the loan is not returned or the group member trust them and take responsibility on behalf of them. Even the town administration and the Kebele (lowest administrative unit similar to neighborhood) did not take co laterality or sign for them if the individual has not has not fixed property. For this matter, most poor people were

not accessed to financial service. Supplementary to the above, an in-depth interview, Danse explained what happened to her before three years as follow;

I planned to borrow money from SFPI to start work in the „Gullit“. To secure the loan that I planned individually I have to provide collateral or if it in group, the group should trust me for they are responsible to repay loan if I did not pay back the loan. But amazingly I don't get any one who take collateral on behalf of me including the Kebele administration. However, I secured the loan after a year with great difficulty (24:03:14).

Another study participant from rural FGD mentioned the challenge she faced in accessing loan from SFPI as follow;

I was organized with other three women to take loan from SFPI .when we began the process to take loan, we are asked to register any fixed asset we owned .Except me the three women registered land, house and cattle. The officers of SFPI said to me that, if the three individuals signed for you, we can provide to you the loan. I was very irritated by the action. However, I took loan from SFPI after six month by bringing individual who has formal job as collateral (25:03:14).

4.4 .Life experiences of women before and after participating in microfinance intervention

This section deals with comparing the life experiences of poor women before and after their participation in SFPI micro finance. So, those study participants were asked their life experience before and after their participation in SFPI microfinance. Therefore, the findings were categorized as following.

4.4.1 *In terms of livelihood (income, expenditure, food security)*;the average monthly incomes of most participants are 700.00 ETB before participating in SFPI microfinance and 900.00ETB after participation in SFPI microfinance. Some study participants during FGD and in-depth interview, reveal that, their livelihood in terms of income, expenditures and food

security somewhat shows improvement after their participation in SFPI. But most of them argue that, the improvement is not only because of their participation in the SFPI microfinance but also because of various governmental and NGO interventions.

Participant mentioned how her income, expense and feedings increased as follows;

prior to any intervention I was doing petty trade in the „Gullit“ Interviewee. Mean time my two children were included in two different NGO projects in 2009 and 2010. The older one is sponsored by Arat Kilo project and the younger one is sponsored by ISAPSO. Arat Kilo provided me a loan of 3000.00ETB in addition to nutrition offered monthly to my child. On the other hand, ISAPSO teaches us business skill training and organizes us in Self Help Groups (SHG) having 15 members in which we save monthly and we borrow from our SHG three times of what we saved. In line with these two NGO institutions in 2011, I took a loan from SFPI, SHG and Arat Kilo project to construct rooms. I constructed by the loan I secured from the three in which currently I give for rent and earn 600.00ETB monthly and participate in petty trade. So, the family income increased and the variety of food items consumed increased and also my expense increased (25:03:14).

Participant also added by mentioning the improvement she gets in food security. She said that, “prior to the loan most of the time my family get meal only once in a day, but nowadays, we get meal more than three times in”.

Another participant from rural FGD describes how her life style was changed. Before participating in the SFPI the family income depended only on her husband, but after she took a loan and started operating with the loan in petty trade the family income and expense increased in which their life style is changed in clothing, feeding their children. Participant also revealed that “my monthly income and expenditure is increased not only because of the loan but also the value of money (inflation)”. However, few study participants both from in-depth interview and FGD

explained as the loan intervention from SFPI not brought significant change. Lelo mentioned as she was leading the same life before and after loan disbursement she said that:

Although I participated in the SFPI intervention for more than three years, there is no significant change in my livelihood. I took the loan and utilize for the home consumption (to feed my children) and engage myself in daily labor to repay the loan.

Danse also added that, “the loan I took helped me to start petty trade, but there is no considerable improvement in income, expense and nutrition in my house hold because we consume what I did today”. On the other hand, some of the study participants reveal that they had shown improvement in feeding and clothing their children as soon as they took the loan. But they faced challenge in repaying loan if they do not have another income.

Ebise said that,

As soon as I take loan I bought for my children cloth and 20kg of „Teff“. My children were benefited, in clothing and feeding, but I see many hardships to pay the loan for about 10 month (Danse, 24:03:14).

4.4.2*In terms of child rearing and schooling*; few participants both in In-depth interview and FGD expressed the challenge they faced in child rearing and schooling. Sinke talked about the challenge she faced in child rearing. She said that:

Prior to loan provision I was staying in the home with my children but after three years of loan provision most of the day I am out of home. And I do not have full control over my children. For this matter my children behavior is totally changed and now a day they are out of my control.

Birke also mentioned the challenge she faced in rearing and schooling her child. She said, because of her work in the „Gullif“ her child behavior became bad. Thus, her child spent his time where gambling is practiced instead of learning which is a challenge as a result of SFPI

loan. Urban FGD participant added;

My great stress and intention is gaining profit in my business activity and paying back the loan to the SFPI without facing challenge. I left attending the education of my children because of my intention on the loan. And my children`s academic achievement is decreased and failed in the class (urban FGD, 25:03:14).

However, Banchu said that, “prior to loan provision from SFPI my child quitted learning because of my poverty. But after the loan, my child is re admitted and began schooling”.

4.3.3 In terms of family planning; most of the study participants articulated the indirect importance of microfinance in family planning. During in-depth interview, Sinke said that;

Prior to participating in the SFPI I`m giving birth in each two years. But after participating in the SFPI I began using family planning tabulates to pay back the loan without problem (25:03:14).

Participant of FGD also added that, “although I am using contraceptives before, I strengthen using it, not to put the family in debt”.

4.4.4 In terms of home utilities; some clients mentioned that, improvement of their material wellbeing in their home as opportunity in the micro financing to the poor. Banchu said that:

prior to loan my family was consuming on one tray we have and my family is using aged blanket and we are sleeping on grass like bed .However, as result a loan and other intervention my house equipment was improved (24;03:14).

Ebise also added that; “Prior to loan in my home there were not sufficient chairs, glasses for drinking water and etc but after my participation in SFPI ,many house equipment was fulfilled to some extant as that of urban people”. However, some participants from both urban and rural FGD said, there is no countable change in house material after and before loan provision. A rural FGD participant said that,

Almost the material I am using currently is the one that exist before my membership in the SFPI and those who added recently was bought by the money I get from daily work (rural FGD,26:03:14)).

4.4.5 Client's time usage ; participants were asked the impact the SFPI microfinance brought on their life .Thus, Banchu,Mulu, Beza , Birke ,Shawu and Etagu explained the impact they came through while they are operating with loan they had from SFPI. They said, before their participation in the SFPI microfinance, they had sufficient and idle time. But after they participated in SFPI and began petty trade and local beverage respectively, they became busy and understand the value of time more. One urban FGD added that;

I began doing petty trade before 4 years ago. I can go to all markets near to Chancho town with my petty trade. So, I can use my time in a planned way both in home and outside home. For example, I wake up early in the morning and make breakfast for my children, and then I can do according to my plan (26:03:14).

CHAPTER FIVE

5. Discussion

This study was aimed at exploring the opportunities and challenges of poor women as result of microfinance intervention. The literature review was organized around the three basic research questions that this study goes through although it is difficult to find those literatures that directly address those cases. The data analysis was also organized in a similar manner. It has presented the detailed explanation of the challenges and opportunities of poor women in microfinance there by answering the questions this study pose which deals with the opportunities poor women gain while they are participating in microfinance, the challenge they have experienced due to microfinance and their life experiences before and after participating in the loan. Beside this, the study's limitations are also discussed here .Generally, this section tries to put the findings of this study in the context of existing literature and the researcher insight.

5.1 Limitation of the study

There are number of limitations in this study. Firstly, the study participant were limited to (12 in-depth, 2 FGD and 4 key informant samples) in terms of size and composition in which I Cannot make generalization out of this. Secondly, the data collection was restricted only within the Sululta Woreda, which may fail to represent the actual situation of the whole country. Moreover, the potential limitation of the study is basically related to data collection and analysis (Yin, 2003). Likewise Creswell (2007) "In a qualitative study, the researchers admit the value- laden nature of the study and actively report their values and biases as well as the value-laden nature of information gathered from the field" (p.18). So, during data collection the study participants might reveal artificial information to the researcher and also the value, biasness, understanding and competency level of the researcher might affect the findings of the study. So to adjust this, I triangulated the findings of FGD, KI and in-depth interview with each other. I tried to balance my feelings toward microfinance before my engagement with the study participants by listening repeatedly what I recorded and also reading the field notes to enhance my understandings about the research findings as well to reduce biasness.

5.2 The opportunities of poor women as a result of microfinance intervention

This study has shown that, some poor women joined in SFPI microfinance have gained various social and economic opportunities which includes detaching borrowers from local money lenders; improvement in house equipment, clothing and children's school attendance ;expanding enterprise; improvement in family economy, easier guarantee requirement, having startup capital and self employment, enhancement in business and saving skill and enhancement in time usage. Accordingly, few participants (Aster & Etagu) who were using local money lenders as source of credit were detached from local money lenders whose interest rate is 100% and some other participants (Birke, Mulu & Lelo) who were shamefully borrowing money from relatives and friends were stopped borrowing money from their relatives, friends and began taking loan from SFPI microfinance whose interest rate is low when compared to that of local money lenders. Thus, the shift from private money lenders to SFPI microfinance as an opportunity for women is,

in line with the findings of Kabeer (2005), Khan & Rahaman (2007); Khandker & Zaman (2012) & CGAP(2013) which state that, microfinance helped poor people in accessing money with low interest rate when it is compared to local money lenders. Similarly, in Ethiopia, the findings of Wolday Amha (2000); Getana Gobazie (2007) & Meron Haileselassie (2007) showed the contribution of microfinance in detaching poor household from local lenders for the benefit of poor people.

In addition, few poor women who mainly depend on the loan showed improvement due to SFPI microfinance intervention. Thus, poor women who used the loan properly (active both in terms of age and work) showed improvement in monthly income, improvement in fulfilling basic need (nutrition, home furniture, clothing, children's school attendance etc) and generally in poverty reduction. The case in mind is Banchu, she is active both in terms of age and work. She had mentioned the opportunity she obtained from SFPI. She secured loan from SFPI and she worked actively and strictly and then her family income consumption, clothing and her children school attendance were enhanced. Thus, this study confirms to that of African Development Bank (2006) which state, microfinance is good strategy to allow children go to school, self employment when properly harnessed. Likewise, Rutherford (2006) found that, when women accessed to microfinance, they are directly empowered in the ability to feed, clothe, educate, house and provide medical care for their families.

On the other hand, the study also revealed that, most of the women who showed improvement in expanding their business enterprise and in their family economy in general has another income or support like that of farming land, pension, husbands support rather than the borrowed money. Caltu & Etagu explained that, their business activity was expanded for the reason that they have another income rather than the borrowed money. Thus, this finding is similar with the statement of Mahaswaranathan & Kennedy (2010); Hoque & Itohara (2009);

CGAP (2013); Khan and Rahaman(2007) in which microfinance is not panacea to reduce poverty unless it is backed by external factors like having other income resource. And also Morduch (2002) & Levin (2012) said, microfinance is not equally helpful for all poor people. Moreover, Begum et al (2000) also conclude that, microfinance provides money to a neglected sector of the population and as result; their income increased which leads to better health, especially if it is linked to other social programs. Similarly, in Ethiopia Befekadu B. Kereta(2007);Bamlaku Alamirew (2006); Getaneh Gobezie & Daba Moti(2007) found that, microfinance helps women towards economic empowerment with other intermediate factors.

Moreover, the study finding also indicate that the loan that most study participants secured from SFPI helped them to start business which in turn helped them to be the self employer. Thus, this finding is in line with the finding of Ghalib (2012) microfinance services targets raising individual's income, creating employment opportunity and enhancing family's expenditure to eradicate poverty.

Similarly, the study indicates that intervention of microfinance can enhance the social relation, client's interaction and networking. KI02 and KI04 said, comparing the urban and rural SFPI clients, the social relation of rural clients were more enhanced for the clients organized in center and under the center individuals are organized in group in which individuals in the center meet once a month to pay the interest and to save. Alongside to paying the interest and saving monthly, the individuals under the center discuss about social issues like helping each other especially during harvest time. Likewise, Banchu and Birke and other two participants from FGD mentioned that their participation in Idir (helping association) was enhanced after their participation in SFPI since their paying capacity was enhanced. In general, according to the finding the clients' social relation and networking is enhanced if the clients do not face problem with their collateral in the group and economically empowered as a result of microfinance.

Like wise, the microfinance group lending methodology, according to the study finding, has positive effect for some poor women to secure loan easily from microfinance in which individuals in the neighborhood take collaterality with each other. A participant of rural FGD revealed that, how she was easily accessed the loan by forming collateral group. And also the group lending methodology can play role in enhancing social networking if the disbursed loan properly repaid by group members. This is in line with the findings of UN/OSCAL(1997);Khan & Rahaman (2007) ; Mehdi & Schwank (2011);CGAP (2014) and also in Ethiopia Wolday Amha (2000),Befekadu B.Kereta, Meron Haileselassie, Getaneh Gobazie & Daba Moti (2007);showed consistent points with the findings of this study.

Concerning client's skill and Knowledge in service of the SFPI; the study result shows that, clients saving skill were enhanced because of SFPI saving mobilization. Banchu, Mulu and Beza mentioned that they do not have saving account before participating in SFPI microfinance. It helped them to have saving account and learn the importance of saving. Thus, this is in line with findings of Khan and Rahaman (2007); Morduch, Rutherford & Ruthve (2009) &Morduch (2010) that state, when women participate in MFI they learn and began saving. And also from Ethiopia; Esayas Bekele (2009) and wolday Amha (2000);Getaneh Gobazie (2007) ,Mesfin Bekalu & Eggermont(2012) state that, in microfinance women save not only money but also use all resource properly. If they miss use loan, it will lead them further to debt.

Regarding enhancement in business skill or entrepreneur skill, the study reveal that, majority of the respondent said, although SFPI pave the way totheir enhancement in business skill, other factors like life experience and intervention of both Government and NGO`s have considerable effect in client's improvement. Beza said, she started doing petty trade by the loan she secured from SFPI .The expert of SFPI told her to use the loan in her business activity (local beverage trading) in good manner. Before this, she has knowledge of how to make profit, how to

manage the trade from her aunt. In addition to this, one NGO provide to her business skill training in which she learned how to attract the customer and others. Therefore, this study is in consistence with the finding of Khandker and Zaman & Levin (2012) which state microfinance is not cure for all, not provides all skills and also not eliminate all poverty in any country

5.2 Challenges of poor women due to SFPI microfinance

This study indicates that clients of micro finance face various challenges which are categorized as community related challenge, client related challenge, family related challenge and institutional related challenges. .

Most of the study participants mentioned that there are challenges that encounter poor women from the community. They mentioned that the negative feeling of the community toward loan by constructing the loan as something that takes toward further debt. Mulu said when she informed her friends, neighbors and relatives, they replied to her that as she is going to fall in further debt. Participants of rural FGD also said that, most of the people in my neighborhood said, “Babidir Yamata Ganzeb Aybarakitim” literary mean that money comes through loan cannot serve more. Moreover, participants of urban FGD also added that, many people in her neighbors said to her when they informed as she took loan from SFPI that „Gara Bollotti seente” „Eyayesh Weda Gedel” literary mean that consciously entering the hole of bankruptcy. Thus this confirms the findings of Getaneh Gobazie in Amhara Region which says, some people consider loan taken from MFIs as that of seeing the cliff down.

Most of the participants both urban and rural explained that, some challenges of poor women in microfinance intervention were emanated from client themselves. Accordingly, it includes client’s negligence, loan diverting, depending solely on the loan for all family consumption and the challenge of group pressure. Study participants (Sinke, Mulu, Caltu, Aster, Birke and Ebise), FGD and KI03) indicate that, those customers of SFPI who do not have

another income and solely depend on the loan for home consumption will face a number of challenge .Thus, this finding is in line with findings of Khandker & Zeman (2012) and Otoo (2012) and also in Ethiopia the study confirms with finding of Jemal Abafita (2007) and report of IFAD(2012).

On other hand, beside the opportunity of the group lending methodology, the study reveals that it has challenge for some SFPI customers. Etagu and some FGD participants mentioned how they repaid for the absented group members and how the group pressure influence the individual to leave the area. For instance, it spoils the individual relationship in the neighborhood if the taken loan is not timely repaid and also few clients are forced to leave the area by verbal abuse comes from both group members and the SFPI practitioners. Thus, this is consistent with finding of Begum, Bhuiyan, Ogasky &Zeimba, (2000); Kulkerni, (2011) & Otoo (2012).

In addition , as per the result of this study some poor women faced the challenge of absence of effective group collateral to secure loan easily for the trust between group members depend on the property that women owned or the Social capital of that women in the community. So, this finding is related to work of Cheston & Kuhn (2002) that state the limitations of poor women in the ownership of property and also women in general have less personal capital to be used as collateral.

Moreover, this study has shown that, most of the study participants mentioned that, they don` t know when they give up borrowing money from SFPI and they developed dependency syndrome on the loan for unknown period of time. Lelo said, the existence of many microfinance in Chancho Woreda make them to depend on the loan for long period of time. Moreover, KI01

and KI04 said that, the SFPI was mobilizing the clients to continue their membership whatever the status of client is. Thus, I don't find any literature that is in line with this study.

The study also finds out that, the loan intervention of MFIs can be cause to the level of complex challenges which is serious social problem like attempting suicide leaving area where loan taken as result of group pressure and fear of being detained by the kebele court and family conflict. Birke mentioned her attempt to commit suicide as a result of group member pressure and also when the kebele court pass the decision of taking her farming land for she failed to pay back the loan. Shawu also mentioned her attempt to leave when she faced great loss in her petty trade. Thus, these findings confirms the findings of Mehdi and Schwank (2011) in India which state, the intervention of microfinance, was leading a number of clients to suicide and CGAP (2013) & Bateman(2013) stated that, MFI leads poor individual toward serious social problems.

On the other hand, the study participants reveal that, there are challenges of poor women that related to family that includes, work burden on the women for they participate in home activity and out of home activities. Danse mentioned how she was busy by the work load both in the home and out of home as a result of the loan taken to pay back effectively. Thus, this finding is line with findings of Levin(2012) which state that, women entrepreneurs normally combine their business activities with their family obligations and Bezabih Tolosa(2007)&IFAD (2008) also found that, in Ethiopia, women are responsible for almost all the household chores, in addition to the support they provide in agriculture and caring for livestock production. Getaneh Gobazie (2007) also found that, most domestic tasks such as grinding grain and food processing, water and fuel wood collection are known to be highly difficult, labor intensive and time-consuming in Sub-Saharan Country. Furthermore, Meron H/sellassie (2007) also found out that, the participation of women in microfinance increases women work burden.

Alongside with this, the study show that other challenge of women that related to family is that, the loan taken from SFPI can be cause for family conflict. Lelo mentioned how her marital relation was ended as a result of conflict happened between her husband and herself on the loan secured from SFPI. Beza also mentioned the conflict she had with her husband as a result loan she took from the institution. Moreover, participant of FGD explained how her husband forcefully took from her and divert to another purpose in which it create conflict between them. Thus, this finding was consistence with the findings ofMayoux (1999) that, stated women"s choice of activity and the ability to increase their incomes are seriously challenged by gender inequalities.

The other challenges that was related to family according to this study is that, challenge in educating children. Danse, Birke and some participants of FGD participants said, they are too much stressed to repay back loan. So, they are too much busy with work load and forgot attending their children in the school in which their children behavior is changed and dropout from school and began practicing gambling. Thus, this finding is not consistent with findings of Khan and Rahaman(2007) African Development Bank(2006), that state micro financing encourage child school attendance.

On the other hand, the study has shown that, challenges of poor women that emanates from SFPI microfinance. Accordingly, accessing finance to the poor, credit period, waiting hours, interest rate, not supervising the clients in their business activity and saving related challenges are challenges of poor women as most of the study participant revealed. Participants of in-depth interview and FGD mentioned that, still accessing loan to the very poor individual is in problem. The loan cannot be given to the poor individuals, unless they have collateral or fixed asset or the group member trust them and take responsibility on behalf of them. Even the town administration and the Kebele (lowest administrative unit similar to neighborhood) did not take

responsibility for them if the individual has not fixed property. For this matter, some poor people were not accessed to financial service. Danse and few participants from both FGD said, one time they are excluded from the loan service because, they lacked fixed asset and also the group member and the Kebele administration refused to be collateral on behalf them by claiming that, they do not own fixed property. Information from the key informants also supported these views that, loan cannot be provided unless individuals has what to payback if the loan is not repaid timely. Thus, this study confirms the findings of CGAP (2014) in South Africa which state that,since women enterprises are usually in service sector and do not have tangible assets; they are not easily accessed to finance unless they have social collateral.

In addition, the study shows that, some clients claim that, the SFPI was not supervising their business activity. KI04 said that,SFPI was not supervising and providing necessary advice for clients after loan is disbursed to the clients whether they are doing according to their plan or not. So, it challenged the poor women not to achieve what they expected to achieve. So, as per the study participants, if the clients don't get the necessary supervision and advice from the SFPI the client was challenged and simply they can divert the loan and not achieve what they expected to achieve. Thus, this finding confirms the work of Hoque&Itohara (2009) which state, if lending is monitored strictly and adequate guidance is provided during the course of the microfinanceservice, the outcome will be almost always positive at both the household and individual levels.

5.3 Life experiences of women before and after participating in microfinance intervention

This section discusses the life experiences of poor women before and after, their participation in SFPI microfinance intervention. So that, the discussion was made on the variables like livelihood (income, expenditure, food security), child rearing and schooling, material wellbeing , family planning and time usage.

Some study participants during FGD and in-depth interview, reveal that, their livelihood in terms of income, expenditures and food security somewhat shows improvement after their participation in SFPI. But most of them argue that, the improvement is not only because of their participation in the SFPI microfinance but also because of various governmental and NGO`s. Thus, this finding confirms the finding of Ledgerwood (2000) that states, MFIs increase the income of the clients and reduces the circle of poverty when it considers the availability of other nonfinancial services either provided by Government or NGO`s. However, Lelo & Danse mentioned as they were leading the same life before and after loan disbursement. Hence, this finding is not similar with the findings of Khan and Rahaman (2007); IFC (2006) and Ghalib(2012) which state that, microfinance institutions provide money to the poor people and the life conditions of the poor showed improvement after the loan is dispersed to them.

However, participant of rural FGD mentioned that, her life style was changed. Before participating in the SFPI her family income depended only on her husband, but after she took loan and start operating with loan in petty trade, her family income and expense increased in which the family life style is changed in clothing, feeding their children. Beza also mentioned, prior to the loan most of the time her family get meal only once in a day, but nowadays, her family gets meal more than three times in a day. Thus, this finding confirms the study of Ghalib (2009); Kabeer (2005); Cheston and Kuhn (2002) and Pervin (2012) in which they state, participating in microfinance helps poor individuals to show improvement in income, nutrition.

On the hand, considering child rearing and schooling, Sinke said , before loan provision she was attending strictly her child both in home environment and at school but ,after loan provision she was failed to attend her child and because of this her child behavior became bad and dropped from school. One of the Urban FGD participants also said that before loan provision she was in home most of the time and attends her children but, after loan she stressed more to

pay the loan back and left attending the education of her children and as a result of this, her Children's academic achievement is decreased and failed in the class.

Concerning the material well being in the house, Banchu mentioned that prior to loan her family was consuming on one tray they had, her family was using aged blanket and also they were sleeping on grass like bed. However, as a result of loan and other intervention her house equipment was improved .In addition, Ebisesaid that prior to loan in her home there were no sufficient chairs, glasses for drinking water and etc but after her participation in SFPI ,many house furnitures were fulfilled to some extent as that of urban people. Thus, this finding is in line with findings of Kabeer (2005) which says, accessing financial services can add essential contribution to the economic productivity and social and material well being of poor women and their household.

Furthermore, most of the study participants revealed that their time usage were enhanced Banchu, Mulu, Beza, Birke ,Shawu and Etagu and some participants of FGD explained that, before their participation in the SFPI microfinance, they had sufficient and idle time. But, after they participated in SFPI and began petty trade and local beverage, they became busy and understand the value of time more though there is no literature that supports or contradict this finding.

5.5 Summary of the findings

The aforementioned findings discussed the opportunities of poor women in microfinance services which includes social and economic opportunity as the main concepts and detaching borrowers from local money lenders; improvement in house equipment, clothing and children's school attendance; expanding enterprise; improvement in family economy, having startup capital and self employment, enhancement in business and saving skill and enhancement in time usage as sub topics. Thus, most of the opportunity related concepts were consistent with findings of

Khan & Rahaman(2007);Khandler & Zemen(2012); Ghalib (2009);Kabeer (2005);ADB(2006); IFC (2006) , IFAD(2008);Rutherford(2006); Cheston & Kuhn (2002); Pervin (2012) and UN/OSCAL(1997) and Getaneh Gobazie(2007) which state that the importance of microfinance in enhancing the economic and social well beings of poor women.

On the other hand, the challenges that poor women participants of SFPI microfinance faced were discussed under the category of family related challenge, community related challenge, institutional related challenge and also the clients related challenges. Under these categories challenges like work load, community and clients negative feelings, loan diverting, losing property, suicidal attempt, leaving the area where loan taken. Challenge in rearing children, clients dependency syndrome and family conflict as a result of loan were discussed. Most of the concepts that related to challenges of the poor women in MFI were consistent with the findings of Levin (2012); CGAP (2013); CGAP(2014) ;Mayoux (1999);Hoque&Itohara (2009);Mehdi and Schwank (2011);Meron Hailesellassie(2007);Getaneh Gobezie(2007) and Moti Daba(2003) that state, diverting loan, work load on women ,production failure ,lack of information , suicidal attempt etc as a challenges that participants of MFI faces

CHAPTER SIX

6. CONCLUSION AND SOCIAL WORK IMPLICATION

6.1 Conclusion

In this study the challenges poor women face and the opportunities they obtain in microfinance intervention was explored. The findings of this study showed that, most of poor women clients of SFPI obtained various opportunities i.e. economic and social empowerment from loan intervention of SFPI microfinance. These opportunities include detaching them from local money lender, starting business, self employment, expanding their business activity, enhancement in social relationship, capacity of educating children, income and expenditure increment, and improvement in business and saving skill.

On the hand, the study findings indicate that, poor women those involved in SFPI microfinance intervention face lot of challenges. These challenges influenced their achievement in microfinance service. Participants indicate that, these challenges emanate from the community, the client, the institution (SFPI) and the family. The challenge that related to community is that, the negative feelings the community had toward loan by socially constructing it as something that takes individuals toward bankruptcy. While the challenges emanated from the clients includes; clients negative feelings toward loan; depending only on the loan; loan diverting; negligence of client; challenge in group collateral policy and losing property; clients' dependency syndrome on loan; client's suicidal attempt and challenge in business activity. Whereas, the challenges that emanate from the institutional (SFPI) includes; interest rate, not supervising and providing necessary guidance service for the clients in their business activity, credit usage period, waiting days to secure loan, saving related challenges and problems of accessing finance to the very poor. Finally the challenge that related to family includes; -work overload on women; loan can be cause for family conflict; leaving area where loan is taken and challenge in educating children.

After being involved in SFPI microfinance, some study participants family expenditure,

capability on family food, clothing, utilities, family planning, time usage and children's education have increased. However, most of them were challenged to pay back the loan after three month of repayment, challenged in child rearing and schooling for they don't have time to attend their children after school and also few of the study participants were not obtained significant change before and after their engagement in SFPI microfinance.

6.2 Social Work Implication

The social work profession is emerged to address the interaction of person in the environment and apply services that best serve to improve individual's life (National Association of Social Workers (NASW), 1999). The study has indicated the various issues that underlie the challenges and opportunities of poor women in the intervention of microfinance services.

It was understood that, though some of poor women in microfinance obtained various social and economic opportunities in microfinance intervention, some of them were also challenged in social relationship, family relationship, rearing and educating their children and even they are leaving area where loan is taken and attempting suicide which is a social problem. This implies that, the poor women and the microfinance institutions need different social work interventions and services. Thus, a single intervention strategy may not be the best option to guide workable intervention programs. So that there is a need for collaboration and coordination among the policy makers, social work practitioners and researchers. Hence, these research findings have the following implications for supporting the poor people in microfinance institutions.

6.3 Implication for Social Work Practice

Social workers should engage themselves in the area of intervention (microfinance institutions) to address the challenges of loan diverting, work load on women, challenge in attending the behavior of children, spoiled relationship as a result of group lending methodology, failure of repaying the loan back, family conflict as a result of loan and also the complicated challenge that emanated from unmerciful Kebele court decision, social problems like attempt of committing suicide, leaving the area where loan is taken and loss of property like land by playing the roles of social work practitioners such as; teacher, assessor, advocator, facilitator, planner, caseworker, case manager, catalyst, mediator, negotiator, broker and counselor.

Thus, social workers can help those poor women clients of MFIs by assisting them to be able to develop new behaviors (not to divert loans) and practice new skills (in this case by providing parent skill training to enhance the parents skill of regulating and attending their children etc). As an advocator, social workers can speak on behalf of the poor women clients of

MFIs on the issue of interest rate, waiting days to take loan, supportive supervision and etc. In addition, they can also argue, debate, bargain, negotiate, and manipulate systems or the environment with the concerned body for the benefit of the poor people. On the other hand, as a facilitator, social workers helps poor women by facilitating between the institution and clients to discuss on the issues like how to help individuals when they fail repaying the loan back to the institution by themselves. So that, solution will come by the consensus of both party.

Moreover, as mediator, social workers engage in settling conflicts that may arise between the poor women and system (microfinance institution), between group members, between family members other persons, organizations, or community systems. In addition, they can facilitate communication, shares information, suggests alternative views, and negotiates resolutions between the two parties. As broker, social workers play the role of linking poor women with the available community resources to help them empower women both socially and economically and to erase their debt. Furthermore, as a counselor, social workers provide counseling service for clients who were in different social problems like those clients in which the Kebele court unmercifully decided on their property to be sold to pay back the loan taken from the SFPI, for the family that their mother leaved the area, and also for those clients who attempting to commit suicide and others.

6.4 Implication for Further Research

This study has tried to explore the challenges and opportunities of the poor women and also it has tried to fill the gap of knowledge regarding the challenges and opportunities of poor women. However, the issue of poor women in microfinance intervention needs further research and investigation that future researches are expected to address. These potential topics include: Conducting comparative research whether microfinance institutions were creating tension to its

client or benefiting them, conducting analysis on psychological and social impact of microfinance on the clients, assessing what modalities of the microfinance program is the best suit the poor women.

6.5 Implication for Social Work Education

Microfinance institutions were organizations that facilitate community developmental process by accessing finance to the economically marginalized segment of society in the community having aim of bringing economic development. Moreover, the social work professionals also stands for the minority group in the society and see the community development as it was linked to economic development both in terms of process and outcome (John, 2009). Furthermore, microfinance institutions have client system for their loan intervention. So that, it is suitable to students of social work to make practice in the institutions.

6.6 Implications for Social Policies

The study indicated that, beside the opportunities of poor women in microfinance, they face various challenges that are related to community, institution, the clients and family related challenge which hinder the fruitfulness of the poor women in MFI program. Hence, the social workers, the government and other organizations working on the issue should alleviate these challenges by making them policy agenda and taking necessary policy measures and responses. In general I suggest the following policy actions to be taken by the different stakeholders:-

- Before providing loan to the poor people, the poor people should be linked with other resources, supportive organization in the community so that, loan diverting will be reduced.
- The National Bank of Ethiopia should enforce the microfinance institutions to have professional social workers employee in their organization. So that, many challenges and problems that encountering clients will be limited.

- The Specialized financial and promotional Institution should provide various training to its clients at least twice a year both before loan provision and after loan provision. So that, challenges related to clients will be minimized.
- The government and private sectors should encourage self employed women by providing working area like that of container. So that, the women motivation to work will be increases, then the women capacity to pay loan also increases.

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ANNEX - I

**ADDIS ABABA UNIVERSITY
COLLEGE OF SOCIAL SCIENCE
SCHOOL OF SOCIAL WORK**

Informed consent form for women clients of SFPI, Chanco branch and key informants

Dear participant!

I am Abdulahi Ahmed: I came from Addis Ababa University, School of Social Work. The purpose of my study is to explore the challenges and Opportunities of Poor women in SFPI intervention and making sense out of it by qualitative research. The following information is provided for you to decide whether you wish to participate in the study. You are free to decide not to participate or to withdraw at any time without affecting your relationship with me. Do not hesitate to ask any questions about the study either before participating or during the time that you are participating. I will record and take notes during our interview for the sake of credibility of my data and your name will not be associated the research findings in any way.

There are no known risks associated with this study. The expected benefits associated with your participation are at the end of the day, will benefit clients and practitioners of MFI, research, community development, and informs policy makers to these challenges and the participants are the beneficiaries of this responses. This interview will take a maximum of 45 minute and a copy of this consent form will be given to you to keep. Are you willing to participate in the interview? I greatly appreciate your taking time to speak with me.

If yes, continue; if no, thank you.

Participants name

Signature

Date

Annex II

In-depth Interview Guide for women clients of SFPI

Objective of The interview

The purpose of this study is to explore the challenges women face and Opportunities Poor women get in Specialized Financial Promotional Institution Intervention. At the end of the research findings you will be benefited from the research findings .So, I think you don`t mind if I record and take note while you are talking!

I. Bach ground information

Code	
Age	
Sex	
Marital status	
Family size	
Educational background	
Family income source participating in SFPI	
Family income source after participating in SFPI	
Duration of membership in SFPI microfinance	
Current work/enterprise	
Religion	

a. Who told you about SFPI?

possible Probe;- ,Kebele, MSE,Media ,freinds , relatives others

b. What motivate you to take loan from SFPI?

Probe possible;-your problem in the home, friends

c. How much did you take at first round? How much did you pay back?

d. For how many round you take loan from the SFPI?

e. What is your source of credit before joining the SFPI? *possible probe* local money lenders, family, friends and others

f. Do you take loan from other MFI rather than SFPI? If yes can you name the institution?

RQ1. What are the opportunities of poor women in SFPI intervention?

1.1 In your view, what are the advantages of poor women in SFPI?

Probe;-having startup capital, economic empowerment and others

1.2 What are social benefits you got from SFPI?

Probe; -education, health, supporting others?Educating children and helping family

1.3 What are the economic benefits you gain from participating in SFPI program?

Probe; - increased income, diet improvement, self employment etc.

1.4 What are the political benefit you got while you are participating in SFPI microfinance

probe; - increased awareness, knowing legal right and responsibility, decision making in the home etc.

1.5 What impact of the SFPI loan brought in your life?

Probe:-in terms of livelihood, starting to support other, generating more income, learn saving, used family planning because of membership in SFPI, preparing business plan before action and others

1.5 Do you get Knowledge for you are participating in SFPI?

Probe;-writing, reading, signing by writing their name etc

1.6 Do you get Skill for you are participating in SFPI?

Probe; - preparing business plan, skill of working with others, skill of saving, Financial management etc.

1.7 How is your relation with family members and neighborhoods after and before SFPI loan disbursement?

1.8 What do you think is causes of success in SFPI intervention?

Probe; family support, enterprise type, about age level, workmotivation

RQ2. What are the challenges of poor women in SFPI?

2.1 How do you feel about the loan you take From SFPI?

PossibleProbe; - about the challenge you face, fear of becoming indebtedness too and others

2.2. In your view what is the challenges of poor women in microfinance intervention?

Possible probe: -work burden, marriage related problem

2.3 What do you do with loans you take from SFPI?

Possible Probe: - for home consumption, to generate income, for personal purpose,for funeral and etc.

2.4 What do you think are the limitation of the SFPI in accessing financial support to poor?

Possible probe;- high interest rate, group dynamic ,too small loan provision ,

*horizontally accessing different social group like disability,
religion, credit period etc*

2.5 How do you explain the facilities to take loan from SFPI?

*Possible Probe; - starting from the process to borrow, the requirement to get loan or how
you took loan from SFPI? Transportation, waiting hours etc.*

2.6 What challenges you faced while using the borrowed money From SFPI?

*Possible Probe; - in your Family, from Institution, in your business activity, taking credit
from individual, organization to pay back the borrowed money to SFPI? , selling
any property to pay back the loan? Oxen, plot of land and others*

2.7 Have you been arrested for the reason of not paying back the loan you took? if yes describe

2.8 How you utilize the Money you took from the SFPI?

*Possible probe;- according to my business plan, by diverting to urgent issue, some of
the loan for generating income and the rest for home consumption.*

2.9 Are there any constraints you faced in borrowing and paying back in SFPI?

Probe? If yes describe.

2.10 Do you fill that you will be able to pay back or not to pay? why

2.11 How you explain the problem you faced with your collateral?

*Possible Probe;-loss of network with community members ,group behavior, paying for
the group if he/she is unable to pay back the loan*

2.12 Can you tell me the loss you encounter for the loan you take from SFPI?

Possible probe:-in your business activity,investing the loan taken for unplanned activity

2.13 What do you think takes individuals toward failure in SFPI?

Possible probe:- paying back the loan taken by group members, taking loan without business plan, borrowing money to pass hardship time and diverting loan etc

RQ3 .what is the life experiences of poor women before and after loan disbursement?

3.1 What is the average annual consumption expenditure of your household?

Before participating in SFPI microfinanceintervention? Birr____ After
participating in SFPI microfinanceintervention? Birr____

3.2 What is your current income level in comparison with the one prior to joining the SFPI?

3.3 Can you tell me your life condition before you took loan?

3.4 In terms child rearing and educating, house equipment, family planning

3.5 How you compare the benefit and constraints of SFPI after loan is dispersed?

3.6 How do you explain about the benefit you get from SFPI Intervention?

Annex III Focus Group Discussion (FGD) facilitation Guide for women clients of SFPI

Age		
Sex		
Duration of membership in SFPI		

1. From where did individuals learn about the existence and function of SFPI?
2. How the institutions screen the client to access loan?
3. What are the sources of credit for individuals before joining SFPI?
4. What are the feelings of women borrowers toward loan?
5. What are the social and economic benefits of poor women in SFPI intervention? Possible Possible *Probe: -Social-empowerment (education, health, supporting others) Economical empowerment (increased income, Nutrition, self employment)*
6. What are the political profits due to SFPI? Possible probe:-*community participation, knowing legal right and responsibility, decision making in the home etc*

7. What are the Knowledge and skill obtained from SFPI?
Possible probe; *Skill of working with other, saving skill etc*

- ✓ What are the challenges of poor women at individual, family and community level due to SFPI intervention?
Possible Probe:-
Waiting hours in the institution to take loan ;Relationship with other
- ✓ View of clients toward loan ; Group behavior in becoming collateral for themselves
- ✓ Accessing finance to poor individuals and Dependency syndrome, graduation of clients from loan and working with their own capital and others

8. What are the life experiences of poor women of SFPI clients before and after loan disbursement? Possible Probe:*In terms home equipment, educating children, Food security, family life condition, employment, work motivation, enterprise and etc.*

Annex IV Key informant interview Guide for SFPI practitioners and Kebele leaders

Background information

Code	
Sex	
Age	
Educational status	
Current job position	
Work experiences	

1. How the clients were screened for the loan by the institution?
2. For how long period the loan is provided to clients?
3. What do you think are the social benefits of poor women as a result of SFPI MFI intervention? Possible Probe: - *social empowerment - (education, health, supporting others, increased awareness, Improved networking with other women and others).*
4. What do you think are the economic benefits of poor women due to SFPI intervention? Possible Probe; -*economic empowerment (increased income, Nutrition, self employment etc.)*
5. What are political profits of women due to their participation in SFPI micro finance? Possible probe; (*knowing legal right and responsibility, decision making in the home, community participation etc).*
6. In your view, what are challenges of women borrowers as a result of SFPI? Possible Probe ; *problem at individual, family and community level*

7. What do you think the challenges of poor women in their enterprises?

Possible probe; *marketable skill, similarity of commodity in the market and other?*

8. What do you think are the benefits and challenges of poor women borrowers of SFPI due to group collateral policy? *Possible probe; the relation between the group member is enhanced, easily obtain loan and others.*

9. What do you think are the limitation of the SFPI in offering loan to poor people

Possible probe; *accessing the loan horizontally to all people like disability, follow up of the client after loan provision, duration of credit, waiting hours, compulsory saving and others.*

Annex-I

Informed consent form for women clients of SFPI, Chancho branch

አዲስ አበባ ዩኒቨርሲቲ

የሶሻል ሳይንስ ኮሌጅ

የሶሻልዎርክ ትምህርት ቤት

ውድ ተሳታፊ፡

እኔ አብዱሊሂ አህመድ በአዲስአበባ ዩኒቨርሲቲ ሶሻል ወርክ ትምህርት ቤት የሁለተኛ አመት ማስተርስ ተመራቂ ተማሪ ስሆን ፤ የመመረቂያ ጽህፈት በመስራት ሉይ እገኛለሁ። ስሆሆነም የሚከተለት መረጃዎች እርሰዎ በዚህ ጥናት ትምህርት ላይ ለመሳተፍ ሆነ ለሁለተኛው ሆመወሰን ይረደወታል። በማንኛውም ስህተት ተሳትፎዎን የማቋረጥ፣ ማንኛውንም ዓይነት አስተያየት (አወንታዊ ሆነ አለታዊ) የመስጠት፣ እና ጥያቄ የመጠየቅ መብት አላቸው። የሚሰጡት መረጃ ከጥናቱ አሉማ ውጭ እንደማይውሉና መረጃውም ሚስጥራዊነቱ የተጠበቀ ነው። ትምህርት በሰጠው መረጃ ታስማኒነት ሲባሉ ቃላት ምላሳሉን በመቅረጽ ድምጽ አቀርጻለሁ። የማይፈቅዱሉኝ ከሆነ በእጅ የምጽፍ ይሆናል።

የጥናቱ ዋና አላማ ድሃ ስቶች በሌዩ ብድርና እገዛ ተቋም ውስጥ ስሳተፉ የ ሚገጥማቸው ተግዳሮቶች ና የሚያገኙ ጥቅሞችን በጥሌቀት መበርበር ነው። ስሆሆነም በዝህ ጥናት በመሳተፍ ምንም ዓይነት አላታዊ ጎን የሆነውም። በመሆኑም የዚህ ጥናት ውጤት በዘርፉ ሆምጠቀሙ አካሉት ፤ ተመራማሪዎች ፤ እና ፖለቲካ ቀራጮች ፋይዳዊ የሊቀ ስሆን፤ ቃላት መጠይቁ እስከ45 ደቂቃ ወስዶ ይችላል። ይህንን ያክላ ስሆጥናቱ ምንነት ካስተዋወኩዎት ፤ በዚህ ጥናት ትምህርት ፍቃደኛ ነዎት? ጊዜዎን ሰጠው ስለነጋገሩኝ ከሌብ አመሰግናለሁ።

ፍቃደኛ ከሆኑ መቀጠሉን እንችላለን ፤ ካላሆኑ ደግሞ እያመሰገንኩኝ በዝህ ሊይ ማቆም እንችላለን።

ፊርማ

ቀን

አመሰግሎት

**Annex II Informed consent form for women clients of SFPI, Chanco branch and
Key informants,**

UNIVERSITY ADDIS ABABAA

KOLLEJII SOSHAAL SAAYINSII

MAN A BARUMSA SOSHAAL WORKI

Kabajamaa Hirmaataa!

Ani Abdulahi Ahmad University Addis Ababatti barataa waggaalamaffaa yegguu ta`u; barreeffama eebbaa hojchurrattan argama. Kanaafuu odeefaannoo kanatti aananii dhufan kan ilaaludhaan qorannoo kanratti hirmaachuus hirmaachuu dhiisus ni dandeettu. Odeeffannoon kennitan kaayoo qoranichaatin ala kan ittiin hin fayyadamne ta`uu isaatiifii hirmaachuun keessan miidhaa tokoyyuu kan hin qabne sin beeksisuun barbaada. Yeroo kamiyyuu wanni sin itti hintolle yoojiraate ,hirmaannaa keessan adda kuttanii deemuu ni dandeeyisu.

Kaayyoon qorannoo kooti, dubartoonni yegguu dhabbata addaa gargaarsa mallaqaa keeyisatti hirmaatan rakkinoota isaan qunnamuufi bu`aa isaan argatan gadi fageenyaan ilaaluu dha. Bu`aa qorannoo kanaa .nammoota dhaabbaticarraa liqii fudhachuudhaan hirmaatan, hojjettoota dhaabbatichaa, qorattoota, seer baastota kan fayyaduudha. Gaafichi daqiiqaa 45 kan turuu dha. Kanaaf hirmaaachuudhaaf hayyamamaa yoo taate, yeroo keessan waan naaf kennitanii onnerraa sin galateeffadha, yoo hayyamaa ta`uu dhiistan galatooma.

Hayyamamaa taanaan itti fufuu ni dandeenya.

Mallattoo

Guyyaa

Annex II

In-depth interview Guide for poor women clients of SFPI

Kaayoo gaafichaa

Kaayyoo gaafii kanaa maamiltootni (dubartootni) dhaabbata addaa liqii fi gargaarsa Mallaqaa tajaajila liqii argatan kessatti rakkina isaan mudatuufi faayidaa isaan argatan xinxaluu dhaaf.

Koodii	
Saalaa	
Umrii	
Haala maatii	
Baayina maatii	
Sadarkaa barumsa	
Galii maatii otoo dhaabbaticha kessatti hin hirmaatin	
Galii maatii erga dhaabbaticha kessatti hirmaatin booda	
Yeroo turtii miseensummaa dhaabbaticha kessatti	
Amantii	

1. waa`ee dhaabbatichaa eenyurraa dhagesse?
2. Dhaabbaticharra akka liqii fudhatu eenyutu siif hime
3. Guyyaa jalqaatif ligii dhaabbaticharraa yoom fudhatte? Qarshii meeqa fudhatte ? qarshii meeqa deebistan?
4. Amma ammaatti marsaa meeqa liqii fudhatte?
5. Dhaabbaticha kessatti qusachuu osoo hin calqabin dura essatti qusatu?
6. Dhaabbata biraa irraa liqii fudhattee ni beektaa?

Gaaffii 2^{ffaa} Dubartoonni harka qalleeyyii yegguu dhaabbata kana kessatti liqii fi qusachuudhaan hirmaatan bu`aan isaan aargatan maal faadha?

1. Dhaabbata addaa liqii fi gargaarsa maallaqaa kanarraa wanni fayyadame jettu maal faadha? Galii kee dabaluu, nama biraa gargaaruu calqabuu, of ii of qacaruu,faayidaa argame kamiyyuu akka mataa keetitti, maatii fi hawaasa naannoo keetiitti
2. Liqii fi qusachuu keetiin jiruun koo jijjirame jettaa? Liqii osoo hin fudhatin dura jiruu kee sadarkaa maaliraa akka ture natti himuu dandeessa? Eega liqii fudhachuu eegaltee hoo?
3. Dhaabbaticha irraa ;liqii fudhachuu erga eegaltee kaasee amma ammaatti wanni ati akka milkiitti ilaaltu ykn naaf milkaa`e jettu maaltu jira? Liqii deebisuu sitti ulfaachuu dhiisuu, liqii fudhatame irraa faayidaa argachuu, daa`ima itti dabaluuuf karoorsuu
4. Dhaabbatich a keessatti liqii fudhachuudhaan erga hirmaatuu jalqabdee amma ammaatti beekumsi argatte maalfaadha? Karoora maatitti fayyadamu, mana kessatti murtii kennuu, mirgaa fi diqama beekuu, haala liqii itti deebisan baruu
5. Dhaabbatich a keessatti liqii fudhachuudhaan erga hirmaatuu jalqabdee amma ammaatti dandeettin argatte maalfaadha? Haala qabiinsa maallaqaa,namootaan wajji akkaataa itti hojjetan, akkaataa itti qusatan...
6. Hariiroo maatii fi hawaasa waliin qabdu erga liqii fudhachuu jalqabdee as jijjiramni ni jira jettee ni yaadda?

Tajaajila dhaabbatichi kennurratti hirmaachuu erga eegalanii booda sababni milkii maalfaadha? Gargaarsa maatii,gosa hojii, kaka`umsa hojii

Gaaffii 1^{ffaa}; - Dhaabbaticha kessatti haadhonni harka qalleeyyonni liqii fudhachuudhaan yegguu hirmaatan rakkooleen isaan qunaman maal faadha?

1. Waa`ee liqii dhaabbaticharra fudhattanii maaltu sinitti dhagahama? Wanta

naqunnamu danda`a jettanii yaaddan

2. Liqii fudhattan maalirra oolchitan? Manaaf,daldalaaf,dhimma dhunfaatif
3. Hanqinni gama dhabbatichaatiin jiru maal faadha?fakeenyaaf dhala, hamma liqii
4. Liqii fudhachuudhaaf guyaa meeqa sitta fudhata? Kana akka hanqinatti fudhachu ni danda`ama?
5. Namooni kan biroo waa`ee liqii ati fudhate maal jedhu/
6. Qarshi liqii fudhatte yegguu fayyadamtu rakkinni siqunname maaltu jira? Maatii kessatti,dhaabbatichaarra,
7. Qarshi liqii fudhatte deebisuudhaaf qaama biraarraa liqeeffatte beektaa?deebii eyyee yoo ta`e naaf ibsi?
8. Qarshii liqeeffatte akkamitti itti fayyadamta? Dhimmi yaadeefan itti fayyadama, yeroo rakkoo ittiin bahuudhaaf, dhimma dhuunfaatiif
9. Liqii fudhachuurratti rakkoo siqunname yoo jiraate?
10. Liqii deebisuurratti rakkoo siqunname yoo jiraate?
11. Liqii fudhatte deebisuu dhiisuu keetin hidhamtee beektaa?
12. Liqii fudhatte dandeettii deebisuu ninqaba jettee yaaddee beektaa?
13. Namoota liqii waliin fudhattan wajjiin dhimma wabii wliin walqabatee rakkinni uumame jiraa?
14. Liqii erga fudhatanii booda namoota gara kufaatii kan geessu maali?
15. Waa`ee dhala liqii maaltu sinitti dhagahama? Ni baayyata, giddu galeessa , gadi aanaadha,.
16. Qarshii liqii fudhatterratti kisaaraan sirra gahee ni beektaa? Hojii hojetturratti,hojii hin karoorfatinarra oolchuu keetin , kan biroo....

Gaaffii 3^{ffaa} Dubartoota harka qalleeeyyii Itajaajila liqii erga argataniifii osoo hin argatin dura garaagarummaa jiru maal fakkaata?

1. Dhaabbatichatti osoo maamila hin ta`in dura ji`atti galii kee meeqa ture?

2. Erga maamila taatee booda ji`atti galii kee meeqa amma?
3. Osoo maamila dhaabbatichaa hin ta`in dura jiruu kee maal fakkaata ture? Erga maamila taatee booda hoo?
4. Siif erga maamila dhaabbatichaa taatee booda bu`aadha moo midhaatu caala jettee yaadda ? haala qabatama sirra gahee irraa ka`uudhaan.
5. Dhaabbaticharraa bu`aalee argatte akkamitti ibsita?

Annex III Focus Group Discussion facilitation guide with poor women, clients of SFPI

Umrii		
Saala		
Miseensummaa dhaabbaticha keessatti		

1. haala hojii dhaabbatichaa fi jiraachuuu isaaa enyuurraa dhageessan?
2. hirmaattonni dhaabbatichaa akkamitti filatamu?
3. Namootni liqii dhaabbaticharraa fudhatan waa`ee liqii maaltu itti dhagahama?
4. Dhaabbaticharraa liqii fudhachuun dura liqii essaa fudhattan ture?
5. Fayyadamtootni yegguu dhaabbaticharraa fayyadaman faayidaan hawaasummaa isaan argatn maal faadha?
- 6 Fayyadamtootni yegguu dhaabbaticharraa fayyadaman faayidaan dinagdee isaan argatn maal faadha?
7. Fayyadamtootni yegguu dhaabbaticharraa fayyadaman faayidaan politikaa isaan argatn maal faadha
8. dubartoonni harka qalleeyyonni haalli jiruu fi jireenya isaanii maal fakkaata? erga liqii fudhatan duraa fi booda?

Declaration

I, the undersigned, declare that this thesis is my original work, has never been presented in this or any other university, and that all resources and materials used herein, have been duly acknowledged.

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Signature _____

Place: Addis Ababa University, Ethiopia

Date of submission:

This thesis has been submitted for examination with my approval as a University advisor.

Name: Zena Berhanu (PhD)

Signature _____