

***ADDIS ABABA UNIVERSITY***  
***SCHOOL OF GRADUATE STUDIES***

***AN INVESTIGATION IN TO THE ROLE OF CIVIL SOCITIES(CSOs) IN INCOME  
GENERATION PROGRAM FOR LIVELIHOOD ENHANCEMENT OF ADULTS IN  
GULELE SUB CITY, ADDIS ABABA CITY ADMINSTRATION***

***BY***

***EDEN BIRHANU***

***A Thesis submitted to the Department of Curriculum and Teachers Professional Development  
Studies Presented in Partial Fulfillment of the Requirement for the Degrees of Masters of  
Education (Adult and Lifelong Learning)***

***Addis Ababa University***

***Addis Ababa, Ethiopia***

***October 2014***

# Addis Ababa University

## Department of Curriculum and Teachers Professional Development Studies

This is to certify that the thesis prepared by Eden Birhanu entitled " An Investigation in to the Role of Civil Societies in Income Generation Program for Livelihood Enhancement of Adults in Gulele Sub city Addis Ababa Administration” complied with the regulation of the university and meets the accepted standards with respect to Originality and Quality.

Approved by Board of Examiners

_____	_____	_____
Main Advisor	Signature	Date
_____	_____	_____
Examiner(Internal)	Signature	Date
_____	_____	_____
Examiner (External)	Signature	Date
_____	_____	_____
Chair Department	Signature	Date

# DECLARATION

I, the undersigned, hereby declare that this thesis is my original work and has not been presented for any type of degree in any other university, and that all the sources of materials used for the thesis have been acknowledged.

Declared by:

Name: **Eden Birhanu**

Date: October 8/2014

Signature: .....

Confirmed by Advisor:

Name: **Akalewolde Eshete (Assistance Professor)**

Date: October 8/2014

Signature: .....

Place and Date of Submission: Addis Ababa University

October, 2014

## **ACKNOWLEDGEMENTS**

I would like to deliver my greatest gratitude to my advisor, Ato Akalewold Eshete. His invaluable insights into my work helped me to maintain perspective and remain positive. He encouraged me to work hard and helped me to remain focused. He has been a tremendous help and I appreciate the time and consideration he has given me.

I would like to thank my mother Abowork Asefaw. Thank you for inspiring me to work hard and reminding me that the most challenging events in life are the most rewarding.

I would like to thank my friends and families. Thank you for supporting me throughout the years. I am grateful for your patience, your support, and your love. Many thanks to my father Birhanu Kebede. and to my brother Sinishaw Birhanu to the continuous support you have given me through out the years.

I would like to thank my friend Wondimeneh Bekana for the effort and the time and resource he put to outreach my paper when I am occupied with work. I also want to thank my ex boss Ato. Tefera Eshetu who helped in offering me time to complete my work on the first phase of my research. I also want to thank my interviewees and all respondents to which I haven't mentioned for their contribution they had on this research paper.

## ABSTRACT

*As the recent trend revealed that NGOs and Income Generation issues are increasingly recognized as an imperative in both for food security and sustainable development initiatives. This study aimed at exploring the intervention level of NGOs in Income Generation Program. The purpose of this study is to provides the analysis of program of Four INGOs and Local NGOs that engaged in relief, food security and urban development issues and which have been worked for more than three years in the sub city.*

*There are 556 total populations and from this a sample of 142 respondents has been taken through purposive sampling. There are 32 direct program implementers and 110 IGA beneficiaries participated. Data has been collected through interview, questionnaire, observation and document review. The research has taken Descriptive Survey method.*

*The findings and analysis of this research demonstrated that the study INGOs/NGOs have some initiatives in developing Income generation Program for the adults who are the prime beneficiaries of the program. Despite these initiatives the NGOs activity with regard to Income Generation Program is yet at its infant stages, and still some of the key activities that demand system changes are not addressed. The problem of Income Generation Program for Livelihood Enhancement is far from being achieved. Which this leads adults who are the main income providers to live below poverty line which they unable to feed their family which they are responsible for bringing income for the household. The study suggests that there is a need for the NGOs to go beyond their traditional responsibilities and acquire long term strategy and vision. Furthermore this study analyze the factors affecting the income generation programs and the entire monitoring and training programs, the loaning methods and time for paybacks and how the paybacks are perceived compared to the livelihood change which is expected and achieved. It also reviews the IGA product accessibility in the market. Based on the result recommendations have been made which is expected to be a source document for CSOs for their progressive program implementation.*

# TABLE OF CONTENTS

	<b>Page No.</b>
ACKNOWLEDGMENT .....	I
ABSTRACT.....	II
TABLE OF CONTENT.....	III
LIST OF TABLES .....	VII
LIST OF PICTURES .....	VIII
TABLE OF FIGURES.....	VIII
ACRONYMS .....	XI
<b>CHAPTER ONE</b>	
1.1 Background of the Study .....	1
1.2 Statement of the Problem.....	3
1.3 Objective of the Study .....	6
1.3.1 General Objective .....	6
1.3.2 Specific Objective.....	6
1.4 Research Question.....	7
1.5 Purpose of the Study.....	7
1.6 Significance of the Study .....	7
1.7 Limitation of the Study.....	8
1.8 Organization of the Study .....	8
<b>CHAPTER TWO: LITRATURE REVIEW</b>	
2.1 Definition of Civil Society Organization /Non Government Organization .....	9

2.2 Classifications and Characteristics of CSOs.....	10
2.3 CSOs as Means for Development .....	11
2.4 The Role Played by CSOs in Poverty Reduction in Ethiopia.....	14
2.4.1 Economic Context of Ethiopia .....	15
2.4.2 Development Condition of Ethiopia .....	17
2.4.3 Ethiopia Household Characteristics .....	19
2.4.4 Government’s Strategy in Regard to Development and Growth .....	19
2.4.5 Status of CSOs in Ethiopia .....	20
2.4.6 Ethiopia CSOs Involvement in Income Generation Activity .....	22
2.5 General Strategies Followed by CSOs .....	22
2.6 The Challenge to CSOs Dependency of Aid Fund .....	24
2.7 Household Livelihood and IGA Program.....	25
2.7.1 Principles and Engagements in IGA program .....	28
2.7.2 CSOs Livelihood Development Program.....	31

**CHAPTER THREE: RESEARCH DEIGN AND METHODLOGY**

3.1 Research Design.....	32
3.2 Source of Data .....	32
3.3 Population Size, Sample Size and Sampling Frame .....	33
3.3.1 Data Collection Instrument and Procedures .....	35
3.3.1.1 Interview .....	35
3.3.1.2 Questionnaire .....	36
3.3.1.3 Document Review .....	36
3.3.1.4 Observation.....	36
3.4 Procedure of Data Collection.....	36

3.5 Method of Data Analysis .....	37
3.6 Ethical Consideration .....	38

**CHAPTER FOUR: PRESENTATION, ANALYSIS AND INTERPRITATION**

4.1 Characteristics of the Sample Respondent .....	39
4.1.1 Personal Background .....	40
4.1.2 Household Size .....	42
4.2 Analysis and Interpretation of the Data.....	44
4.2.1 Employment Condition and IGA Program .....	44
4.2.2 Loan, Payback and Economic Change through IGA.....	45
4.2.2.1 IGA Loan Accessibility .....	49
4.2.2.2 IGA Loan Condition and Pay Back .....	51
4.2.2.3 Reason for Obscurity to Payback IGA Loan .....	52
4.2.2.4 Time Frame in IGA Payback .....	54
4.2.2.5 Economic Change in Engaging in IGA Program .....	56
4.2.2.6 Relationship between NGOs and the Beneficiary Community .....	58
4.2.3 IGA Program Trainings and Training Contents .....	60
4.2.3.1 IGA Training Content.....	63
4.2.3.2 Follow-up Programs in the IGA Program.....	65
4.2.3.3 Confidence Level for Running IGA Business .....	67
4.2.3.4 Literacy Program in the Income Generation Activity .....	69
4.2.3.5 IGA Beneficiaries' Family Reaction in IGA Participation .....	70
4.2.4 IGA Beneficiaries Accessibility to the Market .....	71
4.2.4.1 Marketability of the Products Produced .....	73

**CHAPTER FIVE: SUMMARY CONCLUSIONS AND RECOMMENDATIONS**

5.1 Summary and Finding..... 76

5.2 Conclusion ..... 82

5.3 Recommendation..... 84

References ..... 89

Appendices A ..... 92

Appendices B..... 101

## LIST OF TABLES

	Pages
Table 4.1	Personal background of respondents ..... 40
Table 4.2	Household size ..... 42
Table 4.3	Assessment of the analogous job condition ..... 44
Table 4.4	Assessment on the IGA program ..... 45
Table 4.5	Loan accessibility ..... 49
Table 4.6	Difficulty of returning back IGA loan ..... 51
Table 4.7	Determinant reasons for the difficulty paying back IGA loan ..... 52
Table 4.8	Time interval for paying back IGA loan ..... 53
Table 4.9	Time frame in returning back IGA loan ..... 54
Table 4.10	The change from the Income Generation Program..... 56
Table 4.11	The relationship between the NGO and the community..... 59
Table 4.12	A review of the training and finance in the IGA program ..... 60
Table 4.13	The training content ..... 63
Table 4.14	IGA follow-up schedule ..... 65
Table 4.15	Confidence level in running the IGA business ..... 67
Table 4.16	IGA literacy program ..... 69
Table 4.17	Family's response to the IGA program..... 70
Table 4.18	Market chain ..... 71
Table 4.19	Marketability of the product produced ..... 74

## **List of Pictures**

	Page No.
Picture 4.1 Weavers in Gulele sub city .....	47
Picture 4.2 Beneficiaries engaged in cow rearing.....	57
Picture 4.3 Beneficiaries engaged in food preparation .....	68

## **List of Figures**

Figure 4.1: Level of participation in IGA program among NGO beneficiaries .....	48
---	----

## **ABBREVIATIONS AND ACRONYMS**

CSO	Civil Society Organization
GDP	Gross Domestic Product
GINI	Gini Index or Gini Ratio
GNI	Gross National Income
HICES	Household Income and Expenditure Survey
IGA	Income Generation Activity
IMF	International Monetary Fund
INGO	International Nongovernmental Organization
MDGs	Millennium Development Goals
NBE	National Bank of Ethiopia
NGO	Non Governmental Organization
OECD	The Organization for Economic Co-operation and Development
PASDEP	A Plan for Accelerated and Sustainable Development to End Poverty
PRSP	Poverty Reduction Strategy Paper
SDPRP	Sustainable Development and Poverty Reduction Program
TECS	Tracking Trends in Ethiopia's Civil Society
UNDP	United Nation Development Program

## CHAPTER ONE

### 1.1 Background of the Study

Economic progress is one of the essential component of development, but it is not the only component. Development is not purely an economic phenomenon. In an ultimate sense, it must encompass more than the material and financial side of people's lives, to expand human freedoms. Development should therefore be perceived as a multidimensional process involving the reorganization and reorientation of entire economic and social systems. In addition to improvements in incomes and output, it typically involves radical changes in institutional, social, and administrative structures as well as in popular attitudes and even customs and beliefs. This will be attained through collaborative effort (Kothari, 2000).

Reducing rural poverty has been on the agenda of international development agencies as well as governmental and non-governmental organizations for a long time (de Janvry et al., 2002).

Ethiopia is one of the least developed countries; as a result it is highly dependent on external assistance. Aid flows now are equivalent to about eight percent of the country's GDP, and currently, external assistance covers one-third of the country's national budget (World Bank Report, 2007).

In the Federal Democratic Republic of Ethiopia, an estimated 46 per cent of the total population of 65.9 million lives below the poverty line, with a daily income of under US\$1. Ethiopia is among the least developed countries in the world according to the 2001 UNDP Human Development Index (HDI), being ranked 158 out of 162 countries. Ethiopia emerged in 1994 from a long civil war with numerous health and nutrition problems. While progress is apparent over the past 15 years, much more work is needed to significantly improve the livelihoods of Ethiopia's poor citizens. Ethiopia suffers from recurrent famines and is classified as one of the poorest countries by the World Bank (PCI, 2009).

Over the past three decades, the role of NGOs in food security in particular and 'development' in general remains an area of substantial debate. Neo-liberal economic policies such as the structural adjustment policies of the 1990s backer this approach that directing donors fund

through civil society (NGOs) instead of state structure. As a result, NGOs has become major players in the field of social, economic and environmental affairs, particularly on issues of 'poverty eradication'. In connection to this various international development organizations such as UN, World Bank, and IMF consider NGOs as key partners in accomplishing their development programs (UN 2005).

The increase in donors disburses/ NGOs spending is considered as progress responding to the problem of food insecurity. And there are also considerable interests from scholars in recent years in the ability of Non Governmental Organization (NGOs) to work with the rural poor in order to improve their quality of life and economic status (World Bank 2006).

On the other hand, many criticisms about NGOs and their response to food security have been given from different sources. Some scholars have questioned the role NGOs play in development process by explaining how the sector has played in affecting the local power capacity (Shurke and Kathina, 2002: 9). Global policy Forum (1996) in an article 'NGOs and World Bank', argues that the move to NGOs sector is a matter of using NGOs to assess the effects of the structural adjustment and poverty eradication programs.

In the context of Ethiopia, these views have certain significant with reference to the current food insecurity and prevalent poverty of the country. After 1991 there is a booming in the number of NGOs compared with the previous periods (Spring, and Groelsema, 2004).

In Ethiopia the history of NGOs and their development in modern sense corresponds to international trends and followed the country's socio-economic problems. Red Cross and Swedish missionary are the first International aid agencies which began their operations during the regime of Haile Selasse (Spring, and Groelsema, 2004).

It is with this backcloth of the pessimistic and optimistic conceptions of the NGOs role in development that this research is needed to be conducted. The focus of the study is examining the role of NGOs in Ethiopia in income generation program for livelihood enhancement. The study investigates program activities, and resource of NGOs. It also scrutinizes their impacts on promoting livelihood.

## **1.2 Statement of the Problem**

Development in Africa remains a challenge as it is contended by Manji (2002), that development, it seems, has failed. In many post-colonial countries real GDP has fallen and welfare gains achieved since independence in areas like food consumption, health and education. Nearly one quarter of the world's population, about nearly 42 percent of the population of sub-Saharan Africa live on less than a \$1 a day (Manji, 2002).

Poor rural and urban communities often experience various challenges in their own unique setting including lack of income opportunities; high levels of poverty and inequalities; low education levels; limited access to socio-economic services etc. These challenges often require households to find alternative sources of income. NGOs/CSOs emerged as a significant resource or constituent bases. Income generating activities are recognized as a vital means of improving the lives and the standards of living of those that are involved in them, especially the poor. Over the years different organizations, including CSOs have designed and implemented a number of income generating activities using different models with the focus of increasing the incomes of individuals and communities (Clerk, 2000).

Despite the fact that NGOs have been viewed as the solution for poverty, a lot has been written about their unsatisfactory work. It is worth noting that they bring development and help the poor move out of the poverty trap. The positive change in the lives of their clients has made them to be viewed as true agents of development; on the other hand, the deepening of poverty in areas they serve has resulted in their program lose credibility hence a need for them to be reviewed (Shivji, 2005).

Concentration on relief aid by NGOs makes NGOs poverty alleviation strategies lack of sustainability. NGOs themselves claim that working directly with the poor is the most effective way to alleviate poverty and that their projects contribute to development by adhering to the principles of sustainability and participation. Currently, in most developing countries, NGOs work closely with the poor to deal with poverty but the results have not been good enough. What worries most is that, the same NGOs have been operating in the same rural areas for quite a

number of years but have not brought many considerable changes as far as poverty alleviation is concerned. Poverty seems to be getting deeper and wider in the same areas that are serviced by NGOs (Bassey, 2008).

In the research about the NGOs' poverty reduction strategies in Bangladesh (Saifuddin, 2006) found that NGOs' program meant to reduce poverty do not match with the reality, the program selection is based on external and internal factors like the donor and resources in the country respectively, selection of program does not consider what really poverty is in a given area and the NGOs meaning of poverty is not locally based. Again in Bangladesh, after assisting the floods victims and cyclone victims in 1988 and 1991 respectively, when the NGOs' service need receded, the NGOs resumed conducting their day- to-day task of helping to articulate and respond to community demands- prioritizing personal relationships, bestowing largesse in the form of access of favors, playing the role of "officer" to rural folk (Saifuddin, 2006).

A research by Chofi in central Africa has revealed that NGOs do not do needs assessment as a result they implement project that do not benefit the poor and is seen as a waste of resources. Chofi (2010:15) writes; NGOs have been accused of imposing their projects on local communities in central Africa without preliminary need assessment to identify and determine real development priority needs. As a result, funds are uselessly invested in projects that do not benefit local communities which the project was intended to uplift. The aid industry has long been full of well-meaning foreigners who think they know just what the poor community needs and set about providing it, only to find their efforts ignored, or their nice piece of equipment unrepaired and unused.

Chofi (2010) in the research about the NGOs strategies in Central Africa, the findings revealed that NGO directors and other stakeholders involved just draft projects and program so that they can get funding and later misuse these funds for their own benefit (Chofi, 2010).

It is contended that NGOs are concerned with quantity than quality of the services rendered; this makes them to be more concerned about their objectives than putting the poor first. The criterion used by some NGOs for selecting clients specifically excludes the poor. NGOs programs

sometimes tend not to be realistic because mostly they are planned by the people who do not come into contact with NGOs' clients (Fruttero and Gauri, 2005).

Fruttero and Guari (2005) says that, at different points, NGOs can appear to be both original and foreign directed, selfless, self-promoting, haphazard and efficient, giving credence to various charges of hypocrisy or "selling out" and despite the fact that NGOs are perceived to be the drivers of development it is hard to prove their effectiveness. Sometimes it is hard to prove the effectiveness of the NGOs' strategies used to alleviate poverty why because poverty persists in the same areas served by NGOs.

Werker.et.al, (2007) contend that, not all randomized evaluations of NGOs' programs, however, find positive outcomes, some evaluations find no difference. As a result, critical literature has emerged questioning the effectiveness of NGOs in improving the lives of their intended beneficiaries. The OECD survey about effectiveness of NGOs as cited in Werker.et.al, (2007) found that there is still lack of firm and reliable evidence on the impact of NGO development projects and programs. Moreover, most publicly available program evaluators by NGOs - like case studies on website are descriptive, rarely contain rigorous statistical analysis, and most never report strong negative outcomes.

Many of the currently significant CSOs in Ethiopia came into existence as war relief agencies linked to political-military organizations. These types of civil society organizations receive large scale funding mainly through INGOs because of their strong presence on the ground, they have the 'scale to deliver'. However, while they may be efficient 'partners' in carrying out projects or service delivery, their focus on emergency and relief work and their continuing links to parties in the government mean they are not likely to play a significant role in the development of a more balanced relationship between state and civil society. A civil society policy which seeks to go beyond service delivery will need to engage with a wider range of partners (A Report by DCU, 2007).

The situation that this research seeks to look into is about the effectiveness of NGOs poverty alleviation strategies which is pursued by NGOs in Addis Ababa city, Gulele sub city, so here the

researcher aims to investigate the NGOs contribution in income generation program, specifically aimed for adults and which is considered to improve adults livelihood situation.

The study is needed to noting about change in the living situation of adults. NGOs have been working on the income generation program for quite sometimes so in respect to the length of period that they have been in operation in the IGA program, they are expected to bring about change which is mainly economic. Here the researcher is interested to know the NGOs past, their present and future contribution so that adults who are the main IGA participants will benefit from the IGA program the NGOs launches.

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of the research is to assess the role of civil societies in promoting livelihood enrichment through income generation activity in Gulele sub city of Addis Ababa City Administration.

#### **1.3.2 Specific Objective**

In line with the general objectives, the specific objective is in orders

- To see whether the IGA beneficiaries product access the market.
- To assess whether CSOs IGA finance is adequate.
- To evaluate the training and the literacy programs in CSOs IGA business.
- To identify whether the follow-up program is adequate for the IGA program.

## **1.4 Research Questions**

Four basics that this research tries to answer are

1. Do the NGO's intervene in the market chain?
2. How does the IGA financing of the NGO look alike?
3. Is the IGA program follows a sustainable way to target the livelihood situation of Adults?
4. Do the NGO have a plan in monitoring the IGA program?

## **1.5 Purpose of the Study**

The purpose of the research is to help CSOs to evaluate their program and help them look over their previous achievements so that beneficiaries who are mainly adults to be independent. The income generation program is the main program which is believed to bring about a life changing impact to the household and the community. It is part of a business where if it is given greater contemplation, it benefits the greater part of the community, adults. The countries economy as well is going to be benefited from the cash inflow through the trading items. The IGA program contribution to household income improvement as well as to the economy is immense so this research evaluates the program implementation and program monitoring & evaluation process in order to see the envisioned impact in the future.

The significance of strong program implementation is assessed thoroughly so the purpose of the research it to highlight the CSOs IGA program whether it has a vision with a strong program implementation methods for the benefit of the adult who are the main participants in the program.

## **1.6 Significance of the Study**

The study helps beneficiaries of the IGA program who are mostly adults to benefit from the whole package of the IGA program. It helps them to be economical self sufficient and independent. It enables them to have confident since income is a source for economic self management. They will do better economically through the income they add up by own effort. It helps them to benefit from the IGA program, they learn to work hard for their own sake and earn

a living by their own for their own family. It also helps IGA program planers and implementers to identify what they can do in through the program.

### **1.7 Limitation of the Study**

The limitation of the study is that it was very challenging to get data regarding the CSOs operating in the income generation program. The program staffs of the NGOs were not very cooperative to show the available document. Convincing and contacting program staffs for document review were the main challenge. The documents were guarded from outside sights and it took a lot of time to gather and compile due to the indisposition of the NGOs under the research.

This research has been carried with a great deal of effort and through the challenging circumstance for convincing the effect and output of the research.

### **1.8 Organization of the Study**

The research is outlined in Five Chapters. The first chapter deals with the introductory issues about the research, the modalities of the research, what the problem in question is, the research's purpose and significance for undertaking this research.

The second chapter tries to explore related literature to the area under research, which helps in better understanding of the issues raised. It also includes the basic features of the CSOs, the CSO's relation and objective in the income generating program and enhancing the living situation of adults.

In Chapter three, research methods and data collection procedures are discussed in relation to the research objectives described in Chapter One. Both primary and secondary data sources are explained. Chapter Four presents analysis of the data collected from the four project sites. Consequently, Chapter Five points out the summary of the research work, conclusions, and recommendations.

## **CHAPTER TWO**

### **2. Literature Review**

#### **2.1 Definition of Civil Society Organization /Non Government Organization**

There is no single, undisputed way of understanding civil society, and reaching a shared understanding about civil society within Ethiopia is a process of debate that will necessarily continue for quite a while. (MCB, 2004).

There is a general international consensus that civil society is a broad term used to describe the variety of associations that citizens form to achieve common interests and pursue shared concerns. These associations operate beyond the private sphere of families; they are not part of the government system, nor are they established to make profits to be distributed to owners (MCB, 2004).

Civil society is “the sphere of institutions, organizations and individuals located between the family, the state and the market in which people associate voluntarily to advance common interests” (Anheier, 2004:22). The concept is usually associated with a group of people who believe in a cause and form an association or volunteer to defend this cause, i.e. a form of “collective action in search of the good society” (Edwards, 2009:1).

The World Bank Social Development Department Sustainable Development Network report (2006) defined CSOs as they are the wide array of non-governmental and not for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. The term goes beyond the narrower (and to many donors, more familiar) category of development-oriented NGOs, and depicts a broad range of organizations, such as community groups, women’s association, labor unions, indigenous groups, youth groups, charitable organizations, foundations, faith-based organizations, independent media, professional associations, think tanks, independent educational organizations and social movements.

## **2.2 Classifications and Characteristics of CSOs**

Major and common characteristics of CSOs include autonomy or independency, plurality, voluntarism as well as trust and solidarity (Bothwell & Perlas 2000).

**2.2.1 Autonomy:** both the political and sociological definitions of CSOs agree on the centrality of autonomy, and this is usually referred to as the freedom and independence of civil organizations to set their own agenda without the direct intervention or dictation from external forces, especially the state. In reality CSOs exist not in a vacuum but in historical, political, and socio-economic contexts and their autonomy is circumscribed by these contextual factors. Autonomy may, therefore, be relative: a matter of degree and subject to negative or positive change. Furthermore, CSOs interact with other organized social forces including donor communities and other civic organizations, which circumscribe and limit their ability to act independently.

**2.2.2 Voluntarism:** CSOs vary from small membership organizations, mainly engaged in self-help activities, to large and medium scale organizations engaged in all sorts of service, development and advocacy activities. Accordingly, they exhibit differences in their style of organization, internal democracy, and level of membership participation. The self image of CSOs as democratic, participatory and accountable, thus, needs close inspection. However, voluntary membership and participation is one of the important characteristics and principles of CSOs.

**2.2.3 Plurality:** The notion of plurality indicates not only the large number and types of associations and organizations occupying the sphere but also the diversity of interest objectives, organizational forms and capacities.

As Marussen (2006) noted: —Civil society is not a uniform and homogeneous group of institutes. On the contrary, the institutions of CSOs are myriad of particular interests, which have an institutional form or an institutional expression. They express conflicts, rivalries, and struggles – or consented action. They may act as integrating or disintegrating elements.

**2.2.4. Trust and Solidarity:** Trust and solidarity refers to the reciprocal mutuality and confidence individual members place on the reliability of the behavior and actions of fellow members. As civic associations grow in size and complexity, trust and solidarity become diluted and assume more abstract and remote characteristics.

### **2.3 CSOs as Means for Development**

The study is convinced that further facilitation of these engagements would create grounds for achieving even more useful contributions to the national effort of addressing poverty, vulnerability and promoting sustainable development. Food security programs aim to help the population survive today, but also to live better tomorrow, and in this sense the income generation programs serve as important alternatives. Through the promotion of IGA, it is possible to reactivate the local economy after a crisis, recuperate and improve the output of existing activities and create new sources of income. All these results are important for re-establishing and improving food security, facilitating economic access to food, and at the same time, helping reduce vulnerability by supporting the capacity of the population to manage risks and prevent later crises. IGA can improve the family food security when there is sufficient availability of food in local markets (Anheier, 2004).

Civil society has two main roles: (a) building democracy and (b) improving development. The former address the politics of poverty reduction, while the latter seeks to address poverty reduction directly. Civil society can promote development by operating at various levels (local, national and global). In assessing the role of civil society in poverty reduction, one can examine four main dimensions of civil society: (1) its structure; (2) the space in which it operates; (3) the values it advocates; and (4) its impact on policymaking (Anheier, 2004, 29-32).

Todaro and Smith (2006), defined development as a multidimensional process involving major changes in social structures, popular attitudes and national institutions as well as the acceleration of economic growth, the reduction of inequality and eradication of poverty. Accordingly, the enhanced role of NGOs in the development process is their presumed efficiency and effectiveness in terms of program delivery and meeting the needs of the poor. This is compared favorably with the failures of the state, the private sector and multilateral efforts to promote

development. Arguably, NGOs possess development capacities and capabilities that states and governments lack and are acceptable as a necessary part of the development process (Iain Attack, 2000:p.6).

The International Food and Policy Research Institute estimates that more than 800 million people around the world are hungry (IFPRI, 2007). One quarter of them live in Sub-Saharan Africa. Nutrition security remains Africa's most fundamental challenge (IFPRI 2004). Nutritional indicators in Ethiopia indicate the need to not only educate mothers on proper nutrition practices, but also provide adequate opportunities for people to improve their livelihoods, whether through agriculture or income generation. One fifth (20%) of infants had low birth weight in 1999-2006. A high 38% of fewer than five children suffer from underweight, both moderate and severe, while 11% of fewer than five children exhibit wasting (UNICEF 2006). Half (50.7%) of children under five still exhibit stunting (WHO, 2009).

The participation of CSOs/NGOs in the overall development effort of the country has had a significant impact: on the lives of the poor and the disadvantaged, and the broad range of basic services made accessible to them; on the country's economy and the development programs; on the process of democracy building, access to justice and good governance; on public awareness and empowerment; on the capacity of government agencies especially at the woreda and kebele levels. The bulk of NGO resources have gone into human development (health, education, child welfare) and agriculture and food security. These are the same priority areas emphasized by the government's poverty reduction program as set out in PASDEP. In the Agriculture and rural development, NGO/CSOs have invested about 3.8 billion Birr between 2004 - 2008, and this amount is 1.6 billion Birr more than the aggregate amount (2.2 billion) assumed to be generated from the private sector, and communities for implementing the agricultural and rural development components the PASDEP (2005 - 2009/10) (PDGG, 2008).

Undoubtedly NGOs can play a role in poverty reduction by 'reaching the; lobbying the state for policy change and providing social services poorest' (Lawson et al, 2009). The question here is why their program focused on external aid only one of the problems that NGOs face in their service delivery to the urban poor is the lack of sustainability of such services because of the

NGOs' high dependence on external funding, the difficulty of 'going to scale' and their inability to recover costs through user charges. For effective service delivery in urban areas, Mitlin and Satterthwaite (2004a) call for an integrated approach whereby NGOs combine community and state support thus working with community groups to improve their conditions while nurturing their relationship with the local government (Mitlin and Satterthwaite, 2004a, 18).

NGOs fail to promote poverty reduction as they are opportunistic formed merely to seek out external funding and design their agendas only to accommodate donors' needs rather than addressing the needs of the poor (Hulme and Edwards, 1996, 966; Bebbington and Thiele, 1993, 57; Sabatini, 2002, 9).

NGOs operating in the service delivery domain need to emphasize the long-term effects of their projects by asking "how will this have to work in the future, after we leave?" (Collier, 2000, 121).

Civil society not only could, but even should play an active role in reducing poverty to achieve a 'better' and more affluent and equal society. This is why, it is "cited as a solution to social, economic and political dilemmas by politicians and thinkers from the left, right and all perspectives in between" (Edwards, 2009, 2).

The debate about the 'third way' opened the space to make the most out of the market, the state and civil society. Howell and Pearce (2001) call this triadic perspective the mainstream view as this model conceptualizes the role of civil society as one in which NGOs counterbalances the power of the state and engages in partnerships to bring about change (Howell and Pearce, 2001, 1-3; Fowler, 2003, 187). In this model, the focus of NGOs' activities is "administrating welfare to those whom market forces cannot reach" (Pearce, 2000, 39). NGOs thus act to take advantage of the supranational, national and local spaces created through globalization forces and call for new forms of regulating markets in addition to lobbying for change in international regimes in favour of the poor (Pearce, 2000, 39).

## **2.4 The Role Played by CSOs in Poverty Reduction in Ethiopia**

Access to services, infrastructure, research and technology have a decisive influence on the level and pattern of growth and private investment. Better infrastructure can lead to increased production, technical change and strengthen market linkages. CSOs are playing an active role in the provision and maintenance of services needed by industrial units. In particular, organizations engaged in development work absorb a higher proportion of CSOs workforce in developing and transitional countries than in the developed ones (Salamon, Sokolowski and Associates, 2004).

According to chamber (2000), Whatever the reason maybe, living under poverty is painful to the individual person(s) and also a challenging issue confronting civilized societies, particularly the respective governments and the development organizations. Therefore, how poverty can best be addressed for a better livelihood often becomes the central question for analysis, as the amount of basic requirement for a human living is a debatable issue. However, the term poverty or vulnerability has been discussed and conceptualized by persons/ organizations differently. Robert chamber has identified some elements that constitute the “cluster of disadvantages” which contribute to poverty- what he terms the ‘deprivation trap’. These clusters include poor household, physically weak household, isolated household, vulnerable household, and powerless household. He thinks all these disadvantages are linked and cannot be isolated but rather constitute “deprivation” or the ‘poverty trap’ with an interlocked set of factors such as poverty itself, physical weakness, vulnerability, isolation and powerlessness (chamber, 2000).

The number of CSOs is impossible to calculate but it is safe to say it is very large. In a report by the Commonwealth Foundation, Britain alone has over 500,000 NGOs. The turnover of the 175,000 registered charities in the UK was 17 billion pound sterling a year. According to an estimate, in India alone there are 100,000 NGOs, with 25,000 registered grass-roots organizations in the state of Tamil Nadu. UNDP estimates that the total number of people ‘touched’ by NGOs in developing countries across the world is probably 250 million, although this almost certainly underestimates the case if account is taken of the NGO influence on public policy making (Adair, 2004).

CSOs are also important in creating what is increasingly referred to as 'social capital'. "Social capital is... the web of associations, networks and norms (such as trust and tolerance) that enable people to cooperate with one another for the common good. Like economic and human capital, social capital is a productive asset that accumulates with use... the institutional arrangements and values which make up social capital constitute the foundation for good governance, economic prosperity and healthy societies" (Adair, 2004).

#### **2.4.1. Economic Context of Ethiopia**

Ethiopia's long-term vision is *"to become a country where democratic rule, good-governance and social justice reigns, upon the involvement and free will of its peoples; and once extricating itself from poverty and becomes a middle-income economy"* (MoFED, 2010).

Its vision in the economic sector is

*"to build an economy which has a modern and productive agricultural sector with enhanced technology and an industrial sector that plays a leading role in the economy; to sustain economic development and secure social justice; and, increase per capita income of citizens so that it reaches at the level of those in middle-income countries"* (MoFED, 2010).

According to the latest human development report, 2009, Ethiopia ranks at 170th out of 177 countries included in the human development index and 99th out of 103 countries based on the human poverty index. Ethiopia's per capita income level has been hovering around US\$100 for quite a prolonged period. Even when converted using purchasing power parity (designed to try and capture different costs of living), Ethiopia has a GDP per capita of US\$711.

According to the national poverty line, which amounts to just 34 US cents per day, 44% of the people earn below this level and are categorized as absolutely poor. Ethiopia is however a relatively egalitarian society with a GINI coefficient of 0.30, compared to a median score of 0.423 in Sub Saharan Africa (DCU, 2007).

This means that, the poorest 10% of the population share 3.9% of national income/consumption compared to 25.5% for the richest 10%. Ethiopia also ranks at the lower end of the sub Saharan Africa scale on other indicators. It is 134 out of 140 on the Gender Development Index and women on average earn 52% of the income of men. Life expectancy is 42.5 years and only 36% of the population are literate (DCU, 2007).

Economic growth was erratic in recent decades, disrupted by war, repeated famines and changes of government regime. Ethiopian fell back into negative growth in 2002-3 due to a severe drought, but recovered quickly to 11% in 2003-4 and has averaged around 6% since then. Ethiopia has however, for the first time in decades, registered strong growth for three consecutive years. Additionally, the IMF's latest World Economic Outlook predicts such high growth performance to be sustained over the coming five years. This economic performance has largely been driven by improved world coffee prices and large aid inflows, in addition to sound macroeconomic policies. However given the extremely low base on which these figures are derived Ethiopia remains hugely aid dependent (PCSPR, 2007).

According to the study of Centre for International Studies, paper 5, 2007, official aid accounts for approximately one third of that government expenditure. The OECD estimate that 56% of public expenditure relates to poverty-oriented sectors.

Official Aid to Ethiopia has been consistently around 23% of GNI in recent years (DAC) or 1.8 million US\$ in cash terms, with the USA supplying about one quarter of that total, indicating continuing US strategic interest in the region. However despite being one of the poorest African countries its per capital aid receipts are low (\$22 per capital, compared to an average of \$33 for sub-Saharan Africa) and within that emergency food aid constitutes over 40% of bilateral aid – leaving a very low level of aid going on crucial sectors such as education and health and long term development programs (DCU, 2007).

The Government has strong rural roots and a focus on rural poverty. This has many positive features but a determined government effort to maximize the number of people 'on the land', Many of them are unsustainable without significant investment, especially in irrigation, and this adds to chronic food insecurity, and which has seen an average of 700,000 MT of emergency

food aid being imported each year. While the economy is formally market-based, a number of large businesses are directly owned by, or linked to, the ruling party and state industries and distribution dominate a few important sectors such as agricultural fertilizer. The ‘regulatory quality’ of the Ethiopian state is their lowest score in the World Bank governance indicators at the 13.9 percentile (WPPR, 2007).

The Governments adopted a PRSP Sustainable Development and Poverty Reduction Program in 2002 (SDPRP) that targets economic growth averaging seven percent a year in order to halve income poverty by 2015. The strategy is premised on a transformation of agriculture from mostly subsistence to commercial production, which would act as a catalyst for the development of industry and exports, and the generation of off-farm employment and income. Specifically, the government aims to increase agricultural value-added growth from an annual 2.2 percent historically to 7.5 percent a year, and non-agriculture growth from 5.8 percent to 6.6 percent (PCSPR, 2007).

IMF researchers, not renowned for promoting higher levels of public spending, believe that “achieving the MDGs will require a significant rise in public expenditure”, probably requiring a doubling of official development assistance as a share of GDP from 11% of GDP in 2003 to 22 percent by 2015, allowing poverty-reducing spending to rise from about \$20 per capita in 2003 to about \$78 per capital by 2015 (DCU, 2007).

#### **2.4.2 Development Condition of Ethiopia**

Development is not like a substance which can be borrowed from outside i.e real development cannot be purchased with foreign aid or assistance; rather it depends on people ability and interest for using the local resources efficiently (Korten, 2005). The Copenhagen Declaration and Program of Action of United Nations (1995), is an pronouncement for putting the needs, rights and aspirations of the people at the core of decision making of the development program. The submit expressed its full commitment to ‘Strengthening community organizations and nongovernmental organizations in the area of education health, poverty, social integration, human rights, improvement of the quality of life and relief and rehabilitation (Ibid, 78).

According to the report of the African Development Bank Group 2010, Ethiopia's recent growth has been accompanied by mounting macroeconomic pressures (which are now easing). The country has had to grapple with the twin macroeconomic challenges of high inflation and low international reserves. Pressures on prices and the balance of payment heightened from FY 2007/2008 as a result of the global food and economic crisis. The difficult macroeconomic situation Ethiopia faced during the period FY 2007/08 to 2008/09 is also attributable to the structural weaknesses in the economy, including supply-side rigidities. The growing domestic supply-demand gap, in the context of the surge in growth, contributed to a rise of inflation and the depletion of foreign exchange between 2007/08 and 2008/09 (ADBG, 2010).

Ethiopia has experienced major exogenous shocks during the past five to seven years. These are notably droughts and adverse terms of trade (e.g., prices of coffee and fuel). There is a strong correlation between weather conditions and Ethiopia's growth performance. Until recently, agriculture (particularly small holder crop production) was by far the most dominant sector. In 2003/04 the crop production alone accounted for 60 percent of overall GDP growth (Ad Hoc, 2008). Although it is difficult to determine what exactly constitutes poverty and to measure its degree of incidence, most agree that household income used in comparison to a set of basic services it enables to purchase defines the level of material deprivation. A household that are poor because their income is small and thus, cannot meet their basic physical needs of adequate diet, housing and sanitation provides the conventional economic definition of the 'poor' (SDS Manual, 2011).

According to the 2004 Household Income and Expenditure Survey (HICES), the proportion of people below the poverty line at national level measured by the poverty head count index declined from 44.2 percent in 1999/00 to 38.7 percent in 2004/05. Much of the decline in national poverty reported in the last HICES is attributed to a fall in headcount poverty in rural areas. A new HICES by the Central Statistical Authority that is currently underway is expected to show further declines in the poverty head count index. The wide spread of urban poverty in Ethiopia has manifested itself in many forms:- uncertainty of income for most residents, growing proportion of those sliding down the real income ladder; the alarming rate of growth of unemployment among the economically active age population; the rising number of street

dwellers, crime and social ills like drug addiction, prostitution, domestic violence, etc.; the creation and expansion of informal settlements and slums and hazardous and polluted living environment. Most agree that urban vulnerable social groups constitute such marginalized segments of the population as helpless older people, the unemployed youth, street children, commercial sex workers, the disabled/ and poor women (SDS Manual, 2011).

### **2.4.3 Ethiopia Household Characteristics**

The analysis on the main household characteristics of the population was based on the results from responses of households common to the HICE and WM surveys. According to the survey results, the average family size for Ethiopia stood at 4.9 persons per household. Comparing poor households with the richer ones, it was observed that poorer households tend to have larger family sizes (5.8 & 5.4 individuals per household in the 1st and 2nd quintiles, respectively), which stood in contrast to 4.7 and 3.9 per household in the 4th and 5th quintile. In general, poorer households in rural areas have a larger family size than their counter parts in the urban centers. Family size is closely linked to the average dependency ratio<sup>2</sup> (SDPRP, 2004).

Poorer households tend to have larger proportion of dependents than richer households: 134 per hundred for the 1st quintile and 89 per 100 for the 5th quintile. Though the ratios show the same trend in both rural and urban areas, they are larger for the former in each quintile. The differences between the rural and urban areas in this regard should; however, be interpreted cautiously as adults of rural households are more likely to be engaged in productive activity. Poverty incidence, depth and severity also decrease with increases in the level of education (schooling) of the head of the household (SDPRP, 2004).

### **2.4.4 Government's Strategy in Regard to Development and Growth**

By the report of the Ministry of Agriculture, 2012 Decades of emergency assistance has not been able to solve the causes of pastoral vulnerability such as degraded ecosystems, lack of infrastructure and facilities, low investment, absence of economic opportunities and conflict. Owing to the combination of these interlocking vulnerabilities a mild stress like inadequate or

untimely rainfall can result in major shock because of the communities' inability to withstand the effect of the disasters (MOA, 2012).

Breaking the cycle of emergency and building pastoralists' resilience to external shocks therefore requires livelihoods-focused programming tailored to the different stages of a crisis. This should be based on a holistic development approach and programming to effectively combat chronic food and nutrition insecurity and a necessity to make new and significant investments in the dry lands. This entails helping pastoralists cope with emerging change, adapt their livelihoods and manage the ecosystem, diversify their livelihoods so that they will be able to withstand future shocks (Pasha, 2005)

Recent years have witnessed a considerable upsurge of interest throughout the world in CSOs, which are now recognized as strategically important participants in the development process and an effective but underutilized vehicle of development. The rising popularity of CSOs is largely in response to the widespread disillusionment with the performance of the public sector in developing countries. In fact, even governments are now increasingly viewing CSOs as an integral part of the institutional structure particularly for addressing the problem of rising poverty. This is reflected in the poverty reduction strategy put in action by governments in most developing countries (Pasha, 2005).

#### **2.4.5 Status of CSOs in Ethiopia**

Many of the currently significant CSOs in Ethiopia came into existence as war relief agencies linked to political-military organizations, for example the Relief Society of Tigray is linked to the TPLF – the dominant force in the post war government. These types of civil society organizations receive large scale funding mainly through INGOs because of their strong presence on the ground, as one embassy official put it they have the 'scale to deliver'. However while they may be efficient 'partners' in carrying out projects or service delivery, their previous links to military organizations, their focus on emergency and relief work and their continuing links to parties in the government mean they are not likely to play a significant role in the development of a more balanced relationship between state and civil society (DCU, 2007).

A recent study conducted by CSO Taskforce for Enabling Environment revealed that CSOs/NGOs play important role in transferring technologies, knowledge and skills to the local community as well as government counterparts.

Recent years have witnessed a significant upsurge of organized private, non-profit activity in countries of Asia, Africa and Latin America (Salamon and Anheier, 1997; Salamon, 1994; Fisher, 1993; Brown and Karten, 1991). Long recognized as providers of relief and promoter of human rights, such organizations are now increasingly viewed as critical contributors to economic growth and civic and social infrastructure essential for a minimum quality of life for the people (Salamon and Anheier, 1997; Fukuyama, 1995; OECD, 1995).

Users Manual for the charities and societies law (2011) states that, a recent statement by the Charities and Societies Agency, about 1600 CSOs have been reregistered under the new Charities and Societies Law. Of these, more than 1500 are Ethiopian resident and foreign charities working on development and welfare. In addition, the Agency has also registered close to 98 Ethiopian charities and societies which are allowed to work on human rights and conflict resolution. Most of the organizations that were re-registered as Ethiopian Resident Charities have been working directly or indirectly on human rights, gender equality and protection of the rights of disadvantaged groups.

A new classification of CSOs has been introduced by the Charities and Societies Proclamation on the basis of source of income. Hence, the law divides CSOs into “Ethiopian Charities or Societies”, “Ethiopian Resident Charities or Societies” and ‘Foreign charities or societies’.

Evidence compiled by NBE shows that the global resources mobilized by the voluntary sector are immense and this has benefited the country’s economy significantly. Between 2004 and first half of 2008 the total foreign currency transferred by NGO's amounted to US\$1.78 billion. The annual breakdown of this is greater than earnings from the export of coffee. The EC mapping study produced in mid-2008 estimates that between 2004 and 2007 NGOs’ budget for over 2000 projects in regions was about 10 billion Birr (DAG Report, 2012).

According to the report by DAG, about half the CSO – IGAs faced multiple challenges. These included: a shortage of funds for investment and running costs, lack of physical assets (land, buildings, equipment, etc.), shortage of manpower, high turnover of qualified staff, low technical capacity, low level of community understanding about their contribution, and reliance on donors. A major concern of most organizations in the sector is the lack of a secure access to funding from domestic sources. It will be unrealistic to assume that there will be local sources of financing that they can tap any time soon. Moreover, the rules issued by the Ministry of Justice, the regulating agency, does not allow organizations to raise funds internally by selling merchandise or similar means. CSOs/NGOs therefore are dependent on international donors and foreign sponsors for almost all of their program activities and running costs (DAG report, 2012).

#### **2.4.6 Ethiopia CSOs involvement in Income Generation Activity**

Between 1990 and 2004, the world's share of population living on less than \$1 per day decreased from 28.6% to 18.0%. Poverty reduction in Sub-Saharan Africa decreased at a much slower rate, from 48.6% to 41.1%. While the \$1 and \$2 per day statistics provide a snapshot of world poverty, the data can be disaggregated further to provide a much more dismal picture of the plight of the world's poor and where they are located (IFPRI, 2007).

Three quarters of the world's 162 million ultra poor, defined as those living on less than \$0.50 per day, live in Sub-Saharan Africa. The common characteristics of the ultra poor include living in rural areas, exclusion as a result of gender, ethnicity or disability, and lack of access to credit, education, and assets (IFPRI, 2007).

#### **2.5 General Strategies followed by CSOs**

Covey (2004) provides a clear breakdown of strategies used by CSOs to influence policy. She says that CSOs use five strategies to influence national policy formulation. These strategies are education, persuasion, collaboration, litigation and confrontation.

The education strategy is one where the CSOs attempt to give the government a lot of information, analysis and policy alternatives. CSOs also educate the government by creating and testing innovative development approaches that could be adopted by the state. Education is done

through workshops, conferences, physical visits and initiation of pilot projects. Education strategies may also target other groups besides the government such as the public at large, the media, and CSOs or community members (Sibanda, 2006).

In using persuasion as a strategy, a CSO acts like a pressure group to press for policy changes and show public support. The idea here is to convince the government that the CSO supported policy or policy change needs to be recognized and enacted into legislation. Persuasion is done through various means, which cover meetings, workshops, conferences, invitations to the site, lobbying, demonstrations and even strikes. The main aim is to pressurize the government into changing its policy direction (DAG 2012).

The collaboration strategy is one where a CSO works hand-in-hand harmoniously with the government. Relations are usually good and amicable between the government and the CSO that is collaborating with it. Collaboration calls for mutual trust between the government and the CSO it is dealing with. It also calls for transparency within the collaborating bodies. That is, both sides need to show all their intentions, interests, needs, goals, agendas, etc. to each other. This is the basis of building trust and relationships (Sibanda, 2006).

In the litigation strategy, the CSOs use the courts to press for policy change. When a CSO believes that the law is being broken or misapplied it can take the government or other offending parties to court for the issue to be legally dealt with. In Zimbabwe the Commercial (Sibanda, 2006).

Farmers Union took the government to court over the new land policy by which the government aimed at redistributing land. The government intended to repossess land that it regarded as lying idle and to resettle people from the communal areas there. On the other side, the commercial farmers were arguing that their land is private property. So the union took the government to court for embarking on the resettlement policy and legislating it by the 1992 Land Acquisition Act. Lastly, confrontation involves protesting in various forms for policy issues. The protests usually involve radical tactics such as violent demonstrations, destroying property, etc. In most cases, relationships between the government and the CSOs become sour and there is a lot of animosity between the two parties (Sibanda, 2006).

## **2.6 The Challenge to CSOs Dependency of Aid Fund**

Quoting the Overseas development institute, Firoze Manji et al, (2002: p.11), noted that, NGOs in 1992 distributed between 10 and 15% of all aid to developing countries. DFID allocates 8 % of its funds to NGOs, and the US government transfers 40% of its aid program through NGOs. In the ten years between 1984 and 1994, the British government increased its funding to NGOs by almost 400% to £ 68.7 M.

There has been one research CSOs delivery of service directly to the beneficiary is not advisory. This is stated by Jeffrey Clark, 2000. He stated that altering the mind-set of NGOs away from emergence relief operations was an early priority of the new government as it began to outline a national development agenda and implement strategies. It viewed the international NGOs in particular as loose and unregulated power centers that steered valuable resources into activities either contradictory or irrelevant to the strategies being put into place. Further, the government saw a number of NGO activities as fostering a dependence it abhorred. One government survey from 1994 declared that only a little more than one-fifth of NGO activities in the country were centered on long-term development (Clark, 2000).

Nevertheless, aid has a positive impact on growth in developing countries with good fiscal, monetary and trade policies but has little impact on countries where such policies are poor. Aid itself has small and insignificant impact on growth but aid interacting with good policy has a positive impact on growth. Policy seems more important on aid effectiveness in lower income countries (Vu Minh Duc, 2002). On the contrary, Gong and Zou (2001), Quoted in Vu Minh Duc (ibid) stated that foreign aid depresses domestic savings, and mostly channels it into consumption and has no relationship with investment and growth in developing countries. Aided projects are likely to have little or no substantial impact in poor sector-policy environment and where projects are not well integrated. Unfortunately, a donor is more likely to ignore the potential negative externalities on recipient country systems (Stephen Knack, 2006).

The reason why NGOs – irrespective in which developing country they work have been so extensively engaged in service delivery is simply because they recognize that these essential

services are not accessible to many people or are of a poor quality. Lewis and Kanji distinguish the motivations for an NGO to become involved in this sector: the first is because an NGO wants to meet previously unmet needs, the second is because an NGO is 'contracted' by the government to take over the delivery of services which were formerly provided by the government (Lewis and Kanji, 2009).

This research so emphasis on self help and economic strengthening through income generation activity which is expected to last for longer years and let the people practice that they can do more than they can possibly do if they believe they can rather than expecting donor fund all time long.

The NGOs/donor aided programs do reduce some of the worst forms of poverty, although a modest achievement, for the people helped it can be very significant. Donor aided programs focused on credit and agriculture in Latin America have led to an increase in employment, growth in income, and production (Alan Fowler and Rick James, 1994). There have been modest improvements in the economic status of those reached by NGOs and their programs, however, there is little evidence that beneficiaries had managed to break out of self reproducing spirals of impoverishment. Even people helped by successful projects still remain poor (Alan Fowler & Rick James, *ibid*). Schneider (1999) quoted in Alan Fowler and Rick James (2001); says that, "NGOs play a unique and largely a successful role in assisting and strengthening local groups and associations.

## **2.7 Household Livelihood and IGA Program**

In most urban centers of Ethiopia, the existing practical interventions of key and relevant institutions in mitigating the problems of food in-secure people, disabled, poor women, HIV/AIDS victims, unemployed youths and the elderly are mainly left for the nongovernmental organizations (NGOs). The practical involvement of the existing public organizations and municipalities have been very much limited to facilitating the role played by other donor organizations, local and international practitioners (Thomas and Taylor, 2000).

According to Lewis and Kanji (2009), NGOs tend to be known for undertaking two main forms of activity: the delivery of basic services to people in need, and organizing policy advocacy and public campaigns for change. In the case of Addis Ababa, the most common means of intervention is service delivery and training, especially in the sectors of education, health care and income-generating activities. These activities are assisting tens of thousands of people living in Addis Ababa and such efforts should be appreciated. Among the least frequent activities have been networking, research and advocacy (Thomas and Taylor, 2000).

The current involvement of public institutions in the urban centers are very limited and do not have adequate institutional capacity at all levels. In addition the technical approach, methods and tools of strategic interventions have not been developed and strategically framed to achieve pro-actively planned and defined objectives. But most of the nongovernmental organizations have their own methodologies and rationales to involve and plan strategic intervention, related to their establishment. Even though some of the involved NGO's identified the enormity of the problem during their poverty assessment surveys; their direct intervention and program components have been limited in scope and some of them neglected the problems of the elderly, disabled, sex workers and the unemployed youth (SDS Manual, 2011).

Programs to promote IGA in order to help vulnerable population, cover their basic needs and food supplies in a sustainable manner through the income they produce. The programs should permit an improvement in the families 'economic situation through an increase in the household's purchasing power (SDS Manual, 2011).

According to Kanji (2009), IGA programs can be carried out in rural or urban zones, in cases where minimum conditions exist and when existing needs are identified. However, it is important to take into account that income generating programs cannot always be directed at the most vulnerable population, given that it is essential that the household units or individuals that take part in the initiatives can work and meet a minimum level of participation. The growth of the local economy though the income generating activities can improve the availability of certain products in the market, and can lead to job creation, indirectly favoring the most vulnerable sectors (Kanji, 2009).

According to DAG report (2012), IGA generally involve one or several of the following specific objectives; however, the promotion of IGA must always be adapted to the context in which the program is working.

- Recuperate and/or rehabilitate the capacity to generate incomes through:
- Evaluation and selection of viable solutions to recuperate the capacity to generate incomes.
- Recuperation and improvement of the productive assets.
- Increase and/or improve technical and management capacities.

When food is available in the market, the recuperation of income generation capacity is one possible alternative for the phasing out of food assistance. The increased incomes can increase the access not only to foodstuffs, but also to other locally available products and services Hitchins R., Elliot D. and Gibson A (2004). Dempster (1998) in David W. Chapman et al (2006) define sustainability as the ability of an activity or system to persist. For the purpose of this research, sustainability is defined as the ability of donor aided programs to create systems that continue to connect and impact on the beneficiaries even after the programs are wound up.

According to DAG report, Most CSO - IGA was based on service provision – education, healthcare, property rental and transport. About half the CSO – IGAs faced multiple challenges. These included: a shortage of funds for investment and running costs, lack of physical assets (land, buildings, equipment, etc.), shortage of manpower, high turnover of qualified staff, low technical capacity, low level of community understanding about their contribution, and reliance on donors (DAG, 2012).

DAG report, 2012 also refers that,

CSOs role in unemployment rate is discussed in DAG report which states

“CSOs have a role to mobilize sizable amount of volunteer effort. Since most volunteers work fewer hours than paid workers, the actual number of people working in civil society sector exceeds this number. Estimates show that this number may be as high as 132 million, amounting to about 10 percent of the adult population in these countries”

DAG report (2012), also states that “An important factor hindering the growth of the civil society sector is the scarcity of financial resources. Funding constraints limit the scale and functioning of

CSOs, significantly impairing their ability to deliver and maintain services. In case of large NGOs, in particular, heavy reliance is frequently placed on funding from foreign donors. This is making CSOs more reflective of donor interests than those of their communities or designated target groups. Many CSOs have to review their missions or undertake work outside their mandate just to survive. The difficult economic conditions make local fundraising very difficult. Competition for”

Robinson (2000) argues that the empirical evidence shows such a comparative advantage does not always exist in reality. Evaluating the performance of 16 NGO projects in the area of rural poverty reduction, he concludes that “three-quarters of the projects were successful and had an impact in alleviating poverty” (Robinson, 2000, 30). Nevertheless, he points out a number of limitations on these achievements, such as: (1) the limited sustainability of NGOs’ service delivery projects; (2) the limited cost-effectiveness of these projects; and (3) their inability to reach the poorest (Robinson, 2000, 30-34).

Rahman (2006) also warns that the adoption of the service-delivery approach by many NGOs can lead to the ‘franchise state’ where crucial public services are run by NGO funded programs rather than the state (Rahman, 2006, 455). Therefore, successful NGOs’ interventions to reduce poverty through service-delivery should be associated with high levels of communal participation, strong management and skilled committed staff (Robinson, 2000, 34). The role of NGOs in the domain of service delivery should therefore be viewed as complementary to the government and supportive to local communities. In addition, NGOs operating in the service delivery domain need to emphasize the long-term effects of their projects by asking “how will this have to work in the future, after we leave?” (Collier, 2000, 121).

### **2.7.1 Principles and Engagements in IGA Program**

According to the report by ACF international (2009), the general principles to be considered when initiating a program to promote IGA should include the following:

- Protection and strengthening of livelihoods. Interventions must not put the population, their resources or livelihood mechanisms in danger, creating dependency. As was mentioned in point IV, it is necessary to be aware of the potential negative impacts, weigh their importance

compared to positive results expected. All attempts should be made to reduce the potential negative impacts and when the expected positive results are greater than the potential risks, the program should be considered.

- Sustainability. Even in cases in which the interventions are designed to be carried out within a short time period, it is essential to think of the long-term sustainable impact of the activity. The sustainability can be increased by involving the population from the initial assessment and identification phases and collaboration with other organizations and actors present in the zone.

- Coordination. A strategy that is coordinated with the rest of the ACF technical teams in the area as well as with other organizations, entities and public authorities, will create a more adequate response and facilitate a greater impact by taking advantage of common efforts. The importance of this principle is underlined by the fact that ACF does not offer certain necessary services, such as sales; it is only involved in improvement and facilitation of the commercial process.

- Community participation. In all phases of the program, from assessment to implementation, participation is one of the pillars on which IGA are built. Motivation and local initiative must be promoted and should be supported whenever viable, as this is the best mechanism for responding in a sustainable manner.

- Support for local initiatives. The social viability and sustainability of the interventions will always be stronger if the IGA supported form part of local initiatives initiating from the beneficiary communities themselves.

- Accompaniment and technical assistance. Especially in cases involving organizational aspects, creation of new initiatives or strengthening of productive or commercial aspects, accompaniment and technical assistance during the program implementation can be essential in order to guarantee a good impact.

- Attention to gender issues. Through the promotion of IGA, it is possible to work towards the improvement of women's situation in terms of promotion of equality, and at the same time this effort will have positive repercussions in terms of food security

There are many indicators that show the effort needed to work on income generation activity. Nutritional indicators in Ethiopia indicate the need to not only educate mothers on proper nutrition practices, but also provide adequate opportunities for people to improve their livelihoods, whether through agriculture or income generation. One fifth (20%) of infants had low birth weight in 1999-2006. A high 38% of under five children suffer from underweight, both moderate and severe, while 11% of under five children exhibit wasting (UNICEF 2006). Half (50.7%) of children under five still exhibit stunting (WHO 2009).

According to Tracking Trends in Ethiopian Civil Society (TECS), a new regulation of Ethiopia support IGA but some requirements pose a challenge on CSOs to work thoroughly on income generation activity as they need to raise fund given the requirement in the proclamation that they need to raise 90% of their funds from Ethiopian source. The problem is that as new regulation is imposed CSOs will abandon IGA program and will focus on unsustainable service delivery (TECS, 2011).

TECS research carried out in 2011 included interviews with 34 charities and societies with IGA, of which 12 were based in Addis Ababa (taken from the Agency database), 7 in Bahir Dar and 15 in Hawassa, the result shows that,

- there appear to be more Ethiopian societies engaged in IGA than Ethiopian resident societies
- TECs found out that Resident and foreign charity IGA are generally well established with a strong asset base. 32 of the 34 IGAs were run by well established foreign or resident charities or societies, with many years experience of IGA, and 24 out of the 34 secured their initial capital through foreign funds. Clearly, this is not an option for Ethiopian charities and societies. Ethiopian society IGA often received government support to start

IGA. Some of them are mass based societies, which often work closely with local government.

- Most CSO - IGA was based on service provision – education, healthcare, property rental and transport.
- About half the CSO – IGAs faced multiple challenges. These included: a shortage of funds for investment and running costs, lack of physical assets (land, buildings, equipment, etc.), shortage of manpower, high turnover of qualified staff, low technical capacity, low level of community understanding about their contribution, and reliance on donors.

The research carried by TEC shows that sustainability program on IGA program laid list priority specially local CSOs is financed by the government so economic strengthening program through self help is not so much of the focus by CSOs in Ethiopia.

### **2.7.2 CSOs Livelihood Development Program**

Encouraging new enterprises involves providing advice, technical support, information and resource to help individuals set up their own businesses in the form of sole entrepreneurs, partnerships, cooperatives or community enterprises in various agricultural, industrial or trading fields. Micro-enterprise financial support is key to enabling businesses to start up, as they usually cannot access traditional financial institution (Ghous, 2004).

Civil society organizations in recent years have increasingly widened their activities to include income generating program and micro-credit. Their success is in part based on their comparative advantage in both identifying the needy segments and their ability to target them. Their impact can be significant, of course depending on the prevailing socio-economic condition in the country. A number of countries, for example, have replicated the successful Grameen Bank experiment of micro-finance in Bangladesh where NGO sector is well Developed (Seiden, 2005).

## CHAPTER THREE

### 3. Research Design and Methodology

#### 3.1 Research Design

The major objective of the research was to find out the CSOs contribution to the income generation program in Gulele sub city Addis Ababa city. This research focus on describing the role of CSOs in enhancing the living situation of adults. This research has taken descriptive survey method in that it is the appropriate method to gather information regarding to the contribution of CSOs for livelihood enhancement. The major theme of the research is to look over the living situation to the beneficiary community of the CSOs and see why and how cases and so elaborate more to the situation. This is a mixed method of research and descriptive survey method has the critical role to play for this research final output.

#### 3.2 Source of Data

Primary and secondary sources of data has been used to gather pertinent information on the issue under study. The primary data was collected by conducting in-depth interviews with the selected CSOs operating in Addis Ababa city Administration, Gulele sub city and also data has been sourced from the income generation activity beneficiary community, mainly adults.

The secondary data was collected from various books, publications, journals and annual reports. In addition, other online EBook material has also been used as source of data from internet. Secondary source of data can be stockholders of NGOs and other working indirectly in the income generation program either thorough supporting with additional loaning or through supporting in indirect involvement in the income generation activity or through providing training or technical support.

This researcher also reviews literature obtained from the organizations under study as a primary source of data. This literature included project documents, project and annual reports, project review reports and research reports that had evaluated to look over the income generation activity and its resultant effect on the livelihood of adults.

The primary data is very essential because; it is vital in providing background information and facts about projects implemented by organization under study before interview data is collected. Indeed, before field data was collected, a wide collection of data has been made and this has been used to cross check with the primary data that has been obtained to check the validity of the information.

### **3.3 Population Size, Sample Size and Sampling Frame**

According to the City Administration of Addis Ababa, there are 10 sub cities in Addis Ababa City Administration and from this only one has been selected for this particular research. From Gulele sub city sheromeda area has been selected. Purposive sampling has been applied for this research method to select the study area as well as the number of NGOs to participate in this research. The selection has been done by the information acquired from the City Administration, Agency and also CCRDA.

From Addis Ababa Agency unpublished source of 2008, Gulele sub city is said to have serious problem in regard to living situation problem such as like a problem related to water, sanitation, and also the housing problem. According to the Woreda 6 Women's and Children Affairs Office, the areas that have at most worse living situation in the woreda is referred to be "23 sefer", Meketeya and Mariam wanze. People residing in the places especially in areas near to Mariam Wanze, Kuskum and to the areas extending to Entoto Mariam has serious problem of service delivery and access to better living situation specially a problem related to earning money is seen as a main crisis. This situation is clearly seen when viewing the area.

According to the information gathered from CCRDA officials and the researcher's more than 2 years work experience in the area, Entoto area is where the living situation is found to be in a very worse situation. The community is residing in the most uncomfortable living situation. The researcher also has the chance to look over their home situation and has made several close social interaction with the community since the researcher has been working with in an NGO income generation program in the sub city specially sheromeda area.

The communities are mainly residing in Entoto area due to “The Holy Water/Mariam Tsebel”. So many people come to the area migrating and so they are residing renting a small house and no means for accessing money. Some are staying in the place for longer years reaching up to 20 years and more while some are newer to the place. The people in the place are many and they are deeply engaging in on “begging” as a means of earning money. Some are petty traders while others are still engaging in shoe polishing, selling local bread and enjera and others are engaged in “Tuaf Selling” so this critical problem pushed the researcher to look over the CSOs income generation program very seriously while the area seem to be alienated from other part of the Addis Ababa sub cities. Due to the researchers longer work experience in the area as well as referring CCRDAs reports, Gulele sub city specially CSOs engagement in the income generation program has been assessed.

According to the Addis Ababa City Administration and according to the Gulele sub city, in Addis Ababa, Sheromeda area, there are Five NGOs working on income generation activity has been referred. This is a descriptive survey research, based on an indigenous organizations and donor that drawing from above three years experience working on income generation program. Three years has been set as time frame for considering project evaluation time frame. The choice for this descriptive survey research was also based on the need to reflect deeply on the individual organization practices, which would not be possible if so many organizations were involved and with a lesser experience. Four organizations were selected for the analysis based on the above criteria among other organizations engaged in income generation activity in Gulele sub city. Based on this 4 NGOs were found to meet the Three year’s time frame. So Four NGOs working in Gulele Sub City Sheromeda area Woreda 1, Woreda 6 and Entoto area were selected.

A total of 556 individual family householders were engaged in the income generation activity in four NGOs. From this 142 are a representative samples. The sample size includes the beneficiary as well as to the staffs of the four NGOs.

<b>Sampling Frame</b>	<b>Population</b>	<b>Sample size</b>
NGO operating in woreda 1	141	35
NGO operating in woreda 6	183	38
NGO operating in Entoto area	106	33
NGO Operating in woreda 4	126	36
<b>Total</b>	<b>556</b>	<b>142</b>

### **3.3.1 Data Collection Instrument and Procedures**

For good data gathering and to have a reliable data from the source information, the utilization of an appropriate data collection methodology is very important. Here the researcher employed Interview, Questionnaire, Observation and Document review.

#### **3.3.1.1 Interview**

Structured and different semi-structured interview schedules were prepared to reach the objectives of the study. A structured interview schedule was prepared containing open and closed questions. The open questions allowed for the respondents to give answers using their own language and categories. The questions in this schedule has been formulated in a simple and unambiguous way and arranged in a logical order to make it more attractive.

Stockholders have been interviewed in this case. This has been dealt trough a structured interview and this has been done through scheduling appointment in their respective offices after locating the NGOs stockholder address by the information acquired from the NGOs. The stockholders that are identified by the NGOs are categorized as Small and Micro Enterprise's, Women and Children Affairs Office, Bureau of Finance and Economic Development (BoFED) and Addis saving and Credit Association.

### **3.3.1.2 Questionnaire**

The questionnaire has four sections. It has many closed ended and few open ended items. Questionnaires is very important to minimize the time it took to gather data as well as respondents will be free to express their feeling because the respondents clearly know that the chance the data collector know their real identity is very low.

### **3.3.1.3 Document Review**

Here the researcher conducts review over the documents of the NGOs. This method is chosen in order to get data in the design and the delivery of donor-aided projects. Therefore, the researcher collected data related to the income generation program. This has been done to endow this research with sufficient information.

The researcher reviewed the program of income generation activity. The IGA manuals have been reviewed by the researcher. This gave the researcher big space to understand what the local NGO or INGO IGA program implementers has done so far in the IGA program achievement and gave a insinuation for the researcher how the whole process of the program is done.

### **3.3.1.4 Observation**

Observation has been done at the beneficiary level; where the researcher had to physically look out for the actual impact among project beneficiaries. The impact of the program over the beneficiaries has been stated in detail. The researcher went to homes of the beneficiaries and observe their living situation as a sample and spotted saving accounts (Individual and group saving accounts) to investigate the actuality of the impact.

For the individuals engaged in IGA business, the researcher has observed the working /Business area/ of the individual beneficiary of the program.

## **3.4 Procedure of Data Collection**

In order to answer the problem in relation with the income generation program of the NGOs, three groups has been dealt through sampling or interview. i.e. NGO staff, NGO beneficiary and lastly NGOs stakeholders. These three groups had their own role in supplementing the research

with considerable data. This is that the three groups work together in the program as program implementer, program evaluator and as main program participants.

Before embarking on fieldwork, a pilot study was carried out to pre-test the instruments. This was done in order to assess the clarity of items, validity and reliability of the instruments. It is after the pilot test that the main survey followed. To ascertain the validity of questionnaire, a pilot test was carried out. This was done by administering the questionnaire onto the pilot group. The content validity of the research instrument has been evaluated through the actual administration of the pilot group. In validating the instruments, ten beneficiaries were selected. The population units used in the pilot study were not included in the final sample. The content of survey method that been used in sampling was assessed. Content validity was concerned with sample-population representativeness. i.e. the knowledge and skills covered by the test items should be representative to the larger domain of knowledge and skills. It is important to determine the suitability, clarity and relevance of the instruments. The pilot study has made the researcher to change the questions in the questionnaire many times which made the questions to have a better quality. This has contributed for the quality of the data and finally led the research to have the final outcome which is all is based on the questionnaire quality.

For the validation of the research, the input from the researchers, advisor was one other methodology used for testing the reliability as well as the significance the research questions.

### **3.5 Method of Data Analysis**

The latest version 15.0 software of statistics package for social science (SPSS) is used for data analysis technique. Responses from the open and close ended questions as raw material will be collected and systematically framed through tables accordingly to the similarity of issues that rose in the questioner.

1. Independent sample T-test was used to compare two cases presented from the beneficiary of the NGO Vs the Program operators, NGO staffs.
2. Percentage and frequency counts were used to look over the characteristics of the interviewed population. Characteristics such as age, sex, program content has been looked over with ordinal and nominal characteristics.

### **3.6 Ethical Considerations**

This research took into consideration a number of ethical considerations;

- (i) Permission was asked from relevant authorities before the researcher went to conduct interviews with individuals from the respective NGO beneficiaries.
- (ii) Secondly, throughout the research, the research sought consent from the respondents for the interviews and where they were not comfortable to be quoted or recorded in the research an agreement was reached.
- (iii) All secondary materials in this research, their sources is cited, their names is made obscured for confidential reasons.

## **Chapter Four**

### **4. Presentation, Analysis and interpretation**

This chapter deals with data analysis and interpretation. The first section deals with the characteristics of the respondents so that the characteristics will be dealt to have a clear understanding of the respondents for the research.

Section two deals with Analysis and Interpretation of the data with a response of the program staff and the direct beneficiaries. The data is presented and interpreted from figurative data to program essence.

#### **4.1 Characteristics of the Sample Respondents**

The questionnaire has a section that needs to have a response of the characteristics of the respondents. The respondents who are from the program staffs as well as from the beneficiary of the program, participated in the questionnaire. Age of respondent, sex, level of education, household size and marital status, has been analyzed in this section.

#### 4.1.1 Personal Background

Personal background of the IGA program participants and staffs is assessed. Here the basic information regarding to their age, sex, educational level and marital status has been assessed to have the basic information for better understanding on the program.

**Table 4.1: Description of personal background of respondents**

No	Item	Basic information			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No	%	No	%
1	Age				
	a. 15-20 years	9	14.55	-	
	b. 21-30years	34	30.9	7	22
	c. 31-40 years	54	49	23	72
	d. Greater than 40 years	13	11.8	2	6
	<b>Total</b>	110	100	32	100
2	Sex				
	a. Male	76	69.1	25	78
	b. Female	34	30.9	7	22
	<b>Total</b>	110	100	32	100
3	Educational level				
	a. Not literate	24	21.8	-	-
	b. Primary level	66	60	-	-
	c. Secondary level	14	12.7	-	-
	d. College diploma	6	5.5	-	-
	e. BA/BSC	-	-	26	81
	f. MA/MSC	-	-	6	19
	<b>Total</b>	110	100	32	100
4	Marital status				
	a. Single	3	2.7	4	13
	b. Married	77	70	27	84
	c. Divorced	25	22.3	1	3
	d. Widowed	5	5	-	-
	<b>Total</b>	110	100	32	100

The table refers that from the sample of the income generation activity, the highest age who have been involved in the income generation activity goes to the age range from 31-40 and the lowest of the age range rates in the range between 15-20 years of age. For the income generation program staff the age range of the staffs 23(72 %) is in between 31-40 years of age while the lowest age range is between 15-20 years of age. The respondents are more laid on the age

category of adulthood so this case reveals that more adults take part in the income generation activity both as direct beneficiary as well as program staff of the income generation program.

The sex for both the beneficiary of the income generation activity as well as for the program staffs respondents reveal that most of the people engaged in the income generation program are male. Out of the people engaged in the income generation activity 7 (22%) female beneficiaries are engaged in the income generation activity while male program staffs are 25 (78%). This implies that in the four NGOs of the sample taken, more male individuals are found to be engaged in the income generation activity than women.

From the sample respondents of the income generation activity, the response given to the educational level of respondents, majority the beneficiaries responded to be in primary level 66 (60%), the second majority of people 24(21.8%) on the other hand lay on the category of illiterate while to the program staffs responded 14(70%) to have BSC/MSC. From the sample respondents, it's possible to see that the educational levels of staffs working in the NGO as program staff are educationally qualified even if it's not possible to see the area of qualification (if their qualification relates with program designing or IGA program development). While the sample beneficiaries were found to be educationally poor to run the IGA business.

The marital status of the program beneficiary, majority 77(70%) are married while only 3 (2.7%) are single. so we can understand from the respondents that majority of the respondents are head to households. That means that they are required to be engaged in the income generation activity to fulfill their duty as head of household.

### 4.1.2 Household Size

Household size has a lot to do with the family size. Family size and the income generation program have a lot to share. This will be dealt on the table below.

**Table 4.2: Household size assessment**

No	Item	Respondents	
		NGO's IGA beneficiaries	
1	Would you specify your household size?	No	%
	a. 1-3 household number	21	19.1
	b. 3-5 household number	38	34.55
	c. 6-8 household size	35	31.8
	d. More than 8	16	14.55
	Total	110	100

In regard to the household size 38 (34.55%) have a household size of 3-5 while 35 (31.8%) people of the IGA beneficiary responded that their household size lay between the size of 6-8 and 21(19.1) people responded that their household size reaches 1-3. This means that the IGA beneficiaries are more responsible for earning income to the household as they are main income providers to their family members. From the table we can understand that the respondents of the questioner who are beneficiary of the income generation program have the household size of 6-8. This is greater than the Ethiopian average household size which is specified by 2007 Ethiopian population survey to be 5 (EPSR, 2008) and the number is higher than 5 in the regard to the beneficiaries household size which clarifies that the respondents have higher household size and this respondents are on primary level, with the age range between 31-40. Majority of the respondents again are male engaged in the income generation program and majority of them are married. In other way round the participation of women in income generation program is very low which means their participation as income providers is very limited as well as their educational level might be even lower than primary level. This can be evident from their participation level which their male companion is greater by two fold. If the participation of women in the income generation program is enhanced that probably decrease the household size

because they will be accessed to the RH/FP and also they will bring additional income to the family.

Many women lack income when their spouse is not around to support them. The problem is exacerbated by deteriorated livelihoods. The vulnerability of these women and their children stems from lack of health and education services and income generation opportunities (Huisman, 2005). This statement clarifies why there is a need to educating women is paramount for household livelihood enhancement so the share they have in the income generation activity is essential which in this case the share is 1:2 which needs to be enhanced.

According to the UNESCO (2006) Education for All Global Monitoring Report, three-quarters of the world's adult illiterates live in 12 countries, including Ethiopia. Severe poverty correlates strongly with low literacy rates in these countries. More than three quarters of the population in these countries live on less than US\$2 per day, with adult literacy rates below 63% and the number of illiterates exceeding 5 million (UNESCO 2005a). This refers that the education background has to do with the income level. Still the educational level of the population is in scale of illiteracy so this needs a capacity development education especially literacy education shall be of a paramount importance in this regard.

The education level is very critical because the lowest education attainment leads to the failures to the whole program. The program has to go well and that would come only though supported with adequate educational background unless all will be a waste of budget and a waste of resource. In respect to that the educational level of the beneficiaries also reveals the same situation.

## 4.2 Analysis and Interpretation of the Data

In this section the data gathered through the questionnaire has been analyzed and interpretation has been made accordingly. An attempt has been made in order to see the impact of the income generation program for the IGA beneficiary and the impact of the program operation in case of the program staffs.

### 4.2.1 Employment Condition and IGA Program

The employment condition in the income generation program is very important to see the degree of attention that has been given to the program. The employment condition of IGA beneficiaries in the other program has its own problem to impose on the efficiency of the program.

**Table 4.3 Job condition of the IGA participants**

No	Item	Respondents	
		NGO's IGA beneficiaries	
1	What kind of business is running partly from the IGA business?	No	%
	a. Full time employment	36	32.7
	b. Daily labor	31	28.2
	c. No other business	17	15.5
	d. If other please specify (Broker)	26	23.7
	<b>Total</b>	110	100

These section asses if the IGA business is taken as alternative source of income or if the income generation activity is the primary income source for the IGA beneficiaries. This way of understanding is important on assessing the degree to which the focus is laid on the program and if the program beneficiaries are really relaying on it as a prime income source. Thirty six percent of the program beneficiaries are full time employees which means whatever the level of income, the majority still have some other income to sustain themselves while the next largest group 31(28.2%) of the respondents have no other business, they relay on the IGA program primarily and the next largest group 17(15.5%), have no other job. They are relaying on the income generation activity as major income source. This suggests that a significant number of

respondents are fulltime employers. From the respondents we can understand that the program beneficiaries are part timers. They have their own income but still subsist on the income generation activity to increase the income level. It is still remains that the program is the main source of income for the great deal of beneficiary number.

#### 4.2.2 Loan, Payback and Economic Change through IGA

Loan is very significant to the individual beneficiary of the IGA if the beneficiary is thinking of economic change. The loan has its own payback period and the payback shall be made on the agreed time table. IGA program on the other hand has to bring about economic change apart from their period of engagement. This is discussed here

**Table 4.4: Assessment on program engagement time, type of business**

No	Item	NGO's IGA beneficiaries		Program staffs of the NGO	
		No	%	No	%
1	The purpose in engaging on IGA program				
	a. To create additional income	86	78.2	4	13
	b. To create additional working time	2	1.8	5	16
	c. To create job security	7	6.4	1	3
	d. if other please specify (to run own business more strongly)	15	13.6	22	68
	<b>Total</b>	110	100	32	100
2	Period of time in the IGA program				
	a. For less than one year	19	17.3	3	9
	b. For one year	28	25.5	11	34
	c. For one and half years	31	28.2	11	34
	d. For two years	22	20	4	13
	e. For more than two years	10	9	3	10
	<b>Total</b>	110	100	32	100
3	Type of IGA business				
	a. Small petty trade	12	10.9	4	13
	b. Beverage and food preparation	31	28.2	2	6
	c. Own shop	6	5.4	1	3
	d. Hand craft	3	2.7		
	e. If other please specify (Weaving)	49	44.5	25	78
	f. If other please specify (Tuaf selling)	8	7.3		
	<b>Total</b>	110	100	32	100

In the above table, the question on the IGA program has been tried to be assessed by the researcher. For the purpose of understanding on why they are engaged in the IGA program, the

IGA beneficiaries responded differently as some of them said to be engaged in the income generation activity as to create additional income 86 (78.2%) while 15(13.6%) responded as to run own business strongly while 7 (6.4%) has responded as to create job security. So majority of the respondent's response lies in this category. While the program staffs responded in the other way round as 22(68%) responded as the beneficiaries are engaged in the income generation program to run the business more strongly while 5(16%) responded as the reason for engagement in the income generation activity as to create additional working time. The other program staffs 4(13%) responded as the reason for the beneficiaries participation is to create additional income. So there seem to be a considerable difference in the response to the two categories.

While in the other section which deals with the period of the IGA program, majority 31(28.2%) program beneficiaries responded for one and half year period to which they have stayed in the IGA program while the second largest number 28(25.5%) have one year engagement in the IGA program. In case to the program staffs, a respondents response for the time period of one and one year & half year has same number and percentage share that means 11(34%) respondents given response to the two categories have same number. Program staffs believe that majority of IGA beneficiaries are newly engaged in the income generation activity only with some time difference. So here, difference in the response between the two groups existed but the difference between the two is not much significant.

In case of IGA business to which they run, large number of the respondents 49(44.5) responded that they are engaged in the weaving business while other who take the next largest share 31 (28.2%) state that they are engaged in beverage and food preparation.



---

***Picture 4.1: weavers in Gulele sub city***

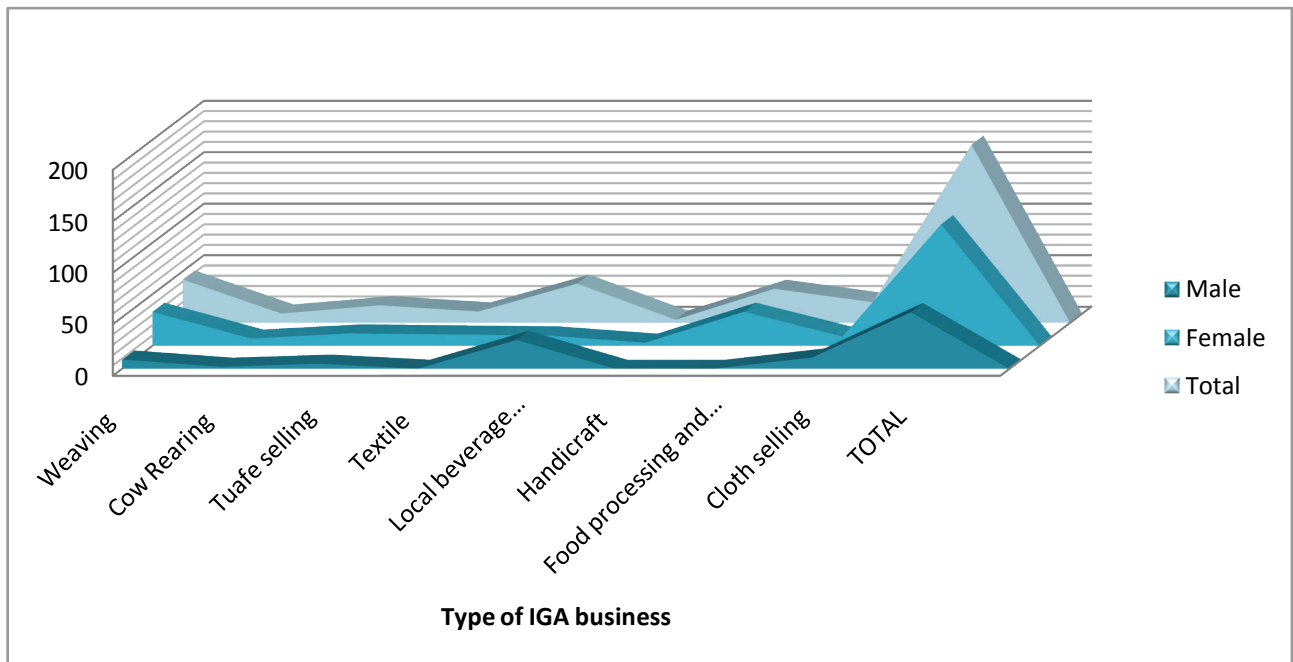
---

The next largest again goes to petty trade which accounts 12 (10.9%) of the respondents. In case to the beneficiary of the program staffs, they also responded 25(78%) that large number of people are engaged in the IGA business while 4(13%) agree that large number of IGA beneficiaries are engaged in petty trade and the other next share 2(6%) goes to beverage and food preparation. Here there is a significance difference in response between beneficiaries and program staffs. From the above statement we can possibly conclude that beneficiary engaged the income generating activity to incur additional income so possibly the IGA beneficiaries are already have some other activity to run so they are using their spare time for IGA business activity. While their engagement year with the IGA activity is almost one year and half. The majority of respondents are engaged in the weaving business. So that means if the majority is taken, it's possible to say that the people engaged in the weaving activity are either employed or unemployed but they are already running a business for additional income.

The program is also analysed through analysing the docmunet as well. The program document reviwes not only the sample of respondants but the whole program participants in the project program. During analysing the program, the NGOs lacks a complied data but the researcher

found a data on the activity to which the IGA participants are engaged . The data has been compiled from the NGOs who have a reasonable data on the sub city /Gulele sub city/. The data from the two NGOs is complied and merged in to one because the data between the two is much similar.

The percentage share of the activity shows no much significance difference even though the little difference is very noticable but the share as well as the program document is almost the same. This is the analysis document which is same for the two NGO’s while the document is specifically goes to Gulele sub city only to which the project is operting.



**Figure 4.1: sectors of IGA participation and IGA programs**

**(Source: Document review)**

### 4.2.2.1 IGA Loan Accessibility

There are means in which loan is accessed for the individual beneficiaries. There is a definite payback time. This payback time will allow beneficiaries to return the loan and start their business and the finance will cycle to many others with similar economic situation.

**Table 4.5: Loan accessibility**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No	%	No	%
1	What is the feature of your loan?				
	a. Seed money with interest rate				
	b. Seed money with zero interest rate	110	100	32	100
	c. Gift Money				
	d. If other please specify _____				
	<b>Total</b>	110	100	32	100
2	How many times did the IGA loan have been accessed?				
	a. One time only	99	90	28	88
	b. Two times	11	10	4	12
	c. Three times				
	d. More than three times				
	<b>Total</b>	110	100	32	100
3	How much have been returned from the amount of money loaned?				
	a. Less than 90% from the total loan	32	29.1	23	72
	b. Around 50% from the total loan	64	58.2	7	22
	c. Less than 30% from the total loan	12	10.9	2	6
	d. Not started returning the loan	2	1.8		
	<b>Total</b>	110	100	32	100

From the table above it is possible to see the response to the beneficiaries of the program as well as program staffs. From the table one can see that from the total respondents 100% from the IGA beneficiaries as well as respondents of the program staffs respond that the loan that will be accessed is totally seed money which is initial capital for their business and the money will be

loaned with no interest just returning back to the organization just as it is: meaning same amount as the amount loaned.

To the question how many times is the loan have been accessed so far, 99(90%) responded that they have accessed the IGA loan just one time while the rest 11(10%) responded that they have accessed the loan after they pay back the money they loaned from the NGO previously while the program staffs responded 28(88%) that most of the beneficiaries of the program access the loan one time while some responded that beneficiaries access the loan twice but the difference between the two groups is not significant since the majority agree that they have accessed the loan once.

To the question on how much of the loan has been returned the respondents has responded differently. For instance IGA beneficiaries of the NGO responded 64(58.2%) that they have paid back 50% of the loan they took from the NGO and the next largest number of respondents 32(29.1%) on the other hand responded that they have returned almost 50% from the total amount they took and the other big portion of the respondents on the other hand responded that they returned less than 30% from the total loan they have been given. The program staffs on the other hand responded that 23(72%) of the program staffs has returned 90% from the total amount loan they have taken from the NGO while the second largest group responded that 7(22%) the NGO beneficiaries has returned around 50% from the total money they loaned. The third largest group responded 2(6%) that less than 30% from the total loan has been returned by the beneficiaries of the IGA but no respondents from the program staffs responded that the program beneficiaries didn't start returning the IGA loan which implies that the program staffs believe that beneficiaries are returning the loan they took from the CSO.

From the above statement it's possible to conclude that the seed money that has been given with no interest rate is being paid off and the additional amount has been even given to the beneficiaries but the number of the beneficiaries that took the second round loan is same so that means the beneficiaries are still returning the first loan they took. Majorities of beneficiaries are still not returning as from the respondents response majorities are still returning the loan i.e. majority of the respondents are paying nearly 50% from the total loan they took.

#### 4.2.2.2 IGA Loan Condition and Pay Back

Payback is not as easy as accessing the loan. The beneficiaries' sees problem in payback but the degree of their situation is different so this part will be assessed in depth here. The payback is possible if the business run well or if the business runs slower but still the beneficiaries decide to payback. This situation is assessed here.

**Table 4.6: IGA loan payback condition**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
	1. Does paying back the loan difficult?	No	%	No	%
	a. Yes	47	42.7	23	72
	b. No	63	67.3	9	28
	Total	110	100	32	100

From the total respondents 47(42.7%) responded that they have a problem of paying back the loan while 63(67.3%) has responded that they have no problem of paying back the money they took. Whereas the programs staffs responded that 23(72%) most of beneficiaries had a problem of returning the loan while 9(28%) of the respondents from the program staffs had not. So from this we can see a significance difference on their response. But they moderately agree that there is a problem of paying back the loan. If that's the case, if the beneficiaries needed the money to run their business and if the money is difficult to pay back then that would cause a great problem on the sustainability of the program.

#### 4.2.2.3 Reason for obscurity to payback IGA Loan

There are many reasons for individuals to have difficulty to payback the IGA loan. The reasons to that are different depending on the business condition of the IGA beneficiaries and because of the other external factors.

**Table 4.7: Determinant reasons for the difficulty paying back IGA Loan (independent T-test)**

No	Items	Respondents	No.	Mean	SD	T-test	Sig.
1	The money loaned is big	Beneficiary	47	.31	.465	.593	.554
		Program staff	11	.25	.44		
	The business runs slower	Beneficiary	47	.12	.410	-1.0140	-2.99
		Program staff	11	.20	.307		
	The market chain is not available	Beneficiary	47	.10	.307	-.619	.537
		Program staff	11	.15	.366		
	The profit margin is less	Beneficiary	47	.13	.45	-1.10	-2.13
		Program staffs	11	.10	.30		

The difference between the two categories is seen on alpha 0.05. Observing the result in the table, it is shown that there is no significance between the two categories of respondents. The respondents agree that there is no significance difference between the two categories of respondents for the category on “if the money loaned is too big or not” and also to the question category whether “the business runs slower”. The two respondents have same perception in the two categories. The difference in all categories is not significant except for the market chain.

**Table 4.8: Time interval for paying back IGA loan**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
1	What is the time interval to pay back the money beginning from the time the money is loaned?	No.	%	No.	%
	a. Six month				
	b. One year	98	89.1	32	100
	c. One and half year	12	10.9		
	d. Two years				
	e. If other please specify				
	<b>Total</b>	110	100	32	100

For the time interval to pay back the money loaned, the beneficiaries of the program 98(89.1%) responded that it took them one year time frame to return back the money while others 12(10.9%) responded that it took them one and half year to return the money they have borrowed from the NGO. But the case to returning in six month or two years, beneficiaries are not very much willing to take longer time frame or shorter time frames to return the loan.

The program staffs 32(100%) indicated that the beneficiaries are expected to return and are returning in time frame of one year. So the response of two categories is nearly same. Majorities are choosing one year as time frame even if it's difficult to pay back the loan.

#### 4.2.2.4 Time Frame in IGA Payback

There is a definite time table for paying back the IGA loan. The time frame is definite and that the individual beneficiaries are expected to return on the definite time table. The time table and when they expected to return the loan is discussed here. The beneficiary's expectation on how the pay back shall be made possible has been assessed here.

**Table 4.9 Time frame in paying back IGA loan**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No.	%	No.	%
1	Do you think the time frame is suitable to return the loan?				
	a. Yes	71	64.5	3	9
	b. No	39	35.5	29	91
	<b>Total</b>	110	100	32	100
2	If the time period is not suited then can you indicate a better way to be suited?				
	a. Through longer period of returning	21	19.1	27	84
	b. Extending the period of payback	35	31.8	3	9
	c. adjusting with the business profitability	54	49.1	2	7
	d. If other please specify _____	-	-	-	-
	<b>Total</b>	110	100	32	100

From the total respondents, 71 (64.5%) responded that there is a problem of returning the loan in time while 39(35.5%) responded that they have no issues to returning the loan while staffs responded that 29(91%) they have no problem of returning the loan on time while 3(9%) responded that beneficiaries of the program have a problem of returning the loan in the time frame. That means that staffs consider that beneficiaries have no problem of returning the loan with in the given time while beneficiaries do have a problem in returning the loan within the time. That is a significance difference in regard to the loaning and the period of returning so still beneficiaries has issues with the time frame and staffs don't believe that there is a problem with the grace period.

To the better way to return the loan or for the grace period, IGA beneficiaries and program staffs responded differently. Program staffs 27(84%) believes that through extending the period of time, IGA beneficiaries can build better way for the loaning system while the lesser number of program staff respondents 3(9%) explain that the loaning system will be improved if the grace period to returning the loan is improved while the other lesser portion of the respondents 2 (7%) explain that the returning period to the loan shall be improved through considering the profitability of the business for the private loaner.

A beneficiary of the program on the other hand explains it differently. The majority 54(49.1%) responded that there will a better way of returning the loan if the returning period is adjusted or considers the business profitability. They rather prefer to pay the money when the time is good to run the business and the next majority of the respondents go for the extension of the time interval. They do want the returning period to have some gaps in between the returning periods. While the other largest group 21(19.1%), chose the option to return the loan with extended period of time.

#### 4.2.2.5 Economic Change through IGA Program

The economic change is the expected target in the income generation program. The expected economic or attitudinal change in engaging in the business is going to be assessed here as the final expected target of the program.

**Table 4.10 change brought through the Income Generation Program**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No.	%	No.	%
1	How do you explain the economic situation after engaging in the income generation activity?				
	a. Same as before				
	b. A little different			23	72
	c. Very good	27	24.5	9	28
	d. Not yet seen	83	75.45		
	e. Worse than it used to be				
	<b>Total</b>	110	100	32	100
2	If there is change then what changes after you being beneficiary of the income Generation activity?				
	a. Change in business perception	13	48.2	7	22
	b. Change in house condition	6	22.2		
	c. Change in the way of living	8	29.6	25	78
	d. Acceptance in the community				
	e. If other please specify				
	<b>Total</b>	27	100	32	100

In regard to the economic situation after engaging in the income generation activity, it possible to see a difference in opinion between the two respondents. The considerable number of respondents 83(75.45%) respondents explains that the impact of the income generation program has not shown any effect yet. Observing the time period majorities since engaging in the income generation activity it will early to see the effect. The other bigger number 27(24.5%) goes to say that there is a very good change after engaging in the income generation activity. In case to the staffs of the program, there response is completely different. They explain it like 11(72%) staffs say that there comes a little change after engaging in the income generation program while the next largest group 9(28%) explains it that the program has brought a very great deal of change in the lives of the IGA beneficiaries.

In regard to the specific way to change, 27 beneficiaries do believe exist a change through the program so from this respondents 13(48.2%) responded that they know how to run the business after they engaged in the income generation program. While 8(29.6%) responded that through the program they now able to change the way of living (enhanced their living) while 6(22.2%) responded that they are able to change their house condition due to the IGA program. Program staffs on the other hand replied that 25(78%) have changed their way of living better than to which it was before. Seven(22%) of the respondents say that beneficiaries have changed the way they are running the business due to the IGA program so now they are running the business well and they are being benefited much from the program.



---

***Picture 4.2: Beneficiaries engaged in cow rearing***

---

From the above figure and statement it's safe to conclude that there is inconsistency on the response between the program staffs and the program beneficiaries. Program staffs believe that there has been a change in the income generation program but the beneficiaries didn't think there has been a change so they are saying "Not yet" so may be in the future they might be beneficiary from the program but now, they are not.

Still there is a difference in response in the change after being beneficiary of the income generation program. For the program staff, they believe that there is a difference in the way of living while small number of beneficiaries responded that there was a change which comes through the IGA program; they believe the change is rather seen on the way to running the business. So IGA significance to the beneficiary and how the staff sees the program has a significant difference. For the project staffs, the impact is visible compared to beneficiaries. Beneficiaries believe that significance changes have not yet take place. These differences in response between the two categories raise some serious question to the program itself.

From the interview with the program stakeholders of Addis credit and saving, it's possible to see that the loaning amount for the program is found to be adequate. They might face difficulty of returning the loan but the stakeholders believe that the amount of cash loaned is adequate and meet the individual business financial requirement. A respondent for the Women and children affairs office on the other hand implies that they are not aware of the loaning system of the NGO and the payback. They are rather concentrating on the change from the income generating program and they sincerely believe that the beneficiaries of the program are benefiting and the economic change is seen thoroughly. Interview with BoFED has shown that the NGOs payback if law but the finance is available to them. The payback is law but the budget is more of less been provided to the beneficiaries by the NGOs which shows that NGOs are trying to access the fund to the beneficiaries but the beneficiaries seems to unable to return the loan back with the agreed time table.

#### **4.2.2.6 Relationship between NGOs and the Beneficiary Community**

The relationship between NGOs and the community have its own effect on the program. The relationship between the two has a lot to do with the output and usefulness of the program. The participation helps or hinders the program which if is participatory can bring a life changing impact in the lives of the beneficiaries.

**Table 4.11: The relationship between the NGO and the community**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
1	What type of relationship exists between the NGO and the community?	No.	%	No.	%
	a. Participatory	26	23.6	26	86
	b. Down ward flow of the program	84	76.4	6	14
	c. If other please specify _____				
	<b>Total</b>	110	100	32	100

Here the Table refers to the way how the program reaches or develops to the benefit to beneficiaries. The program either can come through mutual consultation or it can come from the NGOs as a way out or livelihood enhancement program. So from the options specified, program staff respondents 26(86%) responded that the program is all participatory while 6(14%) responded that the program comes as downward from the NGO as the program developed by the NGO and the beneficiaries will participate on the developed framework.

The program beneficiaries responded in the other way round. 84(76.4%) responded that the relationship between the NGO and the community is not participatory. That means programs aren't developed based on the participatory approach so the community voice and comment were not been considered when developing and designing programs (Including the IGA program). The other 26(23.6%) people believe that the relationship between the community and the NGO is participatory. The programs develop through the consultation and discussion with the community in the NGO.

The response of the two groups does have a big difference. For the program staffs, they believe that they consider the community response and take the community as a center and so programs develop through participating the community whereas the majority respondents of the NGO beneficial's don't think that the relationship between the community and the NGO is participatory which means the program is developed by the NGO and beneficiaries are only expected to participate in the program.

### 4.2.3 IGA Program Trainings and Training Contents

Income generation program need to equip people with the basic knowledge on how to run the business. These trainings must give a contained knowledge to the beneficiaries of the program. These beneficiaries look forward to be assisted since change has made them to enroll in to the program in the first place. NGOs training situation has been assessed through the response given by the beneficiaries as well from program staffs.

**Table 4.12: A review of the training and finance in the IGA program**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No	%	No	%
1	Is there training before accessing the fund?				
	a. Yes	42	38.2	24	75
	b. No	68	61.8	8	15
	<b>Total</b>	110	100	32	100
2	How many times was there business training after accessing the loan from the NGO?				
	a. Once	34	81	8	66.7
	b. twice	10	19	4	33.3
	c. three times				
	d. If other please specify _____				
<b>Total</b>	42	100	12	100	
3	Do you think the training is parallel with the business running?				
	a. I believe it's right for the business	12	28.6	3	25
	b. It's not adequate for the particular business running	25	59.5		
	c. If other please specify: it's not a detail training	5	11.9	9	75
<b>Total</b>	42	100	12	100	
4	Do you think the duration of the training is enough?				
	a. Yes	8	19	2	16.7
	b. No	34	81	10	83.3
	<b>Total</b>	42	100	12	100

The section of the training deals with if there is any training before accessing the IGA fund. Both the two categories responded differently. The beneficiaries of the IGA, the majority 68(61.8%) responded that there is no training before accessing the fund while the number lesser than the first one 42(38.2%) responded that there is a training before accessing the fund by the IGA

beneficiaries. There is obvious difference in the reply of the two categories. So the difference in the response among the respondents of the project beneficiaries is maybe because the NGOs use different ways during accessing the IGA fund. Some NGOs give training whether the quality is less or not and maybe because the beneficiaries say yes if there is a training maybe because there is. For those who said no, there is no training, they are not supported by training; so only just the loan is given.

To investigate in to the time (Frequency) to which training has been launched, beneficiaries of the NGO 34(81%) responded that there was one training given to them when accessing the IGA loan while the next large respondents 20(19%) responded that they have been given two trainings. In regard to the staffs of the NGO, the predominant number of the respondents 8(66.7%) assume that there have been one training launched for the beneficiaries while the rest 4(33.3%), confirmed that there was two trainings of IGA so far given to beneficiaries. The two categories show a slight difference in the result to their response so it's possible to say that the four NGOs have various frequencies in launching the IGA training.

From the result it's possible to see that from group of people of beneficiary people who said they have taken training, the vast majority number refers that they only took one time training and the program staffs also state the same thing. So for the beneficiaries who stayed for a year received one time training even when they are new beginners as their possible extension in the program is one year and for some one year and half so it's possible to agree that the program is not assisted with the subsequent trainings and still the training quality will be investigated through the response gathered from the IGA program beneficiaries.

On the section dealing with the "Does the training relates to the business beneficiaries are running". Among the respondents who said there is training given by the NGO before IGA loan accessing, the majority number 25(59.5%) of them say that the training is not adequate for the particular business running while the second largest group states that the training is parallel with the business. The program staffs, from the sample respondents who believes that there is a training given by the NGO, majority of the number 9(75%) said that the training is not a detailed training. The next largest group 3(25%) responded that the training to be adequate.

The answer between the two is significant. So here it's possible to conclude that the training which is given to the beneficiaries is not adequate for the particular business while the program staffs don't believe it's precise but they assume that the problem is on the element of the training. They believe that there is training but the element in the training is not detailed. So here we can see that the training given don't have a method of checking the impact the program brings to the beneficiaries. So the training program is launched for some section of the community because there are a small number of respondents that responded that there is training but these beneficiaries don't believe that the quality and element is not adequate.

According to NDA (2013), capacitating communities in entrepreneurial skills and also using their traditional skills and knowledge can provide an opportunity for active participation in income generating activities to create jobs in the community. Therefore, income generating activities need to focus on transferring practical skills focused on constructing and expanding existing knowledge, and resources.

When correlating the finding with the NDA report, the program staffs are not much focusing on providing training so this is completely paradoxical with the actual finding. Expanding knowledge means that trainings which can improve the current ways of production which means value creation which also means much more income to the household through the newly acquired skill.

To the response to the duration of the training, 34(81%) of the beneficiaries responded that the duration to the training is not adequate while 8(19%) responded that the training duration is sufficient. Of the program staffs, greater part of the respondents 10(83.3%) responded that the time frame for the training is not enough while the subsequent majority number 2(16.7%) believe that the duration of training is enough. It's clear to see that the two groups didn't have a considerable difference; rather the two groups agree that training period is not adequate for the IGA trainers to help them run their business.

According to ACF, 2009 report, there are lists out the factors that increase or limits the output from the income generation activity, among some mentioned are technical knowledge and

technology used. Technical knowledge comes through training. So the finding and the argument shows the need to have the training as component in the IGA program in order to increase the volume to production and quality as well.

#### 4.2.3.1 IGA Training Content

The training content encompasses different contents each of the contents shall have its impact on the beneficiaries profitability on the business. The content shall guide how the beneficiaries benefited in the program. They will know the best ways so that they will have the expected change and make a pay back on time.

**Table 4.13: Training content**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No	%	No	%
1	What is the content the training?				
	a. Business plan preparation				
	b. Ways to run a business	19	45.2	3	25
	c. Market area investigation	18	42.9		
	d. Product quality improvement				
	e. all the above specified together	5	11.9	9	75
	f. If other please specify _____				
	<b>Total</b>	42	100	12	100

The content analysis deals with the element that is contained in the business training. The content has its own effect on the outcome of the program as well as it has its own significant effect on improving the living situation of the beneficiaries of the program. So from the beneficiary's side and from the program staffs the situation shall be discussed. Large number 9(75%) of the respondents believe that training which includes business plan preparation, ways of running a

business, market area investigation and product quality improvement has been launched so far while the next largest group 3(25%) responded that the training element was only on way to run a business among other mentioned training contents.

Majority of the Program beneficiaries 19(45.2%) assume that the training element is on how to run a business and the next largest group 18(42.9%) assume that the training element was on market area investigation so this group believe that the training focuses on the market only. The very last and smaller group on the other hand believes that the training content includes the above elements with product quality improvement all together.

Here both groups shows difference over the content of the training only smaller group of respondents believe that the content goes by far and touches the market, the business plan preparation and quality improvement. So it's possible to see a significance difference in the response as well as the training element has a problem to be investigated by the NGO. Since trainings, the sequence to the trainings as well as the element has a considerable effect which is positive if it is given emphasis by the NGO while negative effect if the program if run in reduced quality.

The interview that has been carried with the NGOs stakeholders also reveals that the NGO is not taking training as a serious point that could build peoples efficiency both in terms of skill or mental makeup. Respondents from Micro and Small Enterprise have mentioned that training for the beneficiaries was available once in a year which is insufficient and the content have not been directly towards to the business the beneficiaries engaged. The respondents from Women and Children Affairs Office has revealed that training for NGOs is not seen as the main issue so the NGOs are not launching so neither the training nor the content is seen to be of prime importance to the beneficiaries of the program. Respondents from BoFED also referred that NGOs IGA training is very insignificant. Immense budget is stick to the program but the training for guiding the program has been given a lower consideration.

### 4.2.3.2 Follow-up Programs in the IGA Program

Follow-up programs include visits (visits of their business area and visits to their residents). The follow-up program involves consultation with the program staffs in order to avoid program failure among the beneficiaries of the income generation program. Follow-up means guidance in every way possible so that the implementation will be in a way which benefits the program beneficiaries. Program staffs will have the chance to assess the condition of the beneficiaries.

**Table 4.14: IGA follow-up schedule**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No	%	No	%
1	How many times do the NGO staffs look over the business progress?				
	a. Never look up	87	79.1	3	9
	b. Look once in a quarter	13	11.8	21	66
	c. Look once in six month	10	9.1	8	25
	d. If other please specify				
	<b>Total</b>	110	100	32	100

Follow-up is basic to know how the business of the beneficiaries is running. This indeed will push the Beneficiaries to do their job with the consultation to the program directors, staffs. It also reveals how the program staffs do care over the program more than the other programs to which they deliver because IGA is assumed to have a life sustaining impact over the community if it's supported with proper follow-ups.

Eighty Seven (79.1%) of the respondents believe that the program is not supported with the follow ups because they are not looked by the staffs while the other group 13(11.8%) believe that they have been visited once in three month and the other portion of the respondents 10(9.1%) believe that they have been looked once in six month.

The majority of the program staffs believe that 21(66%) they look over the business once in a quarter while 8(25%) believe that they give a visit in six month interval while 3(9%) of the

respondents state that they never look back over the business progress of the IGA program. There we can see a major difference in their response and it's possible to conclude from the point of view of the majority respondents from the program beneficiaries that the NGO didn't look over their activity. The NGO gives the loan but the follow up is not worth mentioning. This shows that the program is running with no examination on the problem encountered by the program beneficiaries through running the activity (business). The beneficiaries are not looked up and their problems are not discussed and solution has not been made because their problems in the business are not looked in the first place by the program staffs. This creates a problem on the productivity of their business if it exist problem of running the business and the program is not guarded well through appropriate monitoring.

The interviewee stakeholders also replied that the NGOs do have follow up program through visiting but the problem is that the NGOs are visiting the status of children and families rather than focusing to the income generation program. Respondent from BoFED and Addis Credit and Saving Enterprise has said that the follow-up step in the IGA program is of lower importance. The beneficiaries are barely going through the program and the problem they encounter through the process is neglected and been given a lower status. This is due to the problem in which NGOs forget launching the follow-up program as part and parcel of the Income Generation Program. Respondents from the Child Affairs office on the other hand responded that followup has been given not just for the income generation beneficiaries rather the NGOs assess the situation while they doing other activities. *“Even if the degree of attention given to the income generation program is low, the staffs are checking the status of the beneficiaries as much as they possibly can do. I highly doubt that NGOs would give lower attention as they already are having more than a few of their beneficiaries to directly involving so even if the program staffs are not directly launching a follow-up program, I am sure that they are doing the followup since they have plenty of time engaging with their beneficiaries.”* Their preliminary target is not IGA but they target on the service delivery and to the other issues to which they are engaged with like checking the HIV cases and may be tackling fertility level. The program did not go so well through the follow-up programs and this is also commented by the stakeholders.

### 4.2.3.3 Confidence Level for Running IGA Business

This is the condition where the beneficiaries of the IGA program have a confidence level to run the business or not. Confidence level assures if the beneficiaries believes that the IGA program will bring economic and social change.

**Table 4.15: Confidence level in running the IGA business**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
	How much is the confidence to run the business from any other funding?	No.	%	No.	%
1	a. Not confident at all	57	51.8	4	13
	b. A little financial support is still needed	39	35.5	22	69
	c. Only technical support is needed	11	10		
	d. Confident enough to run the business	3	2.7	6	18
	e. If other please specify				
	<b>Total</b>		110	100	32

This is the question on sustainability and the confidence the beneficiaries have over their business in case the program phase out. It is important that the beneficiaries not rely on the fund for their entire life because the sustainability of the NGO on the area is temporary so as long as it stayed in the area it has to secure the sustainability of the income generation program as well as to build the confidence within the beneficiaries both through its psychological makeup as well as through building a superior ground of financial and technical confidence among the program targets. They shall be confident to lead the business both technically or financially.

Here, a greater number of respondents 57(51.8%) from the program beneficiaries believe that they are not confident to run the business. While the second greater number of respondents 39(35.5%) believe that they still need a little financial support while others 11(10%) believe that they need technical support from the NGO so 97.3% of the respondents still need support whether technical or financial from the NGO so still they require the presence of the NGO in the area and in their lives as well. Only 3(2.7%) of the respondents are confident to run their

business without any support from the NGO. Majority of the program staffs 22(69%) on the other hand believe that beneficiaries still need financial support from the NGO. 6(18%) believes that beneficiaries are confident enough to run the business by themselves. Four (13%) of the program respondents believe that still beneficiaries need support by the NGO.



---

***Picture 4.3: Beneficiaries engaged in food preparation***

---

From the above statistics one can see that the program is not going with all means of sustainability or paralleling IGA with the exit strategy. The beneficiaries as well as the program staffs do not consider the business (the IGA) will function without financial or technical support by the NGO. The number of people who believes that the support is not enough accounts a huge percentage both to the staff and the beneficiaries. The finding can explain that the program is not running considering the effect and regarding if the program stop functioning in the area of operation so the IGA is functioning poorly only with the financial flow, not creating confidence on the beneficiaries or its the long term effect is invisible.

#### 4.2.3.4 Literacy Program in the Income Generation Activity

Literacy program is going to address the problem in regard to the educational level. The educational level has to be improved if the program is expected to bring about change in lives of the beneficiaries. This situation is assessed here

**Table 4.16: IGA literacy program**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No	%	No	%
1	Is there a literacy program implementing in line with the IGA Program?				
	a. There exist a well developed literacy program				
	b. There is a program but not well developed				
	c. There no IGA support literacy program	110	100	32	100
	d. If other please specify				
	<b>Total</b>	110	100	32	100

Two categories of the respondents totally agree that there is no literacy program launched in parallel with the IGA program. This possibly implies that 24(21.8%) of the respondents (Refer from description of respondent characteristics), didn't receive any kind of literacy program so they possibly are not given basic education on the three basic skills 3Rs: writing, reading or arithmetic. This means the illiterate people are running the business with no clue on handling the business. Education especially on arithmetic is evidently important and it's a skill required in the business to see the profitability or to make business transaction with same business partners or daily customers. Without such skills the possibility of lose is great but the NGO didn't consider the effect and so no measure is taken to deal with the problem. This means individual abilities are not properly dealt with so the NGO is not considering that the individual abilities shall be considered and investigated or possibly not considered to give a possible significance for individual IGA business achievement. Stakeholders of the program do also believe that the literacy program have its own positive effect on the outcome of the income generation program.

Respondents from Women and Children Affairs office have responded that they highly doubt NGOs are considering the educational level of their beneficiaries. They are not considering the importance of the literacy program for the beneficiaries. Respondents from BoFED and Micro and Small Enterprises has same response same as respondents from Women and Children Affairs Office but the difference is that interviewees from BoFED believe that the government must share this part through its Adult Education program while respondents from Micro and Small Enterprise doubt that even the beneficiaries of the program might not even enroll in the program basically because the IGA beneficiaries are not going to be happy with the program and that the program needs a great deal of time so it's not going to be easy for the program beneficiaries to take part while they have many social and economical issues.

#### 4.2.3.5 IGA Beneficiaries' Family Reaction in IGA Participation

Family reaction is either constructive or destructive for any kind of activity that members of the family carry out. The family reaction determines the program implementation and participation so the situation shall be analyzed and discussed here.

**Table 4.17: Family's response to the IGA program**

No	Item	Respondents	
		NGO's IGA beneficiaries	
	What is a family's response in participating in the income generation activity?	No	%
1	a. They provide enough courage	78	71
	b. Mostly not encouraging	21	19
	c. They are discouraging all in all	11	10
	d. If other please specify _____		
	<b>Total</b>	110	100

Majority of the respondents of beneficiaries of the program 78(71%) believe that they are provided with enough encouragement from their families including their spouses while the next

largest group 21(19%) explain that they are not encouraged. From the respondent's questionnaire it's possible to notice that majority are women respondents. The other 11(10%), portion to the respondents explain that they are completely discouraged in participating in the program by their families or spouses. Observing the highest figure and share, beneficiaries of the program are encouraged by their families which is good and contributes to the success of the program as well as it has positive effect on the program outcome.

#### 4.2.4 IGA Beneficiaries Accessibility to the Market

The income generation program requires the market place and the market place is the only way to go for the business that the product can have the assigned market value. The market place is the only way to that product is accessed to and cash comes through. Market is the only best way so it's the only way for change which is envisioned to be seen.

**Table 4.18: Market chain**

No.	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
		No	%	No	%
1	Is there a tangible market place to sell the business item?				
	a. Yes	33	30	26	81
	b. No	77	70	6	19
	<b>Total</b>	110	100	32	100
2	Where usually the business does take over?				
	a. On the streets	30	27.3	-	-
	b. In rental shops	31	28.2	-	-
	c. Through hand merchandize			-	-
	d. If other please specify (providing directly to the brokers)	49	44.5	-	-
<b>Total</b>	110	100	-	-	
3	Who created the market access?				
	a. The NGOs itself				
	b. Created by friends and neighbors	8	7.3	2	6
	c. created after a period of time	61	55.5	30	94
	d. If other please specify (brokers)	41	37.3		
<b>Total</b>	110	100	32	100	

The section deals with the market and the business itself. It sees whether there is a tangible area to sell the products, majority 77(70%), majority responded that they don't have a tangible place to access their products while 33(30%) of the respondents responded that they don't have a place to sell their business item. Majority of the Program staffs 26(81%) on the other hand believe that beneficiaries do have a permanent place to sell their business item while the rest 6 (19%) believes that beneficiaries do not have a permanent place of selling. The difference between the two is significant and program beneficiaries assume that there is no problem in regard to market accessibility for beneficiaries. Program staffs assumption and the real problem faced by the program beneficiaries shows that there is miscommunication between the two categories during the operation of the program. Since it's assumed that there is no marketability problem, no action has been taken by the NGO to solve the problem.

To see where the business takes over, 49(44.5%) of the respondents states that the business takes over through the brokers that means the product is directly given to the brokers so the majority access the market indirectly through the brokers so they are not taking the direct advantage from the profit like the brokers because they rather choose the line to the business through the brokers so their profitability margin declines because of their indirect path to the market.

While 31(28.2%) responded that the business takes over through rental shops that probably is because the beneficiaries doesn't have a permanent place to access the market. 30(27.3%) on the other hand use streets as street vendors. They might prefer the streets because accessing by shop is expensive for them or probably because they don't have legal selling right since they might not a registered vendors or may be the product type they are engaged in is not suited for selling in own shop or maybe they are running from the government tax system but in either ways they are street vendors running away from the legal business system.

Sixty one (55.5%) of the program beneficiary respondents believe that the business is created over the market after some time period. 41(37.3%) of the respondents believe that the business has been created by brokers. On regard to the staffs of the program, 30(94%) of the respondents believe that the access has been created by the beneficiaries themselves so it is obvious to see that the contribution of the NGO in facilitating the market for the beneficial is very poor or its

better to say any measure has been taken by the NGO and this has been proven even by the program staffs as well as by the respondents as well so the two categories response is very consistent.

According to USAID IGA manual(2007), Market Assessment is the process of collecting information about goods and services that may or may not be available at the market in order to determine how a business can participate in a profitable way and fill market gaps. Before starting a business, it is essential to know about the quality and quantities of goods and services available on the market. In addition, understanding the buyers / potential consumers of goods and services is equally important, in order to fill the market gap.

This means that it is very mandatory to place much emphasis in investigating the market before and after accessing the product to the market and that is done not only by the individual IGA beneficiary but through contacting the NGO for better business functioning.

#### **4.2.4.1 Marketability of the Products Produced**

Marketability of the product is that the product produced through the IGA business shall be considered to address the market. The marketability is indeed is all about the success of the program. The program success is measured by the products access and its profitability to the individual beneficiaries so that the payback of the IGA loan would be made possible in short period.

**Table 4.19: Marketability of the product produced**

No	Item	Respondents			
		NGO's IGA beneficiaries		Program staffs of the NGO	
	How do you see the marketability of the produced products?	No	%	No	%
1	a. Very good	19	17.3	4	13
	b. Good	23	21	27	84
	c. Fair	30	27.3	1	3
	d. Poor	38	34.6		
	<b>Total</b>	110	100	32	100

The products produced by the project beneficiaries shall be accessed to the market unless it will be difficult to say that the business is profitable and the people in the program does actually brought change in their livelihood. So looking over the product accessibility to the market tells everything about how much the people are benefited from the business activity.

In regard to product accessibility 38(34.6%) people responded that the product they have is poorly accessible to the market, 30(27.3%) of the respondents believe that the product is fairly accessible to the market, 23(21%) from the respondents believe that the product accessibility is good. Only 19(17.3%) from the total 110 respondents, believe that they have a very good market access. They believe that their products are accessible to the market and so the product they produced matches the business area or the product produced is very demanding but in all the way the product is marketable to them.

From program beneficiaries, majority 27(84%) believes that the product produced by the beneficiaries is productive. Here it's possible to see the significant difference between the two. In reality majority of the product beneficiaries believe that the product is not accessing the market while the program staffs believes that the product produced is right to the market. That means majority of the program respondents believe that there is no problem on the market and the

product. This is very inconsistency and there is a great deal of misunderstanding between the two groups while due to the program beneficiaries wrong certainty, the beneficiaries experience a great deal of problem on product marketability. This problem seemed continued unnoticed during the whole program operation point in time.

## **Chapter Five**

### **5. Summary, Conclusion and Recommendation**

The data for the income generation activity has been compiled and the possible analysis for the finding has been assessed. There are major finding from the data collected as well as from the compiled data from the analysis. The finding is detail and it will be summarized in section to see over the whole points decisively. The data that has been analyzed in chapter four shall be discussed in chapter five of this section.

#### **5.1 Summary and Finding**

This section summarize major finding so it continued from the last session of Chapter Four.

##### **5.1.1 Summary on the Characteristics of the Respondents**

This section only looks over the characteristics of respondents. Here a closer look over the characteristic of the income generation program shall be seen thoroughly. The following summary shall be derived from the characteristics to the respondents

1. Majority of the income generation activity beneficiaries are adults who have a responsibility over household. They are responsible to bring finance to their particular homes. The beneficiaries are married and probably have kids of their own who needs much assistance from them financially. This means they are more prone to have the responsibility and burden.
2. Women participation in the income generation activity is very low while this will have its implication over the amount of finance that flows to the household.
3. The educational level of the income generation participants is not very significant. Majority of the participants still need to take the 3R's. They are in the merge of losing the skills of reading, writing or doing arithmetic's.
4. The household size of beneficiaries is very significant to understand the burden a family of a single household has and also the amount of finance available to enhance the livelihood of the household. Mostly the household size is large and it means that the requirement from the main income provider, which is man since the share from the income generation accounts huge number, is more. Sustaining or developing a more planned IGA program saves number of people and enhance number of people lives.

### **5. 5.1.2 Summary on Background of Income Generation Program**

1. Beneficiaries of the IGA program have their own business which they are fully employed so the responsibility they have over the household in generating income is not very serious compared to the people who rely on the income generation program as a major source of income. Mostly they really on the business because their income is insignificant to the family. They are engaged to create additional income to the household since because their household size is extensive.
2. Most of the participants of the income generation activity in Gulele sub city are mainly weavers and also there are many engaged in beverage and food preparation.
3. Most of the participants of the income generation program are new beginners so it's obvious to see that the IGA program is new to the NGO. The program has not lasted many years as a sustaining poverty reduction way to livelihood enhancement.

### **5.1.3 Summary on the Loaning System of the NGOs**

The IGA loaning includes ways to providing the loan, the returning probability and reason to the unpaid amount of loan by the beneficiaries.

1. The loaning system of the NGO is through seed money as a revolving fund. The privilege given is a loan free of interest. They are only obliged to return the money on the period of time to which they are agreed upon. This makes easier for the beneficiaries to access and return the loan with on other dues paid.
2. Since the period of time to which the beneficiaries are involved is short period of time, they are not returning the loan so they are having hard time to paying the amount of money to which they have accessed. They are struggling to pay back 50% from the total amount they took.
3. Difficulty of paying back the money happens. Some fell paying back the money and some don't find it hard paying pack the money.

#### **5.1.4 Summary on Pay Back Interval**

The payback from the IGA is essential as the money is revolving to which other benefit from the program. The revolving from the income generation activity implies that the more money returned means the more people gain much more opportunity from the income generation activity consecutively. The programs running cost of the IGA is the revolving over the years as well as the money budgeted by the physical year.

1. Most of the beneficiaries of the income generation program has loaning period of one year. The loan shall be returned in one year interval and start benefiting the others in the coming consecutive years.
2. There is a problem on time frame or loan repayment period. Some find it difficult to pay back the money in one year. This maybe because of various reasons but it's much difficult to finish the loan with the time frame. Some time gaps as solution is considered by the beneficiaries of the IGA program. This means the grace period for the income generation program shall be of inconsistent or flexible to consider the profit level or through extension of repayment periods according to the request up on the beneficiary.

#### **5.1.5 Summary of the IGA Beneficiary's Reaction after Engagement**

1. The beneficiary's reaction to the program is that they believe the program doesn't bring a significant effect in their life. They are still expecting the effect. That means even if they stayed in the program for one year or one and half year, the program still doesn't bring the expected change in lives of beneficiaries but there are some exceptions to that.
2. The expectations of the beneficiaries from the income generation program, states that the change that comes through the income generation program is not through tangible change but change in perceptions. They believe that they have gained considerable knowledge on how to run a business. That means even those who believe they changed is not through livelihood or income change even if their perception of running a business changed slightly.
3. In regard to their participation, the program comes directly by program developer staffs or NGO donors with no idea what the cultural condition of the target population look

alike. The program starts functioning thinking that the program benefits the community. The community then participates when the NGO launches a campaign over the newly developed programs. Any programs including the IGA program are not participatory, driven by the need of the NGO/Donor.

#### **5.1.6 Summary on Training and Follow-ups**

Trainings are very mandatory to structure the IGA program. The products produced and the way how shall be given to the beneficiaries as to give the clue over good product, quality product. Some beneficiaries are new beginners or new starters of the business.

1. There is no training in accessing the IGA fund. The fund or loan is released and provided for the IGA beneficiaries. They take the loan but the training is not considered by the program staff or the NGO to have a very significant effect on productivity. Even the training that is to be launched by the NGO is once in a year or once in one and half year and the training is not launched once for all IGA beneficiaries that only a small number of people take part in the training or the NGOs use different approach to the training as some launch a trainings while some others don't.
2. Even the training is believed to be inadequate to the particular business running. This means the training is not related to the business or the extent of coverage is not much or the training might have the general concept rather than dealing to the particular business.
3. The duration of the training is not enough as it has a shorter period that means the time frame limits the concept that the training might have. The content might go for the oral orientation with a limited time for discussion as well as a limited time for practice. This limits the training practicability and this significant influence on the beneficiaries.
4. The content of the business training goes on market area investigation and ways to run a business with no training focus on product quality improvement. The product quality shall mean that the more a product is quality, the more marketable the product will be and so the profit margin will be greater. The focus given to business plan preparation as well as to the product quality improvement is zero so the IGA beneficiaries are engaging in the income generation program like they are used to in previous years.

5. To the income generation staffs, the income generation program follow-up visits are not accompanied. IGA beneficiaries are not looked up or visited by the program staffs. The beneficiary's status report is not recognized to be fundamental for the effectiveness of the program and to its significant implication to the lives of the beneficiaries to improve their livelihood situation.
6. To see over the confidence level of the income generation program. The program is found to have a serious problem since the confidence level is nearly zero and still a little more financial assistance is required to run the business activity. This means that the NGO is not running the IGA program as to help them succeed and so that they can able to have the ability to run their activity apart from the fund. That means that if the NGO ceases operating in the area then the present beneficiaries still not able to run their business independently.
7. Literacy education which is referred as success factor has a greater implication on how well the business is running. NGOs ignore the fact that the level of education has its own contribution on the success and profitability of the business. The IGA program is running without considering the illiterate part of the beneficiaries. 3Rs which constitutes arithmetic, reading and writing is given lower priority on the program. Business is a transaction; transaction needs arithmetic and if the arithmetic's is not contained in the education, then the profitability of the beneficiaries will be on doubt because business involves varies calculations and this indeed requires a great deal of knowledge on basic mathematic.

### **5.1.7 Summary on Market Chain**

1. The beneficiaries do not have tangible place to sell their products. They sale their products to the place to which is there are able to catch up on. They don't know to where their finished products will flow to. Especially to those who are engaged in Food preparation, fruit selling and petty trade they are more uncertain how their product flows. This uncertainty produces dysfunctions or inability to exert the whole effort in the business activity. This means they are threatened from fully engaging in the activity and full producing their marketable item to the market.
2. Brokers and streets are the main paces of transaction which rental shops are used a little bit of time. The products are directly channeled to the brokers and streets are used to reduce rental costs, avoid income tax or for market accessibility. In one of the ways they are choosing the streets for transaction.
3. The marketability of the product is poor. This means that the product they produced is not penetrating in to the market.
4. The market in the other hand is not very much intervened to access for the beneficial to benefit from the program. In the other hand the business runs slower. For instance the businesses for the weaving activity to which majority of the people in Gulele sub city are dependent upon are seasonal. The brokers in some instance slower the benefit gained or "profit margin' becomes less since the producers are not directly accessed to the merchants directly or they simply access the market just as hand merchandisers rather than having a shop to access their products directly. This brought a problem in the profit margin to which they are expecting.
5. The NGOs are not intervening in creating the market. The market is functioning by itself the involvement of the program staffs in this case is very low. The marketability of their product depends on the effort that the project beneficiaries lay and the quality of the product produced so no value chain has been created. Market intervention and market analysis or networking of the product produced is completely of low consideration given.

## **5.2 Conclusion**

Most of the income generation program beneficiaries are adults that means most of them are responsible for taking care of their families through the income they brought in. Their household size is very large so their effort on receiving the income must be greater or equal to the size of the household. Their educational level also contributes for the level of income they receive while they go through the income generation program.

The main purpose for the income generation program participants is mainly to create additional income for their family. Type of money accessed from the NGOs is mainly seed money free of interest which enables beneficiaries to make business progress without additional interest rate or extra charges. The amount of loan returned on the other hand is very small and paying back is hard for them which show that even the amount is free of extra due; they still feel that it's hard to return back. The reason is explained that the market chain is unavailable for them and that they are unable to make payback easily. The time to return the loan is two years and the time is suited to return the loan but they are not returning as expected. This shows that there has to be other reasons for their incapability to return the loan they took to return right back.

The economic improvement after engaging in the income generation activity is still not seen. They are still not on the edge to say that they have got enough or their living situation is improved rather they are still struggling in the business. They are expecting the change but the change they are expecting to see is not available for them but still hoping to see something out of the program. The change in the perception is the things they have get a hold when becoming participants of the income generation program. Other economic changes are not seen because of low participation of the IGA participants in the program.

Trainings before and after accessing the IGA fund is very low. The trainings are not regarded to be significant because the frequency of launching the trainings is very low. Money is withdrawal and disseminated and collected with no professional trainings available for the beneficiaries. The training areas are market area and ways to business but the way how they improve the quality of their products is not taken in to consideration while scheduling IGA training. In addition to this

the program staffs are not making follow-up over the IGA beneficiary business progress. They are not assessing their business progress.

The IGA support literacy program is not developed well to help IGA beneficiaries to run the business with all the skill available to them. It is not regarded to be a support program for the IGA program.

The IGA beneficiaries do not have a tangible market place so market becomes a contributing factor. The market accessibility is created by the neighbors and friends so they are not getting a wide open market for their product to access to the market. Due to this there product marketability is very low. They have been expecting much when they started operating in the income generation program but the profit margin is very less than they expected.

The Income Generation Program seems to have critical problems in respect to the training, follow-up, payback, literacy program etc. Adults are a responsibility assigned section of the society. To address their responsibility they embark on the IGA program so this people shall deemed to see the importance assigned to the program. They want to see the value attached to the IGA program and that is the responsibility of NGO's. It's not about the presence of the program that matters here or the budget assigned but the program shall be viewed as a sustainable and best alternative for the eradication of poverty in household level. This consideration leads to the other important program measures.

### **5.3 Recommendation**

In this section of the study the researcher would like to give recommendation because it will be helpful for decision makers to consider the shortcomings from the income generation activity program of NGOs on adult's livelihood enhancement. Some recommendations are discussed here in detail.

- i. The income generation program shall have a structured manual before operating the income generation program. The manual makes the activity to run through the appropriate steps. Manuals are guidelines. Whatever the program is or in whatever mechanisms the program runs, having a manual guides an activity. During document analysis except one NGO others NGOs don't have manuals or guidelines for the IGA program. If that is the case then the problem is that the NGOs programs will not be moving in the way that all the staffs as well as the NGO believes to be appropriate or beneficial for the program beneficiaries but that was not the case. So it's very much recommended that the NGOs to have a manual to which everyone specially the program implementers developed specifically for the effectiveness of the program implementation. The steps undertaken in each phase shall be carefully planned through the manual with the incorporation of detail program implantation approach.
- ii. During the document analysis the researcher sees that the program is not supported by base line survey so that it was found difficult to see the progress and the impact that comes through the program. This challenge was serious as the program is believed to be important but the impact that comes through is not much to say so it's better that the program shall have base line survey at every step of the program implementation. The program is running with inaccurate data but with mere speculation which is both imprecise and mystifying.
- iii. The program is an imposed program which is believed to benefit the people under the NGOs IGA program. The IGA program is not very much inapplicable if it's an assumption that the program will be much beneficial. The program shall be beyond assumption.

Rather speculations over the program through donors imposed plans become dysfunctional to the program as some are pushed to work together in the way to which they don't want. Income generation program shall be autonomous but some precondition

like, must work together in cooperative to earn money, becomes a cause of failure to the program. Some people can even assume that they become victims to lose of their financial resource to compensate the pay back if the program.

This problem arises when the donor imposes “I know for you” line of attack. This has to be over looked. These ways cause such problem of inability to return the loan as well as serious quarrels in the family which probably extends to separation. So the program might yield serious unacceptance to the program so the researcher recommend that the program that the NGO imposed on the beneficial shall be subjected to assessment and together program planning that suites the beneficial rather than the donors, after all NGOs need the beneficial to improve their livelihood. So participatory planning to the program shall be given due attention as the primary program planning step. This means need assessment shall come first before going through the steps to the livelihood enhancement. Need assessment and consultation (participatory planning) shall be one way to look over the problem and for letting beneficiaries to give solution to their own problem so that they will have solutions to their own problems. That is called prioritization and letting others come to solve own issues and problems. So they learn to solve any issues by their own with program implementers being facilitators.

- iv. Training is one way to improve the situation of the income generation program beneficiary's condition. During the program assessment, one respondent was commenting on the program. He said that

“It's better to give the fisher men a tool than giving the fish itself: I am much worn out working the way my father thought me how. I believe that if the way to making the weaving is improved, I will be benefited a lot but still I don't know how to that”

Training changes human attitude. Loaning if supported with the appropriate and sequential trainings which is in line to the beneficiary's skill, then the problem they had with the production system will totally be improved and developed. People need education and capacity development. The way they were producing was not appropriate and it was partly why they become in the way they are economically. The living situation

to adults shall be improved and this only happens if their attitude is changed, attitudinal change comes through education and trainings which are very central.

It seems that NGOs have the financial source so they are letting people access the money with no intention of improving their way to production to the beneficiaries. This situation rather caused them a great deal of problem rather than being the solution center for their economic situation.

The researcher would like to recommend that the training manual shall be developed separately. The one who develops the manual shall be accurate with for who to develop and the content and the practicability of the training manuals shall be given due care. This means that the training manual shall go in parallel in targeting individual skill problem. The content must go with income generation plan and the program long term impact.

- v. The loan has been provided with a grace period and the amount and the repayment is not a problem but the problem is that only less than 30% of the individual IGA beneficiaries begun returning the amount this implies that the CSOs are mainly focusing on loaning the amount rather than focusing on how the loaners return the amount and run their business independently. This cause a doubt on the sustainability of the business. This then leads that sustainability need to be considered besides providing the loan. Provision of the loan doesn't guarantee anything rather every essential component and program evaluation and implementation through the finding needs to be the focus to the program.
- vi. Follow ups are the crucial components for the program development which incorporate livelihood improvement. NGOSs shall give due consideration to the program. This consideration is that they shall be visiting regularly since beneficiaries need to know that they have somebody to look over them. This program has its own psychological output and has to do a lot to the beneficiaries. This means that the program shall be moving through planned procedure for the follow-up program as well. The researcher would like to recommend that the program follow-up shall have its own planning manual and shall consider not only visiting but also encouragement and also analyzing the situation and going to the next program development and consultation for the problem if does exited.

The researcher would like to stress that follow ups are mandatory but all the sample respondents and even the program staffs didn't consider the follow-up programs to be mandatory their reason to that is they will be occupied with other programs but income generation is the one way for self sustainability as it helps people to raise their own income. Any program development in the income generation starts with valuing the significance of the program to the livelihood of adults and the whole family members to which they are responsible as head of household.

- vii. There are a lot of people with different educational background participating in the income generation program. The program is very much mandatory because the program shall begin with improving individual educational background. The beneficiaries in the income generation program are from different background so they need capacity development in every step or in the way that goes parallel with their business. The NGO shall fill the skill gap. They are directly engaging in the market so they need to know how to count the money, to analysis the profit at the end of the transaction. This is the case for the individual income participants.

What is the educational level of the beneficiaries to the program? This has to be addressed first before pushing the beneficiaries in to the program. During questioning the program staffs as well as beneficiaries, they all responded that they are not supported by literacy programs. It's very wrong to expect change in lives of the beneficiaries if NGOs are unable to tackle the challenges first.

The recommendation for the situation is that NGOs need to look over the education level of their program beneficiaries and plan way to improve the educational level looking over the 3Rs. Special contemplation shall be given on basic numeric's since beneficiaries are directly engaged with customers coming with cash so counting and deducting from the cash needs the understanding to the numeric's.

- viii. The NGO shall also need to assess the market chain existed within the market. The market shall be in the expense of the beneficiaries. The market that is to be assessed extends to the improvement of the market chain, assessing the market condition of the beneficiaries. Sometimes it's advisable that the product that the beneficiaries are

producing shall be of a greater amount exerting their maximum effort but this is sometimes is unthinkable if the beneficiaries are producing perishable goods since they all be wasted if they are produced in mass. This kind of items shall be produced when the business person believes that they will be taken by some plant or greater firm once. If this is not the case or if the number of customers in the market is less than the quantity of production then producer is limited to produce even when the producer can do twice or three times the capacity he/she has. This is why market chain need to be set first if the program to bring a change in life's of beneficiaries.

The researcher would like to recommend that the NGOs have a responsibility to look over the market. To help them have a perfect market line to access their product. This is to yield a better outcome to the program as well as to improve their profitability through increased marketing of their output.

- ix. There is always a greater chance for the NGOS operation to discontinue functioning in the area so it's better to look over the firm way and implementation plans of the program. The firm ways leads to a firm exit plans. This way of thinking helps NGOs to build way for the program operation to continue without the help from any other source. The exit strategy is the combination of the many situation that the researcher recommended but the financial flow as well as the program need to operate even when the project by the NGO cease to function.

The research would like to recommend some way to that, one of the maney is to acquires assess for the IGA facilities like ware house or production houses. Other critical way is for the finance to flow within the community with the appropriate management set within the system. This means that the program shall operate with the financial control of the managing body from the community since the budget is revolving and this finally shall be gone to benefit money: other households form the community. This community then know how to operate the activity, the facility and also the finance even when the project phase out from the area. This needs community leaders training and capacity development.

- x. The NGOs need to involve in the market through breaking the linkage from the brokers. The challenge many faced specially for the weavers is that they are unable to reach to the market directly this made them to be dependent for the brokers to access for them of their own products. That made their lives to have a similar pattern. They produce and sell to brokers with limited cash which they will be profitable if they outreach the market by themselves. Profit is gained by the brokers who have no role to play in the production rather on marketing. This problem shall be addressed if the business people are encouraged to own shops of their own so that they can be benefit from their own product or for their own effort. This can be having its own effect on their lives if there is a vision to bring about sustainable living for the beneficiary society.

## References

ACF (2005). Technical strategy paper – Action contre la Faim International. Draft internal document.

Anheier, H. K. (2004) *Civil Society: Measurement, Evaluation and Policy*. London: Earthscan.

Central Statistical Authority, 2000: *Demographic and Health Survey*. Addis Ababa.

Clark, J. (2000). *Civil Society, NGOs and Development in Ethiopia*. Unpublished paper prepared for the World Bank, Washington D.C.

Collier, C. (2000) ‘NGOs, the poor and local government’ in D. Eade (Ed.) *Development, NGOs and Civil Society: Selected Essays from Development in Practice*. London: Oxfam GB: pp. 115-123.

Collier, Paul and A Hoeffler, (2000). *On the incidence of civil war in Africa*. World Bank working paper.

CONCERN ETHIOPIA (2009) *Concern Ethiopia Urban Livelihood Programme 2006-2010*, s.l., Concern Ethiopia

*CSO (Charities and Societies Proclamation)*. (2009). The Government of the Federal Democratic Republic of Ethiopia (FDRE), Addis Ababa, Ethiopia.

CRDA 2006-2008. CRDA News. CRDA newsletter, various issues

CSO Taskforce. (2011). *Users’ Manual for the Charities and Societies Law*. Taskforce on Enabling Environment for Civil Society in Ethiopia. Addis Ababa.

Dessalegn Rahmato 2002. *Civil Society Organizations in Ethiopia*. In Ethiopia: The Challenge of Democracy from Below, edited by Bahru Zewde and Siegfried

Pausewang, pp. 103-119. Uppsala: Nordiska Afrikainstitutet and Addis Ababa: Forum for Social Studies.

Dessalegn R., Akalewold, B., and Yoseph, E. (2008). CSOs/NGOs in Ethiopia: *Partners in Development and Good Governance*. A study prepared for the CSO/NGO Taskforce on Creating an Enabling Environment for Civil Society. Unpublished manuscript: Addis Ababa.

Dessalegn, R. (2010). *Civil Society and the State: The Challenge of Democratization in Ethiopia*. In Bhikinkosi Moyo (Ed), (Dis) *Enabling the Public Sphere: Civil society regulation in Africa* (Vol. 1), Published by Southern Africa Trust and Trust Africa, Johannesburg

Devas, N. (2002) Urban Livelihoods – *Issues for Urban Governance and Management*, in Rakodi, C. and Lloyd-Jones, T. (ed.), *Urban livelihoods: a people-centred approach to reducing poverty*, London: Earthscan, p. 205-221

Donnelly-Roark, P. (2002) *Mainstreaming Participation in the PRSP*, Washington, D.C.: the World Bank.

Edwards, M. (2001) ‘*Global Civil Society and Community Exchanges: A Different Form of Movement*’, *Environment and Urbanization*, 13(2): pp. 145-149.

Ellis, F. and Woldehanna, T. (2005) *Ethiopia Participatory Poverty Assessment*, Addis Ababa: MoFED

Forum for Social Studies. (2008). *Civil Society at the Crossroads: Challenges and Prospects in Ethiopia*. In Taye, A., and Zewde, B. (Eds). Addis Ababa.

Gibson, M.A. 2008, "Does Investment in the Sexes Differ When Fathers Are Absent?" *Human Nature*, vol. 19, no. 3, pp. 263-276.

Hitchins R., Elliot D. and Gibson A (2004). *Making business service markets work for the poor in rural areas: a review of experience*. The Springfield center for business in development. DFID, London.

MOFED (2006). Ethiopia: *Building on Progress: A Plan for Accelerated and Sustained Development to End Poverty*. Addis Ababa, September

Oakley, P. (2003) '*Strengthening Civil Society: Concept and Approaches*' in B. Pratt (Ed) *Changing Expectations: The Concept and Practice of Civil Society in International Development*. Oxford: INTRAC: pp. 31- 42.

Pearce, J. (2000) '*Development, NGOs, and civil society: the debate and its future*' in D. Eade (Ed.) *Development, NGOs and Civil Society: Selected Essays from Development in Practice*. London: Oxfam GB: pp. 15-43.

Satterthwaite, D. (2001) '*From Professionally driven to People-driven Poverty Reduction: Reflections on the role of Shack/Slum Dwellers International*', *Environment and Urbanization*, 13(2): pp. 135-138.

World Bank 2007. Ethiopia: *Accelerated Equitable Growth Country Economic Memorandum*. Part I Overview. Washington, D.C., April

World Bank, *Project Information Document (PII)*, Humbo and Soddo

Van Rooy, A. (1998) '*Civil Society as Idea: An Analytical Hatstand?*' in A. Van Rooy (Ed) *Civil Society and the Aid Industry*. London: Earthscan. Community-Based Natural Forest Regeneration Project, Ethiopia, June 2006

## **Appendices A**

**Addis Ababa University**

**College of Education**

**Department of adult and life Long Learning**

Questionnaire to be filled by the beneficiaries of the NGO income generation program as well as the NGO's income generation program staffs (IGA Program manager, Project manager and project officer)

### **Purpose**

The purpose of the questionnaire is to collect data in regard to the income generation activity. The questioner is intended to assess information for the research entitled "An investigation in to the role of CSOs in income generation activity for adult livelihood enhancement: the case of Gulele sub city Addis Ababa City Administration". Please try to give direct and open answer because the information you supplied will be of the prime importance for the research.

### **Instruction**

-don't specify your name on the question sheet. You have also the right to refuse to answer, and also quit the survey; if you feel discomfort with the questions. You are not forced to make any kind of contractual agreement that will oblige you to stay till the end of the research.

-Please elaborate your answers for those open ended questions.

**Thank you for devoting your precious time and in reading and answering this  
Questionnaire**

**Part one:** this section deals with the personal background of the respondent

1. Age of respondent
  - e. 15-20 years
  - f. 21-30years
  - g. 31-40 years
  - h. Greater than 40 years
2. Sex
  - a. Male
  - b. Female
3. Level of education
  - a. Not literate
  - b. Primary level
  - c. Secondary level
  - d. College diploma
  - e. BA/BSC
  - f. MA/MSC
4. What is your marital status?
  - a. Single
  - b. Married
  - c. Divorced
  - d. Widowed
5. Would you specify your household size?
  - a. 1-3 household number
  - b. 3-5 household number
  - c. 6-8 household size
  - d. More than 8

**Part 2: This section questions the IGA program**

2. What kind of business are you running partly from the IGA business?
  - e. Full time employment
  - f. Part time employment
  - g. Daily labor
  - h. No other business
  - i. If other please specify
  
3. What is the purpose in engaging on IGA program?
  - e. To create additional income
  - f. To create additional working time
  - g. To create job security
  - h. if other please specify \_\_\_\_\_
  
4. How long have you stayed in the IGA Program?
  - f. For less than a one year
  - g. For one year
  - h. For one and half years
  - i. For two years
  - j. For more than two years
  - k. Please specify if other \_\_\_\_\_
  
5. What is your status of work before you engaging in the income generation program?
  - a. Employed
  - b. Unemployed
  - c. Running own business
  - d. If other please specify \_\_\_\_\_
  
6. What kind of business is running through the income generation activity?
  - g. Small petty trade
  - h. beverage and food preparation
  - i. own shop

- j. Hand craft
  - k. If other please specify\_\_\_\_\_
7. What is the feature of your loan?
- e. Seed money
  - f. Gift Money
8. How many times did the IGA loan have been accessed?
- e. One time only
  - f. Two times
  - g. Three times
  - h. More than three times
9. Is there a criteria set by the NGO to access the fund?
- a. Yes
  - b. No
10. How do you see the criteria's?
- a. Very difficult to meet
  - b. Not simple to meet
  - c. Very easy to meet
11. How much have been returned from the amount of money loaned?
- e. Less than 90% from the total loan
  - f. Around 50% from the total loan
  - g. Less than 30% from the total loan
  - h. Not started returning the loan
12. Is paying back the loan difficult?
- c. Yes
  - d. No
13. If it was difficult to pay back, would you specify why?
- a. The money loaned is big
  - b. The business runs slower
  - c. The market chain is not available
  - d. The profit margin is less

- e. If other please specify \_\_\_\_\_
14. What is the time interval to pay back the money beginning from the time the money is loaned?
- e. Six month
  - f. One year
  - g. One and half year
  - h. Two years
  - i. If other please specify \_\_\_\_\_
15. Do you think the time frame is suitable to return the loan?
- c. Yes
  - d. No
16. If the time period is not suited then can you indicate a better way to be suited?
- e. Through longer period of returning
  - f. With in some time gaps of returning
  - g. adjusting with the business profitability
  - h. If other please specify \_\_\_\_\_
17. How do you explain the economic situation after engaging in the income generation activity?
- f. Same as before
  - g. A little different
  - h. Very good
  - i. Not yet seen
  - j. Worse than it used to be
18. If there is change then what changes after you being beneficiary of the income Generation activity?
- f. Change in business perception
  - g. Change in house condition
  - h. Change in the way of living
  - i. Acceptance in the community
  - j. If other please specify \_\_\_\_\_

19. What type of relationship exists between the NGO and the community?

- d. Participatory
- e. Down ward flow of the program
- f. If other please specify \_\_\_\_\_

**Part 3:** This section deals with a review of the training and finance in the IGA program

20. Is there training before accessing the fund?

- c. Yes
- d. No

21. How many times was there business training after accessing the loan from the NGO?

- e. once
- f. twice
- g. three times
- h. If other please specify \_\_\_\_\_

22. Do you think the training is parallel with the business running?

- d. I believe it's right for the business
- e. It's not adequate for the particular business running
- f. If other please specify \_\_\_\_\_

23. Do you think the duration of the training is enough?

- c. Yes
- d. No

24. What is the content to the training? Business plan preparation

- g. Ways to run a business
- h. Market area investigation
- i. Product quality improvement
- j. All the above specified together
- k. If other please specify \_\_\_\_\_

25. How many times do the NGO staffs look over the business progress?

- e. Never look up
- f. Look once in a month
- g. Look once in two month
- h. Look once in a quarter
- i. Look once in six month
- j. If other please specify \_\_\_\_\_

26. How much is the confidence to run the business from any other funding?

- f. Not confident at all
- g. A little financial support is still needed
- h. Only technical support is needed
- i. Confident enough to run the business
- j. If other please specify \_\_\_\_\_

27. Is there a literacy program implementing in line with the IGA Program?

- e. There exist a well developed literacy program
- f. There is a program but not well developed
- g. There no IGA support literacy program
- h. If other please specify \_\_\_\_\_

28. What is a family's response in participating in the income generation activity?

- e. They provide enough courage
- f. Mostly not encouraging
- g. They are discouraging all in all
- h. If other please specify \_\_\_\_\_

**Part 4:** This section goes on to the market survey

1. Is there a tangible market place to sell the business item?
  - a. Yes
  - c. No
2. Where usually the business does takes over?
  - e. On the streets
  - f. In rental shops
  - g. Through hand merchandize
  - h. If other please specify \_\_\_\_\_
3. Who created the market access?
  - e. The NGOs itself
  - f. Created by friends and neighbors
  - g. created after a period of time
  - h. If other please specify \_\_\_\_\_
4. How do you see the marketability of the produced products?
  - e. Very good
  - f. Good
  - g. Fair
  - h. Poor
5. Is the business running like you expected?
  - a. Yes
  - b. No
6. If it's not running as expected then explain why?
  - a. The production cost is high
  - b. The profit gained is less
  - c. The product quality is low
  - d. There many shops with same product
  - e. If other, please specify \_\_\_\_\_

**Part Four:** This section assesses personal view

From the given value under each statement, there is no right or wrong answers here; the writer is interested only in a number that best shows your perception about the IGA program. It is all about your perception and view point that you will select.

Key: 5=Strongly Agree (SA) 4=Agree (A) 3= Undecided (UD) 2=Disagree (DA) 1= Strongly Disagree (SD)

S · N	Items	SA (5)	A (4)	UD (3)	DA (2)	SD (1)
1	Do you think your IGA program is strong?					
2	Do you believe the training can impact the business activity?					
3	Do you think your NGO is assuring the sustainability of the community in the income generation program?					
4	Do you think the measures taken so far by your NGO took the maximum limit in reducing the level of poverty among the beneficiaries?					
5	Do you feel more people will change their life situation because of the IGA Program					
6	Do you believe that your educational status has influence for your success in the IGA program?					

## **Appendices B**

Addis Ababa University

College of Education

Department of Adult and Lifelong learning

*Semi structured interview*

This interview is developed to have additional data regarding to the NGOs contribution. The interview will conducted for Small and Micro Enterprises, women and children affairs office, woreda BoFED and Addis Saving and Credit Association. The assessment will be in regard to IGA program implementation of NGOs so as their contribution as part of stakeholders, they are expected to give answer which is kept confidential and which is used only for academic purpose only. This interview will be significant to collect additional data for the IGA program of the NGOs you work with for implementation.

### **Thank you for devoting your time**

#### **I. Background information**

1. Level of education
2. Service year
3. Work Position

#### **II. Question in regard to the IGA program of the NGO**

1. Do you believe the income generation program launched by the NGO goes to improve the economic situation of the beneficiary community of the NGO?
2. Do you believe the loaning procedure for the IGA beneficiary is adequate with the business requirement?
3. Do you consider the NGO has an organized plan for the income generation program?
4. Do you believe the income generation program is supported by successive trainings?
5. Do you believe that the NGO has regular IGA follow-up program?
6. How do you see the NGOs involvement in the market chain?
7. Do you believe that the literacy program if incorporated in IGA program would yield a positive outcome to the IGA achievement of the NGOs?