

Running Head: CHALLENGES AND CONTRIBUTIONS OF SELF HELP GROUPS

Challenges and Contributions of Self Help Groups in Empowering Poor Women: The Case of  
Ethiopian Kale Heywet Church, Addis Ababa Integrated Urban Development Project

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## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

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## CHALLENGES AND CONTRIBUTIONS OF SHGs ...

### *Abstract*

The concept of SHG (Self Help Group) did not get enough attention in Ethiopia especially in governmental development policies, strategies and activities. There are few non-governmental institutions which work on the concept especially in urban areas of the country but, there is no enough research conducted on the issue in Ethiopia. Nevertheless, SHG development strategy have a number of significant contributions for the holistic development of the poor community particularly women. In Ethiopia, women are disproportionately impacted by extreme poverty, unemployment, drained living environment, social injustice, discrimination and other insecurities of life. So, to bring sustainable development in the country it is vital to empower this section of the society who needs empowerment and inspiration to change their life and contribute for the development of their country. The concept of SHG stress on the existing assets of the poor community and bringing community mobilized development by empowering the poor how they can utilize their economic, social and other kinds of resources among them. It inspires poor women to get out of poverty by using their natural potential and gift through regular weakly saving, access to internal and external loan and intensive capacity building training so as to begin and expand small business and income generating activities. Therefore SHGs can serve as the best development strategy to empower and enable destitute people to utilize the existing assets and bring real change in their life and among the community. The purpose of this study is to explore the challenges of SHGs and to investigate the contribution of self-help groups on the life of poor women within the selected sites of Addis Ababa, in which the EKHC integrated urban development program, is engaged and to identify further or alternative ways that the program will operate more efficiently for the future. The research is conducted in four sites namely, Gottera, Qeranio-Bethel, Sar Betoeh and Qore, Mikael and Mekanisa area of the project. Data collection methods used in this study includes in-depth Interview, observation, focus group discussion and document review. Two FGDs were held with 12 participants, 16 SHG members and leaders and 4 project coordinating staff members participated in the in-depth interview. The study identified four major contributions of SHGs namely social empowerment, economic empowerment, leadership empowerment and ethical improvement. SHG played a great role in improving saving culture, social life, emotional intelligence and leadership skill of the poor women. On the other hand, SHGs encountered critical challenges in the process of implementing the concept among the community such as financial and material aid expectations from the project, lack of market place and illiteracy of some members of the group. The study concluded that through participating in SHGs, it is possible to bring sustainable development and change in the economic life of the members such as level of income, health care, education and housing condition.

## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

### *List of Acronyms*

ABCD – Asset Based Community Development

CLA- Cluster Level Association

CCMD – Church and Community Mobilization for Development

CoSAP - Consortium of Self Help Group Approach Promotion

EI – Emotional Intelligence

EKHC – Ethiopian Kale Hywet Church

EKHCIUDD – Ethiopian Kale Heywet Church Integrated Urban Development Department

EMFED - Ethiopian Ministry of Finance and Economic Development

FCE – Facilitator for Change Ethiopia

FGD – Focus Group Discussion

GAD – Gender and Development

ILO – International Labor Organization

IUDP – Integrated Urban Development Project

IASSW - International Association of the Schools of Social Work

IGA – Income Generating Activities

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IFSW – International Federation of Social Work

KNH – Kinder Not Hilfe

MDG – Millennium Development Goal

NABARD - National Bank for Agriculture and Rural Development

NGO – Non Governmental Organization

SHG – Self-Help Group

SPSS - Statistical Package for the Social Sciences

UN – United Nations

WID – Women In Development

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## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

### **1. Introduction**

#### **1.1. Background of the study**

Self-help groups (SHGs) are a group of ten to twenty members organized to help each other financially, socially and emotionally. Every person can contribute for the development of his or her country if there are some amenities or opportunities which guide the individual to develop his or her capability. Self-help groups can provide one of these opportunities that empower individuals to cope up with their economic and social challenges so as to help themselves and contribute for the development of their country (KNH, 2008).

The idea of SHG is bringing perceptible change in different dimension of the societies' life in most countries of the world (Swamy & Tulasimala, 2013). This program is also believed to bring fathomable change in Ethiopia as well. EKHC integrated urban development has been working on this program in different cities and towns of the country for the last few decades.

The concept of SHG is first introduced by Laureate Mohamed Yunus in Bangladesh and nowadays it touched the greatest part of the world (Narang, 2012). The purpose of the groups is enabling the group members to come together and combine their resource in order to access low-cost financial service with a process of self-management and development. They can be formed and organized by authorized institutions or sometimes they can be formed by the common interest of individuals living in the same life condition. The group members save a certain money together for some period of time that can be used as loan so that they can engage in different small business activities to improve their economic life and living conditions. Beyond this they help each other during stiff problems by establishing strong social network among the group members. Nevertheless, the vital purpose of the SHG program is to pave the way to access credit in order to help the members to fight against poverty (Narang, 2012).

Ethiopian Kale Heywet Church (EKHC), Addis Ababa integrated urban development program is one of the organizations which work on the establishment and organization of self-help groups in the capital. The vision of integrated urban development department of EKHC is to

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see nation or communities that have come out of poverty, injustice and enjoy goodly life in a sustainable manner (EKHC, 2011). So, the program is aimed at improving the living condition of poor urban communities to bring sustainable and holistic transformation by empowering them to mobilize their assets. This study is focused on exploring the challenges, experience and contribution of self-help groups in the process of holistic community development and empowerment of women.

### **1.2. Statement of the problem**

Addis Ababa, as a capital of the country and Africa as a whole, is the most densely populated city and has interrelated problems. Some of these problems include poor housing, skewed income difference, high rate of unemployment, sewage snags, inadequate transportation and lack of adequate road construction. According to (Lika, 2013), in the capital, about the quarter of all housing parts constructed informally and 60% of the city's center is dilapidated because of the incongruity between the population growth and available resource and service. As a result, there are so many economic and social catastrophes especially on the portion of the community who live in low economic status. The economic status of the society, the living condition and the feature of the city are interconnected directly or indirectly (Lika, 2013).

Women are disproportionately impacted by extreme poverty, unemployment, drained living environment, social injustice, discrimination and other life insecurities. Among these, gender inequality can be mentioned which is manifested in terms of literacy level, education attainment, working status, type of earning for work, occupation, access to media, age at first marriage and fertility preference. Women are seriously disadvantaged in terms of these variables (ESPS, 2008). Gender discrimination, sexual harassment and violence, undermining women's ability and underrepresentation are the major problems in Ethiopia. In addition, lack of empowerment programs and trainings lead women to accept these traditional and other oppressions coming from different organizations and from the society as a whole (ESPS, 2008).

Therefore, women are the main target population for some organizations such as EKHC, which are working on SHG program. Further, MDG (Millennium Development Goal) also emphasized on this issue. Among the eight goals; the third goal focuses on promoting gender equality and empowering women intending to eliminate gender disparity in all education levels

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by 2015. Ethiopia accepted this agreement to promote gender equality and improve the lives of women (UNDP, 2006).

Women in Africa work both in and outside home but this did not able them to get enough payment because, lack of access to education reduced the access of high wage jobs and employment opportunities are low for women (MDG, 2013). The report under goal three of MDG, “promote gender equality and empower women” indicated that women’s non-agriculture employment is lower in Africa and more than 60 per cent of female workers are engaged in risky jobs and are vulnerable for different hazards, while wage rates for men and women are still unequal in many African countries.

In Ethiopia, women passed through difficult and stiff cultural and traditional systems in their economic, social, political and other aspects of their life. However, nowadays some of them are accessing different opportunities to empower themselves and to explore their capabilities to contribute for the development of the society. It is commonly said that empowering women is empowering the society as a whole. Understanding this, MDG put eradicating extreme poverty and hunger as its first goal and promoting gender equality and empowering women as a third goal to be achieved by 2015.

Due to all the above reasons, EKHC integrated urban development gives priority to women. According to Simon (2011), (the head of the integrated urban development department), 97% of the self-help groups organized under the Integrated Urban Development Department are women, which is the clear indication of the priority that the program gives to women.

However, some reports indicate that it is going to be challenging to achieve these goals in the coming 2015. For instance, the MDG report of 2013 put that the annual average decline of poverty is lower in East, Southern, West and Central Africa compared to other regions of the continent. According to the report, the slow pace of poverty reduction in Africa is because of its lower economic growth elasticity of poverty than the other regions and as a result, the number of people in extreme poverty (less than \$1.25 per day) increased in East, Central and West Africa over 1990-2010, from 289.7 million to 413.8 million.

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Thus, all the above factors such as the underrepresentation of women, their engagement in hazardous jobs, low monthly income etc... have certain direct or indirect contribution for the slow pace of African development specially in East, Southern, West and Central regions of the continent. Therefore, it is believed that there is a great need of sustainable development activities such as empowerment, advocacy, entrepreneurship trainings, and increase literacy rates to alleviate poverty and improve the life condition of people who are living below the poverty line. So it is invaluable to bring holistic change or transformation in the life of the society. In line with this, SHG is one of the best development strategy which is intended to promote the total development of women economically, socially, politically and culturally (Gordon, 1996).

However, there is no enough research conducted in this area to understand the contribution of SHGs for the development of poor community and the country as a whole. Yet, there are few researches conducted in other towns of the country but they are focused on the general assessment of the SHG project, the attitude of SHG beneficiaries and its main services given for the beneficiaries. Moreover, they are out dated because they are conducted before eight and ten years ago. Hence, lack of sufficient research in the area led to information gap that hindered the promotion of the concept in the country. This research tried to fill this gap by providing additional knowledge about the contributions of SHG, its experience and challenges in the process of empowering the poor women. It have also provided information about SHG contributions to empowerment, income improvement and enhancing safety lives of the poor community and further tactics in relation to using the communities' asset in the process of alleviating poverty and under development.

### **1.3. Purpose of the Research**

The purpose of this study is to find out the challenges and contributions of self-help groups in the lives of poor women in Addis Ababa city which EKHC integrated urban development is undertaking. In addition, it identified further or alternative ways that the program will operate more efficiently for the future.

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### **1.4. Objective of the Study**

#### *General Objective*

The general objective of this study is to explore the challenges of SHGs and to investigate the economic, social and leadership contribution of self-help groups on the life of poor women within the selected sub cities of Addis Ababa, in which the EKHC integrated urban development program, is engaged.

*Specific objective:* The following are the specific objectives of the study:

- To evaluate the impact of self-help groups on the economic life of the members such as their level of income, food security, health care, education, housing and the like.
- To describe the contribution of self-help groups on the social life, emotional Intelligence and leadership skill of the women.
- To find out the main challenges of self-help groups and to propose possible solutions.

### **1.5. Theoretical Framework**

In the process of holistic development, empowering individuals to use their own asset is invaluable. Self-help groups are one of the effective program that enable individuals to come together and use their assets collectively. It stresses on the utilization of already available resource within the community such as household daily extra consumption, individuals' and group skill, social network and the like. There are numerous theories and approaches that can be employed to guide this study.

Asset based community development (ABCD) approach is the best and effective way to achieve development plan rather than focusing on the feeble side of the community (Haines, 2009). It emphasizes on the communities' and individuals' strength and available resources such as natural gifts, property, stocks, bonds, cash, skills, commitments, social network, wage and so forth. According to Butterfield, Kebede and Gessesse (2009), ABCD is not the only method for community development rather, it is a bottom-up approach or community driven development that involve capacity building, community organizing and the using of appreciative inquiry

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applied in community economic development. So, the concept of Self-help group fits with that of ABCD model. Therefore, it will be used as the main guiding tool of this study.

Social capital theory is also relevant for this study since it gives emphases on the social bond or network based on different features of social, cultural and economic life of a given society. According to (Hustedde, 2009), social capital is a collection of capitals inherent to social relations including trust, norms, and networks, normally associated with confidence in communal institutions, civic engagement, independent economic development and the whole community well-being and contentment. People who engaged in community development activities emphasize on the quality of social relationships and its importance to build solidarity and effective community initiatives (Phillips & Pittman, 2009). So, social capital built through the relationship of people can be used as a resource for different development initiatives among the community. In this regard Ethiopian society has a trend or tradition of utilizing social capital or social support systems known as ‘equb’, ‘eddir’, ‘mahiber’ in almost all part of the society and ‘debo’ in some rural part of the country. These social institutions and traditionally established social networks of the society are helping the society to share experiences and solve problems easily and in an organized manner.

### **1.6. Research questions**

1. What are the contributions of self-help groups in the economic progress of member women?
2. What are the challenges of Self-help groups?
3. How do the challenges can be resolved?
4. How do the groups help the women to empower themselves in leadership skill and other emotional qualities?
5. What is the prominence of self-help groups in the poverty reduction process of the country?
6. How can the program function in a preeminent way?

### **1.7. Significance of the Research**

This study provided important information about the impacts of self-help groups in different dimensions of the community’s life especially in the life of poor women. It also

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explained the challenges of self-help groups in order to find solutions. Further, it tried to put alternative strategies that can help the program to function in a preeminent way in the process of empowering women and shaping nurtured generation in different facets of their life.

According to International Federation of Social Work, the main objective of social work is focused on problem solving and change to address disadvantaged groups of the society economically, socially, politically, legally or culturally (IFSW & IASSW, 2004). So, this study stressed on the members of the community who were disadvantaged economically, politically and socially in the past and it assessed and find out their challenges and progress after they joined SHGs.

### **1.8. Operational Definition of Terms**

*Poor women:* economically destitute women who are challenged to fulfill at least the basic life necessities such as cloth, shelter, enough food and pure water.

*Women Empowerment:* enabling women to use their natural gift, talent and potential in order to coup up with their economic, social, spiritual and political challenges.

*Community development:* is a planned action to bring change and improvement in every facets of the community's life.

*Self-Help Group:* a group of ten to twenty destitute people who are organized to change their economic, social and political life and to help each other during different problems financially, by saving some amount of many for both economic advancement and for accidental problems and emotionally, through their strong social bond among the group members.

*Holistic Development:* positive change in every facets or dimensions of the societies' life such as economic, spiritual, social, traditional, emotional, cultural and so on.

*SHG Leaders:* are group members who serve the group voluntarily without having some payment or benefits, such as by facilitating the meetings of the group, leading the discussion, participation in the decision making process and the like.

*Woreda:* is the smallest political or government administrative unit in the hierarchical system of the city.

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*Iddir*: is a form of local voluntary association intended for funeral, mourning activities and other related social security activities.

*Iqub*: is a kind of traditional Rotating Savings and Credit Association (ROSCA), found in different parts of Ethiopian communities.

Debo: is traditionally established means in the rural part of the country to help each other in different events such as during farming and harvesting seasons.

*Cluster Level Association*: is the collection of eight to twelve SHGs organized to discuss in their common problems and find solution.

*Federation or Timret* – is the collection of eight to twelve CLAs living within 30 kilo meters established their network to mobilize internal and external resource and to play different administrative roles regarding SHGs and CLAs.

*Emotional intelligence*: the term “Emotional Intelligence (EI)” was first coined by Salovey and Mayer (1990) following the research outcomes of Gardner’s (1983) views of “intrapersonal and interpersonal intelligences”, Wechslev’s (1940) suggestion on “non-intellective abilities” and Thorndike’s (1920) concept of “social intelligence (Rahman, Sahidur, Ferdausy, Shameema, Uddin and Aftab, 2012). It is the ability to identify and understand one’s and others’ emotions based on situational and expressional cues, emotional meanings of which are in accordance with culture (Naghavi & Redzuan, 2011). So, emotional intelligence is defined for the purpose of this study as the emotional utilization, than means, the ability to plan flexibly and use emotions in problem-solving process while working with others.

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### **2. Literature Review**

The literature review has five sections dealing with issues related to the concept and origin of self-help groups, the empowerment aspect and challenge of SHGs, theories and models related to the study and the issue of development and change are elaborated briefly.

#### **2.1. The concept of self-help groups**

There are several definitions of self-help groups. The following definitions can be appropriate in line with this study. Self-help groups are inimitable technique to financial intermediation among the poor women in the community. Love for Children Organization defined Women Self-Help Group as a development model which recognizes that poverty is not only a material deprivation, but it is also continuous process of disempowerment that includes denial of choice, rights and opportunities, displacement, discrimination and oppression (LCO, 2008). In India, the term self-help group used to refer the unregistered group of 10 to 20 members engaged mainly in savings and credit activities (NairAjai, 2005).

Self-Help Groups are mainly envisioned to promote the total development of women economically, socially, politically, emotionally and culturally (Gordon, 1996). The method of SHGs associates access to low-cost economic service with a process of self-management and holistic change for the women (Gajbhiye, 2002). It stresses on the empowerment of individuals to use the available financial and other assets of the poor group of the society. SHGs can serve as a commitment device to influence the behavior of the members to make financial decision and to develop the culture of saving so that individuals can use the peer pressure in the group to overcome the problem of self-control (Kast, Stephan & Pomeranz, 2012).

The concept of self-help group is based on the notion that poverty is not only a matter of material deficiency, but also incessant process of disempowerment, including denial of choice, rights, freedom and opportunities, coercion, discrimination and displacement (FCA, 2012). Therefore it is vital to bring holistic change among the community. The approach is constructed on two basic canons. The first is based on the principle that every single individual is gifted with marvelous potentials so that it is possible to empower the poor to realize their hidden capacities and use it even in the presence of a society that relegates people and make them believe that they are poor and valueless. The second one is even if the poor are powerless, discriminated and

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voiceless, they can be strong engines of growth when they bring their resources together (FCA, 2012).

Consistent with the above principles, poor individuals among the community come together to form economically homogeneous group and began maneuvering for their future growth. The poor women who have been voiceless so far start to understand that they are not alone any more (FCA, 2012).

### **2.2. Formation of self-help groups**

During the beginning of the Self Help Group approach, organizations who work on SHGs should not have any agenda beyond mobilizing the group to realize their rights, potentials and resources for development and cooperative movements (KNH, 2008). By using social mapping and wealth ranking, the poorest of the poor of the society will be organized under small groups from 15 up to 20 members. Then constant weekly meetings and quotas for savings will be set and the members start a new identity and new paradigm or understanding of life (FCA, 2012). The weekly saving enhances financial discipline among the members. After they took basic trainings about the concept of SHG and attitudinal transformation, three leaders will be elected among the group and this leadership chance rotates through the group members so as to help every women exercise power in the decision making process and develop their leadership skill. Strengthening the capability of the women brings attitudinal change which enable them understand that they can do anything independently. The group members then can take loan from their own account or savings and do small business and other income generating activities (KNH, 2008).

### **2.3. Formation of cluster level association**

As the SHGs become strong enough and functioning well, they come together to form a second-stage organization called cluster level association (CLA). Approximately 8 – 10 SHGs ordered in a single district of local government or wereda can form CLA by representing two leaders from each SHG and the leaders function in a rotating system so that every single woman will get the opportunity to be SHG, CLA and Federation leader in the process. The CLAs can establish different sub-committees in order to manage their actions and set goals to be performed by the sub committees. These committees could be new group formation sub-committee, audit

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sub-committee, conflict resolution sub-committee, literacy project sub-committee and market searching sub-committee (KNH, 2008). Each SHG member contributes monthly to the administrative expenses of the CLA based on the agreed amount among the members of SHGs in addition to the fund raised by the CLA itself. Therefore, CLA is not a superior body to SHG rather; it is a representative body of SHG to perform different tasks on behalf of the group members.

The major functions of CLA do not have to overlap with the functions of SHGs. So, the major functions of CLA defined as follows. The five chief functions of CLA are strengthening SHGs and forming new ones, resource mobilization through Linkages with other service providers, planning and implementing need-based projects, social transformation in the communities, and make the presence of the CLA and SHGs felt at the local government (KNH, 2008).

The women exercise leadership and empower themselves through the process of administration, solving problems in different cases, mobilization of relevant resources and services and improved access to relevant services to the community through initiation of projects (FCE, 2012).

### **2.4. Formation of federation or Timret**

Different CLAs come together to form Federation or “Timret” by selecting two members carefully from each CLA. It is composed of 8 to 10 cluster level associations and each CLA is composed of 8 to 10 SHGs. This implies that Federation is a representation of large number of destitute population in the sites of SHG programme. The scope of the Federation proceeds to rising up as the number of new SHGs and CLAs are formed over time. According to KNH (2008), Federation is the apex body of the SHG population but it does not indicate the absolute power of the Federation constituents representing CLAs who represented their SHGs first because, this is people’s power. The vision, mission, objective and goals of the Federation are set by the members in SHG and CLA not by the promoting organization. The members of the Federation meet ones in two months to discuss and act on different issues related with SHGs and CLAs.

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The Federation has to be registered in the particular country as a legal body representing a large number of populations. The Federation has to establish executive committee composed of 8 members to work on the strength of the Federation (KNH, 2008).

Federations provide the members of SHGs with different ongoing support they need for example in relation to finance, like auditing, portfolio review, conflict resolution, linkages with bank or microfinance institutions, filling the gap related with financial services especially credit and savings (Srinivasan & Tankha, 2010). It also works on activities which address the needs of the community, capacity building and awareness creation activities among the society (KNH, 2008).

### **2.5. The Origin and Brief History of Self-Help Groups**

According to many sources, (Thangamani, Muthuselvi & Sandhu, 2013) the concept of self-help group can be traced back to 1975 when professor Mohammed Yunus of Bangladesh introduced it in order to eradicate poverty by empowering poor women of the country. In India, the concept of self-help group began during Gandhian Grama Swaraj movement (Sandhu, 2013). There are several researches conducted on the area of self-help groups in different parts of India especially its contribution on the rural part of the country. There were some successful traditional saving mechanisms in India and after the introduction of SHGs; it was transformed in to a new concept in 1985 by NABARD (National Bank for Agriculture and Rural Development) and it defined SHGs as “small, economically homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members’ decision” (Sandhu, 2013).

Self-help group programme gives more emphasis for women because of different reasons. According to Sornam Ally (n.d), “Women cannot go anywhere, they can be located easily; they cannot run away leaving their homes; they can be easily persuaded to repay as they feel shame more quickly and consider non repayment as a betrayal of family honor” (p. 16).

### **2.6. The empowerment aspect of self-help groups and its challenges**

Empowerment is one of the commonly used concepts in relation with development issues. According to World Bank (2001, as cited in Bhattacharya, 2013), the concept of empowerment gives attention to “sense of voiceless and powerlessness”, “those materially

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deprived feel acutely their lack of voice, power and independence.” So the words ‘sense of’ and ‘feel’ imply that empowerment refers to repeated individual’s emotional feelings and personal judgment. The main goal of organizing self-help groups is in line with the above explanation of empowerment. It is to enable the “poor”, the “discriminated” and “voiceless” groups of the society in their emotional, social, economic, political and other aspect of their life in order to help them to get out of poverty. Some people argue that women used as “instruments” in different sectors and disempowered additionally so, it will be impossible to achieve empowerment by simply collecting money from the members because money by itself cannot lead women towards harmony and empowerment (Bhattacharya, 2013). The above argument implies that self-help groups have to integrate innumerable activities that can lead the members to empower themselves emotionally, economically, politically and socially.

In most developing countries, it is common to organize traditional and government or NGO supported self-help groups in order to fight economic, social, emotional and political problems in individual, family, group and community level through building mutual relationship among the community. In south western Uganda, traditionally, women form small groups in order to help each other focusing on providing agricultural labor, mutual domestic help in time of crisis for example they provide food and help to families in exceptional circumstances such as wedding or funeral (Oxfam, 1996). Women face different challenges in their economic and social life in relation to their obligations or responsibilities they have in their family. So, organizing and empowering them can play a great role in the development process of a given country. In this regard, Wamalwa (1991 as cited in Oxfam, 1996, p.54) put that women’s groups have been championed as a mechanism through which women can become an important part of the equation in rural development.

Self-help groups contributed a lot for the progressive empowerment of Indian’s rural sector especially in relation to political and leadership skills of the community besides, in 1993, 40 per cent of Indian parliament had a rural background as opposed to about 20 per cent in the 1950s (Varshney, 1993).

A study conducted by Sundaram (2012, pp. 20.27), revealed that microfinance to Self Help Groups brings a visible change in the process of women empowerment and poverty

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reduction of India such as self-employment opportunities, improvement of life quality, improved nutrition and health of the poor population, many families were able to address their basic needs better than before and repayment of loans by women was become better than that of men. According to this study, the members of self-help group are empowered economically and socially after joining SHG and the number of assisted SHG/ group in Swarozgaris has increased from 35,000 between 1999 – 2000 to 1.15 million between 2007 – 2008 (p. 22). Accordingly, the members took control over their lives because their empowerment is self-generated. The study also found out that domestic violence reduced in 25 per cent especially due to reduction in economic difficulties and members' interaction with outsiders increased by 91 per cent while in the pre SHG period it was 25 per cent (pp. 22.23).

In the study of women's income generating groups and individual women enterprises in Uganda, the individual women were found to be more economically successful than the group because of some barriers such as the groups being hindered by bureaucratic procedures and the necessity of maintaining social relationships (Oxfam, 1996). There are also additional barriers of self-help groups revealed in this study in Uganda. To mention some of them, there is evidence that group membership is not open to the poorest women in relation to status and skill, women who did not educated feared the embarrassment of not being able to read or write and thus unable to contribute to the group(Oxfam, 1996).

Some studies in India tried to uncover the lights and shades on both sides of SHGs financially and socially. To mention some of them, like for women who have been an SHG member for seven years or more; half of them are still poor, including 13% very poor, and at group level, SHG membership is not homogeneous by wealth which affects 'equity' issues and in nearly half the group members (47%) are related to each other mostly in family based and tribal communities in the area; though this feature is also found in other communities, and can affect relations within the group (Sinha, Tankha, Brar, Tirath, Varma, Mishra, Bijoy, Bist, & Chatterjee, 2006). In addition, difficulties to repay loan and handling cash flows and materials from a somewhat notoriously non-transparent system, quite apart from women's lack of experience in handling such a system (p.8).

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The study also assessed the lights of SHGs such as it helped the members to participate on community actions, the mobilization of members in cluster networks and federations, build social harmony, participation in politics and in the decision making process, caste composition of groups, social justice, and equity (Sinha, et. al., 2006).

In the study conducted in England put some challenges of Self-help groups such as they can get frustrated because of the resistance throughout the process of advocacy, the challenge to foster closer working relationships between self-help groups and public service professionals, and to harmonies their different experiences (CDF, 2010). Problem to access Bank is the other challenge revealed in the study (CDF, 2010). Participants in the above research said that going to the bank will cost \$1.40 on the bus to save \$5.00 so the person left with only \$2.20 (CDF, 2010, pp.16). This study also identified three key functions of Self-help Intermediaries as valuable self-help groups and practices, mediating between state and group, and assessing support and resource needs of groups (p. 19). The term 'Self-help Intermediary' is used in this study to imply certain roles and activities undertaken, rather than a set job description (CDF, 2010).

According to Gopalan (2007), most of the members of self-help group do not access to health service because banks do not give loan for health service purpose. Hence, microfinance institutions of self-help groups play a great role in serving as a bridge to get access to loan for health service. Self-help groups also created socio-economic awareness among the communities of India. To mention some of them, it uplifted their traditional business and way of life which indicated that SHG communities are among the different strata of the people (Sornam Ally, n.d). This implies that the communities of SHG are benefiting in different facets of their life and transforming their living condition.

## **2.7. Theories and Approaches related with the concept of Self-help Groups.**

Some of the most important theories that will be employed as a guide in this study are described in the conceptual framework section. Here are additional models and theories including the theories mentioned above.

### **2.7.1. Asset Based Community Development (ABCD)**

Asset Based Community Development is an approach that gives special emphasis on the use of available resource of the community in order to bring sustainable development in a given

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country. Kretzmann and McKnight as cited in (UN-HABITAT, 2008), asset-based approach focus on the development, exploration and capitalization on the tangible and intangible assets already existed among the community rather than focusing on the lacks or needs.

Asset based community development model developed and strengthened as a result of other type of community development approach. It is widely used in the community emphasizing on the shortfalls of the community and criticized in relation to issues like equity, efficiency, propagating a culture of poverty, and dependency (UN, 2008). These lead the local community to find out further alternative mechanisms through developing inventive means by using their own local resources. According to Allen, the framework of asset based approach is instigated based on the practice of inner-city neighbors, reorients from that of need based development and it is getting attention in rural economic development(Allen, 2007).

Among the Ethiopian communities there are a number of unidentified assets which can be utilized to bring community driven development in the country. In Addis Ababa, there are poor women living in slum areas of the city having several individual skills which are learned at home (caring for babies, health care, household maintenance, upholstering, sewing, dressing, knitting, construction and repair, prepare traditional food and drinks) and community participation skills such as strong participation in iddir, equb, mahiber, church fund-raising, coffee groups, teacher-parent associations, and other neighborhood associations (Butterfield et al., 2009). However these skills do not being recognized strongly among the community members as a valuable development tools. Self-help groups can be used as an effective tool in order to create awareness and help the members to explore and realize their individual and community level skills, capacities and other potential resources.

### **2.7.1. Social capital theory**

The social capital of the community lies at the heart of development and social change (Phillips & Pittman, 2009). Without having strong social network among the local neighborhood, it is impossible to achieve sustainable development and social change. Therefore community development include the building of social capital or social capacity and the level of social capacity among the community matters a lot in the way that development progresses for that

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specific community and the speed at which its development efforts can be implemented (Phillips & Pittman, 2009).

There are some best practices of SHGs by using the concept of social capital theory in India. According to (Dutt, & Samanta 2006), in the process of Civic engagement, networks and women's development, the basic building block of Gandhian philosophy has been strengthened by the current concepts of social capital, civic engagement and networking.

Ethiopian society had built deeply rooted traditional and cultural social networks organized to help each other during stressful circumstances and happy events. Further, currently self-help groups can form social and hierarchical social bonds by bringing different SHGs together and forming CLAs (Cluster Level Association) and bringing and organizing those CLAs together and forming Federation. In this process the members can establish strong social networks with one another and they can empower their social, political, economic and leadership skills (KNH, 2008).

### **2.7.3. Capability Approach**

This approach has been founded in its present form by the economist and philosopher Amartya Sen and has more recently been expanded and developed by the philosopher Martha Nussbaum and a substantial number of other scholars as cited in (Bhattacharya, 2013).

Capability approach is one of widely used method especially in social science arenas such as community development studies, philosophy, economics, political science and the like. It is a normative framework for the evaluation and assessment of individual well-being, social provisions, and the design of social policies to bring changes among the society and used as an alternative evaluative instrument for social cost-benefit analysis, and to evaluate different dimensions of people's well-being, such as inequality, poverty, the well-being of individuals by the government and nongovernmental organizations in developing countries (Bhattacharya, 2013).

The clear difference between the means such as goods and devices and functions and capabilities makes capability approach different from the others and it explains that what people are efficiently able to do is on their capabilities (Bhattacharya, 2013). Thus, the vital analytical

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discrepancy in capability approach is the distinction among the means and the end of well-being, justice and development, which assumed in terms of people's capability to function in contrary to the viewpoint of emphasizing on individuals pleasure, wish fulfillment, or other expenses or revenue.

### **2.7.4. Empowerment Approach**

Empowerment approach was developed in the mid 1980s and emphasizes on women's subordination and it gives different reasons for this such as the past injustice and the current complex socio-political, economic, and cultural context and structures among the society, the deeply rooted traditional attitudes among men and women themselves resulted the existing inequality among women (Tasli, 2007). It also believes in challenging women to be empowered and liberate themselves from this structural oppression in different areas and levels of their life. Empowerment approach views gender inequality according to gender perspective and other factors such as women's experiences in socio-economic, political, and cultural structures which also manifested by other factors like class, nation, ethnicity, and race (Tasli, 2007). Therefore this approach is helpful in helping women to challenge the discrimination and oppression of the system in order to be empowered and contribute for the holistic development of the particular country.

Rowlands (1998, as cited in Tasli, 2007) put three core empowerment processes which differentiate how to understand the relationship between these three processes namely personal empowerment, collective empowerment and empowerment in close relationships or collective empowerment.

Empowerment approach integrates 'women in development' approach (WID) and it consists three sub approaches which are: the equity approach; the anti-poverty approach; and, the efficiency approach and WID is followed by the gender and development approach (GAD) which changed the focus of empowerment from women to both men and women in order to intervene the inequality in socio-economic and political structure (Tasli, 2007).

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### **a) Equity Approach**

The equity approach was introduced by the WID movement in the United States, and became popular during the United Nations Decade for Women and promotes equal distribution of benefits of development among men and women (Tasli, 2007). Therefore this approach stresses on the balanced distribution of resource and inclusion of women with men so as to fasten the process of growth and development among the community.

### **b) Anti-poverty Approach**

The anti-poverty approach is the second WID approach which changed its emphasis from reducing disparity among women and men to decreasing economic inequality (Moser, 1993 as cited in Tasli, 2007). It focuses primarily on poor women to enable them improve their economic status by increasing women's employment opportunity and income-generation activities like skill training as well as their access to productive resources (Tasli, 2007). Hence, this concept is directly matches with the concept of SHG which promote women to mobilize their resource, take skill trainings and to change their economic status through those IGA activities.

### **c) Efficiency Approach**

Efficiency approach is the third WID approach and became popular during the 1980s with the intensified acceptance of neo-liberalism economic model which was stressed on the given amount of resources in the world and economics is a device to govern the distribution of these limited resources (Tasli, 2007). So, it is based on the neo-liberalist economic model which looks women as an unused or underutilized asset for development. Thus, the purpose of this approach is to ensure that development is made more 'efficient' and 'effective' through women's economic contribution and its main assumption is that improved economic participation leads to increased equity (Tasli, 2007). All the above concepts or approaches have constructive ideas for SHG programme and for its implementation process.

## **2.8. Development and change**

In 1976 Chin and Benne put two strategies for effecting changes in human development system as empirical-rational strategies which emphasize that men are rationale and follow their rational self-interests in order to bring change in line with individual, group, organization or

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community interest. Whereas normative re-educative assume that patterns of action are reinforced by socio-cultural norms and individual commitments and change can be achieved only when the individual or a person involved. So, individual and group commitment and socio-cultural norms can play an invaluable role in the process of development and change.

Development and social change in Ethiopia is linked to civil societies, governmental structure, economic orientation and NGOs (non-governmental organizations) (Clark, 2000). According to Clark, NGOs and other civil society actors played a potential role in the challenging development process of the country. Currently, there are a number of local and international NGOs working in the country to bring change and development. However, most of them adopted need based approaches and some other agencies are utilizing the concept of asset based approach and they achieved a remarkable change in short period of time.

Development promotes empowerment and paves the way to social inclusion and participation in different institutions by empowering individuals and groups (Gajbhiye, 2002). In Ethiopia, to reduce the tendency of poverty, the approach of promoting creative and cultural industries demonstrated as a mode of promoting multicultural cohabitation and the parliament accepted the newly established cultural investment code and development strategy (Garvey & Macarena, 2013). So, empowering and employing the cultural and traditional values, customs and assets of the society is getting attention in Ethiopia.

In line with this, the government designed some programs in order to change the dreadful feature of the country. According to Ethiopian Ministry of Finance and Economic Development, Ethiopian government designed and adopted different kinds of development strategies in order to fight against poverty and to improve the living condition of the society (MFED, 2005). Among this, the goals of human development and poverty eradication can be mentioned as guiding principles for its development strategy and programs (MFED, 2005). So the government adopted the overall objective of MDG in order to guide the policies and strategies of the Country. Among these, eradicate extreme poverty and hunger, promote gender equality and empower women and develop a global partnership for development can be mentioned.

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### **2.9. Conceptual Frame work**

The findings of the study will be analyzed based on the following conceptual frame work. This conceptual frame work helps to view the research problem and the relationships of the concepts that are included in the study such as empowerment of poor women, contributions and challenges of SHGs and the overall process of the programme.

A wider range of studies showed that SHGs play a great role in contributing for the empowerment of poor women in different dimensions of their life. Among these, Rowlands (1998) as cited in (Tasli, 2007), put three major contributions of SHGs in empowering poor women as personal empowerment (developing a sense of self and individual confidence and capacity), collective empowerment (empowerment which is achieved as a result of the cooperative work with group) and empowerment in close relationships (women's experiences with their immediate family members). This study also explores the economic, social, leadership and ethical contributions of SHGs in the process of poor women empowerment. It also emphasizes on the challenges and experiences that hinder the better achievements of SHGs.

The contributions of SHG are interrelated with the hierarchical system of the concept and its efforts of empowerment. The hierarchical system of SHG contributes a lot for the empowerment of poor women in in order to help them to fight with economic, social, emotional and political problems in individual, family, group and community level through building strong mutual relationship among the community. The following figure shows the relationship between the EKHC integrated urban development programme, SHG and its contributions and challenges in the process of empowering poor women. The figure presented bellow to show the conceptual framework is adopted and developed based on Vida Awube's (2011) model.

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## Challenges of SHGs

## Contributions of SHGs

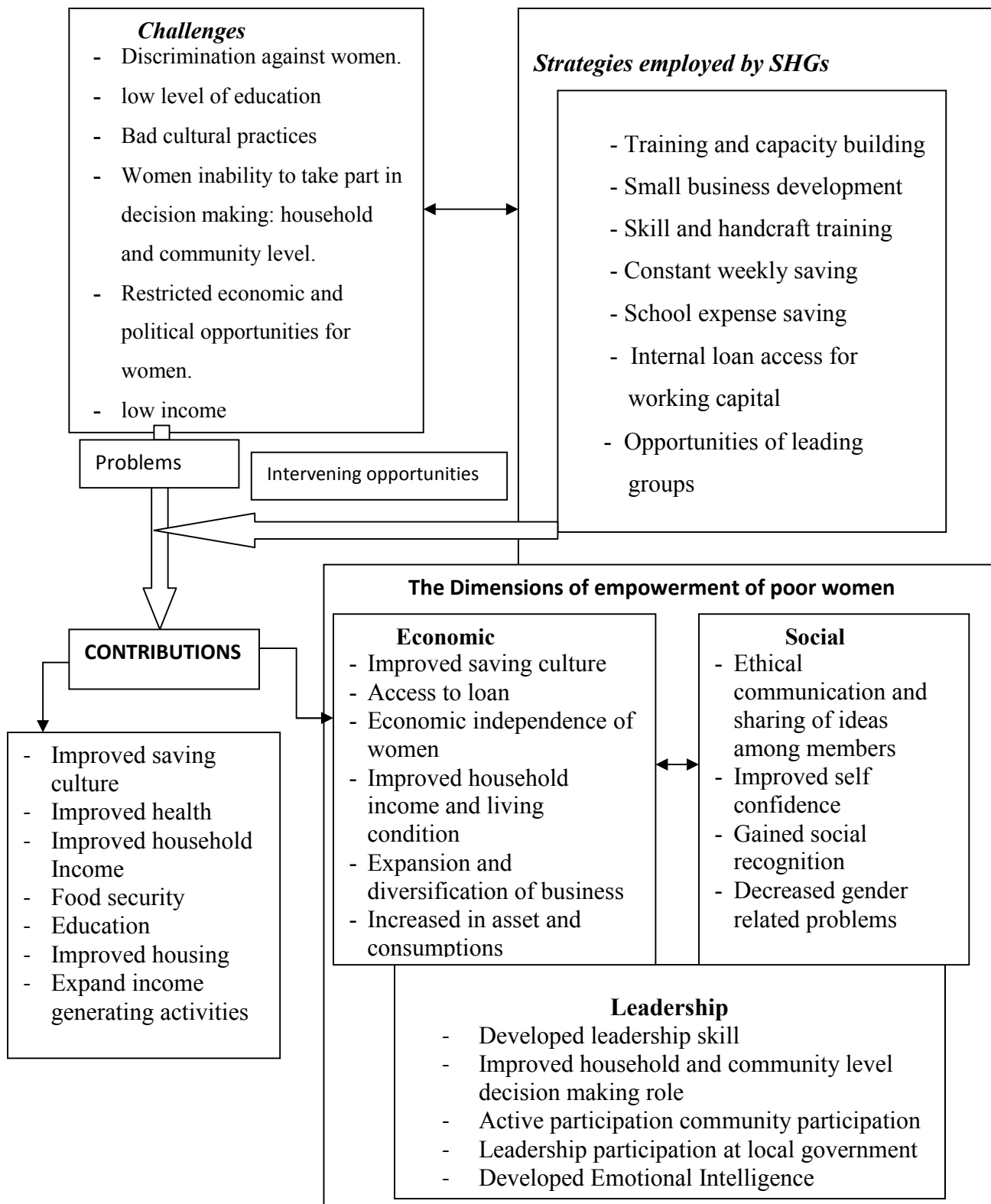


Figure 1: Conceptual framework of the study (Adopted from Vida Awube, 2011)

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### **2.10. Background of the organization**

Ethiopian Kale Heywet Church took the initiative to work on different humanitarian and empowerment projects because of several reasons. The economic and social problems caused by rapid urbanization and high rate of population growth resulted suffering among the destitute people of the city. Poor housing status, insufficient infrastructure, inadequate sanitation facilities and shortage of access to education, health services and clean drinking water are some of the problems that forced the poor people to live a miserable life. In addition, the urban communities experienced unemployment, drug abuse, alcoholism, juvenile delinquency, crime, and crises related with HIV/AIDS and other epidemics. Therefore, the church felt the pain of the misery and designed programmes to minister the dwellers of urban people holistically in order to address the physical, economic, spiritual and social needs. The EKHC Integrated Urban Development Department (IUDD) is one of such programmes of the church organized in January 1992 with a vision to see holistically transformed communities in the country.

In addition to supporting and empowering poor women of the community, the department also works on sanitation activities, child sponsorship projects, and credit and saving programmes along the country. In order to ensure full participation, sense of ownership and facilitated self-reliance, the department instigated probing for better approaches to community empowerment and lastly, self-help group approach was believed to be the best and practical one.

At present, integrated urban development project is working on coordinating and facilitating SHGs in its couple branches. These are CCMD (church community mobilization for development) works with local Kale Heywet Churches, which deliver project offices and share additional working budgets such as salary of community facilitators. The second branch is community development programme, the department form project offices to work directly with communities in cooperation with local government officials and local church.

#### **2.10.1. Major Activities and Objectives of IUDD**

The department works to help low income families by establishing self-supporting mechanisms in sustainable manners, strengthen the social, economic and institutional capacities of these families, and build the capacity of women in socio-economic aspects, including decision-making. Further, it establishes sustainable local institutions that are owned and run by

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local communities and operates for the benefit of the needy and encourages regular saving as a compulsory discipline for eventual productive investment. It also provide education opportunities to communities in general and children in particular, develop the attitude of work ethics and self-esteem among societies and mobilizing them against harmful practices, create conducive environments for children to ensure their educational, skill and society capacities, create small-scale business opportunities and introduce IGAs and mobilize local churches towards taking initiatives in starting and running community empowerment projects with the employment of their resources.

Moreover, the programme facilitates the contribution of domestic and international stakeholders by setting networks and linkages, encourage indigenous social security mechanisms, and inter relationships. It is also aimed at working to meet spiritual needs of the cities and to create self-reliance among the poor and help them to improve their quality of life through a holistic approach to development.

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### **3. Research Method**

#### **3.1. Study Design**

As mentioned earlier, the objective of this research is to explore the challenges of SHGs and to investigate the economic, social and leadership contribution of self-help groups on the life of poor women by gathering primary and secondary data from the selected sub-cities of Addis Ababa. Therefore, it is very important to use a variety of qualitative methods in order to collect comprehensive data such as in-depth interview, FGD observation and document review. It also helps to get detailed information to explore and understand the main achievements and challenges of the group members and (Creswell, 2009, p. 73).

The selected study design is case study, since the study is focused in only Addis Ababa project and in the case of EKHCIUDD. So, the participants of the study were interested in exploring and describing the impact of the project in their economic, social, emotional, cultural and political life. The rationale for choosing a case study is with the intention of intensely explore the challenges and contributions of SHG program by using various kinds of in-depth study mechanisms.

#### **3.2. Study Paradigm**

The way an individual views the world depends on the persons' paradigm. Hence, the world is just like how we view it not like as it is. Therefore it is invaluable to make clear about the philosophical assumption of the researcher. This study is focused in one of the group of society who are discriminated and disempowered because of different factors around their environment.

So, the Advocacy and Participatory World view or research paradigm is the best for this study which aimed at helping disenfranchised people to be free from unfair system that limits self-development of individuals (Creswell, 2009, p. 9). This research paradigm stresses that researches needs to be focused on important social and political issues of the time such as social justice, empowerment, inequality, oppression, domination, suppression and isolation (Creswell, 2009). Therefore, the researcher has to ensure the participants not to be marginalized anymore rather, provide a voice on behalf of the participants to generate a political debate and dialogue in order to bring change (Creswell, 2009).

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Our world is full of diversified people who struggle to get and reach their either constructive or destructive desires or ambitions by using their different kinds of unlimited natural gifts, talents, power and potentials. Every person can have his or her own unique behavioral nature, challenge, desire, ambition, mission, goal, dream, vision and potential. Some people might be influenced by their environment, culture, tradition, value, norm of the society, family members, peers, teachers and the like. And some may not be affected by those factors listed above because of their own strong and firm nature or some other factors. The point is no matter whether individuals were being influenced or not, already they got their unique potential and capability naturally.

However, the person is the one who can possibly develop and utilize those marvelous qualities. Otherwise, those qualities and gifts cannot make any difference in the lives of the individual as well as the whole society of the world. The mission of social work is empowering all people to advance their full potential, improve their life quality and avert dysfunction and gives special emphasis to those who are disadvantaged, poor, oppressed and discriminated group of the society (IFSW, 2004). Hence, the researcher strongly believes on the unlimited potential and gifts of individuals and the vitality of advancing those potentials in order to bring social justice and sustainable development among the society.

### **3.3. Study participants**

The participants of the study were individuals such as SHG project coordinators, community facilitators, SHG members and leaders of CLAs selected from different sites of the project. The participants were selected carefully to avoid repeated involvement in both in-depth interview, and focus group discussion.

### **3.4. Sampling Technique**

The EKHC Integrated Urban Development Addis Ababa Project is selected purposely since the city is the capital of the country and experiencing multifaceted problems. As mentioned earlier, EKHC is one of the first organizations to adopt the concept of SHG to minimize the economic, social and other challenging living condition of the dwellers of the capital. So, the study will help to promote the concept of SHG by exploring the contributions and the challenges of the groups in order to alleviate the complicated socio-economic problems of the city.

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In order to get relevant data about the challenges of SHGs and its social, economic and leadership contribution among the members, the duration of time that the members involved in the group is very important to evaluate the influence of the program. Accordingly, SHG members who have been joined the program as a minimum of five years were selected through purposive sampling technique. Purposive sampling were employed in order to enable the researcher to decide to interview a sample of women among the selected SHGs, CLAs and project coordinating staffs so as to use judgments (predetermined purpose) for selecting the participants. Purposive sampling was also preferred to select the informants carefully so that their in-depth information can give optimal insight to the study.

### **3.4. Sample Size**

Considering the period of time in which the group members were organized together, 32 SHGs and three CLAs were selected and studied in the chosen sites of the city. Four sites were taken as a sample from three different sub-cities considering the achievements, the weakness and other features of SHGs. For the in-depth interview part, eight SHG members and eight CLA leaders a total of 16 individuals were participated. Other twelve SHG members were involved in two different focus group discussions. In addition, four community facilitators and project coordinators were interviewed. Generally, a total of 32 sampled individuals were studied.

### **3.5. Data Collection Instruments**

Different methods were selected to gather relevant data from various sources. The study involves careful collection and use of a variety of empirical data such as data gathered from the cases and personal experiences of some women in the group. In addition, In-depth interview, focus group discussion, observation and document review were employed in the study. The instruments selected for the study were interview guide questions, focus group discussion guide questions, observation check lists and questions to be answer from document review.

### **3.6. Data Collection Methods**

#### **3.6.1. In-depth Interview**

Informal and semi-structured interview was selected to get holistic and in-depth information about the situation of the interviewees' and about the contributions and challenges of the SHG program. The in-depth interview helps the researcher to explore and deeply understand

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how the interviewee view the issues raised and her understanding about the contributions and the challenges of SHG project. In addition, it helps to enable the research participants to talk and express their feelings and opinion freely. Interview guide questions were used to get the appropriate and the needed information for the study.

#### **3.6.2. Observation**

In order to observe the positive and negative impacts of SHG project, the researcher observed their training sessions, discussions, interactions and their emotional intelligence as participant observer. Participant- as- observer was selected as specific method in which I was revealed my status as an observer to the group members who were studied. I was participated in their weekly meetings and trainings frequently, and discussed, asked simple questions and make interaction with the group members.

#### **3.6.3. Focus group discussion**

Focus group discussion was selected to get a wide range of responses from different individuals selected from different SHGs and CLAs and to look the issue or the impact of the program in different dimensions through group interaction. It also helps people to remember important ideas related with the issues they might have been forgotten (Catherine, 2007).

#### **3.6.4. Document Review**

The other source of data for the study was depended on reviewing different documents of the project and the documents of SHGs and CLAs. These were magazines and brochures of the project, annual and quarter reports about the progress and challenges of poor women in the groups, cases of some women of the group, the financial transaction of SHGs, attendance of the members and other data documented in the past years that show the contributions and challenges of SHG project in the life condition of poor women were assessed and reviewed. I used a check list to pick up the needed specific information from the documents.

### **3.7. Human Subjects**

Before commencing the study, every participants of the study were clearly informed about the purpose of the study since the fundamental ethical principle of social work research is never forcing any one into participating in the study and participation must be voluntarily. So, the research work was carried out only with the consent of the participants and the time the

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interview could possibly take was told to the participants. Confidentiality issue was also addressed including how the data will be recorded in a secured way and to whom it will be revealed after all.

### **3.8. Limitation of the study**

This research has two major limitations. The first one is time constraints throughout the study period. The other limitation of the study is the findings of the study cannot be generalized for the whole population of the project beneficiaries. It represents only the selected four study areas of the project in Addis Ababa.

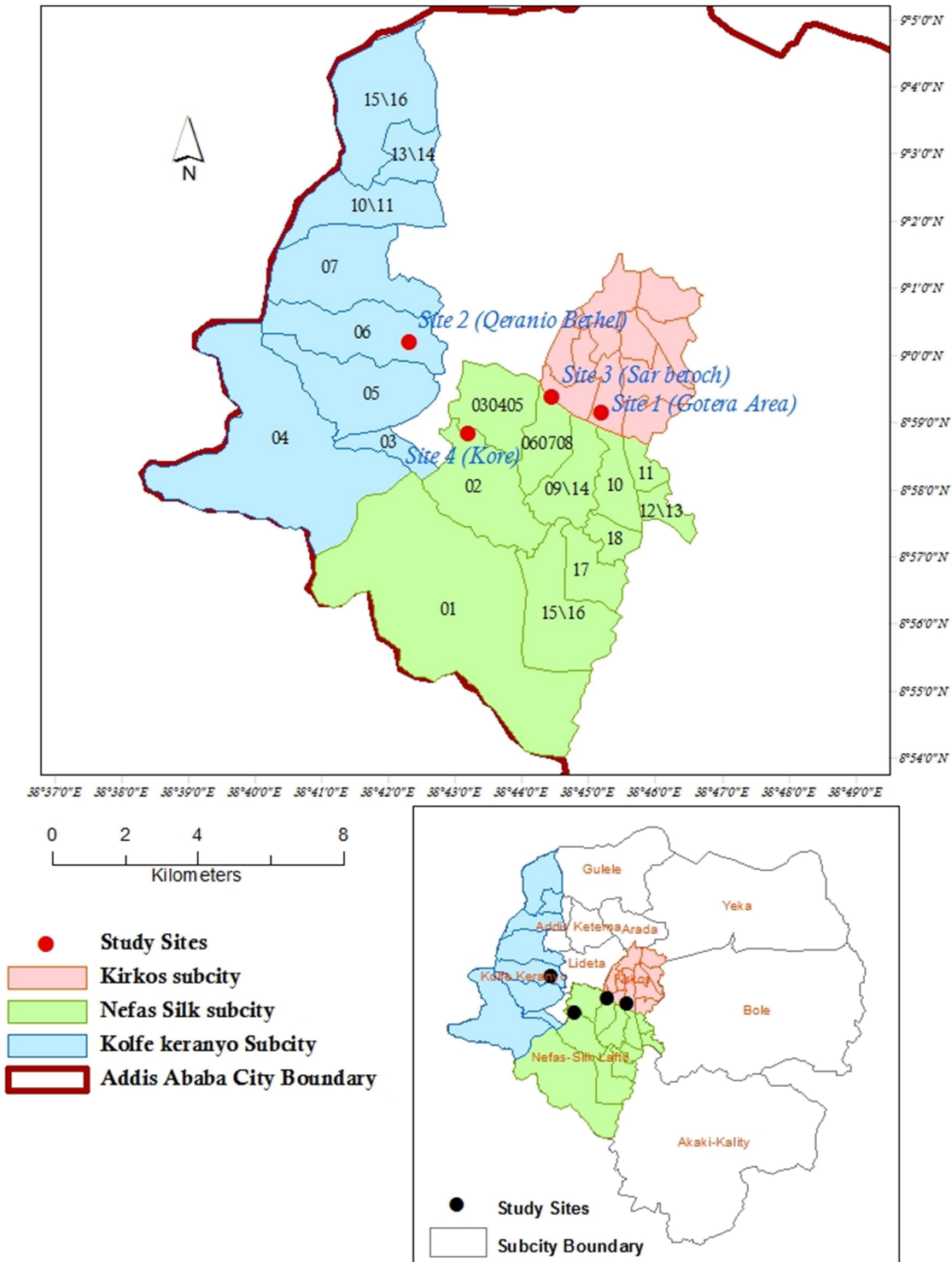
### **3.9. Scope and study area**

The study was confined in four selected sites of the project only in Addis Ababa. These sites of the project are found in three sub-cities of Addis Ababa including Kirkos, Kolfe Keranio and Nefasilk Lafto sub cities. The study is limited on SHG and CLA level of the project and it did not studied its contributions and challenges on federation level. The study also did not considered the other project sites of the church and community mobilization for development (CCMD/SHG) programs beyond Addis Ababa such as, Nazreth, Shashemene, Jimma, Awassa, Arba Minch and Hosanna. The map that shows the area of the study presented underneath.

Map: 1 Study Sites

CHALLENGES AND CONTRIBUTIONS OF SHGs ...

Map of Study Sites



## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

### **3.10. Data analysis procedure**

The data generated from the in-depth interview, focus group discussion, observation and different documents are thematically analyzed based on the conceptual framework of the study. The result of the in-depth interview and focus group discussion were tape recorded and changed into comprehensive narratives and presented according to the setting of each project site. For triangulation, the findings of the in-depth interview and focus group discussion were compared with the data collected from observation. Thus the elements of triangulation are focused on the in-depth interview, focus group discussion and observation. In addition, the filed notes taken during observation, interviews with SHG leaders and members, community facilitators and document review were narrated and used for further exploration. The collective combination of all these methods was believed to be significant to find out and clearly understand the major contributions and challenges of SHGs in the process of women empowerment and development.

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### **4. Findings of the study**

#### **4.1. Background of Respondents**

Most of the participants in this study were poor women organized as SHG members and leaders. The majority of the participants experienced multifaceted problems in their life. The challenges that they have faced across their life shaped most of the women to have strong and perseverant personality.

##### **4.1.1. Key Informants Interview with CLA Leaders**

CLA leaders are women who are represented from each self-help group in order to work together with different SHG representatives who are organized under one CLA. In the selected four sites of the project, there are four CLAs. So, two leaders were chosen from each site and the total number of CLA leaders who participated in the study was eight women.

##### **4.1.2. In-depth Interview with SHG Members**

The in-depth interview was conducted with eight SHG members who were purposely selected from different SHGs based on the period of time they stayed working in their group.

##### **4.1.3. Focus Group Discussion with SHG Members**

Two focus group discussions were conducted with CLA and SHG members. The number of participants in each focus group discussions was six. So, a total number of 12 women were participated in the discussion.

##### **4.1.4. Interview with project Coordinating Staff**

Semi-structured interview was made with project coordinating staff members who work closely with SHGs and CLAs. Four project facilitators have been interviewed among the selected four sites of the project to view the entire activity of the department. They were selected by considering the period of time they were employed in the project in order to get full information about the whole function of the programme and the real impact of the project in the lives of the poor women.

##### **4.1.5. Observation**

The researcher observed their training sessions, discussions, interactions and their relationships they have built one another as a participant observer. Participant- as- observer was

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selected as specific method in which I was revealed my status as an observer to the group members who were studied. I was participated in their weekly meetings and trainings frequently, and discussed, asked simple questions and make interaction with the group members.

### **4.2. The contributions and challenges of SHG Program**

The data that were generated from the in-depth interview and focus group discussion revealed the changes that the poor women brought after they joined SHG. Among the participants of the focus group discussion, six of them emphasized that there were visible changes in their life as compared with their life experience before they joined SHGs. In the other aspect of the study, the collected data also showed the challenges of SHG members, community facilitators and trainers encountered through the process of empowerment of SHGs. The findings from the FGD, In-depth-interview and observation are discussed below according to the context of each sites of the project.

#### **4.2.1. The Contributions of SHGs in site 1 (Gottera area)**

There are 124 beneficiaries in this site among whom 2 of them are male and 122 of them are women. There are 12 SHGs and eight of them are formed CLA and the left four groups did not organized under CLA as they are newly established groups.

Four selected SHG members and CLA leaders were interviewed in this site of the project. According to the information gathered from the women, the establishment of SHGs in their Woreda brought a great change in their life. One of the key informants from CLA leaders in site one said:

Self-help group is like a medicine sent for the poor women living in extreme poverty, social injustice and suffering. Our creator came down to earth for the poor women through self-help group to save us and our children from different kinds of sorrow in our life. When we want to do something, we can access loan easily without any difficulty. It is just like taking “*enjera*” from moms’ kitchen because there is no any kind of ups and downs to get the money. We also save 10 birr monthly to help and visit each other during different social and economic problems of the members.

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A CLA and SHG leader also explained the benefits received from their SHGs such as trainings on different areas especially skill trainings like vocation, urban agriculture, family planning, child care and development, micro enterprise development, poultry, financial management and other skill or handcraft trainings. Based on these trainings they reported that they are working in different income generating activities. For instance after they attend the vocational training, they began to produce bags, mats by using local materials. They also explained how they reduced their expenses while buying various goods and food items (sugar, paper, soap, oil, scissors, coffee, “*shiro*” – a powder used to cook Ethiopian stew, etc...) from suppliers together with the group members. Then each person buys with the retail price and the profit will recharge their group’s saving account.

The other issue they raised as a contribution of SHGs is about the clothing system (shopping clothes) of the group members. Most of the women are challenged to buy new clothes because of the financial limitation. So they established a system which can enable each member of the group to buy new cloth, shoe and any other necessary ornaments as needed. This has been possible because they have special clothing savings that at each month the collected amount will be used to buy cloth for one of the member. So, this saving process will continue until each women of the group get the chance to get so.

The other major benefit stated by the interviewees is access to credit as it is raised by the women. Most of the dwellers of this site are living in Kebele owned houses which needs improvement and additional construction. But the women have been challenged to do this so far. According to the respondents, with the credit they received from their SHGs, most of them are able to repair their former homes and build additional rooms that generate additional income by renting the rooms.

As the members have emphasized they have successfully changed their situation from being dependent on their husbands as they were before. Now they are capable of solving different problems independently, and began to utilize their potential to discuss and make decisions in family and community issues. Above all their independence is manifested financially, socially, emotionally and in other faces of life.

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One of the CLA leaders has also mentioned that CLAs and SHGs are contributing a lot to enhance their leadership skill and emotional intelligence. As she explains it, most of the group members used to keep silent in SHG meetings during the beginning of the project. But through time, those women began to express their views, ideas, and thoughts and make decision in different issues of the group. They also began to lead SHG meetings turn by turn which contributed a lot for equipping them with leadership skills. One of the respondents among CLA leaders witnessed about her emotional change:

Before I joined my SHG group I was emotionally very sensitive. When I speak publically, I couldn't control my emotion and fear that in most cases my tears exceeds me before I began to express my thoughts, feelings, arguments or any idea that I want to say for others. This bad experience irritated me in the whole days of my past especially in my adolescent and adult age. Now I am 50 years old and I am strong enough to argue with other people, to speak publicly, to influence people in the decision making process, so on and so forth.

SHG leader from other group also elaborated the contribution of the program from different viewpoints. She is 62 years old and organized under SHG program nine years ago in the first attempt of the project in this area. She said:

SHG is like a healing for the poor women of this Woreda, she says. For example, because nobody is interested in giving loan for the poor, as a result poor women suffered a lot during their social and economic problems such as funerals, sickness of family members, loss of job or subsidiary income and the like. This also brought about a feeling of helplessness, frustration and bitterness in the lives of the women before joining SHG. But after we gathered together in this program, our life gets better. This has been also showing a considerable progress through time as we accessed loan from our own aggregate saving account. It was really unbelievable for most of us at the time and was like a miracle for us getting loan without any embarrassment. For instance I built a house to be rented, began to produce bags, local dishes, cultural dresses and other activities by taking loan from my group. Further we got a number of trainings in different topics such as financial management, family planning, HIV/AIDS prevention methods,

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entrepreneurship, poultry etc. and my small businesses activities are the result of these trainings. In addition we share our social, spiritual and economic problems just like a family.

Among the six participants of the focus group discussants, three of them said that SHG programme created strong social bond and mutual trust among the group members. They reported that they help each other during different social and economic problems. Further, their social network goes beyond the members of the group up to family members of each woman. They also work on reconciliation and peace settlement activities among the community and they visit members who left SHGs because of conflicts and grievance and they work on resolving those conflicts and bring back the group members.

The other three participants also stated the qualities that they have been developed in the process particularly, on the inner feelings about themselves that they have developed after they joined SHGs. For example, they mentioned that they become more confident about their capabilities, self-esteem (the value or worth they have of themselves) increased, they identified their strengths and weakness and become conscious about what they can do and what is beyond their ability.

As observed in well experienced sites like Gottera, most of the group members are emotionally intelligent i. e. they have been developed the ability to compatibly deal with opposite or negative emotions using self-regulation methods that improve the extent or duration of such emotions, the ability to create joyful conditions for others, as well as concealing one's negative emotions to avoid harming others' personal feelings.

During trainings, the class is very interactive and active until the end. They listen attentively; ask several questions in the middle of the training and some of them are eager to answer questions raised by other members of the group.

### **4.2.2. Challenges encountered in site 1 of the project**

The respondent from CLA leaders in site one did not hide the limitations especially manifested in a lack of courage to work or laziness of some group members such as lack of motivation or interest to take advantage of those trainings given to change their life. Some group

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members demand extra investment to change their attitudes mostly of non-constructive traditional thinking that has strongly rooted in the society. Therefore, community workers of the project are engaged in different empowerment activities designed for every single member of the group especially for those women who are not active in catching things. According to the participants, community workers or facilitators give counseling service, suggest best practices, and help them to use their ability in detaching from different limitations and for them to be producers and independent.

One of the respondent from SHG leaders argued that the main challenge of the project was the expectation of the community for financial and material aid from the organization that organized SHGs. So many women left the group because of the absence of any financial or material aid given to the group members. The other challenge raised by SHG and CLA leaders is lack of commitment among the women because of other life obligations related to their financial, social and political life. These challenges are lack of punctuality in meetings, frequent absence and delay to return their loan. As of their experience most of the time, they solve such challenges smoothly by using friendly approach among the members. They also said that they do not hurry to punish the group members rather; try to teach them smoothly.

Three of the interviewees among the four participants mentioned lack or absence of market places as a main challenge that held up them from production and sale of products. The researcher asked whether they tried to ask the government to give them market places in group and they responded as follows.

To get shopping places, we must be organized in Woreda saving and loan institutions. But we cannot do this since we couldn't afford the interest when we take loan. They also said, sometimes the interest we pay exceeds the amount of loan we took from microfinance institutions as the time passes. Second it is very difficult to get the loan because it needs collateral assets, and guarantors who earn above one thousand birr and employed in a government organization and other pre conditions. So, it takes a long time in addition to the other formalities which must be fulfilled to get the loan. So, we prefer to be organized in SHGs and save small amount weekly and we can take loan easily. When we need loan from SHG we ask the group then the group will discuss on it and

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make a decision and we can get it in less than two or three days. So we preferred SHG from any other loan system because it is like our home.

Generally, all of the discussants agreed and stressed on the following challenges according to their context. These are lack of commitment among some members, illiteracy or failure to record minutes of their meetings conducted on the saving and loan transaction of the group, absenteeism, being late to return the loan, disagreements related with the imbalance between the need of loan and the limited amount of money in the group account and behavioral problem among few members of the group such as insulting the group members and being emotional. One of the participants stated that some SHG members did not take the advantage from the various trainings given to begin small business, IGAs and hand-crafts because of lack of commitment to get into action.

The other challenge mentioned by the project coordinator of this particular site is the withdrawal of several women living the country and travel to Arab countries. In addition, all participants or interviewed project coordinating staff members put the absence of shops and market places as a major factor that hindered the women not to achieve more in advancing their income.

The major challenge observed in training classes was lack of discipline among some members of the groups such as talking loudly in the middle of something without asking permission, being late, lack of commitment to work their homework and to come up with training materials. As observed during different training sessions, the trainers are seriously challenged to teach them intensively because of so many pauses in the middle of explanation. The other challenge observed during the training session was the big gap or differences among the members in understanding the concepts of the training. Some of the women were fast learners and some of them need extra explanation to understand the content of the training. This forced training classes to be too long and labor demanding for the trainers.

The participants of the focus group discussion also presented possible solutions for the problems which they experienced throughout the process. They suggested different trainings and sermon given to the members in order to change the weak side of SHG members specifically for

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those who lack commitment to engage in different activities of SHG, for the illiterate members of the group and for those who encountered communication barrier through the process.

They stressed on the issue of illiteracy and put different solutions or ways that can minimize the problems that they come across such as saving some money for educational cost that can enable them to learn some grades at least to read and write. They also recommended that they should have to incorporate new educated women to their groups so as to help each other and learn one another.

One of the FGD participants also recommended counseling sessions for those members who are seriously challenged by social, economic, emotional and health problems and for those members who have behavioral (ethical) problems. She put better cooperation of Woreda officials as a possible solution which can help SHGs by providing market places so that they can achieve more. Follow up and supervision is the other recommended solution for those women who do not repay loan on time and for those women who are not active in applying what they have got from the trainings.

#### **4.2.3. The contributions of SHGs in site 2 (Bethel and Keranio)**

In Bethel and Keranio site there are 104 beneficiaries organized under eight SHGs, 98 of them are women and 6 of them are men. Among the above beneficiaries four of them were interviewed and their response is summarized below. Based on the data generated from the interviewee, it was realized that the community is taking the following major benefits in the process of SHG programme. First, they explained the behavioral change they brought through the process of SHG programme such as discussion with group members and project coordinators, decision making, training, debates and arguments, presentations and in the process of leading SHG groups. They elucidated that now they are capable of making a rational and intelligent decision, interact with others in a good manner, and understand the feeling and problems of their group members or being empathetic. Further, they elaborated that they developed a positive feeling about themselves based on the good qualities they discovered inside them. Therefore, they consider themselves as the agents of development among their community. In addition, they become risk takers in some circumstances that needs pertaining decision in order bring change in

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their life. Like the other studied sites, they also mentioned the economic and leadership benefits that they grew in the process.

Four of the focus group discussants argued that SHG program is contributing a lot by bringing visible change in different facets of the poor community. They do have regular weekly meeting that every member has to attend. In these meetings the women discuss, decide and share their ideas and thoughts in different issues beyond the weekly saving activities. They considered this as a good opportunity to develop their communication skills to argue and convince others. Four of them raised that before joining SHG they were exposed to different kinds of exploitation. Two of the FGD participants shared some experiences as an example that the group can share in common like no one is willing to give loan for the poor. So, they give collateral assets to some wealthy individuals in order to get loan when they face different problems in their life. Unfortunately, when they fail to return the money including 10 per cent interest, those wealthy individuals take their assets even its' cost is more than the money they have been received so far. But after they joined SHG, they keep themselves safe from any kind of exploitation since they have savings for social problems, educational expenses of their children, health expenses and for expanding their business. All of the discussants agreed that access to loan is the most important contribution of SHG because it changed their living status by taking the advantage of loan access.

The data collected from the community facilitators implies that SHG is empowering the local women in multifaceted dimension of the women's life such as ethics, discipline and attitude. The project facilitator of site 2 elaborated that most of the women were not emotionally stable and calm during the first attempts of SHG establishment process in our site. The reason for this can be different challenging backgrounds of the women along their personal life. Some of them were nervous to express their views publicly; some of them behave improperly or out of norm like insulting and reacting aggressively with the group members. Consequently after extensive trainings and practical experiences, they become emotionally stable while arguing and making decisions in the group. Through this process, most of the group members were able to speak publicly, express their views, and behave in line with the norm of the society.

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### **4.2.4. Challenges encountered in Bethel and Keranio (site 2)**

They considered their past corrupted experience especially issues related with saving and loan institutions, as a main challenge that was hindered them not to respond for SHG programme in a positive way. So, their lived experience forced them to take a long period of time to be organized under the groups and save some money weekly. As mentioned in the other sites of the project, lack of market place is the main challenge that reserved them from expanding their small business and produces more products.

According to the project coordinator of site 2, the main challenge of SHGs in this particular site is lack of trust and frustration among some members because of their past painful experience related with other loan and credit saving institutions which failed to handle corruption and theft activities of some individuals. Therefore the members claim that they might face such kind of injustice again.

### **4.2.5. Challenges and contributions of SHGs in site 3 (Sar Bethoch)**

Since the information gathered from the interviewees of other sites were too similar, the researcher have tried to organize their ideas in short as follows. The data gathered from the key informants of this site shows that the concept of SHG is nice and important to change the living condition of the poor by providing loan for the group members. However, one of the community facilitator in this site argued that most of the poor community members need different kinds of material and financial aid from the project. One of the leaders of SHG explained that most of her group members dropped out from the group because of the absence of a financial, food items or material support from the project. She argued that the project does not have to be forced to give some money to make the members sustained in SHGs. We need to change our attitude regarding external aids. In contrast to her idea, one of the women in this group said that:

We need financial and other kinds of support because we are tired of doing different activities all in our lives that is now becoming non profitable as a result of the inflation. Now days, everything is expensive in the market that hindered us not to proceed in the former IGA activities. For example I used to sale Areqe and Tela i.e. traditional Ethiopian beverages, fuel wood used to domestic cooking activities, Injera i.e. traditional Ethiopian flat bread, charcoal etc. But now I

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cannot do all those things as I am tired and frustrated. So, I need help, I need aid, I need to be retired but I am still raising my two grandchildren since their mother died and her husband was separated from her earlier and not willing to help his children. So, what do you expect me to do? I was very happy when you visited us today because I was expecting that you will give us some money.

The above explanation of the SHG member indicates the extreme dependency of some individuals on aids provided by different government and non-governmental organizations. These women took a number of trainings to change their attitude towards different aids so as to help them understand their capabilities and become independent of outside support however it seems changing the attitude of some individuals is not easy task. Other organizations which work against the concept of SHG are one of the major challenges that obstruct the attitudinal transformation of the poor community in this site.

Most of the group members live in Kebele homes and the houses are not comfortable to live. They are exposed to problems related to sanitation, sewage and some of them are falling down. Thus, the houses need some improvement at least to overhaul the holes on different sides of the wall and repair the ceiling. So the researcher asked them why don't they took loan from their group and repair their houses like other SHG members are doing. Two of the group members answered impatiently "we don't have anything to eat now and you are asking us about building our house?" This expression practically indicates the attitude of the SHG members matters a lot in the process of empowering them economically, socially and politically.

The other point observed in site 3 of the project is that few group members expect some aid when they saw new faces around the office of the site including the researcher. But those people were visitors who came to see the progress of the project, researchers who came to observe and conduct interview, microfinance workers and the like. So, few SHG members did not changed their attitude towards external aids. So, still attitudinal paradigm shift is in need to mobilize the whole community for development.

#### **4.2.6. The Contributions of SHGs in site 4 (Mekanisa, Mikael and Qoree)**

In this site there are 10 SHGs organized under one CLA consisting 6 male and 110 women, a total of 116 individuals.

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A group of four individuals who were selected as a key informant from different SHGs were interviewed. The interviewee indicated that there is a huge difference of living condition before and after they joined self-help group. They argued that before they joined SHGs, life was so hard because they live only thinking about today. They experienced a number of troublesome events during serious problems since they don't have any money saved for accidental problems. They also described that the group helped them to improve their social interaction with the wider community and to dare to work cooperatively with others.

According to key informants X, the program changed the attitude of the women through intensive trainings given by community facilitators and other professionals invited from different organizations. They are also engaged in different IGA activities based on the handcraft and basic business skill trainings. However, she argued that some of the group members are not successful in implementing the trainings because of different barriers such as discouragement coming from the neighbors, lack of market place and lack of commitment to face different challenges along their ways.

According to the project worker of site 4, the main activities of the project is aimed at empowering the destitute people of the community to help themselves economically, spiritually, socially, politically and ethically in order to develop the attitude of freedom so as to help others beyond their personal life. Training is the chief tool used to improve the livelihood of the women in every aspects of their life. The project covers the whole cost of the training and work on follow up activities to enforce and motivate the women to get in to action immediately after the training. In addition to the trainings, the women are appreciated to contribute their part in different sub committees of the SHG and CLA so as to improve their limitations. For example women who violet the rules and regulations of their own group frequently will be ordered to work on discipline committee so that she can improve her behavior in the process. Further, there are assistances related with market searching, counseling services and linking with microfinance institutions to enable them access better loan. So, it is possible to help the poor women bring holistic change and live a balanced life by using the above activities.

In the selected sites of the study area, the challenges and contribution of the programme especially related with the empowerment process of the destitute people observed in SHG, and

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CLA level from five different viewpoints, specifically economic, social, leadership and ethical aspects.

The researcher observed a number of points which can be considered as a great contribution of the project for the poor, disadvantaged and disempowered women of the society. As observed during their weekly meetings all of the women assembled in the group are very eager to influence the decision in the way that they believed to be the best of all. Sometimes the majority of the women support the views of the most influential member of their group however, there are few women who stand strong on their own views no matter the whole group reject their arguments. This can be the sign of self confidence and self-esteem that the women have developed through the process. Most of them have a good picture of who they are. They give value and respect for themselves and they fight when someone tries to stop them and make them down or feel inferior.

### **4.2.7. Challenges encountered in site 4 (Mekanisa and Qoree)**

The major challenge that every interviewees stressed is the mobile living nature of most of the group members. SHG members who reside around Mekanisa and Mikael area live in stores built for the purpose of storing some construction materials during construction of homes in the area. After the construction is done, they will be forced to leave the store and search for another cheap shelter. Consequently they will be forced to leave SHGs when they change their residential area. As a result, some SHGs did not survive any longer in this site of the project. Sometimes two groups merge together in order to have enough members to function well. Similar challenge which was encountered in site 2 is also the main challenge in this site. It is the withdrawal of members who travel to Arab countries to search better job opportunity to improve their economic life.

The other challenge raised by the key informant Y is most of their group members are unable to read and right. This brought negative effect on the leadership cycle of SHGs and CLAs. The leaders of CLA and SHGs have to be able to write and read in order to record their financial transactions, write letters and the like. Nonetheless, the illiterate members of the group did not get the chance to lead SHG and CLA. This can be considered as a serious challenge

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because it stumbled some women of the group from exercising leadership in order to empower themselves in different dimension of their life.

### **4.3. Summary of the major findings from the whole study sites**

Based on the findings of the study, the contributions or the achievements of SHGs can be categorized as social, economic, and leadership development and empowerment. The empowerment aspect of SHG can be seen in different levels. These are individual level, family level and community level empowerment.

#### **4.3.1. Empowerment at Individual level**

The poor women organized under SHG become confident and realized their inner potentials. They developed leadership skill and the quality of emotional intelligence which is one of the good qualities of leaders that help them to understand the real situation of their followers. The women also increased the level of their participation in social and political life which has a direct or indirect contribution for them.

#### **4.3.2. Empowerment at family level**

The families of SHG members also empowered indirectly. For example mothers teach their children by using loan access from the SHG. They cover the school fee, uniform and other school materials like bags, pen, pencil, text books and exercise books. The women also influenced their husbands to change the traditional attitude they had about work and transform their attitude in to a rational and modern thinking. In addition, gender equality is enhanced in families as the women become productive in their IGS and changed the living style of their family based on the trainings given about home management, family planning, hygiene and sanitation.

#### **4.3.3. Empowerment at Community level**

SHGs highly contributed for the social transformation of the community such as child protection and rearing, women participation and improved relationship of men and women at community level. SHGs also contributed for the welfare of the society in issues related with HIV/AIDS, protecting their children from different evils around the community, active participation in local government offices and support in local institutions like *iddir* and *equb*.

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The women also shared their knowledge and hand craft skills for some community members around them.

### **4.4. Economic Contribution of SHG**

The SHG programme facilitates the poor and disadvantaged members of the community to explore their potentials, gifts and the existing assets through intensive and variety of trainings given by different professionals. It encourages the members to save and get access for internal loan from the group account so as to help the members to begin and expand their income generating activities. Trainings on business skill development, saving and credit management have played central roles to women's economic progress. So, the basic needs are fulfilled, every school age child goes to school and family assets are increased in the efforts of the women. As the same time the groups also mobilize external resource to meet their financial need. This practice can be linked with Asset Based Community Development approach which emphasize on the existing assets of the community. The concept of SHG also strongly stresses on bringing community based development via recognizing strengths and mobilizing local resources, individual skills and capabilities. Ethiopian society has various development practices related with the concept of asset based community development model in different regional states (Kebede, Getu & Negeri, 2011). Therefore, it will be easy to combine ABCD model with other similar concepts like SHG and with the existing traditional community institutions established to help each other. So, SHG programme can function in the best way if the practice is integrated with the concept of asset based community development theory.

### **4.5. Social Contribution of SHG**

Self-help groups have weekly meetings on which different social issues raised and discussed by the group members. These discussions help the members to be conscious about the social evils around the community and to take action to prevent those complications. In addition, SHG members establish a system which is comfortable for each particular group in order to help each other during socio-economic problems. Further, they build strong social bond among the society in the process of mutual support and through the structural network of SHG which tie the local community in SHGs, CLAs and Federation or Timret levels. These social networks contribute for holistic development of the society. According to Kebede (2011), Social networks of a particular community have different functions such as social, symbolic or ritual, economic,

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spiritual or religious, political, and cultural or traditional function. As mentioned in the literature review part, the concept of social capital theory is also in line with this idea that stress on the benefits of strong social network among the neighborhood in the process of bringing sustainable development. This shows the contributions of SHGs in building social boned among the poor community in order to take advantage of the above functions. I drew the following visual representation of the network established by SHGs by using socio-gram.

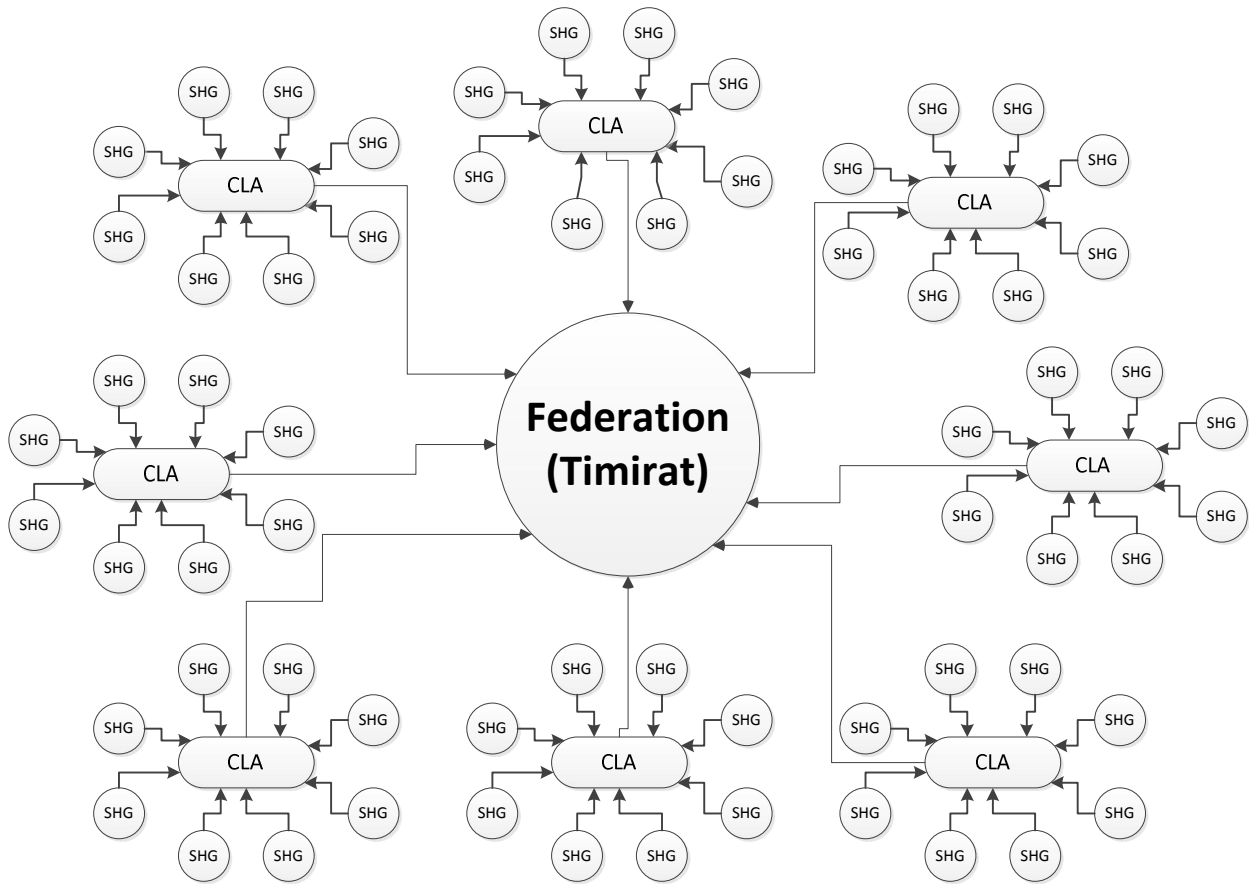


Figure 2: The socio-gram of the Network established by SHGs

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### **4.6. Leadership Contribution of SHG**

SHG approach has empowered women not only to earn more income and decide on the use of their earnings at household level but also to participate at community and local administrative levels. Poor women become group and cluster level association leaders and resource person after they joined in SHG programmes. They began to discuss and contribute beyond their personal issues in their community. They began to involve in local government administration and received recognition. The use of participatory and democratic leadership of SHGs and CLAs helped the members to develop their leadership skill.

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### **5. Discussion**

The issue of self-help group is seldom studied in Ethiopia. Nonetheless it has an ample of studies and literature conducted outside Ethiopia, in countries like Bangladesh, India and Germany. The study tried to find out the major contributions of the program in the process of empowerment and development of the society. It also stressed to pick out the main challenges encountered in different field sites of the project in order to provide possible solutions.

#### **5.1. The contributions of self-help groups in the process of development and empowerment**

In this section, the key contributions and challenges of SHGs are presented in line with the existing literature on the issue. The contributions and challenges of SHGs are viewed in light of the empowerment process of destitute people in order to bring holistic development among these community members.

The study uncovered the major contributions of the project from different point of view. Both the in-depth interview and the finding of FGD indicates that SHG programme is undeniably helping the poor, stigmatized and disempowered section of the community. In this regard, different literatures on the issue argued on the benefits and contributions of SHG programme in the process of empowering the poorest women who are vulnerable, discriminated, voiceless, and who live in multidimensional problems. Among these Khobung (2012) argued that SHGs are highly functional in bringing women to the forefront of the society through the cooperative involvement within group activities and accelerates the process of empowerment. It is also believed that micro-finance, which is one of the functional branch of SHG can also empower women since it inspires the insight of strength and confidence through the growth of profits (Khobung, 2012).

Based on the finding of this study women are still struggling with different challenges that they face throughout their life because of the negative impact of past injustice such as illiteracy, disempowerment, discrimination, lack of access to resources and the like. This resulted attitudinal problems among the society like being help seekers, neediness and dependency on others. In this regard McKnight and Kretzmann developed an alternative strategy called “capacity focused alternative” which criticized the traditional need and deficiency based solution

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and emphasized on assisting the community to use their own asset in order to bring development inside the community (McKnight & Kretzmann, 1996). In Ethiopian context, need based solutions or relief assistance did not brought the needed change among the community rather, it shaped the local community to be help seeker rather than using the available assets, skills, natural potentials and talents. It is priceless to bring change starting from the grass root level by using the available resources of the local community. So, the government and other stakeholders can promote these concepts to develop welfare and development policies and strategies in Ethiopia.

The other important point founded in the study is the inner empowerment aspect of the participants or SHG members such as increase in the following qualities self-confidence, self-esteem, self-awareness and self- image. So, SHGs can play a great role in building assertive personality among the community members. In this respect, similar research on the issue conducted in India showed that when women who live in urban slums participated in different kinds of trainings and SHG activities, they were strongly impacted in terms of self- esteem and amplified social movement (Khatibi, 2011).

One study which was conducted to establish theoretical frame work regarding women's contribution in the development process revealed that women SHG members play various roles within the group that lead them to empower themselves socially, economically and in leadership skills which lead them to contribute for the development of a particular country (Tasli, 2007). This study was based on two major empowerment approaches WID (Women In Development) and GAD (Gender And Development) which have a practical implications for women empowerment. These two approaches are in line with the concept of SHGs that can be effective if they are integrated with SHG system. For example GOD approach sees women as development agents rather than help seekers and WID stresses on women's liberation from economic barriers so that they can improve other spheres of their life. GOD approach recommends for the disempowerment and weakness of women in the socio-economic and political participation, to be organized at local, regional and national levels in order to get the chance to be empowered (Tasli, 2007). Therefore it is helpful to adopt these and other related approaches of development to enable women to contribute for the development of their society without being challenged because of their identity.

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A study conducted in constructing social capital with self-help group put the model of cooperative development model as the best development strategy for rural women development in India (Lahiri D. & Amanta, 2006). The study revealed a remarkable success of rural women. For example it put one of the success story of the model called “white revolution” which was, in 1995, there were 540,000 rural women in 950 dairy cooperatives in Indian rural district, and they have been successful in making dairy products and become the largest milk producer of the world (Lahiri D. & Amanta, 2006). Another successful practice of cooperatives experienced in Kenya, Uganda and Tanzania, put the model as a significant development strategy that have different functions such financial cooperatives, larger loan sizes, have better networking abilities and are less financially risky to engage in the group (ILO, 2012). The study criticized SHG development strategy for its informality and lack of legal frame work.

The above critic implies that SHGs can function in a better way if they establish their own legal framework in order to resolve those challenges encountered because of the absence of legal frame work. It was just before twelve years; in 2002 some three institutions have brought the idea of Self Help Group Approach to Ethiopia. These were the Ethiopian Kale Hiwot Church (EKHC), Kindernothilfe (KNH) and Jerusalem Children and Community Development Organization (CoSAP, 2013). Currently, in Ethiopia there is an attempt made to establish a legal frame work by including fifteen organizations including the above three which are working on SHG concept. The organization which works on the legal frame work and on the promotion of SHG concept is called CoSAP (Consortium of Self Help Group Approach Promotion). It was established just before three years in order to facilitate a healthier environment for member organizations of the consortium to work cooperatively with other governmental and non-governmental organizations. Thus the strength of this organization will solve those challenges raised in relation to the informality of SHGs and legal frame work of the model.

### **5.2. The challenges of Self-help Groups**

The study also explored the major challenges of SHGs which hindered them from achieving more. The main challenges of SHGs were the illiteracy of some SHG members. This brought a negative effect in the leadership cycle of the system because SHG and CLA leaders have to be capable of writing and reading to record and report their activities and for proper book keeping. These and other challenges forced the progress of empowerment and development of

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women to continue in slow pace. High rate of illiteracy is also the challenge of rural SHGs in Bangladesh and India which depend on the complexity of the recording system, the number of records and the amount of work to record the transactions lead SHG record keepers to find it so hard to succeed (Sinha, et.al., 2006). Similar research in the issue also argued that the impact of SHGs is still scant in most part of India because of different internal and external challenges which are affecting the empowerment process of poor women (Deininger & Liu, 2009).

The other challenges revealed in the study are lack of market places, lack of commitment and absenteeism, financial constraint or imbalance between the need of loan and the limited amount of money in the group account, delay to repay the loan and withdrawal of some women seeking aid from the NGO and travelling to Arab countries to search better job were the major challenges of SHGs. Withdrawal of SHG members because of migration for seasonal wage employment is also a barrier in most rural SHGs in India (Sinha, et.al., 2006).

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### **6. Conclusion and recommendation**

#### **6.1. Conclusion**

The study discovered the contributions and challenges of SHGs and the efforts made to empower the poor and discriminated section of the community. The contributions and challenges encountered in SHG programme varies in different sites of the project according to the context of the environment and demographic nature of the community.

It can be concluded that participating in SHG programme can bring sustainable development and change in the economic, social and leadership life of the poor women. They brought significant change in their level of income, health care, education and housing condition.

SHG development strategy has also a positive impact on developing saving culture, social bond, emotional intelligence and leadership skill of the poor women. In contrary of the aforementioned contribution, there are critical challenges encountered in the process of implementing SHG programme such as the illiteracy of some group members, lack of market places and organizations which work against SHG concept are some of them.

#### **6.2. Recommendation**

An extensive research should be done in the area of SHG to demonstrate its worth in the development effort and to promote the concept in Ethiopia.

Since the majority of Ethiopian population is rural dwellers, the concept of SHG can bring a significant change if it is promoted among the rural community in the future. But the approach has not been promoted sufficiently in the rural part of Ethiopia. Nonetheless, SHG development strategy is invaluable for the poor and disempowered people of the rural community in Ethiopia.

SHG programme can function in a preeminent way if the concept is combined with other related development strategies and models such as asset based community development, women in empowerment (WID), gender and development (GAD), capability approach and social capital.

Lack of market place is the major challenges of SHGs found in the study. To alleviate this problem, CLA leaders can work to establish a link between the SHGs and local government

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administrative bodies and non-governmental organizations in order to work cooperatively to find market places.

The other challenge of SHGs discovered in the study is financial constraints in the groups because of the imbalance between the need of loan and insufficient money in the group account. To solve this problem CLAs can play a great role by linking SHGs with other credit and micro finance institutions in order to access better amount of loan.

SHG can also establish additional remedial centers as a response and coping mechanisms for their problems experienced in the past. For example they can serve as functional adult literacy centers to promote education and solve their problems encountered as a result of illiteracy among some members of the groups.

Even though SHGs contributed for the improvement of the members' income in order to full fill the basic life necessities, it is clear that the medical cost in the country is beyond the financial capacity of the poor women. As a result, most members of the poor community suffered from diseases and died because of financial limitations to cover medical costs. Therefore, it is important to establish a new system to save the life of these poor women and their family members. The following remedy is recommended for this problem. Every SHG member will save an advanced amount of money for each of their family members in a separate account just like a health insurance and when someone get ill seriously, whether from the group members or from their family members, then the group will provide the saved money in order to save the life of the patient. If the medical costs go beyond the savings of a particular member, then the group can provide the money from the savings of other members considering it will be paid back for the group. So, it can be possible to stop deaths happening as a result of financial limitations. If they did not face this kind of serious health problem, then the saved money will be turned back to the members based on the common agreement of the group.

Lastly, SHG promoting organizations or NGOs do not necessarily stay longer working with SHGs because after they accomplished the task of empowerment and socio-economic, leadership and other spheres of life change among the community, they might fez-out after all. Therefore, NGOs and other organizations which work on the model of SHG have to focus on the strengthening and networking of SHGs and CLAs as well as Federations in order to enable them

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function in a best way without the assistance of the agency which have promoted and organized them so far.

### **6.3. Implication of the study for social work education and practice**

Social work profession is concerned about the poor, voiceless, discriminated, oppressed, embraced and for those who are living in continuous injustice. So, the concept and activities of SHG have to do a lot in this regard in empowering these destitute and oppressed sections of the society to claim their rights, to fight for the right response and bring social and economic justice among them. Thus SHGs can be centers of social work intervention in order to work with the poor women to bring social justice and enhance the well-being of these communities.

The purpose of social work is to facilitate the inclusion of socially excluded, dispossessed, vulnerable and at-risk groups of people and address and challenge barriers, inequalities and injustice that exist in a society by mobilizing individuals, families, groups, organizations and communities to enhance their well-being and problem-solving capacities (IFSW & IASSW, 2004). To achieve the above resolution, it needs the use of various types of intervention, advocacy and empowerment efforts. Mobilizing the community by using SHG concept which believes on mobilizing the existing resource of the poor community to bring change, can be one of the ways that the aim of the social work profession can be achieved. In addition the profession also aimed at addressing the person-environment transaction and lifetime development in the community. In this regard the areas of this study have problems coming from the environment such as lack of infrastructure, poor housing, unemployment and environment exposed to juvenile delinquency. So, to address these challenges there is a great need of intensive social work intervention in the study areas and the city as a whole.

Therefore there is a great educational need in order to develop social work professionals who are capable to practice with the poorest, disadvantaged and marginalized group of the society in line with the core values, ethical conducts, values, principles and standards of social work profession.

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**CHALLENGES AND CONTRIBUTIONS OF SHGs ...**  
**Annexes**

***Annex 1: Consent Form English Version (Study Participant)***

**Addis Ababa University**

**Graduate School of Social Work**

*Consent Form*

I am going to ask you some general and very personal questions that some people find difficult to answer. Your answers are completely confidential. Your name and household members will not be written on this form and remain confidential. You do not have to answer any questions necessarily that you do not want to answer, and you may end this interview at any time you want to.

There is no any risk you could probably take because of your participation in this research. Even if there is no direct benefit of participating in this research, the findings of the study will help the organization to function in an amplified way.

However, your honest answers to these questions will help me better understand the benefits of involving in SHGs, which many poor women are benefiting from. So your genuine response will be used to create better understanding about the program and to forward important ideas for the betterment of programs. I would greatly appreciate your help in responding to the following questions. The study will take about an hour to ask different questions. Are you willing to discuss with me about the challenges and contribution of SHG program?

Yes \_\_\_\_\_

No \_\_\_\_\_

If yes, they will sign the agreement with me.

Signature of the interviewee (participant) \_\_\_\_\_

Signature of the interviewer (researcher) \_\_\_\_\_

## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

### ***Annex 2: educational status and the level of effectiveness of trainings***

#### ***Interview guide to be used with SHG members***

Introduction: Good morning or afternoon. “My name is Mindaye Yohannes I am a social work third year student at Addis Ababa University and I am interviewing some individuals and groups to find out the challenges and contributions of self-help groups in EKHC Integrated Urban Development Department or Church and Community Mobilization for Development (CCMD) project in this site of the city.

#### ***1. Personal data of the participant***

- a) Address: Wereda: \_\_\_\_\_ House NO. \_\_\_\_\_
- b) Age: \_\_\_\_\_
- c) Sex: \_\_\_\_\_
- d) Level of Education: \_\_\_\_\_
- e) Religion: \_\_\_\_\_
- f) Marital Status: \_\_\_\_\_
- g) If married, number of children: \_\_\_\_\_
- h) Age group of children: Below 10 \_\_\_\_\_ from 11 up to 18 \_\_\_\_\_

#### ***2. Family Data***

- a) Total number of family: \_\_\_\_\_
- b) Who is the head of your family: \_\_\_\_\_
- c) Activity status of your children: Small children, school going, or working children

#### ***3. About the SHG members***

- a) Employment: \_\_\_\_\_
- b) Subsidiary employment: \_\_\_\_\_
- c) Approximate monthly income: \_\_\_\_\_ Birr
- d) Who take decisions in your family? \_\_\_\_\_

#### ***4. Availability of basic facilities and services***

- a. Do you own or rent this house? If rented, from whom and how much is paid monthly?
- b. How many rooms are in your house? What is the condition of your house?
- c. From where do you get water? Is it potable? How much you pay for it?
- d. Do you have electric power in your house? If yes, how much is your monthly expenditure for it?
- e. Do you have toilet facility in your house? If no, where do you use for toilet?

#### ***5. Involvement in Income Generation Activities (IGAs)***

- a. Have you ever involved in any IGAs before you engaged in this project? If yes, would you tell me what kind of IGA it was and some of its story?

## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

b. Are you engaged in income generating activities until now? If yes, what kind of IGA are you involving in and what kind of assistance did you get from the project?

c. Does the SHG you involve in introduce new IGAs to its members? If yes, what are they?

d. Up-scales the existing IGAs

e. Provides group entrepreneurship skill

f. Provides individual entrepreneurship skill

g. Did you participate in any one of these trainings?

h. If yes to any one of the above, what benefit did you get out of it? And did this helped you increase in production?

i. As a result of the skills provided, did you able to increase in income?

j. How do you explain the change?

### **6. Household Economic status and livelihood**

a. How many household members contribute to the family income?

b. Estimated average monthly income of the household earned by all members of the household before joining SHG.

c. Current estimated average monthly income of the household earned by all members of the household:

e. Change in income

f. Workload (amount of work for the same wage)

g. Increase in savings capacity

h. Had there been any increase in the borrowing capacity? If yes how?

### **7. Saving pattern**

a, How much did you save so far \_\_\_\_\_

b, What is/are the main purpose of saving? \_\_\_\_\_

c. Change on economic status after joining SHG \_\_\_\_\_

---

### **8. Decision Making power of SHG members in their family affairs**

**CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

Who decides on the following?

	Before joining SHG	After joining SHG
1. Education of children	_____	_____
2. Family expenditure	_____	_____
3. Asset building	_____	_____
3. Loaning	_____	_____
4. Savings	_____	_____
5. Participation in meetings	_____	_____
6. Family members' ill discipline	_____	_____
7. Involving in IGAs	_____	_____

**12. What are your main problems related to functions of SHG?**

**13. What are your suggestions for improving SHG?**

Thank You.

## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

### **Annex 3**

#### *Check list for focus group discussion*

##### *Information regarding the respondent families' Economic status and livelihood*

1. What is/are the source/s of family income?
2. How do you explain change in your family income?
3. Is there any change in your workload? How do you compare your workload before you involve in the SHG and after? (Amount of work for the same wage, if you are employed)
4. Since you join SHG, had there been any increase in your savings capacity?
5. Since you join SHG, had there been any increase in the borrowing capacity? How?
6. Since you join SHG, had there been any increase in your family's consumption pattern (food, clothing, medication, children's education, household furniture, frequency of meals per day)? How do you explain this?
7. How the situations changed? (if there is any change)

##### *Respondents Empowerment*

8. Do you participate in decision-making at;
  - a. Household level (e.g., children's education, health, and family income expenditure, various forms of abuses (Probe for detail explanation)
  - b. Community level – In SHG affairs, cluster meetings, village meetings, community works, social evils (e.g., various kinds of abuses, violence)

##### *9. Leadership impact of the project*

1. Did SHG help you to improve your leadership skill? If yes, how?
2. What is its contribution in developing your emotional intelligence?
3. Its contribution on your political life?

### **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

10. Is there any difference between your levels of participation before & after you get involved in the SHG project? How?
11. What community development activities did the project initiated? (e.g., literacy, health awareness, education for children, housing, etc...)?
12. Are you benefited from any of them? How?
13. Does the SHG you involve in;
  - a. Introduces new IGAs to its members? If yes, what are they?
  - b. Up-scales the existing IGAs
  - c. Provides individual and group entrepreneurship skill
  - d. Did you participate in any one of these trainings?
  - e. If yes to any one of the above, what benefit did you get out of it? And did this help you increase in production and income?
  - f. How do you explain the change?

Thank You

## CHALLENGES AND CONTRIBUTIONS OF SHGs ...

### Annex 4

#### Interview Guide (for the project coordinating Staff)

##### 1. Background Information

- a. Location of the project: Sub City \_\_\_\_\_ Woreda \_\_\_\_\_ Telephone \_\_\_\_\_
- b. Date of employment in the organization \_\_\_\_\_
- c. Your position or career in the project \_\_\_\_\_

##### 2. Project Description

- a. Vision and mission of the project \_\_\_\_\_
- b. Project activities and services being provided \_\_\_\_\_
- c. Project outreach service coverage area \_\_\_\_\_
- d. Total number of the project beneficiaries: Male: \_\_\_\_\_ Female: \_\_\_\_\_ Total: \_\_\_\_\_
- e. Number of SHGs \_\_\_\_\_
- f. Number of CLAs \_\_\_\_\_
- g. How do you explain the contribution and the challenges of the project?
- h. What are the challenges of this project?
- i. Is there any proposal for future project extension? \_\_\_\_\_
- j. Total annual budget for your programs \_\_\_\_\_
- k. If you have additional comments. \_\_\_\_\_

Thank You!

## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

### **Observation check list**

1. Who is taking a great role during the discussion of the group members?
2. How the group does manage disagreements among the members?
3. What kinds of issues are raised by the members?
4. How is the leadership skill of the SHG leaders?
5. Who dominates in the decision making process?
6. What is the main challenge of the group members in their meeting?
7. How do they manage these challenges?
8. The strong side of the group
9. Limitations of the group?
10. What are their challenges in training sessions?

### **Check list for document review**

1. Background information about the Addis Ababa IUD project. When dose it established? What was the main challenge doing establishment?
2. The progress of the group members
3. The challenges of poor women related with their economic, social and leadership life
4. Best practices among the different efforts of SHGs and CLAs
5. How many CLAs, SHGs and members do exist currently?
6. In which cite do the program is functioning effectively? Why?

## CHALLENGES AND CONTRIBUTIONS OF SHGs ...

### Annex 5: Declaration Form

This thesis is my original work and has not been presented for a degree in any other university, and that all sources of material used for the thesis have been duly acknowledged.

Name : Mindaye Yohannes

Signature \_\_\_\_\_ Date \_\_\_\_\_

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

Wassie Kebede (PhD.)

Signature \_\_\_\_\_

## **CHALLENGES AND CONTRIBUTIONS OF SHGs ...**

Dr. Mengistu Legese,

Head, School of Social Work

Dear Dr. Mengistu, I have approved Mindaye Yohannes' thesis for review and oral defense. Please accept this email as an official approval of the thesis as the adviser of the above named student.

Wassie Kebede (PhD)

Post Doctoral Fellow

North-West University