ADDIS ABABA UNIVERSITY SCHOOL OF GRADATE STUDIES CENTER FOR FOOD SECURITY STUDIES

THE EFFECTIVENESS OF SAVING AND CREDIT COOPERATIVES ON INCOME ENHANCEMENT OF BORROWERS: THE CASE OF WOMEN PARTICIPANTS IN WEREDA 04, KIRKOS SUB CITY, ADDIS ABABA

By: Abebe Tesfay

MSC THESIS SUBMITTED TO:
THE CENTER FOR FOOD SECURITY STUDIES
ADDIS ABABA UNIVERSITY

SEPTEMBER, 2019
ADDIS ABABA

ADDIS ABABA UNIVERSITY SCHOOL OF GRADATE STUDIES
CENTER FOR FOOD SECURITY & DEVELOPMENT STUDIES

THE EFFECTIVENESS OF SAVING AND CREDIT COOPERATIVES ON INCOME ENHANCEMENT OF BORROWERS: THE CASE OF WOMEN PARTICIPANTS IN WEREDA 04, KIRKOS SUB CITY, ADDIS ABABA

By: Abebe Tesfay

Advisor: Admasu Shibiru (PhD)

MSC THESIS SUBMITTED TO:
THE CENTER FOR FOOD SECURITY STUDIES
ADDIS ABABA UNIVERSITY

SEPTEMBER, 2019
ADDIS ABABA

ADDIS ABABA UNIVERSITY SCHOOL OF GRADATE STUDIES CENTER FOR FOOD SECURITY & DEVELOPMENT STUDIES

THE EFFECTIVENESS OF SAVING AND CREDIT COOPERATIVES ON INCOME ENHANCEMENT OF BORROWERS: THE CASE OF WOMEN PARTICIPANTS IN WEREDA 04, KIRKOS SUB CITY, ADDIS ABABA

Student's name: Abebe Tesfay Signature:______________Date:____________________

Advisor's name: Admasu Shibru (PhD) Signature:______________Date:____________________

Approvals

1. Internal examiner's name: _____________________Signature:__________date:______________
2. External examiner's name:_____________________Signature:__________date:______________
3. Chair person's name:__________________________Signature:__________date:______________
4. Head Center of Food Security:__________________Signature:__________date:______________

SEPTEMBER, 2019

ADDIS ABABA

DECLARATION

I the undersigned Abebe Tesfay, hereby declare to Addis Ababa University School College of Development studies that this dissertation is a product of my original research work, and it has not been submitted to any other university for any academic degree. Materials and information other than my own are duly acknowledged.

Submitted to Department of Food security and development Studies, Addis Ababa University:

Declared By: Abebe Tesfay

Signature: ____________________ date ____________________

This Master's thesis on a title "THE EFFECTIVENESS OF SAVING AND CREDIT COOPERATIVES ON INCOME ENHANCEMENT OF BORROWERS: THE CASE OF WOMEN PARTICIPANTS IN WEREDA 04, KIRKOS SUB CITY, ADDIS ABABA" is carried out as a part of the education at the Addis Ababa University, Center for Food security studies and Department of Food security and Development studies, and is therefore approved as a part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

____

Admasu Shibiru
Advisor

Addis Ababa University
Center for Food Security studies
Department of Food Security and Development Studies

Table of Content **Page**

Acknowledgment

I am deeply indebted to everyone who helped me out in conducting this master thesis. At first I would like to express sincere gratitude and appreciation to Dr. Admasu Shibiru for all the support, comments, encouragement and guidance he gave me throughout the preparation and writing of my thesis till it come to fruition. He advised me in problems I faced, read carefully through my work and gave me valuable comments that enhanced the technical and editing quality of my work.

Also I am so much indebted to others at the department of Food security and Development studies of Addis Ababa University, who gave me great insights into the field of development management and guided me through till identifying the topic and objectives of this thesis. Also I would like to thank them for giving me the opportunity to exchange knowledge and experiences which enriched and widened my perspectives.

Also I would like to thank the staff of the organization Women in self Employement(WISE) for giving me available and important informations and list of SACCO members in their office and their participation in selecting study area and SACCO. I cannot also forget the special help I got from weizerit Konjit Megerssa, who is chair person of the studied SACCO, who helped me in providing valuable informations and close follow up of the data collections, for which I am really thankful.

Last but not least I would like to express deepest gratitude for my family; especially my wife Seada Mulugeta where no words can express my real gratitude for their always support and care

Abebe Tesfay

List of Maps and figures **Page**

List of tables

Page

List of Acronyms and Abréviations

CBE: Commercial Bank of Ethiopia

CSA: Civil Society Organizations

ECA: Economic commission for Africa

FGD: Focus Group Discussion

HH: Household

ICA: International cooperative alliance

KII: key Informant Interview

MCI: Microcredit Institution

MDGs: Millennium Development Goals

MFI: Micro Finance Institution

NGOs Non-Governmental Organizations

PF: Productive Families Project

PRSP: Poverty reduction Strategy Paper

SACCO: Saving and Credit cooperatives

SDG: Sustainable Development Goal

SFD: Social Fund for Development

SMME: Small Medium and Micro Enterprise

SME: Small and Micro Enterprise

SPSS: Statistical Process for Social Sciences

WISE: Women in self Employments

Abstract

Microcredit is being practiced in Ethiopia as a tool to deliver financial services to help the poor reducing poverty. The saving and credit cooperatives(SACCOs) are therefore operational to address the problem of poverty by delivering micro credit particularly to those low income members who participate in saving and credit cooperatives organized by themselves. The ability of microfinance and microcredit programmes to alleviate poverty and enhance development is often debated and questioned. In order to investigate the fundamental premise, this study examined empirical evidence of saving and credit cooperatives (SACCO) to know their efficiency and aims to contribute to this literature by investigating their role on income enhancement of women members/ borrowers in Wereda 04, Kirkos sub-city, Addis Ababa, organized by one of the largest NGO, WISE (Women in self Employment), using systematic random sampling technique taken from the total list of members (N=284). Hence, the total numbers of households interviewed were 121; out of the total (284) members in the list using Yeman's sampling formula. The data was collected from six years (2013-2018) of saving and a loan of the SACCO members. A household level survey was carried out to collect data about individuals receiving microcredit. Using a quasi-experimental research design, this study supports the extant literature that found a positive role of SACCO programmes on enhancing the participants' income, expenditure, food and children's education. In addition, the results reveal a significant positive correlation between microcredit and an increase in recipients' business profits and capital. The study is referred to common challenges in microcredit business that apparently microcredit institutions in Addis Ababa are facing. Lastly, the study provides some insights on how to enhance the programmes effectiveness on incomes improvement. In general, for these programmes to be more effective in alleviating poverty a new paradigm or regulatory body is required to link microcredit institutions with each other, organize collective efforts, and make it more attached to the real developmental needs of the poor.

Key words: *Microcredit, saving and credit cooperaratives, kirkos sub city, wereda 04,*

CHAPTER 1: INTRODUCTION

1.1. Background

Ethiopia is one of the poorest and most heavily indebted countries of the world with the population of above 100 million of which rural population accounts for 85% and urban population accounts for 15% (as of CSA, 2008). It is a fairly large but land locked country with a total area of about 1.1 million square kilometers. The agricultural sector, which accounts on the average 46.6 percent of GDP, is the source of livelihood for about 85 percent of the country's population, that is, the country is extensively dependent on agriculture, which provides about 85 percent of the employment. Ethiopia is one of the poorest African nation states. According to Amha (2000) the major causes of the high prevalence of poverty in Ethiopia include lack of asset, employment opportunities, income, skill, education, health is a pervasive and persistent phenomenon due to the interaction of a number of persistent poverty traps like population pressure, low investment inhuman capital, low levels of infrastructure, agrarian nature of the economy and other related factors, and this is aggravated by soil degradation, deforestation, drought, civil war, and lacunae in appropriate government policies.

Poverty is one of the main challenges that face the development process in Ethiopia. Poor people suffer social exclusion and lack access to various sources of income, markets, education and health services (Attia, 2008). Among the strategies for combating poverty, microfinance programmes are regarded as a mechanism for poverty alleviation and as a way of creating employment opportunities in Ethiopia. This was outlined in a package of economic reform policies adopted by Ethiopia in the 1990s. Based on these policies, each donor or institution working in the field of poverty supports microfinance programmes in one way or another either by providing direct loans, or other services in the form of technical support or research and information dissemination (Barsoum, 2006).

Microfinance service is not new in Ethiopia; however its scope has evolved from human development and social services to being more business oriented with the recent developments in the commercial banking sector. Over the past years, micro credit has been widely accepted as a viable policy option for poverty alleviation by the donor community, international organisations, governments and nongovernmental organizations in Ethiopia. In the 1970s microfinance was providing service mainly to farmers and workers in the agricultural sector through a governmental bank known as the Bank of Development and Agriculture (Barsoum, 2006:2). Later in the 1990s a nongovernmental initiative known as the Microfinance Institutions (MFI) was initiated by the government to provide microcredit to low-income families with a guarantor from an employer in the public sector (Barsoum, 2006:3).

The formalisation of the MCIs, in Ethiopia was preceded by a microcredit which was used to be provided in a fragmented and unplanned manner even during the early 1970s. The scheme was donor driven rather than an outcome stemming from a clear policy direction and development strategy. Nor were these interventions market or demand driven and sustainable as they were almost grant based with little growth stimulating effect. There was no proven in built credit risk management system. Credit was given based on neither on group lending nor on the basis of other form of collateral. Their outreach and impact has been also remained limited (IFAD, 2001). Another feature of these credit schemes is that all were trying to address the credit delivery service alone. The provision of savings facilities, which is essential for a sustained service delivery, was completely ignored.

The main objective of this research is to assess the effectiveness of saving and credit cooperatives (SACCO) on incomes enhancement and alleviating poverty of borrowers /recipient families' income in Wereda 04, Kirkos sub-city, Addis Ababa, organized by WISE project. WISE is a non-governmental organization, established in 1997 with the purpose of eliminating urban poverty and realization of sustainable change among poor urban women in Addis Ababa. It was providing training for poor urban women on various topics (including business skills, leadership and management skills, health and education and other women empowerment-related topics), assisting with the start up and financing of SACCOs and participating in various networking and forums. Since its commencement of operation in1998, WISE has recorded remarkable achievements in the development of women micro-enterprise operators, these women and girls were able to initiate or expand their preferred lines of micro enterprise operations.

This research is therefore, important for a number of reasons. First, given the dearth of empirical studies on the impact of SACCO's microcredit programmes in the study area, it provides a unique contribution to the existing literature on the efficiency of these programmes to uplift recipients. Second, the influence of these programmes on reducing poverty and enhancing peoples' changes is investigated in a unique setting. We can see whether this programme enhanced the recipients' ability to get health services, to provide adequate education to their children and to improve their families' consumption levels.

The research has focused on women recipients and their perceptions of empowerment, financial sustainability and the generation of peace inside their families. Given the Ethiopian culture that conceives men as the breadwinners, it is not clear how these programmes will affect the women's lives. In addition, an assessment of the microfinance sector should enable the industry to improve the administration of their programmes as well as utilize them best in combating poverty. Lastly, such research should provide information on the efficiency of SACCO's microcredit programmes in targeting the poor and in creating real economic growth.

1.2. Statement of the Problem

Ethiopia is one of the poorest African nation states. Poverty is one of the main challenges that face the development process in Ethiopia. Poor people suffer social exclusion and lack access to various sources of income, markets, education and health services (Attia, 2008). According to Amha (2000) the major causes of the high prevalence of poverty in Ethiopia include lack of asset, employment opportunities, income, skill, education, health is a pervasive and persistent phenomenon due to the interaction of a number of persistent poverty traps like population pressure, low investment inhuman capital, low levels of infrastructure, agrarian nature of the economy and other related factors, and this is aggravated by soil degradation, deforestation, drought, civil war, and lacunae in appropriate government policies.

Like many sub-cities of Addis Ababa, Kirkos sub city is presently suffering from a host of social and economic problems including widening income disparity, deepening poverty, rising unemployment, severe housing shortage, poorly developed physical and social infrastructure and the proliferation of slum and squatter settlements (UN-HABTAT, 2007). Unemployment remains high whilst nearly half of the population earns less than what is needed to buy enough food for basic subsistence. Different studies indicate that the economy of the city is service sector dominant and the private; especially the informal economic sector has greater contribution. So, 80% of the city's dwellers earn very low income of less than 74.5 USD per month (Bihon, 2006). On top of this, according to Bihon, the high unemployment rate of the city that is more than 40% aggravates the poverty situation of the residents. Hence, most of the households spent more than 50% of their income on food (Bihon, 2006).

The prevailing operations of the conventional financial institutions in Ethiopia do not provide substantial credit and saving facilities to the poor. Despite the growth of microfinance, programs specifically designed to target poor are still not very widespread. It is still being debated whether reaching the poorest with these programs is even desirable. An added concern is that funds are targeted to help the poor and /or food insecure households.

Accordingly, this research is focussed on assessing the effectiveness of SACCO-microcredit institution in enhancing incomes of women borrowers in wereda 04 of Kirkos sub city, Addis Ababa.

1.3. Objectives of the study

1.3.1. General Objective

The overall objective of this research is to assess the effectiveness of SACCO on income enhancement of women participants in Wereda 04, Kirkos sub-city, Addis Ababa, organized by WISE

1.3.2. Specific objectives

1- To asses the effectiveness of SACCO-Microcredit on incomes enhancement of credit récipients and analysing the difference between two groups' i.e. new-borrowers and old borrower groups in wereda 04, Kirkos sub city, Addis Ababa

2- To assess the effectiveness of SACCO programmes to enable the loan holders make profits, reinvest to sustain and enlarge their businesses

1.3.3. Research Hypothesis

Against our theoretical review, and with focus on the income improvement aspects, the following hypothesis are stated to answer the question of whether borrowing leads to successful performance of small business and its leads to income among urban borrowers and the factors which may explain any observed differences.

Specifically, the study has formulated the following Hypothesis to test:

The null-hypothesis (H) to be tested is: Micro-credit has no effect on incomes of borrowers at HH and Small and Micro-enterprise level

1.4. Research questions

The research questions set to investigate and find the respective answers that will confirm the actual role of microcredit as an effective tool to enhance incomes of poor credit borrower's in wereda 04 of Kirkos sub city in Addis Ababa. Therefore, the main research question is: How can microcredit enhance women's incomes in the study area of Addis Ababa? Through the course of this research the following research questions were raised:

1. How is SACCO- microcredit programmes managed?
2. Did the implementation of SACCOs help in enhancing incomes in the study wereda
3. What are the impacts on recipients' families' income and average expenses?
4. What are the impacts on recipients' families' poverty?
5. What are the activities financed by these loans and is there enough profits for businesses expanding and reinvesting the loan money into their businesses?
6. Did the implementation of MCI help the women clients engaging in MEs

1.5. Significance of the study

Poverty is a critical problem of all countries in the world including Ethiopia, regardless of their level of development. The whole purpose of development and development studies is to fight against poverty and reducing both urban and rural poverty in the world to the possible minimum level through different interventions. Microcredit is considered as one of the major interventions in enhancing incomes, poverty alleviation all over the world, by expanding service to the poor and it has been viewed as one way of dealing with poverty by expanding service to the poor. However, the government is currently emphasizing on poverty alleviation through MC among others, as one of the tools to improve incomes and alleviates poverty.

Currently, MCIs are working all over the country to provide credit services to rural and urban poor who do not have access to financial services from formal banks. Therefore, it is important to assess the role of SACCO-MCI in improving incomes of borrowers, that the study would be helpful to women clients' which also vital to understand the role microcredit programs play in urban poverty alleviation. This study will contribute in filling the information gap identifying the impact of SACCO-MC on improving incomes of women clients. The research output can also be used as a reference material for further understanding of micro credit. It tries to facilitate a broad-based development perception, policy recommendations and advocacy based on social factors towards poverty alleviation.

1.6. Limitation of the study

This research has a number of limitations. Certain misinterpretation was observed when asking about the main source of income; some respondents identified the project or the business financed by the loan as the main source of their income although later in a question asking about the sources of household income they identified it to be from other sources rather than the business. Also although some indicate that they invest all their profits in their business, in a later question they indicate that contribute with 100% of the business income in family budget. However as mentioned by (Kress, 1982) inconsistent or contradictory replies can be adjusted to the more precise information, accordingly these points mentioned before were adjusted while entering the data by entering the most likely correct answer meant by the respondent if she has correctly understood the question so that the answers overall have been consistent.

The study has also been done from the perspective of small and medium business enterprises assess the impact of the microcredit on their businesses incomes. Microcredit covers a wide area of issues and the above theoretical framework encompasses urban poverty in terms of social, economic, political, cultural perspectives. Access to relevant information time and financial constraints are major drawbacks that limited the intensiveness of work.

However, the focal area of this paper has been more on the economic point of view. Since there are different factors that affect the situation of the clients, this paper didn't control those factors totally. The rest variables have been address to a certain extent. Therefore, the researcher deals from these perspective or dimensions. Even though there are many MCIs in Addis Ababa City Administration, this study focuses only in one Saving and Cooperative called Edget-Ber Women in Self-employment

Cooperatives located in wereda 04, Kirkos sub city in Addis Ababa, out of 85 WISE established saving and credit institutions and their clients because of financial and time constraints. Detail analysis have been made to assess the effectiveness of micro credit on incomes of women households

1.7. Organization of the paper

The thesis has five chapters. The first chapter deals the introduction part. The second chapter deals with conceptual and analytical frameworks of the research are presented through reviewing related literature. Chapter three presents the method used in conducting the research and outlines the data collection and analysis methods employed. Chapter four outlines the empirical findings, and provides a discussion in line with the major research questions and literature review and lastly the fifth and the last chapter was presented the summery of findings, conclusions and recommendations.

CHAPTER 2: LITRATURE REVIEW

In this chapter it will explore the effectiveness of microcredit on income enhancement and its contribution in poverty reduction, investigate the potential role of SACCO-microcredit on the incomes of its clients and consider the debate on the effectiveness of the programme as a bottom up development engine. From the voluminous strands of literature the following chapter embraces conceptuel background including microfinance and microcredit, cooperatives and poverty ,Theorethical literature review, Empirical literature review and conceptual frame work.

2.1. Conceptual background

2.1.1 The concept of poverty

The literature contains of number of definitions of poverty, starting with the lack of main resources to meet the basic needs to sustain life; to lacking access to main services and rights. As stated in (Smith, 1976) "every man is rich or poor according to the degree he can afford to enjoy the necessaries, convenience and amusement of human life". It is the perception of poverty that really differs when defining what is really meant by poverty. As referred by (Fasoranti, 2010:1) perception differs according to the present experience of the individuals, conditions of the surrounding environment, their vocation, education and their definition of a good life. Hence "poverty has become a general phenomenon that is perceived to mean different things to different people at different times and places" (Fasoranti, 2010).

There are two conceptualizations for poverty; the traditional and the monetary concept. The former refers to the ability of the individual to meet the basics needs of food and consumption. The latter refers to the materialistic boundaries to include other aspects starting from education, health, shelter, nutrition, till enjoying security and rights like freedom of speech (Haughton & Khandker, 2009). In general, poverty can be defined as the "pronounced deprivation in welfare" (World Bank, 2000), where welfare here embraces not only material capabilities as measured by income and consumption levels but immaterial as well measured by the level of education, health, children nutrition and rights. It is even broadened to include vulnerability and exposure to risk, noiselessness and powerlessness. It is generally defined by (Amartya Sen, 1987) as presented in (Haughton & Khandker, 2009:2) as the individual's in capability to function in the society.

Accordingly, poverty is a multidimensional phenomenon that cannot be defined by just enhancing the income of the poor or increasing their levels of consumption rather it requires an integrated strategy to enable the poor to acquire the capabilities needed to enhance their welfare in general. Microfinance/microcredit programs are considered one of the effective tools that can enable the poor to not only enhance their income but their household overall welfare as well.

2.1.2 The concept of microfinance and microcredit programmes

Microfinance and microcredit programmes are based on the theory of utilizing social capital to enhance development from below; as a result, these programs have emerged as a favored model of development (Rankin, 2002). Microfinance is a phenomenon that reflects the provision of credit and microloans to low income people in order to enable them to engage in productive economic activities that help them enhance their income (Awojobi & Bein, 2011). Microfinance is a wider concept than microcredit as it includes the provision of other financial services like saving funds and insurance services in addition to the provision of microcredit; however the two terms (microfinance and microcredit) are often used interchangeably (Khandker, 1998).

There are many definitions of microcredit. Generally, the main idea behind it is to enable poor people to have access to financial services that they cannot attain through regular banks since they lack the collateral required in such a case. According to (Schreiner & Colombet, 2001) it is an "attempt to improve access to small deposits and small loans for poor households neglected by banks". It also includes "the mobilization of savings and disbursement of micro-credit to the economically active poor, so as to provide employment and means of sustainability to improve the living standard in an economy" (Awojobi & Bein, 2011, p. 160).

In general, the main of microcredit programmes is to "extend small loans to poor people for self-employment to help generate income, allowing them to care for themselves and their families. In most cases, microcredit programs offer a combination of services and resources to their clients in addition to credit for self-employment. These often include savings facilities, training, networking, and peer support" (The Microcredit Summit Campaign, 2009). Microcredit entails not only providing the poor with financial services but with the added capabilities needed to set up their self-employment business projects and maintain their sources of sustainable livelihoods instead of waiting for employment opportunities from the government (Fasoranti, 2010:2).

Microcredit are given to the poor either to help them establish their new business projects or to help small entrepreneurs who already have their business to expand it and be more sustainable (Johnson & Rogaly, 1997). Usually the duration of these kinds of loans are short-term, maximum two years, conditioned to be used in productive projects for example agriculture, industry, trading and not in consumption. Whilst microfinance institutions are not banks and should aim to serve people that do not have access to traditional banks, they still operate like traditional banks in that they are interested in making a profit. Hence, microfinance institutions are two-faced in nature: "social nature and a for-profit nature" (Gutiérrez-Nieto et al., 2007, p. 131).

There are different kinds of microcredit programmes; however, in general microfinance institutions offer credit either through joint liability group lending or individual-based lending. The individual lending model is close to the banks model where there is a direct relationship between the programme and the loan holder, whereas the group lending model a group of borrowers are responsible for loan repayments. In this case if one of the group members does not repay the loan the others group members have to contribute otherwise the whole group will be deprived future access to loans from the programme (Hermes & Lensink, 2007:2).

There are different forms of microfinance institutions. A survey in developing countries by (Lapenu &Zeller, 2002:2), classified micro finance institutions as either: NGOs, cooperatives, registered banking institutions, government organizations, or projects. The research results showed that banks are the best in terms of staff productivity but are the worst in terms of outreaching to the poor especially women. NGOS are the best in outreaching but have low productivity. On the other hand, government institutions are low in both staff productivity and outreach. However, microfinance institutions performance is not in the scope of this research rather it's the efficiency of these programmes in enhancing incomes, and alleviating poverty.

2.1.3 The concept of cooperatives

Based on the definition of Encyclopedia of Business, 'Cooperative is a form of a business ownership that consist a group of people who joined together to perform a business function more efficiently than each individual could do alone". Here, the purpose of cooperatives is not to make a profit for itself, but to improve each member's situation. However, members of certain types of cooperatives do make a profit by selling their product and/or service to customers who are not co-op members. This definition shows that people organize themselves around a common goal usually with the concern of economic purpose.

Besides, a cooperative (co-op) has been defined in the International cooperative alliance (ICA) as "an autonomous association of persons united voluntarily to meet their economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise". They are based on the values of self help, self responsibility, democracy, equality, and solidarity. In the tradition of the founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and carrying for others. Cooperatives continuous to be an important means, often the only one available, where by the poor, as well as those better off but at perpetual risk of becoming poor, have been able to achieve economic security and an acceptable standard of living and quality of life (UN,1994).

2.1.4 The impacts of microcredit programs on alleviating poverty

The impact of microcredit programmes on reducing poverty and enhancing social well-being of the poor has been widely investigated. Reviewing the literature investigating the microcredit impact on poverty alleviation shows disparities between supporters and opponents. In summary one can identify three main positions in the microfinance literature: those that argue for the positive impact of microcredit on the poor; those that argue for the negative impact of microcredit on the poor; and the third position lies somewhere in between where there is a positive impact yet not for the poorest. According to the first position microcredit programs have a positive impact not merely on the poor household income and consumption level but on their social welfare as well, reflected by the impact of these programmes on recipients' level of education, health and children nutrition. Furthermore, it extends to women feelings of empowerment and independence.

The positive impacts of microcredit on income and consumption levels have been well documented. For example in his study, participants of Grameen Bank (Hossain, 2008) found significant impacts of the effect of microcredit programmes on alleviating poverty in Bangladesh. This was reflected in higher income, capital accumulation and employment among loan recipients. Similarly, (Khandker ,1998) found that 5% of the loan recipients' households in Bangladesh were able to get out of poverty due to the loans from microcredit institutions. In both studies there were spill-over effects where the overall employment rate and wages rate were enhanced in the whole village in which the microcredit programs operated.

Additionally, the significant effects for the programmes were found to be greater when the recipient was a woman (Pitt & Khandker, 1998). Other research in Bangladesh by Mustafa (1996) found that microcredit programmes enabled the recipients to enhance their material welfare reflected in indicators such as wealth, revenue earning assets, value of house structure, the level of cash earned, per capita expenditure on food, total household expenditure. While Zaman (1999) found microcredit programmes to enhance recipients' ability to build assets and reduce their vulnerability by enabling them smooth their consumption through balancing between their savings and spending during different phases of their life, hence become less vulnerable to income shocks.

The results showed that in general women's participants are relatively more efficient than men in promoting the well-being of the households. As verified in Pitt et al (2003), women usually invest in their children's health and enhance their nutritional status. These results were further emphasized in further studies in Bangladesh (see Khandker et al., 1998; Khandker, 2001, 2003). Positive impacts of microcredit have also been found by Kaboski & Townsend (2005) who evaluated the impacts of microfinance institutions in rural Thailand. They found it to enhance asset growth, consumption smoothing and occupational mobility, while decreasing borrowers' vulnerability, also especially if women are the main recipients.

In addition, microcredit programmes have been found to enhance household social well-being and women empowerment. (Khander, 1998) found significantly higher levels of schooling for children and especially that of girls for all credit program participants. Other positive impacts of microcredit on households' welfare were found in their children's education, health and household nutrition especially when woman are the participants (e.g. Zaman, 1999; Panjaitan-Drioadisuryo & Cloud, 1999; Pitt et al., 2003). Moreover, microcredit empowers women by enabling them to make their own decisions, increase their mobility, awareness, and self-esteem (Hashemi et al., 1996; Schuler et al., 1997; Husain, 1998; Zaman, 1999). Mustafa et al (1996) found that the impact on women lives although small was evident; women have better influence in decision making inside the household and better treatment from their husbands.

However, this significant positive impact of microcredit was not reached by other studies. (Banerjee et al, 2010) did not find such positive impacts on social welfare like measures of health, education, or women's empowerment. Lastly, Karlan & Zinman (2009) found no positive impact on the social welfare of the household in India especially when women were the participants. On the contrary he found those males 'applicants are significantly more likely to enroll their children in school than female applicants.

On the other side of the argument Adams & Pischke (1992) found microcredit to be ineffective on the poor income and overall well-being status. The researchers argued that lacking financial services is not the most pressing problems faced by the poor; and further argued that their problems will not be solved by going into further debt. The cost of providing these financial services was also very high compared to the benefits received by recipients especially in poor countries. This was further emphasized by Buckley (1997) in his research on micro entrepreneurs in the informal sector in Kenya, Malawi and Ghana. He found that these form of "capital injections" offers the "illusion" of fixing the profound problems of these people which rather need more structural changes in the socioeconomic conditions that defines their activities.

Utilizing case studies from Sri-Lanka and Bangladesh, Montgomery (1996) showed the disadvantages of group lending schemes. He argued that there is incompatibility between meeting the poor needs and extending the credit. These programs give more pressure to the recipients and resulted in added social costs. In Bangladesh, Morduch (1998) used a cross sectional survey of 180 respondents from participants and non-participants in micro credit programmes. He found no evidence indicating higher consumption levels or educational enrolments for children of loan holders, but merely a reduction in consumption variability across the seasons for the participants. Accordingly, microcredit programmes were not found to enable households to increase their consumption level but simply offered them "ways to smooth their consumption through smoothing income".

This is further emphasized by Mosley (2001) in his research study in Bolivia. He found that although these credits reduced poverty and increased participants' income and assets it did not reduce extreme poverty. Furthermore, in his note, Hulme (2000) indicated that effective microfinance institutions only provide services for the poor but not for the poorest and "the poorest of the poor". Hulme supported Pischke (1992) in his naming for microcredit as "micro debt" since not all microcredit programmes were found to produce favorable results especially for the very poor working in low returns activities and vulnerable to environmental and economic shocks.

In summary, the research assessing the effectiveness of microcredit institutions on individual, social and economic welfare is mixed. One cannot identify a clear positive or negative impact for microcredit programs either on enhancing the economic and social welfare conditions for the poor. It is obvious that further research is required in this area.

2.2. Theoretical literature Review

Scholars have published many articles addressing the role of microcredit on the incomes of the poor. Some studies have concluded that access to microfinance positively influences the poor, while others have expressed skepticism about the contribution of microfinance to the socio-economic development of the poor. For example, several recent studies claimed that micro credit has a significant positive impact on poverty reduction (see Biosca, Lenton, and Mosely, 2014; Koloma and Alia, 2014; Attanasioet al., 2015; Banerjee et al., 2015).

On the other hand, some studies found no impact of microcredit on household income and expenditures (Duvendack and Palmer-Jones, 2012; Augsberget al., 2015, Angelucci, Karlan and Zinman, 2015). Hossain (2012) stated that economic development widens the path of social development. Wright (2000) emphasized that most of the NGOs of the world begin by teaching borrowers about health-related issues, providing small loans to install sanitary latrines, motivating them to receive primary education and consulting them on other socio-economic parameters to lead a healthier lifestyle. Khandker (2005), using World Bank data, discovered that both male and female participants of the BRAC NGO had been successful in increasing their level of consumption by 11% and 18%, respectively. He also revealed that having access to small loans for at least three years positively influenced the borrowers. Pitt and Khandker (1998) reported that the microfinance programme contributed to building human capital, creating awareness regarding health issues and increasing consumption levels.

Moreover, criticizing the microcredit programs for not reaching or targeting the extreme poor may be not because of these programs deficiencies, as it may be as a result of the fact that the extremely poor people themselves do not like to take risks, are fearful of new initiatives and/or lack proper information about the programmes (Hermes & Lensink, 2007). Also extremely poor people are often isolated and lack the essential human and social capital required to know and be members of microfinance programmes (Khandker et al., 1998). As a result, the lack of success of some microcredit programmes cannot be totally attributed to the deficiencies of these programmes themselves but rather to the economic climate and culture of the 'host' country.

Microcredit can be considered as a necessary but not sufficient tool for poverty alleviation (Mahajan, 2005). As stated by Prof Mohammed Yunus (2003) "Micro-credit is not a miracle cure that can eliminate poverty in one fell swoop. But it can end poverty for many and reduce its severity for others. Combined with other innovative programs that unleash people's potential, micro-credit is an essential tool in our search for a poverty-free world" (Yunus & Jolis, 2003). In addition, human capital, skills to produce and market goods and social capital is important to first know about microcredit programmes and then to manage the business after taking the loans.

Another valid point in this regard is the targeting criteria of microfinance institutions; it should reflect and should consider the social surroundings and culture of the area where they will be located.

Women are not usually more successful than men in managing such loans (Karlan & Zinman, 2009). Recently, even the most celebrated success of microcredit playing hugely important role in allowing women to participate in productive economic activities is challenged. There are astonishing findings that microcredit enslaves women than to free them and women's empowerment through this scheme is dried out (Rozario, 2007). According to Rozario (2007) microcredit women clients are harassed, bitten and harmed by their husband as they consider them as source of capital in the form of dowry. Even this problem is exported to the women's family and many households were indebted while trying to fulfill this demand.

Moreover, focusing on women as the target audience might be another factor of such loans collapses in some areas even if women are the loan holders sometimes the loans ends up in men hands where women became workers in their husband business (Goetz & Gupta, 1996; Barsoum, 2006). Viewing the literature of microfinance one gets the impression that it is more a statistical or econometric dispute between two teams; advocates and opponents for microcredit programs.

Microfinance institutions have a two faced contradictory missionary, it has a social and humanitarian side helping the poor overcome their poverty and at the same time they need to sustain their financial existence (i.e., make a profit). However, microfinance institutions bear high costs to run their business, due to high transaction and information costs. As a result, they need to set high interest rates for their clients. This reduces the potential positive impact on income generating from these credits (Cull et al., 2006; Hermes & Lensink, 2007). Given the dearth of sustainable financial resources and high costs still there is not enough solid empirical research studying the cost effectiveness of microcredit programs (Hermes &Lensink, 2007). Furthermore, such high costs and the financial unsustainability of microfinance institutions hinder its outreaching policies for the extreme poor. Enhancing outreach policies requires stable financial resources to endure possible risks (Pischke, 1996).

Accordingly, there are many missing answers in the paradox of microcredit program, its financial sustainability and commercialization versus more outreaching to the poorest and further impact and social development these all need to considered while search for more integrated approaches to measure the effectiveness of these programs in alleviating poverty.

2.3. Empirical Literature review

As mentioned previously, on one side of the argument there are significant positive effects for microcredit programmes on household material and social well-being with further spill-over effects on the local economy while on the other side of the argument there are well-documented negative effects, particularly on the extreme poor. As noted by Khandker (2003), assessing the impact of microcredit programmes is sensitive to the methods used. Both quantitative and qualitative research methods have been used in impact assessment studies (Hulme, 2000). However, studies that are solely built on qualitative research methods are uncommon (Montgomery, 1996). There is an increasingly common trend in applying the mixed research methods by combining qualitative and quantitative research techniques (e.g. see Hashemi et al., 1996; Mustafa et al., 1996; Husain, 1998). Mixed research methods have been adopted for their usefulness in enhancing the validity of information and increasing confidence in research findings (Hulme, 2000). Quantitative methods in particular have been widely applied in estimating the impact of microcredit programmes.

As explained in Montgomery (2005) a perfect evaluation of these programs requires an accurate comparison between the status of the participants before and after joining micro credit programs. This kind of accuracy is hard to attain for many reasons: First in a panel data analysis (observation of same individuals through time) one cannot guarantee that any enhancement in microcredit program participants standards of living are purely due to the credit and not due to any other factors that might have happened to them over the same time period, hence separation of the impact of microcredit programs from other influences is hard to attain. Second in cross sectional data analysis (observation of many individuals at one point at a time) it is hard to compare two groups of individuals with identical characteristics who differ only in terms of credit taking because of the various personality and character traits of individuals. Other problems relate to differences in locations or areas of microcredit programs that are not chosen randomly. Usually microcredit program is located in specific areas like poor areas or that have certain physical infrastructure.

The existence of such unobservable characteristics or influences lead to two kinds of bias in any empirical impact evaluation: program placement bias and self-selection bias. In order to avoid these biases researchers have adopted three main approaches. The first approach uses quasi-experimental research methods which compare participants in microcredit programs with non-participants using fixed effect methods to control for placement bias (e.g. Khandker et al., 1998; Pitt & Khandker, 1998; Khandker, 1998; Mustafa et al., 1996; Hossain, 1988). However, this type of research methodology is often not supported because of selection bias since participants and non-participants are often not good comparable (Mordouh, 1999). The second approach attempts to control for the self-selection bias by including eligible participants from control villages which are villages where microcredit program have recently started to work in. They assume that participants from these villages will probably have similar conditions and characteristics as the treatment group; old participants in microcredit programs (e.g., Hulme& Mosely, 1996; Coleman, 1999).

The experimental research methodology can deal with all kinds of selection bias where both treatment groups those who take credit for more than one year and control groups those borrowers who take credit for less that one year are selected randomly from a potential population of program participants; hence any impact can be attributed just to the program not to any sort of bias. Hence those methods are more efficient in terms of their internal model validity and the robustness of the results (Bryman, 2008). These experimental research studies (e.g. see Dupas & Robinson, 2009; Banerjee et al., 2010) do however have many limitations in addition to time and resources. For example, it is hard to use them in evaluating running microcredit programmes, since it requires the monitoring of the participants in microcredit programs before and after they join the program in order to identify the real effect on these participant’s incomes resulted from taking credit (Odell, 2010).

It is due to these methodological issues that there is little consensus among researchers regarding the evidence indicating their impact on poverty alleviation. Bateman (2011) provides examples in developing countries like in India, the Balkans and Bosnia, where microcredit caused poor people to be indebted rather than helping them out of poverty. In India it has even driven the poor to take loans from local shark moneylenders just to be able to pay back the microfinance loans. These money lenders usually charge much higher interest rates on the loans than microfinance institutions which make the poor to be even more submerged in debt (Gokhale, 2009). Worth noting that these high interest charged by local loan lenders were one of the main reasons driven by Muhammed Yunis, the Bangladesh Professor initiator for microfinance programmes, to promote microfinance to international donors. However as argued by Bateman (2011) such "conferring of social legitimacy upon microfinance" have made the poor more open to go into debt.

Considering these divergences of thoughts and research findings, this study analyzes if micro credit scheme helps to enhance incomes and contributes in reducing poverty and explore its changes on household consumption expenditure and saving of clients by comparing new and old participants in microcredit. In other words, it examines impact of microcredit on some basic household poverty indicators (household total and food expenditures) and asset holdings. What is more, we strongly believe that not only the correlation between microfinance and poverty but also the approaches to analyze impact are controversial and are still open-ended; so this study provides further empirical evidences on the poverty-reducing power of access to microcredit and its impact on the aforementioned interest variables.

This dispute mainly focuses on the techniques and methodologies employed by researchers rather on the potential of these programs to help the poor out of poverty. In my opinion such focus on the methodological problems of the quantitative methods used in studying the impact of these programs is superfluous and insufficient to judge the real impact of these programs. It has given grounding to doubt greatly the usefulness of these programs and taken attention away from the real problem which is trying to improve this tool and enlarge its benefits in the real world.

In general, the sector is dynamic and appropriate refinements are expected in the theoretical, methodological, empirical and policy research methods and approaches. This study provides further empirical evidences on the poverty-reducing effects theta enhancing livelihood of SACCO clents of access to microcredit and its impact on using data from the Kebele 04 of Kirkos sub city in Addis Ababa, Ethiopia.

2.4. Conceptual Framework

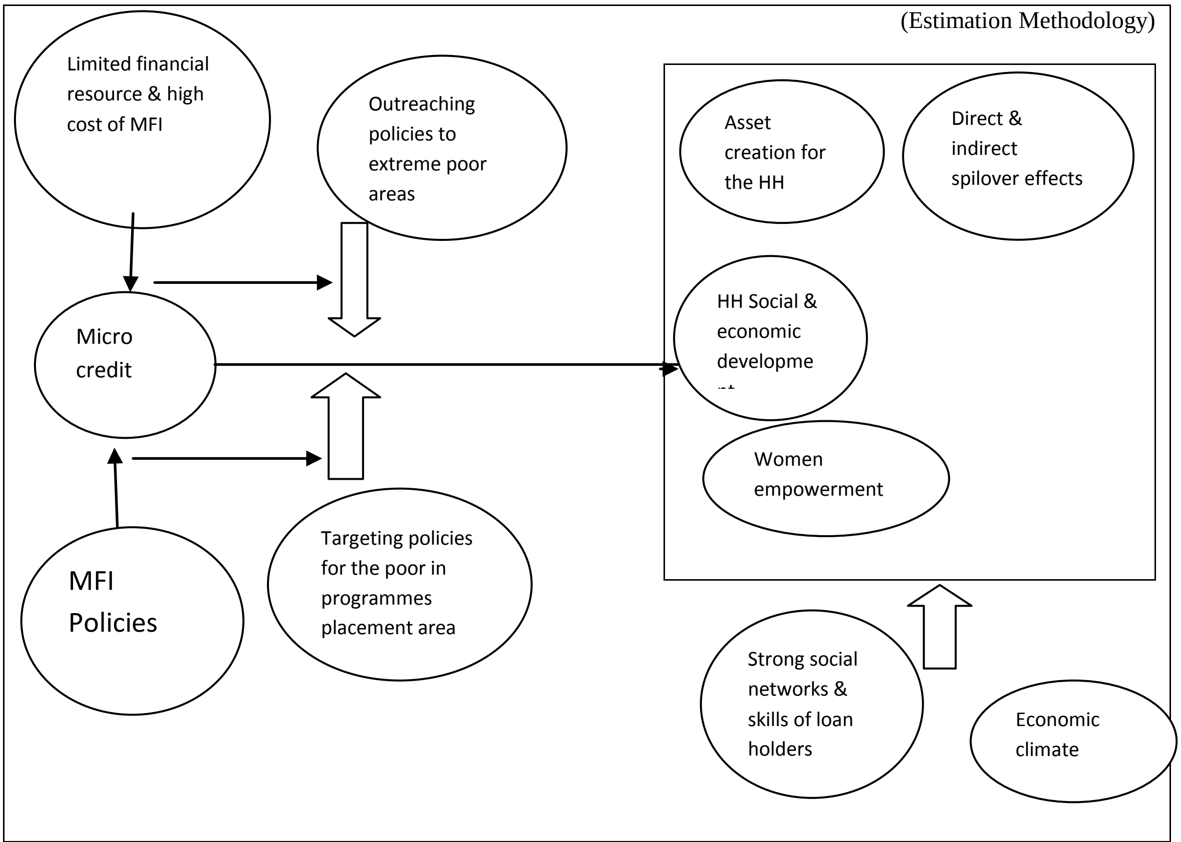
Poverty has become the primary concern of less developed countries for the last two decades. Therefore, poverty alleviation has become the most important challenge faced by policy makers and practitioners who have been trying to improve the lives of their poor. Although poverty alleviation has featured as a priority developmental goals of governments of LDCs, the outcome has not largely been as expected. Experience shows that government handouts and aid to poor communities and households had insignificant or no contribution to poverty reduction of alleviation in the shortest possible time (Zaid Negash, 2002).

A new breakthrough has been recorded when efforts to fight poverty started by enabling people to create their own jobs and generate revenues. Consequently, the provision of finance to the poor was recognized as a means through which poverty and exclusion could be alleviated more effectively. The micro credit campaign has core care themes reaching the poorest, empowers women, building financially self-sufficient institute and ensuring a positive measurable impact in the lives of clients under their families (Ibid). If access to credit is improved, it is argued, the poor can finance activities that will allow income growth, provided there are no other binding constraints (Weiss, 2005). This is a route out of poverty for the non-destitute chronic poor.

There are many paths through which borrowing may affect individuals and households. Introduction of MC activities in an area improves access to financial service, including microcredit (Guiso et al., 2004; Kaboski and Townsend, 2012). Borrowers after credit access may then change their production and consumption decisions. They may invest in a new business, expand an existing one or increase their labour supply.

This section is a summary of the theory of change in households and enterprises, resulting from microcredit. It provides the theoretical basis of the key variables of the study. We consider a simple conceptual framework to understand the pathways through which microcredit program participation affects the HH welfare. Access to microcredit provided by the MCIs increases the available resources and relaxes the budget constraints faced by the households, depends on the shape of their income curve.

Figure 1: **Conceptual framework** (HH income enhancement model)



Source: Empirical evidence of the effect of MC Loan on poverty reduction (S.G. A. Taha et. al.)

As presented in the conceptual framework in Figure 1, microcredit impacts on the loan holders can be captured on three different levels; the material welfare level of the loan holder household through better income, consumption and capital growth, the social welfare level through better education, health and nutrition for children and overall household and finally in case if a female is the loan holder microcredit enhances her self-esteem, sense of independence and empowerment. Further microcredit effectiveness can be expanded to the overall economy through direct spillover effects on the local community through enhancing investment and employment or indirect spillover effects through for example increasing productivity, awareness of the local citizens and curtailing shark money lenders in the community.

CHAPTER 3: RESEARCH METHODS AND MATERIALS

3.1. Description of Research area

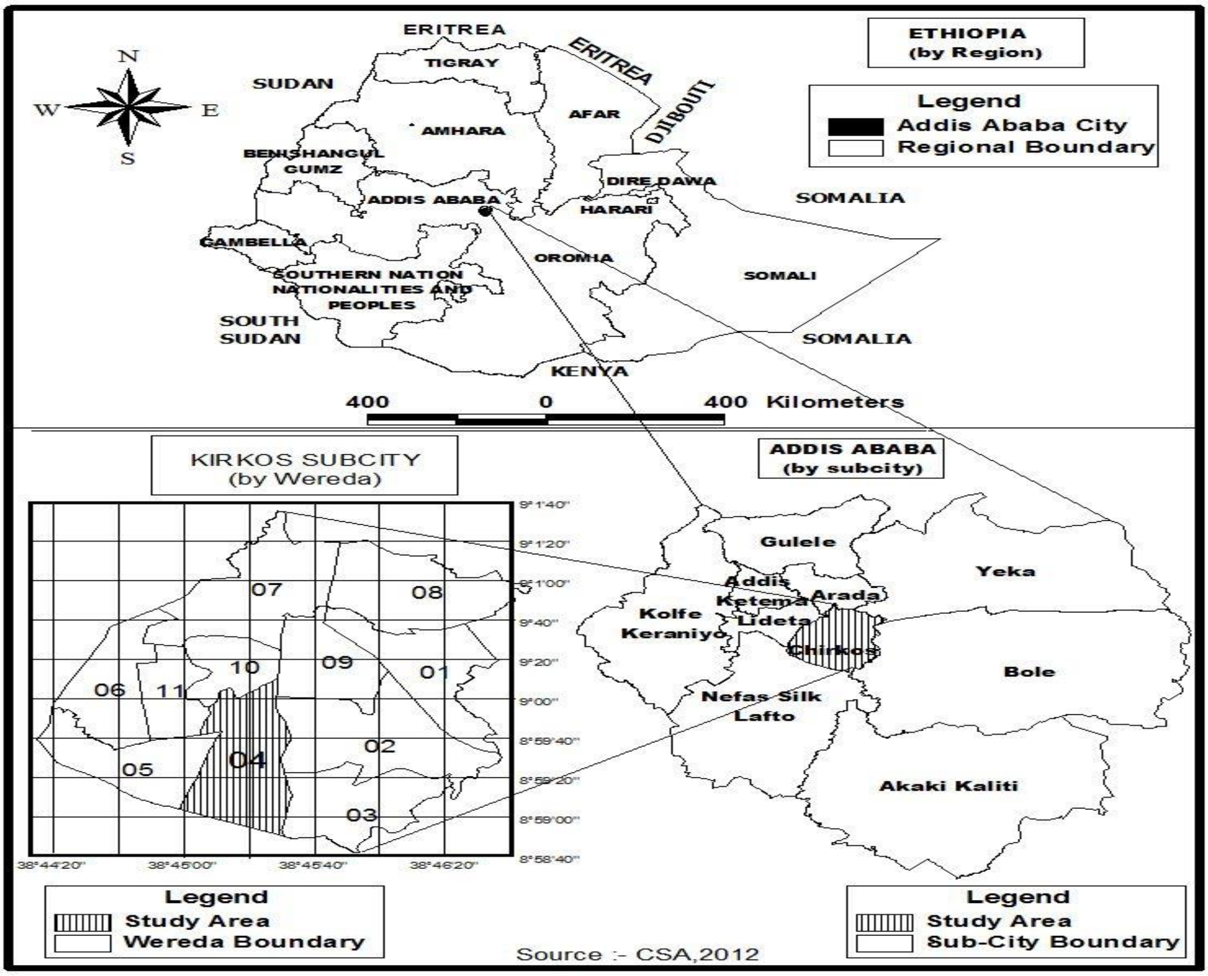
This research is conducted in Addis Ababa, wereda 04 of Kirkos sub city. Addis Ababa (In Amharic meaning "new flower"), is the capital city of Ethiopia and the head of the African Union and it is the diplomatic capital of Africa. More than 92 embassies and consular representatives are clustered in the city (UN-Habitat, 2008).

According to the 2007 census, the population in Addis Ababa was approximately 4.2 million (CSA 2007), of which 51.6% are females while 48.4% are male. The city lies a few miles west of the East African Rift, located in the heart of the country which covers about 540 Km^2 of which 18.2 Km^2 is rural. The city lies between 2,200 and 2,500 meters above sea level at the foot of the 3,000 meters high /Entoto Mountains. Despite its proximity to the equator, Addis Ababa enjoys a mild, Afro-Alpine temperate and warm temperate climate. The lowest and the highest annual average temperature are between 9.89 and 24.6400c. Addis Ababa has a subtropical highland climate and has a complex mix of highland climate zones, with temperature differences of up to 10 °C (18 °F), depending on elevation and prevailing wind patterns.

Its geographic location, combined with its political and socio-economic status has made it a place to hundreds of thousands of people coming from all corners of the country in search of employment opportunities and services, high rate of unemployment (31%), concentration of slum dwellings, and poor housing, infrastructure and sanitary development, characterize Addis Ababa. The challenge is not only to reverse current situation through balancing the economic growth with the population increase, but also to catch up with decades of neglect (UN-Habitat, 2008). As a chartered city administration (Ras-gez Āstedader), Addis Ababa has the status of both a city and a state. Addis Ababa is divided into 10 boroughs, called sub-cities (Amharic: kifle ketema), comprises 6 zones and 99 Woredas. The city is divided into 328 dwelling associations (Kebeles) of which 305 are urban and 23 rural. The city council is made up of 18 bureaus, offices and authorities.

Kirkos is one of the 10 sub cities of Addis Ababa city. As of 2011 its population was of 235,441(Male: 110,069, Female) 125,372 with a Population density 16,104 per sq. m and its area size is 14.62 sq.kms Number of Wereda in Kirkos sun city are 11 and the district is located in the city centre, and borders with the districts of Arada, Yeka, Bole, Nefas-silk-lafto and Lideta. The study area Wereda 04 is one of the 11 wereda in Kirkos sub city located next to Zone2 in the Latitude: 8°59'25.44" and Longitude: 38°45'27.72"

Map 1: Addis Ababa, Kirkos sub-city and wereda 04



3.2. Research design

This study was conducted during April to May 2019 based on SACCO households organized by WISE in wereda 04, Kirkos sub city in Addis Ababa. The survey was conducted with household interviews with the SACCO members to reveal their perceptions on the role of SACCO on their incomes status.

The methodology used in this study is based on cross sectional data and a quasi-experiment control group approach where two groups of loan holders have been selected; a treatment group includes old loan holders who have been taking loans for more than one year and a control group that includes new loan holders who have just join the microcredit program with loan duration less than one year. Kinds of bias will be considered in the econometric model used in assessing the impact of the loans on different socioeconomic indicators reflecting microcredit recipients' income status.

The household survey followed Coleman (1999), whereby the saving and credit clients consists of those eligible households who would be able to receive the microcredit services as a member of the SACCO. The survey has collected detail data on different factors. The data related to demography and socio-economic issues for all household members has been collected from all respondents. The area and the data have also been gathered in detail. The necessary data regarding the amount of credit disbursement, date of joining and nature of membership of the participants, income before loan, income after loan, saving and business has been supplied by the women members of the SACCO were collected.

The study is designed to use both quantitative and qualitative approaches developed to collect information about the contribution of micro credit on the borrower's income enhancement, and poverty reduction taking the case of the target SACCO in the study wereda. Target clients have been randomly selected out of the list of total beneficiaries in the targeted study area using Yamane's random sampling procedure. The name of the SACCO is Edget-Ber women in self Employment saving and credit cooperative and the target study area is wereda 04 in Kirkos sub city of Addis Ababa. The wereda is purposively selected out of the target weredas of WISE intervention area after the researcher discussed with the staff of the organization.

For the purpose of the study the researcher follows the following general steps in the study design:

1) First, develop and disaggregate general criteria to develop specific research questions relevant to achieve the study objective. The research questions have constituted a set of indicators that serve the assessment/ data collection process.

2) The next step is making the questions operational by turning them into information/ data collection instruments. In this case the instrument means the research question plus the information collection method used. The researcher, in consultation with advisor, WISE relevant staff, the targeted SACCO representatives and data collectors have ensured that the instruments produce valid and reliable information.

3) The third step was the analytical process. The analytical part of the study has transformed detail information and responses generated from the questionnaires into findings (results) and conclusions at a more aggregate level, and finally make use of these to draw the overall conclusion at the highest level, linked to the criterion in question.

3.3. Data types

Primary and secondary data

The advantage of employing qualitative and quantitative approaches in research is getting increasing recognition among researchers. It enables to benefit from the insights that the two approaches provide when used in combination. Moreover, the most effective evaluation research is one that combines qualitative and quantitative components (Babbie, 2003). Thus, the research strategies employed in this study combine both qualitative and quantitative approaches. Qualitative approach is used to capture data pertaining local perception and opinions on the effectiveness of policy intervention and policy outcomes using semi-structured questionnaire. Quantitative data on households' asset ownership, income status, livelihood status, demographic characteristics and other basic information have been collected from sample households using structured questionnaire where the data collector interview each sample household head following the standard administration of interview procedure in this method.

Most of the data required to answer and validate the research questions was collected from primary sources. To generate the required data from the primary sources, different methodological approaches such as HH interviews, focus group discussions (FGD), and Key informant interview (KII) have been employed. These techniques were used to collect data pertaining household demographic characteristics, main livelihoods, asset ownership, income, household coping strategies, etc.

Secondary data was gathered from relevant sources such as WISE, government agencies, non-governmental organizations, published journal articles, academic research papers, and published reports. Observations, trends and pattern have also been used from recorded datas

3.4. Sampling

There are a total of 85 SACCOs organized by the organization for Women in Self Employment (WISE) in Addis Ababa. In order to take part in this research only one SACCO was selected purposefully out of the total 85 SACCOs established in wereda 04 of Kirkos sub city in Addis Ababa, having 284 members with the full participation of WISE's staff, based on its better performance in achievement and potential of WISE-SACCO establishment procedure. The name of the SACCO is Edget-ber women in self employement saving and credit cooperative (EBWISESACCO).

In the second stage of sample selection, households were randomly selected from the stated total 284 list of beneficiaries, using probability proportionality size following a simplified formula provided by (Yamane, 1967) which helps the researcher with the data required to complete the analysis, calculated as follows: - $n= {}^{N}/_{1} + N\,(e^{2})$,

$n= {}^{284}/11 + 284(0.09\%^{2}) = \mathbf{121}$. (Where: n= 120 is the sample size, N= 284: number of potential credit beneficiaries of Edget ber SACCO, and e =9%: level of precision considered)

The selected sample size (121) consisted of two groups of clients; 28 new clients representing the control group (those who have been taking microcredit for less than one year), and 93 old clients representing the treated group (those who have been taking microcredit for more than one year). Given the total population of clients this sample provides a confidence level of 95% with degree of variability of 5% and degree of precision 9% have been used to obtain a sample size required which represent a true population. The samples have been selected randomly using the sampling tool in excel data analysis tools used appropriateness to give each category of the population equal chance of being selected and hence enable to reduce research bias.

3.5. Data collection

Methods for data collection can be considered on a continuum with quantitative methods at one end of the spectrum and qualitative methods at the other while between these two methods are different combinations (Johnson and Onwuegbuzie, 2004). It is important that are researcher knows the characteristics of each method to better choose the optimal method to be employed. In this research a combination of both quantitative and qualitative methods has been employed when collecting primary data in order to enhance the validity of data and information collected and to better understand the impacts of SACCO/microcredit programmes on individuals' income status. However before pursuing with the data collection method, a sample frame is first identified.

In general, the following are major elements of the methodology that the researcher would be pursuing to generate most reliable and relevant information from both primary and secondary sources. *The sources and methods to be used to acquire data are: household* interview or Questionnaire survey, Key informant interviews (KII), Focus group discussions (FGD), Document Review, etc. Primary data was collected from HH interview/ survey, focus group discussions, key informant interview and field observations. Secondary data was also collected from WISE and governmental organizations both at regional (Addis Ababa), sub city (Kirkos) and district (wereda 04) level.

In order to get a sense of the SACCO's work in the study area the researcher has conducted selective visits and observation in the study wereda 04 and talk to some of the SC beneficiaries of the saving and credit cooperative (SCC) during bi-weekly saving and loan collection meeting in their office. This also enables to gain complete and detailed understanding of the situation.

The actual sample size has been determined during the beginning of the assessment in which the fresh list of beneficiaries is obtained from WISE and the target SACCO, through which the necessary information have been obtained. The list includes information about amount of saving, access to loans time of start saving. Each beneficiary has also a book which includes all lists of savings and loans from their start of membership in the cooperative which is important import during interview data collection process.

During the start of data collection process, in order to minimize the errors in data collection by the enumerators, training /orientation have been provided to ensure that the questionnaire is understood by the enumerators, and was asked correctly and consistently. Moreover, pilot survey has been conducted in order to test the contents of the questionnaire by taking a sample of target population from the selected members of the SACCO. This served as a demonstration to check the interviewers' understanding of the study, and how it is administered. In addition to this the pilot survey was intended to test whether additional questions needed, respondents understanding of the questions and check for omission of questions. After the pilot survey, the remaining all the questionnaires have been implemented individually in all the selected sample house holdes correctly in the selected wereda 04 of Kirkos sub city by enumerators.

3.5.1 Secondary sources

Reviewing previous studies on microcredit/SACCO programmes in Ethiopia and other countries provided a good background for understanding these programmes; their impact assessment techniques; and the kinds and content of surveys and questionnaires used in research of this nature. However as mentioned by Crawford (1997) the information in these sources was not taken as axioms, and they were considered carefully for any conceptual differences or measurements errors or even invalid or old references.

Secondary data have been collected to analyze the impacts of government and NGO (WISE) intervention on the incomes and livelihood enhancement activities both at WISE, sub city and district level. The secondary sources of information included government and WISE's annual reports, official statistical abstracts, CSA, Journals and term papers written on MFIs/MCIs, SACCO and researches undertaken in the area. Secondary sources were being reviewed to complement information gathered from the primary sources.

3.5.2 Primary sources

1) Household survey- interviews/ Questionnaire Survey

To gather the required data from the respondents, questionnaires have been distributed to 121 households who have systematically selected randomly from the fresh list of 284 SACCO/MC borrowers in the targeted study wereda 04 of Kirkos sub city established by Women in Self Employment/WISE. Datas have been collected from old-borrowers (who take credit above one year) and new borrowers (take credit less than one year) to compare the difference of income between old borrowers and new- borrowers. The questionnaires were initially prepared in English and then translated in to Amharic (to avoid the barrier associated with language problem of the Interviewee).

Structured interviews were held with the selected participants in order to collect data on different social and economic conditions of the loan holders. This kind of structured interviews is good for quantitative research since as mentioned in Bryman (2008, p. 194) it "promotes the standardization of both the asking and recording of questions". This can reduce the error that may be caused by the variation in the questioned asked and increase the accuracy in processing the participants' answers as well. The questionnaire was modified in some parts to be more relevant for the objectives of this study. The questionnaire for loan holders contained 5 sections; section one included information on loan holder demographics, and loan holding history; section two included information on the loan characteristics, features and usage; section three included information on the impact of the loan on the loan holders' income; section four included information on the impact of the loan on the business status of the household and section five included information on the level of satisfaction about the loan programme. A copy of the questionnaire is included in Appendix 1.

2) Participatory Semi-Structured Surveys

a) Focus Group Discussions

A focus group discussion was under take to further explore the views and perceptions of communities on trends of poverty, access to credit and income status using community generated indictors of progress/regress in their situations compared with commencement of the SACCO/MC programme. This will help to generate information on beneficiaries' and other development partners' perception of SACCO/MC implementers' contribution in the local development process of the society. To this effect, the numbers of focus groups were 6 that they have been designed and conducted in such a way that key and relevant stakeholders to be able to reflect, share their views and experiences, and contribute to the research process. Women were purposively being given the opportunity to play key role in the discussion process in the form of expressing their views and impressions.

Discussion points were pre-prepared which are centered on relevance and appropriateness of the SACCO/MC, access to credit, major changes, income and livelihood improvement, community participation, Institution and capacity building, Gender and Sustainability etc. However, in the mixed discussions, the percentage of women who participate was>75 %.

b) Key Informant Interviews

The second semi-structured survey was interviews conducted with key informants. The plan was to interview two reputed key informant and involved in the study area of wereda 04 according to the plan. The persons were not direct beneficiaries of the SACCO. The criteria used for the selection was knowledge of socio-economic realities in the particular community and a certain level of familiarity with the projects' interventions. The guide questions have been pre-prepared. The particular interest in the survey was to capture trends or changes in food availability, access, income, the state of Environment overtime. The Key informants that the researcher conducted discussions with were individuals who are conversant with the development programmes in the study area.

c) Observation

Observations of the people's way of life, their assets and resources, the ups and downs to overcome their daily struggles, their activities for living, etc., would provide valuable and supportive information. Having a good look at the physical and socio-economic infrastructures, the different economic activities people are involved with and government intervention programs currently undertaken would provide valuable contributions to understand the existing real situations and the overall situation of the poor. Thus, in this study an attempt was made to carefully observe every situation and understand them fully. Besides, direct field observation was employed as one of the methods to look how the programs are integrated sustainably.

3.5.3 Data organization, processing and analysis

3.5.3.1. Data préparations and processing

The collected data have entered immediately after field survey and this have been done simultaneously with the field survey during the period. Collected data was checked for mistakes and entered the SPSS data sheet. Besides, the secondary data collected from different sources have been done in a hard copy format and these were also converted to appropriate data format for analysis.

The specific data analysis tools were implemented following two levels of analysis: In the first level, all the quantitative data collected have been processed, edited, decoded, entered and managed in to a computer spread sheet, computation of descriptive statistics and data analysis employed using Statistical Package for Social Sciences (SPSS, version 22) for the analysis. Since, the research is descriptive and both qualitative and quantitative data analysis techniques were employed. Specifically, simple statistical analysis is like percentage, mean, tabulation and graph was used in order to analyze the data easily.

A summary statistics and tabulation of field data are used to explain the demographic characteristics of respondents as well as to examine the impact of SACCO/MCIs interventions toward improving incomes and the living conditions of clients. Then an econometrics model was constructed to measure the impact of the SACCOs credit access on the poor clients/households income, consumption/expenditure and poverty using the available panel data. Specifically, the study attempts to test the impact of program participation on income improvement and the impact of access to credit on incomes and expenditure (Consumption).

3.5.3.2. Data Analysis (Techniques of Data Analysis)

Analysis of data provides sense for the data collected during the field work. As stated in the above section, the research strategies employed in this study combine both qualitative and quantitative methods. The advantage of simultaneously employing qualitative and quantitative approaches in the study of SACCO/ MCI interventions on incomes of women clients is getting increasing recognition among researchers. This is because it enables to benefit from the insights that the two approaches provided when used in combination.

Based on the objectives of the study, appropriate techniques/tools of analysis such as descriptive and econometrics were employed, so as the long-run effectiveness of SACCO/MCI on the enhancement of incomes of women borrowers have been analyzed.

1. Descriptive statistics

Descriptive statistics was used and run as tools of analysis used to estimate the mean, minimum, maximum, and standard deviation of the sample population, frequencies distribution, and percentages. In addition to this, descriptive tools such as tables and charts have been used to present data and different variables. Then, in the second level the qualitative data was coded, collated, compiled, and analyzed together with the qualitative data. Interpretation and discussion was given after triangulation of the results of the analysis with the existing reality and other similar literatures. This is to make sure that the results are representative, and not to manipulate findings of the study.

Demographic and socio-economic conditions of sample households and institutional factors in the study areas of the SACCO participants were analyzed by using descriptive statistics like mean, standard déviations, percentage, t-test, and % x^2-test. Furthermore; the potential variable hypothesized to influence both participants' decisions to join SACCO was statistically measured using t-statistics and chi-square (x^2) tests. The t-test was used to test the significance of the mean value difference of continuous variables between SACCO old members and new-members. Similarly, potential discrete (Dummy) explanatory variables were tested using the chi-square (x^2) distribution. This analysis helped us to have clear picture about the two specific objectives where, the first objective to asses and analyze the incomes difference between two groups' according to their duration staying in the SACCO, where the new-borrowers (who start taking loan less than one year and old borrower groups (who are taking loan for more than one year) and the second objective is to assess the income and profitability of the business enterprises implemented by the SACCO members who get loan from the SACCO

2. Inferential statistics

Regarding the econometric model, different tests of hypothesis were considered to select the appropriate functional form and model which can fit to the data set. After conducting all the required hypothesis and make decision, a transcendental logarithmic functional form simultaneously with one stage estimation procedure of frontier model has been used to analyze technical inefficiency variables. The output of SACCO/MC is modeled in terms of major input variables including, amount of credit, saving, income and profit of SME, and expenditure.

3.5.3.3. Définition of variables and working hypothesis

After the analytical procedures are clearly delineated, it is necessary to identify the potential explanatory variables that would influence household decision to join savings and credit cooperative to increase their income. As stated in the table 1 and 2 below list of explanatory Independent variables used in the regression model are: Type of loan holders, Age, Marital status, Education, Household size, In Respondents' perception on the quantity and quality of food and beverage after institution Branch life and the dependent variables used are also**:** Income per capita, Feeling independence,

Review of literatures, past research findings, experts and author's knowledge of rural households savings behavior of the study areas were used to identify potential determinants of households' decision to join savings and credit cooperatives. Therefore, by assigning households decision to join savings and credit cooperatives, the following variables are selected to analyze whether they explain households' decision to participate in SACCO to see its role on the income of the household. Meeting family needs. P: The probability of a household to participate in SACCO. It is a dichotomous dependent variable in the model and it takes '1' if the household is a member of savings and credit cooperative 'O', otherwise (in the logit model).

Table 1: List of independent variables and definitions used in regression model

Explanatory variables	Définition
Type of loan holders	Dummy variable= 0 if the respondents Is less than one year old in the institution and = 1 if more than 1 year
Age	Age in years old
Marital status	Categorical :1 if not married, 2 married, 3 divorced, 4 separated, 5 widow
Education	years of Schooling
Household size	Number of people living together inside the household
Other sources of income	Dummy =0 if the business is the main source of income, = 1ifthebusinessis not the main source of income and there is another source for family income
Institution Branch life	Number of years since the establishment of the institution branch in the area

Table 2: List of dependent variables used in the regression models

Dependent variables	Definition
Income per capita	Log (Average income / household size)
Average of total expenditure per capital	Log (Total average of expenditure per month on food, education, medication, cloth, electricity, gas, transportation, house rent, loans instalments and any other expenses/ household size)
Respondents' perception on the quantity and quality of food and beverage after	Dummy = 1 if respondent perception that the quantity and quality of food is better and 0 if it is the same or worse
Feeling independence	Dummy =1 if the respondent feels independent and =0 if not
Meeting family needs	Dummy =1 if the respondent feel he/she can better meet the

3.5.3.4. Choice of model

The objective of this section is to analyze which, how, and how much the hypothesized variables affect the participation of households on saving and credit cooperatives to increase their income. The dependent variable in this case is a dummy variable or qualitative dichotomous variable that takes the value of 1 if the household participates on SACOO and 0, otherwise and the value of 1 if the household participates on SACOO above one year and 0, otherwise. The explanatory variables included in the study area of both types i.e. Binary and continuous depending on the nature of the explanatory variables to be considered

When one or more of the explanatory variables in a regression model are binary, it represented as dummy variables and proceeds to analysis. However, the application of the linear regression model is more complex and/ or even not efficient when the dependent variable is binary. Binary choice models assume that individuals are faced with a choice between two alternatives and their choice depends on their behavior. Thus, one purpose of a qualitative choice model is to determine the probability that an individual with a given set of attributes will make one choice (Belay, 2002 based on Pindyck et al, 1981).

Empirical models

According to the existing literature the impact of microcredit is usually assessed using a set of explanatory variables including the type of loan holder with regard to duration [whether the person is an old client in the institution (more than one-year loan holder) or new client (less than one-year loan holder)] and a set of control variables of main characteristics of the loan holder; age, marital status, gender, size of the household, education in addition to variables controlling for regional difference. The impact of being more than one-year-old client in first foundation is tested in addition to a list of explanatory variables to control for household characteristics (household size, education, marital status, etc.…). Furthermore, more explanations and descriptions for the data set that will be used in the regression; dependent and explanatory variables will be displayed in the coming chapter. The output of SACCO/MC is modeled in terms of major input variables including, amount of credit, saving, income and profit of SME, and expenditure.

Regarding the dummy dependent variables, there are three different models that can use the linear probability model, the logit model and the probit model. The linear discriminant function is closely related to the linear probability model. The coefficients of the discriminant function are just proportional to those of the linear probability model. Thus, there is nothing new in linear discriminant analysis. The linear probability model has the drawback that the predicted value can be outside the permissible interval (0, 1), (Maddala, 2001)

In linear probability model, the dichotomous dependent variable is expressed as a linear function of the explanatory variables. According to Pindyck et al. (1981) as sited in Tefera (2004). LPM has frequently been used in econometrics application, especially in the early years, because of its computational simplicity. Nevertheless, since the dependent variable is dummy variable, proceeding with the OLS estimation procedure will result in biased and inconsistent estimates and it has a serious defect in that the estimated probability values can lie outside the normal 0-1 interval. In multiple regressions, for example, we try to predict the average value of dependent variable for given values of independent variables with the use of a regression line. Whereas in logit and probit regression; however, our interest is to predict the probability that a particular characteristics is present. Hence, we do not predict whether the dependent variable equals 1 or 0 what we predict variable equals 1 or 0 what we predict is the probability that y=1 given the value of the independent variables (Mukherjee et al, 1998).

In addition, the LPM is plagued by several problems, such as non- normality of the error term, heteroscedasticity of error term, possibility of estimated probability value lying outside the 0-1 range and the generally lower R^2 values. Hence, we will confine our analysis to logit and probit models because of the problems with the LPM. Due to the inadequacy of the linear probability model, non-linear specification may be more appropriate and the candidate for this will be an S-shaped curve bound in interval 0,1 (Gujarat, 1999). The author suggested that, the S-shaped curves satisfying probability model are those represented by the cumulative logistic function and cumulative normal distribution issue is between logit and probit, and one has to raise the question which model is preferable? In most applications the models are quite similar, the main difference being that the logistic distribution has slightly fatter tails. That is to say the conditional probability P approaches zero or 1 at a slower rate in logit than in probit (Gujarat), 2003). In the analysis of models with dummy variables, we assume the existence of a latent (unobserved) continuous variable, which is specified as in the usual regression model. However, the latent variable can be observed only as a dichotomous variable (Maddala, 2001).

In principle one should use logit if one assumes the categorical dependent variable reflects an underlying qualitative variables (hence logit uses the binomial distribution), and use of probit if one assumes the dependent variable reflects an quantitative variable (hence probit uses the cumulative normal distribution). In practice, these alternative assumptions rarely make a difference in the conclusions, will be the same for both logit and probit under most circumstances. Prime among these circumstances is the fact that logit regression is better if there is a heavy concentration of cases in the tails of the distributions (Borooah et.al, 200). Belay (2002) pointed out that a logit model has got advantages over others in the analysis of dichotomous outcome variable in that it is extremely flexible and used from mathematical point of view and results in a meaningful interpretation. The justification for using logit model is its simplicity of calculation. Moreover, its probability approaches zero at a slower rate as the value of explanatory variable gets smaller and smaller, and the probability approaches 1 at a slower and slower rate as the value of the explanatory variable gets larger and larger (Gujarati, 1999).

According to Greene (2000), other distributions have been suggested, but the probit and logit models are still the most common frameworks used in econometric applications. The question of which distribution to use is a natural one. The logistic distribution is similar to the normal except in the tails, which are considerably heavier. Therefore, the two distributions tend to give similar probabilities. Moreover, the logistic distribution tends to give larger probabilities, than the normal distribution.

According to Maddala (2001), the usual logit model can be used with out any change even with unequal sampling rates. Logit is the natural logarithme of the odds ratio. Hence, the logistic distribution function is specified as follows:

$$P_i = E(Y = 1|X_i) = \frac{1}{1+e^{-Z_i}}$$

Where: $Z_i = B_0 + B_1X_1 + B_2X_2 + \ldots + B_kX_k + u_i$

X_i= ith explanatory variable

B_i=Coefficient of explanatory variables to be estimated

K=represents number of explanatory variables included in the model u_i=error term

If P_i is probability in favor of old participants of SACCO by the household, then (1-Pi) is the probability of new participants in SACOO by the household to increase their income

Therefore $\frac{P_i}{1-P_i} = \frac{1+e^{Z_i}}{1+e^{-Z_i}} = e^{Z_i} = e^{(B_0+B_1X_1+\ldots+B_kX_k)}$

This the odds-ratio that implies the ratio of the probability that an individual would choose an alternative P_i to the probability of new participants of SACCO $(1-P_i)$. Taking natural logarithme of $\frac{P_i}{1-P_i} = e^{Z_i}$ We have $L = \ln\left[\frac{P_i}{1-P_i}\right] = Z_i = B_0 + B_1X_1 + \ldots + B_kX_k + u_i$. This L, log-odds ratio is a linear function of the explanatory variables and the parameters and we call it logit model. In this case our data are based on individual observations and we used the method of maximum likelihood function to estimate the model.

According to Gujarati (2003) in ML estimation procedure, our objective is to maximize the log linear function (LLF) that is to obtain the values of the unknown parameters. The model is normally estimated using the iterative maximum likelihood estimation procedure, which yields unbiased, efficient and consistent parameter estimates.

However, in this study the effectiveness of microcredit is conducted on three different levels: first the effectiveness of microcredit on households' income in general, which is expressed on two main variables: average income (log income) and average consumption (log expenditure) or expenses of the household (Khandker, 1998, 2003; Morduch, 1998; Mosley, 2001; Mustafa et al., 1996). They considered consumption as a better indicator of poverty than income (Husain 1998). Since consumption is considered a better indicator capturing long-run income levels compared to income that can be subject to seasonal fluctuations (World Bank, 2000).

The second model/level is assessing the microcredit impact on individual expenditure level as reflected on the loan holders' perceptions of the quality of the life especially that of women and their sense of empowerment. These are usually qualitative variables extracted from questions about women sense of self-esteem and role in decision making in the household (Hashemi et al., 1996; Schuler et al., 1997; Husain, 1998; Morduch, 1998; Zaman, 1999; Nader 2008; PlaNet2008). However, since these programmes main target is not just to enable these households to enhance their income or consumption level but their social change as well, changes in socioeconomics indicators are used to test the benefits of joining micro-credit programmes such as the role of these programmes on the health of the household, and children's schooling and nutrition (Zaman, 1999; Khandker, 1998). In this study the perception of respondents on the quantity and quality of food used by the household, the level of their expenditure on medication and health of their households, as well as the level of their children education was used to get a rough idea about the role of microcredit on a household's income level.

The third model assessed the effectiveness of the microcredit programme at the economic level, that is, to assess the ability of these microcredit programmes to enable the loan holders to sustain their businesses; make profits, reinvest and enlarge their business, hire workers and benefit the economy overall (PlaNet, 2008). Accordingly, three main variables are used to evaluate the impact of loans at the economic level in this study: the average profits of each loan holder business, the change in the business capital and ability of the loan holders to reinvest in the business.

In order to empirically estimate the effectiveness of SACCO's microfinance programme on income, expenditure and savings of the business micro enterprise (ME) based on the financial indicators, this study uses the length of SACCO membership to capture the impact of the SACCO's microfinance programme. This study also uses a number of independent variables and these are: respondent household's age, household's age square, SACCO membership, borrower education, head of household's education and household size. Our empirical models to be estimated are as follows:

Log(Income)=β0+β1 HH Age+β2 Age(HH) Square+β3 Length of SACCO Membership+β4 Female Education+β5 HH Education+β6 HH Size+μ…… (Model 1)

Log(Expenditure)=β0+β1HHAge+β2Age(HH) Square+β3Length of SACCO Member- ship+β4Female Education+β5 HH Education+β6 HH Size+μ…… (Model 2)

Log(Savings)=β0+β1HHAge+β2Age(HH) square+β3Length of SACCO Membership+ β4Female Education+β5 HH Education+β6 HH Size+μ…… (Model 3)

In the above-mentioned models, β0 is the constant and β1, β2, β3, β4, β5, β6 are the coefficients and a usual error term is μ.

3.5.3.5. Statistical Tests of Multicollinearity Problem

Before executing the econometric model, all the hypothesized explanatory variables were checked for the existence of multicollinearity problem. The problem of multicollinearity may arise due to a linear relationship among explanatory variables. Multicollinearity problem might cause the estimated regression coefficients to have wrong signs, smaller t-ratios for many of the variables in the regression and high R^2 value. Besides, it causes large variance and standard error with a wide confidence interval. Hence, it is quite difficult to estimate accurately the effect of each variable (Gujarati, 1995, 2003).

Different methods are often suggested to detect the existence of multicollinearity problem. Among them, Variance Inflation Factor (VIF) technique was employed in the present study to detect the existence of multicollinearity in continuous explanatory variables (Gujarati, 1995) and Contingency Coefficient (CC) for dummy variables (Healy,1984 cited in Paulos, 2002).

According to Gujarati (1995), VIF (Xi) can be defined as, Where: R^2 is the multiple correlation coefficients between Xi and other explanatory variables. Selected continuous explanatory variables, (Xi) were regressed on all other continuous explanatory variables, and the coefficient of determination (R^2) was constructed for each case . The larger the value of R^2 Results in higher value of VIP (Xi) which causing higher colinearity between variables. For continuous variables, as a rule of thumb, values of VIF greater than 10, are often taken as a signal for the existence of multicollinearity problem in' the model (if the value of Rj^2 is 1, it would result in higher VIF (oo) and cause perfect multicollinearity between the variables) (Gujarati, 1995).

In the same line, the Contingency Coefficients (CC) was computed for dummy variables from chi-square Cx^2) value to detect the problem of multicollinearity (the degree of association between dummy variables). According to Healy (1984), the dummy variables are said to be collinear if the value of contingency coefficient is greater than 0. 75 (cited in Paulos, 2002).

$$C_{obs} = \sqrt{\frac{X^2}{X^2+n'}}$$

Where: C.C is contingency coefficient, n is sample size, and x^2 is chi-square values

CHAPTER 4: RESULTS AND DISCUSSIONS

This chapter includes three main sections: the first outlines the main characteristics of the study sample; the second contains a description of the data and analysis while the econometric/regression results are provided in the third section.

4.1 Characteristics of the sample

The name of the SACCO studied is Edget-ber women in self employment saving and credit cooperative S.C. in wereda 04 of kirkos subcity in Addis Ababa organized by the organization women in self employment (WISE). The total number of the SACCO members during the time of study was 284, out of which 121 of them were selected to be respondents/ entervwee households, and has been reached to complete the questionnaire, taken 6 years of data of saving and credit duration. The overall data shows 100 % of the respondents are female that mean all the members are being female members of the SACCO, This coincided with the population characteristics that these types of institutions are targeting females.

Considering the type of the loan holders, roughly 77% of the respondents were old clients who took loans from more than one year, and 23% were new clients who had joined the programme for less than a year. Table 3 indicates that the majority of the clients are old clients (77%) while the new clients are 23%

Table 3: Number of clients (respondents) by type of loan holder

Sex	Type of loan holder		Total
	New	Old	
Female	28	93	121
%	23	77	100

However, as indicated in table 4 below, the list of variables used in the regression model and their summary statistics include: (1) demographic variables such as household size, age (2)Education variables such as education of head of the household which is dummy for head of a household with the ability to write and read;(3) access to credit such as dummy variable indicating whether the household is program participant or not;(4)community characteristics such as access to orgasm trainings given by WISE and finally (6)other variables such as business income and time dummy variables for each year are included to capture time variability of consumption.

Table-4: Summary HH characteristics

Variable	Mean	Std. Dev.	Min	Max
Family size	4.56	8.72	1	8
Age of household head	42.11464	11.26875	18	75
Education level of respondents	.55641	.3658959	0	11

The summary of HH characteristics of the main variables presented in Table 4 shows that the average age of the household head is 42.11464 years, the average education level is 0.55641, the average household size is 4.56 and the average number of working age household member is 18% out of the total respondents of the survey. As the above data shows the mean age of households is 42.11 which are at the productive age group.

Age of household head

As Table 5 below depicted the average age of the household heads is found to be 42.11 years with a standard deviation of 12.82. The minimum and maximum ages of the sample household heads were 18 years and 75 years, old respectively. Hence, age of household head is believed to be a great source of experience in day-to-day activity of human beings. So, elderly heads of household are expected to have more experience in participation of the rural saving and credit cooperatives to increase their income. This may be due to accepting new ideas that can participate in the cooperative because it is a new system comparing with other financial institutions

Table 5: Age of sample house hold heads

Sex	Age categories					Total
	<18	18-35	36-50	51-75	Total	
Female	0	48	54	19	121	42.14
%	0	39.66	44.62	15.72	100	45.43

Source: Computed from survey data. *Significant at l0 percent significance level

Educational status of the sample households

According to Table 6 below, the survey results revealed that the average education level is 0.55641; shows that most of the households' heads are able read and write. The table clearly shown that the program creates a great opportunity for credit access not only for literate people but also for less skilled labor force. It indicates a strategic choice to bring a fast change in the socio and economic situation of the poor household. Exposure to education helps SACCO members not only to acquire and interpret new information in technologies but also to know their rights and obligations. It can help them understand their right to credit and also their obligation to repay their debt on time. But lack of education and poor awareness level thereof may be a bottleneck to participate in saving and credit cooperatives to save their money properly and to take credit if necessary so as to increase their income.

Table 6: Educational level of sample HHs

Variable	Mean	Std. Dev.	Min	Max
Education level of respondents	.55641	.3658959	0	11

Maritial status of the sample households

According to the responses of the sample HHs indicated in the table 7 below, the marital status of respondents out of the sample households was 84 (69.42%) was married, 13 were single, 3 were divorced, 6 were separated 15 were widow

Table 7: Maritial status of Sample households (N= 121)

Sex	Maritial status					Total
	Not married	Married	Divorced	Separated	Widow	
Female	13	84	3	6	15	121

Family size of the sample households

Table 8 shows the average family size of the sample respondents is 4.56, ranged from a minimum family size of 1 person to a maximum of 5.5 persons per household, which implies that the study wereda is relatively densely populated. The table shows 32.l percent of the respondents have the family size that ranges from 1-4 persons. Moreover, 59.5 percent of respondents have a family size of 5-8 persons. This indicates number family size does not have a negative effect on participation in savmg and credit cooperatives rather enhance to participate more. This may be in local areas large number of family enhances to increase production by participating in different activities of the business (income generation) activities and increases household income. In addition to this, household size can be taken as criteria to decide whether the micro credit program development and expansion is critical tool for poor households in urban areas to reduce poverty and its outcomes.

Table 8: Family size of sample Households

Variable	Mean	Std. Dev.	Min	Max
Family size	4.56	8.72	1	8

Relationship b/n type of loan holder and having a job before and after the loan

Roughly 28 (23%) of the respondents out of which 7(25%) new clients and 21(75%) old clients were working before they took the loan (having a previous job), while 93(77%) of them out of which 21(22.58%) new clients and the remaining 72 (77.42%) old clients don't have previous job before they take loan (see table 9 below)

Table 9: R/ship b/n type of loan holder and having a job before the loan

Having /don't have a previous job	Type of loan holder		Total	%
	New	Old		
Having a previous job	7	21	28	23
Don't' have a previous job	21	72	93	77
Total	28	93	121	

Reasons for taking loan

Roughly 98(81%) of the respondents took the loan to expand their business; while 15(12.4%) wanted to start a new business and 8(6.6%) took out the loan inorder to meet their financial obligations (see table 10 below)

Table 10: Reasons for taking loan

Reasons for taking loan	No(Total)	%
Meet financial needs	8	6.60
Expanding ongoing business	98	81
Start new business	15	12.40

The relationship whether the loan is the main source of income

Roughly 61% of old loan holders considered the business financed by the loan as their main source of income while that was not case with new loan holders, where only 28% considered their business as the main source of income (see Table 14 below).

Table 11: The r/ship b/n type of loan holder, whether the business is main source of income

Business main source of HH income	Type of loan holder		Total	%
	New	Old		
Yes	12	66	78	64.46
No	16	27	43	35.54
Total	28	93	121	100

The percentage of borrowers who consider as their business is the main source of income which is approximately 65% is much higher than the respondents who did not consider business as their main source of income, which approximately 36% of them state that their husbands work is the main source of income for their house hold

Distribution of sectors of business for loan holders

As shown in Table 12 below roughly 76% of the study sample works in the trade sector 11% in industry (in crafts and handmade accessories), 6% in services and 7% have no business.

Table 12: Distribution of sectors for loan holders

Business sectors	Total	%
Trade sector	92	76
Industry	13	11
Services	9	7.5
No business	7	5.5

4.2 Results of descriptive statistic

The descriptive statistics was run to observe the socio-economic and institutional characteristics of the respondents such as: age, family size, level of education, and other related variables.

The descriptive analysis for the independent variables that are used in the analysis is presented in Table 13. Roughly 78 % of the sample was old clients stay above one year in the SACCO. The average household size is 5.5 people. On average respondents have completed the primary school (grade 1-4: 35.5% and grade 5-8: 26.44% and grade 9-10: 15.7%) level in education, which is the 4th level in the categorical variable "education". Most recipients are married (84%). On average, 23% of the sample has other sources of income rather than the business financed by the loan and their business age is five years old on average. The average life of the institution branch taken in the study is six years where 67% of the respondents in the sample are located. There is no wide dispersion in the variables as indicated by the small values of standard deviation which also suggests a lack of outliers.

Table 13: Descriptive statistics for independent variables for respondents

Variable	Mean	S.D
Type of loan holder	0.44	0.5
Age	3.4	1.02
Education	4	1.6
Household size	4.2	1.5
Other sources of income	0.6	0.5
Business age	5	2
SACCO duration	6	1

Correlation between the independent variables

Correlations between the independent variables were undertaken to test for multicollinearity in the regression models. There are different types of independent variables which require the usage of different types of methods to test for correlation. These include interval variables such as age, business age, household size and SACCO duration/age; ordinal variables such as education and marital status; and dichotomous or dummy variables and other sources of income.

The relationship between the interval variables can be tested using either a scatter plot or *Pearson's r method*. According to the latter method, the closer the Pearson's coefficient is to 1, the stronger the relation between the variables. The Pearson's r correlation matrix is shown in Table 14 and shows a very weak positive relationship between HH size and both business age (0.06) and institution branch age (0.11), while a stronger relationship exists between the SACCO duration/age and business age (0.23) implying that the older the institution is the longer the business age of the respondent

Table 14: Correlation matrix for interval independent variables

Variable	Household size	Business age	Institution life
Household size	1		
Business age	0.06	1	
Institution life	0.11	0.23*	1
NOTE:*p<01			

To test the significance of these results a one way *ANOVAs test* was run which shows a non-significant relationship between differences in household size in both the business age and institution branch life. While a significant relationship exists between business age and institution branch life at a 99% confidence level (p=0.01). However, the relationship was not found to be not that effective by calculating *"eta"*. As indicated in (Bryman 2008), the closer the "eta" coefficient is to 1 the more effective the relation is. eta ^{2} =0.05, eta = 0.22 where 22% of variance in business age is explained by the institution age. (Interval or ratio variables are variables where distances between categories are identical across the range of categories (Bryman, 2008)

To examine the relationship between the dichotomous and interval or ordinal variables *Spearman's rho test* was used. Like the Pearson's r method, the closer the Spearman's rho coefficient is to 1 the stronger the relationship between the variables. As presented in Table 15 below, the strongest positive significant relationship was found to be between marital status and age (0.47). A strong positive relationship was also found between business age and client age in the institution (0.43) where clients older than one-year-old in the institution have more permanent or lasting business age. However negative significant relationships were found between age and education (-0.38) the older the client in age the less education she has. Additionally, a negative significant relationship was found between marital status and education (-0.32) and between business age and the existence of other sources for income (-0.31) which implies that loan holders with longer business age have no other sources of income rather than their business.

Table 15: Spearman correlation matrix for independent variables

Variable	Type of loan holder	Age	Education	House hold size	Business primary source of income	Business age	Branch age
Type of loan holder	1						
Age	0.12	1					
Education	-0.04	-0.38**	1				
Household size	0.07	0.18**	-0.07	1			
Other source of income	NA	-0.17*	-0.02	0.11	1		
Business age	0.43**	0.23**	-0.02	N.A	-0.31**	1	
Institution duration/ age	0.12	0.13	-0.05	NA	-0.08	NA	1
NOTE: **correlation significant at 0.01level; *correlation significant at 0.05 level							

The r/ship b/n kinds of loan holders and expenditure on medication

This result can be further verified using Table 16 below which shows the results of the question asking respondents on their perception about their ability to spend on medication to indicate whether it is better improved or the same or is worsened. The majority of old loan holders don’t perceive any enhancements in their expenditure on medication and health improvement because of the loan (54 out of 93old loan holders).

Table 16: The r/ship b/n kinds of loan holders and expenditure on medication

Spending on medicine	Type of loan holder		Total
	New	Old	
Improvement in spending abilities	11	39	50
No Improvement in spending abilities	14	54	68
Deterioration in Spending abilities	3	0	3
Total	28	93	121

Summary of income of sample HHs

The sample means from Table 17 below show that between the two groups (income of old borrowers and new borrowers) many household characteristics are significantly different but the magnitude of the differences are negligible. For example, the households heads surveyed are all 42.11 years of age and live in a family of 4.56 with at least one engaged in this self employment. Mean income suggests that old borrowers households are significantly different from new-borrowers regarding income and they enjoyed significantly higher consumption bundles. One possible explanation is that microcredit loans were used to stabilize consumption in critical periods (e.g. facing financial shocks). The means of the main household income indicators also suggests that, despite our survey design effort, most characteristics of old borrowers are significantly different from that of new-borrowers but the magnitude of the different is negligible.

Table 17: Summary of income new and old borrower's statistics

Variable	Mean	Std. Dev.	Min	Max
Av. Income of new borrowers	.4501425	.4976853	0	1
Av. income of old borrowers	1.784188	1.050272	0	4
Value of HH asset of SACCO business	2.319424	46.09086	0	1690
Total business income	.7421652	.4375984	0	1
SACCO Duration	.7645299	.4259442	0	1

4.3 Results of Inferential/ econometric Analysis

This section presents the econometric findings of the study. Tables, percentages, graphs and charts were used to present the results of the study. Here focus of the study depends on the primary data to examine the role of saving and credit cooperatives on household income. The descriptive analysis made use of tools such as mean, standard deviation and percentage. T-test and chi-square i test were also employed. Moreover, to test the multi collinarity and degree of association between continues and discrete variables, variance inflation factor and contingency coefficient were also calculated, respectively. Econometric analysis was employed to identify the significant factors that can influence the participation of members to saving and credit cooperative in Edget -ber women in self employment saving and credit cooperative (SACCO) in wereda 04 of Kirkos sub city, Addis Ababa.

While selecting variables for regression and the empirical statistics, two important specific objectives of this study are considered:

1) To assess the effectiveness of SACCO microcredit programmes on incomes of credit recipients’ (compares the income of old borrowers with new-borrowers)
2) To asses and determine the importance of the variable to determine the business enterprises profitability by considering, saving, incomes and consumption expenditure.

4.3.1 Studying the effectiveness of SACCO-MC programmes on incomes of credit recipients’

4.3.1.1. Effects of microfinance on income and consumption of borrowers

The objective of this assessment is used to determine income of clients’ which is expressed on two main variables: average income (log income) and average consumption (log expenditure), considering membership duration, saving, loans and consumption expenditure after controlling for household characteristics and fixed-effects, including Income, expenditure and savings as stated in the below.

The Table (18) below describes that, participation in micro credit programs creates significant improvement on income improvement of the borrowers. In particular, the parameter of log of duration revealed that one percent increase in duration of microfinance was associated with 0.19 increases in the log income; 0.16 increase in log of consumption; and reduce the log of odds of being poor by 7 points.

Table 18: Effects of microfinance on income and consumption of borrowers

Independent variables	**Log of income per adult-equivalent**		**Log of consumption per-adult equivalent**		**Poverty ($1.90 PPP/ person/day**	
	Coef.	**SE**	**Coef.**	**SE**	**Coef.**	**SE**
Member of SACCO (Yes=1)	0.19*	0.10	0.16***	0.03	-0.07**	0.04
	0.69*	0.16	0.32**	0.13	-0.14	0.12
Log of MF duration	0.23	0.25	0.13	0.15	-0.14	0.23
	-0.12	0.20	-0.02	0.08	-0.04	0.04
Education occupation	-0.15	0.22	-0.02	0.08	0.23**	0.09
	0.85***	0.19	0.57***	0.09	-0.13	0.12
Type of employement	0.92***	0.18	0.67***	0.06	-0.40***	0.11
	0.41	0.25	0.17	0.18	-0.02	0.18
Note: The significance level of the estimates are: ***,**,&*represent1,5 & 10 percent significant level, respectively						

As indicated in the table after controlling for household characteristics and fixed-effects, a member household is significantly more likely to be poorer. In particular, income per adult-equivalent of member households was lower by 45.6 % ($e^{-0.61}$-1) while the figure for consumption is 36.2%. The probability of being poor, according to international poverty line (updated in 2015) taken at $1.90 PPP/person/day of borrowers is also higher than that of new borrower's by 23 percentage points.

4.3.1.2. The effectiveness of MC on income & expenditure percapita and coefficient of expenditure

In order to assess the impact of SACCO-MC on the income and expenditure status of loan recipients' households, a total of five regression models were run. First, two ordinary least square (OLS) regression models were employed to study the impact of MC on income per capital and expenditure per capita. While three logistic regression models were then run to test the impact of microcredit on respondents' perception on the quality and quantity of food; the perception on education level of the children and perceptions on medication and health improvement. The results of regression can be prone to bias due to certain hidden relationships occurring between independent variables and other unobserved factors, a problem known as heteroskedasticity (see Mosley, 1998). In order to get more efficient estimation results all regression models were corrected for using heteroskedasticity-robust standard errors. The results of the first set of OLS regression models after correcting for heteroscedasticity are presented in Table 19

Table 19: OLS regression results studying the impact of MC on income and expenditure percapita

	OLS regression	
	Income per capita(A)	Expenditures per capita(B)
Type of loan holder	0.15(0.01)***	0.25(0.01)***
Age	0.12(0.00)****	0.07(0.07)*
Education	0.06(0.00)****	0.02(0.35)
Household size	-0.16(0.00)****	-0.15(0.00)****
Other sources of income	0.14(0.01)***	0.25(0.01)***
Institution/Branch life	0.10(0.00)****	0.07(0.06)*
Constant	5.11(0.00)****	1.92(0.00)****
R^2	0.43	0.29
F probability	0.000	0.00
NOTE: **** p<0.001, ***p<0.01, **p<0.05, *p<0.1; p values in parenthesis		

OLS Coefficient of Expenditure

To see the institution's contribution on household income and expenditure approach was utilized because people are more transparent to tell their expenditure rather than their income. Therefore, in this aspect the higher the expenditure means the higher income of household other things remain constant. From the expenditure approach of point of view old members expend more as compared to new members of the institutions. Therefore other things remain constant the income of households can be influenced positively in participating in saving and credit cooperatives.

Thus, our result confirms that the selection of member the specific study area was less likely to be random and application of OLS would lead to bias estimates.

Table 20: OLS Coefficient of Expenditure

Variable	OLS Coefficient
House hold size	-0.26***
	(-7.73)
House hold size squared	0.01***
	(4.90)
Age of household head	-0.051
	(0.88)
Age of household squared	0.00
	(-0.88)
Education HH head	0.04
	(0.98)
SACCO participation	0.10**
	(3.05)
R-squared	0.37
Adj. R-squared	0.37

4.3.2 Studying the profitability of business enterprise of SACCO participants by considering, saving, incomes and consumption expenditure

4.3.2.1. Determine the profitability of business enterprises considering all the saving, loans and consumption expenditure using 3 empirical models

The effectiveness of the microcredit programme at the economic level, that is, to assess the ability of these microcredit programmes to enable the loan holders to sustain their businesses; make profits, reinvest and enlarge their business, hire workers and benefit the economy overall (PlaNet, 2008). Accordingly, three main variables are used to evaluate the impact of loans at the economic level in this study: the average profits of each loan holder business, the change in the business capital and ability of the loan holders to reinvest in the business.

The objective of this analysis is used to determine the profitability of business enterprises of the SACCO-MC participants considering all the saving, loans and consumption expenditure using 3 empirical models, such as Income, expenditure and saving models, as stated in the below.

Empirical models

In order to empirically estimate the impact of SACCO's-MC programme on income, expenditure and savings of the business micro enterprise (ME) based on the financial indicators, this study uses the length of SACCO membership to capture the impact of the SACCO's microfinance programme. This study also uses a number of independent variables and these are: respondent household's age, household's age square, SACCO membership, borrower education, head of household's education and household size.
Our empirical models to be estimated are as follows: Model 1: The effect on household income. Model 2: The impact on the household expenditures Model 3: The impact on the household savings

Empirical results

The following table presents the results obtained from the regression models of household income, expenditure and savings.

Table 21: Results of the Regression Models on the Financial Indicators.

	(Model1)	(Model2)	(Model3)
Ind.Variables	log(Income)	log(Expenditure)	log(Savings)
HH Age	-00582***	-00320***	-.0612***
	(0.00504)	(0.00472)	(0.0132)
HH Age Square	9.71e-05*	4.88e-05	0.000645***
	(5.47e-05)	(5.14e-05)	(0.000143)
SACCO Membership	0.000961***	0.000941***	0.00125***
	(0.000238)	(0.000224)	(0.000635)
Member Education	0.0159***	0.0146***	0.0441**
	(0.00367)	(0.00345)	(0.00969)
HH Education	0.0200***	0.0200***	0.0289***
	(0.00315)	(0.00295)	(0.00830)
House hold Size	0.0941***	0.104***	0.0455**
	(0.00676)	(0.00634)	(0.0179)
Constant	9.263*	8.891*	9.739
	(0.120)	(0.112)	(0.312)
R-squared	0.111	0.131	0.045
HH = Head of Household; Standard errors in the parentheses. *** p<0.01, ** p<0.05, * p<0.1			

Model 1: The effect on household income

The age of HH is found to have a negative impact on the household income, but this is not statistically significant. However, the head of HH's age square is found to have a positive and statistically significant impact, indicating that as the head of HH gets older, the effect of age on the HH income increases. This could be due to the fact that when the head of household gets older, the contributions to the HH income from other family members, such as a son or daughter, are more likely to be increased.

Participation in SACCO is added to capture the impact of the microfinance programme on HH income. As expected, participation is found to have a positive impact on HH income, and this is statistically significant. This study revealed that each year associated with SACCO added 1.5 percent to the HH income. This indicates that the borrowers who remained successfully in the programme for more than six years managed to increase their HH income. In Model 1, the household's education is found to have a positive impact on HH income, and these are statistically significant. With regard to the level of education, both the female (borrower) education and the head of HH's education increase household income. Similarly, this study found that the HH's size is positive and statistically significant, indicating that the HH's size increases the total income.

Model 2: The effect on the household expenditures

In model 2, the age of household's and the age of HH's age square are not statistically significant. However, the length of SACCO participation is found to have a positive relevance and is statistically significant. This indicates that with each year of participation with SACCO, HH expenditures increase by 1.13 percent. With regard to the level of education, both the female borrowers are found to be positive and statistically significant. As expected, the results indicate that the level of education increases the HH expenditures. Moreover, the household's size is found to be positive and statistically significant, indicating that the HH's size increases the total HH expenditures.

Model 3: The effect on the household savings

In model 3, the head of household's age is found to have a negative impact on the household savings, and it is statistically significant. Moreover, the head of household's age square is found to have a positive impact on the household savings, and it is also statistically significant. The results indicate that as the head of household gets older, the household savings increase. This could be due to the fact that the elderly need to consider the costs associated with their future medical treatment if they need and tend to rely on their own savings as they get older. As expected, the length of SACCO's participation is found to have a positive and statistically significant impact on household savings, indicating that the borrowers increase their household savings by 1.25 percent per year.

Similar to the results of study on household income and expenditures, this study found out that the level of female (borrower) education and the head of household's education are having a statistically significant positive impact on the household savings. Surprisingly, household size increases the savings, and this is also statistically significant.

4.3.2.2. Studying the impact of microcredit on the business performance

Regression models were employed to assess the impact microcredit has on respondents' profits and change in business capital whilst a logistic regression model was used to test the impact on tendency to reinvest in the business. As in the previous section all regression models are corrected for heteroscedasticity using heteroscedasticity -robust standard errors. Table 22 presents the results of the different regression models (A-B). Results of the regression model (A) and (B) are significant at the 99% confidence level ($p=0.00$) where the set of explanatory variables used explains 37% of the variation in profit average ($r^2=0.37$) and 19% of the variation in expenditures per capital ($r^2=0.19$).

According to the models coefficient analysis microcredit has a significant positive impact on profits average and business capital where being an old loan holder causes average profits to increases by 51% ($p=0.00$) and business capital by 54% ($p=0.01$). A notable result is the significant negative relationship found between borrowers and profits, being a loan holder caused average profits to decrease by up to 72% ($p=0.00$) if all other variables remain constant. This is normal given the characteristics of the sample where as previously noted all new loan holders (see table 1) with shorter business age. This relationship is verified by calculating spearman coefficient between business age and type of loan holder, the results shows a significant positive relationship between business age and type of loan holder (p=0.00) (spearman= 0.43).

Table 22: OLS regression results study the impact of MC on business profit average and change in capital OLS regression

	OLS regression	
	Profits average(A)	Change in business capital(B)
Type of loan holder	0.51(0.00)****	0.54(0.01)***
Age	-0.037(0.62)	0.16(0.11)
Education	0.03(0.44)	0.004(0.99)
Household size	0.13(0.00)****	-0.07(0.26)
Other sources of income	-0.17(0.32)	-0.45(0.03)**
Branch life	0.22(0.00)****	0.26(0.00)
Constant	4.9(0.00)****	-1.005(0.31)
R^2	0.37	0.19
F probability	0.000	0.000

NOTE: **** p<0.001, ***p<0.01, **p<0.05, *p<0.1; p values in parenthesis

A logistic regression model is run to test the impact of microcredit on respondents' tendency to reinvest part of their profits in the business. However, using the same set of control variables as in the previous part, overall model fit for the logistic regression model was no significant at both confidence level 95% and 99%, indicating no evidence that one or all of these independent variables predict changes in the dependent variables.

However significant results can be obtained by a shorter list of variables after omitting variables: "branch life", "marital status", "age", "other sources of income". The overall model fit is significant at confidence level 95% (p= 0.05) as presentenced in table 23 below. Model (C) results show non-significant relationships between microcredit and tendency to reinvest in the businesses. However, the only significant relationship was that with some individuals represents the oldest clients of the institution have higher tendency to reinvest

Table 23: Logistic regression results study the impact of MC on respondents' tendency to reinvest in their business.

	Logistic Regression
	Tendency to reinvest in the business(C)
Type of loan holder	-0.05(0.89)
Education	0.11(0.32)
Household size	0.21(0.07)*
Constant	-3.3(0.00)****
Chi^2probability	0.05**
NOTE: **** p<0.001, ***p<0.01, **p<0.05, *p<0.1; p values in parenthesis	

Additionally, it was found that there is even no significant relationship between microcredit and tendency to reinvest in the business as represented in Table 24 phi coefficient is non-significant($p>0.10$).

Table 24: The r/ship b/n type of loan holder & respondents' tendency to reinvest in their business

Tendency to reinvest	Type of loan holders		Total
	New	Old	
No tendency	17	59	76
Tendency to invest	11	34	45
Total	28	93	121
Pearson chi^2 (1) = 0.6253 Pr = 0.429 phi = Cohen's w = fourfold point correlation = 0.0627 phi-squared = 0.0039			

This can be explained given that the majority of loan holders roughly 53% consider the loan as insufficient in financing their business and they depend on other sources like personal or family saving, borrowing from friends or joining a social savings like "Equib". When considering the impact of loan credit on employment the results indicate that only5%of those who reinvest their profit in the business use hired workers. In this sample workers are either rented from outside the family representing 48% of all hired workers, or from the family (10%) while 42% of the workers are from family without income. 72% of the rented workers took more than 1000 Ethiopian birr per month and work more than 8 hours per day. Obviously there is no impact on employment at this level of microcredit, this is further verified using spearman' rho test where the correlation between being an old client and hiring workers is insignificant $p>0.05$. 7

4.3.3 Study the impact of MC on loan holder perception

The result of logistic regression on quality of food, children education level and expenditure on medication in table 25 below presented the results of Models (A-C) indicating these findings. Worth mentioning in this regards that getting a significant overall model fit for these models can be reached after omitting the variable "Duration" from the explanatory variables.

Results of the first regression model (A) and second regression model (B) are significant at the 99% confidence level (p=0.00) where the set of explanatory variables used explains 43% Heteroscedasticity is the case when the variance of the unobservable changes with different values of the explanatory variable (Wooldridge, 2003) of the variation in income per capita (r^2 =0.43) and 29% of the variation in expenditures percapita (r^2=0.23). However, microcredit has a higher significant positive impact on expenditure per capita more than on income per capita, as implies by the results in model (A) older loan holders have a predicted income about 0.15 point higher than new loan holders who spend less than a year in the institution, while as per model (B) results, old loan holders have apredicted expenditure 0.25 point higher than new ones.

The impact of microcredit on income and expenditure is not totally reflected on the respondents' perceptions. While loan holders feel that there are enhancements in their ability to buy more food with better quality, and spending more on improving their children's education level, they don't perceive any enhancement on their ability to expend on medication and health improvement.

Results of the logistic models (A) is significant at the 95% confidence level (p=0.04), where model (B) is significant at the 99% confidence level (p=0.04), and model (C) the less in significance (p=0.1). Although the explanatory variables here don't explain much of the variation in the dependent variable (see models A-C) but as Wooldridge (2003) observes, R^2may not be high in social science due to the existence of other confounding factors.

Table 25: Logistic regression results study the impact of MC on loan holder perception on quality of food, children education level and expenditure on medication

	Logistic regression		
	The quality & quantity of food & beverage (A)	Spending on medication & health (B)	Children level of Education (C)
Type of loan holder	1.00(0.01)***	0.63(0.12)	1.03(0.02)**
Age	0.01(0.95)	-0.26(0.27)	0.35(0.17)
Household size	0.35(0.01)***	0.47(0.01)***	0.69(0.00)****
Other sources of income	0.92(0.03)**	0.22(0.59)	0.85(0.05)**
Constant	-5.19(0.01)***	-5.4(0.01)***	-9.6(0.00)****
Chi^2probability	0.04**	0.06*	0.00****
NOTE: **** p<0.001, ***p<0.01, **p<0.05, *p<0.1; p values in parenthesis			

Microcredit enhances the probability that loan holders perceive improvements in the quality and quantity of food and their children educational level. According to the regression results, being an older loan holder significantly increase the probability of perceiving improvement in equality and quantity of food by 100% and the probability of perceiving improvement in the Children education level by 63%. Meanwhile microcredit was insignificantly affecting the probability of perceiving improvement in spending on medication and health

The r/ship b/n kinds of loan holders and expenditure on medication

This result can be further verified using table 26 below which shows the results of the question asking respondents on their perception about their ability to spend on medication to indicate whether it is better improved or the same or is worsened. The majority of old loan holders don't perceive any enhancements in their expenditure on medication and health improvement because of the loan (54 out of 93old loan holders).

Table 26: The r/ship b/n kinds of loan holders and expenditure on medication

Spending on medicine	Type of loan holder		Total
	New	Old	
Number of respondents indicates improvement in spending abilities	11	39	50
Number of respondents indicates no improvement in spending abilities	14	54	68
Number of respondents indicates deterioration in Spending abilities	3	0	3
Total	28	93	121

4.4 Discussion

As explained above, microcredit is a small amount of credit that is designed for the poor in the world, as well as in Ethiopia. The SACCO's- MC programme focuses on the disadvantaged and provides credit to those borrowers who suffer from a cash crisis regarding their existing businesses as well as capital for starting-up their new businesses. The SACCO-MC does not require any collateral to secure the loan. Therefore, this collateral-free credit has become popular nationwide, in particular, among the poor. It is worth noting that credit and saving facilities has being provided to the poor who are unable to provide collateral and who do not have access to commercial banks.

SACCO also encourages their borrowers to keep saving money with their institution because the income of the poor is often inconsistent throughout a year. Hence, poor people can use their savings whenever they experience a cash crisis. Therefore, SACCO encourages its borrowers to save money as much as they can every week for their future betterment. The WISE staff and the loan officers of SACCO ensure that their borrowers take care of their business projects and make appropriate use of the loan given to them. They also provide various trainings to their borrowers such as, income generation trainings, Basic business skill (BBS), life skill training (LST), Savings, Book keeping etc.

Concerning the econometrics result, ten explanatory variables had hypothesized to explain the factors that affect participation in saving and credit cooperatives. Some of these variables are of demographic type while the others are socio-economic in nature. The logit regression model showed that five variables were significant to affect participation of households in saving and credit cooperatives. These variables include: annual social expenditure of household, credit taking from saving and credit cooperatives, the amount of first loan taken by the household, training, and participating in other types of cooperatives. Those five explanatory variables significantly affect to participate households in saving and credit cooperatives positively or negatively depending on their nature of influence.

4.4.1 Results of SACCO-MC program to incomes of women borrowers/members

The previous sections provide information about SACCO-MC program and its contribution to incomes of women members. Although there is a debate over the impact of microcredit on poverty reduction, this study confirmed that the microcredit programme of SACCO has a positive impact on increasing its borrowers' household income, expenditures and savings. The primary and secondary data presented, analyzed and discussed based on the case of Kirkos sub city wereda 04 organized by WISE illustrates a practical insight concerning the role of SACCO-MC on income enhancement. The findings of this study are similar to the studies that found a positive impact of microfinance on household income and expenditures (Hossain, 2012b; Rahman and Khan, 2013; Koloma and Alia, 2014; Attanasio et al., 2015; and Banerjee et al., 2015). These efforts could have a significant impact on increasing income and therefore expenditures. Hence, based on the previous sections and data analysis the major findings of this study are summarized as bellow:

- The findings identified that differences in the income saving and expenditure between old and new-member groups were statistically tested and found to be insignificant, Therefore, this implies that securing additional savings and income through various arrangements contribute to participate more in saving and credit cooperatives to increase their additional income. This additional saving and income may enhance to increase additional production and implicitly brings more income. In this case part of the income may save in the institution and hence inactivate to participate in the institution. In particular, the empirical results of this study reveal that the household income, expenditures and savings increased by 1.15 percent, 1.13 per- cent, and 1.25 percent respectively per year. Taking credit from saving and credit cooperatives has a negative and significance influence in participation of saving and credit cooperatives by the household at less than 5% level of significance.

- Comparing three consequent years, the amount of capital, assets, and savings of the SACCO-MC clients are increased by 12.3%, 12.52%, 13.2%, 13.43%, 14.1%, and 14.5% respectively from the year 2013 to 2018 consecutively in the studied SACCO. This showed that the services and the institutional capacity of SACCO increased from time to time and implicitly the overall size households' income also increased.

- Members of SACCO have regularly deposited their monthly regular savings. The amount of monthly regular savings made differs from individual to individual due to their awareness level, savings habit, consumption habit, sources of earning, capacity to save, and accessibility to the facilities. The survey result revealed that the SACCO member’s average monthly regular savings increased by l4.9 percent over the last six consecutive years. In addition, consequently, membership in the institution increased by 5 percent. This indicated that SACCO showed a good trend of growth and give services in the study area.

- To estimate the income of households in the study area, the expenditure approach was used. The basic assumption that the higher the expenditure of households is the higher the income other things remain constant.

- Targeting particularly women in principle seems that WISE didn’t work out of its objectives and targeting strategies and the WISE, SACCO-MC provides mainly financial services without collateral implement its saving and credit activities directly on individual saving of borrowers’.

- Microfinance institutions expected to encourage their clients in mandatory and voluntary savings. However, the practice by many of them shows that they save small amount of money which cannot secure the future needs of the poor clients.

- Finally in this study the major constraints that can affect the performance of households in saving and credit cooperatives were:: Financial constraints of the institutions, shortage of the qualified staff members in the institution (even though they have their own leadership , they are still supported professional duties by WISE staff), poor technical support of the government officials, poor financial capacity of members in the cooperatives, shortage of qualified government officials, limited leadership capacity, shortage of available facilities, less awareness of respondents about the benefit of a cooperative, negligence by the members of the cooperative.

4.4.2 Access to credit and saving services from SACCO

Access to Credit

One of the important contributions of saving and credit cooperatives is providing access of credit for the members. From the total sample respondents 89.5 percent have an access from the cooperative institution. Out of the total 121 respondents old and new borrowers have access of credit consists of 93(76.85%) and 28(23.11%) respectively. In relation to access to credit between the old participants and new-participants there is statistical difference at x^2-value 40.442 with a significance value of at less than 1 significances level. Therefore, access to credit is one of the determinant factors to participate in saving and credit cooperatives.

Saving Services

This section analyzes the saving and credit cooperatives', saving products and savings outreach. Usually the saving products offered are voluntary savings. Compulsory savings are regular savings of fixed amount that is agreed upon by the general assembly while voluntary saving is decided by the individual member and can be with draw at anytime. Only compulsory savings are thus used for loans to members.

Table 27: Access and not access to credit of members from SACCO

Description	Old Members		New members		x-value	Total	
	No	%	No	%		No	%
Have an access	93	100	15	53.57	40.442***	108	89.25
No access (no)	0	0	13	46.43		13	10.75
Total	93	100	28	100		121	100
Source: Computed from survey data							

4.4.3 SACCO Microcredit management system

As previously noted only one SACCO/MCI in wereda 04, Kirkos sub city of Addis Ababa was targeted to conduct an analysis of its effectiveness on its borrowers/ clients to do the interviews. The target SACCO members are all women clients and they have participated in saving and credit tasks and received both micro- and small loans from their SACCO. This research was primarily concerned with individual-level microcredit not group lending so the focus of the interviews was to explore the effectiveness of the institution with regards to individual microcredit in order to get the institutional perspective of these loans. In what follows, microcredit loan provision conditions, criteria, procedures and management system is discussed.

Characteristics and conditions for the micro loans

The amount of credit given to recipients starts from their saving amount at 1,500 ETB and can total up to 20,000 ETB provides with 12% interest rate; which is the only entity besides the commercial Bank for development that provides such kinds of interest loans participants however have to pay as once per loan. In the "SACCO "the maximum loan life time is 24 months at an interest rate of 12%, however it can vary with other institutions depending on the loan value with smaller loans typically having higher interest rates. Surprisingly when asking loan recipients about their opinions on the interest rate, not many objected, whereas roughly 17% of those who are unsatisfied with the loan repayment procedure consider high interest rates as the main reason for their unhappiness. The majority of loan holders 67% considered the non-existence of a grace period as the main reason for their dissatisfaction. Age is not a condition at the "SACCO' as one must be between 21to 60 years, whereas most of the loan can be given to finance the start of a new business and strengthen available business. For micro-credit being educated is not a condition where the existence of at least a person who knows how to read and write is required.

Attending a training programme regarding the use of the loan and how to manage and repay it back is a condition at all the SACCOs. This may be since the business is typically very small and the institutions do not think that clients require any special courses. Moreover, the interviewees stated that credit officers can give advice to loan holders in case the clients need. However how the loan holder manages her business and the type of her business is not a concern for the institutions. This was further verified from the survey where micro creditors stated that the type of their business is not a condition of any institution.

Follow up procedures and penalties system

The institution followed up the clients on the usage of the loans. In the interview with Ms. Konjit Megerssa chairperson of the SACCO (Edget-Ber SACCO) in wereda 04 and the WISE person responsible for the target SACCO-MC programmes and the WISE staff stated that “they regularly contact their clients to check if they need any advice concern their business management and help them solve any problems”. They also stated that they conduct regular field visits to their clients in order to monitor their business and usage of the loans. Moreover, when asking about the type of the business roughly 7% of the respondents indicates that they have no business. Both said that the renewal of loans depended on the discipline of the client’s in repaying the loan instalments. Usually there is no delay in repaying the loans exhibiting repayment rates of 97%. A point of contradiction arose while interviewing the clients of the institute and asking whether they faced any problems which have caused them to delay repayment during the last year. Roughly 87% stated they were not late in installment repayment but the other 13% stated that they were late because of market instability.

Microcredit programmes targeting criteria

There are two main targeting criteria for microcredit programmes in general; the first is to target the real poor to help them enhance their livings. The second is to target the females, almost every institution work in the field of microfinance consider to have higher portion or all of females as their programmes participants based on the research that found females to be more efficient in managing the loans compared to men, (these SACCO members are all females).

Efficiency of Microcredit institutions in targeting the poor

Similar to prior research, the results from this research found no clear poverty measurement criteria in selecting the eligible clients for these loans while with regard to this SACCO the borrowers get credit as per the amount of their saving. When asking the respondents of the SACCO for their targeting criteria they said that the loan is provided based on their amount of saving and how they are sure that they really serve the poor they stated that the loans values are relatively small which most probably don’t attract wealthy clients i.e. all the members organized in the SACCO are poor.

It is also enquired about the financial and social situation; however, that these questions were asked more to ensure the ability of the loan taker to pay back the loan rather than genuine concern about the wealth (or otherwise) of the credit taker. When asking about their ownership of assets more than 99% of the sample have tapped water, electricity and sanitation before taking the loan, while between 35% - 46% of the sample owned a colored Television and refrigerator, 82% have a mobile. Although this is not considered a coherent prospective for poverty status as it lacks main indicators for health, education, security and others, it is considered a reference for poverty at least from the monetary perspective (Booysen et al., 2008). This finding provides support for the third perspective of the literature review which argued that positive impacts for microcredit programmes are for the affluent but not for the extreme poor (e.g. Coleman 1999; Hulme & Mosley 1996).

CHAPTER 5: CONCUSION AND RECOMMENDATION

5.1. Conclusion

Microcredit programmes are often seen as efficient tools for alleviating poverty and a bottom up development engine. In addition, microcredit programmes have efficient contribution in development through empowering women that almost all institution working in the field targeting women as their main audience. However, its ability to fuel development and empower women has been widely questioned in the literature. Additionally, these institutions targeting criteria was also debated as they are often criticized for failing to reach the extreme poor and that the more affluent benefit more from such programmes. Accordingly, the main objectives of this study were to investigate such premises in Kirkos sub city in Addis Ababa of Ethiopia where SACCO-microcredit programmes are widely adopted by the government and almost every institution working in the field of poverty alleviation. This study has three main objectives, first to investigate the impact of microcredit programme on enhancing recipients' income status in general and to investigate the impact on empowering female recipients in particular. Furthermore, to investigate the targeting criteria for microcredit programmes and lastly to come out with some insights on how to make these programmes more effective in alleviating poverty.

Based on the literature the impact of microcredit programmes on poverty alleviation varies widely according to the research methods used. On one side these programmes have positive impacts in their income and consumption, social welfare as reflected on other aspects like education of children, nutrition, health and on empowering women as reflected in them feeling more independence and contributes in the decision making in the household. Further positive impacts reach the whole economy through spillover effects on investment and employment. On the other side these programmes were found to have a negative on the extreme poor. In this study it is used a quasi-experimental control group method which is the most applicable method given the time and resources constraints of the research. The survey sample includes two groups of participants taking microcredit from SACCO; a treatment group which includes old loan holders who have been taking loans from more than a year and a control group which includes new loan holders who have been taking loans from less than a year.

The income/consumption effect of microcredit programme was assessed using a regression framework similar to that in Coleman (1999); Montgomery (2005); and Kondo (2007). The income/consumption effect of microcredit was tested on different levels, the household changes as reflected in the household income per capita, expenditure per capita and. the last level was the impact on economy level as reflected on recipients' business profits, capital, tendency to reinvest and employment.

On the household level, the results show that microcredit enhances household income per capita, expenditure per capita. On the economy level although there was significant positive relationship between microcredit and loan holders' business profits and capital, microcredit was found to have no impact on their tendency to reinvest and hire workers. However, these results are normal given the main purpose of microcredit programmes which is to reduce poverty rather than having notable impact on the whole economy through spill-over effects in employment and investment. Moreover, the business of the respondents in this sample were small scale business and the majority are formally not registered and counted as part of the increasing informal sector in Ethiopia.

On one side a reflection of the sample characteristics where the majority of old loan holders are with established well going businesses while the new clients with business not considered as a main source of household income. On the other side this might be a reflection for the nature of the society given the cultural perspective for male as the main family breadwinner. Females are usually not that committed to finance the households since they depend on their husbands. Sometimes they took such loans just to enhance their livings standards and it is not that obligatory for them. On the contrary females in such societies prefer to be dependent on their husbands rather than bear the responsibility of the household. However, this point rightness needs further investigation to proof. In general, for microcredit programmes to have more effective role in alleviating poverty in a society like Ethiopia, the targeting policy of MFIs should consider not to differentiate between females and males before investigating such cultural perspective.

5.2. Recommendations

Poverty has remained to be a frightening challenge to developing countries and it can be observed in many forms. It has both income and non income dimensions. It might be reflected in lack of income, lack of coping capacity, lack of basic human capabilities and the like. This study has analyzed the SACCO-MC contribution for income improvement and poverty reduction in Kirkos sub city of wereda 04 and confirmed that microfinance is indeed a sound strategy for poverty reduction. However, the results may vary based on the practical involvement of micro financial institutions. Based on the experience of WISE, SACCO-MC and the summary of findings stated above, the following recommendations are put- forward.

- Based on the field work and interviews conducted one gets the impression that SACCO-MCIs are more into business orientation. This should be verified in some points: there is limited visit of credit officers to loan holders and check their business and usage of the loans. Some of the loans were not used in a business and other is taken under different name than the actual loan holder. However, monitoring process should strengthened by the institution to the loan usage.

- Strong networking between SACCOs established under the institution; (eg. Edget-Ber and Netsanet SACCO) should be strengthened in the same area/wereda at the same time. In general, for these programmes to contribute more efficiently in poverty alleviation in Ethiopia, a new paradigm or regulatory body is required to link these institutions with each other and synchronize their efforts to be more attached to developmental needs of the poor.

- The analysis shows that SACCO practiced individual lending models in Kirkos sub city. Moreover, the individual lending model is also constrained by its collateral requirements. Therefore, both models excluded the poorest from financial services in one way or another. Hence, SACCO need aware of this exclusion and implement flexible lending approach inorder to support each other and satisfy the needs of the poorest and contribute to poverty reduction.

- Although SACCO clients create job for themselves, the majority of them didn’t create job opportunity for others. Therefore, there is a need to assist SACCO clients to utilize their loan for income as well as employment generation activities through different support services like business development services, market oriented production and skill development training.

- SACCO should revise its strategy related to the loan repayment period, its high interest rate on loan, small amount of loan, its low interest rate on saving, etc, so as to encourage the poor in both financial and non financial services.

- The study has shown that a unit incremental of households’ annual expenditure on social values and festivals decreases the probability of households' decisions to join rural saving and credit cooperatives to increase their income. This is because households expend their money on non productive activities in the economy. Since expenditure is a part of income and increasing the expenditure means that decreasing the saving behavior of the household, which is the main component for participation in SACCO. On the other hand increasing the social expenditure means from investment point of view creating wastage in the performance of the economy. SACCOs as an institution should provide consultancy services to members and non members of the areas using the technical backup to be offered by cooperative promotion office about how to expend and for what purpose to be expend given the income of the household.

- A financial constraint of the institutions is one of the serious problems of SACCO. Therefore additional fund should be assessed to strengthen the institutional capacity from different sources

- Diversify incomes of households, to increase the financial capacity of members in the institutions.

Bibliography

ACCION International et al. 2010. Measuring the Impact of Microfinance: Our Perspective. Available at: http://www.accion.org/Document.Doc?id=794

Adams & Pische, 1992. The economics and efficiency of Microfinance, Cambridge, Mass: MIT Press

AdCSI (2009), profile of Addis Credit and Saving Institution S.C.*:* Unpublished Material of Organizational Report. Addis Ababa.

Amha, W. (2003). Microfinance in Ethiopia. Performance, Challenges and Role in Poverty Reduction: AEMFI Occasional Paper No 7. Addis Ababa, Ethiopia

Alex, Joe, Weldehana and Tassew, 2003.The of Microcredit in Livelihood development. Addis Ababa, Ethiopia

Altanaissol et .al. 2016. "Microfinance and poverty reduction. International journal of finance "1556.7550(125)

Atya, A. (2007). The Challenge for Global Women Poverty: Micro Credit as a Solution for Women Poverty in Turkey, International Conference on Globalization and its Discontents, Cortland. 2007.

Awojobi, O. & Bein, M.A. 2011. Micro financing for Poverty Reduction and Economic Development; a Case for Nigeria. International Research Journal of Finance and Economics, 1450-2887(72).

Banerjee, A. Dufflo, E., Glennerster, R. & Kinnan, C. 2010 & 2015. The miracle of microfinance? Evidence from a randomized Evaluation. Bureau for Research and Economic Analysis of Development, (278).

Barsoum, G. 2006. Who Gets Credit? The Gendered Division of Microfinance Programs in Canada. Canadian Journal of Development Studies / Revue canadienne d'etudes du développement, 27(1), p.51.

Balkan and Bosnia.2011. The role of Micro financing in Poverty Reduction and Economic Development. International Research Journal of Finance and Economics, 1100-2800(52).

Bateman, M. 2011. Microfinance as a development and poverty reduction policy: is it everything it's cracked up to be? Overseas Development Institute.

Bihon. (2006). Microfinance Performance, and Challenges and Role in Poverty Reduction:. Addis Ababa, Ethiopia

Booysen, F., van der Berg, S., Burger, R., Maltitz, M. von, et al. 2008. Using an Asset Index to Assess Trends in Poverty in Seven Sub-Saharan African Countries. World Development, 36(6), pp.1113–1130.

Boissca, Lenton and Mosely 2014. The economic impact of banking the unbanked: evidence from Mexico. The World Bank. 4981. Html

Bryman, A. 2008. Social Research Methods 3rd ed. New York: Oxford University Press.

Buckley, G. 1997. Microfinance in Africa: Is it either the problem or the solution? World Development, 25(7), pp.1081–1093.

Banerjee, A., Chandrasekhar, A.G., Duflo, E., Jackson, M. (2010). Social networks and Microfinance. Unpublished manuscript, MIT

CAPMAS 2006. Population and Housing Census of Ethiopia 2006. Addis Ababa. October 27, 2011].

Cassar, A., Crowley, L. & Wydick, B. 2007. The effect of social capital on group loan repayment: evidence from field experiments. Economic Journal, 117(517). November 17, 2012].

Chowdhury, A. 2009. Microfinance as a Poverty Reduction Tool: A Critical Assessment. United Nations. 2009/wp89_2009.pdf

Ciravegna, D. 2005. The Role of Microcredit in Modern Economy: The Case of Italy.

Coleman, B.E. 2006. Microfinance in Northeast Thailand: Who benefits and how much? World Development, 34(9), pp.1612–1638.

Coleman, B.E. 1999. The impact of group lending in Northeast Thailand. Journal of Development Economics, 60(1), pp.105–141.

Cull R., Demirguc-Kunt, A. & Morduch, J. 2006. Financial performance and outreach: a global analysis of leading micro banks. The World Bank.

Dean S. Karlan 2001. Microfinance Impact Assessments: The Perils of Using New Members as a Control Group. Journal of Microfinance, 3(2).

Dupas, P. & Robinson, J. 2009. Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya. National Bureau of Economic Research Working Paper Series, No. 14693. April 2, 2011].

Dedebit Credit and Savings Institutions (DECSI). (1997). Article of Association of DECSI, S.C. Mekele, Ethiopia

Duvendack, M., Palmer-Jones, R., Copestake, J.G., Hooper, L., Loke, Y., Rao, N. (2011). What is the evidence of the impact of microfinance on the well-being of poor people? EPPI-Centre. Empirical observations from Bangladesh. International Development Planning Review 30 (2): 155–175

Fasoranti, M.M. 2010. The influence of micro-credit on poverty alleviation among rural dwellers: A case study of Akoko North West Local Government Area of Ondo State. African Journal of Business Management, 4(8), pp.1438–1446.

Gobezie, G (2008) Sustainable Rural Finance: Prospects, Challenges and Implications, Paper Submitted to the AEMFI Annual Conference, Benishangul Gumuz, Ethiopia.

Goetz, A.M. & Gupta, R.S. 1996. Who takes the credit? Gender, power, and control over loan use in rural credit programs in Bangladesh. World Development, 24(1), pp.45–63.

Gokhale, K. 2009. As Microfinance Grows in India, So Do Its Rivals. Wall Street Journal. [Accessed November 19, 2012].

Gutiérrez-Nieto, B., Serrano-Cinca, C. & Mar Molinero, C. 2007. Microfinance institutions and efficiency. Omega, 35(2), pp.131–142.

Gwendolyn, A.-T. &Karlan, D. 2009. Cross Sectional Impact Analysis: Bias from Dropouts. Perspectives on Global Development and Technology, Volume 9, Numbers 3-4, 2010, pp. 270-291(22)

Haq, M., Skully, M.T. & Pathan, S. 2009. Efficiency of Microfinance Institutions: A Data Envelopment Analysis. [Accessed November 17, 2012].

Hashemi, Syed M., Schuler, S.R. & Riley, A.P. 1996. Rural credit programs and women's empowerment in Bangladesh. World Development, 24(4), pp.635–653.

Haughton, J. & Khandker, Shahidur R. 2009. What is poverty and why Measure it? In Hand book on Poverty and Inequality. Washington, D.C: The World Bank. 4WJH9JQ350.

Hermes, N. & Lensink, R. 2007. Impact of Microfinance: A Critical Survey. Economic and Political Weekly. 42 (6), pp. 10-16

Hossain, F. & Knight, T. (2008). Can micro-credit improve the livelihood of the poor and disadvantaged? 2008.

Hossain, M. 1988. Credit for alleviation of rural poverty: The Grameen Bank in Bangladesh. International Food Policy Research Institute (IFPRI).

Hulme, D. (2000) Impact assessment methodologies for microfinance: Theory, experience and better practice: World Development, Vol. 28, No. 1, pp79-98.

Hulme, D. and Mosley, P. (1996). *Finance against Poverty*: Volumes 1 and 2, Routledge: London.

Hulme, D. 2000a. Impact Assessment Methodologies for Microfinance: Theory, Experience and Better Practice. World Development, 28(1), pp.79–98.

Hulme, D. 2000b. Is micro debt good for poor people? A note on the dark side of microfinance. Small Enterprise Development, 11(1).

Husain, A.M. 1998. Poverty alleviation and empowerment: The Second Impact Assessment Study of BRAC's Rural Development Programme. BRAC Research and Evaluation Division.

ICA. (1995). International Cooperative Alliance congress. Manchester. 1995

Jaffer, J. 1999. Microfinance and the Mechanics of Solidarity Lending: Improving Access to Credit through Innovations in Contract Structures. Harvard Law School John M. Olin Center for Law, Economics and Business. Working Paper No. 254 abstract_id=162548

Jain, P.S. 1996. Managing credit for the rural poor: Lessons from the Grameen Bank. World Development, 24(1), pp.79–89.

Johnson, S.A. & Rogaly, B.A. 1997. Microfinance and Poverty Reduction. Oxfam. 1997

Johnston. J. and Dinardo,]. (1997). Econometrics Methods. Fourth Edition .The McGraw• Hill Companies, Inc, New York, U.S.A.

Johnson, S. and Rogaly, B. (1997). Microfinance and Poverty Reduction: Oxfam, UK.

Kaboski, J.P. & Townsend, R.M. 2005. Policies and Impact: An Analysis of Village-Level Microfinance Institutions. Journal of the European Economic Association, 3(1), pp.1–50.

Karlan, D. & Zinman, J. 2009. Expanding Microenterprise Credit Access: Using Randomized Supply Decisions to Estimate the Impacts in Manila. Oxford Journals, Review of Financial Studies, Society for Financial Studies, vol. 23(1), pages 433-464

Khan, R.E.A., Noreen, S. (2012). Microfinance and women's empowerment: A case study of district Bahawalpur (Pakistan). African Journal of Business Management 6 (12): 4,514–4,521.

Khandker, S.R. (2005). Microfinance and poverty: Evidence using panel data from Bangladesh. The World Bank Economic Review 19 (2): 263–286.

Khandker, S.R. (2000). Saving, information borrowing and microfinance. The Bangladesh Development Studies 26 (2-3): 49-78.

Khandker, Shahidur R. 2001. Does Micro-Finance Really Benefit the Poor? Evidence from Bangladesh. Asia and Pacific Forum on Poverty. Khandker.pdf.

Khandker, Shahidur R. 1998. Fighting Poverty with Microcredit: Experience in Bangladesh e-book. World Bank. 200910/20091026164639913. .

Khandker, Shahidur R., Samad, H.A. & Khan, Z.H. 1998. Income and employment effects of Microcredit programmes: Village-level evidence from Bangladesh. Journal of Development Studies, 35, pp.96–124.

Khandker, Shahidur R. 2003. Microfinance and Poverty: Evidence Using Panel Data from Bangladesh. The World Bank Policy Research Working paper, 2945.

Kondo, T. 2007. Impact of Microfinance on Rural Households in the Philippines: A Case Study from the Special Evaluation Study on the Effects of Microfinance Operations on Poor Rural Households and the Status of Women. April 2, 2011].

Kress, G. 1982. Marketing Research second. Virginia: Reston Publishing Company, Inc.

Lapenu, C. & Zeller, M. 2002. Distribution, Growth, and Performance of the Microfinance Institutions in Africa, Asia and Latin America: A Recent Inventory. Savings and Development, 26(1), pp.87–111.

Ledgerwood, J. (1999). Sustainable Finance with the Poor: Microfinance Handbook, an Institutional and Financial Perspective. World Bank: Washington.

Ledgerwood, J and White.V (2000). Transforming Microfinance Institutions: Providing Full Financial Services to the Poor, World Bank: Washington.

Lont. H and Hospes, O. (2004). Livelihood and Microfinance: Anthropological and Sociological Perspective on Savings and Debt. Eburon Delft. Amsterdam.

Mahajan, V. 2005. From Microcredit to Livelihood Finance. Economic and Political Weekly.Vol-XL No.41

MoFED (2005) Ethiopia: Building on Progress: A Plan for Accelerated and Sustained Development of End Poverty (PASDEP), 2005/6-2009/10, Addis Ababa.

MoFED (2009) Ethiopia: Five Year Performance Report: Presented to House of Peoples Representatives, Addis Ababa.

Mordach, J. (1999). The Microfinance Promise: Journal of Economic Literature, Vol. 37, No, 4: 1596_1614.

Montgomery, H. 2005. Serving the Poorest of the Poor: The Poverty Impact of the Khushhali Bank's Microfinance Lending in Pakistan. Asian Development Bank Institute.

Montgomery, R. 1996. Disciplining or protecting the poor? Avoiding the social costs of peer pressure in micro-credit schemes. Journal of International Development, 8(2), pp.289–305.

Morduch, J. 1998. Does Microfinance Really Help the Poor? New Evidence from Flagship Programs in Bangladesh. [Accessed March 30, 2011].

Morduch, J., Cull, R. & Demirguc-Kunt, A. 2006. Financial Performance and Outreach: A Global Analysis of Leading Micro-banks. World Bank Publications. [Accessed November 17, 2012].

Morduch, J. 1999. The Microfinance Promise. Journal of Economic Literature, 37(4), pp.1569–1614.

Mosley, P. 2001. Microfinance and Poverty in Bolivia. Journal of Development Studies, 37, pp.101–132.

Mosley, Paul 2001. Microfinance and Poverty in Bolivia. The Journal of Development Studies, 37(4), pp.101–132.

Mosley, Paul 1998. The use of control groups in impact assessments for microfinance. Geneva: International Labour Organization. WCMS_118267/[Accessed April 3, 2011].

Moussa, M. 2007. Regulation and Supervision of Microfinance in Ethiopia. Microfinance Regulation and Supervision Resource Center.

Murdoch, J. and B.Haley (2002). Analysis of the Efforts of Microfinance on Poverty Reduction: Nyu Wagner Working paper No. 1014.

Mustafa, S. et al. 1996. Beacon of Hope: An impact assessment study of BRAC's Rural Development Programme. BRAC Research and Evaluation Division.

Nader, Y. 2008. Microcredit and the socio-economic wellbeing of women and their families in Egypt. Journal of Socio-Economics, 37(2), pp.644–656.

O'Regan, D. 2004. Egypt: Informal Economy Drives Egypt's Economic Growth. Wall Africa. allafrica.com/stories/200410111286.html.

Odell, K. 2010. Measuring the impact of Micro Finance: Taking another Look. Grameen Foundation Publication Series.pdf.

Okurut Francis Nathan, Banga Margaret, and Mukungu Ashie (2004) Microfinance and Poverty Reduction in Uganda: Achievements and Challenges, Researched Series No.41, Economic Policy Researched Centre, Kampala, Uganda.

Pitt, M.M., Khandker, S.R., McKernan, S.M., Latif, M.A. (1999). Credit programs for the poor and reproductive behavior in low-income countries: Are the reported causal relationship the result of heterogeneity bias? Demography 36 (1): 1–21.

Panjaitan-Drioadisuryo, R.D.M. & Cloud, K. 1999. Gender, self-employment and microcredit program An Indonesian case study. The Quarterly Review of Economics and Finance, 39(5), pp.769–779.

Pischke, V. 1996. Measuring the trade-off between outreach and sustainability of microenterprise lenders. Journal of International Development, 8(2), pp.225–239.

Pitt, M, Khandker, S R, McKernan, S.M. & Abdul Latif, M. 1999. Credit programs for the poor and reproductive behavior in low-income countries: are the reported causal relationships the result of heterogeneity bias? Demography, 36(1), pp.1–21.

Pitt, M., Khandker, Shahidur, Chowdhury, O. & Millimet, D. 2003. Credit Programs for the Poor and the Health Status of Children in Rural Bangladesh. International Economic Review, 44(1), pp.87–118.

Pitt, Mark M. & Khandker, Shahidur R. 1998. The Impact of Group-Based Credit Program son Poor Households in Bangladesh: Does the Gender of Participants Matter? Journal of Political Economy, 106(5), pp.958–996.

PlaNet 2008. National Impact Survey of Microfinance in Egypt. Egypt: PlaNet Finance. /1.9.45558/

Roodman, D. & Morduch, J. 2009. The Impact of Microcredit on the Poor in Bangladesh: Revisiting the Evidence. Center for Global Development Working Paper Series, 174.

Robinson, M. (2001). The Microfinance Revolution: Sustainable Finance for the Poor: Washington, D.C. World Bank.

Sabstand. and M. Cohen (2001). Microfinance, Risk Management and Poverty: Background paper for World Development Report: Washington.

Simanowitz, A. and A. Walter (2002) 'Ensuring Impact: Reaching the Poorest while Building Financially Self-Sufficient Institutions, and Showing Improvement in the Lives of the Poorest Women and Their Families': In Sam Daley-Harris, Ed. Micro credit Summit Campaign, Pathways out of Poverty. Kumarian: Bloomfield, CT.

Schreiner, M. & Colombet, H.H. 2001. From Urban to Rural: Lessons for Microfinance from Argentina. Development Policy Review, 19(3), pp.339–354.

Schuler, S.R., Hashemi, Syed Mesbahuddin & Riley, A.P. 1997. The influence of women's changing roles and status in Bangladesh's fertility transition: Evidence from a study of credit programs and contraceptive use. World Development, 25(4), pp.563–575.

Smith, A. 1776. An Inquiry into the Nature and Causes of the Wealth of Nations. Project Gutenberg e books.

Straus, T. 2010. A Sobering Assessment of Microfinance's Impact | Stanford Social Innovation Review. Stanford social Innovation Review: [Accessed November 19, 2012].

UNCHS (2000) Poverty Reduction and the Development of a Sustainable Living Environment in Addis Ababa: Study to be presented to Addis Ababa Working Team for the City Consultation on Urban Poverty, Addis Ababa.

UNDP & INP 2008. Ethiopia Human Development Report: Ethiopia's Social Contract: The Role of Civil society. Ethiopia: United Nations Development Programme, and the Institute of National Planning.

UN-HABITAT (2007). Situation Analysis of Informal Settlements in Addis Ababa.

USAID 2006. Gender Assessment for Microfinance Institutions in Ethiopia. 2006.

Wesselink, B. 2011. Directory of Development Organizations 2011: Volume 1: Africa.

Wooldridge, J.M. 2003. Introductory Econometrics: A Modern Approach 2nd ed. South-Western College Pub.

World Bank 2000. World Development Report 2000/2001: Attacking Poverty. Washington, D.C: World Bank.

World Bank (2009). Bangladesh: Microfinance and Financial Sector Diagnostic study: Final Report, Washington DC.

Wright, Graham A. N. (2000). Microfinance Systems: Designing Quality Financial Services for the Poor. Zed Books Ltd. London & New York, and the University Press Limited: Dhaka.

Zaid Negash and et al. (2002). Microfinance *Theory Policy and Experience:* Mekele, Ethiopia.

Zaman, H. (1999). Assessing the poverty and vulnerability impact of micro-credit in Bangladesh: A case study of BRAC. The World Bank: 1-50. Organization of Agriculture. New York: McGraw-Hill.

Zeller, M. and Meyer, R. (2002). *The Triangle of Microfinance: Financial Sustainability, Outreach, and Impact,* International Food Policy Research Institute. London.

Yunus, M. & Jolis, A. 2003. Banker to the Poor: Micro-Lending and the Battle against World Poverty. Public Affairs.

Zaman, H. 1999. Assessing the impact of micro-credit on poverty and vulnerability in Bangladesh. The World Bank. Wbrwps/2145.html [Accessed March 19, 2011].

APPENDIX

Appendix I : questionnaires (English & Amharic)

Dear respondents

The current study on **"Research Title:** AN ASSESSMENT OF THE CONTRIBUTION OF MICRO CREDIT ON INCOME OF BORROWERS: The case of Women in Self Employment (WISE) in wereda 04 of Kirkos sub city, Addis Ababa." is an academic research project. The aim is to provide information on micro finance support of clients/incomes.

I would like to ask you some questions on the loan that you have with WISE-MCI, your incomes on generation and production activities of you and your household. All information obtained will be treated with confidentiality. Do you object to using the questionnaire and other information from WISE-MCI about the loan, for purposes of this study? Can we proceed? Thank you.

Name of interviewer..Cleaning status...................................
Supervisor signature......................................

Date of Interview………………………

A. RESPONDENT IDENTIFICATION AND CATEGORY

1. Name and address of Branch of MFI(SACCO)
   Name of Branch/MFI/SACCO: Kirkos woreda 04 Women in self Employement saving and credit Cooperatives, Name of group: Edget –ber, Address: Region/City : A. Ababa, Sub city : Kirkos, Wereda: 04, Kebele:40
2. Name of respondent……………………………………….
3. Serial Number of respondent: ……………………….
4. Respondent's MCI/SACCO ID /Code…………………………………………….
5. Gender a. Male b. Female
6. Age:........................
7. Address of the respondent: Region: …………, Sub city…................. wereda:…………, Kebele:……… Tel: ....
8. Marital status: a. Single b. Married c. Divorced d. Widow e. Cohabiting
9. School grade of the respondent: ....
10. Religion of the respondent: a. Orthodox b. Catholic c. Protestant d. Muslim e. Angelical f. Other (specify):..
11. Household Information (Number of HH member's r/ship to the respondent

ID	11.1	11.2	11.3	11.4	11.5
	Name	Relationship to the respondent (Husband, Son/daughter, Sister/brother, other adults, Other	Sex1.Male2.Femal	Age	Schooling (grade)
..1					
..2.					
...3					
...4					
...5					

A house hold is a group of people who routinely eat from the same pot and live on the same compound

12. Respondent Category
    a. Old borrower (above 1 year borrower/ever taken loan from the SACCO, still borrowing)
    b. New borrower (ever took loan, but no longer borrowing 1 year long and below)

B. BEFORE MEMBERSHIP IN SACCO/MFI

13. Do you have any income before the member of MFI/SACCO, or before receiving loan?
    a. yes, b. No c. No answer
14. If yes, what type/ king of income source or lively hood you have before member of SACCO? ....
15. What was the amount of net income you have in Birr before taking a loan from MFI/SACCO? Monthly=________Weekly_______ or Yearly: ....?
16. Do you have an experience of saving money before you are a member of the MFI/SACCO?
    a. Yes b. No
17. If yes, how much in birr you have saved? Weekly=______, Monthly____, Yearly=____
18. If yes, what was the total saved amount in birr since membership in the SACCO? ....
19. If you have saved, in what length of time the indicated saving taken?................

C. MEMBERSHIP IN SACCO, SAVING & LOAN

Membership & Saving

20. Are you become a member of the SACCO/MFI? a. Yes b. No c. No answer
21. When was your membership in the SACCO started? Date: .... No of years: ....
22. Did you start saving in the SACCO since you become a member of the SACCO? a. Yes b. No c. No answer
23. If yes, when is (was) the time of saving started? Date:......................., No of years:................
24. What is the Interval of saving (days, weekly, Monthly) in the SACCO/MFI?...............
25. If yes, what is the amount of saving/ money in each interval (birr)?...................
26. If yes, how much is the total amount of money you have saved since you start saving (birr) in the SACCO(MFI) ....

Loan/credit

27. Did you start taking/receiving Loan from your SACCO/MFI? a. Yes b. No c. No answer
28. If yes, how many times (frequently) did you receive loan since start? ....
29. What is the loan period?.....................
30. Amount of loan received in 6 years (each Year yearly (Birr/ETB)? 2013:_______, 2014: _______, 2015:_______, 2016:_______, 2017:_______, 2018:_______
31. What is the time/period taken from applying to take the loan until your receiving? ....
32. Purpose of borrowing: …………………………………………………………...............

D. BUSINESS, INCOMES AND INCOMES SAVING

Businesses & operations

33. Do you start a business after you have received a loan from the SACCO/MFI? a. Yes b. No
34. If yes, what is the name/ objective of your Business (MSME) you engaged currently (After loan from MFI/SACCO)? ……………………………………………………………. …
35. Describe ownership of the MSME Business:a. Self b. Co-owned c. No answer
36. When did your business begin operation?
    ____

37. What is your line of business? a. Manufacturing b. Commerce c. Services d. Others (specify).............
38. How many people have you employed? a. Less than 5 people, b. 5-9 people, c.10-19 people d. 20-99 people, e. Above 100
39. If you employ people in your business how much salary did you pay monthly? .... Birr
40. What is(are) the source(s) of your business capital? a. Self b. Friends/ relatives c. Partnership , d. Loans from banks and Finance institutions g. Others (please specify) ....

<u>Businesses, Capital & Incomes</u>

41. How much net income did you encure from your business (MSME) after you received loan and start business? Weekly: …… ETB, Monthly: …………ETB, Yearly: ………ETB
42. Does your incomes increased due to loan received from SACCO/MFI than before the loan received and engaged in MSME business? a. Yes b. No c. No answer
43. If yes, how much is the difference of incomes increasing (birr)? weekly ......, Monthly ....
44. How much of your last loan did you spend for what purpose?………………………
    a. Recapitalize microenterprise (ME): ………. ETB, b. Paying school fees & related expense: ……ETB, c. Food consumption: ……ETB, d. Paying for medical expense: ……… ETB, e. Buying land: ……ETB, f. Building & or general home: ……ETB, g. Start new enterprise: …… ETB, h. Other/ specify: ……….. ETB
45. Do you have adequate capital for your business? a. Yes, b. No c. No answer
46. If no, in what ways do you intend to acquire additional capital for your business? ……
47. Did you face any problems in using the loan? A. Yes b. No
48. If yes, what was the reason? a. high loan interest rate b. Short time of repayment c. Small saving interest rate d. Loan provided is smaller e. Other's specify): ……………………..
49. Did you create assets due to increased incomes of your business?a. Yes, b. No
50. What/How much is your total monetary value of your assets created due to your business operation now(Birr) after entering business? ....
51. Did your children school payments improved due to increased incomes of your business a. yes b. None c. Same d. No answer
52. Did your and your family health and medical payments improved due to improvement of your business incomes? a. yes b. None c. Same d. No answer
53. Did your and your family clothing and payments for cloths improved due to improvement of your business incomes? a. yes b. None c. Same d. No answer
54. Are there other firms available supplying the same goods in the market you operate? a. Yes b. None c. No answer
55. How these firms in size distribution are A) equally sized B)? Lower size c). Better than me
56. If you choose the Variability C. (better than me) what is the factors of variability A) Capital B). Technology c) Information D) some tax free E) some obtain Inputs easily F) Other (specify): ....
57. Is the market entry being difficult? a. Yes b. No c. No answer
58. If Yes, what are the barriers A) A License B) Capital C) TechnologyD) Input access E) others (specify): ....
59. Is there any variability in competence with the business b/n men and women? a. Yes b. No c. No answer
60. If yes, how/why: …………………………………………………………………
61. Are you travelling long distance to sell your good/product? a. Yes, b. No c. No answer
62. If yes, how long in Km? ……………

Saving Incomes

63. Do you ever save from the incomes of your business (MSME)? a. Yes, b. No c. No answer
64. If yes, how much (birr)? Weekly=…. Monthly=………., Yearly=………...
65. Where/ How did you keep your saving? a. Commercial Government Bank, b. Private Banks,
   c. Microfinance Institution, d. Individuals, e. Home, f. Other (specify): ....
66. For what purpose you plan to use your saving (in the future)? ……....................................

E. OWNERSHIP, INITIATIVE, DESCISSION MAKING & CONTRIBUTION

67. If you received loan from the SACCO/MFI, whose initiative was to take your loan? a. Spouse (Husband/wife)................... b. Relative, c. Staff of SACCO/MFI d. Self e. Other (specify): ....
68. Who made the final decision on how to spend the loan? a. Self b. Spouse (Husband/Wife) c. Self and Spouse d. SACCO/MFI staff e. Group members f. Self and other g. Other (specify)
69. What is the level of your influence in the decision of the loan? a. More than my spouse/husband, b. Me and my spouse/husband equally, c. Less than my spouse/husband
70. Who is responsible to manage the loan received for MSME? a. Self b. Spouse (Husband/Wife) c. Self and Spouse d. Other (specify)
71. Do you have any other person who makes significant contribution for the strengthening of MSME? a. Yes b. No c. No answer
72. If yes who is he/she: …………………………………………
73. If yes, what/how is the contribution: ………………………………………………

F. TECHNOLOGY, POLICY & LONG TERM GROWTH PLAN

74. What technologies did you ever used to enhance your income?..
75. What technologies are you expecting are relevant for this business to enhance its income? ....
76. Do you have long term growth plan with your business? a. yes b. No c. No answer
77. If yes, what will be?...
78. When you expected did transferred to small, medium &large scale enterprise? ……………
79. How much planned size in terms of capital in 5 years (Birr)? ……………………………
80. What growth opportunities did you see?..
81. What growth constraints did you see? ……………………………………………………
82. What policy is hampering your business operation? ....

G. CONSUMPTION

83. How much you earn (spread) of your business for different aspects(Birr)? a. Recapitalize ME……, b. Paying school fees & related expense: …… c. d. Food consumption:……….,.. e. Paying for medical expense: ………, f. Buying land: …………, g. Building & or general home: ……… h. Start new enterprise: ………… i. Other/ specify: ……… , ETB
84. Do you use some of your monetary income for you self (HH)? a. Yes b. No c. No answer
85. If yes, what is the value of the item you have using for HH consumption (in % or in Birr)? Weekly: ……. ETB, Monthly: ……………. ETB, Yearly:……………… ETB
86. What type of items did you use for HH? a. Food b. Furniture c. Kitchen utensils d. School materials e. Medical supplies f. Other (specify)..

H. LOAN REPAYEMNTS

87. What is the time/ interval of loan repayment? .... ETB
88. What is the amount of repayment in each interval? ……………...... ETB
89. Who is responsible to repay the loan in the HH? ……………………………..
90. Did you ever face difficulties with the weekly repayments of your loan? a. Yes b. No
91. If yes reason out: ……………………………………………………………………………
92. What was the source of cash for the last weekly repayment of your loan? ....
93. After using and after repayments of the money how much money left(weekly, Monthly, Yearly)? ………….. ETB
94. How much cash do you have currently because of the business? ....
95. How much is the total capital you have (including cash and Assets) gained since the establishment of MSME business? ……... ..ETB

I. BUSINESS ADVISORY SERVICES

96. Do you obtain Business Advisory Service? a. Yes b. No
97. If yes, how frequent? ……………………………
98. Were the advisory services beneficial for profitability increment of your business? a. yes b. No

Questionaire-2 : Questionnaires for data collection from Micro Finance Institution

I should be very grateful if you could spend some time to respond to these questions for research work. You are assured that any information provided would be used for academic purposes only and will be held strictly confidential

Please tick or fill in as appropriate.

A. **DEMOGRAPHICS** ( )To provide a detailed profile of Micro finance Institution)

1. When did your Microfinance Institution (MFI) begin operation?
2. What was the objective for establishing this Microfinance Institution (MFI)? ....
3. What products do you provide?
   a. Saving
   b. Loan/ credit
   c. Investment
   d. Non-financial services
   e. Others (please specify)
4. Which category of MSMEs services as your target market?
   a. Manufacturing
   b. Commerce
   c. Services
   d. Others (please specify) ……………
5. Which category of MSMEs patronizes your products the most?
   a. Manufacturing
   b. Commerce
   c. Services
   d. Others (please specify) ……………
6. What challenges do you face in doing business with MSMEs? ....

B. THE CONTRIBUTION OF MFIs IN THE GROWTH OF MICRO, SMALL, AND MEDIUM ENTERPRISE

7. Do you know about the activities of MSMEs? a. Yes b. No
8. What kind of credit facility do you offer?
   a. Long term
   b. Medium term
   c. Short term
9. What percentage of loans requested do you grant?
   a. 100percent
   b. 75-99 percent
   c. 50-4 percent
   d. Less than 50 percent
10. How long does it take to process and disburse credits?
    a. Less than a week
    b. 1-2 weeks
    c. 2-3 weeks
    d. 3-4 weeks
    e. Above 4 weeks
11. What are your criteria for providing credit?
    ....……………………………………………………..
12. Do you find the criteria for loan processing cumbersome? a. Yes b. No
13. Do you always require collateral securities before granting loans to MSMEs? a. Yes b. No
14. If yes, what kind of collateral do you request?
    a. Land
    b. House
    c. Car
    d. Shop
    e. Other (please specify): ....
15. Do MSMEs always get the collateral requested? a. Yes b. No
16. What percentage of total applicants qualify for loans within a month?
    a. Less than 25
    b. 26 to 50
    c. 51 to 75
    d. 66 to 100

C. THE CHALLENGES SMEs FACE IN ACCESSING CREDITS

17. Do you face any challenges in granting credits to MSMEs?
    ………………………………………………………………………………………………
18. If yes, kindly provide the challenges you face in granting credits is MSMEs.
    ……………………………………………………………………………………………

D. THE RATE OF CREDIT UTILIZATION BY MSMEs

19. How often do your regular clients request for credit?
    a. Not often
    b. Often
    c. Very often
    d. Not sure

20. As per your evaluation, do loans granted lead to growth in their business? a. Yes b. No
21. In your own evaluation, do you think clients use all loans granted for business activities?
    a. Yes b. No
22. If no, what activities do you know clients use the loans for?

…………………………………………………………………………………………………

23. Kindly suggest how credit misappropriation can be avoided.

……………………………………………………………………………………………………

Questionaire-3: Focus group discussion guide

- Number/Name of the organization: ....Number of members: ....
- Date: ....   Location..............................
- Length (Time spent): ....

Introduction

Dear respondents

The current study is on **"SACCOO Micro credit contribution to income enhancement of borrower"** is an academic research project. The aim is to provide information on the micro credit loans that you obtained and their effect on incomes of beneficiary households. We would like to ask you some questions on the loans that you obtained from WISE-MCI, and your MSMEs. All information obtained will be treated with confidentiality. We would like to record your responses on paper and also make audio-recordings of our discussion with you, for purposes of this study only? Can we proceed? Thank you.

1. Why do women access microcredit from WISE-MCI?
2. What are the objectives of borrowing?
3. Explain to what extent the need for improvement of the quantity and time of access to credit services motivates clients/women in this area to borrow?
4. What are the main ways in which women spend funds borrowed from WISE-MCI?
5. What is the level of involvement of husbands in the decision to take credit, in loan use and in the running of the MEs?
6. In what businesses do women invest funds borrowed from WISE-MCI?
7. What changes do borrowers register in their MSME as result of borrowing?
8. What are the sources of funds for loan repayment? How is the involvement of husbands, other family members and VO members in loan repayment?

8\. What challenges if any do borrowers face in repayments loans taken from WISE-MCI and how these resolved?

9\. How common is loan defaulting and how are defaults handled by the organizations?

10\. What changes have generally taken place in your lives after you joined the borrowing programme?

11\. Why and when do women stop borrowing from WISE-MCI?

12. What other challenges do you face with respect to loans taken from WISE-MCI and what changes in the program do you propose?

Thank you so much. I will share with you some information. It is for your own personal development.
NB: This instrument was adopted for the NB focus group discussions.

Questionaire-1Amharic /Translated

የጥናት መጠይቆች

<u>“ከቁጠባና ብድር ተጠቃሚዎች ጋር የሚደረግ ነብስ- ወከፍ ቃለ መጠይቅ ቅፅ”</u>

የተወደዳችሁ ፡፡ በዚህ ጥያቄ መልስ ከኛ ጋ ለመወያየት ስለፈቀዳችሁ እናመሰግናለን፤

ይህ አሁን ከናንተ ጋር የምናካሂደው ጥናታዊ ጥያቄና መልስ ውይይት ዋና አላማ ለዩኒቨርሲቲ ምርምር የሚውል “አነስተኛ ብድርና ቁጠባ ተበዳሪዎች በገቢያቸው ለውጥ ላይ ያለው አስተዋፅኦ ምን ይመስላል በሚል ርእስ ላይ ያተኮረ ጥናት ለማካሄድ ነው፡፡ ይህም ጥናት በራስ ራስ አገዝ ሴቶች ልማት ድርጅት(ራሴድ) ኣማካይነት በተቋቋሙት የብድርና ቁጠባ የህብረት ስራ ማህበራት በአዲስ አበባ ከተማ፥ በቂርቆስ ክ/ከተማ በወረዳ 04 ላይ በማተኮር የሚሠራ ነው፡፡ አሁን ኣባል በሆኑበት በዚሁ የብድርና ቁጠባ የሕብረት ሥራ ማህበር ውስጥ የአባልነት፡ የቁጠባንና ብድርን በገቢ ማስገኛ ሥራ ላይ ተሠማርተው ያገኙት ገቢን እንዲሁም ያገኙት የኑሮ ለውጥን በተመለከተ ጥቂት ጥያቄዎችን ልጠይቆት እወዳለሁ፡፡ የሚገኘው ማንኛውም መረጃ ከርስዎ ፈቃድ ውጪ ለማንም የማይተላለፍ መሆኑን እንገልፃለን፡፡

እንቀጥል? አመሰግናለሁ!

ቃለ መጠይቁን ያከናወነ ሰው ስምና ፊርማ፡..................... ያረጋገጠው ሰው ስምና ፊርማ......................

ሀ. የተጠቃሚ/ ተወያይ መለያ እና ምድብ

ይህ መረጃ የተሰበሰበበት ቀን፡……………………………….

1. የቁጠባ ና ብድር የኅ/ሥ/ማ/ (ቁ.ብ.ኅ.ሥ/ማ)፤ ቅርንጫፍ ስምና አድራሻ :-
   - ቁ/ብ/የኅ/ሥ/ማ ስም፤ **እድገት በር ራስ አገዝ ሴቶች** የገ/ቁ/ብ/ህ/የተ/የህ/ሥ/ማ
   - ክልል/ከተማ፡ <u>አዲስ አበባ</u>፤ ክ/ከተማ፡ <u>ቂርቆስ</u>፤ ወረዳ፡ <u>04</u>፤ ቀበሌ፡ <u>40</u>
2. ቁ.ብ.ኅ.ሥ/ማ አባል/ተጠቃሚ ስም፡ ……………………………………………
3. ተራ ቁጥር: ……………………….
4. በብ/ቁ/ተ የተሰጠው ኮድ/መለያ ቁጥር፡ …………………………………
5. ፆታ ሀ. ወንድ ለ. ሴት
6. ዕድሜ:........................
7. አድራሻ፡ ክልል/ከተማ፡ **<u>አ.አበባ.</u>**፣ ክ/ከተማ፡ **<u>ቂርቆስ</u>**፣ ወረዳ፡**<u>04</u>** ቀበሌ፡……………………
8. የጋብቻ ሁኔታ: ሀ. ያላገባ ለ. ያገባ ሐ. የፈታ መ. ባል//ሚስት የሞተ ሰ. በስምምነት አንድ ላይ የሚኖሩ
9. የትምህርት ደረጃ: ....
10. መንፈሳዊ እምነት፡ ሀ. ኦርቶዶክስ ለ. ካቶሊክ ሐ. ፕሮቴስታንት መ. ሙስሊም ሰ. አንጀሊካል ረ. ሌሎች(ግለፅ)
11. የቤተሰብ መረጃ(የቤተሰብ ብዛትና ያላቸው የዝምድና ደረጃ)፡

ID	12.1	12.2	12.3	12.4	12.5
	ስም	የዝምድና ዓይነት 1.ባል/ሚስት 2. ወንድ ልጅ 3. ሴት ልጅ 4 ወንድም 5 ሴት ልጅ 6 ሌሎች ልጆች	ፆታ 1.ወንድ 2 ሴት	ዕድሜ	የትምህርት ደረጃ
..1					
..2.					
...3					
...4					
...5					

ቤተሰብ ማለት በአንድ ቤት ውስጥ የሚኖሩ እና ከአንድ መዓድ የሚመገቡ ሰዎች ናቸው

12. ብ. ቁ . ተ አመዳደብ ዓይነት በብድርና አባልነት ደረጃ

ሀ. ነባር ተበዳሪዎች (ከ 1 ዓመት በላይ)

ለ. አዲስ ተበዳሪዎች (1 ዓመት እና ከ 1 ዓመት በታች))

ሐ. የለቀቁ (የተዉ)

መ. ገና ያልተበደሩ

ለ. የብድርና ቁጠባ የኅ/ሥ/ማ/ **አባል ከመሆናቸው በፊት የነበረ ገቢና የገቢ ምንጭ**

13. የብድርና ቁጠባ የኅ/ሥ/ማ/ ተቋም አባል ከመሆንዎ በፊት እና ብድር ከመውሰድዎ በፊት ሌላ ገቢ ወይም የገቢ ምንጭ ነበርዎት ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልስ የለም
14. መልሱ አዎ ከሆነ የገቢ ምንጭዎ ወይም የተሠማሩበት ሥራ ምን ነበር ? ....
15. ስለዚህ ኣባል ከመሆንዎ በፊት እንዲሁም ብድር ከመውሰድዎ በፊት የተጣራ የገቢ መጠንዎ በብር ሲሰላ ምን ያህል ነበር ? ሳምንታዊ=_________ ወርሃዊ________ ወይም ዓመታዊ: ....?
16. የብ/ቁ/ኅ/ሥ/ማ አባል ከመሆንዎ በፊት የመቆጠብ ልምድ ነበርዎት ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም
17. መልሱ አዎ ከሆነ በወቅቱ ምን ያህል ያጠራቅሙ ነበር(ብር)? በሳምንት=_______, በወር_____, በዓመት=_____
18. ስለዚህ የብ/ቁ/ኅ/ሥ/ማ ኣባል ከመሆንዎ በፊት ያጠራቀሙት ጠቅላላ ብር ምን ያህል ነው?........... ብር
19. መለሱ አዎ አጠራቅምያለሁ ከሆነ ያጠራቀሙት በምን ያህል ጊዜ ነው? ....

ሐ. የብ/ቁ/ኅ/ሥ/ማ **አባልነት፤ ቁጠባ እና ብድር**

20. የብ/ቁ/ኅ/ሥ/ማ አባል የሆኑበት ጊዜ መቼ ነው? ቀንና ዓም: ....የዓመት ብዛት/ቁጥር: ...
21. አባል ከሆኑበት ጊዜ ጀምሮ የብ/ቁ/ኅ/ሥ/ማ ገንዘብ መቆጠብ ጀምረዋል ወይ? ሀ. አዎ ለ. አይደለም
22. መልሱ አዎ ከሆነ፣ ከመቼ ጀምሮ ነው ገንዘብ መቆጠብ የጀመሩት? ቀን/ዓም:...........የዓመት ብዛት:.....
23. የብ/ቁ/ኅ/ሥ/ማ ሲቆጥቡ በየስንት ጊዜ ይቆጥባሉ (በየቀኑ, በየሳምንቱ፣ በየወሩ) ?...........
24. ስለዚህ በእያንዳንዱ የጊዜ ክፍተት ምን ያህል ይቆጥባሉ(ብር))?.........................
25. የብ/ቁ/ኅ/ሥ/ማ ቁጠባ ከጀመሩበት ጊዜ ጀምሮ እስከ አሁን የቆጠቡት ጠቅላላ የገንዘብ መጠን ምን ያህል ነው? .
26. የብ/ቁ/ማ አባል ከሆኑበት ጊዜ ጀምሮ ብድር መውሰድ ጀምረዋል ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልስ የለም
27. መልሱ አዎ ከሆነ እስከ ዛሬ ለስንት ጊዜ ብድር ወስደዋል ? ....
28. የብድሩ ጊዜ ወይም የመመለሻ የጊዜ ገደብ ምን ያህል ነው?.....................
29. ለ 6 ዓመታት በየዓመቱ የተበደሩት የገንዘብ መጠን ምን ያህል ነው (በብር)? 2005:______, 2006: ________, 2007:________,2008:________,2009:________፣ 2010:_________ብር
30. ብድር ለማግኘት ካመለከቱበት ጊዜ ጀምሮ ብድሩ ተፈቅዶ እስከወሰዱበት ጊዜ ድረስ ምን ያህል ጊዜ ወሰደብዎት? ....
31. ብድር የወሰዱበት ዓላማ ምንድነው? ……………………………………………

መ. ንግድ፤ ገቢ እና የንግድ ገቢ ቁጠባ

32. ብድሩን ከብ.ቁ.ተ/ማ ከወሰዱ በኋላ ንግድ(ቢዝነስ) ጀምረዋል ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም
33. መልሱ አዎ ከሆነ፣ የተሳተፉበት ንግድ ዓላማ ምንድነው? ………………………………

34. የተሠማሩበት ንግድ ባለቤትነት ምን ይመስላል? ሀ. ሙሉ በሙሉ የራሴ ነው ለ. ከሌሎች ጋር በመጣመር-የጋራ
35. የእርሶ ንግድ ሥራ የጀመረው መቼ ነው? ____
36. የንግዱ የሥራ ምድብ ምን ላይ ያተኮረ ነው? ሀ. ኢንዱስትሪ(ማምረት) ለ. ንግድ ሐ. አገልግሎት መ. ሌሎች ካሉ (ግለፅ)……………………………………………………………………………
37. በሥራው ምን ያህል ሠራተኛ ቀጥረው ያሠራሉ? ሀ. ከ 5 ሰዎች በታች, ለ. ከ 5-9 ሰዎች, ሐ.. ከ10-19 ሰዎች መ. ሰ . 20-99 ሰዎች, ረ. ከ 100 ሰዎች በላይ ሠ. የለም
38. በሥራው ሠራተኛ ቀጥረው የሚያሠሩ ከሆነ በየወሩ ለሠራተኛ ደሞዝ ክፍያ ምን ያህል ይከፍላሉ?............ብር
39. የእርሶ የሥራ ወይም ንግድ የገንዘብ ምንጭ ምንድ ነው? ሀ. የራሴ ለ. ከጓደኛ ሐ.ከዘመድ መ. ከቁጠባና ብድር የህብረት ሥራ ሰ. የጋራ ወይም የህብረት ሥራ ረ . ከባንክና ከገንዘብ ተቋማት የተወሰደ ብድር ሠ. ሌሎች(ጥቀሱት) ....
40. መካከለኛ፤ አነስተኛና ጥቃቅን ንግድ ከጀመሩ ምን ያህል የተጣራ ገቢ(ብር) አግኝተዋል? ሳምንታዊ: ...., ወርሃዊ: ...., ዓመታዊ: ....ብር
41. ከብድርና ቁጠባ ተቋም ብድር ወስደው ወደ ጥቃቅንና አነስተኛ ቢዝነስ/ሥራ ከገቡ በኋላ ያገኙት የገቢ መጠን ብድር ከመውሰድዎ በፊት ከነበረው ይልቅ ጨምሯል ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም
42. መልሶ አዎ ከሆን, የጭማሪው መጠን በየጊዜው ምን ያህል ነው(ብር)? ሳምንታዊ ...., ወርሃዊ...........
43. የወሰዱትን የመጨረሻ ብድር ለምን ለምን ጉዳይ አዋሉት(በብር)? ሀ. የጀመርኩትን አነስተኛ ንግድ ለማጠናከሪያ: ...... ለ. የትምህርት ቤት ክፍያ እና ተዛማች ወጪ: ......, ሐ. የምግብ ወጪ ..., መ. የህክምና ወጪ: ... , ሰ. የመሬት መግዣ: ...... ረ, ህንፃ (ቤት) ሥራ: ...... , ሠ. አዲስ የንግድ ድርጅት ለመጀመር .... ሸ. ሌሎች(ግለፅ): ......
44. ለጀመሩት ንግድ በቂ የሆነ ካፒታል/ገንዘብ አሎት ወይም አግኝተዋል ወይ? ሀ. አዎ, ለ. አይደለም ሐ. መልስ የለም
45. መልሱ አይደለም ከሆነ፣ ተጨማሪ የሥራ/ንግድ ካፒታል ለማግኘት ምን ዕቅድ ይዘዋል? ....
46. ብድር ከወሰዱ በኋላ የብድሩን ገንዘብ ለመጠቀም ያጋጠሞት ችግር አለ ወይ? ሀ. አዎ, ለ. አይደለም ሐ. መልሱ የለም
47. መልሱ አዎ ከሆነ ምክኒያቱ ምንድነው? ሀ. የብድሩ የወለድ መጠን ከፍተኛ መሆን ለ. የብድር የመመለሻ ጊዜ ማጠር ሐ. የቁጠባው ወለድ ማነስ መ. የብድሩ ገንዘብ ማነስ ሠ. ሌላ ካለ ይግለፁ:...
48. በንግድዎ ገቢ መጨመር ምክንያት ያፈሩት የንብረት ሃብት አለ ወይ? ሀ. አዎ, ለ. አይደለም ሐ. መልሱ የለም
49. በንግድዎ ገቢ መጨመር ምክንያት ያፈሩት ንብረት በገንዘብ/ ሲተመን ምን ያህል ይሆናል? .....ብር
50. በንግድዎ ገቢ መጨመር ምክንያት የልጆችዎ የትምህርት ቤት ክፍያ ከበፊቱ ተሻሽሏል ወይ? ሀ. አዎ ለ. አይደለም ሐ. ተመሳሳይ ነው መ. መልሱ የለም
51. በንግድዎ ገቢ መጨመር ምክንያት የእርስዎና የቤተሰብዎ ጤና እና የህክምና ክፍያ ከበፊቱ የበለጠ ተሻሽሏል ወይ? ሀ. አዎ ለ. አይደለም ሐ. ተመሳሳይ ነው መ. መልሱ የለም
52. በንግድዎ ገቢ መጨመር ምክንያት የእርስዎና የቤተሰብዎ አለባበስና ለልብስ የሚያወጡት ክፍያ ከበፊቱ የበለጠ ተሻሽሏል ወይ? ሀ. አዎ ለ. አይደለም ሐ. ተመሳሳይ ነው መ. መልሱ የለም
53. ባሉበት አካባቢ ከእርሶ ንግድ ጋር ተመሳሳይ የሆነ ንግድ ያላቸው ወይም ተመሳሳይ ዕቃ የሚያቀርቡ የንግድ ድርጅቶች በገበያ ላይ አሉ ወይ? ሀ. አዎ ለ. አይደለም
54. መልሱ አዎ ከሆነ ያሉት የንግድ ድርጅቶች አቅም/መጠን ከርሰዎ ድርጅት ጋር እንዴት ይለካል? ሀ. እኩል መጠን ለ. ከኔ ያንሳል . ሐ. ከኔ ይበልጣሉ መ. ከፊሉ ከኔ ያንሳል፤ ከፊሉ ይበልጣል ከፊሉ ደግሞ ከኔ እኩል ነው
55. በ ሐ የሰፈረውን ከኔ ይበልጣል የሚለው ከመረጡ ምክንያቱ ምንድነው ሀ. የካፒታል/ገንዘብ ብልጫ ለ. የቴክኖሎጂ ብልጫ ሐ. የተሻለ መረጃ ማግኘት መ. የተወሰነ ነፃ ታክስ ስላላቸው ሰ. የተወሰነ በቀላሉ የዕቃ አቅርቦት ስለሚያገኙ ረ. ሌሎች ካሉ ጥቀስ: ....
56. ገበያ ውስጥ ለመግባት ወይም ዝውውር ከባድ ነው ብለው ያስባሉ? ሀ. አዎ ለ. አይደለም ሐ መልሱ የለም
57. መልሱ አዎ ከሆነ እንቅፋቶቹ ምንድናቸው ብለው ያስባሉ? ሀ. የንግድ ፈቃድ ለ. የገንዘብ አቅም/ካፒታል ሓ. ቴክኖሎጂ መ. የእቃ አቅርቦት ሰ. ሌሎች ካሉ ጥቀስ: ....
58. በገበያው ላይ በሴቶችና በወንዶች የንግድ አቅም ላይ ልዩነት አለ ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም
59. መልሱ አዎ ከሆነ እንዴት ነው? : ....
60. ምርቶን ለመሸጥ ረዥም መንገድ ይጓዛሉ ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልስ የለም
61. መልሱ አዎ ከሆነ በኪሎ ሜትር ሲለካ ርቀቱ ምን ያህል ይሆናል? ....
62. ከመካከለኛ አነስተኛና ጥቃቅን(መአጥ) ንግዶ ገቢ ላይ እየቀጠቡ ኖት ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም

63. መልሱ አዎ ከሆነ በገንዘብ(ብር) ሲገመት ምን ያህል ነው? ሳምንታዊ=......, ወርሃዊ=........., ዓመታዊ=...........
64. ቁጠባዎን የትና እንዴት ነው የሚያስቀምጡት? ሀ.የመንግስት ንግድ ባንክ ለ. የግል ባንክ ሐ, አነስተኛ የገንዘብ ተቋም መ. በግልሰቦች እጅ ሰ. እቤት ረ. ሌሎች ካሉ ይገለፅ:......
65. ወደ ፊት ቁጠባዎን ለምን ዓላማ ሊያውሉት አስበዋል)? ....

ሰ. ባለቤትነት፤ ውሳኔ ሰጪነት፤ ተነሳሽነትና አስተዋፅኦ

66. ከቁ/ብ/ኅ/ሠ/ማ ብድር ሲወስዱ መጀመሪያ ያነሳሳዎት ማነው? ሀ. ባል/ሚስት ለ. ዘመድ ሐ. የብ.ቁ ተቋም ሠራተኛ መ. የራሴ ተነሳሽነት ሰ. ሌሎች ካሉ ይጥቀሱ: ....
67. የተበደሩትን ወጪ ለማድረግ የሚወስነው ማነው? ሀ. ራሴ ለ ባል/ሚስት ሐ. እኔና ባሌ/ሚስቴ መ. የብ.ቁ.ተቋም ሠራተኛ ሰ. የቡድን አባላት ረ. እኔና ሌሎች አባላት ሠ. ሌሎች ካሉ ይጠቀስ፡ ....
68. ብድሩን በመጠቀም የእርሶ የመወሰን ደረጃ ምን ያህል ነው? .ሀ. ከባሌ/ከሚስቴ በላይ ለ. ከሚስት/ባል ጋር እኩል ሐ. ከባል/ሚስት በታች መ. እኔ ራሴ ብቻ
69. ብድሩን የማስተዳደር ሃላፊነት የማነው? ሀ. እኔ ብቻ ለ. ሚስት/ባል ሐ. እኔና ባሌ/ሚስቴ መ. ሌሎች/ይገለፅ
70. ለእርሶ አነስተኛና ጥቃቅን ንግድ መጠናከር ጉልህ የሆነ አስተዋፅኦ ያለው ሰው አለ? ሀ. አዎ ለ. አይደለም ሐ.መ.የለም
71. መልሱ አዎ ከሆነ ማነው? ....
72. መልሱ አዎ ከሆነ አስተዋፅኦው በምን ዓይነት መንገድ ነው? ....

ረ. የቴክኖሎጂ፤ ፖሊሲ እና የረጅም ጊዜ የዕድገት ዕቅድ

73. ገቢዎን ለማሳደግ ምን ዓይነት ቴክኖሎጂ ለመጠቀም አቅደዋል?...
74. የዚህን ንግድ ገቢ ለማሳደግ ምን ዓይነት ቴክኖሎጂ ወይም ልዩ አሠራር ጥቅም ላይ ቢውል አመቺ ነው ብለው ያስባሉ? ....
75. ለንግዶ ዕድገት የረዥም ጊዜ የዕድገት ዕቅድ ይዘዋል ወይ? ሀ. አዎ ለ. አይደለም ሐ መልስ የለም
76. መልሱ አዎ ከሆነ ዕቅዱ ምንድነው ?..
77. ወደ መካከለኛ፤ አነስተኛ ንግድ ደረጃ መቼ እሸጋገራለሁ ብለው ያስባሉ? ....
78. በካፒታል ወይም በገንዘብ መጠን ሲለካ ንግዶን ለማስፋት በሚቀጥሉት 5 ዓመታት ምን ያህል ይሆናል ብለው ያስባሉ)? ....(ብር)
79. ምን የዕድገት አማራጮች ተመልክተዋል?..
80. ምን ምን የዕድገት ችግሮች/ዕጥረቶች ተመልክተዋል? ....
81. ንግዶን ወደ ኋላ የሚጎትት የፖሊሲ ወይም የመንግሥት አሠራር ችግር ምንድነው ብለው ያስባሉ? ....

ሠ. የወጪ አጠቃቀም

82. ከንግድዎ ያገኙትን ገቢ ለምን ለምን አዋሉት፡፡ ለእያንዳንዱ በምን ያህል ወጪ (ብር) ?

ሀ. የንግድ ድርጅቴን ለማጠናከር ...... ለ. ለትምርትና ተዛማጅ : ...... ሐ. ለምግብ: ...... መ. ለህክምና: ...... ሰ. ለመሬት መግዣ: ...... ረ. ለሕንፃ/ለቤት ሥራ: .... ሠ. አዲስ የንግድ ድርጅት ለመክፈት: ...... ሸ/ ሌሎች ካሉ ይግለፁ:....................

83. ካገኙት የተጣራ ገቢ ውስጥ ለራስዎ/ለቤት ጥቅም አውለዋል ወይ? ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም
84. መልሱ አዎ ከሆነ ለቤት ወጪ የተጠቀሙበት የገንዘብ መጠን በወር ሲሰላ ምን ያህል ይሆናል? :............ብር
85. ለቤት ወጪ ምን ዓይነት ዕቃዎች/ እሴቶች ተጠቅመዋል? ሀ. ለምግብ ለ. የቤት ዕቃዎች ግዢ ሐ. የኩሽና ቤት ዕቃ መ. የትምህርት ዕቃ ሰ. የመድሃኒት ዕቃ ረ. ሌሎች ካሉ ይገለፅ........................

ሸ. ብድር መመለስ

86. ብድር መመለስ ላይ ያለ የጊዜ ርቀት ምን ያህል ነው? .... ብር
87. በእያንዳንዱ የክፍያ ጊዜ የሚከፍሉት የገንዘብ መጠን ምን ያህል ነው? ....ብር
88. በቤትዎ ውስጥ ብድር የመመለስ ሃላፊነት የማነው? ....
89. ብድሩን በመመለስ ላይ ችግሮች አጋጥሞት ያውቃል? ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም
90. መልሱ አዎ ከሆነ ምክንያቱን ይግለፁ: ....
91. በቅርቡ ከከፈሉት ሳምንታዊ የዕዳ ክፍያ ምንጩ ከየት ነው?...........................

92. ገቢዎን ከተጠቀሙ በኃላ እና የብድሩንም ዕዳ ከከፈሉ በኋላ በእጅዎ ምን ያህል ብር ቀረ?
   ሳምንታዊ..............ብር፤ ወርሃዊ...................... ብር፤ ዓመታዊ፡........................ ብር
93. በቢዝነሱ ወይም በንግዱ ሥራ ምክንያት አሁን ምን ያህል ገንዘብ በእጅዎ ወይም በባንክ አልዎት?...........ብር
94. በቢዝነሱ ወይም በንግዱ እንቅስቃሴ ምክንያት ያፈሩት ንብረት በገንዘብ ሲሰላ እንዲሁም የተጠቀሙበትና በጥሬ ገንዘብ በእጅ ያለ   አጠቃላይ ሃብት በድምሩ አንድ ላይ ምን ያህል ይሆናል? .... ብር

ቀ. የንግድ የምክር አገልግሎት

95. የንግድ/ ቢዝነስ የምክር አገልግሎት ወይም ሥልጠና አግኝተው ያውቃሉ? ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም
96. መልሱ አዎ ከሆነ ለምን ያህል ጊዜ የምክር አገልግሎት እና ሥልጠና አገኙ? ....
97. የተሰጥዎት የምክር አገልግሎት ለንግድዎ ወይም ለቢዝነስዎ አትራፊነት መጨመር ጠቃሚ ነው ብለው ያስባሉ ወይ?
   ሀ. አዎ ለ. አይደለም ሐ. መልሱ የለም