

INDIRA GANDHI NATIONAL OPEN UNIVERSITY

SCHOOL OF CONTINUING EDUCATION

MASTER OF ARTS IN RURAL DEVELOPMENT (MARD)

M.A. THESIS REPORT

ON

RURAL COMMUNITY EMPOWERMENT THROUGH SELF-HELP GROUP: THE CASE OF LAY GAYINT
WOREDA, AMHARA NATIONAL REGIONAL STATE, ETHIOPIA

THESIS REPORT SUBMITTED TO INDIRA GANDHI NATIONAL OPEN UNIVERSITY, ADDIS ABABA
COORDINATION OFFICE, ETHIOPIA IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR DEGREE OF
M.A. IN RURAL DEVELOPMENT

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SEPTEMBER 2011

ADDIS ABABA, ETHIOPIA

Acknowledgements

First and foremost, I would like to thank the Almighty God for giving me all things more than most throughout my study.

I am highly indebted my advisor, [Dr. Mengistu Huluka](#) for his unreserved support, useful advice and communication to complete this thesis. I have drawn great lessons from his constructive criticism and comments on each issue through ought this study and I am highly indebted to [Dr. Tekilu Tessefaye](#) for his great support and useful advice too.

I am a grateful to the Consistency teaching and learning processes of Indira Gandhi National Open University and to staffs of [St. Mary University College](#), Master Program for their innocent and fast services.

Finally, I would like to express my deep gratitude to my lovely wife [Tadelech Dessalegne](#) for her moral and material support for this study.

Acronyms

- BOE – Bureau of Education
- GDP – Gross Domestic Product
- REVIVE – Reducing Village Vulnerability
- HIBRET – Household Income Building and Rural Empowerment for Transformation
- ORDA – Organization for Rehabilitation and Development in Amhara
- SHGs – Self-Help Groups
- US – United State
- UK – United Kingdom
- HTP – Harmful Traditions and Practices

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Abstract

The present study is an attempt to analyze the role and performance of Self-Help Groups in promoting Rural Communities Empowerment in Lay Gayint Woreda, Amhara National Regional State, Ethiopia. The broad objective of the study is to analyze the economic, social and cultural status of Self-Help Groups as empowering rural communities.

The operational system of Self-Help Groups is for mobilization of group saving, delivery of loan to the members, management of group capital, repayment of loans, in building up leadership, establishing linkage with various actors and examines the social benefits derived by the members.

In order to collect and gather primary data, scheduled interviews, questionnaires and case stories were employed as methods and tools. In addition, secondary data was also collected from available documents along with the stated objectives of the paper. There are 830 Self-Help Groups with 12,000 members working in Lay Gayint Woreda particularly in the rural areas. Here the researcher has chosen 2 Self-Help Groups from each 4 sample Kebles (01, 09, 13 and 16) of the district. In total the study covers 8 Self-Help Groups with 80 (50% female) members, 16 (50% women) non-self-Help Group member respondents had been interviewed and 30 experts of the line offices had been targeted as key informants using questionnaires.

The study reveals that Self-Help Groups are acting as forums for socio-economic transformations of the rural communities. By the formation of Self-Help Groups, members could be diversified their sources of incomes and create loan accesses to engage themselves in various non-farm income generating schemes. Self-Help Group members have created the habits of savings, economic independence, self confidence, social cohesion, asset ownership, freedom from debt, additional employment. Thus, Self-Help Groups have served as community organizations for economic, social and cultural empowerment of the rural communities.

1. Background and Justifications

1.1. Introduction

Ethiopia is a country, which is richly endowed with huge manpower, arable land and natural resources. However, much of its potential is not yet exploited. To start with, out of 66% of its landmass which is believed to have the potential for agricultural development, only a quarter of this is exploited until now (MEDaC, 1999:145).

As boldly stated under the Structure of Agriculture in Ethiopia (MEDaC, 1999:145), the Ethiopian economy remains heavily dependent on agriculture, which accounts for about 45 percent of the Gross Domestic Products (GDP). An estimated 85% of the population gains its livelihood directly or indirectly from agricultural production.

The level of development of the manufacturing sector in Ethiopia is at its infancy; and the country's industrial base is very low. The share of intermediate and capital goods industry is very insignificant. The industrial sector is heavily dependent on imports of semi-processed goods, raw materials, spare -parts and fuel (MEDaC, 1999).

In the same reference, in addition to imported inputs, the factories depend upon backward and subsistence agriculture for their raw material demand. It is only fourteen years since Ethiopia began moving from a state run economy to the market economy. The country is in the process of taking various reform measures. The industries include food processing and beverages, automotive industries which include production of components and parts, textile and textile products and garments, leather and leather products, fertilizers (mini-Plant) and chemicals, drugs and pharmaceuticals are some among others.

On the other hand, Ethiopia is one of the major recipients of food aid countries in the continent in particular and in the world in general. Food shortages stem from low food production and lack of

income generating opportunities. Low food production is caused by many factors: small farming plots or no land, poor soil fertility, poor agricultural techniques and little extension services, mono-culture of common crops, lack of small-scale irrigation, natural disasters and lack of capital and access to micro credits for investments (Dejene and Mulate, 1995).

Most rural communities are forced to complement their agricultural work by a variety of non-farming activities for income generation in order to survive. However, non-farming income generating opportunities in the majority of the rural areas are limited because of low education, lack of skills, lack of local markets and access to markets outside the areas, and lack of capital, poor access to micro credit and lack of knowledge as regards how to start and manage a small scale enterprise (Wubitu Abera, 2005).

Many rural communities rely on loans from local moneylenders. The interest rate charged to them ranges from 10 to 20 percent per month. It is very common that the poor rural communities take these loans from local traders and religious institutions and have to repay them at harvest time when the grain prices are the lowest. This creates dependency on local lenders. Indebtedness is one of the major causes for asset sales and increasing discrepancies in the life qualities of the poorest. The poorest households don't even have access to loans from local money lenders because they are not trusted to repay (Wubitu Abera, 2005).

Parallel to the national scenario, the farming system in the study area in Lay Gayint Woreda, Amhara National Regional State, Ethiopia, is generally practiced under the conditions of limited land resources, low input, poor technology adoption, poor access to credit, less intensive extension services and poor soil and crop management. These critical factors have resulted in low production and productivity in the area of Lay Gayint as a whole (Eskinder, 2006).

Most rural communities have engaged in both agricultural and non-agricultural means of income generating schemes so as to overcome the hardships of their lives. Meanwhile, as Yetnayet (2006)

reported, the rural poor have been organized under Self-Help Groups to establish their own community organizations at village levels.

Self-Help Group is group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. The members should build their capital through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. The savings so collected will be the group capital or fund (CSSG's Training Manual, 2003).

The group capital or fund should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates. The members in the group meetings should take all the loaning decisions through participatory decision making process (Wubetu, 2005).

Thus, this study will be conducted to measure and analyze the economic, social and cultural empowerments of rural communities through Self-Help Groups.

1.2. Statement of the Problem

Reducing Village Vulnerability (REVIVE) and Household Income Building and Rural Empowerment for Transformation (HIBRET) projects have been launched by Organization for Rehabilitation and Development in Amhara (ORDA)/CARE Ethiopia in 2003 and 2005 respectively in Lay Gayint Woreda, Amhara National Regional State, Ethiopia.

REVIVE and HIBRET projects have focused to implement integrated rural development interventions to empower rural communities, particularly to improve members of Community Self-Help Saving and Loan Groups in economic, social and cultural status in rural areas of Lay Gayint. REVIVE and HIBRET Projects since 2003 to 2008, in all Kebeles of Lay Gayint Woreda over the six years, 830 Community Self-Help Saving and Loan Groups with above 12,000 members have been established.

ORDA/CARE Ethiopia facilitates the poorest households to organize their own self-Help Groups at village level and assists them with capacity building in the area of group formation, constitution development, goal set up, money management, leaders selection procedures, loan disbursement and reimbursement and matching funds to empower the members to access their right to livelihood through the running of their own self-Help schemes in an independent and sustainable way.

Indeed, from the mentioned realities of Lay Gayint Woreda in rural areas, the purpose of doing this thesis is entitled as “Rural Community Empowerment through Self-Help Groups: The Case of Lay Gayint Woreda, Amhara National Regional State, Ethiopia” is basically to answer the fundamental research question that have been stated as is the Community Self-Help Saving and Loan Group Empowering (economically, socially, and culturally) the local communities?

1.3. Objectives of the Research

The overall objective of the present study is to analyze the roles of Community Self-Help Saving and Loan Groups in empowering (economically, socially and culturally) local communities.

The specific objectives are stated as:

- To analyze roles, saving culture, levels of income and loan accesses of SHGs
- To realize the decision making processes, participation, attitudes towards the leaders, representation of the women, and initiation of membership of SHGs
- To analyze the extent of SHGs in reducing harmful traditions

1.4. Hypothesis of the Research

This research is going to be conducted in Lay Gayint to analyze about the economic, social and cultural empowerment status of Community Self-Help Saving and Loan Group members in the rural areas in general and specifically the following hypothesize question is being answered through analyzing data or facts.

- Is the Community Self-Help Saving and Loan Group Empowering (economically, socially, and culturally) the local communities?

1.5. Universe of the Study

The study shall be conducted in Lay Gayint Woreda, Amhara National Regional State, Ethiopia. In 29 Kebele of this Woreda, there are 830 Community Self-Help Saving and Loan Groups which have been established by the imitation of ORDA/CARE Ethiopia project office since 2003 to 2008. Among the 830 Community Self-Help Groups, 8 groups in four Kebeles will be taken as a sample for this study. Thus, this study is focused on the analysis of economic, social and cultural empowerment status of the members of Community Self-Help Saving and Loan Groups in the rural areas.

Under the economic empowerments, the role of Self-Help Groups, the financial capital accumulation processes of the groups, mechanisms of income diversifications, income levels of group members before and after membership and loan accesses to the group members shall be measured in this paper.

On the same approaches, participations of members of Community Self-Help Saving and Loan Groups, decisions making processes of members in Community Self-Help Saving and Loan Groups, attitudes of members towards the leaders; women representations in decision making positions and membership in Community Self-Help Saving and Loan Groups shall be analyzed under social empowerments.

On the other hand, harmful traditions and practices as evaluated by Community Self-Help Saving and Loan Groups will be measured and analyzed under the cultural empowerments of rural communities through Self-Help Groups.

1.6. Definition of Terms Used

Empowerment: as various literatures review resulted, there is no a clear definition of empowerment, even if, the definition of empowerment would depend upon the specific people and context involved, (Bailey, 1992). Thus, Bailey (1992), defines as empowerment as a multi-dimensional social process

that helps people gain control over their own lives. In this concept there is a process that fosters power in people for use in their own lives.

As Rappoport (1984) and Bailey (1992) had suggested in their definitions of empowerment, there are three components of empowerment. These are multi-dimensional, social, and a process. It is multi-dimensional in that it occurs within sociological, psychological, economic, and other dimensions. Empowerment also occurs at various levels, such as individual, group, and community.

Empowerment, by definition, is a social process, since it occurs in relationship to others. Empowerment is a process that is similar to a path or journey and in its definition, the process of empowerment fundamentally connected individuals and communities, (Rappoport, 1984, and Bailey, 1992).

Regarding the conceptual development of empowerment by Friere (1970), empowerment has strengthened in providing opportunities and resources for people to gain experiences and skills while they gain control over their lives.

While, Horton (1989) has emphasized as empowerment is a matter of providing opportunities, resources and supports that they need to become involved themselves unless, no one gives people power and no one make people empowered.

On the other hand, Kreisberg (1992) pointed out that empowerment is the possibility to allow power to mean domination, authority, influence and shared power or relationships.

Thomal, K.W. and Velthouse, B.A. (1990) stated that as empowerment has referred in increasing the spiritual, political, social, or economic strength of individuals and communities.

As Rowlands, Jo (1998) stated that empowerment refers to the processes of bringing about a transformation in all walks of the life of every individual and community.

On the other hand, the term empower means to enable, to allow, or to permit and can be viewed as both self-initiated and initiated by others. Empowering is an act of helping communities to build, develop,

and increase the power through cooperation, sharing, and working together. The power in empowerment comes from releasing the latent energy in the community and building collective actions for the common good, rather than from merely redistributing power from the haves to the have-nots (Manalili, 1990).

Economic Empowerments: it implies that the provisions of training and employment as well as engaging in income generating activities with both forward and backward linkages with the ultimate objective of making community economically independent and self-reliant, (Rowlands,Jo,1998).

On same essence, Rowlands, Jo (1998) underlined that economic empowerments would confer through policies onto economically deprived sections of the communities that improve the living standards and help in generating assets.

Social Empowerments: as Rowlands (1995) stated that social empowerment the removal of all existing social induced inequalities, disparities and other persisting problems besides providing easy accesses to basic minimum services. Social empowerment is thus not only about opening up accesses but also as able and entitled to occupy the decision making space as emphasized by Rowlands (1995).

Cultural Empowerments: that revolves around the beliefs, values, language, art, and customs which characterize the society. The cultural mores take more time to change and the cultural lag tends to slow down the empowerment processes (William Ogburn, 1964).

Self-Help Group: as Government of India (1995 and 1996) defined that Self-Help Group is an organization of the poor people at grass roots level meant to exploit their potential for their betterment. On the same manner, Self-Help Group is an organization of rural poor who have volunteered to organize themselves into this group for eradicating the poverty of its members as illustrated by Government of India (1998 and 1999).

Community: the concept of community comes from having something in common, common place, interest, distinction. Thus, the Bureau of the Census of the United States defines a rural community on the bases of the size and the density of population at a particular place (Redfield, Robert, 1956).

Community Empowerment: is a process through which communities gain control over matters that concern them most. On the other hand, community empowerment is multi-dimensional social processes that help people to gain control over their own lives (Kar et al, 1999).

2. Literature Review

2.1. Concept and Historical Development of SHGs

2.1.1. Concept of Self-Help Groups

As various research results showed, Self-Help Groups have been formed in both the developed and developing countries. One of the widely known definitions of Self-Help Groups is a product of a national workshop on Self-Help and public health that the United State (US) Surgeon General convened in 1987(Surgeon General Workshop, 1988).

At that workshop, a consensus of delegates provided a definition of Self-Help Groups as self-governing groups, whose members share a common concern and give each other emotional support and material aid, charge either no fee or only a small fee for membership, and place high value on experiential knowledge in the belief that it provides a special understanding of a situation. In addition to providing mutual support for their members, such groups may also be involved in information, education, material aid, and social advocacy in their communities (Surgeon General Workshop, 1988).

As Government of India (1995 and 1996) defined that Self-Help Group is an organization of the poor people at grass roots level meant to exploit their potential for their betterment. On the same manner, Self-Help Group is an organization of rural poor who have volunteered to organize themselves into this

group for eradicating the poverty of its members as illustrated by Government of India (1998 and 1999).

Self-Help Groups have "the right to define themselves, and to name themselves, to give voice to their experiences as valid" (Borkman, 1999). These rights are related to "the liberating meaning perspectives".

As well as Self-Help Groups are also inscribed as "Support Groups" as pointed out by some authors. Those groups are "professionally-led Self-Help groups". Thus, the terminology has now been standardized so that support group means a group in which the ultimate responsibility for group management lies not with group members but with supporting professionals (Kurtz, 1997). Whereas, as Kurtz stated that participants may also share their experiences and support each other.

Self-Help Groups are, in theory, member-owned and independent from professional control, however, this does not mean that they do not have relations with them. Successful Self-Help Groups work in close cooperation with related professionals. Another important development has been the "Self-Help Agency", which "provides services in exchange for fees (Borkman, 1999).

On the other hand, Shylendra, H.S (1993) conceptualized that Self-Help Group is formed with purposes of achieving common goals. It is not the random group of people who happen to be in the same space like a group of people watching a cricket match in a stadium. A group is a collectivity only if it works for specific purposes. Self-Help Group has a conscious and voluntary membership; the members abide by the rules and regulations of the organization.

Self-Help Group is an informal small group with the objective of enabling members to reap economic benefits and share group responsibilities. Self-Help Groups are characterized as small size, identical interests of members, flexible and responsive, requires simple documentation, collective leadership and responsibility, group solidarity, collective action and self-help (Grameen Bank of Bangladesh, 1975).

A Self-Help Group is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group (Abhaskumar Jha, 2000).

They have been recognized as useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor through thrift (V. M. Rao, 2002). Self-Help Group is a media for the development of saving habit among the women (S. Rajamohan, 2003).

2.1.2. Historical Development of Self-Help Groups

A. Self-Help Groups from International Perspectives

As widely stated, the first people in history to demonstrate the power of Self-Help Groups were alcoholics. Alcoholics Anonymous was started in 1935 to help "hopeless alcoholics" recover from alcoholism, something the medical profession had been unable to do. The power of self-help groups to help people suffering from other problems was not widely recognized until after World War II.

In the 1960s, civil right movements began to evolve in many developed countries, as people became aware of their collective power. These power-to-the-people movements provided avenues for the development of the self-help group movement (Vattano, 1972).

In Japan, people who had come to enjoy a free society welcomed "the peak of circle movements" in 1955 (Ôsawa, 1976), and, influenced by Western civil right movements, they promoted the establishment of similar movements.

In the 1970s, the emphasis moved from mass movements to small group movements in some countries. In Germany, people began to be more interested in their ordinary lives than in political abstractions (Moeller, 1978).

While in Japan, people with disabilities and chronic illnesses started to spend more energy on activities within their local communities rather than on political actions against the central government (Osa, 1991). Moreover, by mid-1970s welfare states were being challenged by criticism of their rising public expenditure and inefficiency, while international economic growth rates were declining due to rising oil prices (George 1995).

In North America, two edited books (Katz & Bender, 1976) and two journal issues (Borman, 1976) written by social scientists appeared which featured self-help groups. In 1977, in the United Kingdom (UK) and in 1978, in Germany and Belgium, research books on Self-Help Groups were published that were clearly influenced by the studies in North America (Moeller, 1978; Robinson, 1977) and in 1979, Japanese psychologists published a book on Self-Help Groups, and introduced the studies of North America to Japanese readers (Murayama, 1979).

In the 1980s, Self-Help support systems such as Self-Help clearinghouses, which provided information and referral services linking the public with the groups and assisted groups to develop, were established in North America and Germany (Oka, 1992; Wollert, 1987).

Indeed, it was at this point that these countries and Japan went their different ways. Although Japan had as many self-help groups as North America and Germany, it has never established any Self-Help clearinghouses with paid staff. Even today, Japan has only a few volunteer-based Self-Help clearinghouses and paid-staff-based clearinghouses catering to a limited client base, such as a women's clearinghouse (Oka, 1994).

In 1980, the Regional Office for Europe of the World Health Organization established a Copenhagen-based working group on self-help and health. This resulted in an international report on self-help (Hatch & Kibosh, 1983). In 1983, another international report was published which covered self-help groups in countries, including the UK, Germany, the US, Canada, and New Zealand (Pancoast, 1983).

As a result of this internationalization and other factors, in 1992 an international conference in Ottawa, Canada, attracted people not only from North America but also from Europe and East Asia. Two years later, the conference research committee (a Canadian, American, and an Israeli) edited a book published with papers from the conference including ones from Eastern Europe, Japan, Israel, and Hong Kong (Borkman, 1994).

In the 1990s, a new trend appeared: online self-help groups (Madara & White, 1997). Going on-line has contributed to the self-help group movement in the following ways: first, the Internet has made it much easier for people to communicate with each other especially those who are separated by great distances.

B. Historical Review of Self-Help Groups in South Asia

In South Asia, with its hierarchical society, instrumental approaches towards Self-Help prevail in Non-governmental Organizations and government. The utility of this approach is limited as self-Help Groups are unlikely to be sustainable and effective when steered from outside. Self-Help Groups are typical for individualistic societies with developed economic, social and cultural systems – they are less suitable for hierarchical societies with unmet demand for regulated livelihood situations. On the other sense, Self-Help Groups can help to achieve some degree of synergy between various actors and users.

The origin of Self-Help Group is from the brainchild of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. Self-Help Groups were started and formed in 1975 (Grameen Bank of Bangladesh, 1975). In India NABARD is initiated in 1986-87. But the real effort was taken after 1991-92 from the linkage of Self-Help Groups with the banks.

C. Historical Review of Self-Help Groups in Africa

The model was originally developed in Maradi, Niger, by CARE International in 1991 and has spread to 33 countries in Africa. In, 1991, CARE International in Niger had launched its first “Mata Masu Dubara”

(women on the move), or MMD, project in the Department of Maradi. The goal was to help women participants cope with the numerous responsibilities that they faced in a challenging economic and social environment (Yetnayet Girmaw, 2003).

This was to be done by providing training in crafts production and other small economic activities to increase household income. In addition, participants contributed individual savings to a loan fund, which, in turn, made small loans to group members. Soon this came to be the dominant activity and craft training was dropped, (Hugh Allen, 2005).

CARE International has successfully developed its Excellencies in implementation of Self-Help Saving groups in Zimbabwe, Tanzania, Uganda, Mali, Mozambique, Angola, Zambia, Kenya, Eritria and Ethiopia, (Hugh Allen, 2005).

The methodology, in various forms, is now used by CARE, CRS, Oxfam, Plan and the Aga Khan Foundation to provide entry-level financial services to people who are either too poor or living in places that are too remote to be availed of financial services by micro-finance institutions (Hugh Allen, 2005).

D. Historical Review of Self Help Groups in Ethiopia

In fact, the history of Self-Help Groups in Ethiopia dates way back. Indeed, like other African countries, CARE Ethiopia has also started to promote Community Self-Help Saving and Loan Groups in Ethiopia in the early 2000, (Wubitu Abere, 2005). This promotion was started in two National Regional states of Ethiopia that are Oromia (in five Woredas by CARE Ethiopia alone and in Amhara one Woreda (Lay Gayint) by Organization for Rehabilitation and Development in Amhara, Lay Gayint Project.

Organization for Rehabilitation and Development in Amhara (ORDA) has a development actor of the region, from 2004 has tried its best in promoting Self-Help schemes in Lay Gayint. At the beginning the organization, created awareness in rural Kebeles of the Woreda through community discussion and then after to develop curiosity Prepared filed tour program to CARE Ethiopia intervention areas

exchange experience with Self-Help Group members and relevant actors. ORDA makes easy the process, by assigning Self-Help Group advisors who have responsibilities in organizing and providing trainings for the group members.

In Lay Gayint, the Self-Help Groups were started in 2003 in seven Kebles of the Woreda and expanding into the 29 Kebles in the 2005 by ORDA/care Ethiopia. At present 830 groups with 12,000 members are functioning within 29 Kebles of the Woreda.

2.2. Values and Principles of Self-Help Groups

Literatures have not shown universal guidelines of principles set down that self-Help Groups have to have expected to adhere even if Self-Help Group is one form of member based organizations. There are recommended principles and values that Self-Help Groups have to be guided. While respecting these criteria as inviolable, it is important to allow the methodology to be adapted to local tradition, needs and norms (Hugh Allen, 2005):

The basic principles of the Self-Help Groups are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, members friendly loan, peer group pressure in repayment, skill training capacity building and empowerment.

Self-Help Groups are working in democratic manner. The upper limit of members in a group is restricted to 20. Among them, five of the members are selected as a group" leaders" and the rest are acting as members of general assembly of the groups. The advisor is selected by the communities. The group members meet twice every a month. They discuss about their economic, social and cultural issues in equal feet (Hugh Allen, 2005).

The groups have created a common fund by the members through their regular savings and they have a flexible working system and pool the resources in a democratic way.

Each group has its own periodical meeting and the decision making through group meeting can be delivered on economic, social and related issues. The loan amount is small and reasonable, so that easy to repay in time for the group members as well as the rate of interest is affordable, varying group to group and loan to loan.

The group should devise a code of conduct or group management norms to bind it. This should be in the form of regular meetings through weekly or fortnightly, functioning in a democratic manner, allowing free exchange of views, participation by the members in the decision making process. The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda.

The members should build their financial capital through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. The savings so collected will be the group capital or fund.

The group capital should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates.

The members in the group meetings should take all the loaning decisions through a participatory decision making process. The group should be able to priorities the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments from the loaner.

The group should maintain simple basic records such as Minutes book, Attendance register, Loan ledger, General ledger, Cash book and individual passbooks.

2.3. Roles of Self-Help Groups in Empowering Communities

2.3.1. Economic Empowerments

The poor pool their resources together in Self-Help Groups of their own creation; they can radically change their lives and their families and communities. Self-Help Group is a small economically

homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group (Abhaskumar Jha, 2000).

Furthermore, Self-Help Group is a useful tool to help the poor and as an alternative mechanism to meet the urgent credit needs of poor (V. M. Rao, 2002). On the other argument, Self-Help Group is a media for the development of saving habit among the women (S. Rajamohan, 2003).

There is another argument as Self-Help Groups can act as an entry point to implement income generation programs by collectively addressing entrepreneurial problems as argued by Women's Empowerment and Development, IGNOU (2004).

2.3.2. Social Empowerments

Self-Help Groups have valuable role in addressing the information, emotional and social support needs of the members. On the other hand, participating in Self-Help Groups enabling the members to learn new information and strategies for confronting problems and develop more self-confidence in coping with challenges. Self-Help Groups enhance the equality of status of the rural communities as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life (Ritu Jain, 2003).

As Batliwala (1993) described, it is difficult for one woman to bring major changes in society but "if whole groups of people demand change it is difficult to reject them together". In this regard, Self-Help Groups take collective actions to bring social change in society.

On the other way, William et al (1995) explained the benefits of organizing in a group as involved a sense of the whole being, greater than the sum of the individuals.

2.3.3. Cultural Empowerments

Harmful traditions and practices and inequalities of gender relations could be reduced through genuine community participations and dialogues in various community forums as illustrated by Declaration of UN (2000).

On the other argument, the existing culture takes more time to change; it tends to slow down the empowerment processes of the communities (William Ogburn, 1964). As Batliwala (1993) argued, even if, cultural empowerment is the part of socialization processes of the societies, it is difficult for one individual to bring major changes in society.

3. Methodology of the Research

3.1. Description of the Study Area

Lay Gayint is found in Amhara National Regional state in South Gondar administrative zone. It is geographically located at $10^{\circ}32' - 12^{\circ} 16' N$ latitude and $38^{\circ} 12' - 38^{\circ} 19' E$ longitude. It is 735 km far from Addis Ababa, the capital city of Ethiopia, to the north and 170 km far from Bahir Dar, the capital city of Amhara National Regional State, to the east. Nefas Mewicha is the main town of Lay Gayint Woreda.

The Woreda is sub-divided in to 29 predominantly rural and 4 urban Kebele for political administration purpose. The Woreda covers about 1320.31 km² with a wide variation of elevation ranging from 1300 – 4220m at sea level from the major river gorge of Tekeze to the highlands of Guna peak. Out of which 61% is cultivated land (used to grow annual and perennial crops), 20.7% is grazing land, 7.3% is covered with forest and bushes, and 11% is waste land and land used for other purposes.

The general topographic feature of the Woreda is more of ragged and mountainous. Agro climatically, the Woreda is divided in to four zones namely Frost, Highland, Midland, and Desert with an area of 7.6%, 39.4%, 45.4% and 7.6% respectively.

The mean annual rainfall of the Woreda is between 600mm to 1400 mm and it is characterized by high variability and uncertainty. The major crops grown in the area are Teff, Barley, wheat, potato, and Horse beans.

The present population of the Woreda, based on the 2004 population census, is projected to be 233,753 (118 262 male & 115 491 female) out of which 92% live in rural areas & 8% live in urban areas. About 92% of the economy of the people is directly or indirectly depends on mixed farming agriculture.

Lay Gayint Woreda is one of the typically food insecure Woredas of the region. The major reasons for food insecurity include: high population pressure, deforestation, soil erosion, fragment and unproductive land holding, erratic distribution of rainfall, crop and animal pest & disease.

In addition to traditional land use system, very limited use of irrigation water, backward production technology, lack of skilled man power, absence of diversified income source as well as poor physical infrastructure, especially in the rural community exacerbate the situation in the Woreda. The cropping system, crop options and focusing of annual crops would make monotype farming and less productive that contributes for poverty.

3.2. Sampling Techniques of the Research

This study aimed to examine Rural Community Empowerment through Community Self-Help Saving and Loan Groups by addressing three dimensions: Economic, Social and Cultural Empowerment.

In the first stage, among the 29 rural Kebles of the Woreda, 4 Kebeles were selected through random sampling method and in the second stage, from each Keble, two Self-Help Groups were identified through random methods and in the third stage, from each of the two groups, ten respondents had been chosen through systematic sampling method. On the stated premises, 80 members (50% women) of Self-Help Groups were interviewed for this study.

Moreover, to explore and triangulate the information, two women and two men non-members of Self-Help Groups in each sample Kebele were selected on random basis. Thus, a total of 16 (50% women) respondents had been interviewed.

In order to find out the opinion of the government and non-governmental staffs, Rural and Agricultural Development office, Cooperative office, Women Affairs office, Youth and Sport office, Administration office and ORDA Project Office will be targeted on purposive basis at Woreda level. Five experts of staffs from each office were selected. Thus, a total of 30 staffs of the Woreda offices had been consulted as key informants. As a whole, **126 respondents** were consulted for this study.

3.3. Data Collection: Tools and Procedures

To satisfy the stated objectives of this study and to find the answer to the research questions the different methods were used in the study such as secondary and primary data collection. This study used a combination of qualitative and quantitative research data collection methods.

3.3.1. Primary Data Collection

To explore information through primary data collection, 80 (50% women) members of Self-Help Groups, 16 (50% women) non-self-Help Group member respondents had been interviewed and 30 experts of the line offices had been targeted as key informants using questionnaires.

In addition to the interviews and questionnaires, case studies had been used as tool for primary data collection. For the purpose of case studies, 3 individuals were randomly selected and interviewed on their economic, social and cultural empowerment status after they joined Self-Help Groups. On the other hand, for the purposes of interview and questioner, closed-ended and standardized questions were developed.

3.3.2. Secondary Data Collection

The secondary data was collected from Woreda-level authorities, Kebele-level authorities and Self-Help Groups themselves including annual reports about socio-economic status of the group members and their performance and regarding their structure, constitutions, governing bodies, objectives and type of activities.

3.4. Data Processing

The completed interview schedules were scrutinized, verified, edited, and arranged serially. For coding three master-code sheets had been prepared. One for the data collected from Self-Help Group members, another for the data collected from staffs of line offices and non-members of Self-Help Groups. As well as the data were processed on computer through SPSS 16.0 software program.

4. Major Findings

4.1. Economic Empowerments

4.1.1. Introduction

The desirability of empowering communities to take care of their economic problems themselves has been raised since long. Often it is argued that self-help is an ingredient of rapid and sustainable economic development strategy with its focus on "peoples' that assures economic development in peoples' hands". The strong point could be its orientation towards action and progress in livelihood spheres in general and economic growth in particular. One of the core principles of Self-Help Groups is that it is the entry point for comprehensive economic development. This is reflected in the comprehensive and still up to date definition of self-help groups given by Katz & Bender 1976.

Self-Help Groups are voluntary and small group structures formed for mutual aid. They are usually formed by peers who have come together for mutual assistance in satisfying a common need,

overcoming a common handicap and bringing about desired social and economic transformations or livelihood changes.

Katz (1981) highlights that Self-Help Groups typically start from a condition of powerlessness and that the members spontaneously agree on engaging in some economic actions through their Self-Help Groups.

4.1.2. Self-Help Groups in Economic Spheres

In the literature review of this study, Hugh Allen (2005) had indicated that the major role of the Self-Help Groups is to promote savings, self-employment through engaging in income generating schemes and to provide credit for productive and household needs. This is true because many people in the study areas join the Self-Help Groups to promote savings, getting loan, and engaging in income generating schemes as self-employment to improve the quality of life of their households. In the study area all residents (100 %) had joined the Self-Help Groups to promote savings of the members, for getting loan access and for creating self-employment so as to improve their living status.

Indeed, the result of this study had also directly supported by the concept of Abhaskumar, Jha (2000) that had been stated in literature review as SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group.

4.1.3. Capital Accumulations

Throughout the stay of ORDA/CARE Ethiopia Lay Gayint project, People in the rural areas have organized their own Self-Help Groups to fulfill a need that is not met by existing economic systems. Self-Help Groups are engaging in capital accumulation through regular savings and they had diversified their

means of incomes and had empowered themselves and had participated in decision-making processes.

In this study as the Terminal Report of ORDA/CARE Ethiopia Project (2008) indicated, 830 Self-Help Groups have been organized with 12,000 (20 % female) members. Often in response to their economic stresses, they have accumulated a total capital of Birr 1.2 million. As shown in sampled SHGs in this study, all groups have regular savings once per month even if the saving amount depends upon the condition of each group. The regular saving is accomplished through cash contribution and 100% of the respondents have used the saving for the purpose of capital accumulation, creating loan accesses and social funds. As a consequence, 25% of the members of Self-Help Groups have accumulated saving capital of 5001-10,000 Birr and the rest, 75% of the group members, have accumulated above 10,000 Birr (Table 1).

Table 1: Saving capital of the Groups

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 5001-10,000 Birr	20	25.0	25.0	25.0
Above 10,000 Birr	60	75.0	75.0	100.0
Total	80	100.0	100.0	100.0

Source: SHG Members

In the literature review, the result of this study had been supported by value of SHG that had stated as the members should build their financial capital through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. The savings so collected will be the group capital or fund (Hugh Allen, 2005).

In addition to the point of Hugh Allen (2005), the poor pool their resources together in Self-Help Groups of their own creation; they can radically change their lives and their families and communities. Self-Help Group is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group (Abhaskumar Jha, 2000).

4.1.4. Diversifications of Income

Income is the major determinant of the standard of living of the people. The Self-Help Group members have diversified their means of incomes to increase the capital of the groups and their personal assets. As the empirical evidences are assured in this paper, Self-Help Group members had engaged in various income generating farm activities. Thus, 92.5% of the respondents were engaged in petty trades and wage labor.

Many Self-Help Group members are involved in economic activities individually or as groups. The group should be able to collect the minimum amount monthly from all members regularly. The savings so collected will be the group fund. As this study is pointed out, 92.6 % of the group capital is obtained from regular savings of the members by engaging in wage labor and petty trade (Table 2).

Tale 2: Sources of Regular Saving

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Engaging in wage labor	1	1.2	1.2	1.2
Engaging in petty trade	5	6.2	6.2	6.2
Contribution of all	74	92.6	92.6	92.6
Total	80	100.0	100.0	100.0

Source: SHG Members

There is another argument that indicated in literature review as Self-Help Groups can act as an entry point to implement income generation programs by collectively addressing entrepreneurial problems as argued by Women's Empowerment and Development, IGNOU (2004).

4.1.5. Level of Income

Income is the major critical factor for improving the quality of living of the people. The Self-Help Group members' income has been increased after joining the groups. Hence, the individual annual income of the group had increased after joining the group. Accordingly, 66.2% of the members have earned above 10,000 Birr of annual income after membership in SHG. Therefore, the group members were economically better of the SHG scheme had in the increase of their household income (Table 3).

Table 3: Income

Before Membership			After Membership		
Level of Income	Frequency	%	Level of Income	Frequency	%
Valid Less than 5000 Birr	16	20.0	Less than 5000 Birr	2	2.5
5000-10,000 Birr	61	76.2	5000-10,000 Birr	25	31.2
Above 10,000 Birr	3	3.8	Above 10,000 Birr	53	66.2
Total	80	100.0	Total	80	100.0

Source: SHG Members

4.1.6. Loan Accesses

The group fund should be used to advance loan to members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates.

As a rule, the members in the group meetings should take all the loaning decisions through participatory decision making process. Thus, the group should be able to prioritize the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments from the loan takers.

One of the reasons for joining Self-Help Groups is to avail loan accesses as it is illustrated in the present study area. Credit organizations like Rural Micro Finances, Saving and Credit Cooperatives and Primary Agricultural Cooperatives are not fully providing credit services to poor farmers. As a result, poor farmers are forced to take loan from local money lenders.

In this study, 12.5% and 60.0% of the respondents have got loan accesses from local lenders and rural finance institutions respectively. Mostly village money lenders provide loan with very high rate of interest. In this situation Self-Help Groups are the boon to the rural people, because instead of approaching various credit institutions and local lenders, Self-Help Groups could easily provide credit services to members of the scheme with reasonable interest rate (Table 4).

Table 4: Previous Loan Accesses Before Membership

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Local Lender	10	12.5	12.5	12.5
Development Bank	22	27.5	27.5	27.5
Rural Finance	48	60	60	60
Total	80	100.0	100.0	100.0

Source: SHG Members

In the study area the prevailing interest rate is 1% to 6% but it varies from group to group. All members are responsible to repay the loan to the groups. All members had repaid the loan in time. So, repayment

was very easy to Self-Help Group with-out complicated procedures. Almost all members in the study area were obtained loan from their Self-Help Groups (Table 5).

Table 5: Loan Accesses to Members

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very often	20	25.0	25.0	25.0
Sometimes	60	75.0	75.0	75.0
Total	80	100.0	100.0	100.0

Source: SHG Members

The result of this study under loan access had related with the concept that had been widely stated in literature review as the group capital should be used to advance loans to the members. The group should develop financial management norms covering the loan sanction procedure, repayment schedule and interest rates. The members in the group meetings should take all the loaning decisions through a participatory decision making process. The group should be able to priorities the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan installments from the loaner (Hugh Allen, 2005).

Box-1: Case Story

Serving as a Road Map

Temamen is one of the 31 SHGs in Kebele 13. It consists of 10 women and 10 men members. This group has been established at the beginning of 2005. Their average saving amount is 10 Birr per month per member. By now, *Temamen* has accumulated 45,000 Birr and the members are engaged in farm and non-farm income generating schemes.

Among the members, six of the members bought tailoring machines by taking loan from their group capital. The rest of the members of the group are participating in grain trade within and outside the

district. They had vision of getting engaged in bread baking and distribution business.

The group members stated that we have opened our eyes, today and onwards, no one discontinues saving. This group has always served us as a road map for economic transformations within a defined period of time.

4.2. Social Empowerments

4.2.1. Introduction

Self-Help Groups could create a basic enabling environment for a stable socialization processes and functioning basic social issues to the system of existing status quo. This scheme is offering a minimum standard of quality services through decentralized and democratic approaches. As this study is realized, Self-Help Groups can help to achieve a sort of synergy between group members. Self-Help Groups are a fulcrum for equity and justice in the processes of social transformations (Ritu Jain, 2003).

4.2.2. Participation of Self-Help Groups

SHGs have regular saving meeting (s) once or twice per month. In their regular meetings, the members have conducted discussions on economic, social and cultural issues as 100% of the SHG members responded in this study.

All issues have been discussed through democratic manner and there is no unanimity in decision making process among the members. As all (100%) respondents assured, each event carried out by the group was fully participatory and no external influences on each individual.

The result of this study is supported by the values of SHG that had been illustrated in literature review as Self-Help Groups have valuable role in addressing the information, emotional and social support needs of the members. On the other hand, participating in Self-Help Groups enabling the members to learn

new information and strategies for confronting problems and develop more self-confidence in coping with challenges. Self-Help Groups enhance the equality of status of the rural communities as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life (Ritu Jain, 2003).

4.2.3. Decision Making Processes

As Katz (1981) stated that Self-Help Groups are voluntarily established and they are foray of democratic interactions. The initiators and members of such groups perceive that their needs are being met by their Self-Help Groups at equal level. Thus, Self-Help Groups emphasize face-to-face social interactions. This kind of communication could create enabling environment for genuine participations of members through their groups as this study is pointed out. The group should devise a code of conduct to bind itself. This should be in the form of regular meetings functioning in a democratic manner, allowing free exchange of views, equal participation by members in the decision making process.

The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda. In this instance, 100% of the respondents had assured as it was participatory and democratic (Table 6).

Table 6: Decisions Making in SHG

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Participatory	80	100.0	100.0	100.0
Democratic	80	100.0	100.0	100.0

Sources: SHG Members

In literature review of this study, the above result had supported by the idea of SHG is a process through which communities gain control over matters that concern them most. On the other hand, community decision making process is multi-dimensional social processes that help people to gain control over their own lives (Kar et al, 1999).

On the other hand, Rowlands (1995) stated that social empowerment is the removal of all existing social induced inequalities, disparities and other persisting problems besides providing easy accesses to basic minimum services. Social empowerment is thus not only about opening up accesses but also as able and entitled to occupy the decision making space.

4.2.4. Attitudes of Members towards the Leaders

In SHG, there is a kind of social glue among members. SHGs groups are those in which members are attached to each other and act as one unit. They have a collective identity and make collective decisions along the constitutions of the groups and they experience a moral bond and a desire to remain part of the group members forever. SHG members then share a sense of purpose, working together on a meaningful task through structured and institutional pattern of communication (Grameen Bank of Bangladesh, 1975) as indicated in literature review. These kinds of social interactions could be able to create equal social status among members and between the members and the leaders of the groups. This fact in the study area was also realized that by 100% of the respondents as the attitudes of the members to the leaders were very encouraging.

4.2.5. Representation of Women in Decision Making Positions

Self-Help Groups can act as an entry point to implement diversified programs by collectively addressing problems for Women Empowerment and Development (IGNOU, 2004). Likewise, regarding the conceptual development of empowerment by Friere (1970), empowerment has strengthened in providing opportunities and resources for women to gain experiences and skills while they gain control over their lives.

In this study area, all 100% of the respondents stated that in each Self-Help Group women were participating as members and had been represented in decision making Process in equal manner as the men.

4.2.6. Membership

As ORDA/CARE Annual Report 2008 shown, there were 12,000 members who had been organized in 830 SHGs in all rural areas of the Woreda. From out of the total members of the groups, only 20% are females and the rest, 80% are males. Indeed, SHGs have been organized as male, female and mixed groups based on the preferences of the members as the terminal report of ORDA/CARE 2008 widely stated. As this study explored, 11.21% are women groups, 30.36% are mixed and the rest 58.43% are men groups from the total of 830 SHGs (Table 7).

Table 7: Number of SHG at Woreda Level

SHG Type	Established SHG		SHG Members		
	Group Number	Valid %	Total	Male	Female
Male	485	58.43	5100	5100	0
Women	93	11.21	1860	0	1860
Mixed	252	30.36	5040	4500	540
Total	830	100	12000 (100%)	9600 (80%)	2400 (20%)

Source: ORDA/CARE Annual Report 2008

As this study had indicated, 73.75% of the members are aged from 25-49 years of old, whereas, from the perspective of education, the literate and illiterate members are almost equal (48.75% and 51.25%, are literate and illiterate respectively). On the other hand, as this study assured, among the members of the groups, 71.25% are coupled and 28.75% are singled (Table 8).

Table 8: Age and Education Status of SHG Members

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Age				
14-24 years	10	12.5	12.5	12.5
25-49 years	59	73.75	73.75	73.5
50-60 years	7	8.75	8.75	8.75
Above 60 years	4	5	5	5
Education				
Literate	39	48.75	48.75	48.75
Illiterate	41	51.25	51.25	51.25
Marital Status				
Coupled	57	71.25	71.25	71.25
Single	23	28.75	28.75	28.75

Source: SHG Members

By taking the above facts into consideration, these SHGs were organized through self-initiations and full participations of the members at village levels. In the study areas, the research result have shown that 87.5% the members have been organized to SHGs in their own interest and believes (Table 9).

Table 9: Initiation to participate in SHG

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Kebele Leaders	10	12.5	12.5	12.5
Self-Initiative	70	87.5	87.5	87.5
Total	80	100.0	100.0	100.0

Source: SHG members

Box-2: Case Story

Sadness is Away from Me

Tesefanew saving and loan group is found in Kebele 09. It was organized at the end of year 2006 with 15 (female) members. As a group, they have accumulated about 20,000 Birr as their common capital

through regular savings from their members.

Ato Mekerie is one of the members of Teseфанw saving and loan group. And Mekerie's house had been burned by unknown case in the first week of May 2008. The members decided to support their colleague. Then, they constructed corrugated house by contributing their labor, money and materials for their member.

Mekeries said that thanks to my saving and loan group members, I do not feel sad. They shared my problem on time.

4.3. Cultural Empowerments

4.3.1. Introduction

As indicated in the literature review, Batliwala (1993) argued that even if cultural empowerment is part of socialization processes of societies, it is difficult for one individual to bring major changes in society. SHG plays significantly to foster socio-economic and cultural transformations through equally based interactions among members as shown in this study.

4.3.2. Harmful Traditions and Practices

The Amhara National Regional State Education Bureau (2008) in its study had indicated that Harmful Traditions and Practices (HTP) are widespread in the country. In Ethiopia and thus more than 74% of Ethiopian women have been subjected to considerable health risks to them. Early marriage, abduction for marriage and rape are also a serious problem that affects girls' educations, putting their lives at risk and leaving them with few opportunities to make and act according to their wish. On the same scenario, a population Council study found that 74.4% of girls in Amhara were married by the age of 18 that 64.1% of girls whose ages 15 and above are suffered from illiteracy (BOE, 2005).

Indeed, in the study area, the stated harmful traditions and practices are common as 100% of the respondents had realized. To tackle and reduce these traditions and practices, SHGs are the critical tools as 100% of the respondents assured.

Box-3: Case Story

No More Taboos

Edele saving and loan group is found in Kebele 01. This group was established at the end of March 2006 with 19 (8 female) members. The members of this group have included strategies to avoid harmful traditions and practices in their constitutions. In 2007, on January, one of their group members, Ato Amare Agegne married a 15 years old girl with security. During their monthly regular saving meeting, Ato Amare is excluded from the group membership. *The whole members of Edele Saving and Loan Group members assured that no more taboos in our institution.*

5. Conclusions and Recommendations

5.1. Conclusions

It was argued that Self-Help Group was an ingredient of rapid and sustainable economic development strategy with its focus on peoples that assures economic development in peoples' hands. The strong point could be its orientation towards action and progress in livelihood spheres in general and economic growth in particular.

Self-Help Groups were voluntary and small group structures formed for mutual aid. They were usually formed by peers who have come together for mutual assistance in satisfying a common need, overcoming a common handicap and bringing about desired social and economic transformations or livelihood changes.

In the study area all residents had joined the Self-Help Groups to promote savings of the members, for getting loan access and for creating self-employment so as to improve their living status. All groups had regular savings once per month even if the saving amount depends upon the condition of each group. The regular saving was accomplished through cash contribution and had been used the savings for the purpose of capital accumulation, creating loan accesses and social funds.

Self-Help Groups could act as an entry point to implement income generation programs by collectively addressing entrepreneurial problems as argued by Women's Empowerment and Development. Income is the major critical factor for improving the quality of living of the people. The Self-Help Group members' income had been increased after joining the groups. Hence, the individual annual income of the group had increased after joining the group. Accordingly, the members have earned highly encouraging of annual income after membership in SHG. Therefore, the group members were economically better of the SHG scheme had in the increase of their household income.

In this study, members had got their previous loan accesses from local lenders and rural finance institutions respectively. Mostly village money lenders provide loan with very high rate of interest. In this situation Self-Help Groups were the boon to the rural people, because instead of approaching various credit institutions and local lenders, Self-Help Groups could easily provide credit services to members of the scheme with reasonable interest rate

Self-Help Groups could create a basic enabling environment for a stable socialization processes and functioning basic social issues to the system of existing status quo. This scheme is offering a minimum standard of quality services through decentralized and democratic approaches. It is realized that Self-Help Groups can help to achieve a sort of synergy between group members and therefore, Self-Help Groups are a fulcrum for equity and justice in the processes of social transformations.

Self-Help Groups could act as an entry point to implement diversified programs by collectively addressing problems for Women Empowerment and Development. Likewise, regarding the conceptual

development of empowerment, empowerment has strengthened in providing opportunities and resources for women to gain experiences and skills while they gain control over their lives.

There were attempts to appreciate the concept of Self-Help Schemes through time and Self-Help Groups were being prescribed to alleviate the effects of a utilitarian /top down approach to priority setting in the economic, social and cultural sectors of the disadvantaged rural communities. SHG played significantly to foster socio-economic and cultural transformations through equally based interactions among members as shown in this study.

Therefore, the **findings** of this study proved that the **Community Self-Help saving and Loan Group** had **Empowered (economically, socially, and culturally) the local communities** in the study area.

5.2. Recommendations

- It is advisable to use SHG as an approach for Household Income Building and Rural Empowerment for Transformation at grass-root level.
- To implement integrated rural development interventions to empower rural communities, particularly to improve members of Community Self-Help Saving and Loan Groups in economic, social and cultural status in rural areas, SHG is more appropriate more than most
- Various development organizations should facilitate the poorest households to organize their own self-Help Groups at village level and assists them with capacity building in the area of group formation, constitution development, goal set up, money management, leaders selection procedures, loan disbursement and reimbursement and matching funds to empower the members to access their right to livelihood through the running of their own self-Help schemes in an independent and sustainable way.
- SHG is used as an entry point for any community based development, then, concerned government and non-government bodies should lobby the appropriateness of its approach.

- Other professionals and development bodies should use the result of this study as initial point for further research work.

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Annex

Annex -1. Tools for Data Collections

1. Tools for Data Collections

1.1. Interview Schedule for Self-Help Group Members

Section-1: Personal Information

1.1. Name of Interviewee: _____, Keble _____

1.2. Age (year): A/ 14-24 B/ 25-49 C/ 50-60 D/ Above 60

1.3. Sex: A/ Male B/ Female

1.4. Marital Status: A/ coupled B/ Single C/ Divorced

1.5. Education level: A/Literate B/ Illiterate

Section-2: Economic Empowerments

2.1. Role of Self-Help Groups

Q1. Obviously, you are the member of Self-Help Group, and then, what are the roles of Self-Help Groups in economic spheres?

A/Saving and Loan taking B/Engaging in alternative income generating activities

C/ Create self-employments D/All E/ any others

2.2. Capital Accumulation

Q1. Do you have regular saving in your group? A/Yes B/ No

Q2. If yes, how often do your group members save money per month?

A/ Once per month B/ Twice per month C/ Once per a week

Q3. If yes, what is the saving amount per member per month in your Self-Help Group?

A/ One Birr B/ Two Birr C/ Three Birr D/ Four Birr E/ Five Birr F/ any other

Q4. If yes, in what form do you save?

A/ Sometimes through cash B/ Always through cash C/ Sometimes through kinds D/ Always through kinds E/ All F/ any others

Q5. If yes, for what purposes do you save in your Self-Help Group?

A/ Capital accumulation B/ Creating loan access to members C/ Social fund D/ All E/ any others

Q6. What is the accumulated capital of your group?

A/ Less than 1000 Birr B/ 1001-5000 Birr C/ 5001-10,000 Birr D/ Above 10,000 Birr

Q7. What is the source for your regular monthly saving?

A/ Through selling of assets B/ Engaging in wage labor C/ Engaging in petty trade D/ All E/ any others

2.3. Income Diversification

Q1. Are you involved in income generating activities? A/ Yes B/ No

Q2. If yes, in which kind of income generating activities did you engage?

A/ Petty trade B/ Masonry C/ Carpentry D/ All E/ any others

Q3. Is your group as a group involved in income generating schemes? A/ Yes B/ No

Q4. If yes, to what extent do your group itself involve in income generating activities?

A/ To a great extent B/ to some extent C/ Hardly

2.4. Income Levels of Group Members

Before membership	After membership
Less than 5000 Birr	Less than 5000Birr
5001-10,000	5001-10,000
Above 10,000 Birr	Above 10,000 Birr

2.5. Loan Access

Q1. Do you take loan from your Self-Help Group?

A/ Yes B/No

Q2.If yes, how often do the Self-Help Group members take loan?

A/Very often B/Sometimes C/Rarely

Q3.If yes, for what purposes do you take loan?

A/To buy live assets B/to buy agricultural inputs C/to cover household fees D/All E/any others

Q4. If yes, what is the interest rate of the loan in the case of your group?

A/1%-2% B/3%-4% C/5% -6% D/Above 6%

Q5.What is the safety mechanisms for the defaults of loan?

A/Saving capital B/Household assets as collateral C/Group members D/ A and C E/ any others

Q6.What was your previous loan access?

A/Local lender B/Development Banks C/Rural finance institution D/ A and C

Q7.What is the % of the group capital is given as loan for the members?

A/10-20% B/20-50% C/50-75% D/75-100% E/ any others

Section-3: Social Empowerments

3.1. Participation of Self-Help Group Members

Q1. Do you have regular meeting through your Self-Help Group?

A/Yes B/No

Q2. If yes, what is the nature of the meeting?

A/Participatory B/Partially participatory C/Non participatory

Q3. If yes, how often do you attend these group meetings?

A/Regularly B/Sometimes C/Hardily ever

Q4. What is the focus area of the issues of the meetings?

A/Economic issues B/Social issues C/Cultural issues D/All E/any others

3.2. Decisions Making Processes

Q1. How frequently is the group members unanimous in decision making?

A/Always B/Often C/Rarely

Q2. To what extent do external actors exercise their influences in decision making?

A/To a great extent B/to some extent C/Hardily any

Q3. To what extent do you feel that your participation makes some contribution in strengthen of your group?

A/To a great extent B/to some extent C/Hardily makes any difference

Q4. Do you think that people organizations are necessary in promoting empowerment?

A/Necessary B/Not necessary

Q5. To what extent do you think that Self-Help Group functions democratically?

A/To a great extent B/to some extent C/Hardly

3.3. Attitudes of Group Members towards the Leaders

Q1. What is the attitude of Self-Help Group members towards the group leaders?

A/Very encouraging B/Somewhat encouraging C/Discouraging

3.4. Representation of Women in Decision Making Positions

Q1. Are there women members in your group? A/ Yes B/ No

Q2. If yes, how often do women group members find in leader position in each Self-Help Scheme?

A/Always B/Sometimes C/Rarely

3.5. Membership

Q1. Who initiated you to participate in Self-Help Group?

A/Keble leaders B/Community workers C/Self-initiatives D/All E/ any others

Section-4: Cultural Empowerments

4.1. Harmful Traditions and Practices

Q1. Are there any harmful traditions and practices in your Keble? A/ Yes B/ No

Q2. If yes, what is the extent of Self-Help Groups in reducing harmful traditions and practices?

A/Highly significant B/Somewhat significant C/Not at all significant

1.2. Interview Schedule for Non-members of Self-Help Groups

Section-1: Personal Information

1.1. Name of the Interviewee: _____ Keble _____

1.2. Age (year): A/ 14-24 B/ 25-49 C/ 50-60 D/ Above 60

1.3. Sex: A/ Male B/ Female

1.4. Marital Status: A/ Married B/Single C/ Divorced

1.5. Education level: A/Literate B/Illiterate

1.6. Family Annual income A/ Less than 5000 Birr B/ 5001-6000 Birr C/above 6000 Birr

Section-2: Economic Empowerments

Q1. Do you have information about Self-Help Groups?

A/ Yes B/ No

Q2.If yes, what are the roles of Self-Help Groups?

A/Saving and Loan taking B/Engaging in alternative income generating activities C/Tackling harmful traditions and practices D/ All E/ any others

Q3. Why did not you have involved through Self-Help Groups?

A/ Lack of information B/ Lack of monthly saving C/Poor functions of Self-Help Groups D/ Any Others

Q4. What are the sources of loan for you?

A/Local lender B/Development Banks C/Rural finance institution D/A and C

Section-3: Social Empowerments

Q1. Do you participate in any meetings? A/ Yes B/ No

Q2. If yes, in what type of meetings do you participate?

A/ Cooperatives B/ Keble meetings C/others Religious meetings D/ B and C

Q3. If yes, what is the focus area of the issues of the meetings?

A/Economic issues B/Social issues C/Cultural issues D/All E/any others

Q4. If yes, to what extent do external actors exercise their influences in decision making?

A/To a great extent B/to some extent C/Hardily any D/No more information

Q5. Do you think that Self-Help Groups are necessary in promoting empowerment?

A/Necessary B/Not necessary C/No More information

Q6. What is your attitude towards self-Help Group?

A/Very positive B/Somewhat positive C/Negative D/No more information

Q7. To what extent do you think that Self-Help Group functions democratically?

A/To a great extent B/to some extent C/Hardily D/No more information

Q8. To what extent do Self-Help Groups contribute to the participation of members than other community organizations in your understanding?

A/To a great extent B/to some extent C/Indifferent D/No more information

Section-4: Cultural Empowerments

Q1. Are there harmful traditions and practice? A/ Yes B/ No

Q2.What is the extent of Self-Help Groups in reducing harmful traditions and practices?

A/Highly significant B/Somewhat significant C /Not at all significant D/No more information

1.3. Questionnaires Schedule for Staffs of Line Offices

Section-1: Personal Information

1.1. Name of Interviewee: _____

1.2. Age (year): A/ 18-24 B/ 25- 49 C/50-60 D/ above 60

1.3. Sex: A/ Male B/ Female

1.4. Organization: _____

1.5. Position: _____

Section-2: Economic Empowerments

2.1. Roles of Self-Help Groups

Q1. Did you aware about Self-Help Groups? A/ Yes B/ No

Q2. If yes, what are the roles of Self-Help Groups in economic spheres?

A/Saving and Loan taking B/Engaging in alternative income generating activities C/ Self-
employments

E/All

2.2. Capital Accumulations

Q1. Do Self-Help Groups have regular savings? A/ Yes B/ No

Q2. If yes, what are the purposes of saving?

A/ Capital accumulation B/ Creating loan access to members C/ Social fund D/ All E/ any others

Q3. If yes, what are the common sources for regular monthly saving of the groups in each Keble?

A/Through selling of other assets B/Engaging in wage labor C/Engaging in petty trade D/All E/ any others

2.3. Income Diversification

Q1. Do you know as group members involve in income generating activities? A/Yes B/ No

Q2.If yes, in which kind of income generating activities do Self-Help Groups engage?

A/Petty trade B/Masonry C/Carpentry D/All E/ any others

Q3. What is the contribution of your organization for Self-Help Groups?

A/Through providing training B/Through organizing groups C/Through loan providing D/All
F/any others

2.4. Loan Accesses

Q1. Do group members participate through taking of loan from their Self-Help Groups?

A/ Yes B/No

Q2. If yes, how often do the Self-Help Group members take loan?

A/Very often B/Sometimes C/Rarely

Q3.If yes, for what purposes do they take loan?

A/To buy live assets B/to buy agricultural inputs C/to cover household fees D/All E/any others

Q4.What is the safety mechanisms for the defaults of loan of the groups?

A/Saving capital B/Household assets as collateral C/Group members D/ A and C E/ any others

Q5. What was the previous loan access to the group members in rural Kebles?

A/Local lender B/Development Banks C/Rural finance institution D/A and C

Section-3: Social Empowerments

3.1. Participation of Self-Help Group Members

Q1. Do members have regular meeting through their Self-Help Groups?

A/Yes B/No

Q2. If yes, what is the nature of the meeting?

A/Participatory B/Partially participatory C/Non participatory

Q3. If yes, how often do members attend these group meetings?

A/Regularly B/Sometimes C/Hardily ever

Q4. If yes, what is the focus area of the issues of the meetings?

A/Economic issues B/Social issues C/Cultural issues D/All E/any others

3.2. Decisions Making Processes

Q1. Do you know about the decisions making processes of the groups? A/ Yes B/ No

Q2. If Yes, what do you think the decision making body in the group level meetings?

A/Group members B/Group leaders C/Influential members of the group D/Men members of the group E/Women members of the group F/any others

Q3.If yes, what is your opinion about the involvement of various actors in the developmental process of Self-Help Groups?

A/Helpful B/Harmful C/Do not know D/any issues

3.3. Representation of Women in Decision Making Positions

Q1.How often does women group members find in leader positions in each Self-Help Scheme?

A/Always B/Sometimes C/Rarely

Q2.Do you think that Self-Help Groups are necessary in promoting women empowerment?

A/Yes B/No

Q3. If yes, to what extent do Self-Help Groups contribute to the participation of women members than other community organizations?

A/To a great extent B/to some extent C/Indifferent

Section-4: Cultural Empowerments

4.1. Harmful Traditions and Practices

Q1. Are there harmful traditions and practices? A/ Yes B/ No

Q2. If yes, what is the extent of Self-Help Groups in reducing harmful traditions and practices?

A/Highly significant B/Somewhat significant C/Not at all significant