



Indira Gandhi National Open University School of Social Work

Maidan Garhi, New Delhi

**Poor women and their Social Capital: An Exploratory Study of the Village
Saving and Loan Groups' Contribution to Women's Empowerment in
Ethiopia, West Harergie**

A Thesis

**Submitted to Indra Gandhi National Open University in partial fulfillment of the
requirement for the degree of Master of Arts in Social Work**

By

WOSENE ASSEFIE

Enrollment Number: 1051169

October, 2014

Addis Ababa, Ethiopia

List of Abbreviations

CARE – Cooperative for Assistance and Relief Everywhere

CBO - Community Based Organization

IGA- Income Generating Activity

NGO - Non-Governmental Organization

PA – Peasant Association

PSNP – Productive Safety Net Program

SHG - Self Help Group

VSLA – Village Saving and Loan Approach

VSLG - Village Saving and Loan Group

Table of Contents

List of Abbreviations	1
Acknowledgement	5
Abstract	6
CHAPTER ONE: INTERODUCTION	7
1.1. Background of the Study	7
1.2. Statement of the Problem	9
1.3. Objectives of the Study	10
1.4. Significance of the Study.....	10
1.5. Research Questions	11
1.6. Limitation of the Study	12
CHAPTER TWO - LITRATURE REVIEW	13
2.1. Village Saving and Loan Association: How the Methodology Works?.....	13
2.2. Women Empowerment	13
2.3. Village Saving and Loan Schemes and Women’s Empowerment.....	15
2.4. Social Capital and Involvement in Groups	15
2.5. Participation and Decision Making of Poor Women	17
CHAPTER THREE: RESEARCH METHODS.....	19
3.1. Research Design	19
3.2. Research Area	19
3.3. Sampling Techniques and Procedures	20

3.4. Data Collection Techniques and Procedures	20
3.5. Data Analysis Process	21
3.6. Ethical Considerations	22
CHAPTER FOUR: RESULTS AND DISCUSSIONS	23
4.1. General Background Information of the Respondents	23
4.2. Contribution of Saving and Loan Groups	24
4.3. Discussion	31
4.4. Summary and Conclusion	37
4.5. Implication for Social Work Practice	39
References	41
APPENDIX 1	43

List of Table/s

Table 1.1. The Background Information of Participants 23

Acknowledgments

I would like to thank my advisor Habtamu for his endless effort throughout the process of this study and for his valuable advice gave to me.

There are many other people who have contributed for the realization of this paper I thank all of them. Above all, I thank the Almighty God, my mother W /r Fentaye Yimer and my father Mr. Assefie Tareke, for helping me to go through the master's program with success.

Abstract

Village savings and Loan groups are increasing as a source of socio-economic empowerment for poor women in Ethiopia. However, saving and loan services alone are not sufficient as the status and participation of women in various aspects is very limited. Little is known how the saving and loan groups help women's decision making power and their participation both in the family and community, and how did village saving and loan groups help women their social functioning. Hence, the purpose of the study was to explore women's participation and the empowerment of their social capital. Thirty five women who were members of VSLG were identified by purposive sampling, and then interviewed. A descriptive qualitative design was followed and data were presented descriptively. The following major themes were identified from the analysis of study: VSLG contribute positively on the social capital, Parents sent their children to school, enhance the decision making power of women, economic empowerment of poor women, harmony with in the family, improvement of saving culture, ensures security, change in social status, increase in social interaction enhanced self-confidence and hope of a better future. The study can be shared with similar women and their families, and social work professionals. The study concludes by making implications as to how the insights gained could be used to improve in the future.

Key Words: VSLG, Empowerment, Social Capita

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Village Saving and Loan Groups are self-managed systems that do not receive any external capital and provide people with relatively a safe place to save their money, access small loans, and obtain emergency insurance. The approach is characterized by a focus on savings, asset building, and the provision of credit proportionate to the needs and repayment capacities of the borrowers. The Village Saving and Loan Groups (VSLGs) contribute a lot for both economic and social empowerment of rural women/group members. The empowerment of women is a key component of global development agenda (Pietila, 2002). The empowerment process entails all measures aimed at removing obstacles to women's active participation in all spheres of public and private life through an equal share in economic, social, cultural and political decision-making (United Nations, 2008).

The World Bank (2007) defines empowerment as the process of increasing the capacity of women to make choices and transform those choices into desired outcomes. Women's empowerment has various outcomes, which can be social, economic or political in nature. Economic empowerment enhances the autonomy of women to gain control over economic resources at the household, community and national levels. It enables women to fight their way out of poverty and plays a crucial role towards achievement of a life of dignity and prosperity to the entire humanity (Armendáriz & Morduch, 2005; United Nations, 2000).

CARE Ethiopia is implementing the Productive Safety Net Program (PSNP) Plus project

in 33 out of the 40 Peasant Associations (PAs) in West Harerghe Zone Doba Woreda. The project activities, which started in early 2009, fall under two complementary components, namely microfinance/VSLA/ and value chains. The goal of the PSNP Plus program is: “Targeted PSNP households’ resiliency improved and livelihood assets enhanced as a means towards achieving graduation from Productive Safety Net Program” (PSNP Plus, 2008).

The VSLA model was introduced by CARE in Niger in 1991(Allen, 2002). Village Saving and Loan Group/VSLA is a time-bound accumulating savings and credit association. In it, 15 to 25 people/poor rural farmers/ save regularly and borrow from the group fund. Loans are repaid with interest, and have a period usually between one and three months. On a date chosen by the members, usually after about a year, all the financial assets are divided among the members in proportion to each one’s savings. This payout is called the “action audit”. The role of CARE and other support organizations has been to train these groups on how better to operate the VSLGs based on a four-phase curriculum. The VSLA methodology proposes that if the groups finish their training within 9 to 12 months, they can function with no external support. This model differs from other formal and informal microfinance institutions in that these are flexible and all the transactions of saving and loan are done by the group members who are living in far villages that could not access formal Banking system. The principal successes of Savings Groups have been in villages, often remote villages, which the institutional approaches have failed to reach (Jeffrey, 2012).

The objective of this study is, therefore, to explore the contribution of Village Saving and Loan Groups for women empowerment and study the practicality of the methodology on the established groups. The study examined the contribution of group activities for the improvement

of social capital for the group members.

1.2. Statement of the Problem

In the third world countries like Ethiopia women's level of participation and decision making power is much less than their men counterparts. This could be due to so many reasons such as cultural barriers, socio-economic and political places given to women. There are many development approaches and programs applied to address the issue of women empowerment. One of these programs is organizing women in Village Saving and Loan Groups/VSLGs/ which is applicable by Care Ethiopia for more than ten years. Women empowerment can be expressed by active participation in public and private life and also in equal share of economic, political and social decision making.

Terry (2006) finds that loans from VSLG-Tanzania create major positive changes in the lives of female borrowers, including an improvement in social status and self-esteem, and an increase in confidence. Women also feel empowered through an increase in income and the ability to accumulate savings, purchase household assets and contribute towards children's education. Women respondents also cited the ability to save and improved savings habits as a positive result. Although savings and loan sizes are relatively small, they are useful amounts to members – especially the payout (Anyango E, 2005).

Different writers such as Terry focused on the economic improvement of women VSLG members in African countries. But this study shall examine the contribution of establishment of Village Saving and Loan Groups for women empowerment/both social and economic improvements of women. In addition the study explored the overall contribution of Village

Saving and Loan Groups for empowerment in different aspects of their life, economic improvement, social networking/social capital and family welfare to the members.

1.3. Objectives of the study

The general objective of the research is to explore the contribution of Village saving and Loan Groups establishment on the Women's social capital empowerment.

The specific objectives of this study are the following.

1. To explore the contributions of Village saving and loan groups in empowering poor women's income at Doba Woreda.
2. To investigate the contributions of Village saving and loan groups in empowering poor women's social capital at Doba Woreda?
 - a. To explore how can Village saving and loan groups help poor women to enhance their participation in their social affairs at Doba Woreda
 - b. To identify how can Village saving and loan groups help poor women to enhance their decision making power at Doba Woreda.

1.4. Significance of the Study

A number of studies have been conducted on the impact of VSLAs on the livelihood of poor rural households in different African countries like Niger and Kenya. But in case of Ethiopia few researches are found in related topic. The relevance of the study is to examine the contribution of VSLA groups in Ethiopia after several years of operations independent of CARE (NGO). It also sought to understand the outreach of the program to remote areas of rural community, and its ability to provide useful services that produce change in the lives of users.

This study set out to explore the services offered by the VSLAs in the livelihoods of its

users. This has significance for the participants of the study area in the improvement of services to be provided by the support organization (in this case CARE Ethiopia) and to initiate additional programs for the improvement of functioning of groups /women participants' social and economic empowerment. In addition, the study will contribute for designing a program that will improve the decision making power of women group members.

This study indicated contribution of VSLG to women's empowerment that have a significant importance for the future programs that will be scaled up in other areas by the initiatives of government or non-governmental organizations. The study assessed the functioning of the groups and indicates the directions for the improvement to the concerned party. In addition to that this project assessed the sustainability aspect of the VSLGs since the study is conducted after 3 years of the completion of the project.

1.5. Research Questions

Village saving and loan grouping is one strategy that focuses on economic empowerment of the members. Economic empowerment, in turn, may have social empowerment of the members. This study, therefore, attempted to explore the contribution of economic empowerment to the improvement of women's social capital. To achieve this objective, the following research questions were explored.

1. What are the contributions of Village saving and loan groups in empowering poor women's income at Doba Woreda?
2. What are the contributions of Village saving and loan groups in empowering poor women's social capital at Doba Woreda?
 - a. How Village saving and loan groups can help poor women to enhance their

participation in their social affairs at Doba Woreda

- b. How Village saving and loan groups can help poor women to enhance their decision making power at Doba Woreda?

1.6. Limitation of the study

Despite all the efforts that have done to accomplish this study, some practical limitation were encountered to inevitably be part of it. Since this research is an exploratory study of Village Saving and Loan Groups contribution for the empowerment of women in West Hararghe Zone Doba Woreda, it is not possible to generalize to the whole population/in West Hararghe Zone/. Data was collected from 35 individuals that were considered as a sample. The other limitation was sampling method chosen that was availability sampling method. This restricted the whole population probability of being included in the sample/there was no equal probability to be selected as a sample/. In addition the difficulty of obtaining recent literatures related to the topic of study specifically in Ethiopian context was one of the problems.

CHAPTER TWO: LITERATURE REVIEW

2.1. Village Saving and Loan Association: How the Methodology Works?

VSLA methodology is based solely on member savings and small, self-managed groups. Groups to twenty five women on average are trained using a financial literacy curriculum. They elect leaders; tailor the system of savings, insurance and credit to meet their needs; run savings and credit meetings; and manage savings and loans.

Savings models have been adapted to accommodate loans of variable lengths and amounts and systems of savings that allow for flexible contributions and even shareholdings. Income distributions are usually made annually and at an agreed time to the group. Members often allow for distributions to coincide with the need to purchase seed and fertilizer for their farms. The VSLA model has proven to be sustainable because the women who participate in it are committed to its continued success. Low levels of default are attributed to the fact that the model is funded solely through members' own savings and groups are self governing (Access Africa Report, March 2012, pp.3).

2.2. Women Empowerment

There are so many definitions for the term empowerment. World bank considers empowerment as a freedom of choice and action. This means increasing control over the resources and decisions that affect the life of an individual. As an individual exercises his ability to choose, control over his life increases. According to Jo Rowlands, one of the most prolific contemporary authors on these subjects, empowerment means “the ability to make decisions” in questions that affect the life of a person. This involves including those who are outside the

decision-making process, thus ensuring their access to political structures and the control of resource distribution.

In the context of social work, empowerment is defined as a process that allows individuals, families and communities to increase their personal, socioeconomic and political strength, thereby enabling them to improve their quality of life Barrer R.L. (1991). In the empowerment of women, attention needs to be paid to their social, economic and political empowerment:

Social empowerment is about changing society (e.g. gender norms) so that women's place within it is respected and recognized on the terms on which they want to live, not on terms dictated by others. A sense of autonomy and self-value is important for someone to preserve her bodily integrity, participate in politics, demand a fair return on her work, and take full advantage of public services, such as health and education.

Economic empowerment is about women's capacity to contribute to and benefit from economic activities on terms which recognize the value of their contribution, respect their dignity and make it possible for them to negotiate a fairer distribution of returns. It is also about changing institutions and norms that inhibit women's economic participation, such as attitudes about child care or the type of work that women can do.

Political empowerment concerns equity of representation in political institutions and enhanced voice of the least vocal so that women engage in making the decisions that affect their lives and lives of others like them. It is the ability to speak about, as well as speak for them, gaining a right to engage in political processes. Again, such changes also require changes in social and cultural attitudes about women's political participation and leadership (Pettit, J. 2012

forthcoming).

2.3. VSL schemes and Women's Empowerment

Recent empirical evidence suggest that well developed VSL schemes can help individuals to improve incomes, broaden investment opportunities; thus, reduce poverty as well as lower income inequality between women and men (Claessens & Kranz, 2001).

Allen and Hobane (2004) concluded that the VSLA have contributed to increased household productive and non-productive asset levels. The study further noted that there has been a significant reduction in the use of formal-sector and traditional savings instruments. The number of income-generating activities per household increased and IGA became more stable, while household labour allocated to IGAs increased. Eighty-one percent of respondents felt that their status in the community had improved as a result of their association with their VSLGs. Anyango (2005) reached similar conclusions. The findings showed that the VSLA program had helped to improve the livelihoods of its members and alleviate poverty, particularly for women who constitute the majority in the VSLA groups. The number of economic activities that members of VSLA were engaged in at the baseline had increased, as had the magnitude of other activities.

Mutesasira and Mule (2003) in their study in Uganda concluded that most VSLAs were comprised of very low-income people. The average savings per member and the average loan size provided some evidence of the depth of outreach.

2.4. Social Capital and Involvement in Groups

Bourdieu referred Social Capital as, "It is durable network of more or less institutionalized relationships of mutual acquaintance and recognition". In other words, the network of

relationships is the product of investment strategies, individual or collective, consciously or unconsciously aimed at establishing or reproducing social relationships that are directly usable in the short or long-term, i.e., at transforming contingent relations, such as those of neighborhood, the workplace, or even kinship, into relationships that are at once necessary and elective, implying durable obligations subjectively felt (feelings of gratitude, respect, friendship, etc.) or institutionally guaranteed (rights). He mentioned that social capital is not something naturally given but we have to acquire it. It is important to note that we do not simply acquire it for nothing; the network established has to be 'usable' for future. (Bourdieu, 1986)

According to John Field (2003: 1-2) the central thesis of social capital theory is that 'relationships matter'. The central idea is that 'social networks are a valuable asset'. Interaction enables people to build communities, to commit themselves to each other, and to knit the social fabric. A sense of belonging and the concrete experience of social networks (and the relationships of trust and tolerance that can be involved) can, it is argued, bring great benefits to people.

Regarding the relationship between Voluntary Organizations and Social Capital, Putnam's concept is that Voluntary association is the most important form of horizontal interaction and reciprocity. Voluntary associations influence social interaction and co-operation between actors in several ways, Associations first, increase the potential costs to a defector in any individual transaction; second, foster robust norms of reciprocity; and third, facilitate communication and improve the flow of information about the trustworthiness of individuals. They allow reputations to be transmitted and refined; and, finally, they embody past success at collaboration, which can serve as a culturally-defined template for future collaboration. (Putnam, 1993)

2.5. Participation and Decision Making of Poor Women in Groups

Self-Help Group is an informal association of individuals who come together voluntarily for promotion of economic and social objectives. (Singh S., 2005). According to Suguna B. (2006) SHG is a mini voluntary agency for self help at the micro level has been focus on the weaker section particularly women for their social defend. So basically the concept of SHGs serves the principle “by the women, of the women and for the women”. Through Self help groups, development of self-confidence has achieved. A common platform is available for dialogue and sharing of views. (Deshpande Anjali, 2006). Savings and credit groups help to build women’s confidence, provide a forum for discussion and action on common problems, and provide opportunities for learning.

Village Saving and Loan Groups have contribution in the members’ household level participation and decision making. According to the study conducted on Self Help Groups in Rural Odisha India, the results reveal that the range of economic activities led by the microenterprises helped the rural Odisha women to earn income of their own. The economic decision-making has been enhanced with mobilization of women in organized collectives as SHGs and their participation in microenterprises. Malhotra (2002) studied the wide acceptance of women’s participation in household decision making as an indicator of empowerment is largely due to the intuitive equating of decision making with power, control and “there is a nexus of a few key, overlapping terms that are often included in defining empowerment: option, choice, control and power.” Furthermore, decision-making appears to have cross- cultural validity as an indicator of empowerment, at least at the conceptual level: a woman who participates in decisions that affect or control her life and environment are everywhere more empowered than

women who do not. Paul and Kumar Prahalad (2007) revealed that it is closely linked to decision-making process and autonomy in decision-making is measured in terms of participation of women in household responsibilities. The study also highlighted the process of empowerment that begins at the level of women's consciousness and becomes externalized through greater physical mobility, raised awareness levels, increased autonomy in decision making i.e. strong role in household, greater self-esteem and eventually meaningful participation in the larger community. Swain and Wallentin (2008) stated indicators of women participation that cover the decision- making in traditionally male dominated areas within the South Asian context. These include involvement in decision-making on family planning, on children's marriage, on buying and selling of property, on sending daughter to school and use of birth control. Changes in decision- making on some of these specific issues are conditioned on some of these events actually occurring.

CHAPTER THREE: RESEARCH METHODS

3.1. Research Design

The primary goal of the research was to explore the contribution of village saving and loan groups for economic and social capital empowerment of poor women in the selected woreda. To meet this objective the study employed exploratory qualitative research design which assumed that prior studies have not dealt deep into the issue of village saving and loan groups as sources of empowerment to members.

Since qualitative research helps to get in-depth situation of phenomena and it is not rigidly limited to definable variables. The qualitative method helps to understand the meaning of situation, event, experiences, and actions of participants (Maxwell, 2005). Qualitative methods are effective in assessing intangible factors, such as social norms, socio-economic status, gender roles, ethnicity and religion whose role in the research issue may not be readily apparent (Natasha, 2005:5). Exploratory study was employed to assess the empowerment of women and their decision making power in the groups.

3.2. Research Area

Doba Woreda is situated in West Hararghe Zone Oromiya Regional State; it is predominantly rural with only 1.54% of the estimated population of 126,840 being urban dwellers (Wikipedia). The Woreda is estimated to be over 700 square kilometers, the majority of the population is Muslim (86.14%) and the primary language spoken is Oromiffa. The main livelihood strategies involve crop and livestock production; however elevations range from lowland to midland to highland, each with its own unique characteristics. The Livelihoods

Information Unit (LIU) classifies three different livelihoods zones in the area; Sorghum, Maize and Chat Livelihood Zone, Wheat, Barley and Potato Livelihood Zone, and North East Agro Pastoralist Zone (DPPA, 2008)

3.3. Sampling Techniques and Procedures

Since the design of the study was qualitative I used non- probability sampling method. Of the non-probability sampling techniques I specifically used availability sampling. The researcher has selected this technique for the purpose of cost effectiveness since the Village Saving and Loan groups were established in a wide area and the members are living in a scattered way. Out of the total 33 groups with 561 members 5 groups were considered as a sample. These groups were not selected purposely but when the participants selected through availability sampling they falls under these groups since the groups are organized with the neighboring members. In these groups members that are involved in the interview were 35.

3.4. Data Collection Tools and Procedures

The data collection method and analysis is depended largely on the topic of research. The main technique to collect data for this research was Semi- structure interview. Data collected through interview is interactive, whereby the researcher describes as accurately as possible ones' understanding and interpretation. The interview contained open ended questions.

The interview helped to collect data from Village saving and loan group members. The interview questions were prepared keeping in mind the objectives of the study.

Procedures

Thirty individuals were selected from five Village Saving and Loan Groups. The selection criteria were being a member of the groups and the distance of their residence/nearness/. The interviews were conducted in collaboration with two Community Development Workers who has a strong attachment with the community. After the respondents were selected they were interview using the Afan Oromo version of the interview guide. In this step the community development worker played significant role in the interview process by asking the respondents with their mother tong, Oromigna. The respondents were asked about their saving practice before and after joining their group, their social interaction and acceptance in the community, their decision making power in their families and related questions that could help to achieve the objectives of the research.

3.5. Data Analysis

Interviews were conducted with 35 respondents. Semi-structured interviews allowed me to raise optional follow-up questions that may vary from participant to participant. Interviews were audio taped. It is understood that non-probability samples do not provide highly generalizable information, but because of the idiographic nature of qualitative research, generalization was not the priority. Interviews often yield powerful insight and specialized knowledge. In order to understand the phenomena, all interviews had to be conducted in Afan Oromo. I transcribed and translated the participants' tape-recorded interviews. I translated verbatim part of the interviews which were connected one way or the other with the issue and translated in to English.

Following the preliminary analysis, I thoroughly read each participant's transcripts and produced initial notes on my thoughts. I followed an ideographic approach in the sense that I started with transcription of one participant and gradually moved to others. I noted down

everything that came to my mind while reading the interview transcript including my understanding of what participants said. Then I developed themes from notes while I wrote.

These themes captured the essential meaning of what I noted down as my initial notes at the same time represented what participants actually said. The next step involved listing themes on a separate paper and trying to make meaning of how they were related with one another. I tried to balance the research context by considering the parts and the whole. I have constantly assessed the overall design of the study or text against the significance of each party and the overall structure of the text. I stepped studying the parts and looked at the total, and at how each of the parts contributed to the whole. I have constantly examined the phenomena under investigation by moving the parts of it and the whole picture. In the end, the analysis was reviewed by looking into what are the facts and its implication to practice.

3.6. Ethical Considerations

The aim of the study was explained for the respondents before the interview was conducted. During the interview sessions the respondents agreed to participate in the study. The place was selected by the respondents to guarantee confidentiality. The respondents were advised that they could stop answering the questions at any time during the interview. The identity of the respondents of the study kept confidential to protect them from possible harm. The information they provided is reported anonymously in the report.

CHAPTER FOUR: RESULTS AND DISCUSSIONS

Because of the increased attention being paid by government and Non-governmental organizations to implement research based knowledge to practice, identifying efficacious way of loan and saving practices is worth researching. This paper, therefore, explored how loan and saving practices could guide the development of economic wellbeing and social capital of women participants. If two or more people from membership in the loan and saving group conveyed similar perceptions, I counted it as a theme. This allowed me to report findings based on organization, rather than individual, themes. From the data analysis, I was able to extract themes which were molded in to nine core themes.

4.1. General Background Information of the Respondents

Table 1. The Background Information of Participants

Sex		Age		Religion		Marital Status			Educational level	
Male	Female	25-35	36-78	Muslim	Christian	Single	Married	Divorced	Illiterate	Primary Education
0	35	13	22	27	8	3	30	2	15	20

Thirty five respondents were interviewed and all of them were female Village Saving and Loan group members. The respondents were selected based on their membership in Village Saving and Loan Groups. Regarding their educational background, the majority respondents (20) is limited to primary school while the rest (15) respondents did not have formal education. As to family size of the respondents it ranged from 1 to 8 per family. From the respondents 27 were Muslim and 8 followers of Christianity. Regarding their marital status, 30 of the respondents

were married, 3 of the respondents were single and the remaining two were divorced. The respondents were in the age group range from 25 to 78.

4.2. Contributions of Saving and Loan Groups

Parents sent their children to school

The majority of the participants remarked that because of the loan and saving they have had from their membership they were able to send their children to school.

An essential component of building effective loan and saving practices is the recognition of the benefits of each member. I was able to send my children to school which was not the case before (women P, 3). The advantage of loan and saving is sending my child to school (women P, 5).

On the other hand, few of the respondents remarked that they were able to cover their children educational expenses from the sale of their farm products and from petty trade. Women 6 and 12 responded:

No doubt the loan and saving have helped me a lot to improve my family wellbeing but I was able to cover my children's school expenses from agriculture (women P, 6). Despite the benefits from the loan and saving I got from the group, it was from petty trade that helped me to cover all school expenses (Women P 12).

Decision Making Power

The Village Saving and Loan Groups have management committee with five members. These positions are Chair man, Secretary, Treasurer and two Key holders. The respondents were asked that if they are members of management committee. Ten of the respondents answered that they are Management Committee members and the others are members of the group. This

indicates that women are coming on the leadership position and that will improve the decision making power of them in every aspect of their livelihood.

One respondent said that

“Previously I was not interested in the membership of Idir or Iqub/Community based organizations/. But now being a member of Village Saving and Loan Group, I became a member of management committee and that give me power to take part in making decisions even outside of the group.

The participants were asked about the decision making in the household and in what kind of issues they participate in decision making. Among the participants most of them answered that they decided together with their husbands on the issues like selling livestock and crop products. They decided on selling milk, chicken and egg without consulting their husbands.

As members of the management committee participants remarked that there is a significant change in female decision making power after their membership in the group.

A respondent said,

I was dependent on my husband in every activity that I need to participate and I was afraid to make decisions by myself. But now I discuss the issue with my husband and decided together. For the activities that do not need his involvement like participating in group activities I am the one who is responsible (Women P 12).”

The other participant added,

Previously our husbands do not discuss with us giving for marriage our own children. Instead, they decided by themselves and tell us to prepare the ceremony.

These days, this situation is changing and our idea gets value. We discuss the issue and participate on the decision making (Women P, 15).

Discussions and decision was also made regarding sending children to school. All the respondents remarked that they engaged in discussion and decide together with their husbands to send their children to school.

The respondents were also asked that who usually made decisions for different household issues. Most of the respondents said that both of them/husband and wife/ discuss on the issue and make decision. But few respondents said that the decision is made by their husbands specially the issues that are outside the house are managed by their husbands.

The respondents asked that who would decide on the purpose of the loan they took from the Village Saving and Loan Groups. Twelve respondents said that they could decide on the purpose of the loan and three of them give the decision making power to their husbands. The other or twenty respondents said that they decide together with their husbands by discussion.

Harmony within the Family

The respondents remarked that their status in their family was also changed/improved after their membership in VSLGs. Participants responded:

There are no conflicts in the family (women P, 10). There are discussions with in the family members before making family matter decisions (women P, 15). My husband cooperates on the activities that matters the family (women P, 17). I share ideas with other group members towards solving their family problems (women P, 13). When there is family problem like children's sickness and conflict

among the couples we will discuss on it and solve the problem immediately
(Women P, 25).

Saving Culture

Village Saving and Loan Groups could have economic as well as social implications. It transforms the saving culture of the community. The respondents remarked they have developed the saving culture.

I can get some money for my problems whenever I need (women P 21). It is just like to get from one's pocket since the loan transaction is so simple and not complicated (Women P, 25).

The establishment of Groups strengthens the previous saving culture and encourages those who have no saving habit before. Based on the respondents' response nine members have two shares, one member has three shares and the remaining members have a single share. The group members that have more than one share believed that increasing the saving amount would help them to participate in a better income generating activities since they have a better amount of money. All of them have pay outs and they use the money to buy assets like goat, sheep and chickens. Some used the money to restart new businesses like petty trade and shop, the money also help them to construct new houses/used to purchase materials like iron sheet and wood/. Most of the respondents believed that the share out money is used for productive activities which have return to improve the livelihood of the group members.

Loan has many benefits if it is used properly and for productive activities. Poor rural people have no or limited access of loan since they have no collateral that are needed by the formal financial institutions. During the interview the respondents were asked about their loan provision before joining Village Saving and Loan Groups and most of them have remarked they

did not have loan access. All of the respondents, however, remarked they have access to loan after joining the Village Saving and Loan groups and one could get three times their saving amount at a time.

The respondents reflected that if they are currently engaged in any income generating activities and except four respondents all group members are currently engaged in different IGAs. The types of income generating activities that they are participating in were asked and most of the respondents are participated in petty trade. Some of them said that they are engaged in poultry and production of small ruminants/sheep and goat/. The respondents said that in their household members one to three members participate on the income generating activities on average. That shows other family members contribute on the effectiveness of the income generating activities and that could have a benefit in strengthening family relationship.

Loan and saving ensures security

The Village Saving and Loan groups contribute on the welfare of members and their family.

They remarked:

Although the fixed assets in the family were bought before I joined the group, the group helped me to improve the standard of living (Women P, 17). It helps me to feel secured because if I lose my assets I can reestablish the assets from the loans (women P, 25). I built my present house after I joined the VSLAs that help me feel more secured (Women P, 1). I have improved my family diet after I joined the membership (Women P, 9). I involved in different income generating activities that helped me to increase household income (Women P, 22).

Social Capital

In addition to the economic importance of the Village Saving and Loan Groups, being a member of the group have contribution to the social capital of the participants. The following themes were emerged from the data analysis on the social capital of participants following their admission to the loan and saving group: Change in social status

Change in social status

The respondents reflected improvement in their status in the community

My status in the community is changing after my membership in the Village Saving and Loan Groups (Women P, 20). I got respect from the community and my ideas have got acceptance in any community meetings (women P, 13).

Increase in social interaction

Participants reflected that their social interaction with the community members was increased after their membership in the Village Saving and Loan Groups.

Each of the respondents was asked about their participation on the group discussion and all of them answered that they involve in the discussion actively and they contribute their ideas.

The Group members were also asked their membership in any Community Based Organizations other than VSLGs and except six beneficiaries the others are members of community based organizations like political party or other associations. This indicates that the respondents' interaction outside the group activities and in community work is increasing. The group members stay in their groups from four to ten years and that is because they believed that

the groups are important for them. The respondents said that they will not stop saving and involving in the group activities. Change in social status, social interaction and family harmony could be due to the improvement in their economic status following their admission in the loan and saving membership.

Enhanced self-confidence

The group members said that their self-confidence is changed through time after they have joined the Village Saving and Loan Groups. This was reflected in participants' narrations.

Right now I can take decisions confidently (Women P, 3). I can express my ideas without any fear at any place (women P 7). I am not afraid of my husband like before (Women P, 18). I respect my family and discuss issues that need their involvement(women P, 2).

Participants' enhanced self-confidence has also helped them to participate in parliamentary election. Except a woman, all participants have participated in the last parliamentary election.

Participants have improved in expressing their ideas following their admission to the loan and saving groups.

I can express my ideas in group meetings as well as in public (women P, 17). I am not afraid of expressing my ideas any more as I used to be (women, P 13).

I witnessed during the interview that participants were confident to express their beliefs in front of people and that, I think, was a reflection of improvement in their own self-confidence.

Hope of a better future

Finally participants remarked their hope of a positive future to their family members. They reflected what their future plan would be.

My future plan is to improve my saving amount and participate in additional income generating activities (Women P, 10). I planned to change my families' livelihood better than this. I have plans to add my saving amount (Women P 14). Since I am better in my economic status, I plan to invest on children's health and improvement of their livelihood (Women P, 11). In addition to my engagement in loan and saving activities, I have a plan to participating more in different income generating activities (Women P, 8).

4.3. Discussion

This study explored the contribution of Village saving and loan groups for the empowerment of poor women's income and social capital in Doba Woreda. I sought an appropriate means of describing what their experience really meant to the loan group members themselves. I attempted to show a gap of knowledge, as little was known about the contribution of saving and loan group on poor women's empowerment of their social capital. Many of the studies available to me were conducted in business aspects. The wider issues that poor women's empowerment of their social capital had not been explored. The data from this study summed up poor women's loan and saving experiences. Thirty five respondents were selected based on their membership in Village Saving and Loan Groups and interviewed. The following section presents the demographic characteristics of the respondents.

The majority of the respondents (20) were reached to primary level while the rest (15) respondents did not have formal education. This shows that none of the participants were reached to high school level or beyond. The family size of the respondents ranged from 1 to 8 per family. Of the total respondents 27 were Muslim and 8 followers of Christianity. Regarding their marital status, 30 of the respondents were married, 3 of the respondents were single and the remaining two were divorced. The respondents were in the age group range from 25 to 78.

Women and their family members showed improvements in different aspects of their life. Though few of the participants were able to cover their children educational expenses from the sale of their farm products and from petty trade, most participants remarked they were able to send their children to school because of their access to loan and saving.

The Village Saving and Loan Groups have helped members to increase their decision power. Ten of the respondents answered that they are Management Committee members while others were members of the group. This indicates that women are coming on the leadership position and that will improve the decision making power of them in every aspect of their livelihood. On the other hand, participants were asked about the decision making in the household and in what kind of issues they participate in decision making. Among the participants most of them answered that they decided together with their husbands on the issues like selling livestock and crop products. They decided on selling milk, chicken and egg without consulting their husbands. In line with this findings Paul and Kumar Prahalad (2007) revealed that it is closely linked to decision-making process and autonomy in decision-making is measured in terms of participation of women in household responsibilities. Similarly Malhotra (2002) reflected the wide acceptance of women's participation in household decision making as an indicator of empowerment is largely due to the intuitive equating of decision making with power,

control and “there is a nexus of a few key, overlapping terms that are often included in defining empowerment: option, choice, control and power.”

As members of the management committee participants remarked that there is a significant change in female decision making power after their membership in the group. Discussions and decision was also made regarding sending children to school. All the respondents remarked that they engaged in discussion and decide together with their husbands to send their children to school. The respondents were also asked that who usually made decisions for different household issues. Most of the respondents said that both of them/husband and wife/ discuss on the issue and make decision. But few respondents said that the decision is made by their husbands specially the issues that are outside the house are managed by their husbands.

The respondents asked that who would decide on the purpose of the loan they took from the Village Saving and Loan Groups. Twelve respondents said that they could decide on the purpose of the loan and three of them give the decision making power to their husbands. The other or twenty respondents said that they decide together with their husbands by discussion. The respondents remarked that their status in their family was also changed /improved after their membership in VSLGs.

Village Saving and Loan Groups could have economic as well as social implications. It transforms the saving culture of the community. The respondents remarked they have developed the saving culture. The establishment of Groups strengths the previous saving culture and encourages those who have no saving habit before. Based on the respondents’ response nine members have two shares, one member has three shares and the remaining members have a single share. The group members that have more than one share believed that increasing the

saving amount would help them to participate in a better income generating activities since they have a better amount of money. All of them have pay outs and they use the money to buy assets like goat, sheep and chickens. Some used the money to restart new businesses like petty trade and shop, the money also help them to construct new houses/used to purchase materials like iron sheet and wood/. Most of the respondents believed that the share out money is used for productive activities which have return to improve the livelihood of the group members. The United Nations (2008) empowerment process entails all measures aimed at removing obstacles to women's active participation in all spheres of public and private life through an equal share in economic, social, cultural and political decision-making.

Loan has many benefits if it is used properly and for productive activities. Poor rural people have no or limited access of loan since they have no collateral that are needed by the formal financial institutions. During the interview the respondents were asked about their loan provision before joining Village Saving and Loan Groups and most of them have remarked they did not have loan access. All of the respondents, however, remarked they have access to loan after joining the Village Saving and Loan groups and one could get three times their saving amount at a time.

The respondents reflected that they are currently engaged in any income generating activities and except four respondents all group members are currently engaged in different IGAs. The types of income generating activities that they are participating in were asked and most of the respondents are participated in petty trade. Some of them said that they are engaged in poultry and production of small ruminants/sheep and goat/. The respondents said that in their

household members one to three members participate on the income generating activities on average. That shows other family members contribute on the effectiveness of the income generating activities and that could have a benefit in strengthening family relationship.

The Village Saving and Loan groups contribute on the welfare of members and their family. Anyango (2005) reached similar conclusions, the VSLA program had helped to improve the livelihoods of its members and alleviate poverty, particularly for women who constitute the majority in the VSLA groups.

Social Capital

In addition to the economic importance of the Village Saving and Loan Groups, being a member of the group have contribution to the social capital of the participants. The following themes were emerged from the data analysis on the social capital of participants following their admission to the loan and saving group: Change in social status

The respondents reflected improvement in their status in the community Political empowerment concerns equity of representation in political institutions and enhanced voice of the least vocal so that women engage in making the decisions that affect their lives and lives of others like them. It is the ability to speak about, as well as speak for them, gaining a right to engage in political processes. Again, such changes also require changes in social and cultural attitudes about women's political participation and leadership (Pettit, J. 2012 forthcoming).

Participants reflected that their social interaction with the community members was increased after their membership in the Village Saving and Loan Groups.

The Group members were also asked their membership in any Community Based Organizations other than VSLGs and except six beneficiaries the others are members of community based organizations like political party or other associations. This indicates that the respondents' interaction outside the group activities and in community work is increasing. The group members stay in their groups from four to ten years and that is because they believed that the groups are important for them. The respondents said that they will not stop saving and involving in the group activities. Change in social status, social interaction and family harmony could be due to the improvement in their economic status following their admission in the loan and saving membership. According to John Field (2003: 1-2) the central thesis of social capital theory is that 'relationships matter'. The central idea is that 'social networks are a valuable asset'. Interaction enables people to build communities, to commit themselves to each other, and to knit the social fabric.

The group members said that their self-confidence is changed through time after they have joined the Village Saving and Loan Groups. This was reflected in participants' narrations. Participants' enhanced self-confidence has also helped them to participate in parliamentary election. Except a woman, all participants have participated in the last parliamentary election.

Participants have improved in expressing their ideas following their admission to the loan and saving groups. I witnessed during the interview that participants were confident to express their beliefs in front of people and that, I think, was a reflection of improvement in their own self-confidence. A similar conclusion can be found from Deshpande Anjali, (2006). The concept of SHGs serves the principle "by the women, of the women and for the women". Through Self help groups, development of self-confidence has achieved. A common platform is available for dialogue and sharing of views.

Village saving and loan groups made participants their hope of a positive future to their family members. This implies that poor women participants and their families have maintained strong belief on themselves about their future life. Terry (2006) had similar arguments. He found that loans from VSLG-Tanzania create major positive changes in the lives of female borrowers, including an improvement in social status and self-esteem, and an increase in confidence.

4.4. Summary and Conclusion

The objective of this study was to explore the contribution of VSLGs for women's social empowerment/improvement of social capital/ in the study area. Besides, the study was designed with an objective to explore Women's economic empowerment and decision making power in different aspects in their family and in the community at large. This study, to attain its objectives, used in-depth interview in the study area. Based on the findings of the study the following concluding points are raised.

It has been found that Most of the members of the Village Saving and Loan Groups were female, in this case 100 percent of the respondents were female. That indicates the VSLA is designed for women to be empowered both economically and socially. The Village saving and loan group activities have importance on the education of children. Forty three percent of the respondents indicated that they get the money for children schooling from their Village Saving and Groups.

The members of VSLAs indicate that they are becoming members of Management Committee in their group and that improves their decision making power in the group as well as in their daily lives. The Village saving and loan groups have many benefits for their members.

They have strong social relationship and they cooperate with the activities that are done inside and outside the group.

The main objective of Village Saving and Loan Groups is the transformation of saving culture of the community and enabling them to improve their livelihood by using their savings. During the interview seventy four percent of the respondents indicated that they have no saving cultures before joining the saving groups. The VSLA helps those who started saving before joining the group to improve their saving culture and to have fixed assets after they share out their money and it helps the members who haven't saved before to have their own saving. There is share out/action audit/ of the groups' money for the members at the end of the cycle/year. All the respondents answered that they used the money for productive activities like buying sheep/goat, restarting IGAs, etc. They have also a plan to increase their saving amount/money and to use their money for a better income generating activities.

The VSLA provides a network for supporting each member under varied circumstances. During moments of sorrow (i.e. funerals) and happiness (i.e. weddings), all the members are there to support one another. It also emerged that social support extends to assisting each other with new positive ideas such as business ventures.

The main problem of the rural community specifically the poor community members is access to loan. More than fifty percent of the respondents indicated that they have no any access to loan before their membership to VSLAs. The respondents who had access to loan from rich men were not happy because they are enforced to repay the money with high interest rate. But now they can access loan from their groups to be engaged in different income generating activities. The respondents also said that they decide themselves or in consultation with their husbands on the type of activities that the loan will be used. This indicates that their decision

making power is improved and they started to take part in the economic activities of the household.

The respondents indicated that there is improvement on their family welfare including their household diet. The respondents said that their social interaction within or outside their families is also improved. Their self confidence is improved now and they could express their ideas freely in public.

In general, The Village Saving and Loan Groups have so many importance for the members in improving their economic as well as social livelihood.

4.5. Implication

This study was conducted solely on women who were members of the VSLG who reside in the selected woreda. The objective of the study was to provide an understanding of the contribution of VSLG in women's social capital empowerment. I made an assertion that VSLG have important contributions to the empowerment of women and their families, hence making the fact known to the public is my priority. I feel this research has created an opportunity for women to make their voice heard and therefore be visible.

I feel the participation of women gave an opportunity to voice their experience and make them visible to the public. The study may have the potential of changing the negative picture of women's family into better picture within the public arena. Several women hoped to see their family live to be changed. The women's desire to see the changed life of their family would be facilitated by the current study.

Reflections for Practice

Women highlighted a lack of awareness of VSLG and its subsequent impacts on family and society in general. For social work professionals, this awareness may be facilitated by highlighting the needs of these women by publishing articles in journals and through oral presentations at conferences. All of the women were unaware of VSLG before they joined as membership, and they felt that insufficient information had been available to the community. Increased awareness for the public may be addressed by a communication strategy with the aim of making this condition more visible, for example, the provision of posters or brochures. Since women are culturally disadvantaged, I suggest that they should be able to access counseling and emotional support.

4.6. Suggestions for Future Research

This study has attempted to answer the research questions and explored a number of issues experienced by women. The findings here support those from earlier studies and notes areas for potential research in the future. The research findings have illuminated other areas for potential research studies. These may be focused on:

- VSLG is one of the important attributes of empowerment which is purely economic but empowerment has many dimensions that have to be investigated by other researchers.
- Only women of VSLG were participants of this study, leaving out the feelings, and thoughts of donors, government officials and family members of the participated women. Thus, the experiences of these groups need to be explored.
- The lack of knowledge and information to community may provide direction for research into domains of uncertainty.

References

Access Africa Report, March 2012, pp. 3

Allen, H. and P. Hobane (2004). Impact Evaluation of Kupfuma Ishungu, Zimbabwe.

Allen, H. (2002). CARE International's VSL Program in Africa: Microfinance for the Rural Poor that Works.

Allen, H. and M. Staehle (2007). Village Savings and Loan Associations (VSLAs): Programme Guide and Field Operations Manual. CARE International.

Anyango, E. (2005). CARE Malawi Central Region Livelihood Security Project: Impact Assessment Report on Village Savings & Loans Component (VS&L).

Armendáriz de Aghion, B. and Morduch, J. (2005). The Economics of Microfinance. Massachusetts: MIT.

Barrer, R.L. (1991). Social Work Dictionary.

Bourdieu, P. (1986). 'Forms of capital' in J. C. Richards (ed.). Handbook of Theory and Research for the Sociology of Education, New York: Greenwood Press.

Loan Schemes: A case of CARE Kenya Program in Rachuaonyo District, Kenya.

Deshpande Anjali, (2006). An evaluation of impact of SHGs on the social empowerment of women in Maharashtra, India.

Field John. (2003). Social Capital, One of the best overviews and introductions to social capital. London: Routledge.

Associations in Kenya. Economic Development and Cultural Change.

Empowerment in Bangladesh.

Jeffrey, A. (2012). Deep Outreach Financial Inclusion: Savings Groups for Those Microfinance Cannot Reach.

Kumar, Prahalad; and Paul, Tinku (2007), Empowerment of Women, concept, Policy approach and Implications,” paper presented in a Seminar on Gender Issues and Empowerment of Women, Indian statistical Institute, Kolkata, 1-2 February

Malhotra, A., S. R. Schuler, and C. Boender. 2002. “Measuring women’s Empowerment as a variable in International development.” Report, International Center for research on Women and the gender and the Development Group of the World Bank

Mutesasira, L. K. and N. R. Mule. (2003). Understanding the West Nile SLAs and Charting a path for the Future.

Pietilä, H. (2002). Engendering the Global Agenda: The Story of Women and the United Nations. Geneva: NGLS

Pettit, J. (2012 forthcoming). Power Analysis: A Practical Guide. Stockholm, Swedish International.

Swain, Ranju Bala. And Wallentin, Fan. Yang, (2008). Economic and Non- Economic Factors- What Empowers Women?

Singh S., (2005). Self Help Groups in Indian Agribusiness- Replications from case studies, Artha Vijnana, 37(4), 380-388.

Suguna B., Empowerment of Rural Women through SHG”, Discovery Publishing House, New Delhi, 1-16, (2006)

Appendix I

Interview Schedule on the Study of Village saving and loan groups contribution to women's empowerment in Doba Woreda

Statement to be read before the interview begins:

The information provided during this interview will be treated as highly confidential and is collected for research purposes only. Participation in this study will not affect one's membership or role in the VSLA program. The purpose of this study is simply to gain a better understanding of the importance and contributions of the program, so that its efforts may be improved so as to better serve its members. Therefore, we ask you to feel at ease and to provide frank and honest answers without fearing any persecution or disclosure.

The Researcher is only interested in analysis of collective feedback and not individual respondent information.

Section 1: Background Information

1. Date of Interview _____
2. Name of the respondent/Code _____
3. Village _____
4. Name of VSL Group _____

Section 2: Demographic Information

5. Gender of client
 1. Male
 2. Female
6. Age of client _____
7. Religion

1. Muslim
2. Christian
3. Other

8. Marital status

1. Married
2. Widowed
3. Divorced
4. Single

9. What is the highest level of schooling that you have reached?

1. No education
2. Primary education
3. Some Secondary (9-10)
4. Completed secondary (Advanced level)
5. Higher Education

10. How many children do you have? _____

11. Do you send your children to school? _____

12. What is your source of money for the payment of these educational expenses? _____

Section 3: Client Information

13. For how long have you been a member of VSL group? _____

14. Are you a member of management committee? _____

15. If Q.No. 14 is yes, can you tell me your position? _____

16. How many cycles of the VSL have you completed? _____

17. How many shares do you currently have in your VSL group? _____

18. What do you think is the importance of being a member of VSL group? _____

3.1 Savings

19. Before you joined the VSLA did you have any savings? _____

20. If yes, in what way did you put your savings? _____

21. Do you continue to save in any other form after you joined the VSLA and why? _____

22. If your group had payouts, for what purpose do you use your share of payouts? _____

23. Who made the decision in the household and in which kind of issues? _____

3.2 Loans

24. Did you have access to loans before joining the VSLA? _____

25. If yes, who are your sources of loans? _____

26. How much loan do you get at a time and what for? _____

27. Have you ever taken a loan from VSLA after membership? For what purpose? _____

28. Who make a decision in the household for the purpose of the loan you take from your
group? _____

29. Are you currently engaged in any IGA? _____

30. In how many IGA are you currently engaged in? _____

31. What type of IGA are you currently engaged in? _____

32. How many people in the household are engaged in work that generates income(before and after your membership in the group)? _____

Section 4: Impact on Welfare

Household Assets

33. What kind of assets does your household own?

Type of Asset _____

Quantity _____

34. Were you a member of the VSL when you acquired the asset? _____

35. How would you rank your household's wealth within the community? _____

Household Diet

36. Has household diet improved since joining the VSLA? How? _____

Section 5: Social Capital

37. Has your status in the community changed since joining VSLA? In what way? _____

38. Has your status in your family changed since joining VSLA? What are the indicators? _____

39. Has your self-confidence changed since joining VSLA? How could you explain that? _____

40. In your meeting day what kind of discussion issues you raise? What is your participation look like in the discussion? _____

41. Are you a member of any community-based organizations, associations, networks or political parties? _____

42. If yes, What is your position? _____

43. Did you vote in the last parliamentary election? How could you decide? _____

44. In the last 12 months, have you expressed your opinion in a public meeting (other than a VSL regular meeting)? How and for what purpose? _____

45. What are your future plans? _____
