

Title THE ROLE OF MICRO FINANCE INSTITUTIONS IN
THE EMPOWERMENT OF WOMEN IN THE AMHARA
CREDIT AND SAVING INSTITUTION.

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ABSTRACT

Microfinance is provision of small amounts situational low income people who could not access loans from formal sector finance. Major objective of extending the loan is to alleviate poverty by creating jobs and incomes .while reducing poverty ,micro finance service are supposed to build asset bases of their clients to manage coup up with risks .micro finance programs are also expected to empower women clients by improving their decision making roles and self steam among others .however weather micro finance programs are bringing about desired changes is a debatable .in addition, some argue that micro finance has been pushing the low income people further into poverty. Although ACSI was one of the pioneer in starting lending through micro finance institution its effect is actually empowering women was not explored. This paper deals with assessing the real impact in the actual life of women

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LIST OF ACRONYMS

AIDS	-----	Acquired Immune Deficiency Syndrome
CEDAW	-----	Convention on the Elimination of Discrimination Against Women
EU	-----	European Union
FGD	-----	Focus Group Mutilation
HIV	-----	Human Immune Deficiency Virus
HTP	-----	Harmful Traditional practice
MFI	-----	Microfinance Institute
NGO	-----	Non-Governmental Organization
UNDP	-----	United Nations Development Program
WHO	-----	world Health Organization

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1. Chapter one

1.1 Background of the study

Unlike women in developed countries who are relatively Economically Empowered and have a powerful voice that demands an audience and a positive action, women in developing countries are silent and their voices has not been heard by economics and culture factors coupled with institutional factors dictate the gender based division of labor, rights responsibilities opportunities are access to and control over resources, education, employment opportunity, decision making and some other gender inequalities.

Like many other developing countries the life of women in Ethiopia is not different. Women who have been the vulnerable section of society and constitute a sizeable segment of the poverty struck population face gender specific barriers to access education, health, employment, etc.

The federal government of Ethiopia has taken several economics reform measures to address poverty and to reverse the gender inequality in its every aspect. Thus in one hand trying to fulfill the basic need of the population, it also embarks up on economics re from measures conducive for free market competition and employment creation which includes the promotion of polices that will encourage saving, private investment , increasing income earning opportunity and promotion of small scale industries in the informal sector among others. Credit and saving as a means to boost our economy and increase the capacity of small and micro organization to make them actors of the economy (Getachew, 2004)

In spite of the term empowerment, many people are confused as to what the empowerment of women implies in social, economic and political terms. Knowledge regarding the empowerment strategies such as integrated rural development, women's development, community participation and awareness building is even less clear. The attention given to women's empowerment is usually based on the premises that it is a role of performance status for Women mostly suffer from poverty in many developing countries. Ethiopia, being one of the developing countries, the causes is a main issue in the country. Considering the above, the present research deals with the role of

microfinance and empowerment of women in selected areas of Amhara region, Ethiopia.

According to Harper (1996), women empowerment differs from one country to another and between different income groups within each country. However, women's economic, social and political position is generally worse in poor countries as compared to the rich. *Women empowerment is giving the ability to generate choices and exercise bargaining power, developing a sense of self-Worth, a belief in one's ability to secure desired changes and the right to control one's life* (Narayan, 2002:10). The introduction of microfinance in Ethiopia has been gradual with its initiation attributed to the proclamation in 1996 (WABEKON, 2006). It also states that prior to the issuing of the proclamation, only a few NGOs and the Development Bank of Ethiopia offered limited and isolated microfinance services on an ad-hoc basis. According to Wolday (2006), as of June 2005, there are 26 microfinance institutions registered under the National Bank of Ethiopia with an active loans portfolio of about 1.5 billion Birr (173 million USD) and 1,211,305 active clients. They also mobilized about 501 million Birr (58 Million USD) savings. The clients served by the microfinance institution in Ethiopia are mainly the rural people. In addition to that about 38 percent of the clients of microfinance service in Ethiopia are female category, (Getachew, 2004).

Microfinance institution also provides benefits to women and plays an important role in their empowerment. The goal of microfinance institutions as development organizations is to service the finance needs of un-served or under served market as a means of meeting development. It includes reducing poverty, empowering women or other disadvantaged population groups to create employment (Lidgerwood, 2000).

Microfinance empowers women by putting capital in their hands and allowing them to earn an independent income and contribute financially to their households and communities. The economic empowerment for women beneficiaries is clearly visible that involvement in successful income generating activities should translate in to greater control and empowerment (Narayan, 2002).

When we come to the statistical data of Ethiopia and the Amhara region in particular the loan given for women is small. As it was discussed in “ impact assessment of micro finance in amhara region” it states that it is only 10-15% who are reached and the number of women getting the service are less than the males not only in number but also the amount of loan they are taking.

In line the General economic reform which considers micro financing institution contribution as a tool to meet the development plan, the government considers them as a tool to empower the poor in general and women in particular. The ministry of women, youth, and children clearly shows in its ministerial development and transforming plan of the next five year, micro finance institutions as its strategic allies in empowering women (Getachew, 2004).

Given the high level of poverty in the region, the service given by MFIS like ACSI is the top priority and its focus has to be on the poorest, particularly on women .This bring highest impact in the empowerment of women and it is contributing its share in poverty alleviation which creates an estimated demand of 12-15% demand for micro finance (Getachew, 2004)

1.2 Statement of the problem

Different studies indicated the low status of women in developing countries in general and in Ethiopia particular (Almaz, 1991) lack of access to productive resource such as land, money, and the opportunity to be the few among the many problems women’s encounter.

Formulating an appropriate strategy for transforming the status of women both within and outside their homes has been one of the major preoccupations of development practitioners, at least since the mid 1970. Among the many strategies which were formulated over time the most strategy, especially since the 1990s has been the involvement and participation of women in microfinance programs to assist micro and small enterprise owners (Miligram, 2000; 212, Von Bulow, Dam Ball and Maro, 1995:5 Malhorta, Schuler and Boender, 2002:24).

Despite taking micro finance institutions as a partner in the process of empowering women, the actual effect of micro finances on women empowerment is less discussed subject. It is therefore important to contribute a reliable study on the subject by finding out the impact of micro finance institutions in the empowerment of some.

Generally, this study deals with the role of microfinance in creating employment and income opportunities to women and subsequently in empowering them to play an active role in the economic, political and socio-cultural sphere in the study area. The economic empowerment approach attributes women's subordination to lack of economic power. It focuses on improving women's control over material resources and strengthening women's economic security. Women may work in a range of areas, including saving and crediting and skills development, new technologies or marketing as well provide such supports as child care, health services, literary programs and legal education. The consciousness raising approach asserts that women's empowerment requires awareness of the complex factors causing women's subordination.

1.3 Objectives of the study

The main objective of the study is to assess the impact of microfinance on the empowerment of women.

The specific objective includes:-

- To identify women who are really empowered by the service given by ACSI.
- To Identify and review the role of microfinance in empowering women politically ,economically ,and socio culturally
- To identify the role of microfinance in relation to women's time, creating awareness and self confidence.
- To assess the challenges of women clients in the microfinance institutions in the study area.

The study mainly aims at assessing the extent to which microfinance contributes to women empowerment in economic, socio-cultural at household level, political; knowledge, self-confidence and use of time. The study was designed in such a way that helps

to know client's empowerment levels before and after the intervention of microfinance in the life of women.

1.4 Significance of the study

The main objective of the study is to look into the role of microfinance in the empowerment of women. The findings of the study are going to show the economic, political and social benefits of microfinance delivery to women. In addition to its impact in enhancing their awareness and knowledge, the study will also further identify the challenges women face with MFI. The findings of the study can be used by other researchers who might be interested to conduct further studies on the subject and it will serve as a source of information for people that need to know the role of MFI in the empowerment of women.

1.5 Limitation of the study

The study has the following limitation. The first limitation is time since the researcher is a student of an Open University getting time from a regular job was difficult. This was a reason for not taking a sample from other zonal administration of the Amhara region which are far from the city which might bring a different result stated on my research if it was conducted .

The second limitation was financial shortage to collect the questioner from Keble's which are isolated by lake Tana from the city in which the researcher resides

Chapter Two

2. Review of Related Literature

2.1 Theoretical Background

Women hold an equal or even a more powerful position under the communal mode of production. However, women's role and their corresponding power in the household and the community eventually diminished with the evolution of private ownership. The family also changes to a patriarchal one where women are treated as the property of men as the latter control property and manage to generate surplus (Engels, 1942).

According to Engle (1942), the developments of socialization of housework are required to attain the full liberation of women. In addition, feminists should join the struggle against capitalism if the objective of women's liberation is to be met (Cliff, 1984), Liberal feminists call for the involvement of women in the public sphere while maintain the existing class structures. On the other hand, Engels argued for the elimination of private property as the key to women's liberation (Friedan, 1963).

A number of Marxist feminist thinkers have conducted studies on the earlier kingship and economic models and the role of sexual and/or gender division of labor in support or against the social power of women (Reed, 1973).

Economic independence is called for by various theories to ensure the equality of women. Housework is denounced by the Second wave Movement, including liberal feminists, because it is basically unpaid. It is insisted that such work devalues women and makes them dependent on men since it is not with in the sphere of public economic production (Friedan, 1963). Feminists propose interventions to provide access to economic resources such as micro credit as a stepping point to promote the empowerment of women in the economic social and political arena (Solomon 1999).

2.2 The concept of empowerment

The term empowerment is used to refer to self reliance and self respect in order to enable each person to reach his/her god given potential (Cheston and Kuhn, 2002:12). They also state that empowerment is about changes, choice and power. Empowerment is also considered as process of change by which individuals or groups with little or no power gain the power and ability to make choice that affects their lives.

Empowerment is also defined as a process through which women are able to transform their self-perceptions of inequality towards achieving visibly transforming general roles. Empowerment is generally an involvement of change at three broad levels: within the household, within the community, and at a broader institutional or policy-making level (Zafar, 2002:63).

According to Roland's, (1995) the definition of empowerment is bringing people on the outside of a decision making. Individuals become empowered when they obtain the right to determine choices in life and to influence the direction of change, though the ability to gain control over material and non-material resources.

The idea of power is at the root of the term government. Power might operate in different ways (Oxaal and Baden, 1997). "Power Over" involves an either/or relationship of domination/subordination while "Power to" relates to having decision making authority to solve problems. "Power with" involves people organizing with a common purpose or common understanding to achieve collective goals whereas. Power within refers to self confidence, self awareness and assertiveness.

Power tends to those who control or are able to influence the beliefs, values, attitudes, behaviors and resources that govern social relations at both public and private levels. Empowerment of women processes tend to identify power in terms of the capacity of women to increase their own self reliance and internal strength, and gain, and use power in alternative constructive ways (Oxaal and Baden, 1997)

Empowerment is usually associated with women not only because they have been historically disadvantaged in access to material resources like credit, property and money, but they have also been excluded from social resources like education or inside knowledge of some businesses (Zafar, 2002).

Access to resources does not by itself translate into empowerment or equality unless women acquire the ability to use the resources to meet their goals. For resources to empower women they must be able to use them for the purposes of their choice. The effective use of resources requires agency, which is, the process of decision making, negotiation and manipulation (Kabeer, 2005). Women who have been excluded from decision making for most of their lives often lack this sense of agency that allows them to define goals and act effectively to achieve them.

Movements which seek the empowerment of women as group increase opportunities available to individual women, and economic empowerment can increase women's status in their families and societies.

The lack of empowerment, on the other hand, eventually shows a down in economic and political development, just as the lack of progress in meeting people's basic needs will limit empowerment because poverty itself is disempowering (Skarlatos, 2004).

Poverty is usually defined in relation to the capacity to meet basic needs. However, in terms of a dynamic approach, meeting one's needs today do not guarantee that they will be met tomorrow. Vulnerability refers to the basic uncertainty which surrounds the capacity of poor people to meet their needs on a regular and assured basis. Owing to a wider variety of risks and shocks, the poor appear to be more vulnerable than the rest of the society (Kabeer, 2005). In addition to being economic phenomena, poverty and vulnerability are also a social indent reflecting who people are.

Dominate cultural normal and values in most parts of the world stress male responsibility for protecting and providing for household members and treat women as their life-long dependents. Men are basically given authority within the household and control over resources. On the other hand, women are assigned subordinate status within their households and the society. The risks faced by women increase with their increasing dependence on men. Generally, women are more vulnerable to poverty due to their economic, social, cultural status, caste, ethnic and religious values (Kaberabeer, 2005).

The United Nations conference on Environment and Development (UNCED) agenda 21 mentions that women's advancement and empowerment in decision making including women's participation, in national and international ecosystem management and control of environment degradation, as a key area for sustainable development (Wee and Heyzer, 1995, fourth world conference on Women, 1995), Development alternatives with women for a New era (DAWN, 1995), the international conference in population and development in Cairo (ICPD, 1994) and the Copenhagen declaration of the World summit on social development (WSDD, 1995) also treat the empowerment of women as the main objective of development which requires the full participation of women in the formulation, implementation and evaluation of decisions determining the functioning and well being of societies.

The World Bank has also identified empowerment as one of the key constituent element of poverty reduction, and as a primary development goals (Malhotra et.al, 2000). The promotion of women's empowerment as a development goal is based on the dual argument that social justice is an important aspect of human welfare and is intrinsically worth pursuing. A similar dual rationale for supporting women's empowerment has been articulated in the policy statements put fourth at several high level international conference in the past decade e.g. (Beijing Platform for Action, 1995, Beijing +5 Declaration, 2000, and CEDAW, 1979). However, no major development agency has developed a rigors method for measuring and taking changes in levels of employment. It is, therefore, difficult for the international development community to be confident that their efforts to empower women are succeeding (Malhotra ET .al, 2000).

The empowerment of women is essential for achieving the goals of sustainable development centered on human beings (Malhotra et.al, 2000). It also requires appropriate public polices to ensure that women enjoy all human rights and fundamental freedoms and participate fully and equally in all spheres of public life including decision making. Public polices to promote women's economic potential and independence and their full and equal participation in development are also essential and independence and their full and equal participation in development are also essential for women's empowerment. Measures are also needed to ensure women's equal access to education and to training and retraining.

Women's empowerment should also reflect on their sexual and reproductive rights and health. An empowerment approach to women's health emphasis women's individual sense of self worth connecting to the values they attach to their own health (Linked to "Power within") women's individual decision making over access to make health services more accountable and to increase women's choice decision making control over their bodies ("Power with") (Cheston and Kuhn,2002).

Furthermore, links between empowerment and health in general, and specifically for women are receiving growing recognition. Presentation made by WHO , at the fourth world conference on women at Beijing status that the empowerment of women is a fundamental prerequisite for their health. This means promoting access for women to resources, education and employment and the protection and promotion of their human

right and fundamental freedoms so that they are enabled to make promotion of their coercion or discrimination (WHO, 1995).

Education plays a vital role in the social empowerment of women (Indian National Policy, 2001). The empowerment requires the provision of equal access to education for girls and women. It also requires taking special measure to eliminate discrimination. Universalized education, eradicate illiteracy, and create a gender-sensitive education system, increase enrollment and retention rate of girls and improve the quality of educational to facilitate lifelong learning as well as development of occupational /Vocational/ technical skills by women.

Empowerment is essentially a bottom-up process rather than something that can be formulated as a top-down strategy (Cheston and Kuhn 2002). It then follows that the empowerment of women basically rests on women themselves rather than development agencies. The empowerment of women involves women themselves setting the agenda and managing pace of change (Carolyn, 2003). Empowerment comes from within, i.e., women empower themselves. Other parties such as development cooperation agencies or NGOs can, however, play an important role in facilitating capacity building and networking.

Appraise external support can be support women's empowerment by funding women's organizations that work towards addressing the causes of gender subordination by promotion women's participation in political systems and by facilitating dialogue between those in positions of power and organizations with women's empowerment goal (Carolyn, 2003).

Development approaches are utilized in a variety of development initiatives in addition to micro credit programs, democratization programs and leadership training programs. However, question has to be raised as to what constitutes empowerment and when the programs are. However, question has to be raised as to what constitutes empowerment and when is the program empowering and when it is not. For example, increased decision-making power at individual level and greater access to economic resources of women does not necessarily translate into greater representation on power of women within political institutions (Cheston and Kuhn, 2002).

Furthermore, empower, in one area can not be sustained without attention to other facets (Cheston and Kuhn, 2002). For example, reproductive and sexual rights cannot

be fully exercised where women lack independent economic resources. The promotion of empowerment also requires addressing organizational structures and process in addition to policy frameworks. Empowerment is demonstrated by the quality of people's participation in the decision and process affecting their lives. For participation to promote empowerment it needs to support women's empowerment should encourage women's participation at all stages of projects including evaluation (Cheston and Kuhn, 2002).

2.3 Microfinance

Microfinance is a term used to refer to the activity of provision of financial services to clients who are excluded from the traditional system on account of their lower economic status. The financial services will most commonly take the form of loans and savings by removing collateral requirement and creating banking system which is based on mutual trust (WWW.WIKIPEDIA.ORG)

Micro credit programmes aimed at empowering women have become popular among donors and NGOs. Development policies with the approach of women's empowerment through women organization for greeting self-reliance has also resulted in a change of policies for the enhancement of women's economic role.

Since microfinance organizations have financial focus, they are expected to impact the lives of the poor (Kabeer, 2005). Micro credit is about much more than access to money. It is about women lifting themselves out of poverty and vulnerability. It is about women achieving economic and political empowerment within their home, their villages, and their countries. (Beijing +5 conference, 2000) (Kabeer, 2005) states that in order to bring women's empowerment microfinance. It is recognized that strategic gender interests go to the very heart of the structures of patriarchal power: the abolition of a coercive gender division of labor; of unequal control over resources; ending male violence, women's control over their own bodies, the establishment of political equality and the ending of sexual exploitation (Moyneux 1985).

2.3.1 Target of microfinance in women clients

Most micro finance organization target poor women and usually those from socially excluded groups. The reason for the targeting of women under microfinance's schemes is the relationship[between gender and development. various researches conducted by

institutions such as UNDP (1995) and the world Bank (2001) indicate that gender inequalities inhibit growth and development. Hence, acknowledging the prevalent gender inequality and the impact on development, microfinance provides women with access to working capital and training to mobilize women's productive capacity to alleviate poverty and pave the way for development.

Women are basically the poorest of the poor. According to UNDP (2003) Human Development Reports, a woman making up the majority of lower paid and unemployed portion of most economics it is believes that the welfare of a family is enhanced, when women are helped to increases their income. This is due to the fact that women spend most of their income on their households. Hence, assisting women generates a multiplier effect enlarging the impact of the family needs and, therefore, another justification for given priority to them.

Another argument in favor of priorities to women is their efficiency and suitability. Women are believed to be better in their repayment records and cooperativeness (Cheston and Kuhn, 2002) women's repayment rates also excel that of men and their lower arrears and loan rates have an importance effect on their efficiency and sustainability of the institutions. Women's equally access to financial resources is also a human right issue (Beijing platform For Action, 1995).

According to USAID (1995) financial institutions that offer deposit services are very attractive to women. If a gender based organization is aimed to meet the preferences and needs of its clients, savings services must be an internal component of its program. Saving programs targeting at women have the potential to enhance economic empowerment since women make financial security safety and provision priorities in their households (UN expert group on women and finance, 1995).

As indicated previously, microfinance services initially target women. However, it is not sufficient only to cater to women clients to solve gender issues. A gender sensitive approach is inclusive only to cater to women clients to solve gender issues. A gendered sensitive approach is inclusive rather than exclusive (Jahan, 1995). Gender sensitivity is assured when taking into account the needs and constructions of both women and men during the designing and delivery of finance. On the other hand, the "Women only" targeting approach might further exacerbate gender inequalities.

2.4 Paradigms of microfinance institutions towards women empowerment

Support for targeting women in microfinance programs come from organizations of widely differing perspectives. Mayoux (2005) identifies three contrasting paradigms with different underlying aims and understandings and different policy prescriptions and priorities in relation to microfinance and gender policy. The three paradigms, namely the feminist empowerment, poverty reduction and financial suitability, also have different emphasis in the way they perceive the inter-linkages between micro financing and women's empowerment.

2.4.1 Feminist empowerment paradigm

With a focus on gender awareness and feminist organization, microfinance is promoted in light of a wider strategy for women's economic and socio-political empowerment. In this regard, microfinance must be part of a sectional strategy for change that identifies opportunities and constraints within industries which can raise the prospects for women, when addressed. In addition, microfinance should be based on participatory principles to build up incremental knowledge of industries and enable women to develop their strategies for change.

2.4.2 Poverty reduction paradigm

This paradigm is touched by many NGO integrate poverty-targeted community development programs. The main focus of such programs is the development of sustainable livelihoods, community development and social service provision like literacy, health care and infrastructure. The programs typically target the poorest of the poor.

The strategies target women because of higher levels of female's poverty and women's responsibility for household well-being. The assumption is that increasing women's access to microfinance will enable them to make greater contribution to household income which is believed to translate into well being and result in changes gender inequality.

2.4.3 Financial sustainability paradigm

This model of microfinance promoted since the mid-1905 by most donor agencies are large programs which are profitable and self supporting and can compete with other private banking institutions and capable of raising funds from international financial markets, is the ultimate aim of such endeavors. Financial sustainability is seen as an additional effort to create institutions which can reaches a significant number of the poor. The success of the programs is measured in terms of covering cost from income. The need for targeting women is justified on grounds of high female repayment rates and the need to stimulate women's economic activity. It is believed that increases access of women's to microfinance services will in itself lead to individual economic empowerment though enabling women's decision abut saving and credit use to set up micro enterprises, increasing income under their control.

2.5 Economic impact of microfinance

Women's access to credit is generally beloved to result in their economic empowerment. As a result, the provision of microfinance to women has been called for by various international and national organizations in light of their productive role for economic development and women's rights. However, many still question the empowering capacity of credit in relation you thee economic social and political conditions of women. (Mayoux, 2002)

The impact of microfinance on income has been observed to be variable. It appears that for the majority Of women clients their income increases are small and even in some causes negative. This is due to the fact that most women invest in existing activities which are low profit and insecure. In additional, women's choice and ability to increases income is constrained by gender inequalities in access to other resources for investment in household responsibility and lack of mobility (Mayoux, 2002).

Hence, the presumption that access to credit automatically leads to women's empowerment is not often true. This is because women with access to credit are usually unable to gain and maintain control of it. In additional there are additional disadvantages that women face including inability to access information, productive resources and social networks that hinder their access to and control of resources (Mayoux2002).

As mentioned earlier, access to microfinance, by and large, has a positive economic impact. The impact become larger for those closer to the poverty line and it also increased with the duration of membership or intensity of loans as members begin to invest in assets rather than consumption (Murdoch and Haley 2001).

Microfinance delivery in various points of the world has improved the economic position of households, enhancing the asset base and diversification in to higher return occupations among members. However, there are also a number of issues within the women's empowerment framework that depend on the poverty reduction capacity of microfinance (Skarlatos, 2004). First the size of the loans is too small which does not enable the women to make long lasting income change for the household. Secondly, the increased access to credit in the same geographic area could contribution to market saturation of products provided by women. This is because poor women usually engage in similar business. Thirdly, this is the possibility that the women's successful business might have a negative impact on the girl child who might be required to her mother leaving the school. Women have a stake in the overall economic achievement of the Household. However, in societies were there are restriction on women's public mobility the impacts of microfinance on women are marginal or even nonexistent. In addition, the economic impact of microfinance on women dependent on whether they have full control over the loan secured and their voice in house hold decision making (Goetz and Gupta, 1996).

2.6 Social impact of microfinance

In additional to economic impacts, social changes also result from the work of micro finance organizations (Kabeer, 2005). The delivery of microfinance is expected to result in social changes because women working in groups can achieve what might not be achievable individually. Micro finance organization strategies provide the poor the possibility of belonging to a group they choose despite the socially or economically imposed relationships (Kabeer, 2005). This allows for meeting with others of smaller experience and share knowledge. Such parties in effect are believed to empower them both individually and collectively. The provision of financial services is directly associated with two specify sets of social relation. The first relate to interactions with the staff of the organizations which have the potential to bring change though training

and other activities. The second set of social relations is those between members of the groups organized by microfinance organizations. However, these groups do not embody the same principles of organization to the same kind of relationships between members (Mayoux, 2005).

Child education also improves with the provisions of microfinance. In this regard, the delivery of microfinance to women results in greater return as compared to men (Kaber, 2005).

Microfinance members are also expected to have enhanced decision on abortion, contraception use, and number of children and age at marriage for their daughter. In addition, the likelihood of females' decisions making has been increased when channeling loans through women's groups rather than to individual women (Goetz and Gupta, 1996). Claims that participation in microfinance activities has implications for women's empowerment within the household were investigated by a number of studies with varying results. Intra-household decision-making was one commonly investigated indicator of women's role in household decision-making, it has not occurred evenly in all contexts or in all areas of decision-making (Cheston and Kuhn, 2002). The other social impact of microfinance is on domestic violence. Domestic violence might reveal either a declining or an increasing trend with women's access to microfinance (Goetz and Gupta, 1996). The reason for the decline could be the increase in awareness among family members that provide women a public forum where they discuss matters that were previously kept privately. On the other hand, according to the report compiled by (Rahman, 1999) an increase in domestic violence has been observed for 70 percent of 120 women borrowers of Grameen bank (Microfinance institute found in Bangladesh) following their involvement in microfinance.

2.7 Political impact of microfinance

Microfinance is viewed as an effective tool for overcoming the political exclusion of women (Cheston and Kuhn, 2002). The global average of women's representation in national parliaments remains low at 17 per cent as of 31 January 2007 (UN, 2007). Women in government, parliament, the judiciary and other institutions serve as role models and thus as pull factors for other women.

There are ranges of possible mechanisms to increase are women's participation in political life with varying degree of success (Byrne et.al, 1996). The first is the reform of political parties through quotas and other forms of affirmative action. Another mechanism is training to develop women's skill and gender sensitive working with women's political organization is the other mechanisms. To enhance their participation, Measures that can be taken by microfinance institutes to increase the quality of women's political participation include awareness raising, training programs for female candidate, the cultivation of links and Networks between women in local government and quotas in NGOs and timing of meetings and provisions of child care to fit with women's domestic responsibilities. Measures to increase the quantity of women representatives need to be accompanied by measures to improve the quality of their participation. Even programs that are not explicitly addressing women's rights and political participation have contributing to women's knowledge and self confidence and by widening their social networks many microfinance programs give women the tools and skills they need to participate more effectively and successfully in formal politics and to informally influence decisions and politics that affect their lives.

2.8 Gender based microfinance delivery

Women's access to financial resources has been substantially increasing over the years. However, their ability to benefit from the access in is limited by the gender related disadvantage (Skarlats, 2004). In addition, despite their growing capacities, some microfinance institutions provide a decreasing percentage of loans to women. The loan size provided to women also appears to be smaller in comparison to men although both participate in the same program and belong to the same community. In addition to women's poverty levels, social discrimination against women results in smaller loan sizes in comparison to men. Furthermore there are only a limited number of women in the leadership of microfinance institution, which might be one reason for the biased to transform power relations and empower the poor. Although microfinance does not address all the impediments to women's empowerment, it can contribute to their empowerment if properly implemented (Kabeer, 2005). The goal of Empowerment can be achieved through microfinance programs that are broad based, gender focused and financially sustainable. A gender based policy involves more than

just targeting women. Creating gender-based policy involves a process through which an institution re-examines all of the underlying structures and assumptions about gender roles, rights and responsibilities that have historically discriminated against women as borrowers and employees. It is also important for microfinance institutions to set guidelines pertaining to employee recruitment, promotion, roles and responsibilities.

In this regard, the formulation and enforcement of the guidelines is expected to bring about positive social changes. Furthermore, involving women both as staff and borrowers has the potential for increased levels of economic empowerment and financial stability that will benefit the individual women, their families and communities (Mayoux, 2002).

The following are some general considerations that should be made when designing programs with the aim of creating gender based strategy (Vyas, 2002). First, a program must contribute to the self esteem, confidence and competency of women. This is because women often find it difficult to express their concerns about harmful political and economic policies much less discuss their consequences for gender empowerment. Second, there must be a strong male contingency in the leadership and planning roles of microfinance program. Filling management positions with women would help to break the belief that women are not capable of handling jobs traditionally held by men. With proper education and increased self esteem, women will have the ability to break traditional cycles of subordination and inherent cultural procession. Lastly, a microfinance program with a focus on gender must have an India, founded on solid research and reliable information of the financial senses that will be most beneficial to women clients.

A solution also needed to develop approaches that provide opportunities for women to decide for themselves about their needs and interests and how positive change can be achieved. Promoting empowerment also requires some fundamental changes within agencies in reviewing their structures and procedures to increase their accountability to the women whose empowerment they aim to support. Generally, it is essential that empowerment strategies are designed to enable women to gain greater access to information, access and control over resources and the ability to make decisions themselves (Kabeer, 2005).

In order to enhance women's access to credit, the establishment of new and strengthening of existing micro credit mechanisms and micro-finance institutions needs to be undertaken to enhance the outreach of credit (Cheston and Kuhn, 2002). In addition, other supportive measures should be undertaken to ensure adequate flow of funds. The promotion of women's political participation is an important approach to supporting their empowerment. This includes promoting women in government and national and local party politics as well as supporting women's involvement in NGOs and women's movements. Generally although women are found in large number in lower-level positions in public administration political parties, trade unions and business, their representation in chief executive and economic areas is generally very poor. Microfinance has also been strategically used by some NGOs as an entry point for wider social and political mobilization of women around gender issues (Mayoux, 2002).

However, in most programs there is little attempt to link micro-finance with wider social and political activity. In the absence of this, it is not possible to measure the contribution of microfinance. To the contrary, there is the possibility that micro-finance and income earning may take women away from other social and political activities taking the conclusion as a spring board.

Chapter Three

Background on ACSI and Description of the Study Area

3.1 Amhara Credit and Saving Institution (ACSI)

3.1.1 Mission and Objectives of the Organization

A major part of the rural credit in the Amhara Region is provided by the Amhara Credit and Savings Institution (ACSI), a micro-finance share company. ACSI started operations in 1995 as a department of a local NGO, the organization for the Rehabilitation and Development of Amhara (ORDA); and has grown to become one of the largest MFIs in Ethiopia. As the first licensed MFI, the Amhara Credit and Savings Institution was established in 1996 and registered as a microfinance share company in April 1997. ACSI's primary mission is to improve the economic situation of low income, productive poor people in the Amhara region primarily through increased access to lending and saving services.

The institutional objectives of ACSI are: (1) Productivity Objective- through which agricultural and non-agricultural economic activities are promoted (2) Outreach objective- for poverty to rural and remote communities, particularly women; (3) Impact objective- which helps to significantly increase the income and asset position of clients; and (4) Institutional sustainability- to promote sustainable financial services, both operational and financial (ACSI, 2004a).

3.1.2. Operational modalities, products and performance

As indicated in an internal report of the micro-finance institution, ACSI follows the group guarantee and Lending Model (GGLM). Accordingly, all sample clients in this study are those who have taken loans by forming a group of borrowers. Regarding the size of loans granted by ACSI, the same internal report suggests that the best way to introduce the very poor to the business world is to start with small, but surely progressive loan sizes between loan cycles is needed as the clients are expected to gain business experience through time. Related to this, ACSI believes that the smaller the loan size, the shorter would be the repayment period. While this has for long been limited to one year, pursuant to the National Bank directives, it has been extended to

two years, and up-to five years for specific loans. Currently, the loans interest rate is 18% while the savings interest rate is 2%.

Getaneh (2005) indicated in his recent study that ACSI currently delivers four types of financial services: Credit, savings, Pension fund Management and Money Transfer. Though its 10 branches and 174 sub branch field offices, it has reached all 105 woredas (districts) in the region and operators in over 2221 Keble's or Peasant Associations (over 75% of the total in the Region). As of February 2005, ACSI had an outreach of over 345,000 active credit clients with Over US\$ 35 million outstanding loan balance, 35% of them being poor women. Regarding women access to micro-finance services, one dimension of welfare improvement is its impact on women's empowerment. Thus, ACSI has a target of delivering at least 50% of its credit service to women.

A study conducted by USAID (2005) observed that ACSI has often focused on the poorest of the poor, and particularly on women. This is mainly because of the assumption that women are believed to have the highest impact on poverty alleviation and food security within the household. ACSI's credit service had initially planned to reach at least 50 percent women clients, a target that it attained since 1998, but over the years this has dropped. As of August 2005, 38 percent of clients were women. According to the USAID study, many reasons account for this decrease i.e. as outreach expands to the very remote and peripheral areas of the Region, the challenge of attracting additional women increases and in the most remote areas, women become more risk averse.

Regarding the micro-finance service coverage in Amhara region, it has been recognized that ACSI, other smaller MFIs and saving and Credit cooperatives (SACCOs) have only managed to satisfy between 10 to 12% of the demand. In other words, there are many economically active poor people who have not yet been reached by micro-financial service. Thus, expansion in to new areas so as to include more poor and marginalized people has been taking as a top priority of the microfinance institution (ACSI, 2004b).

Considering the relative size of clients that it serves, the amount of loans it has disbursed, the area coverage it has reached, the recovery rate plus the persuasive

impacts that the institution has brought about on the lives of the poor by rendering credit and saving services, ACSI has been adjudged to be one of the largest MFIs in Africa (Micro Rating Africa, 2005).

This same USAID study highlights some positive and negative points about the operation of ACSI. The remarkable low operating expense ratio (6.0 percent, which is amongst the lowest in the world for micro-finance institution, USAID, 2005); excellent portfolio quality; strong support from the state government; excellent growth prospects, give the apparent lack of completion; and sufficient liquidity to manage future growth are some of the identifiable strengths of the microfinance institution mentioned in the report. While the identified weaknesses include the absence of an automated MSI (management Information system); high concentration of agricultural lending in the loans portfolio (which is a majority risk because in the event of an agricultural failure, there would be a significant negative impact on the institution). The report also observed that ACSI needs to strength its risk management frames work (e.g. asset and liability matching), Low portfolio Yield (given the strong influence from government) and un-improved lending methodology for new individual loans

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3.2 Description of study area

Bahir Dar is a city located North West of Ethiopia and far from Addis abeba by 560 Km. Bahir Dar is a fast growing city which is a capital city of the Amhara Region.

Administratively the city is divided into two worda's and 17 Keble's and 4 satellite Keble's .According to the 2007 census of the Ethiopian central statistics agency it has a total population of 217,991

Chapter Four

4. Research methodology

4.1 Research method and tools

The researcher as used both quantitative and qualitative methodology in order to get good and sound able result. The researcher has used mostly qualitative data analysis and used quantitative as a complement to express data which should be quantified in addition to this the researcher has taken books, brochures, reports of international institutions to strength the issue the research tries to address.

A questioner was administrated for respondents which were selected as a sample from the population systematically in order to make the respondents understand the question it was constructed in a simple and understandable form and it was translated into Amharic, which is their mother tongue Since most of the respondents' cannot read and write they fill the questioner with the help of people who were assigned to help them by the researcher.

Qualitative methods are usually employed for deeply rooted studies that attempt to interpret social reality (Roger and Nall, 2003). Gender issues being one aspect of social Reality, qualitative analysis is believed to provide an appropriate understanding of the Subject. Feminists have used qualitative research methods in order to make women's Diverse voices and experiences heard (Jane and Lewis, 2003). In accordance with the above, this research mainly focused on qualitative method with the view of assessing the areas and extent of empowerment resulting from the intervention of microfinance and also identifying the challenges and problems faced by the clients in the undertaking. In this regard, focus group discussion and in-depth interview methods have been used for the purpose.

Focus group discussion

This method helps participants to be more active and it helps the researcher to get their full attention. Focus group discussion allows for a dialogue among participants and stimulates them to openly express their views on the issues raised. Since questions are

raised to the group as opposed to the individual, the dialogue has its own peculiar flow (Roger and Nall, 2003)

The focus group discussion was held between 12 groups which comes for a meeting to attend a training and the researcher has turned this golden opportunity for its case and enjoyed the mix of the group from different area and business back ground .the discussion was very hot and it raises many issues beyond what was presented as a question .the researcher has only assigned the trainers as a moderator and they did their job efficiently and effectively

The focus group discussion is held among individuals of 6 persons divided into a 12 groups. The focus group discussions lasted from one hour and the information obtained was generally very valuable. The ideas raised, the dialogue held and the cooperativeness of the participants was also very much appreciable. Although some appear to be shy and a few attempt to dominate the discussions, the moderator has basically managed to handle the sessions well.

In-depth Interview

In-depth interviewing is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program, or situation. For example, we might ask participants, staff, and others associated with a program about their experiences and expectations related to the program, the thoughts they have concerning program operations, processes, and outcomes, and about any changes they perceive in themselves as a result of their involvement in the program. In-depth interviews are useful when you want detailed information about a person's thoughts and behaviors or want to explore new issues in depth. Interviews are often used to provide context to other data (such as outcome data), offering a more complete picture of what happened in the program and why. The questions rose during the interview deal with client's Personal background and issues such as economic, political, and socio-cultural empowerment etc.

The interview was conducted with respondents' which were selected from the population randomly and the respondents' talk freely and they were collaborative but lack of openness was seen fearing it will affect their lending capability if we raise

issues which were negative but after the researcher pursued them it was confidential they feel good.

4.2 Sampling technique

This study has been conducted in Bahirdar and the surrounding Keble's which were selected because the researcher resides in the city and is fully acquainted with it. This would make it relatively easier to perform the data collection. In addition, the city was selected owing to financial limitations that hinder the researcher in conducting the study outside of Bahir dar. The research work also limited itself to a single institution due to time and financial Constraints. In this regard, Amhara credit and saving association was Selected purposefully. The institution was chosen because of its wide area coverage with Clients from Amhara regional state basing the study on such a wide client base is believed to provide opportunities to obtain different sets of ideas, opinion and views that enrich the undertaking. In addition, the pledge made by the staff and management of ACSI to provide the necessary cooperation in the course of the study was another reason for selecting the Institution. The respondents of the study were purposefully selected to be entirely women. This was made in order to get information from their own experience regarding the effects of microfinance in their empowerment in the different circumstances. Purposeful sampling method was employed to conduct focus group discussion and in depth interview, which were the methods used for qualitative analysis. A typical in-depth interview should account for a small sample size which is less than 20 interviewees. The selected participants must also be people who are well informed about the issue to provide the information (Roger and Nall, 2003).

The staff of the Institution assisted in identifying potential candidates that could provide the required information a selection was then made from among the clients proposed by the staff. Twelve clients, two each from Meshente, Tis abay, zege, Aweta, zenzelma were selected for the in-depth interview. In addition, from the Keble's found in Bahirdar municipality eighteen participants were purposefully selected for the focus group discussion in three groups.

When we come to quantitative research method 746 clients from the total of 10,908 were selected through simple random sampling procedure ACSI currently serves

37426 Clients in Bahir dar special zone out of which 20384 (55percent) are women. Out of the total number of women Clients, 53 percent i.e. 10908 live in Bahirdar. Based on this the researcher was able to adopt a mathematical formula for the purpose of determining the sample size. (Patton, M 2001 has suggested the following mathematical formula for determining sample size.

$$n = \frac{N}{1 + N(e)^2}$$

Where, N is the total ACSI client women, and e is the error or confidence level the conventional confidence level of 95% was used to ensure a more accurate result from the sample. Based on this, the error term would equal to 0.05. Using the total Population of 10,908 and error margin of 0.05, the sample size was calculated as follows.

$$n = \frac{10908}{1 + 10,908(.05)^2} = 746$$

$$n = \frac{10908}{1 + 10908 \times .0025} = 746$$

Hence, out of the total population of 10,908 microfinance women clients, a sample size of 746 was taken. A simple random sampling technique was then adopted to select the 746 participants.

4.3 Data analysis and interpretation

Data editing and entry task was conducted. Furthermore, clean data set were used for the analysis. Roger and Nall (2003) state that the data should be completed before leaving the field and additional required notes also need to be included the tape recording of both the in-depth interview and focus group discussion was initially transcribed. The researcher then read the transcripts and the notes Jennifer (2005) states that there are, literal interpretative and reflexive reading of the data. Interpretative reading involves constructing and documenting what the data mean or Represent and then can describe and explain the phenomenon being studied from the data.

After reading the transcripts, the main concepts were categorized and an index constructed which containing broad themes like economic empowerment and sub-

themes such as how the women manage their money. Each category was then labeled using appropriate headings. Finally, the major findings under each topic and sub-topic were analyzed and interpreted.

With regard to the quantitative analysis, SPSS software was employed for the data entry and to calculate percentage values. The resulting data was then analyzed and interpreted.

4.4 Validity and reliability

Triangulation technique was used for improving the validity and reliability of research or Evaluation of findings (Mathison, 1988). Patton (2001) advocates the use of triangulation by stating that triangulation strengthens a study by combining methods. This can be attained by using several kinds of methods or data including both qualitative and quantitative approaches. By selecting complement methods, the researcher was able to be more efficient. Triangulation is a powerful technique that facilitates validation of data through cross verification from more than two sources. In particular, it refers to the application and combination of several research methodologies in the study of the same phenomenon (Cheng liying, 2005)

- It can be employed in both quantitative (validation) and qualitative (inquiry) studies.
- It is a method-appropriate strategy of founding the credibility of qualitative analyses.
- It becomes an alternative to traditional criteria like reliability and validity.
- It is the preferred line in the social sciences.

By combining multiple observers, theories, methods, and empirical materials, researchers can hope to overcome the weakness or intrinsic biases and the problems that come from single method, single-observer and single-theory studies.(Cohen and Manion)

The purpose of triangulation in qualitative research is to increase the credibility and validity of the results. Several scholars have aimed to define triangulation throughout the years.

- Cohen and Manion (1986) define triangulation as an "attempt to map out, or explain more fully, the richness and complexity of human behavior by studying it from more than one standpoint."
- Altrichter et al. (2008) contend that triangulation "gives a more detailed and balanced picture of the situation."
- According to O'Donoghue and Punch (2003), triangulation is a "method of cross-check in

Chapter Five

Findings, discussion and analysis

5.1 Characteristics of the respondents

This chapter deals with the background characteristics of the respondents considered in the study. A total of 30 individuals were involved in the in-depth interview and focus group discussion. The age of the study participants ranged from 20 to 40 and above. The majority of the participants were above the age of 35. The respondents, whose educational level ranged from illiterate to secondary level, mostly learned about the existence and function of the microfinance institution from friends and relatives. The respondents have been members of the microfinance institution from one to more than four years. Furthermore, it is observed that the participants differ in their marital, i.e., consist of single, married, widow and divorced women.

Regarding the quantitative study, it involved total of 746 respondents. The background characteristics of respondents are presented here below.

Table 1 Proportion of age distribution of the sample population

Age	No. of cases	percent
20-24	28	3.8
25-29	60	8.0
30-34	112	15.0
35-40	308	41.3
40& above	238	31.9
Total	746	100.0

Source: Survey conducted by the researcher

Table 1 shows that around 41.3 percent of the women fall in the age group of 35-40. The women above 40 years of age constitute 31.9 percent. Only a few, i.e. 3.8 percent, of the women are 20-24 years. 8 percent of the respondents are between 25 to 29 years of age while those aged 30-34 are 15 percent. Generally, the majority of the clients are above the age of 35.

Table 2 Percentage Distribution of the Sample by Marital Status

Marital Status	No. Of cases	Percent
Married	472	63.3
Widow	122	16.4
Divorced	70	9.4
Single	82	11.0
Total	746	100.0

Source: Survey conducted by the researcher

As indicated in Table 2, 63.3 percent of the clients are married while 16.4 percent are widows. Respondents who have divorced are 9.4 percent while the remaining 11 percent are singles. This shows that the great majority of the clients are married.

Table 4 Percentage Distribution of the Sample by level of Education

Level of education	No. of cases	Percent
Illiterate	286	38.3
Read and write	104	13.9
Primary Level	160	21.4
Secondary level	196	26.3
Total	746	100.0

Source: survey conducted by the researcher

Regarding the educational level of the clients, Table 3 shows that about 38.3 percent are illiterate while 13.9 percent can read and write although they have not undergone through formal education. Furthermore, 21.4 percent and 26.3 percent have reached primary and secondary school level, respectively. This reflects that none of the clients is above secondary level and that the majority lack basic education. It also appears from the above figures that ACSI provides financial access generally to those with low level of education.

5.2 General characteristics in relation to microfinance

microfinance membership

Table 4 Percentage distribution of the sample by duration of microfinance membership

Characteristics	No. of cases	Percent
< 1 yr	100	13.4
1-3	142	19.0
4-6	294	39.4
7	210	28.2
Total	746	100.0

Source: Survey conducted by the researcher

In table 4, it is shown that 13.4 percent of the respondents have been members of the microfinance institution for less than a year while 19 percent joined the programs before one to three years. 39.4 percent of them have a membership duration ranging between four to six years where as 28.2 percent have more than seven years of membership. In this regard, a great majority of the clients have participated in the microfinance programs for more than four years. It is believe that the impact of microfinance will be fairly observed as most of the clients have participated in the ACSI for over four years.

Table 5 Percentage distribution of the sample by source of information about ACSI

Source of information	No. of cases	Percent
People	508	68.1
Kebele	238	31.9
Total	746	100.0

Source : survey conducted by the researcher

In table 5 as per the response of the clients, the means though which they joined the microfinance institute are two. 68.1 percent of the clients heard of the institute from

other people while the sources of information for the remaining 31.9 percent were kebele (the lowest administrative unit Ethiopia) administrations.

Result of the focus group discussions and in-depth interview also indicated that the majority of the clients head basic information about the micro finance institute, i.e., The existing of MFI, how to borrow money, collateral requirements, etc, from their neighbors, friends or relatives. Others have indicated that they learned about the MFIs from kebele administrations though meetings organize to explain about such programs.

Table 6 Percentage distribution of the sample by source of credit before joining ACSI

Source of credit	No. of causes	Percent
Private money lenders	192	25.7
Relative/friends	154	20.6
Equib/iddir	14	1.9
No means	386	51.7
Total	746	100.0

Source: Survey conducted by the researcher

As Table 6 shows, before joining MFI, 25.7 percent of respondents were using private money lenders as their source of credit while 20.6 percent depended on relatives and frindes,Equib and Idir constituted as the credit source for 1.9 percent of the clients while 51.7 percent of the respondents did not have any source of credit before joining ACSI The above figures indicate that the majority of the respondents lacked a mean of credit before they joined ACSI

Table 7 Percentage distribution of the sample by reasons for positive views about ACSI

Reason	No. of cases	Percent
Low interest rate than other sources of credit	126	16.9
Study source of working capital	244	32.7
Group solidarity and/or group dynamic	20	2.7
Easier grantees than other loans alternatives	356	47.2
total	746	100.0

Source: Survey conducted by the researcher

As depicted in Table 8, 32.7 percent of respondents like the credit facilities offered by ACSI because it is a steady source of working capital while 2.7 percent of them due to its positive impact on group solidarity and group dynamic. 47.7 percent of the clients prefer ACSI because of the relative lower guaranty requirements compared to other sources of loans, whereas 16.9 percent of them like it because it has a lower interest rate than other informal sources of credit.

Table 8 Percentage distribution of the sample by reasons for negative view about ACSI

Reason	No. of causes	present
High interest rate	182	24.4
Too small loan size	14	1.9
Repayment policy	56	7.5
Problematic groups dynamic	28	3.8
Do not Know	74	9.9
High interest rate, small loans size, repayment policy	392	52.5
Total	746	100.0

Source: Survey conducted by the researcher

Table 8 indicates that 24.4 percent of the respondents do not like ACSI due to the perceived high intermits rate while 7.5 percent showed dislike owing to the repayment policy.

The perceived problematic grows dynamics and the low loans size appear to be the source of dislike respective for 3.8 percent and 1.9 percent of the clients. Furthermore, more than half of the respondents, i.e, 52.5 percent have complained about high interest rate, too small loans size and the repayment policy. The rest 9.9 percent were not able to identify any negative perceptions regarding ACSI

Most of the respondents of the FGD and in-depth interview did not have a source of credit before joining ACSI. Those who used to borrow money from private money lenders were encountering problems in the repayment policy and high interest rate, i.e., 100percent. In addition, if the borrowers failed to settle their debts within the specified time, they suffered threats from the loans officers cause them serious stresses.

A 32 year old respondent, who is a widow, described the following situation during the FGD.

I borrowed money from a private lender for personal purpose. Shortly after I took, the lender started pushing me to settle the debt earlier than previously agreed threatening me to double the interest rate if I failed to accept the new date. He also threatened to seize my household equipment if I did not comply with his directive. I had no option but to borrow money from others and pay the debt as I suffered stress and my health started to deteriorate following the situation (FDG, Group2).

Humiliation of the clients was evident whether the loans were the taken from relatives, neighbors or friends. A respondent of age 39 who is married explains the humiliation as follows.

I was forced to borrow money from my neighbored to support my family because I did not have a job and my husband was laid off from his job. Begging money now and then and sometime failing to pay it back was a source of humiliation for me (Interview4).

With the shift from private money lenders to ACSI The latter can currently plays a great role and also relieves the clients from high interest rate and prevent abuses. Relative and friends cannot be a reliable source of credit as they might not have the money when needed. In addition, clients were a friend to take money from source other than their friends and relative for fear of taking loans from individuals. The first step that ACSIs should take in the empowerment of women is the delivery of capital. This

would ultimately enable them to contribute to their households and communities (Creston and Kuhn, 2002)

After joining ACSI, almost all of the respondents do not use any other source of credit. As explained before, this is because of ACSI appears to be a steady source of working capital.

ACSI offers loans once the previous one had been settled and clients can borrow money at any time as far as they clear their debit on time.

The majority of the respondents also said that they like, ACSI due to the easier guarantee requirement compared to other sources. In addition, they found it hard to borrow money from banks or other loans services that require collaterals because most lack basic education, formal job, working capital, etc. ACSI make them often to form groups of four to five clients and allow them to play a collateral role for each other. Under this arrangement, if one member of the group fails to pay the loan, the other group members are supposed to settle the deb.

A 50 years old lady who is divorced explains how microfinance has helped her to improve her life.

I m not educated and did not have a job. I had to borrow money to start my own Business but did not meet the collateral requirements for the loan. After joining ACSI and organized as a group, I was able to secure loans and started my own business (Interview2).

A widow of 34 year also had this to say regarding the role of microfinance in changing her life.

Following my husband's death, life was very much miserable and I had nobody who could provide me money though aide or loan. Fluffing the collateral requirement to each other with other three women, I managed to get loans from the MFI. The microfinance institution is really a life savior to the poor (FGD, Group1)

The above feedbacks are indications of the difficulties with access to loan outside of the MFI for the uneducated and those who cannot fulfill collateral requirements.

Creston and Kuhn (2002) stated that microfinance instructions around the world have been quite creative in developing products and services that avoid barriers that have traditionally, male or salaried guarantor requirements, documentation requirements, cultural barriers, limited mobility and literacy. As explained above, one of the great

roles of ACSI is its easier guarantee requirement as it allows clients to get money by forming a group and be collateral to each other.

Although the advantage of such an arrangement is clear, it might also leave the clients in a disadvantageous position. This occurs when a group member fails to pay the debit making the result of the group settle on her behalf.

A 35 years old, who is married, recalled the consequence she faced as a result of the default of a group member.

When we joined MFI all of us had agreed to settle our debts timely. However, one of the members failed to repay the loan and we had to settle her loans on top of our. The situation was very difficult (Interview7).

The above indicates that although ACSI has relieved the clients from fulfilling collateral requirement and enabled them access to credit, they still bear burdens when a group member fails to settle debits as per the repayment schedule.

In addition, despite its advantages, some of the clients still complained about the relative high interest rate, i.e., 16 percent interests on loans compared to only 4 percent when they save in ACSI.

A divorced client who is 45 years of age has been a member of ACSI for eight years noted the following.

The interest rate applied by the MFI is smaller compared to that levied by private lenders. However, the rate is still too much for me. In addition, the interest rate on loans taken is not comparable to the amount offered in savings. Interest used to be calculated on the remaining balance of the loans taken but these days the initial amount is considered for interest (FGD, Group3).

While the clients are grateful to ACSI for the loans provided, they are not happy with the fact that interests are calculated on the base loan even while they are settling their debit as per the agreed repayment schedules. In addition, clients complain about the huge difference in the interest rate that is applied on loans and savings.

Most of the participants in the FGD as well as the in-depth interview consider the loan offered as very small which is not adequate to start business or any other activity.

A 35 year old lady who has been a member of the MFI for the last six years had this to say

In fact, the loan size increases as we settle the loans in full and take another. However, the loan still falls short of the amount needed to start business. It would be better if they could increase the amount of loans so that we are able to engage in our own business, earn better incomes and settle our debit more quickly (Interview8).

As seen in the literature part of the study, the MFIs usually offer small loan amounts. This small loan size limits large capital investments and also limits their engagement in business activities.

5.3 Economic impact of micro financing

This section deals with the economic impact of micro financing on the clients. Participants were asked their level of income before and after they joined ACSI, the purposes for which they use the loans, the level of saving in comparison to the time before joining ACSI and their decision-making powers on the loans secured. The replies received from the clients are presented and analyzed here below.

Table 9 Percentage distribution of the sample by level of income

Level of income	Before ACSI		After ACSI	
	No of Cases	Percent	No of ash	Percent
<100 birr	52	7.0	40	5.4
101-200birr	182	24.4	140	18.8
201-300 birr	218	29.2	242	32.4
301-400 birr	50	6.7	64	8.6
401-500 birr	60	8.0	76	10.2
>500 birr	46	6.2	46	6.2
No Info	138	18.5	138	18.5
Total	746	100.0	746	100.0

Source: Survey conducted by the researcher

Table 10 shows that after joining ACSI 5.4 percent of the respondents have acquired less than Birr 100 while 18.8 percent have between Birr 101-200. The percentage of respondents that have between Birr 201 and 300, Birr 301 and 400, and 401 and 500 has respectively been 32.4 percent, 8.6 percent and 10.2 percent. While 6.2 percent has more than Birr 500, 18.5 percent are not aware of how much they have. Before joining ACSI, 7 percent of the respondents had acquired less than Birr 100 while 24.4 percent had between Birr 101-200, The percentage of respondents that had between Birr 201 and 300, Birr 301 and 400 respectively was 29.2 percent had more than Birr 500, 18.5 percent are not aware of how much they had before joining ACSI.

Similar to above, the result of the FGD and in-depth interview revealed that the increases in income after joining ACSI are small for the majority of the clients. In addition, some respondents were not able to tell whether their incomes have actually increased or decreased after their membership in ACSI a 30 years old woman who has been a client of ACSI for two and half years stated the situations as follows.

I was previously engaged in small business/trade and continued in the same business after I joined ACSI. I have not seen any changes in my life after my participation in ACSI. I cannot say whether my income has improved or deteriorated after joining ACSI (interview9).

These respondents remain engaged in the same business both before and after joining ACSI and find it hard to track the increases in incomes as a result of their participation in the ACSI.

There are also clients who said that their incomes have decreased after they joined the ACSI. The result of the FGD group 3 showed clients with a pattern of an increase or decrease in income after participation in the ACSI.

A 37 Year old with an experience of three years with the ACSI stated as follows.

I was involved in small trade before joining MFI. Following my membership in the MFI, I was able to expand my business and settle my debts timely. My income has somehow increased after I joined the ACSI (FGD Group3).

Another client in the same group, aged 32 and a member of the MFI for the last two years noted that the income has actually decreased after she joined the institution.

I have been engaged in small business both before and after joining the MFI. However, after joining the MFI, I was not able to run my business as before. My income has generally deteriorated but I continue to settle my debt as per my commitment (FGD, Group3)

As it can be seen from the above cases, although small income increases have been recorded for some clients after joining the ACSI, it is not possible to generalize that incomes increase with the delivery of microfinance. Income levels may or may not improve after the participation in the ACSI owing to various circumstances. There were even cases where clients find it hard to tell either stand there on incomes level or have increased or decreased after their involvement in ACSI.

Table 10 Percentage distribution of the sample by purpose for which loan is used

Use of Loans	No of causes	Percent
Purchase of food items	48	6.4
Business/trade	694	93
Missing Item	4	.5
Total	746	100.00

Source: survey conducted by the researcher

As can be seen from Table 10, only 6.4 percent of the respondent uses the credit money for the purchases of food items while the rest 93 percent use the funds for small business and trade. Hence, microfinance has enabled the women to engage in small businesses. The FGD and in-depth interview also indicated that almost all of the clients utilize the money for business purposes. Some respondents used the loan to prepare and sell ‘*Injera* (pancake like Ethiopian traditional food) and ‘*Ambasha*’ (Local bread). A few of them utilize the money to buy ‘*Lackech mitad*’ (a type of flat stove made of clay used to prepared injera). Some prepare ‘*Baltena*’ (food items) such as ‘Berber’ (hotel pepper), shire (Powdered beans), ‘*Mitimita*’ (hot bend of paper and spices), etc. for sale. Others build houses in their compounds for ‘*Gullit*’ (a small commodity market). The clients, usually those that been member ACSI for more than five years, rent market place in the gullet.

A 29 years old single who is a mother of one describes the situation as follows

I use the loan secured through MFI to buy and sell vegetables in the gullet although I am not able to make profits. The business has enabled me to support my child and me (Interview1).

From the above results; we can see that the majority of the clients are engaged in economic activities that offer self employment.

As indicated in the literature review part of the study, financial services play a role in enhancing the economic production capabilities and social well-being of poor women and their household. Although the client’s opportunity for self-employment through the financier secured from MFI does not automatically empower them, it would lead them towards the goal.

Table 11 Percentage distribution of the sample by level of money savings

Money saving	Before ACSI		After ACSI	
	No of causes	Percent	No of cases	Percent
Never saving	678	90.9	136	18.2
Save in MFI	0	0	530	71.0
Save in Bank	68	9.1	80	10.7
Total	746	100.00	746	100.00

Source: survey conducted by the researcher

In table 11, 71 percent of the respondents explained that they have been managed to earn a small amount of money and open a saving account in the MFI after joining MFI while 10.7 percent of them save in the bank. The rest 18.2 percent do not have a saving account at all. However, before joining ACSI, only 9.1 percent of them saved an account with a bank and the rest did not have their own savings account. This indicates that the number of clients that are able to save has increased after joining ACSI.

As per the FGD and in-depth interview, the majorities of the respondents have a saving account in ACSI but are not aware of the amount they have and the applicable interest rate. In some cases the client withdraws all or some amount of their savings then they had a very small amount of money on hand before joining ACSI which they were ashamed to put in the bank. In addition, they did not have the time to go to the bank before becoming members of the ACSI. A 30 Years old client explained the situation as follows.

I did not have a saving account before joining the MFI. Since I had a very small amount of money. It was shameful to go to the bank and deposit it. In addition, I did not have spare time to do that. I now have a bank book opened with the MFI which allows me to deposit my savings up on settlement of the loan (FGD, Group1).

This indicates that the MFI helped them to earn money and open a saving account relieving them from the shame and lack of time to go to the bank and deposit money starting from Birr one when they go to the ACSI to settle their loans.

As stated in the review of literature, the provision of saving facilities is one of the major advantages of ACSI. Although the saving might be smaller, it makes the women

familiar with the benefit to the scheme. In addition, having some amount of saving is believed to help them build confidence and can serve as a positive sign of empowerment.

Table 12 Percentage distribution of the sample by responsibility for decisions on credit

Decision maker	No of cases	Percent
Myself alone	490	65.7
My husband and myself together	252	33.8
Missing item	4	5
Total	746	100.0

Source: - Survey conducted by the researcher

In table 12, 65.7 percent of the respondents manage and make decisions by themselves alone on the loan they receive from ACSI. The loan is handled jointly with the husband for 33.8 percent of the respondents. This shows that the decisions pertaining to the loan secured from ACSI are made either by the women alone or jointly with the husband.

The results of the focus group discussion and in-depth interview also showed a similar situation as to the role of the wife and the husband in such decisions. Those who decide by themselves gave two reasons for this. The first one is that some clients do not tell their MFI membership and loans taken to the husbands for fear that the latter might stop giving them money for household expenditure. Hence, the clients use the money by themselves A 41 year’s old women noted the following.

I even did not tell my husband that I joined ACSI. This was for fear that he would stop providing money for the household expenses (Interview 3)

In the second case, the husband knows about ACSI but he is not involved in taking the loan, its repayment as well as managing or utilizing the money.

A 30 years old lady states that

My husband knows that I use the money secured through MFI to support the family. He basically has no say on the money. I decide on the money and hold sole responsibility for the repayment (FGD, 1)

On the other hand, there are cases where the husband fully participates in the taking and repayment of the loan as well as the management and decision about it. A 30 year's old woman explained as follows.

We discuss and jointly decide on all issues. I joined ACS I with his full agreement and jointly decide on the money. We also share the responsibility of debt repayment (FGD, group 2).

This shows that the credit is utilized and managed either by the wife alone or jointly by the wife and husband but not only by the husband. We can also see that those who do not tell about the loan to the husband have two dimensions. One is for household purposes as some believe that their husbands would refuse to allocate money for household expenditure once the wife becomes a member of ACS I. The other dimension is that, as the husband is also required to settle the loan, problems might in the family if the wife does not manage to pay back the money taken.

Two important points can be inferred from the above results. First, the fact that women make sole or joint decisions on the use of incomes generated through microfinance is a good start point for their empowerment. Secondly women that do not tell their involvement in ACS I to their husbands might have problems in the event they fail to repay their debts.

We have seen that ACS I has provided opportunities for self employment through the delivery of finance. As a result, the clients' incomes have increased although the amounts are small. Improvements are also observed in clients' saving practices. Furthermore, the women have managed to decide on the loan either by themselves or jointly with the husband. However, the situation is not the same for all clients. In this regard, there are clients whose incomes have deteriorated or who do not save money or even do not engage in any business after joining ACS I. Nonetheless, looking at some of the clients, participation in ACS I had a positive sign towards economic empowerment.

5.4 Impact of microfinance at the husband's expenditure level

According to feminist empowerment paradigm, empowerment also needs to deal with change in intra household relations. Thus, this part deals with the impact of microfinance on gender relations at the household level. It includes the women's

decision making power, the value and money expenditure of the husband and the issue of domestic violence.

Table 13 Percentage distribution of the sample by cash expenditure of the husband

Husband Expenditure	Before ACSI		After ACSI	
	No of Cases	Percent	No of Cases	percent
Spend for family purpose	226	30.3	96	25.7
Spend more for personal use (cloth, drinking liquors, etc)	106	14.2	79	21.2
Doesn't have a job	140	18.8	61	16.4
Those who do not have spouse	274	36.7	137	36.7
Total	746	100.0	373	100.0

Source: Survey conducted by the researcher

Table 13 shows that the husband spends for family purposes in the case of 30.3 percent and 25.7 percent of the respondents, respectively, before and after joining ACSI. The personal expenditure of the husband has also increased for 21.2 percent of the respondents after they joined the ACSI although the figure previously stood at 14.2 percent. 16.4 percent and 18.8 percent of the respondents' husbands, respectively, do not have jobs after and before they joined ACSI. The rest 36.7 percent of them do not have spouse before and after joining ACSI. This shows that the husband's expenditure for family purpose has decreased and expenditure for personal use has increased after the wife became a member of ACSI

A 31 years old client stated the following during the FGD.

My husband continues to provide money for household use both before and after I joined ACSI (FGD, Group 2).

Others said that the husband sometimes gives money and at times does not because of temporary work and other reasons both before and after joining ACSI.

A 36 years old woman who is a mother of four children noted the following. My husband may or may not provide money for household use as he wishes. HE rarely gives me money particularly after I joined the MFI. He is usually short of money because he drinks a lot. After I joined the ACSI, My dependence on him became less. I support the family with the incomes I earn and no more depend on him (Interview 12).

They further explained that before joining ACSI it was very difficult for them to sustain the family if the husband could not supply money for household expenditure. A woman of 31 years of age noted that

My husband has been laid off from his job and he works as a daily laborer when he finds one. We were in a difficult situation before I joined the ACSI But we are now relatively better and have at least something to eat (Interview 4).

However, the fear decreases and the family can somehow sustain without the husband's support after the respondents joined ACSI. The problem here is that the husband intends to use the money, which was earlier supplied for household expenditure, for personal use after the women join ACSI and earn income.

A 30 years old woman stated the following.

My husband used to provide money for household use before I joined ACSI However; he stopped this after my participation and now keeps his income for personal use. I am able to support the family but with great difficulties (Interview 9).

We can infer from the above explanation that the wife can now better support the family after joining ACSI regardless of whether the husband gives money for household hold purposes. Generally, it is observed that ACSI helped the women to improve their financial status at the household level. However, the women would still find it hard to support the family by themselves while the husband ceases to supply money for the household

1. Table 14 Percentage distribution of the sample by the value of husband's to women's contribution

Husband's value	Before ACSI		After ACSI	
	No of Cases	percent	No of Cases	Percent
Appreciation	140	18.8	80	21.4
Keeps quite 9as normal)	232	31.1	101	27.1
Less important (no appreciation)	100	13.4	55	14.7
Those who do not have spouse	274	36.7	137	36.7
Total	746	100	373	100.0

Source: Survey conducted by the researcher

Table 14 shows that 21.4 percent of the respondents have been appreciated by their husbands after joining ACSI while the figure previously stood at 18.8 percent. 27.1 percent and 31.1 percent of the husbands took the client's contribution as normal after and before joining ACSI respectively. 14.7 percent of the husbands have despised the contribution of their wives to the family after joining ACSI where as it was 13.4 percent prior to joining ACSI 36.7 percent of the clients do not have a spouse before and after joining ACSI.

The number of husbands who respect the wife for the contribution made to the household has increased after joining ACSI. At the same time the number of husbands who act differently has increased after joining ACSI. However, the number of husbands who take the activities performed by the wife as normal has decreased after joining ACSI

Different views have been observed when the participants of the FGD and in-depth interview were asked about the value given by the husband to their constitution to the household.

Some respondents said that they have been appreciated by the husband before and after joining ACSI.

A 30 years old woman noted that

My husband appreciates my contribution made to the household after I joined the ACSI (FGD, Group 2).

Some of them have said that the husbands appreciate their contribution because they have seen the impact on the household. Others the husband appreciated their contribution in performing household activities because he stopped giving money for the family use.

A 33 years old lady said the following.

My husband is happy with the contribution I make to the household from the Money I earned through ACSI. This is because he can now use his earning for personal enjoyment (Interview 10).

Others said that the husband, especially after the wives join ACSI, become unhappy for fear of being dominated by this wife and feel inferiority when the wife does something for the family which the husband did not do before. Hence, they give less or no value to the wife's contribution to the household.

The following is the reply from another participant whose age is 28

My husband dislikes my contribution to the household as he feels excelled by me (Interview 6).

A similar feedback was given by another woman age of 37

My husband would prefer to suffer from money shortages rather than seeing the family's life improved through my contribution (Interview 5).

These respondents said that they are uncomfortable with contributing to their homes due complaints made by the husband.

The following 30 years old woman brings in yet another view.

My husband takes my contribution as normal; he is neither happy nor sad about it. He basically shows no reaction on the contribution made to the Household from the money secured from MFI 9FGD, group 1).

This shows that there are husbands who appreciate, despise or take as normal the contribution of the wife to the home. As we can see in the table, the number of husbands that appreciate the women's contribution has increased after the latter joined

the MFI. However, the cause of appreciation is not always the contribution to the household by itself but in some cases it is because the husband is relieved from providing money to the household. On the other hand, those women that are despised by the husband are not comfortable with making the contribution to the household. The above indicates that although ACSI improves the contribution to the household. The above indicates that although ACSI improves the contribution of women to the household, it has not enhanced the values given by the husband to their roles. We even see a declining trend in this regard because the husband does want to be excelled by the wife. This is generally one of the consequences of a patriarchal society.

Table 15 Percentage distribution of the sample by participation in household decision making

Role in decisions	Before ACSI		After ACSI	
	No of cases	percent	No of cases	percent
Fully participate	118	15.8	124	16.6
Occasionally (partly	242	32.4	238	31.9
Rarely	110	14.7	110	14.7
Those who do not have spouse	274	36.7	274	36.7
Missing Item	2	0.3	2	0.3
Total	746	100.0	746	100.0

Source: Survey conducted by the researcher

Table 15 shows that 15.8 percent and 16.6 percent of the respondents fully participate in household decisions before and after joining ACSI, respectively. 32.4 percent and 31.9 percent have partial (occasional decision making says before and after ACSI respectively. 14.7 percent of them rarely have decision making power before and after joining ACSI. The remaining 36.7 percent of respondents are those do not have spouse. Full; participation in decision making at household level has increased as partial and

occasional decision making decrease and rarely decision making power at household level remain the same before and after ACSI. Household decision making levels are almost the same before and after joining ACSI

The majority of the respondents have indicated that their decision making powers have remained the same before and after they joined the ACSI.

A 30 years old woman noted the following.

We make decisions jointly both before and after I joined the ACSI. There are no changes in this regard (FGD, group 2).

The following is the reply from a 50 years old participant.

I only participate in decisions regarding the use of money secured through ACSI. All other decisions are solely made by him (Interview 2)

.A 28 years old lady described the situation as follows.

My husband somewhat involves me on decisions relating to our children. Otherwise, he is the one who decides on all issues before and after I have been member of ACSI (Interview 6).

The above findings indicate husbands hold most decision making powers both before and after the women joined the MFI .Micro finance institutions helped the women to enhance their economic status and made decision on using the loan to their family but made no significant change on their decision making power on other issues at the household level. Hence, MFI has failed to bring about changes in gender relations on the decision making power except with regards to the loans secured. However, the fact that some participate in household decisions by using the loan is a positive step towards their empowerment.

5.5Domestic violence

As in the case of other developing countries, a large number of crimes of domestic violence still go unreported in Ethiopia due to socio economic, cultural and religious barriers (original ET. al, 2005). Physical and psychological violence will be looked at in this section in relation to microfinance.

Table 16 Percentage distribution of the sample by level of domestic violence

Level of domestic violence	Before ACSI		After ACSI	
	No of cases	percent	No of cases	Percent
Frequently	70	9.4	80	10.7
Occasionally	92	12.3	76	10.2
Rarely	60	8.0	66	8.8
Never	250	33.5	250	33.5
Those who do not have spouse	274	36.7	274	36.7
Total	746	100.0	746	100.0

Source: Survey conducted by the researcher

Table 16 indicates that the percentage of women that encounter domestic violence has increased to 10.7 percent after joining ACSI as compared to 9.4 percent prior to participating in the program. 8.8 percent of the clients rarely encountered violence after joining ACSI while the figure was 8 percent previously. The percentage of clients that have never experienced domestic violence before and after joining ACSI is 33.5 percent 12.3 percent and 10.2 percent of them have experienced domestic violence before and after ACSI

The majority of the women particularly those who participated in the FGD basically prefer to keep quiet on issues of domestic violence. However, different findings were gathered from the women that chose to provide feedback.

A 35 years old lady noted the following.

I do not see any difference in this regard before and after I joined the ACSI. My husband beats me when disagreements arise between us both before and after I joined the ACSI Interview 8)

The following is from a 35 years old participant.

My husband keeps on discouraging and mocking at me after I joined the ACSI because he is not happy with I (FGD, group 1).

A 28 year old had this to say.

My husband has developed inferiority complex after I joined the ACSI and hence regularly insults and sometimes beat me without a reason (Interview).

A note from a 33 years old woman,

Before I joined the MFI, my husband used to insult and beat me when I Request money for household consumption. He has stopped the insult and beating after my membership with the MFI as I no more ask for Money from him (interview 10).

The level of violence has decreases for those women for which the situation was related to economic problems as microfinance has helped them to enhance their incomes. On the other hand, the situation has exacerbated for those women whose husbands are not happy with their income generating role. Hence, the level of domestic violence might increase or decrease with those women that contribute to the household.

As we can see here, ACSI doesn't make a significant change in the household gender relationship. It has negative as well as positive impact on the domestic violence. However women's decision making power on the loan is a sign of empowerment.

5.6 ACSI and women's use of time

This part of the study deals with microfinance and women's utilization of their time. Women in developing countries lack spare time because they carry out triple roles, namely, domestic, community and public activities (Cheston and Kuhn, 2002). In this section, we will look in to women's role at the domestic and community level before and after their participation in ACSI. Furthermore, we analyze the level of assistance they get from the husband in carrying out the domestic activities.

Table 17 Percentage distribution of the sample by participation in traditional institutions

Traditional Institution	Before ACSI		After ACSI	
	No of cases	percent	No of cases	percent
Equib	100	13.4	100	13.4
Idir	400	53.6	400	53.6
Mahier	246	33.0	246	33.0
Total	746	100.0	746	100.

Source: survey conducted by the researcher

As shown in Table 17, the percentage of respondents that participate in equib is 13.4 percent before and after joining ACSI. 53.6 percent of respondents are participating in

Idir. The rest 33 percent are participating in Mahiber. All respondents are participating at least in one institution before and after joining ACSI

The FGD and in-depth interviews indicated that all of the participants are a member of at least one traditional institution idir (a community savings club for the eventuality of a death or marriage in the community), member (an association in which a group of people organize monthly feasts in the name of a particular patron saint in turns or an association of mutual help), iquib (a rotating saving and credit group). Both before and after they joined the ACSI, the women engage in community services such as participating in funeral processions, weddings, visiting the sick and paying last respect to the dead. They would risk alienation if they fail to participate in the above occasions.

Table 18 Percentage distribution of the sample by assessment of domestic work load

characteristics	Before ACSI		After ACSI	
	No of cases	Percent	No of cases	percent
Very high	268	35.9	292	39.2
High	220	29.5	234	31.5
Medium	242	32.4	202	27.1
Low	16	2.2	16	2.2
Total	746	100.0	746	100.0

Source: Survey conducted by the researcher

Table 18 indicates that the domestic work load is very high for 35.9 percent and 39.2 percent of the respondents, respectively, before and after joining ACSI. On the other hand, 29.5 percent and 31.5 percent indicated that the workload is high before and after joining ACSI, respectively. The work load is medium for 27.1 percent of respondent's after joining ACSI and for 32.4 percent of them before joining ACSI. Finally, the work load remained at lower level for 2.2 percent of the respondents both before and after ACSI. This indicates an increase in workload after joining the ACSI. The workload has inversed because most of the women that are engaged in the sale of food items prepare their products at home.

Fe of the respondents of the FGD and in-depth interview has indicated that the level of domestic workload remained the same before and after they joined the ACSI. This is because most have extended families providing the possibility to share the workload. The following was noted by a widow of 46 years of age.

I am engaged in small trade both before and after joining the ACSI. There are many children and relatives in my home who share the work amongst themselves. I have not observed any changes as I am relived during both periods (FGD, group 2).

The majority of the women have noted that they were over burden with domestic workload before they joined the MFI which has exacerbated following their membership. A 35 years old respondent gave her views as follows.

I was engaged in small trade before I joined the MFI and hence was able to handle the domestic workload. However, I now spend the whole day in my Small shop to enhance my income and also repay the debts. I am also expected to handle domestic work when I return home. In addition, I have other social Engagement such as edir and equb. I really find it difficult to carry out all these activities (FGD, Group 2).

Some respondents have indicated that they get assistance from their children in handling the domestic activities. A 36 years of lady noted the following.

My children assist me in carrying out the domestic work as I am overloaded. In addition, they are sometimes forced to miss their classes due to the work load (Interview 12)

The above is an indication that most of the women suffer from excessive workloads which also has a negative implication on the education of their children.

Hence, the above figures show that domestic work load has increased after Joining ACSI. This is primarily because ACSI do not implement any actions to reduce women's traditional roles and responsibilities

Table 19, percentage distribution of the sample by husband role in domestic work

Husband assists	Before ACSI		After ACSI	
	No of cases	Percent	No of cases	Percent
Yes	134	18.0	134	18.0
No	338	45.3	338	45.3
Those who do not have spouse	274	36.7	274	36.7
Total	746	100.0	746	100.0

Source: survey conducted by the researcher.

Table 19 shows, the figures in this regard are similar before and after ACSI. 18 percent of respondents, have respond, their husbands help them in carrying out domestic activities before and after ACSI. The percentage of respondents who get no assistance from their husbands was 45.3 percent before and after ACSI. The rest 36.6 percent of them do not have spouse before and after joining of ACSI. Generally, the majority of the husbands are not involved in domestic work.

Focus group discussion and in depth interview shows as follows.

The majority of the respondents have indicated that their husbands do not support them in carrying them the domestic activity. 35 years women had this to say.

I spend the whole day with my husband's running the business. When we return home, he goes to bed while I content handling the domestic work, i.e. Prepare supper, make the bed, etc (Interview 7).

When I asked one of the participants whether her husband's assists her in the domestic work, she showed s surprised smile and said "no, not at all. After all he is a "man (Interview 18)

Only one respondent, aged 30, has indicted her husband's support it carrying out the household activity.

My husband helps me with the domestic work. He makes the bed, cleans the house, and performs other tasks. We generally assist each other (Interview9).

In most cases, the work and activities in the private sphere are supposed to be handled by women while the public functions are meant for men. Hence, this has resulted in additional work burdens on the women with adverse effects on their empowerment.

5.7 Political impact of microfinance

It has been discussed that microfinance is viewed as an effective tool for political empowerment. In this section we will look at the extent to which microfinance has empowered the women politically. The analysis touches upon women's political and legal rights, the right on household assets and political position.

Table 20 Percentage distribution of the sample by confidence and interest levels to claim for political and legal right

Confidence level	Before ACSI		After ACSI	
	No of Cases	Percent	No of Cases	Percent
High	38	5.0	38	5.0
Medium	130	17.5	130	17.5
Low	578	77.6	578	77.6
Total	746	100.0	746	100.0

Source: Survey conducted by the researcher

Table 20 shows that the confidence and interests of respondents to claim for their political and legal right before and after joining ACSI are the same. 5 percent and 17.5 percent of the respondents showed high and medium confidence and interest levels, respectively, both before and after their participation in the ACSI. In addition, the remaining 77.6 percent remain without confidence and interest prior and after joining ACSI.

Generally, the majority of the respondents does not have the confidence and interest to claim for their political and legal rights. In addition, the above information indicates that the confidence and interest levels have neither improved nor deteriorated following the participation in ACSI.

Table 21 Percentage distribution of the sample by ownership rights

Characteristics	Before ACSI		After ACSI	
	No of causes	Percent	No of Causes	Percent
High	96	12.9	96	12.9
Medium	244	32.7	244	32.7
Poor	132	17.7	132	17.7
Those who do not have spouse	274	36.7	274	36.7
Total	746	100.0	746	100.0

Source: survey conducted by the researcher

Table 21 indicates that the percentage of respondents that have achieved the right to jointly own household asset 12.9 percent before and after joining ACSI. Respondents with partial joint ownership rights 32.7 percent before and after joining ACSI. Furthermore, the percentage of respondents that remained without any ownership rights 17.7 percent before and after joining ACSI 36.7 percent of the respondents are those who do not have spouse before and after joining ACSI.

As shows above, it asp pears that the percentage of respondents that managed to secure their joint assent ownership right remained the same despite the participation in ACSI.

Table 22 Percentage distribution of the sample by political participation

The Participation of the respondents in administrations ranging from the Keble level up to the parliament is treated here.

Political Participation	Before MFI		After MFI	
	No of Cases	Percent	No of Cases	Percent
Many time	30	4.1	30	4.1
Same times	20	2.6	20	2.6
Never	684	91.8	684	91.8
Missing Item	12	1.5	12	1.5
Total	746	100.0	746	100.0

Source; survey conducted by the researcher

Table 22 shows that the political position of the respondents has generally remained the same before and after joining MFI. In this regret, 4.1 percent of them have been elected for political for a number of times, while 2.6 percent were sometimes elected

and 91.8 percent have assumed apolitical positions. Generally, MFI do not boost the number of clients that assume political positions.

The focus group discussion and-in-depth interviews have also revealed that the majority of the clients generally show low interest and confidence to claim for their political and legal rights both prior to and after joining MFI.

A 29 years old respondent noted the following.

I have neither the interest nor awareness about political position and legal rights both before and after I joined the MFI. I in fact have no time to engage in politics after my membership with MFI as I totally devote myself to working hard and improving my life (FGD, Group2).

Most respondents have indicated that they are not even aware of what their legal write and where to go when they need help or becomes necessary to complain. After joining MFI, the priority becomes the making of money and business expansion rather than fighting for their rights. They also lack adequate time since they become busy working for their business and domestic activist.

When asked about joint ownership of assets, most respondents lack awareness about the concept. Most does not worry much about it while only a few known about their rights in this respect but their knowledge does not emanate from participation in MFI. Furthermore, the majority of respondents lack knowledge and interest about political positions and to be elected.

The provision of finance cannot by itself bring about political empowerment. It is not possible to attain political empowerment without the creation of awareness on recant issues and the provision of training and education on leadership related issues. Chest on and Kuhn (2002) indicate that widespread political employment is usually a fairly rare outcome of most microfinance programs. This is because only a few MFIs work towards the political mobilization of women.

5.8 The Delivery of training

One of the positive empowering signs of microfinance is its capacity to in creating awareness to its clients. According to oxtail and Bader (1997) the relationship between empowerment and health in general and particularly for women is basically acknowledged. We will here consider the awareness women get directly from the MFI

and though interactions amongst themselves in a group. In this regard, the provision of awareness and training to the clients on business entrepreneurship is dealt with them.

Table 23 Percentage distribution of the sample by participation in training and advisory service

Clients were asked if and how they received any type of training on business entrepreneurship after they joined the MFI.

Frequency of training	Before MFI		After MFI	
	No of causes	Percent	No of causes	Percent
Twice a year	14	2.0	30	4.1
Once a year	218	29.2	670	89.8
Never at all	514	68.8	46	6.1
Total	746	100.0	746	100.0

Source: survey conducted by the researcher

As we can see in table 23, 4.1% of the respondent attended training twice a year after joining ACSI while the percentage previously stood at 2 percent. On the other hand, the percentage of respondents that received training once a year after and before joining ACSI, respectively, is 89.8 percent and 29.2 percent. 6.1 percent have never received any such service after joining ACSI while the percentage previously stood at 68.8 percent.

The result of the FGD and interview show that the majority of women have recovered some sort of training on small business entrepreneurship. Some clients have received training once while others hand the chance to get it twice. Most attended trainings when they joined the MFI. This indicates that the clients' awareness regarding when they joined the MFI. This indicates that the clients' awareness regarding business entrepreneurship has somewhat increases after joining the MFI.

ACSI is giving training on small business which might not be adequate at times.

The clients are not profitable due to lack of prevision of a regular training and advisory

Service on small and medium scale business, In additional, since there is a direct relationship between engagement in business and health, it would not be possible to enhance their working capability and improve incomes without awareness on health issues.

5.9 The impact of microfinance on self confidence and esteem

As indicated under the review of literature, self-confidence and self-esteem are political result of empowerment. This part deals with the impact of microfinance on the self-esteem and self-confidence of the clients.

Creston and Kuhn (2002) identified self-confidences as one of the most crucial areas for empowerment. We will here below look into the effects of MFI participation in enhancing the client ‘self-confidence.

Table 24 percentage distribution of the sample by level of self image

Level of Self-confidence	Before MFI		After MFI	
	No of causes	Percent	No of causes	Percent
Very important	438	58.6	564	75.6
Less important	254	34.1	162	21.7
I do not know	38	5.0	20	2.7
Missing system	16	2.3		
Total	746	373	746	100.0

Source: survey conducted by the researcher

Table 24 shows, after joining ACSI, 75.6 of the respondents have a feel of importance as compared to 58.6 percent before participating in the MFI. 21.7and 34.1 Percent feel less important, respectively, after and before joining ACSI. On the other hand, 2.7 and 5 percent do not really know their feeling about themselves, respectively, after and before Joining ACSI. The self-confidence of the women has generally improved after they joined the MFI.

It appears that the replies of the FGD and interview participants that their self confidence and value toward themselves has enhanced after the intervention of microfinance. A 28 years old lady who is single said the following.

The fact that I now engage in some of business has itself enhanced my Confidence (FGD, Group 3).

The following has been noted by a 46 years old window.

I am encouraged with the change brought about in my family after I joined ACSI this given the confidence that I can work and improve my living (FGD, Group2).

A 33 years old client had this to say.

Previously I was financially dependent on my husband. My confidence has improved because I now have my own income (Interview 10).

A 35 years old lady respondent stated that,

Although my husband is not happy with the contribution I make to the household, my self-confidence has increased because I have realized that I can work and become economically independent (FGD, group1).

All in all, the self-confidence of most of the women has enhanced after their participation in ACSI. This is a very basic requirement of empowerment as the women would be encouraged to work hard and improve their lives as their self-confidence enhances.

Chapter six

6 Summaries, conclusion and recommendation

6.1 Summary

In addition to being a human rights issue, the empowerment of women is necessitated because of the fact that women are generally more vulnerable to poverty and it is a basic condition for development. The empowerment of women is also fundamental to bring about changes in areas such as health and finance in the family and the society at large.

The objective of the study is to assess the impact of microfinance in the empowerment of women. The research was conducted at Amhara credit and saving institution. The researcher used full both qualitative and quantitative methods to obtain a reliable data. Three focus group discussions were conducted involving 36 women clients while in-depth interviews were carried out with another 24. In addition, structured questioners were administered for 746 clients of the microfinance institution.

The clients considered in the study were women in the age range of 29 to above 40 years the educational level of the women ranged from illiterate to secondary school while their marital status fall in the categories of married, widowed, divorced and singles. The majorities of the clients heard about the MFI from relatives and friends and have an experience of four or more years with the institution.

Furthermore, private money lenders were the sources of credit for Most of the women before these joined the MFI. The results of the study revalued that the clients have a favorable perception of the Micro finance institution because it is view as a steady source of working capital with lower interest retest than other informal sources of credit and guarantee requirements in comparison to the informal sector. On the negative side, clients consider the loans offered by the institution as too small, its repayment policy inflexible and with problematic group dynamic. The clients are also not happy with the high interest rate lived on loans in comparison to that applied on saving. Although the results vary, the study indicated that the delivery of microfinance has resulted in income increases for some of the clients. While a few of the clients use their earnings for the purchase of food items, the research revalued that most employed the incomes to start their own business, usually small trade. Furthermore, the majority of the clients have been able to generate money saving after joining the institution.

It has also been found out that decisions pertaining to the money secured through credit and the result incomes are made either solely by themselves or jointly with the husband. The above results indicate that the delivery microfinance has shown positive signs towards the economic empowerment of the women. The results have shows that women mostly tend to spend incomes generated through microfinance for family purpose. However, the husbands reactions to the contribution made by the women are mixed, i.e., appreciation, indifference, or disapproval. The results of the study did not reveal an enhancement in the decision making power of women and varying i.e., declining as well as increasing, trends of domestic violence were observed following the participation in microfinance. Generally, despite the economic empowerment, microfinance has not brought about changes in decision making powers of the women at the house holding.

The study revealed that the workload of the women has exacerbated after they joined the microfinance institution. This is because the women now carry-out the domestic, private and community activities. Furthermore, access to microfinance has not resulted in the political empowerment of the women as reflected in the respect for their legal rights, ownerships of household assets and assuming of political position.

The women's self-confidence in relation to their capabilities to work on their own and improve their lives has improved after their participation in microfinance. The development of self-confidence is considered to be a positive step towards their empowerment.

6.2 Conclusions

Microfinance plays a significant role in the economic empowerment of women. Though the provision of loans to women, particularly to the poor, uneducated and who are not able to fulfill the collateral requirements lay down by other lending institutions, Microfinance enables them to be self-employed. Consequently, some of the women have managed to increase their income, although in small amount, and improve savings. In addition, the decision making powers of the women on the loans secured from the MFI has enhanced following their participation in microfinance.

The above findings indicated that the delivery of microfinance had positive impacts in the economic empowerment of the clients, although the income increases were small. However, access to microfinance has failed to result in significant changes in the

gender relations at the household level and the attitude of the husband toward the women's contribution to the household.

The impact of microfinance in enhancing the women's decision making powers is not that much significant. Furthermore, although the level of domestic violence has shown decline in some cases, it even got worse with others after the women participated in microfinance. Hence, despite its positive impact on improving the women's basic needs, microfinance has generally fallen short of bring about changes in strategic gender needs and gender relations at the household level. When we come to the availability of spare times for women's involvement in Microfinance institution, with respect to women's participation in domestic and community services and their engagement in business activity intensifies the already excessive workloads. In addition, their situation is exacerbated due to the fact that they receive no assistance from the husband in carrying out the domestic activities.

In the political arena, microfinance has not been successful in enhancing the political participation of women and ensuring the respect for their legal rights. The results basically indicate that improving the political situation of women without taking actions beyond the delivery of economic resource through microfinance would not be achieved. All in all the delivery of microfinance had positive impacts in the economic empowerment of the clients, although the incomes increased were small. Participation in microfinance has also enhanced the women's self-confidence and enabled them to realize their potentials to engage in business and improve the household which is positive sign of empowerment. However, it has basically failed to bring about the desired socio-cultural and political empowerment of women.

6.3 Recommendations

Based on the findings in the above analysis the researcher has given the following recommendations

1. Even if ACSI has brought economical change in the life of women ,to bring a visible result in the empowerment of women it has to brought a plan to increase the amount of the loan a little higher for its clients
2. In order to reverse the power sharing balance in the house hold and to bring a behavioral change of husbands in helping their wife's in the work of the house hold ACSI should call and give them an awareness creation program
3. ACSI has to change the policy of giving a loan in group which becomes a worry for women in their business .this also becomes a source of suspicion of the program in the eyes of their husband
4. The training ACSI gives for its clients should be comprehensive to make its clients become empowered and mature enough to defend the challenges they faced.
5. ACSI should establish a special department which follows the affairs of its women clients ,this will make it to identify their special need and challenges

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