

**The Impact of Micro Finance Service on Women Members Livelihood: The Case of
Oromiya Rural Saving and Credit Cooperative Union in Tulubolo District of West
Shewa Zone, Oromiya Ethiopia**



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The Impact of Micro Finance Service on Women Members Livelihood: The Case of Oromiya Rural Saving and Credit Cooperative Union in Tulubolo District of West Shewa Zone, Oromiya Ethiopia.

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By

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DEDICATION

I dedicate this research to my father Ashuka, my mother Tetuka , My brother and sisters and Tg given to me by God.

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ACRONYMS

EOC-DICAC	Ethiopian Orthodox Church Development Intra Church aid commission
DECSI	Dedebit credit and saving institution
FGD	Focus group discussion
HH	House Hold
MDG	Millennium Development Goal
MFIs	Micro Finance Institutions
OCSI	Oromia credit and saving institutions
OCSSC	Oromia credit and saving share company
ORDA	Oromia Rural Development Association
ORSACU	Oromia rural saving and Credit Union
ORSCCU	Oromia Rural Saving and Credit Cooperative Unions
RUFIP	Rural Finance Intermediation Program
SACCOs	Saving and Credit Cooperative Unions

ABSTRACT

A large number of poor women in different communities faced social, economic and political inequalities as they are restricted from involvement in productive activities. In order to address this issue, the government facilitated microfinance saving and credit opportunities as are unable to receive financial services from conventional financial institutions (banks). The aim of this study is to assess if the microcredit services have brought significant positive or negative change in the livelihood of women members (clients) who participated from the beginning in Oromia Saving and Credit Cooperative Union (ORSCCU). At this juncture, the research question is as follows: Did the credit provided by ORSCCU bring negative or positive change on the livelihood of women members who received credit. In this context, the change is assessed by evaluating the impact on asset ownership, gender relations in the cooperative, decision making power in household, income and saving of ORSCCU's women members. The research question is answered through an experiment that entails administering semi-structured questionnaires to individual respondents and open-ended Focus Group Discussion checklists aimed at women members of the union. 18 Individual respondents were purposely selected from regular clients of 2 primary saving & credit cooperatives based on systematic sampling method whereas the focus group discussants were selected from leaders of the client committee and regular clients as well. In the end, the responses collected were analysed using indicators and the study findings depicted that microcredit service provided to women members of ORSCCU improved livelihoods in terms of earning income as a result of participating in small-scale business which contributes to poverty reduction. It also exhibits the women's enhanced access and control situation towards household assets (utensils, livestock & poultry production), strengthened capacity (knowledge, attitude and self-confidence), improved decision-making power of women in the household activities and saving habits transformed from tradition to formal system (bank). In a nutshell, the study recommends that the ORSCCU should provide more space to rural women in it, improve the amount of loan to be offered to its women members, to participate in the management position of ORSCCU, increase saving amount and provide experience sharing and skill training support.

CHAPTER ONE

1. INTRODUCTION

1.1. BACKGROUND INFORMATION

Ethiopia has become Africa's second most populous country. The country has one of the fast growing urbanisations but still, 82% of its population lives in rural areas (USAID-Ethiopia 2012). Agriculture accounts for nearly half of Ethiopian Gross Domestic product (GDP) of \$47.53 billion, and contribute 90% of the country's exports. Although it remains a low-income country, Ethiopia has made significant strides in reducing poverty through a combination of rapid economic growth (8-14% annually since 2004), fiscal policy, and significant investments in pro-poor sectors such as education, agriculture and health. The percentage of the population under the National Poverty Line has fallen from 44.2% in 1999 to 29.6% in 2010, with the rural poverty rate falling from 45.4% to 30.4% over the same period (Olson, D.J. and Piller, A., 2013). However, according to studies show that "44% of the Ethiopian population lives by less than one dollar a day income (1.9\$) (Castañeda, A., Doan, D., Newhouse, D., Nguyen, M.C., Uematsu, H. and Azevedo, J.P., 2016). Thus, poverty is a crucial issue at the national/local levels in Ethiopia.

A large number of poor in different communities are women (Fletschner, 2009); the implemented social, financial and economic inequalities restriction stopped them from involvement in different productive activities however, women contribute to the household is significant (Fletschner, 2009).

To solve this gender inequality problem the Ethiopian Government is promoting women's capacity to be equally involved in the country economic, political and social related activities in various forms. The major economic problem of women in rural and urban areas is the lack of capital. Even though the importance of saving and credit in the life of the poor is clear; the poor and especially women are excluded from the service provided by formal financial institutions because their collateral is high (Assefa, T. ed., 2008).

According to (Armendáriz & Labie, 2011; Armendáriz & Morduch, 2010) Microfinance service has been launched as a tool by many national and international developmental agencies for poverty alleviation and economic growth of lower-class communities. Formal financial institution such as a bank is closed door to the poor because of their collateral deficiency and high-interest rate of the bank. (Armendáriz & Labie, 2011; Armendáriz & Morduch, 2010; Matin et al., 2002; Morduch, 2000). Providing financial service to the poor communities to improve their livelihood is the one of the microfinance institutions (MFIs) objective (Armendáriz & Morduch, 2010).

Delivery of Microfinance service to the poor in Ethiopia started and greatly expanded over the last 20 years, more than 60 countries all over the world working on microfinance service. In the Ethiopian context, microcredit acts as a credit provider to small-scale business producers in different areas to improve the livelihood of the poor. Normally, an initial capital in the microcredit program provides a loan to the members of an amount of 500 birrs = \$ 18 and the maximum is 3000 birrs = \$ 108.7 (Matin, Hulme, & Rutherford, 2002).

According to many researchers and policymakers, microfinance increases income-generating activities, empowers the poor (especially women in developing countries), improve health and education facility, inspires entrepreneurs and builds social capital to the communities (Khandker, 2005). The delivery of microfinance services has been viewed as a poverty reduction tool in development programs because it helps to create employment, thereby increasing income and consumption. (Gobezie, 2004; Karlan & Goldberg, 2011; McKernan, 2002)

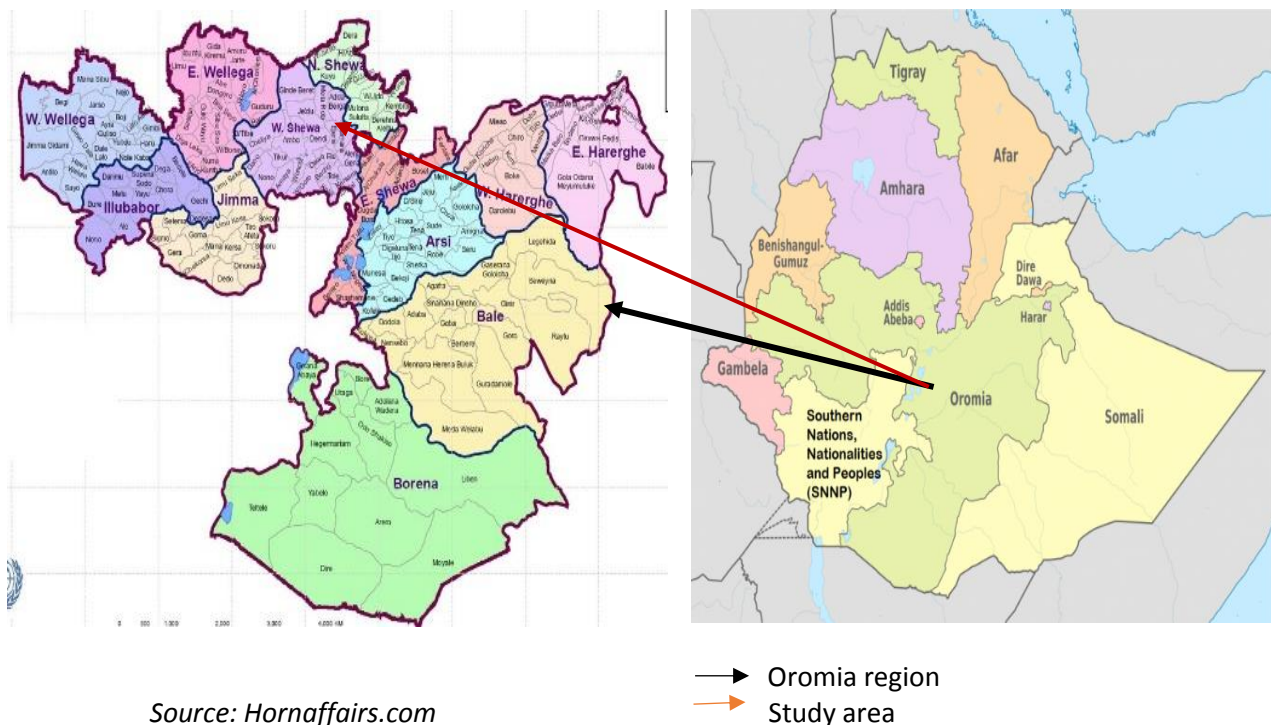
Economically to empower women and to include them in development programs, the government formed different capacity building activities. One of the measurements taken by the government is to provided and facilitate micro credit service to women in rural and urban areas. In areas where formal financial institution are not available the role of Micro-financial institutions is significant for credit service to the poor. Considering this context, this study assesses the impact of the Oromia rural saving and credit cooperative union microcredit (ORSCCU) on women members.

1.2. STUDY AREA

The study was conducted in Ethiopia, the Oromia region West Shewa Zone tulubolo woreda. It is one of the 16 districts of the region. It has 8° 40'N 38° 13' E of latitude and longitude with an elevation of 2193 meters or 7195 feet above sea level. Based on 2007 national census reported data, the total population of the tulubolo has estimated 74,016 of them 37,481 are men and 36,535 are women; 14,476 (19.56%) of its population are dwellers. 95.17% of the population are following Ethiopian Orthodox Christianity, 2.18% Muslim, 1.46% are Protestant, and 1.09% observed traditional belief. West Shewa Zone is situated 158 km west from the capital city of Ethiopia. In the district, Livestock and mixed crop farming is means of agriculture practice. Teff production is major type of crop in the area, others types of crops also grown in the area like pea, wheat and barley. In addition to these vegetables such as potato, garlic and cabbage are produced (Shimelis, S., 2017).

The first reason for selecting this specific study area is a very remote place, no microfinance program study was undertaken on the existing service. The second reason was the interest of the Ethiopian Orthodox Church Development Intra Church Aid Commission (EOC-DICAC) to know the impact of microcredit on women members livelihood in the area.

Figure 1 Map of the Study Area



1.3. STATEMENT OF THE PROBLEM

The Oromia rural saving and credit cooperative union are providing credit and saving services in west Shewa zone, Oromia region, Tulubolo district, and most inhabitants are members of the union and use the credit and saving service. Taking a close look, at to the women members who are the beneficiaries of the microfinance program, it is evident that most are using from the microcredit program, Yet there is a gap in the financial income they get because of the credit and saving and their daily living condition. Most women undertake several small business activities with the credit and saving services but their living condition is not improved.

The Ethiopian Orthodox Church Development Intra-Church Aid Commission (EOC-DICAC) which works in different rural development activities in many regions including Oromia is a non-governmental organisation. The organisation works to close several societal gaps including women issues and launched the microcredit intervention program accordingly in 2005 E.C. But EOC-DICAC indicates to have a lack of knowledge on the outcome of microcredit service on the livelihood of the microcredit member of women in the area. Therefore, an initiative was taken to study the rationality behind women microfinance beneficiaries not improving their living condition when they are microfinance beneficiaries.

The organisation works with women on other development activities and they are viewing livelihood improvement related to these services they, but related to microfinance service they do not show visible positive or negative change in women's livelihood such as asset ownership. The organisation needs to know the outcome of the implementation of the microcredit program and receive practical recommendations for improvement.

Thus, this study will assess the impact of this microcredit regarding the positive or negative effect on household income, saving and asset ownership of women members. Additionally, this study will play a significant role to understand asset control and gender relation at the household level and decision making a part of their microcredit union.

1.4. OBJECTIVE OF THE STUDY

The objective is to assess the positive or negative impacts of microcredit services in terms of the livelihood of women members (clients) who received credit and participated from the beginning in the Oromia Rural Saving and Credit Cooperative Union (ORSCCU) and recommend possible intervention programs for EOC-DICAC.

The specific objective: To investigate whether repeated access to Oromia Rural Saving and Credit Cooperative Union (ORSCCU) microcredit services brought impacts on the livelihood of women members;

- On their asset ownership,
- On income and saving,
- Female's participation in decision-making in the household.
- On Gender relation role in the union

1.4.1. Research Question

To achieve the objective the main and sub-questions are arranged as follows;

Main question

Did the credit provided by Oromia Rural Saving and Credit Cooperative Union (ORSCCU) bring negative or positive change on the livelihood of women members who did receive credit?

1.4.2. Sub-questions

- Did the credit provided by Oromia Rural Saving and Credit Cooperative Union (ORSCCU) bring change for women members on asset ownership?

- Did the loan service delivered by Oromia Rural Saving and Credit Cooperative Union (ORSCCU) bring change for women members on income and saving?
- How does female members participation impact in gender relations in the Oromia Rural Saving and Credit cooperative union?
- What kind of changes are seen in the household after receiving credit, related to decision-making power?

1.5. SIGNIFICANCE OF THE STUDY

The outcome of this study contribute to Microfinance service (MFs) providers, policymakers and other beneficiaries to enable them to give better service. Also, the study may serve as a basis for further study in this area on the impact of microcredit on women members.

The study can also help a lot to indicate the extent to which the microcredit service and strategy is effective and efficient in the area provided service to women members.

The study may contribute a lot in identifying the current constraint on the MFs service providers, beneficiaries and, MF development of the rural area. Finally, the study suggests a possible alternative in an area where a change of strategy is needed within the microcredit service. Based on the findings of the study the commissioner EOC-DICAC could launch new intervention or adjust existing once for the above-mentioned stakeholders.

1.6. LIMITATIONS OF THE STUDY

The study focused on assessing the negative or positive impact of microfinance on women members through their livelihood, income and saving, asset and decision-making role.

During the study, the researcher has come across with some limitations; the main one was the difficulty of the availability of an overall direct indicator, because livelihood is a complex issue. The researcher has seen household income, asset ownership, gender relation and decision making only from the perspective of the contribution of microcredit to the women microcredit users. Therefore, the study did not show that all household members have equal access and opportunity to the above indicators as the part of the household. So, it was difficult to measure the contribution of MF on a household level. Limitations of both finance and time influenced the capacity of the author to engage in a more in-depth analysis of the area. To solve this problem and get sufficient information the researcher used different approaches, such as making phone calls instead of traveling.

1.7. THESIS OUTLINE

This thesis is organised and presented in six chapters. This chapter one is the introduction part with the background, problem statement, general and specific objectives of the research, the research questions, and limitations of the study. In that way, this first chapter gives an overview for the reader about the overall nature of the study.

The second chapter focuses on literature review, on the overall impact of microcredit on livelihoods, the review literature contains some of the critical challenges facing the microcredit beneficiaries and summarise some of the contribution of microcredit to women asset, saving and credit, decision making role and building ownership.

Chapter three presents the research methodology, which consists of the research design, methods of data collection, sampling and analysis. Chapter four describes the findings and result from the study and discusses the results on the overall state.

Chapter five presents the interpretation of the outcomes in details and chapter six presents the conclusions of the research; which are based on the results, the recommendations; which are vital to address the problem of microfinance and to further strengthening the program and enhance the women members benefits.

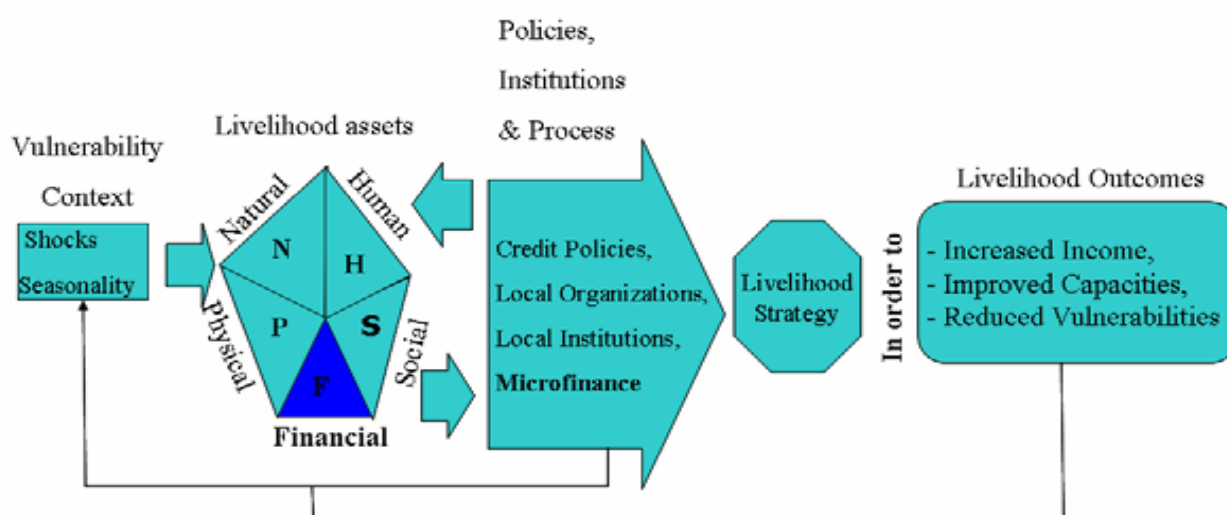
CHAPTER TWO

2. REVIEW OF LITERATURE

2.1. CONCEPTUAL FRAMEWORK OF THE LITERATURE

Generally, the conceptual framework focusses on the inter-linkages between women and microfinance services as explained below. Specifically, This study applies the sustainable livelihood approach, developed by DFID in 1999 (see Figure 2) to assess how microcredit impacts income and saving practice, asset ownership and decision-making power of rural women. For this research, the sustainable livelihood framework helps to explain briefly the impact of microcredit service to a women member, from the perspective of the vulnerability context, livelihood assets, policies, strategy and outcomes of the service to the member. The livelihood framework, allows to scrutinize the womens vulnerabilities, and livelihood assets: which asset is affordable to women, how do they interrelate, what are the policies on this issue. Based on that, conclusions can be drawn about which microcredit strategy is most effective after all implementation and registered outcomes.

Figure 2 Sustainable livelihood framework to reduce poverty



Source; CONCEPTUAL DEFINITIONS Source: Adapted from DIFID (1999) livelihood framework

According to Dessalegne, when DFID has explained livelihood assets as a combination of human, natural, physical, financial and social capital. Human capital is related to skills, knowledge, ability to labour and good health, Natural capital refers to the natural resources (such as forest, land etc.), Physical capital related to basic infrastructure and producer goods needed to support livelihoods, Financial capital related to stock of cash that can access in order to production either purchase or consumption goods, and access to credit included in this category, Social capital related to the social connectedness and networks, relationship of trust, more formalised groups of membership, capacity and exchanges in which people participate and from which they can derive support that contributes to their livelihood (DFID, 2002 in Dessalegne, 2009). This research focuses on the impact of microfinance service as part of the livelihood asset, and assess how these services contribute to women livelihood strategies and on the livelihood outcomes of the microfinance members. Based on the above reference, the different factors included in the sustainable livelihood framework and their relation with microcredit are shortly explained below.

Vulnerability context

Women are known for the responsibility of reproduction and care giving in the family while men are mostly the ones who make decisions in the households. The fact that women participate more actively in the child care and health related activities of a household does not mean they have gained power in their households. Due to the above highlighted roles of women in households, they are constrained when it comes to mobility, voice, education and employment (Bravo-Baumann, 2000). The highlighted gender related constraints affect women's daily life, as well as their productive outcome.

Poverty and gender inequality in household, in terms of access to resources and services among women keep on hampering women's capacity to lift themselves from neediness and acquire alternatives to enhance their lives. From an analysis of MF exercises it can be assumed that it empowers women networks that were beforehand excluded get quick access to credit (Kaboski and Townsend, 2012). Credit access will provide utilization choices to women in order to strengthen the different capitals as mentioned below and reduce their vulnerability (Crépon, Devoto, Duflo, and Pariente, 2015).

Financial capital aspect

The requirement for focusing on women is supported by the need to animate women's economic movement. Credit service provide financial capital to women by facilitating income generation activities and it is also trusted that expanding women's access to microfinance administrations will in itself prompt individual financial strengthening. However, it is necessary to empower women to make informed choices about funds and credit use, for example to set up small scale businesses for income generation, as such improving their livelihoods in household.

Micro Credit service is clearly mentioned as provision of credit and other financial services to the poor for enabling them to improve living standards and to raise their income levels (Crépon, Devoto, Duflo, and Pariente, 2015).

Human capital aspect

Microfinance programs in general provide training to the users before starting their business in order to improve the user's skills, knowledge and capacity, in this way aiming to increase their human capital, which is essential for making informed and strategic decisions. Microfinance ought to be founded on participatory standards to develop incremental information of businesses and empower women' to build up their methodologies for change (Md Saad, N., 2010).

Physical capital aspect

Income has the potential to improve livelihood by facilitating access to physical capital. Microcredit programs thus also facilitate this to women by borrowing money for income generation and purchasing physical capital (Antonides, Niehof, & van Ophem, 2015).

Natural capital aspect

As stated above, it is assumed that acces to microcredit services leads women to gain money and improve their financial capital, wich enables them to participate in investment activities, sometimes including investment in natural resources like land. In this sense it is relevant to study whether microcredit indirectly secures or improves their land ownership opportunity (Matin et al., 2002).

Social capital aspect

Microfinance program regularly focuses on the poor people especially women and has the potential to empower social group. Gender issues look at the interest of women and also on their relationship with men. They also focus on their roles, access to and control over resources, division of labor, interests and needs. Social exclusion is the processes in which individuals or entire communities of

people are systematically blocked from opportunities, rights and resources that are normally available to members of society and which are key to social integration (Bravo-Baumann, 2000).

Microfinance program improving the terms on which individuals and groups take part in society improving the ability and opportunity of those disadvantaged women by provide credit access and opportunity to contribute income to their family also, it improve the participation and social interaction of women outside of their home(Matin et al., 2002).

Livelihood strategies and outcomes

The microcredit program will increase the productivity of labour and improve income by creating an opportunity for different business activities, increase women skill by provide training and reduce vulnerability by giving equal access to the microcredit service. This is central to achieving Millennium Development Goals especially for reducing poverty (Goal # 1), reducing unemployment and creating stable income is vital for addressing other MDG goals. (World Health Organization, 2008)

Microfinance gives the opportunity to women related to livelihood, according to DIFD productive capital to poor by delivering loan (financial capital) to livelihood asset (DFID, 2002). Indirectly it covers the human capital by providing training and develops skill, social capital by participating in groups (eg. cooperatives). Thus, the contribution of microfinance to diversify and strengthen livelihood strategies of the low income-class community is assumed to reduce the level of poverty and empower beneficiaries in multiple ways.

2.2. Microfinance

Microfinance has been launched as a means of poverty alleviation and income generating activity in poor communities (Armendáriz & Labie, 2011; Armendáriz & Morduch, 2010; Matin et al., 2002). One of the microfinance service aims is to provide credit service to low- class level communities and those who cannot be able to get credit from formal financial service providers because of their high collateral rule. (Armendáriz & Labie, 2011; Armendáriz & Morduch, 2010; Matin et al., 2002; Morduch, 2000). Microfinance is broad and includes other services in addition to microcredit components. Microcredit should be seen as one part of the microfinance program. (Okurut, 2005).

Some studies show positive effects of microfinance involvement on income and asset. (Copestake et al., 2001; Crépon et al., 2015; Fofana, Antonides, Niehof, & van Ophem, 2015; McKernan, 2002; Tedeschi, 2008) Moreover, on the general well-being of families (Barnes, Keogh, & Nemarundwe, 2001). Other studies mentioned the negative impacts of the microcredit service on their perception, less or no improvement in income and general asset (Banerjee et al., 2015) and also, (Crépon et al., 2015) observed no visible contribution or outcome registered on the development of education level of borrowers and health service or access in their household. As they mentioned, even if women are involving in microcredit program, still not improved their educational level. so they need or asking others support to run their business activities.

2.3. Microcredit

Microcredit is one of the ways to encourage the development of the poor by providing an affordable loan to farmers, small- business owners and those who need to engage in income generating activities. Microcredit provides initial capital to the beneficiaries that lack the high collateral required by conventional banks.

Microcredit has strong linkage with creating sustainable livelihood among the beneficiaries. Microcredit program mainly works for the improvement of the financial income of households and thus contributes to ensuring the sustainable livelihood of poor women. (Bhuiyan, A.B., Siwar, C., Ismail, A.G. and Islam, M.A., 2012)

A large number of poor in different communities are women (Fletschner, 2009); thus, to improve their livelihood finance is crucial and to get this initial credit the microfinance program is essential. As mentioned in other studies, it gives them the opportunity to improve their income and social interaction. (Momsen, 2004)

2.4. Gender relations

According to Hunt and Kasynathan "Gender relation is showing the balance of power within men and women in different activities such as social, economic and political. In society, women are looked down in so many ways, and this has been seen to be impacting negatively on their welfare" (Hunt, J, and Kasynathan, N, 2001). Gender relation refers to empowerment, to see women active participation in the development and various strategies like women access to microcredit have been designed as a way of empowering them. Once women are empowered they upgrade their connection and relationship with the communities and can be competent to reduce inequality in the society (Weber, O. and Ahmad, A., 2014).

Also, access to resources and opportunity structures play a role in shaping women's abilities to challenge the societal and financial norms that limit their potentials. Access to resources especially on the tangible resources (material and financial assets) gives decision-making power with respect to use and management of economic activity and access to the intangible resources (skills, knowledge, expertise and participation in networks) opens further opportunities for economic development. Women empowerment accordingly has been seen to be influenced by institutions, rules, norms, finance, social relationships and power relations. These constrain and structure agency and access to resources that make up the opportunity structures of gender relation (Weber, O. and Ahmad, A., 2014). Microcredit service opportunity to women are recognized as a means of financially empowering women.

2.5. Livelihood

Livelihood is the system where an individual or unit (family or household) earn their living in economic term. Livelihood refers to means of safeguarding the necessities or refers to activity and a primary means of earning money in order to secure and sustain household basic needs like water, food, medicine, shelter, educations, clothing, and other basic utilities of the household.

When the profit earning activities and earnings of the family income increased, the capabilities of the family on livelihood might be secured, for pleasurable or assembly the simple necessity of the families like food, potable water, health facilities, academic possibilities, shelter and while it helped the households to get out of poverty we call this, family livelihoods secured and livelihoods sustainable (Lont et al., 2004)

2.6. Impact of Microfinance on Livelihoods

Women contribute to the economic and combating poverty through work at home, in the community, and in the workplace. Microcredit gives access to women to improve their livelihood, women who have the opportunity to involve in the microcredit program it empowers them to earn income for their family and able to participate in decision-making activities. The level of poverty is higher for women than for men (Van Rooyen, C., Stewart, R. and De Wet, T., 2012.). Therefore, economic growth and sustainable development are possible mainly through improving the economic, social, political, legal and cultural status of women. There are considerable differences in men's and women's access to resources and opportunities to exert power over economic structures. In most of developing countries, women were poorly represented in economic decision-making which includes the formulation of financial, monetary, commercial and other economic policies and laws.

However, women are active in a variety of economic activities; some of these are wage labour, small-scale business activities, subsistence farming, fishing and informal sectors. Livelihood included the access and control of the assets together with the social, financial, natural, physical and human capital. However, some factors are impeding the economic progress of women. One of these factors is legal and customary ownership to access to land, natural resources, capital, credit, technology and other means of production (Weber and Ahmad 2014).

Women also perform the vast majority of unpaid domestic and community work. These two works also have a significant contribution to the economy. Domestic works include caring for children and older persons, preparing food for the family and other works in the house. This activity refers to social and human capital (Yeboah et al., 2015).

Women have the potential to change their economic status and According to several authors, in order to do this, the provision of microfinance plays a significant role. Participation in Microfinance program facilitates access to financial capital. This leads them to build up their physical capital. The contribution of microfinance on livelihood concerned on the changes in the livelihood of women. (Weber, O. and Ahmad, A., 2014). Opportunities unequal between men and women continue to hamper women's capability to lift themselves from poverty and gain more alternatives to improve their lives. To change this, the contribution of microfinance is a high value; the program led them to develop their self- confidence, increase their income, and their better income also led them to live secured life and diversify their livelihood strategies (Robinson, 2001).

The negative impact of microfinance program on women members in household level is related to the amount of loan service. According to a literature, the theory of microfinance critical problem is the small amount of loan service (Van Rooyen, et al., 2012). This literature indicates that the beneficiaries who received for credit service are low which limits them from undertaking a large-scale economic activity and bring an impact on household living condition.

The other impact of the microcredit limiting women from improving their living condition is the fact that women's asset and income is considered as the income of the whole family and assumed to be spent for household consumption instead of bringing a long-term shift in the household living condition (Balasubramanian, 2013).

2.7. Impact of Microfinance on Gender Relation

Microcredit is one entity that has been known to have potential to women. It enables its borrowers to take up income-earning activities that lead to a series of improvements in their economic situation. In addition to the improved income earning ability, microcredit has been increasingly promoted for its positive impact on empowerment, especially for women borrowers (Kabeer, 2001).

According to Littlefield, E., Morduch, J. and Hashemi, S., Microcredit helps poor women in three ways. "First, by providing independent sources of income outside the home, microcredit tends to reduce the economic dependency of women on husbands and thus help enhance autonomy. Second, by providing independent sources of income together with their exposure to new sets of ideas, values and social support make these women more assertive of their rights. The last is they provide control over material resources which raises women's prestige and status in the eyes of partners and thereby promote intersperse consultation" Littlefield, E., Morduch, J. and Hashemi, S., 2003 .

Women are known for the responsibility of reproduction and caregiving in the family while men are mostly the ones who make decisions in the households. The fact that women participate more actively in the child care and health-related activities of a household does not mean they have gained power in their households. Due to the above-highlighted roles of women in households, themselves, they are constrained when it comes to mobility, voice, education. The highlighted gender-related constraints

affect women's daily life, as well as their productive outcome (Kabeer, N., 2001). It is important, therefore, to look at gender-related constraints and the division of power within the community and the household to be able to determine the level of women empowerment. In order for the wellbeing of women to be upheld in household and society, women empowerment is necessary. Moreover, women empowerment in MF service plays a crucial role. Women's involvement in microfinance program increases their financial sustainability, and indirectly it helps to empower them (Mayoux, L., 2001).

On the other way, the word Bank 2009 defined women empowerment as the process of building the individual's or groups' capacity to make choices and to transform those choices into desired actions and outcomes. It focuses on building individual and collective assets as well as improve the effectiveness and fairness of the institutional and organisational context which govern the use of these assets.

Microcredit is defined as the provision of thrift, credit and other financial services and products of the minimal amount to the poor in rural, semi-urban and urban areas to enable them to increase their income levels and improve living standards (UN DESA, 2009). In an economy in which women do not work in the wage labour market, participation in a group-based credit program increases the shadow value of female time by providing a complementary input for the production of goods for market by the self-employment. In contrast, if men still provide time to the wage labour market, the shadow value of their time is unaffected by program participation. Consequently, the self-employment activities of women fostered by micro-credit may generate different demand effects than the self-employment activities of men fostered by micro-credit. In the process of empowering women, a concept of gender has been constructed by society.

According to Hunt, and Kasynathan, "gender refers to the relations between men and women, both perceptual and material. It is not determined biologically as a result of sexual characteristics of either women or men. It is a central organising principle for societies and often governs the processes of production and reproduction, consumption and distribution. Gender issues look at the interest of women and also on their relationship with men" (Hunt, J. and Kasynathan, N., 2001). They also focus on their roles, access to and control over resources, a division of labour, interests and needs. Also, gender relations affect household security, family well-being, planning, production and many other aspects of life (Bravo-Baumann, 2000).

2.8. Impact of Microfinance in Ethiopia

As the main livelihood, most Ethiopian used the traditional farming system. To moderate the existing agriculture system and to improve the poor community livelihood, microfinance program have launched. Giving acceptance to the service by the government as a poverty reduction strategy helped to expand the microfinance program in Ethiopia, (Haile, A., 2003).

Currently, Microfinance service in Ethiopia serves as the backbone to the country economic growth. It serves on the rural and urban poor community members. Today, the impact of microcredit is applied to household livelihood, poor people especially women are the user of the program, and they practising earn money by participating in the small business. Also, they start to use their saving account, develop self- confidence and start participating in household decision making related to their income contribution (Haile, A., 2003). People commonly have a good understanding of the use of the microcredit service for their livelihood. Thus, the number of beneficiaries has been growing fast over the last twenty years. But, the delivered microfinance service and the number of beneficiary's demand cannot meet. Thus, the provided service should be evaluated and increased in relative to its impact on the livelihoods of the poor.

Impact assessment is essential to measure the impact of microfinance service since it allows to know whether the program meets its objective and whether the program brings the expected impact to the targeted beneficiaries. Impact assessment covers the following points; change household income, the

difference in asset ownership, and saving experience, Studies on the impact assessment of microfinance.

According to Daba, Credit and Saving Institution have a positive impact on improving the welfare of beneficiaries (Daba, 2004). Similar results were found on the positive impacts of microfinance on women economy (Tsegaye, T. and Bediye, M., 2002). Also, Befekadu (2007) mentioned, that studies on through two-phase assessment, found that the “ Dedebit Credit and saving institution, DECSI's program has had an encouraging impact on the livelihood as well as enhancement of the social and political position of many clients” stand from the above microfinance impact assessment can guess the program of microcredit service provides positive impact to the user in their livelihood.

CHAPTER THREE

3. RESEARCH METHODOLOGY AND STRATEGY

The research focuses on assessing the impact of microfinance on the livelihood of women members, though the analysis of the case of ORSCCU Tulubolo, Oromia regional state of Ethiopia.

3.1. RESEARCH DESIGN

In the process of data collection for this thesis, both primary and secondary data sources were used. The source of information were reliable internet sites, literature and documents, observation during fieldwork and interview from the respondents.

3.1.1. Primary Data

To collect quantitative data. Primary data were collected from key informants' interview, focus group discussion with the member of cooperatives, and informal talk. Observation also is part of this section.

3.1.2. Secondary Data

Secondary sources were books reports of MFs, ORSCCU, cooperative agency, newspaper articles, individual writings, documents from MF organisations were the source of secondary data.

3.2. SAMPLING METHOD AND SAMPLE SIZE

Two primary saving and credit cooperatives from ORSCCU were purposefully selected namely Nuberie and kegna saving and credit cooperatives. Based on the following criteria:-

- They deliver service to members in the rural area.
- Had a relatively long history (since 2005 up to now), which facilitated assessing impact compared to newer micro-finance institutions

Respondents were selected from the clients using a purposive sampling method. The sample was drawn from the duration of members in the microcredit program. I choose the beginner members and in this study, 18 respondents from regular clients (beginners) were selected. All eighteen respondents were women members because the study assess women's access to household economic information (income and asset), control and decision making the role through the impact of microcredit program. On this study, women decision making and gender relation is seeing specifically on their decision-making access by their power in household and gender relation role observe on their participation and position of the cooperative. (See table 1)

Table 1 Study Group and Respondents Selected from Cooperatives

No	Cooperatives	Number of respondents	Criteria for group selection
		Female	
1	Nuberie	9	Working more than ten years and expected to have more experience than the new cooperatives.
2	Kegna	9	
	Total	18	

3.3. DATA COLLECTION PROCEDURES AND QUESTIONNAIRE DESIGN

The interviewee has comprised groups of questions. The standard questionnaire (see Annex 1) had a group of subjects to test the measurement indicators regarding the impacts of microfinance program on its women members. Five enumerators have administrated the questionnaire to both regular clients at two cooperatives. Focus group discussion (FGD) participants, were selected from the clients (regular clients) and leaders of the loan committee. The focus group discussion contained ten (10) participants in two each group. Which means (10 from Number and the other ten from kegna saving and credit cooperatives). The researcher has managed the discussion as moderator.

Women member sample was undertaken by directly interviewing clients using structured and semi-structured questionnaires. When the answer on the structured questionnaire was not sufficient to get information as needed, semi-structured questions were formulated to clarify information. Data collection was included to obtain necessary information on household demographic characteristics, access to loan and loan utilisation, and household economic information (income, expenditure and asset), control and decision-making role. The informal talk was used to cross-check information's obtained from other sources.

3.3.1. Indicators Used to Answer Sub Questions

To get tangible information from respondents, each sub-question was sub-divided into questions with indicators, as is shown in the table below.

Table 2 Indictors of Sub Research Questions

No	Sub questions	Indicators
1	Did the microcredit bring impact on asset ownership?	<ul style="list-style-type: none"> - Increase in the number of livestock such as cow, ship. - increase in income from small-scale business -Improvement of housing conditions by buying some new home available materials such as for cooking. - Use of technology and purchase electronics such as phone
2	Did the microcredit bring impact on income and saving?	<ul style="list-style-type: none"> - Participate more than one business activities within the same season to expand their business and income. -The increase in the amount of saving in microfinance. - The creation and use of a personal saving account - The growth of annual income
3	What is the impact of microcredit on the gender relationships of women in the cooperative?	<ul style="list-style-type: none"> -Able to decide the minimum amount of loan when they borrow. (by taking a management position and involve on bylaw preparation) -Raise and explain their idea with-out shyness on meeting in front of the external participant. -Participate in cooperative meeting and other activities.
4	What are the changes in decision-making at the household level after the credit provided by ORSCCU?	<ul style="list-style-type: none"> -Acceptance of women's idea by a male in the household and respecting each other (husband and wife) -Both Discuss together in-house before the made decision. -Female develop more confident to take part in the family because of their income contribution.

3.4. KEY INFORMANT INTERVIEW

To get reliable and valid information for the study; through using semi-structured interview questions, key informants' interviews were carried out to obtain information on the involvement of the cooperative microfinance program to women members in two cooperatives. The interviews carried out with key informants were those who know the area, the clients and the program. They were select from the Oromia rural saving and credit cooperative union staff and district experts of cooperative office.

Eighteen female cooperative members were selected from two primary cooperatives from a list of 55 members. Primary cooperative offices provided the list. The researcher interviewed all of the selected respondents. Before started the researcher explained the purpose of the interview to the whole member of microcredit.

Figure 3 Key informant interviewee



Source: Field Work Tulubolo District

3.5. FOCUS GROUP DISCUSSION

Focus group discussion (FGD) participants, were selected from the clients (regular clients) and leaders of the credit committee. The researcher has managed the discussion as a moderator. The composition of the focus group discussion (FGD) seriously considered women members stayed long in the union this selection process was supported by the general manager and chare person of the cooperative. Open-ended interview guides/checklists facilitated the discussions. The questions were supplemented by specific follow-up questions designed to ensure that specific topics are covered in the discussion. The group sessions lasted for 90 minutes to 2 hours.

The checklist for FGDs was prepared based on the research questions. Key accomplishments of activities, challenges, efficiency, impact, were deeply investigated using open-ended checklists. In sum, two FGDs were undertaken in the two cooperatives. The board of director, chairperson, general manager from ORSCCU staff and others women from cooperative participated. (See table 3)

In the discussion the following points are included;

1. The impact of ORSCCU on asset ownership for women members.
2. Impact of microcredit on household related with increasing income, saving practice, house improvement.
3. Women participation in the cooperative.
4. Decision making power household level.

Table 3 Data Sources for Research Sub Questions

Sub-question	Individual interview	Focus group discussion	Observation
	women members	ORSCCU board of directors, loan committee, members and staff (two focus group)	
1	x	X	x
2	x	X	x
3	x	x	
4	x	x	

Figure 4 Focus Group Discussion Photo



Source; Field Work Tulubolo District

3.6. DIRECT OBSERVATION

The researcher also used direct observation as one of the data collecting tools for this study and through using direct observation the researcher collected necessary information by visiting the interviewer home and working place in the two cooperative women members.

The personal observation was made at their home of selected women house located near to reach. The researcher went to the selected women microfinance members and observed the women asset ownership to collect necessary and relevant information about their asset. The type of assets such as

(land, house) as a fixed asset and livestock, new house materials or equipment and maintenance the researcher direct observation. Also, the personal observation was used to get an idea of women participation and self-confidence during the focus group discussion.

3.7. DATA ANALYSIS

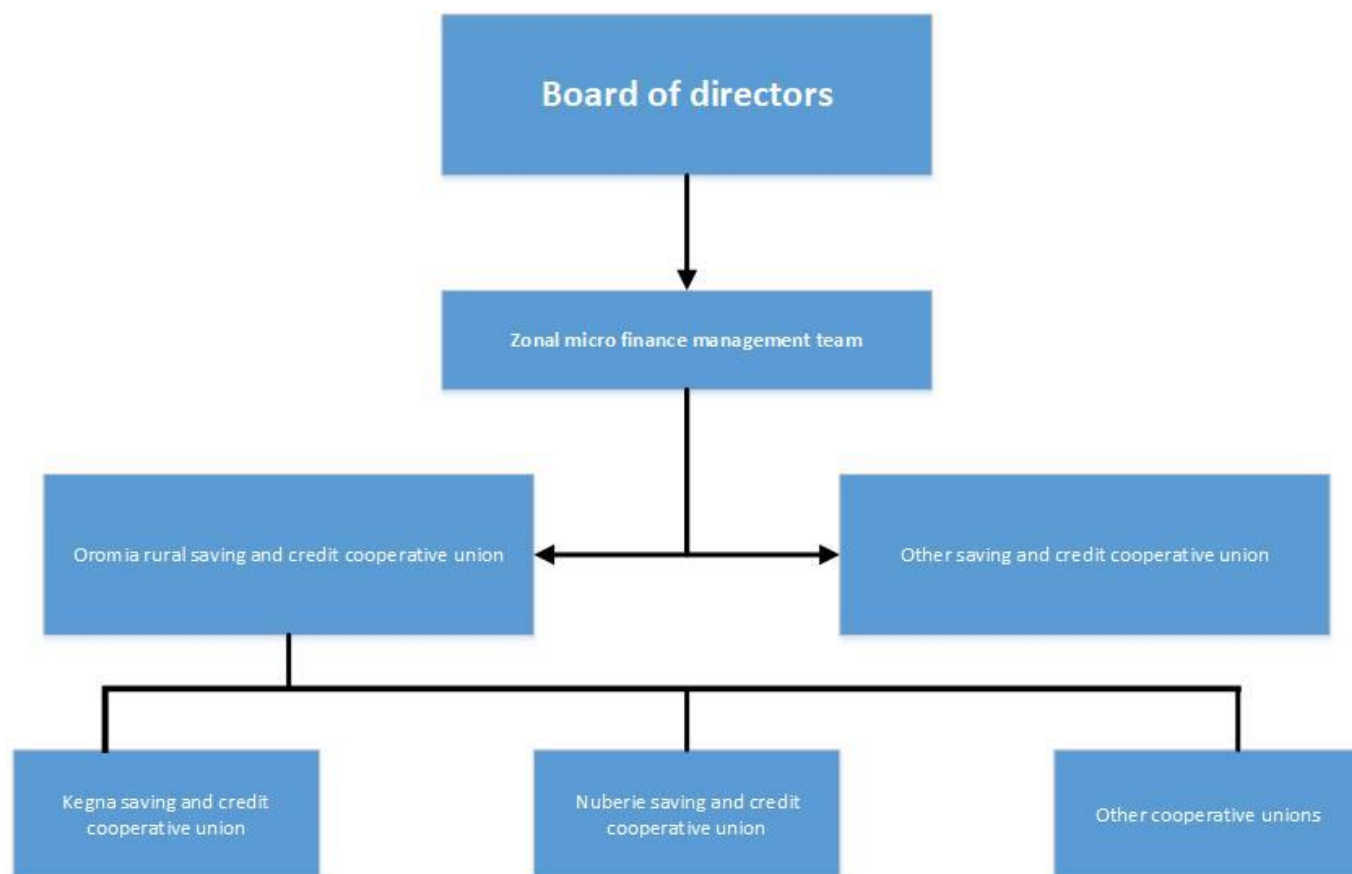
The collected data from the different source was organised and analysed by using indicators. The table was used to present different variables, the impact of microfinance analysed by considering the sustainable livelihood framework and including the interaction of asset, gender relation and income of the household in the women members (by a detailed description) according to the answer of the key informant that was emerged during the interviews time.

CHAPTER FOUR

4. RESULTS AND ANALYSIS

This chapter presents and describes the major findings from the study. Where applicable data collected during the study is summarised in tables. To be brief, the structure of microcredit service and their level set as follows;

Graph 1 Organizational structure of microcredit



Source; Nuberie saving and credit cooperative union

As explained in the above in graph, the microcredit organisational structure includes a board of directors, a zonal level microfinance management team, district microcredit cooperative team and unions at the provincial level. The board members contain eight members and participate in the beginning microcredit service implementation decisions. All level microcredit service providers have bi-annual review meeting, and the district level officers quarterly attend the rural level microcredit users meeting.

4.1. Short Description of ORSCCU on the Area

Two cooperatives that belong to the Oromia rural saving and credit cooperative union from Tulubolo district is the focus of this thesis. Those cooperatives are Nuberie and Kegna. Nuberie and Kegna are two of the twenty-nine saving and credit cooperatives found in Tulubolo district. The number of members of the two group is 30 and 25 respectively. Except for two male all members are female. The male cooperative members are mostly responsible for auditing, bookkeeping and secretary jobs in the union since almost all women members are not able to do these activities due to their educational

background. All the 29 saving and credit cooperatives have been established in different years starting in 2004 in the district. Nuberie and Kegna saving and credit cooperative was established in 2005. Women established the group, but one man included in their group because they need a writer for their cooperative issue. But their business activity decision made by themselves other issues directly related to the services decided by microcredit program such as the amount of saving, the maximum amount of credit.

All the microfinance women members are farmers, and few engage in additional income generation activities such as daily labourers, traditional cotton cloth production (called *netela and Gabi*) and sailing local alcoholic beverage. By participating in the cooperatives, they receive credit, and after production, they save money on their account, and also, they engage in different cooperative meetings in addition to annual and monthly regular meetings.

Figure 3 Traditional Cotton Production



Source; Taken by Author, 10/08/2018 Tulubolo District, Beshikiltu Kebele

4.2. Socio-economic characteristics of the respondents

from the selected cooperatives for the study 18 women, respondents have been interviewed to collect data. These interviewees were chosen from the cooperatives, and they were present in the union from the beginning. Accordingly, demographic characteristics of the households are included in table 4.

Table 4 Demographic characteristics of women members

Categories	Members women respondent(18)
Age	36-39
Family Size	6 - 8
Level of Literacy	1-4 (primary level education)
Occupation	Farm, small business

As the data in Table 4 reveals, all of the women members' educational background close to illiterate, as their education level is on 1-4 range. The participation of women in small business is high and few of them they do additional income generate activities, and almost all are on the same age group.

4.3. Physical assets owned and the source of money

An asset owned by women		No. of microcredit members (N=18)	
		purchased with Microcredit profit	Purchased with profit of selling of Crop/animal and other products (members)
House equipment	Chairs/ table/ bench	-	5
	Cooking materials	15	3
Poultry		13	2
Construct a new house		-	-
Electronics	Tape, TV	2	1
	phone	10	2
Bed/mattress		5	-
Goat/sheep		6	-
Cow /Oxen		4	-
Donkey/ Horse		8	-
Land		-	-
Goat/sheep		1	-

Table 5 Assets Owned and Source of Money

All the respondents are premium members of the ORSCCU which established the union from the beginning. And among the respondents 3 of them are members who benefited once in terms of credit but later they continued their membership for saving money and sharing experience to build up their own business (which is from different source other than the microcredit), the other two members used the microcredit to strengthen their previously existing business activity which they owned before the formation of the union whereas, the rest 13 members are using the credit to establish new economic activity for supporting their households and strengthening it through time.

Furthermore, the respondents were able to gain non-fixed asset like electronics, household utensils, livestock, and cover their daily household expenses but they were unable to gain (owned) fixed assets like land or a house. According to the respondents they save a fixed amount of money and take it at a given time when they need it. Most of them spend the money on the household expenditure, buying the above-listed materials. Even if, most women members mentioned that buying a land and building house is their ultimate goal, they indicated that they were not able to purchase a fixed asset. This could be because of the social construct in the area against women ownership of fixed assets or their thinking on the impossibility for women ownership of such assets or any other reason.

4.4. Microcredit's impact on asset ownership after they member of microcredit

Microcredit's impact on asset ownership	
No change	3
Increase	15
Total	18

Table 6 Improvement of the Asset After the Credit

The data in the table (6) shows that the microcredit service improves women's livelihood after they get a loan and they can able to buy equipment, chattels and fill their need by their Own money as mentioned on table(5), and start participating on their family financial decisions because of the income contribution of their household. In the past years, they received a loan from microcredit and applied new small business even if the market situation is seasonal yet the business activity contributed to household income increment.

Whereas the three respondents mentioned, there is no change in their livelihood, and their reason was a negative market situation, their spending the loan to expend it to the daily household needs of their family after they borrow from the credit union and they gave part of it to their husband as credit be returned after some time. But eventually the husbands were not able to return the money, and their business grows to be unsuccessful because it was not kept well. However, regarding the income amount, the loan user opportunity for improving their income status is better than the not- user members. Besides that, the microcredit services have a limitation on the amount of loan they give for beneficiaries is minimal.

4.5. Impact Of ORSCCU Credit Program On Income And Saving

Household type	Number of respondents	Average monthly income
Members with credit	15	950.00 birr (30.4€)
Members with no credit/ stopped borrow	3	500.00 birr (15.63€)

Table 7 Monthly Incomes * current exchange in Ethiopia 1.00 birr = 32.00€

As table (7) reveals that the microcredit created a consciousness for the women to engage themselves in different income generating activities. This indicated that the women who previously had almost no or very small income now started earning a better income and were able to know their monthly income. As the table shows, the three women members who are currently earning 500 birrs are still a member of the union, but they only took the credit once at the beginning because of the above-mentioned reasons. After that, they are members to save their monthly fixed 100 birrs and also to participate in several business and social training opportunities. Besides that, the majority members use the microcredit to receive loans in addition to the training and saving opportunity. Also, the microcredit developed their sense of awareness towards the monthly amount of income they get and encouraged their saving habit which previously they have given less attention.

On the day of interview from 'Nuberie' women microcredit member, one of the respondents said that *"I took 1,000Birr (31.25€) for the first time and I invested in poultry production as a business. I gained 2100birr from the poultry production. I repaid the principal loan and interest for the microcredit. Then I bought an ox and fattened it by the rest of the money. I sold the ox for 4,600Birr (143.75€). Subsequent time I took 2000 Birr (62.5€) and bought an ox. I also practiced to expand the poultry production for the second and third year and sold for 5,400Birr (168.75 €) and 6,800 Birr (194.00 €). I repaid the next loan from the sale of poultry production. I took 2,500 Birr (71.€) for the third time, and I bought an ox for fattening. I fattened an ox and sold for 6,750Birr (212.50€) and I paid all of my debt. From the income I paid school fee for my three children, I bought cloth for me and for my family and cooking material for home. Now i have two oxen and poultry production. The credit application turned into a treatment for my family and me"*.

As one of 'Nuberie' microcredit saving and credit cooperative union member success story, the microcredit program impact on her asset ownership is a lot, now she improved her financial capital and was able to improve her livelihood also this assume lead her to involve on decision-making issues in the household.

4.6. Saving in the cooperative

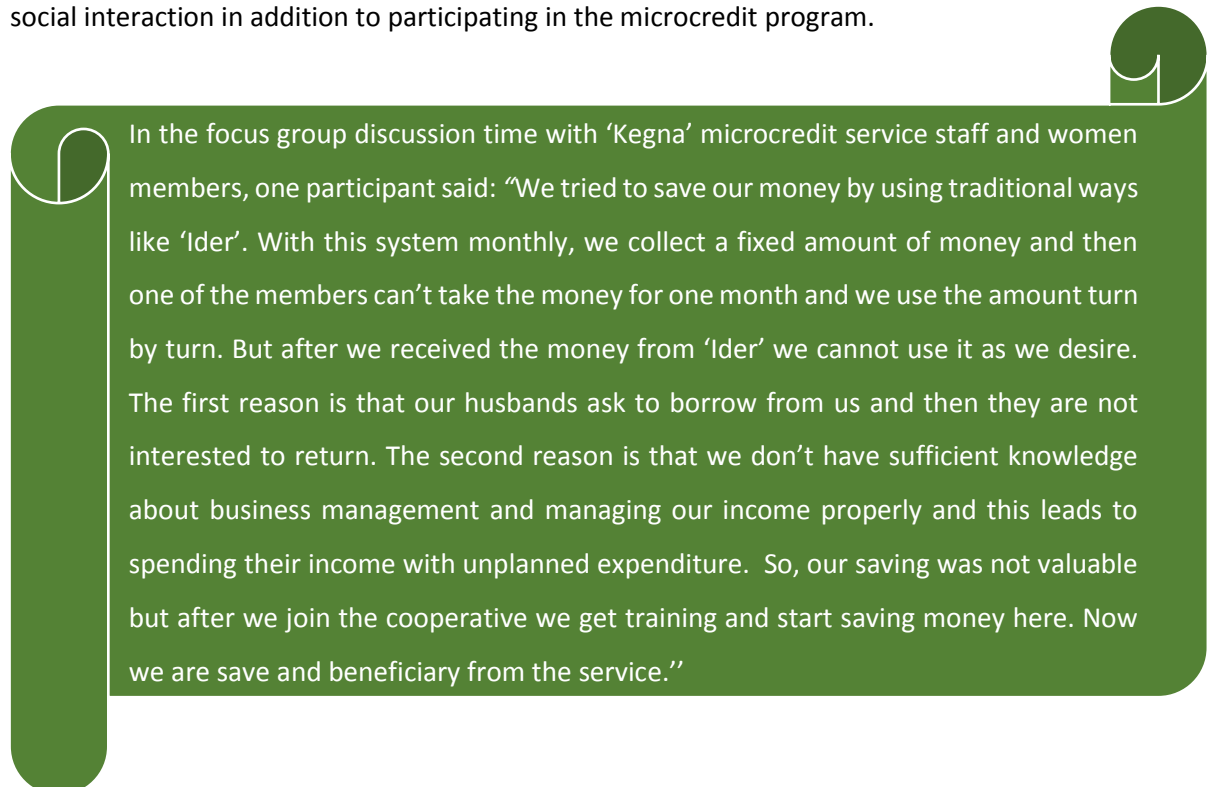
The result in the table (8) shows the average monthly saving is 100.00 birr (3.125 €) this amount is implemented to all members whether they receive credit or not. There is no additional saving system in the cooperative, thus assuming that the cooperative union also can't compare the difference between the loan users and non-users' status or change regarded with saving.

Household type	No. of respondent	Amount of saving per month/person	Amount of saving per year/person
Members with credit	15	100.00 (3.125 €)	1,200.00 (37.5 €)
Members with no credit/stopped borrow	3	100.00 (3.125 €)	1,200.00 (37.5 €)

Table 8 saving amount in cooperative

In the focus group discussion, the women participants explained about their saving experience. As 'kegna' microcredit saving and credit cooperative union member explanation, the microcredit program brought significant impact on their financial capital, social capital and human capital. After they became a member of the microcredit program, they received training to start a business, which

improved their skill and knowledge. Besides this, they started saving money on the cooperative, this increased their capital. Last the microcredit program invited them to express their ideas and encouraged them to participate in meetings. Participating outside of their home also improves their social interaction in addition to participating in the microcredit program.



In the focus group discussion time with 'Kegna' microcredit service staff and women members, one participant said: "We tried to save our money by using traditional ways like 'Ider'. With this system monthly, we collect a fixed amount of money and then one of the members can't take the money for one month and we use the amount turn by turn. But after we received the money from 'Ider' we cannot use it as we desire. The first reason is that our husbands ask to borrow from us and then they are not interested to return. The second reason is that we don't have sufficient knowledge about business management and managing our income properly and this leads to spending their income with unplanned expenditure. So, our saving was not valuable but after we join the cooperative we get training and start saving money here. Now we are save and beneficiary from the service."

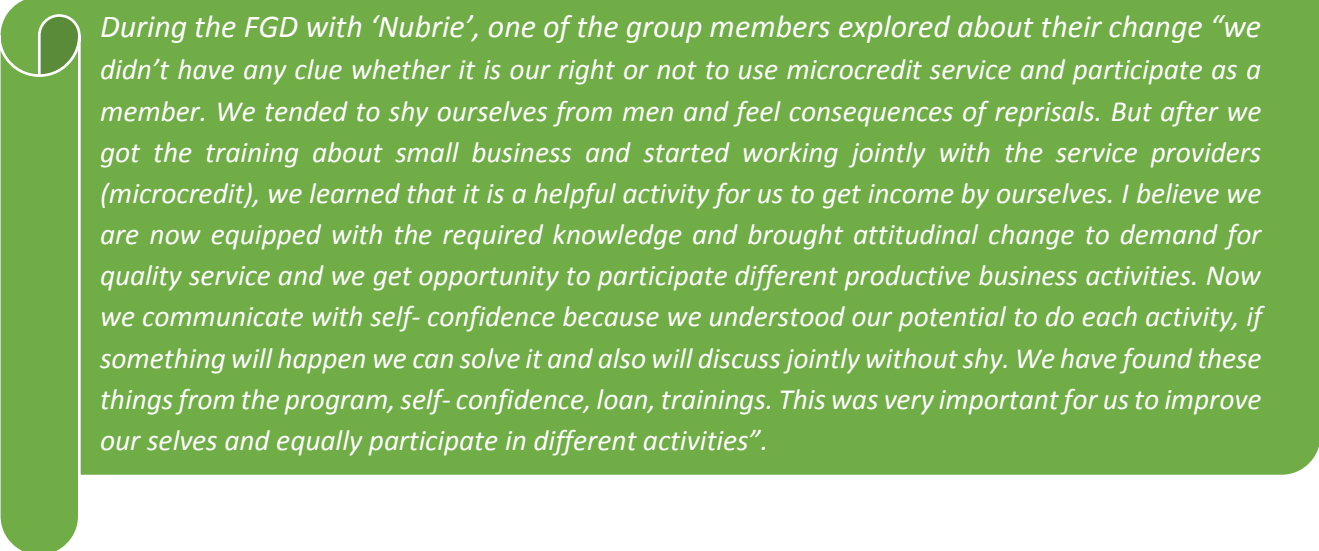
4.7. Impact of the microcredit Programme on the decision- making in the household.

The overall above result shows, all respondents were mentioned about decisions made at a household level such as, on the amount of loan taking and utilisation, the type of business, on land use and ownership, on buying a house. As they mentioned, after they earned income by themselves the situation is changing related, and decision are made more equal. But still, there is a gap in the fixed asset. As they said, they cannot participate in fixed asset decisions such as land-related issue.

However, microfinance service did not help few women members to move step upward in the present routine living status. In other words, still, a few of the members are found living in the same condition as before accessing the credit. Microfinance program did not change or improve the income status of the women households. Thus, their contribution to household income cannot change, and to some extent, this influences them from equally participate in household decisions.

4.8. Impact of the microcredit Programme on Gender relation

On this part, the researcher focused on looking how gender relation changed in the cooperatives: The women members described:- their engagement in microcredit program as the beginning of a new chapter to them, as they explained they gained skills through training, increased new opportunities to do business and improve their social interaction. The provided microfinance service, besides the income earning situation also empowered them to say I can do it and enhanced self-confidence.



During the FGD with 'Nubrie', one of the group members explored about their change "we didn't have any clue whether it is our right or not to use microcredit service and participate as a member. We tended to shy ourselves from men and feel consequences of reprisals. But after we got the training about small business and started working jointly with the service providers (microcredit), we learned that it is a helpful activity for us to get income by ourselves. I believe we are now equipped with the required knowledge and brought attitudinal change to demand for quality service and we get opportunity to participate different productive business activities. Now we communicate with self- confidence because we understood our potential to do each activity, if something will happen we can solve it and also will discuss jointly without shy. We have found these things from the program, self- confidence, loan, trainings. This was very important for us to improve our selves and equally participate in different activities".

4.9. Members opinion for program improvement

Even though the microcredit program has its evaluation system, receiving the member's idea was vital to evaluate and improve the microcredit service. The policy-making notion that is collected from different directions has a better impact on the improvement of the program. So, the microcredit users were asked for their reflection on possibilities for development of the microcredit service. The majority of the respondents mentioned that it would be better if the program could strengthen the following activities; introducing new business technologies or ideas, providing updated information and training (such as an experience sharing program from other microfinance unions) and, creating periodic auditing systems.

It also helps to service providers to assess the progress of the microcredit service and to make a decision on members interest. Such as, increase the amount of credit, accept new applicants to boost capital, provide credit on their interest rate and increase women involvement on a higher position in the cooperative, while few respondents mentioned the interest rate is high and adjust credit repayment time. They also need to improve the existing loan bylaw, as they mentioned, the amount of the loan is low.

CHAPTER FIVE

5. Discussion

This chapter presents and discusses the major findings from the study on the overall state of microfinance contribution on the livelihood of women members of Oromia region Tulubolo district, Ethiopia. The study analyses the impact of microfinance on asset ownership, decision-making on a household level, gender relations in the cooperative and income and saving, identifies the constraints and provides suggestion to promote sustainable microfinance service.

For this analysis, the researcher made use of the sustainable livelihood framework. For this research, the sustainable livelihood framework helps to explain briefly the impact of microcredit service from the perspective of vulnerability, livelihood asset, policies, strategy and outcome of the service to the member.

5.1. Findings analysed according to sustainable livelihood framework

Based on the sustainable livelihood framework, these findings show how women use the microfinance credit program as a strategy to improve household livelihood. Microfinance services improve women members' income, skill, social network and decrease their vulnerability context using and strengthening the social, financial, human, natural and physical assets.

The outcome of this improvement of income empowered them to have better decision-making power in their household income-related issues compared to the time where they had no means of income. Furthermore, it builds up their self-confidence, improves asset ownership and increases their social interaction by encouraging them to participate in cooperative activities and provide exposure to use the formal saving system.

However, despite these contributions factors are found that constrain women from fully benefitting. Although evidence was found for improved gender relations, cases were seen in which women lend credit to their husbands, which was never returned. The following paragraphs give the specific findings per indicator.

5.2. Impact of ORSCCU on women Income and Saving

Microcredit created a primary means of income earning activity for women members. A small business positively relates to poverty reduction and income generation activity. This indicates that microcredit service is enhancing women members' household income (see table 7). This result confirms the findings of the previous studies: these studies found out that, microfinance has been launched as poverty alleviation and means of income generating activity in poor communities (Armendáriz & Labie, 2011; Armendáriz & Morduch, 2010; Matin et al., 2002). Accordingly, after the ORSCCU service was launched, women members started to borrow from the cooperative and participate in different productive income-generating activities. Microcredit provides initial capital to the community that lacks the collateral required by conventional banks; this helped them to involve in business and earned their own money.

Some studies mentioned that microcredit services had not improved income in general (Banerjee et al., 2015, Banerjee et al., 2015 and Crépon et al., 2015). However, this study shows micro-credit user women are benefitting from the program. As they told their history, after borrow money they apply multi-business this supported to increase monthly income and then they were able to save. (table 8) Also shows that every member is saving 100.00 birrs (2.85 €) per month. Saving is one part of the microcredit program and from all members expected to save monthly, and the amount is fixed its 100.00 birrs (2.85€), so if one person needs to improve the saving amount, it's not possible to depend on the current amount of saving rule.

This indicates that the cooperative union cannot compare and evaluate the loan users and non-users' income status or change regarded with saving. Because of the amount of saving for both are equal. In the FGD session, women members also mention the microcredit program gives the opportunity to do

business and enables them to earn their own money. At the same time, the system transformed them from the traditional saving system 'Idar' to modern and formal saving mechanism. Generally, the program's support to women members varies from earned income and self- help to be able to feel self-confidence developed in their living status. The microcredit program improved their financial capital by providing business start-up credit and their human capital by providing training and develop their skills.

But even though their financial capital and human capital shows improvement, their daily living condition is still not changed significantly as I observed. From the observations, it was found that their saving and income amount and business skill have improved, but they used the credit for other purpose so, this howe still lack the fiscal spending and budgeting skill on the credit utilisation. Therefore, they expend their income for a daily household need such as purchasing food, kitchen equipment and payment of school fee for their children without planning and budgeting. Even though the program equipped them to earn a consistent monthly income and saving through the facilitation of saving system, they are unable to save more money and still, they are giving their remaining money to their husband as a credit.

5.3. Impact of ORSCCU Credit Program on Asset Ownership

The microcredit service improves women's livelihood after they get a loan, they can purchase by using Owen profit money (see table 6). On some studies mentioned microcredit loan producing better asset reasons for engaging in small business the need to fill their lack of income. (Banerjee et al., 2015 and Crépon et al., 2015). As mentioned in this findings, women members after received credit from the microfinance program where enabled to do business and then started to earn money and improve their income or financial capital. While a few respondents mentioned, there is no change in their livelihood. The main reasons were that, they used the credit to file daily needs of their family, and that they give money to their husband as credit but most of the time the money was not returned, so that negatively influenced the success of their new business. This case also influenced them to use their other source income to repay the loan to microfinance service.

However, the existing microfinance fixed saving amount influenced enabled them to increase their asset ownership despite the above limitations. As mentioned in the finding, the amount of saving is fixe. Thus, the microcredit saving program did not encourage them to save more amount of money and build up their fixed asset owned interest this leads them to run their business on the same level.

This is because women are not allowed or have less access to own fixed assets at the household level, such as land and house. This also shows that women members' rights are limited to improve their income generating activities related to purchasing an essential resource like land, because of the existing situation of the social acceptance or culture influence (see table 6).

In the focus group discussion it was mentioned that, even if the microcredit services gives the opportunity to do business, few of them were involved before in other additional income earned activities (such as fattening ox, poultry, vegetable and traditional cotton production), and they got a small amount of money and bought livestock to improve their income (see table 5). This clearly shows that the current economic capacity is not only the results of microfinance service since there are also other sources of financial capital for the women to start up or commence business.

5.4. Impact of ORSCCU Credit Programme on Gender Relation

Gender relation refers to the empowerment of women in social, political, economic and cultural aspects. To see women's active participation in development, various strategies like women access to microcredit have been designed. According to Hunt and Kasynathan, gender relations shows the balance of power between men and women in different activities such as social, economic and political. In society, women are looked down on various aspects. This has been seen to be impacting

negatively on their welfare (Hunt and Kasynathan, 2001). Therefore, women empowerment upgrades their connection and relationship with their community and can be competent to reduce any inequality in the society. Thus, access to microcredit for women has a high contribution in improving gender relation.

Moreover, the microcredit program provides job opportunity, and income is gaining possibilities which lead to improving their financial capacity. This empowers them and develops self-confidence. This idea also supports by (Littlefield et al., 2003). As they briefly explained microcredit helps poor women in three ways. First, by facilitating own sources of income outside their home, microcredit contribute to decrease the financial dependency of women on husbands and help them to enhance their income. Second, by delivering sources of income together with new business opportunity and ideas and social support make these women more self-confident of their rights. The last is they facilitate them to control resources which raises women's status and promote acceptance in the society (Littlefield et al., 2003). The finding of this study also shows that after the women started participating in ORSCCU microcredit service, their income is increasing, and their income contribution to household also is improved. Stand from this they are actively participating in the cooperatives. This also helps them to develop their skill, self-confidence and ability to speak on meeting without shy. Generally, the ORSCCU microcredit program indirectly empowered women members by providing loan and capacity building training. However, their involvement in the microcredit program limited to participation they are not participating in higher positions of microcredit union and achieving equal gender relation in the cooperative needs more attention.

5.5. Decision Making

The findings evidence that the provision of microcredit improved the decisions making the ability of women at household level (such as decisions on the amount of loan utilisation). As they mentioned, after they start earning income by themselves, decisions about the use of money were made more equality (for example decisions about the purchase of household equipment, and children activities). But still, there is a gap to make a joined decision on the fixed asset. As they said, women cannot participate in fixed asset decisions such as land-related issue (physical capital). Though women need to participate in all decision-making needed in the household fully, they are not able to do it. This assumes that the community culture(given superiority to male) is still influencing women equal participation in decision making.

CHAPTER SIX

6. CONCLUSION AND RECOMMENDATION

6.1. CONCLUSION

The reasons most of the member of women engaged in were to generate income and to get out of poverty. The findings of this study show that rural micro-credit provides income earning strategy by providing job opportunities for women.

Microcredit service improved the livelihoods for most women members and helped the small-scale business participant to get income; contributed to poverty reduction by functioning as a source of livelihood income. After the above findings and discussions and based on the main and sub-questions of this study the following can be is concluded:

Impact on income and saving

Microfinance assumes a critical opportunity in the financial strengthening of women. Unlike other loan organisations like banks, microfinance provides credit and saving opportunities to the rural, uneducated women with no access to collateral a means of financial capital to enable them to undertake economic activity by themselves. Also, the rural microfinance service enables these women to access skill development programs and training so that they will be able to increase their financial capital and achieve their livelihood goals.

This microcredit service helped women to earn their own money by participating in the different small-scale business. They also changed their traditional saving method to a more formal system. Even though the saving amount is fixed, the contribution of microfinance program for saving is high, it keeps them from unnecessary wastage or applies for another purpose. So, the ORSCCU saving program protects them from such kind of problems. Their financial asset increment contribution to their livelihood in the household is high. Negative factors are- an insufficient amount of credit, the fixed amount of saving rule, high-interest rate and cases when the credit is not provided on time or as they need.

Impact on Decision Making in household

Microcredit service improved the livelihood for the majority of women members in ORSCCU by functioning as a source of income and increasing the participation of women in household decision making situations by giving a loan to enhanced/ create their business. After the start of a business, they are earning money, and their contribution to the household also increase in kind of money. This gives them the opportunity to be an equal decision maker in some of the household activities.

As a consequence are microcredit users confirmed an increased level of joined decision making: both(men and women) settle on choices and make the decision together. This suggests, a continuous change of women inclusion in families' decision-making due to introduction to small-scale business and earn income to the household. Few do still not observe any change in their household related to decision making. Besides that, women involvement does not include the decision making on fixed asset even if the asset is for both.

Impact on asset ownership

Rural microcredit service positively contributed to asset ownership of the women members and improved the access and control situation of some of the household utensils and livestock. Particularly regarding house equipment, poultry production but control fixed asset (land) not improved. For the

productivity and more profitability of different business activity, it needs working place such as land, but the situation is not supportive and efficient.

Few of the member mentioned they have not benefited from the program. First, the amount of money for business activity is too small and second, their husband borrows their money and do not return to them, so they are not able to do business as they wish.

Impact on gender relation in cooperative

The ORSCCU program also improved women members skill, knowledge, altitude and self- confidence by providing training about small-scale business and different alternative business mechanisms when they start a business; the other is by gives a chance to be able to participate in microcredit service monthly and annual meeting this improved their shy behaviour and increase self- confidence gradually. This process empowers them to be able participate in management position with full confidence.

6.2. RECOMMENDATION

This chapter provides recommendations on how to enhance and promote the productivity and the improvement of women economy and microcredit service and to increase women participation in the program. Thus, to realise the full potential of microfinance service and women to be a full participant and beneficiary from the microcredit program, the researcher recommends the following; strategies that might contribute to the development of sustainable livelihoods of women in the area.

According to the findings, ORSCCU provides opportunity by given credit to women to involve different business activities and earn their income. This strategy helped them contribute income to their livelihood in the household, the contribution of income given them decision-making power in the household on different income related issues and the financial asset increased similarly their physical asset ownership will increase such as land and house may be owned by women. Also, their gender relation improves by their participation in cooperative activities such as attending the cooperative meeting, involvement in cooperative's higher position and providing supportive ideas to the cooperative in their discussion time. This develops their social capital also gives self- confidence.

Hence, to increase and expand their contribution to the household, the microcredit program should improve the amount of credit and saving rules. Because, if the microcredit program increased the saving amount women can able to save additional money. Saving is essential to improve and sustain women business status and livelihood also for the microcredit program helps to increase and expand the amount of loan and credit users, on the other hand, it protects women from a significant wastage or loss of money. Therefor ORSCCU should consider increase the saving amount or put other saving alternatives to encourage women Such as daily saving, children saving, health saving, material saving etc.

After the findings and conclusion to upgrade the microcredit program and to be more accessible and affordable to women users, EOC-DICAC provides consultancy based on the recommendation for the improvement of the microfinance services. To provide better service the following are suggested:

The ORSCCU officers should try to implement the following recommendation as a short-term problem-solving strategy

- Collect information from the members about their needs(what they need to be included in the cooperative service to provide better service to women more than this). The ORSCCU officers quarterly should discuss collaboration with zonal cooperative officers by explaining the members need. It helps to provide better service based on the member's interests (such as, to increase the saving amount).
- Facilitate an alternative saving mechanism as mentioned in the findings and conclusion above and apply the flexible saving method according to women's interest.
- Provide more training and encourage women to engage in additional business activities to protect them from wasteful spending of income.
- Encourage women those who scored high capital by Provide recognition or reward on their annual or six months general meeting time. This motivates them to do more also this indirectly helps the microcredit cooperative to collect more money from the users and provide better credit amount for the rest.
- ORSCCU staff should be involved in a community meeting to mobilise their microcredit service and to improve the awareness of the community about the importance of women asset ownership and their participation in microcredit program to their livelihoods and even for the development of economy at all level.

As a long-term service improvement strategy, the ORSCCU board members, zonal and district management sectors take in to account the following recommendations.

- Decreasing the amount of interest to initiate users to save more money in the microcredit program.
- Expand and provide continues training on different small-scale business activities.
- Attend the local or traditional money collectors' group (such as 'Ider' and 'Eqube') and promote the advantage of the formal saving system. This helps to increase the number of members and also increases the microcredit capital.
- To upgrade gender relation and encourage women to involve in the cooperative higher position, zonal management board should give attention bylaw to the MF.
- Encourage women to involve in the cooperative higher position to improves gender relation in the cooperative and empowers women to improve their social capital.
- Facilitate opportunities to be able to participate in meetings of board members and other higher level meetings. This experience help to develop their ability and self-confidence.
- Facilitate and organise a program to share their experience with other cooperatives.
- In the microfinance service, the utilisation of money training has to be included in the program to upgrade the user's awareness.

CHAPTER SEVEN

7. PERSONAL REFLECTION

This thesis titled "The impact of Micro Finance Service on Women Members livelihood: The Case of Oromiya Rural Saving and Credit Cooperative Union" has been conducted in partial fulfilment of Masters of Arts in the Netherlands at University of Van Hall Larenestein. The research area is located in Tulubolo district of West-Showa Zone of Oromia Regional State (East Africa Ethiopia).

The problem which instigated this research is the lack of knowledge of the developmental organisation; Ethiopian Orthodox Church(EOC), on the impact of microcredit service the livelihood status of women members of Oromia Rural Saving and Credit Cooperative Union(ORSCCU) of Tulubolo district specifically.

the study aimed at assessing the impact of microcredit(in ORSCCU) on the income, saving and asset ownership of its women members.

Here I shall present a critical analysis of the process of conducting the study. The first problem I have encountered was the identification of the exact research problem due to the reason that many of the problems were found to be interlocked. Therefore; extracting out which problems are the root was the primary challenge. Meanwhile, I started to review different similar research literature which has been conducted in other areas and also held discussions with my research advisor. These endeavours then made me sort out/identify the major problem. On the course of the literature review stage of this dissertation, I had learned how to prioritise the secondary data collection related to the research questions based on essential criteria; for instance, date of publication, the author's credentials and publication date.

The language barrier was also another impediment emanated when I prepared for primary data collection. The problem was observed during pretesting of questionnaires. In this case, the respondents were Oromic language speakers, and the questionnaire was prepared in English. Taking this into consideration, I recruited enumerators who can speak the local language and also translated the questionnaire into the Oromo language. From this, I learned how pretesting of the questionnaire is useful to identify problems before its occurrence on the actual data collection time so that it became possible to bridge language and communication gaps while improving the quality of data to be collected.

During the time of data collection, discussants of the focus group discussion were afraid of forwarding their ideas and opinions based on the checklist prepared due to the reason that they were suspicious on the intention of the study. To ameliorate this problem; we started to explain them the real objective of the study. Furthermore, local enumerators were selected to avoid the possibility of participants suggest what they felt during the FGD. The local enumerators were selected based on their participation and acceptance of cooperative members. From this, I learnt about the importance of explaining the objectives of any study for the respondents before starting the actual data collection. By doing this, I believed that the quality of data collected was improved

Moreover; I became capable enough on how to identify shortcomings of other secondary data's and provide the required inputs.

During conducting the study, I also acquired essential skills of primary research as it involved primary data collection, data entry and analysis in individually. About this, I became acquainted with processing and analysing with qualitative and quantitative data and designing tools for data collection such as the development of a semi-structured questionnaire to be administered for individuals and preparing checklists of focus group discussion.

The analysis and discussion of the research results enhanced my critical thinking skill and enriched me with the required skills to prepare logical arguments in a well-established manner. Here I also have learned to continuously inquire “why?” on different stages of the research.

In conclusion: the entire process of conducting the thesis entailed me to handle pressures while accomplishing tasks within short deadlines. The continues feedback from my advisor made the thesis to be completed successfully. This shaped to a manner of accepting weakness so that I decided to give due emphasis to inculcate constructive ideas while working on development projects in my plan of work.

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Annexes

Annexe 1: Semi-Structured Questionnaire To Be Administered For Individuals

- 1) Enumeration date-----
- 2) Name of the interviewee-----
- 3) Sex-----
- 4) Occupation of the respondent
1=self-employed in of farm activities 2=casual worker
3=other specify
- 5) For how long have you been stayed since becoming a member of ORSCCU(in months/
years)-----
- 6) What amount of loan you have been provided initially /first time? _____
- 7) In which activity you have utilised the loan money?
- 8) How is the change brought in your level of income in the aftermath of ORSCCU'
membership?
a. Increased b. Unchanged
- 9) If your answer for question number 8 is “increased”, what is the rationale behind?
- 10) If your answer for question number 8 is “unchanged”, what are the reasons for it?
- 11) Have you made any investment or embarked in income generating activity by the loan
received from ORSCCU? 1.Yes-----
2.No-----
- 12) If your answer for question number 11 is "Yes", on which activities you have been engaged
in?
1.Petty trade 2. Handcrafts and woodwork
3. Animal raising 4.poultry
5. others specify
- 13) For what purpose did part of your loan used for? (more than one answer is
possible)
1. For domestic food consumption
2. For buying of clothes or another domestic item
3. Provide to your spouse?
4. Purchasing of house or improvement of land
5..For a celebration or other events
6. others specify
- 14) Have you returned other debts of your own?
1.Yes 2.No
- 15) Do you have any reserve money saved in case of emergency saved?

1.Yes 2.No
- 16) If the answer is ‘yes’ where you are saving?
1, home 2, ORSCCU 3, Another place
- 17) Have you been embarked on income generating activities(IGA's)?
1.Yes 2.No
- 18) If the answer for question number 20 is “Yes”, what monthly income did you have for the
following activities

- 45

13. Sheep and goat
 14. Poultry
 15. Chairs/table/
 16. Others specify
26. Who was the decision maker in the household related issues?
 1. women alone 3. both women
moreover, men
 2. men alone 4. other (specify)
 27. Who became the decision maker of the household on issues related to land, children education, use of household cine, buying food/clothes etc. in your post membership time of ORSCCU.
 1. male alone 2. female alone
 3. both male and female
 28. Which member of the household get a power to decide on the loan amount taken from ORSCCU in your post membership time of ORSCCU?
 29. Which member of the household became entitled to or get a power to decide on the kind of business after becoming a member?
 30. Did you take part in the contribution of income for your household in before became ORSCCU's member?
 1. yes _____ 2. No _____
 31. If your answer for question number 30 is 'No', what was the reason?
 32. Was the allowed amount of loan by ORSCCU sufficient enough to run your intended business of IGA?
 1. Yes. 2. No.
 33. If the answer for question number 32 is "No", what amount of the money you propose which you think it sufficient to run the intended business?
 34. Have you accessed any loan from other financing institution, in Before becoming a member of ORSCCU? 1. Yes. 2. No.
 35. If the answer for question number 34 is "yes" from which source of the loan?
 - A.. Money lenders B. Bank. C. friends. D. 'Iqub' E. others (specify)
 36. If the answer to question number 34 "No", what was the reason?
 37. Do you have to save at this time at ORSCCU?
 - a. Yes, b. No
 38. If the answer for question number 36 is "yes", what is the amount of saving?
 39. From the saving and credit program, you have joined, what things did not like?
 40. From the saving and credit program you have joined, which things Did you dislike?
 41. What do you recommend for ORSCCU's program future improvement

Annexe 2: Checklist for Focus Group Discussion

1. What is your general overview of overall credit service programs of ORSCCU Saving and loan delivery for female members to loan.
2. Did the microcredit program bring impact on your household (income, saving, asset creation house, change)? If yes, what impact and how?
3. Did you think that women who are members of ORSCCU are empowered(started to influence at the household level) on different accesses and decision making? If yes, on what matters?
4. Did ORSCCU bring impact over women's livelihood who is a member? If yes, what kind of impacts and how?
5. What things are liked and whatnot from the program? Why?
6. What do you suggest for ORSCCU's future betterment?
7. Are there any barriers for women accesses to loan in ORSCCU? If yes, what are they and how could be mitigated?