

MICROFINANCE AND WOMEN EMPOWERMENT

(A STUDY ON SHGs IN TIGRAY REGION OF ETHIOPIA)

A

THESIS

**Presented to the Faculty of Business Studies of the
Punjabi University, Patiala
in Fulfillment of the Requirements
for the Degree of
DOCTOR OF PHILOSOPHY
IN
COMMERCE
by
MAHDER GEBREMARIAM HAGOS**



(Established under Punjabi Act No. 35 of 1961)

**DEPARTMENT OF COMMERCE
PUNJABI UNIVERSITY, PATIALA
August, 2017**

CHAPTER NINE

FINDINGS AND RECOMMENDATIONS

9.1 Summary

Microfinance refers to the delivery of financial services such as credit, savings, insurance, etc. to clients who are without access to the services of formal sector financial institutions on a sustainable basis. Microfinance is not a new concept, it existed hundreds of years ago in rural and poor communities to offset the lack of savings and credit institutions and avoid expensive money lenders. Microfinance has been around in most developing countries for over 30 years, providing small scale financial services to poor rural and urban communities particularly poor women.

Microfinance institutions have been recognized for their inevitable contribution to address poverty and accelerating economic changes in the world, particularly for least developed countries. In the current arena of microfinance institutions, growth and accessibility to the poor, it has the capacity to draw the attention of scholars focusing on their role in poverty reduction, empowering women and marginalized communities, the capacity to mobilize savings and credits and the ability of the lending criteria, more specifically for their group collateral.

The first microfinance service in Ethiopia was introduced as an experiment in 1994, when the Relief Society of Tigray (REST) attempted to rehabilitate drought and war affected people through the rural credit scheme. It was inspired by other countries' experiences and adapted to the conditions of the Tigray region (Northern part of Ethiopia) and as a result of its success, the microfinance service was gradually replicated in other regions of the country with the government's licensing and supervision of microfinance institution proclamation. The main objective of this institution is to deliver micro-loans, micro-savings,

micro-insurance, money transfer, leasing, etc. to a large number of productive resources-poor people in the country in a cost-effective and sustainable way (DECSI, 2010).

Microfinance refers to a movement that envisions a world in which low-income households have permanent access to a range of high quality financial services to finance their income-producing activities, build assets, stabilize consumption, and protect against risks. Microfinance services have been provided in Ethiopia, mostly by donor funded programs through NGOs and government institutions (Yigerem, 2010). However, the formal microfinance services have started since 1994/5 and regulatory framework for licencing and supervision of MFIs was introduced in 1996 and most of the donor funded micro credit programs that were carried out by NGOs were transformed to regulated institutions.

Befekadu (2007) opines that microfinance establishments in Ethiopia are still taking shape. Their target populations are lower income earners who are unable to secure a loan in a conventional commercial bank. Thus, it aims at providing assistance to these groups of women within Ethiopia.

The microfinance institutions' outreach data as on June 30, 2016 quarterly report of the Association of Ethiopian Microfinance Institutions (AEMFI) notifies that the number of total active microfinance institutions in Ethiopia has reached thirty three.

The sector is currently serving a total number of active borrowers, Three Million, Seven Hundred Thousand and Four Hundred Twenty One (3,700,421) out of this, the Total number of women borrowers are 42.1percent, i.e. One Million, Five Hundred Fifty Seven Thousand and Five Hundred Thirty Seven (1,557,537) and Total Assets and Capital of these Thirty Three Microfinance Institutions in Ethiopian Birr (ETB) currency are 31,645,820,447 and 8,032,361,804 ETB respectively.

As one of the AEMIF's member DECSI MFI has a total number of active borrowers are Four Hundred Two Thousand and Thirty Eight (402,038), out of

this total number of women borrowers are One Hundred Thousand and Six Hundred Sixty Nine (100,669).DECSI has a Total Assets and Capital of ETB 5,048,575,469 and ETB 1,036,172,489 respectively (AEMFI, 2016).

Microfinance institution in Ethiopia has been able to serve the productive poor people, mainly with savings, credit, money transfer, micro-insurance and other related services. Governmental and other developmental organizations have played a vital role in impressive performance the microfinance sector in the country.Thus, to improve the life of these poor people and alleviate poverty in an easy way, microfinance institutions came into existence. Relative to the experience of other developing countries; microfinance development in its institutionalized form is a recent phenomenon in Ethiopia.

The unique feature of microfinance programs is that it focuses on women in development. Most of the development programs started in the past had gender bias. However, the emphasis of the microfinance program is right because in most of the developing countries like Ethiopia, women have a low socio-economic status. As a result, the women remained laggard and less participative in the development process of the country. Empowerment is the process of enabling or authorizing an individual to think, behave, and take action and controlling in an autonomous way.

Microfinance sector has made significant progress in extending credit to small groups especially the poor people worldwide, and Tigray, Ethiopia is no exception in this regard MFIs have been expanding all over the country.

It has emerged as a cost effective mechanism for providing financial services to the “Unbanked Poor”, people which has not been successful in meeting financial needs of the urban and rural women and weaker sections of the society but also strengthening collective self-help capacities of the poor, leading to their empowerment. SHGs formation has now turned into an empowerment movement among women across the country. Economic empowerment results in women’s ability to influence or make decision, increased self- confidence, better status and role in household etc. Microfinance is necessary to overcome

exploitation, create confidence for economic self-reliance of the urban poor society, particularly among women who are mostly invisible in the social structure.

The review of various research studies carried out in the field of microfinance in different countries provides that the program is successful in generating employment and alleviating poverty among the program participants. On the other hand, some other studies contradict these findings and explain that the micro-loans provided under the program are mainly utilized for unproductive purposes; therefore, it has a limited impact on employment and income generation.

These studies also pointed out that the poor people deserving such loans are not covered under the program. Many studies show that the SHGs participants are more empowered in economic, social and political aspects as compared to the non-participants. However, some of the studies found that the women members have limited control over the use of group loans and on male members in their families utilize the loans, thus, the program results in limited empowerment of women participants. In this way, it is found that the literature available on microfinance does not provide a clear idea about the impact and success of microfinance program.

Hence, there is a need to further conduct impact assessment studies to evaluate the functioning of the program and removing the shortcomings and problems in its way. A number of studies have been conducted in Ethiopia – Tigray region, especially on rural sites, but there is a dearth of studies in urban society particularly on SHGs, poor women. In Tigray region, the microfinance program was fully started in 1996, and limited study of urban poor women, by any researcher or government organization, is available so far, which assessed the impact of microfinance program in the Tigray region. The present research work is an attempt to study the impact of microfinance on women empowerment program in the Tigray region.

The overall objective of the study is to assess the empowerment of women at

SHGs and household level through various empowerment indicators such as poverty reduction through income generation, employment creation and empowerment on loan used, decision making, control over economic resources; and self-confidence and change in social position. The overall study is undertaken by conducting a household survey using questionnaires and personal observations.

The study makes theoretical and empirical foundations by reviewing some relevant literature that is the outcome of the studies conducted in various areas as stated above. The study was conducted in Tigray region by selecting four zonal capital towns (Mekelle, Adigrat, Axum, and Shire) a sample study area of the regional seven zonal capital towns. As well, in the region, seven zonal capital towns there were 53 SHGs, in the selected area there were 39 SHGs with a total membership of 429 and the researcher has taken a sample of 323 and collected from 323 respondents.

Data was collected from both primary and secondary sources. For the primary questionnaires and Focus Group Discussion were used. To obtain the answers to the research questions, descriptive analysis, Gap Score Model /G=P-E/ as well as regression analysis was used; and the finding from descriptive, regression, and the Gap Score Model provides how empowerment is affected by the indicators. The study was based on the hypotheses that microfinance of SHG has significant impact to women empowerment in terms of income generation, poverty reduction and employment creation. Women who availed micro-credit SHG have a positive effect in controlling economic resources. Access of micro-credit to women creates a positive effect on decision making. Micro credit of SHG has a positive impact on women's Empowerment in Economic, Social and Political cases.

Microfinance sector has made significant progress in extending credit to small groups, especially the poor women. Rapid progress in SHG formation has now turned into an empowerment movement among women across the country. Economic empowerment results in women's ability to influence or make

decision, increased self-confidence, better status and role in household, etc. Microfinance is necessary to overcome exploitation, create confidence for economic self-reliance of the urban poor, particularly among urban women who are mostly invisible in the social structure.

Therefore, keeping in this view the importance and role of MFIs, the present general objective study titled "**MICROFINANCE AND WOMEN EMPOWERMENT: A STUDY ON SHGs IN TIGRAY REGION OF ETHIOPIA**" has been undertaken with the following specific objectives: To examine the conceptual framework and the existing models of microfinance; to study the role of Dedebit Credit and Savings Institution in providing microfinance services to examine the role of microfinance on SHGs' income, employment and women empowerment; to evaluate the perception of women towards microfinance services; to study the various problems and challenges faced by beneficiaries in availing the benefits of microfinance; and to identify the gaps and make recommendations for microfinance service development.

For the purpose of this study, primary data was collected from the microfinance program participants SHGs of the selected zonal capital towns Mekelle, Adigrat, Axum and Shire, and Secondary data were collected related to the study.

9.2 The Major Findings of the Study

9.2.1 Existing Models of Microfinance

The conceptual idea of the study brings out that some of the worldwide models working for microfinance lending in all over the world are as follows:

The Grameen Bank model is one of the oldest and most successful models of microfinance and this model was developed in Bangladesh.

In this model microfinance program participants are organized into five groups of members.

Grameen model has been replicated in more than fifty countries in Asia, Africa, and Latin America with modifications to suit local conditions and cultures. The program of BancoSol in Bolivia and most of the solidarity groups in Latin America

follow this methodology. Many Ethiopia MFIs have also replicated this type of model.

The model Associations or Self-Help Group (SHG) has the ideal size ten to twenty members and a registered or unregistered group of micro entrepreneurs and having homogenous social and economic background voluntarily, coming together to save small amounts regularly, to mutually agree to contribute to a common fund and to meet their emergency needs on the mutual help basis. Economically poor individuals gain strength as part of a group and the financing through SHGs reduces transaction costs for both lenders and borrowers.

The group approach model delegates the entire financial process to the group rather than to the financial institutions. All financial activities like savings, getting loans, repayment of loans and record keeping are managed at the group level. In this method, ten to twenty members are organized to form a group. These group members make regular savings of fixed amount in a common fund and after the successful working of such a group for some months the group is linked to a financial institution for getting credit. The financial institutions issue loan in the name of group and whole group is considered responsible for repayment.

Under the Individual Lending Model in this method, individuals can get loans without any member of a group. This is a straightforward credit lending model in which micro-loans are given directly to the borrowers. In this model, the financial institutions have to make frequent and close contact with individual clients to provide credit products customized to the specific needs of the individual. It is most successful for larger, urban-based, production-oriented businesses. The model is followed by many financial institutions like the Association for the Development of Micro-Enterprises in Dominican Republic, Bank Rakyat Indonesia, Senegal, Egypt, Self-Employment Women's Association in India, Dedebit credit and saving institution in Tigray, Ethiopia etc.

The Rotating Savings and Credit Associations (ROSCAs) are basically a group of individuals who come as one and make regular cyclical contributions to the common fund, which is then given as a lump sum to one member in each cycle.

Thus, a member will 'lend' money to other members through their regular contributions. After receiving the lump sum amount when it is their turn, the borrowing member pays back the amount in regular monthly installments. The person who will receive the lump sum is decided by consensus, lottery, and bidding with the agreement.

The benefit of this model is the matching of a client's cash flows with the loan, the ability to structure the deal without interest rates, and the absence of overhead costs.

9.2.2 The Role of DECSI/MFI in Providing Service in Tigray Region

Dedebit Credit and Saving Institution (DECSI) is a microfinance institution operating in the country located in Tigray region, Ethiopia, which is one of the major microfinance Institutions that provides financial service to the poor people in rural and urban areas. Dedebit Credit and Savings Institution (DECSI) was launched in 1994 as one development wing of the Relief Society of Tigray (REST). Since then, DECSI has been operating in and outside of Tigray Region providing mainly loan and savings services to the rural and urban poor people through opening eight main branches and one hundred fifty eight sub branches all over the Tigray region as well as in Addis Ababa and Gonder cities. As a pioneer microfinance institution in the country, in addition to minimizing needy peoples' problem, the institution has played major role in developing financial services that suit the interest of the micro, small and medium operators in the region in particular, as well as in Ethiopia in general.

The performance of DECSI has been studied; though the total number of main Branches did not show changes in number, sub branches have shown an increase from the year 2011 (sub-branches 133) to the year 2015 (sub-branches 158).

The total Asset and capital (ETB in million) of the institution has been optimized from 2704 and 650 in the year 2011 to 4640 and 1043 in the year 2015, respectively.

The total number of depositors from the urban and rural clients had also increased from 469 thousand in the year 2011 to 896 thousand in the year 2015 and, The total amount of savings (deposit) made by its clients had been more than doubled from the year 2011 (977 million ETB) to the year 2015 (2252 million ETB).

DECSI has played major role in minimizing the unemployment rate by creating job opportunities to more than 717 thousand citizens.

DECSI's operation covers all wereda (city administrative) and zones of the regional state of Tigray. As of June 30/2015 the financial services are being provided through eight zonal branches, one hundred fifty seven microfinance branches including one Gold branch.

In the last five years, even though the number of active borrowers, outstanding loans, annual loan disbursement, annual loan collection, the value of the loan in arrears and the number of borrowers in arrears have shown increment in number, it has registered low repayment rate which shows reduction from 77 percent in the year 2011 to 74 percent in the year 2015. To achieve the borrowers' need, credit policies have been refined and new loan products have been designed and introduced to serve the new market segment.

To mention some concrete achievements, it was planned to disburse more than ETB 9.2 billion to the borrowers in the last five years. The total disbursed amount was more than ETB 7.3 billion to the rural and urban people. Thus, 79.35 percent of the planned target was achieved.

To fulfill the borrowers' needs, credit policies were refined and new loan products were designed and introduced.

The institution has mobilized a huge amount of savings from the society, ETB 977 million in the year 2011 to ETB 2,252 million in the year 2015. Besides, the Table revealed that the growth rate of number of depositors is increasing, but in decreasing rate, i.e., from 21 percent in the year 2012 to 9 percent in the year

2015. But, the performance of savings mobilization is not as adequate compared to the existing potential in the region. Moreover, this might be because of the attention and the focus given by the institution and staff for savings mobilization was very low when compared to the attention and the focus given to credit facilities. Moreover, the frequency of savings withdrawal by both borrowers and non-borrowers is also very high, and most of the time the borrowers save for loan repayments.

To mention some concrete performances in the last five years, it was planned to collect ETB 2.3 billion net savings from 1,156,717 depositors. As a result, a net ETB 2.252 billion from 896,000 savers was collected. Thus, 97.91 percent and 77.5 percent of the planned savings was achieved respectively (DECSI, 2016).

For sustainable service provision, DECSI should ensure covering all costs and margin profit for expansion and resisting uncertainties. DECSI, at the end of the previous strategic plan, it was intended to register a total asset of ETB 4.3 billion and capital of ETB 989.1 million. The institution recorded more than ETB 4.74 billion total assets and a capital of ETB 1032 million, which is 110 percent and 104.34 percent of the total plan of assets and capital respectively (DECSI, 2016).

The impact of DECSI on the Self Help Group goes beyond just business. That is, DECSI provides services, not only financial service for business investment in their micro enterprises, but also to invest in health and education of family members, to manage household emergencies, and to meet the wide variety of other cash needs that the poor encounter.

9.2.3 Impact of Microfinance on Members of SHG on Income Generation and Employment

The socio-economic profile of the surveyed respondents shows that one hundred percent of them were women as per of the study objective. The dominant age group of sample respondents was in the age category 31 to 40 years, which constituted the major share i.e. 69.30 percent of the respondents, who are keen to participate in microfinance services.

Women who receive even a minimal level of education are generally more aware than those who have no education of how to utilize available resources for the improvement of their ends and that of their families. Education may enable women to make independent decisions, to be accepted by other household members. The majority of the respondents, i.e. 50.80 percent is from Technical and Vocational Education and Training (TVET) level and as they are urban dwellers that can get access for upgrading of their educational status. Therefore, the figure has a significant contribution towards empowerment of the respondents.

Marital condition also affects the different dimensions, that is, being married is preferable, and even considered as a guarantee for loan and other activities as per the information gained from the focus group discussion. Therefore the largest share i.e. 75.20 percent of the total members of the respondents were married.

The majority, that is, 60.90 percent of the total members had families' size from 5 to 7 members; followed by 20.10 percent of the respondents having the family size that is less than five and the remaining 16.90 percent and 2.10 percent of the respondents have the family size that range from 8 to 10 members and above 10 respectively. Family size can affect family quality life, that is, if the ages of these members are in the working age, they may help with various activities and contribute their share in the improvement of their living standards.

In the case of housing condition, major proportion, that is, 72.50 percent of the total members were living in a rented house. Whereas, house and housing condition is an important need for credit for household.

In relation to the Characteristics of Self-Help Groups according to the year of formation, the highest proportion i.e. 60 percent of the SHGs started functioning before 2011 with greater than five years duration, The remaining 27.30 percent formed in the year from 2011--2012, and 9.30 percent and 3.40 percent has formed in the year 2013–2014 and 2015 to the study time respectively. The SHGs are still organizing women's groups in the far apart Shire

town study area while decreasing and almost stopping in the formerly introduced towns of the state.

Besides, length of membership in DECSI had a positive influence on empowerment. Based on this, most of the respondents i.e. 59.70 percent stayed for about six to eight years, followed by 27.30 percent, who stayed as members from three to five years in DECSI; While, 9.60 percent of the respondents had been members of the newly formed of SHG and have stayed above nine years. Only 3.40 percent of them were the recent created members, particularly in Shire town, who have stayed for less than three years. Therefore, the majority of the respondents stayed with the SHG to develop a better experience unlike the other determinant factors for empowerment.

For their existence, the members joined the SHG through the initiation and motivation of their friends / relatives as reported by 58.20 percent of the total members.

A group member taking credit frequently can be considered as the previous loans taken by the respondents are invested in proper way and able to pay their debt in the allowed period of time to DECSI/ microfinance. The analysis showed that 61.61 percent of respondents took loan three times and the remaining 21.05 percent and 17.34 percent of the respondents took two times and once loan respectively.

The amount of loan taken for the first time by the respondents, i.e. 44.89 percent took loan from 1501-2000 ETB for each member of the group, while 34.98 percent of the respondents took the first loan ranging from 2001 to 2500 ETB in addition to this, and the remaining 10.22 percent and 9.91 percent respondents took the first loan for less than 1500 ETB and greater than 2500 ETB respectively. The amount of first loan taken by respondents on an average was 1725 ETB.

The purpose of the first loan taken by the respondents was for the purpose of production inputs, which consisted of 52.94 percent of the respondents. It was also observed that 32.82 percent of the respondents had taken a loan for the

purpose of trading activities and the remaining 12.07 percent and 2.17 percent of the respondents borrowed for consumption and other purposes. Since most of them took the credit for investment, it could have a positive effect in increasing the income of the women which could have a direct relationship with empowerment.

Similarly, this question was intended to compare the first loan taken by respondents with the amount of money of the last loan. The majority of the respondents, i.e. 71.52 percent took loan from the range of ETB 4001 to 5000 ETB, while 15.17 percent respondents took loan from the range of ETB 3001 to 4000 ETB. About 8.36 percent took above 5000 ETB, which is the maximum ETB of respondents took the loan. Here, the average loan was ETB 4520 which there is a significant change from the first loan.

In general, when we compare the first loan and last loan taken by the respondents, there is an increment in all aspects of a loan, the minimum, maximum, and even average money taken by the respondents in the last loan is greater than the first loan.

The purpose of the last loan taken by the respondents was asked and the majority of the respondents i.e. 58.82 percent responded that they used it for purchase of production inputs, while 41.18 percent stated that they used it for trade and service activities. Here, when we compare with the purpose of the first loan, there is an increment in the trade and services and for the purchase of production inputs from 32.82 percent to 41.18 percent and 52.94 percent to 58.82 percent respectively.

In the other factors, there is slight increment as well as decrement. So this could contribute directly or indirectly to empowerment. In addition to this, at the time of last loan there was no respondent who took loan without any purpose and they were not intended to consume the loan. This is an indication of improvement and empowerment on their life aspects.

Generally, poverty alleviation through women's empowerment was one of the major agenda mentioned by the Millennium Development Goals and put in as the

third goal “Promote gender equality and empower women” along with improving income, housing improvements, on food security, on direct condition and improvement on ownership in urban areas, school enrollment and access to health facilities and general welfare improvement. Based on these various aspects of quality of life, such as self-education, children education, housing quality, employment and household assets were assessed for extent of improvement after joining SHGs of the respondents.

Regarding the income generation, for about 75.54 percent respondents replied that they have engaged in their own income generating activity from the loan they took from DECSI, which has increased their income as compared to their income before joining the SHG. Since significant respondents engaged in their own income generating activity, it has a positive contribution towards empowerment through annual income of their family. This showed that SHGs emerged as an income enhancer for the poor people in urban areas of Tigray region.

An improvement in living conditions or quality of life, such as self-education, children education, housing condition and household assets were recorded over the last five years. The majority of women, i.e. 94.50 percent provided education for children. The education of children improved in many ways like school drop outs again joined school, never to school now to new school, poor quality for better quality education, etc..

After joining the Self Help Groups, they get access to information or knowledge about 82.09 percent of the total respondents has improved their self-education.

The purchase of household assets like electronics, house utensils, furniture, media devices, beddings, 75.85 percent of members improved after joining SHG.

The housing quality of the overall average, i.e. 72.79 percent of total members also improved.

As per the information gained from the FGD, the members of the SHGs have changed the rented housing style from mud and cottage houses to metal sheet,

cover house, which is better and modern as per the local situation. Generally, the analysis revealed that there was a lot of improvement in different aspects of quality of life after joining SHGs in all the areas studied.

Regarding the feeding style, respondents expressed their opinion as improved after joining SHG as frequency of buying food items such as meat, milk and milk products, cereals, and fruits and vegetables items increased. After joining SHG, the frequency of buying meat was 2.47 (mean value) which increased significantly to 3.37 (mean value) in case of all the members. It increased significantly from 3.16 to 3.84 (mean value) for milk and milk products. For the food item of cereals as it is the common and essential food item, the frequency increased from 3.79 to 4.24. For the food item of fruits and vegetables, frequency has also increased from 3.09 to 4.13 mean values.

As per the information gained from FGD, as the income of the members has increased after joining the SHGs, food consumption in type and frequency has increased in all districts/towns. The increase in all the situations was significant by t-values results and the analysis indicates a direct impact of the credit or loan from DECSI/ MFI on the living standard of the urban women.

Generally the analysis revealed that there was a lot of improvement in different aspects in the quality of life after joining SHGs in all the areas of study of the members.

9.2.4 Impact of Microfinance on Employment

Employment can be taken as one of the most important determinants of generating income, and poverty of reduction. The Ethiopian government as well the regional government Tigray has designed a policy of employment creation for women and the youth in collaboration with the Technical and Vocational education and training (TVET) of Tigray, Regional Trade and Industry office and DECSI/MFI. In this program, credit support is made available to urban entrepreneurs through SHGs in the form of micro- loans, from DECSI /MFI. The financial help provided under the microfinance program gives momentum in the form of entrepreneurship development to change the lives of urban women

through self-employment.

Microfinance program generates self-employment opportunities in the society, particularly for the poor women. The SHGs program participants get access to loans to start small business activities that can generate income and opportunities of employment. The study shows that the microfinance program has helped the members of SHG to increase their level of employment. After joining the microfinance SHG program, the participants received loans and utilized these loans to start economic activities. As a result, 64.09 percent of the respondents were employed in SHG as self-employment. It is followed by 18.56 percent with no change in their employment. About 8.98 percent of respondents also replied that their access to employment strongly increased after joining the SHG. In contrary to this, for about 8.36 percent of respondents, opportunities have decreased from employment.

In addition, the positive impact on the employment generation leads to other improvements in the members on awareness and knowledge of their activities, involving and gaining trainings, as well it develops the habit of cooperation and collaboration with their peers.

The extent of knowledge and awareness of members in the study area was found to be significant as conveyed by the F-ratio. For the issue of: Group activities, meeting calendar of the group, rules and regulations of the group, total loaning of the group, members repaying Loans and the objective of the group has significantly achieved in developing awareness of the members. The overall average score of knowledge about the group record handling, cash in the hand of the group, total loaning of the group, the number of group members who took the loan, the members repaying debt regularly, the income of the group through interest/fine, bank transactions of the group, the achievements of the group were not significant. They need additional work in achieving them because they are the prominent factors for employment achievement of the members.

In the case of training provided by DECSI /MFI and other stakeholders

respondents replied that Industrial visit made for experience sharing, the programs conducted by DECSI/ MFI on providing skill to work have scored with a mean value of 3.89, and 3.86 respectively and was significant as conveyed by the F-ratio. While the other critical and very important elements of training like training given by DECSI /MFI on how to use the loan, technical training given on work and productivity in the workplace, the coverage of the required technical aspects, providing training that helps in marketing linkage, provision of training in a regular scheduled/ programed was not significant. Therefore, training and the essential components of training were not applied effectively for efficient utilization of resources and providing benefits for women.

Regarding the cooperation/peer to peer learning among women respondents, such as the extent to which your “group members help you to work effectively after joining the SHGs”, the extent that “the group members help each other to support for smooth” working environment, as well the extent that “the group members help each other to solve their problems easily”, the observed mean values were 4.06, 4.17 and 3.93, which were significant. This indicates that the overall cooperation has improved among members of the SHG.

This result is supported by the information gained from the focus group discussion, that the members’ cooperation and extent of helping each other as well as peer to peer has increased. This means that, the members of the SHG have access to get lessons and knowledge through helping each other within the members, particularly being able to work effectively, to create a smooth working environment and to solve their problems.

Finally, Regression analysis was used to identify the relative importance of various factors which influenced the joining of the SHG on income of the respondents in order to improve the impact of microfinance SHG on poverty alleviation through income generation and employment creation. A multiple regression technique is applied to determine the factors influencing the employment generation and income condition of the members after joining the microfinance program. In the regression model used in this study, the income of

the respondents is taken to be the dependent variable and variables like age, education, family size, marital status, amount of money borrowed, number of times borrowed, length of membership and House/ land holding situation were taken as independent variables.

According to the regression analysis the independent variables analysed to influence the socio-economic change after the loan (post-loan income), four variables: education (Coefficient value of 59.10), the amount of money borrowed (Coefficient value of 10.08), number of times loan availed (Coefficient value of 223.01) and length of membership (Coefficient value of 296.24) were found to be statistically significant.

The F-ratio has also found significant and from the value of "t" statistic corresponding to the regression coefficient, it is found that the four variables: education, the amount of money borrowed, number of times, and length of membership are found to be statistically significant, indicating the importance of these four variables which influence the socio- economic changes, which have shown an increase in the post- loan income of the respondents.

As we can see the results from the regression model show that education has a significant positive influence on the socio- economic change of the respondents. The coefficient is statistically significant at ten percent significance level.

Similarly, the amount of money borrowed has a very significant positive influence on the socio-economic change of the respondents and the coefficient is statistically significant at one percent significance level.

Post-income is positively related to the number of times loans availed by the respondents indicating that the probability of improvement in post-income increases with the increase in loan availed times from DECSI. The coefficient is statistically significant at five Percent significance level. It shows that frequent borrowers showed a higher improvement in post income than non-frequent borrowers.

For length of membership, the regression model result indicates that this variable influenced the socio-economic change (post-income) positively. This is consistent with the expectation of the study and the variable is statistically significant at ten percent significance level. This may confirm the fact that the higher the number of years associated with DECSI, higher will be exposed through more training and respondents who have these experiences and more knowledge towards business and efficient utilization of their loans in the business.

The coefficient of determination R^2 was found 0.486. It denotes that only 48.6 percent of the total variation of the dependent variable "Y" is explained by the independent variables included in the regression analysis. So, there are other factors that affect for the income of the respondents which is necessary to conduct study incorporating other explanatory variables.

In general, among the eight variables that were analysed to affect the income of the women after the post loan, only four variables were found significant. These are: education, amount of money borrowed, number of times loan availability and length of membership and the remaining age, family size (number of family), marital Status and house /land ownerships variables are found insignificant.

9.2.5 Microfinance and Women Empowerment

It is found that the microfinance SHG program increases the economic prospects of the members which help them to have an access and control over the household economic resources. In this way, the role of women is changing altogether; they become financially independent; and are involved in every financial decision of their families.

Microfinance program raises the status of women from a mere consumer to a producer and from economically dependent to independent. The study shows that as the women start contributing to the household income they are involved in the various household financial decisions.

For the question provided in relation to decisions concerning the "amount and

use of loan”, the overall mean score came to be 3.75, the women participant of the SHGs were active in decision making to a large extent.

When the women participants of SHGs were asked about the decision making “regarding the business/work to be started with the loan amount”, the total mean score was 3.66, showing significant decision making to a large extent.

The decision making score of “ regarding the use of income generated by the business” showed the total mean score of 3.93 indicating again a large extent of involvement in decision making. The decision making regarding the use of income generated through business was to a large extent in all the towns.

Respondents were asked regarding the “decision making regarding household infrastructure repairs”. The overall average of mean score came to be 2.88 and this indicated that the decision making in this regard was to a lesser and it was also to a lesser extent in all towns.

It is observed from the focus group discussion, even after joining SHGs and starting taking credit from DECSI, there is no change in the women’s participation in decision making in this aspect. Decisions are made mostly by the husband and the husband alone. This is because of the inequality in gender issue and male domination as it is explained by the focus group discussion.

For the question provided in relation to decisions concerning to the “purchases of house furniture”, the mean score comes to 3.29, which indicates that the decision making in this regard was to a large extent done by women participants.

The analysis showed that the decision making regarding “amount and use of loan”, “business to be started with the loan money”, “use of income generated through business” and “purchases of household furniture” was to a large extent done by women while the decision making regarding “household infrastructure and house repaired” was to some extent done by women, this is similar in all towns.

The analysis shows the respondents’ level of growth and development after joining SHGs or getting credit from DECSI /MFI. Based on this, the mean score

for the question provided in relation to the extent of agreement on “the increase in literacy level” was 4.08, indicating that the respondents strongly agreed on the increase in their literacy level after joining SHGs.

For the question provided in relation to the extent of agreement on “the increase in education level”, respondents replied that they agreed about “the increase in education level” after joining SHG with the mean score of 3.84. Respondents in all the towns agreed that their education level increased after joining the SHG.

The overall average extent of agreement on “the increase in knowledge of work” was 4.19, indicating that the respondents strongly agreed to the increase in their knowledge level for work after joining SHGs. This showed that the respondents in all the towns strongly agreed that their knowledge of work increased after joining the SHGs.

The overall average extent of agreement on the “ability to manage the work independently” was 2.71, indicating that the respondents replied that there was no change or being neutral regarding increases in their ability to manage the work independently after joining SHGs.

This showed that the respondents in all the towns were neutral about an increase in their ability to manage the work independently even after joining the SHGs.

The overall average extent of agreement on “the expression of views independently” was 3.80, indicating that the respondents agreed to the increase in the expression of views independently after joining SHGs.

This showed that the respondents in all the districts agreed that their expression of views independently improved after joining the SHGs.

Respondents were asked regarding the extent of agreement on “family/people respects the respondents and their decision” was answered at a mean score of 4.17, indicating that the respondents strongly agreed about the increase in the respect of the family/people after joining SHGs.

Generally, it can be said that the indicator development and growth of members has significantly increased/ improved a lot after joining the SHGs, except the

"ability to manage the work independently" The total mean score of "Decision taking for education of children" came to be 3.07, which revealed that the respondents took the decision for education of children to a large extent.

The mean score of respondents in all towns to take decision for education of children was to a large extent similar.

The town-wise analysis, on the role of the respondents in decision making in household matters reveals the total mean score of "Decision taking for marriages of children" of 2.54, which indicated that the respondents had least role in decisions about marriage of their children.

This is supported by the focus group discussion as the society is dominated by males; decision about marriage is decided by males.

Regarding "Decision on medical treatment of their children" came to be 3.28, which revealed that the respondents have more freedom to decide on health care of their family, particularly, about children to a large extent.

This showed that the respondents in most of the districts have a chance of "decision on medical treatment of their children" to a large extent while to a small extent in Shire town.

The respondents were asked regarding the extent of "freedom to the use of family planning methods", the total mean score for which came to be 2.63, which revealed that the respondents have limited freedom.

This showed that the respondents in all the towns have lesser freedom in the use of family planning methods.

For the question provided in relation to the extent of "having better check on domestic violence/alcoholism" the analysis revealed a total mean score of 3.58, which revealed that the respondents are exercising better check on domestic violence/alcoholism to a large extent.

This showed that the respondents in all the towns are keeping better check on domestic violence/alcoholism.

The overall average score of "taking action against dowry system" came to be 2.27, which revealed that the respondents can take action against dowry system to a small extent. This showed that the respondents in the entire towns can take action against dowry system to a small extent.

This is because of the traditional factors, marriage and dowry cases are under male domination.

There is a significant increase in the voicing concern of the members after joining the SHGs. It could not improve voicing concern regarding freedom to choose a life partner. This is not the fault of the group, but it's the basic traditional behavior of the society/community and there in the conservative nature of the society of the region. Therefore, it will take time to enjoy freedom of choosing a life partner till the society of the region has come to the globalization and changes from conservative to progressive values through the period of time.

Therefore, it needs additional work or treatment to develop women's independence at work or decision.

In addition, SHG members establish a system which is comfortable for each particular group in order to help each other during socio-economic problems. Further, they build strong social bonds among the society in the process of mutual support and through the structural network of SHGs which tie the local community in SHGs and local administration. SHGs highly contributed to the social transformation of the community, such as child protection and rearing, women's participation and improved relationship of men and women at community level. SHGs also contributed towards the welfare of the society in issues related to HIV/AIDS, protecting their children from different evils around the community/society, active participation in local government and support offices in local financial institutions like 'Ekub', 'Eddir', 'Mahber' and 'Debo'. The women also shared their experience, knowledge and skills with some community members around their areas.

Women are restricted from free movement in their interests because of backward social culture. But if a woman is able to attain such freedom she is considered to be more empowered. Microfinance activities encourage and offer an opportunity

for their members to visit other places for acquiring skills, training and exhibiting their products in various fairs and exhibitions. Exposure of the members in the program increases their confidence in travelling to other places of the country to share their experience.

Respondents were asked regarding the extent of freedom, mobility and development of the network about which the respondents expressed their extent of agreement. The overall average scores of “interaction within the community has increased” was 4.30. The respondents agreed that their interaction within the community has increased “to a very large extent”, after joining the SHGs.

This indicated that the respondents in all towns agreed upon the increased interaction within the community after joining the SHGs significantly.

The overall mean score of “interaction outside the community has increased” was 3.67.

The respondents also agreed that their interaction outside the community has increased to a large extent after joining the SHGs.

The overall average score of “having freedom to visit outside the area of work” was 4.44. This showed that the respondents were of the view that they had the freedom to visit outside the area of their work to a ‘very large extent’, after joining the SHGs

This indicated that the respondents in all the towns agreed upon the increased interaction outside the community after joining the SHGs significantly. This also revealed that there was general agreement on the increase in mobility, freedom and development of network of members after joining SHGs. This showed that SHGs emerged as a tool of social change.

Respondents were asked regarding the frequency of “participation in the meetings of local Administration” and based on this the result showed that the overall mean score of frequency of participation in the meetings comes to 4.24 and that the participation in the meetings of local Administration was very frequent.

In most of the towns, the respondents, participation in the meetings of local Administration was very frequent.

This was supported from the discussion of the FGD; this is because participating in the meeting of the local administration is taken as the main criterion for gaining of access to credit from DECSI /microfinance. This shows that in the study area, having access to credit from DECSI microfinance has a direct relation to political activities. In other words, the local administration system of women empowerment depends on the credit microfinance.

This followed by the “participation in the meetings of wereda level” with a mean score was 2.91. This indicated that the respondents in all towns occasionally participated in the meetings of the wereda level.

This showed that the respondents in all the towns have indicated that the participation in the meetings of wered level was occasional.

The significant F-ratio conveyed that the level of participation in wereda level meeting was significantly lower in Shire town as compared to other towns.

For the question provided in relation to frequency of “participation in the election as a voter” at zonal and regional level election the mean value score was 3.81, which indicated that the participation in elections as a voter was very active.

This showed that the respondents in all the towns have indicated that the participation in the elections as a voter was done very frequently.

The overall mean score of the frequency of ‘participation as a candidate in the local body elections’ worked at 1.34, which indicated that the respondents rarely participated in elections as a candidate.

This showed that the respondents in all the towns have indicated that the respondents rarely participated in elections as a candidate.

The analysis further revealed that the overall mean score of frequency “selection as a member” worked at 1.47, which indicated that the respondent’s participation was rare.

This showed that the respondents in all the towns have indicated that the respondents rarely participated in selection as a member.

Generally, the analysis indicated that political empowerment of members could improve in the meeting participation of the local community level and awareness to perform the role of a voter has increased significantly after joining SHGs. However, their participation in elections as a “candidate” and “selection as a member” had not improved.

Based on the findings of the study, the contributions or the achievements of SHGs can be categorized as social, economic, and political development and empowerment. The empowerment aspect of SHGs can be seen at different levels. These are individual level, family level and community level empowerment.

It is possible to conclude that, Women Empowerment depends upon various factors. These are: their family background and support, educational status, attitude, knowledge and special training received by them would move women into every activity outside home to gain their better status in the society. The determinants of women empowerment show that the level of education of the program participants influences their level of empowerment very significantly. It is found that, as the level of education increases, the level of empowerment also increases. Therefore, in addition to the financial assistance, education may also be provided to the women participants, under the microfinance program. Along with various other benefits, the education will improve the level of empowerment in the program participants.

The study further shows that loans used for productive purposes to directly influence the level of income, employment and women empowerment. It is found that the participants who utilize more amounts of group loans for productive purposes are generating more income and have shifted above the poverty line. The determinants of women empowerment show that as the participants utilize large amount of loans for productive purposes, they become more empowered. However, a significant part of the members were also used part of

the loan for consumption goods. It is possible to imagine such members of the group will be fail. Therefore, the program participants must be motivated and assisted to utilize the group loans for productive purposes only. With Some supervision on the loan utilization pattern of the program participants may also be introduced. This will make the program more effective and fruitful.

9.2.6 Women's Perception Towards MFIs Services

To measure the Overall Perception of SHG members of the services delivered by DECSI/ Microfinance, a Gap Score model / $G= P-E$ / i.e., Perception minus Expectation, has been applied. For this purpose, respondents were asked to score the extent of their degree of perception and expectation of the overall services. Based on this 'employment creation (P9)' and social empowerment on Social respect and acceptance (p15) respondents replied to 'a large extent' on its access after joining SHG. The expectation mean (4.22 and 4.55) and perception mean (3.13 and 3.11) respectively. Based on this, the Gap score result comes as (- 1.09 and -1.55) respectively. While the other perceptions were scored with significant differences, the perception mean shows that as respondents gain the services below their expectation. Therefore, on the expected services easy access to loan at the required amount', 'Access to credit at lower interest rate, 'Adequate training and support of business development of responsible bodies, Technical, financial and material support of microfinance supportive institutions (MSIs) are critical for their empowerment.

9.2.7 Challenges Faced by Women Beneficiaries

Microfinance has emerged as an innovative poverty eradicating and societal development program. The inability of financial institutions and other subsidy based poverty alleviation program to meet the credit requirements of the poor led to the birth of this program. Under this program, financial and non-financial services are provided to the poor, especially women. In this program, a small group of poor Women known as a Self Help Group is formed under DECSI /MFI and a loan is given to this group at a specified rate of interest to empower themselves.

Clear and transparent policy of financial regulation is a precondition for any financial service of MFIs to operate in Ethiopia. DECSI/ MFIs as one of the MFIs follow a set policy for providing financial help to the beneficiaries like loan amount, interest rate, repayment schedule, minimum number of members' group size, regular meetings, record keeping nominations with the group, set pattern of authority and responsibility, how to get training, the ways and methods of supervision and auditing follow up etc.

To ensure financial sustainability of DECSI to serve society continuously through providing demand base financial services, the adoption of efficient and effective technology, strong financial management capability, technically capable personnel and value oriented staff the institution has basic goals. The institution has designed appropriate policies and operating guidelines to treat clients with dignity on its strategic plan. In spite of that, women beneficiaries have been faced with many challenges. These major challenges are explained below:

The researcher has identified the major problems which were faced on the members after joining the SHGs. They are:

- 'Lack of courage and motivation of government, NGOs and other responsible bodies, revealed the average score of 3.95 showing that the respondents agreed on this problem.'
- The overall average score of 'Lack of work place for expansion' was 3.92 showing that the respondents agreed on this problem significantly.
- Stress or fear of failure in saving and repayment of loan' as well, delaying of additional loan and its amount and lack of cooperation and commitment from members were also significant problems.
- Utilisation of large amounts of loans for the purposes of consumption goods were also the determinants of women empowerment.
- Respondents from the selected areas did not hide the limitations on their focus discussion, especially manifested in: lack of courage to work with some group members, lack of motivation or interest to take advantage of those trainings given to change their life.
- Problems related to the regulatory framework in the microfinance industry

DECSI, such as: Allowing a short period of loan, Limited amount of loan, absence of solid linkages on the market and banking, Inadequate management information systems (MIS), absence of insurance schemes for clients etc.

- Inadequate training provision from the stakeholders on business development issues, on how to invest the loan, how to produce efficiently and to which help of market advertisement, etc. But microfinance institutions (MFIs) do lend money to women, but they do not provide business development services or advice.
- Respondents from SHG leaders argued that the main challenge of the program was the expectation of the member's community for financial and material aid from the organization that organized SHGs. So many women left the group because of the absence of any financial or material aid given to the group members. Withdrawal of several women members by leaving the country and travelling to Arab countries is another main challenge.
- Lack of punctuality in meetings, frequent absence and delay to return their loan.
- Lack of marketplaces that held up them from the production and sale of products was a main challenge.
- Lack of commitment among some members, illiteracy or failure to record minutes of their meetings conducted on the saving and loan transaction of the group, absenteeism, being late to return the loan, disagreements related to the imbalance between the need of a loan and
- The limited amount of money in the group bank account work expansion and diversification and behavioural problem among members of the group such as insulting the group members and being emotional on their behaviour.

9.3 Conclusion

The different models are working in different parts of the world and as the case of Tigray, Ethiopia .A Self-Help Group (SHG) as a registered or unregistered group of micro entrepreneurs having homogenous social and economic background voluntarily, coming together to save small amounts regularly, to mutually agree to contribute to a common fund and to meet their emergency needs on the mutual help basis, economically poor individuals gain strength as part of a group.

Dedebit Credit and Saving Institution (DECSI) offers inclusive financial services for the society and all-inclusive services address the diverse needs of customers and provide additional revenue streams to the institution.

DECSI is a huge potential market for financial services for farmers, Micro and small enterprise operator and other services. Currently, DECSI is providing the major financial and non-financial services committed to serve and benefit the mass in the region of Tigray.

Since significant respondents engaged in their own income generating activity, it has a positive contribution towards empowerment through annual income of their family improves. This showed that SHGs emerged as an income enhancer for the poor people in urban areas of Tigray region.

Women's empowerment was one of the major agenda mentioned by the Millennium Development Goal and put in the third goal "Promote gender equality and empower women" side by side improving income, housing improvements, on food security, on direct condition and improvement on ownership in urban areas, school enrollment and access to health facilities and general welfare improvement. Based on these various aspects of quality of life, such as self-education, children education, housing quality, employment and household assets were assessed for extent of improvement after joining SHGs of the respondents.

The analysis showed that the decision making regarding "amount and use of loan", "business to be started with the loan money", "use of income generated

through business" and "purchases of household furniture" was to a large extent while the decision making regarding "household infrastructure and house repaired" was to some extent, this is similar on all towns.

The extent of knowledge and awareness of members in the study area was found to be significant as conveyed by the F-ratio. That is for the issue of: Group activities, Meeting calendar of the group, Rules and regulations of the group, total loaning of the group, members repaying Loans and the objective of the group has significantly achieved in developing awareness of the members.

The overall average score of knowledge about the group record handling, cash in the hand of the group, total loaning of the group, the number of group members who took loan, the members repaying debt regularly, the income of the group through interest/fine, bank transactions of the group, the achievements of the group were not significant. They need additional work in achieving them because they are the prominent factors for employment achievement of the members.

It can be said that the indicator development and growth of members has significantly increased/ improved a lot after joining the SHGs, except the "ability to manage the work independently"

The analysis indicated that political empowerment of members could improve in the meeting participation of the local community level and awareness to perform the role of a voter has increased significantly after joining SHGs. However, their participation in elections as a candidate and selection as a member was not improved.

The analysis showed that there is a significant increase in the voicing concern of the members after joining the SHGs and could not improve voicing concern regarding freedom to choose a life partner. Therefore, it needs additional work or treatment to develop women's independence at work or decision.

Therefore, on the expected services easy access to loan at the required amount', 'Access to credit at lower interest rate, 'Adequate training and support of

business development of responsible bodies, technical, financial and material support from microfinance supportive institutions (MSIs) are critical for their empowerment needs additional work for their improvement.

The main challenge of the program was the expectation of the member's community for financial and material aid from the organization that organized SHGs. So many women left the group because of the absence of any financial or material aid given to the group members. As well withdrawal of several women members by leaving the country and travel to Arab countries.

9.4 Recommendations

To overcome the stated problems, the following suggestions are made to reduce the problems observed in DECSI/ MFI, other microfinance supportive institution, other stakeholders and policy makers. These are as follows.

- ❖ The time period of one year is not sufficient to work with the small amount of 5000 ETB borrowed with high interest rate, work with it and pay it back. Hence, it is advisable to revise its rules and regulations so that the amounts can be increased for a more extended period of time and make lower interest rate.
- ❖ Microfinance supportive institutions and other stakeholders should be involved in capacity-building of the MFIs borrowers of SHGs by providing and participating in training, supplying financial and material facilities that reduce their overhead cost and to make beneficiary.
- ❖ There is a need to strengthen the capacities of DECSI/ MFIs itself in order that they are better able to: Extend their activities to more women as well as a wider range of women empowerment; Improve the coverage of their services across the region; Improve their products and lending services to meet the needs of growth oriented business women by providing larger loans and longer repayment periods of time.
- ❖ The Government should give special emphasis to the allocation of working the land and Premises especially with women (SHGs) entrepreneurs at

reasonable rates.

- ❖ Where market failure exists, small and medium sized enterprise development incubators need to be established to help alleviate the shortage of appropriate premises for women entrepreneurs, as well as the provision of more and better business development services and information services for women entrepreneurs.
- ❖ The Government and business advocacy groups should encourage links between business development service providers, small and medium sized enterprises and other financial institutions to improve women entrepreneurs' access to the full range of financial and non-financial support services available.
- ❖ The SHG member products and services should be promoted to move women entrepreneurs into more profitable sectors and to help make their enterprises more productive and competitive. This should involve business development service provision in areas such as: quality assurance schemes, productivity improvement programs, production technology, and packaging development, business skills development on information about markets including export markets and supported by information technology.
- ❖ The organizations involved in micro credit initiatives should take account of the fact that: Credit is important for development, but cannot by itself enable very poor women to overcome their poverty. Making credit available to women does not automatically mean they have control over its use and over any income they might generate from micro enterprises. In situations of chronic poverty it is more important to provide saving services than to offer credit.
- ❖ The government ought to include financial literacy in the curriculum of schools and colleges. The government must raise the Financial Inclusion technology fund and a financial Inclusion fund to provide banking services to the unbanked areas. The government should pay all the social security payments through the bank account of the beneficiary.

- ❖ The MFIs need to strengthen the capacity building initiatives that help promote credit use and recovery. This will educate borrowers on the proper utilization and investment of borrowed funds. This will in turn lower the default rate of credit.
- ❖ The MFIs should provide a complete range of Products including micro insurance and like training and reinforcement. As MFIs are acting as a supportive institution for banks for the development of urban and rural poor where people are not able to access to banks, providing a complete range of product will enable poor people to get into the main fold of financial service.
- ❖ It is significant to note that credit alone is often deficient in ensuring development and small business growth, especially when people engage in such activities lack basic skills and knowledge related to business management. So providing credit to people with limited skills and knowledge will increase the number of defaulters and riskier proposition for MFIs. Consequently, institutions should arrange mechanisms to improve business skills and technical skills of the poor through training, loan utilization, and awareness program. This will amplify their business skills to use credit and establish market channels for their products.
- ❖ The progress observed in poverty reduction through Microfinance models can be further enhanced through different ways set up to offer loans and other financial capacities of clientele needing loans. The problem of the maximum loan size ceiling decided by MFI by most group members should be made pliable to allow groups to acquire loans.
- ❖ Microfinance Institution decides the maximum loan size of the group members and it should be made flexible to groups to take loans. The Microfinance Institution offers different products, i.e. loan sizes, matching varying borrowing powers of customers may meet credit and business needs have diversified clientele.
- ❖ The bureaucracy of government regulations and red tape, the largely

negative attitudes towards business, and the overall lack of transparency, prevent the development of a real public-private partnership for business. There are great differences between the laws and customary practices as regards gender equality in society, and these impacts negatively on the operations and effectiveness of women entrepreneurs. The licensing procedures relating to business are overly bureaucratic, and obtaining accessible information about new laws and legislation in a timely manner is a major inhibitor of business. Attitudes of business owners, including women entrepreneurs, are in general negative in so far as they are seen as being make and serve in an ethical manner.

9.5 Scope for Future Research

The research has addressed many issues related to microfinance and its contribution towards urban women empowerment. The main questions that have been addressed in the study include how microfinance has helped alleviate poverty, generated self-employment opportunities and empowered women through DECSI/ MFI SHG. However, the study focuses contribution of microfinance for women empowerment; it may limit the extent to which the findings can be generalized.

The present study assessed microfinance and women empowerment. Research can be done in future:

- One area of research could be to examine how men reconfigure their masculinities when their wives become an income earner and financial contributor in the family.
- Analysis on the impact of microfinance on a society at large by taking male and female at urban and rural respondents together.
- A study of comparative models within a district covering all the regional districts may be taken up.
- A comparative study of backward area of particular districts and with another.

- Other districts of the region can be taken up.
- A Comparative study of microfinance in India and Ethiopia can be taken up.