

The Contribution of Self Help Groups for Livelihood Improvement of Women Living Under Extreme Poverty

**Report on the joint research project of Ethiopian Economics
Association (EEA) and Consortium of Self Help Group
Approach Promoters (CoSAP)**

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Notes from the reviewer

It gives me great pleasure to provide an opening statement for this important research output released at an opportune time. I say an opportune time because we live at a time when the country is experiencing a mixture of economic growth and high levels of vulnerability to external shocks such as the El Nino phenomenon. This has brought resilience at the top of development agenda. Although resilience measurement is still an evolving concept, broadly speaking it is the capacity to adapt to change, absorb shocks and transform livelihoods. The research findings have given some indications that Self-help groups play a significant role in building household and community resilience through increased income, asset accumulation, access to finance, education, and health services. If supported by infrastructure, access to market and micro insurance, I believe, self-help group members are on their way to self-resilience.

More importantly, self-help groups target women and, as commonly known, building women's resilience is building household resilience. This research has paved the way for further research into a better understanding of the contribution of self-help groups to household and community resilience.

AmdissaTeshome, PhD

Acronyms

AIDS	Acquired Immuno-Deficiency Syndrome
CF	Community Facilitator
CLA	Cluster Level Association
CoSAP	Consortium of Self Help Group Approach Promoters
EEA	Ethiopian Economics Association
FAL	Functional Adult Literacy
FGD	Focused Group Discussion
HIV	Human Immunodeficiency Virus
HTP	Harmful Traditional Practices
IGA	Income Generating Activities
KNH	Kindernothilfe
NGO	Non-Government Organization
SACCO	Savings and Credit Co-operative
SHG	Self Help Group
SL	Sustainable Livelihood
SPSS	Statistical Package for Social Scientists
ToC	Theory of Change
TVET	Technical Vocational Education and Training

Executive Summary

The Self-Help Group (SHG) approach has been implemented for more than a decade in Ethiopia. However, little research has been conducted in this area, and what does exist is mainly qualitative. This study examined the SHGs' contribution to the livelihood of women living in chronic poverty, and potential of the approach to alleviate the multidimensional nature of poverty. More specifically the study explored SHGs' contribution towards improving the physical, human, social and financial capital of the targeted women as well as resilience and coping strategies of impoverished women.

The study used mixed methods (quantitative and qualitative) to address the research questions it has set out. For the quantitative study, a sample of 605 SHG women members were selected randomly from two rural areas (Lume and Habru) and three urban areas (Adama, Debremarkos and Hawassa) from Oromia, Amhara and SNNP regions respectively. Three sub-cities in Addis Ababa were also selected (Addis Ketema, Arada and Gulele). This selection covered different regions, both urban and rural, as well as areas with a different range of years of experience (both new and mature).

Samples of nine Self-Help Groups were selected for the qualitative study from Amhara, Addis Ababa and Oromia regions. Geographically, Mersa (North Wollo in Amhara), Addis Ketema sub city and Arero (Borena in Oromia) were the qualitative study locations.

Households surveyed have an average of 4.87 household sizes, 55 percent headed by females. Eighty-two percent of the household members are literate, with 12 percent of female household heads having attended Functional Adult Literacy (FAL) through SHG. The SHG members have achieved more than 90 percent school enrollment for children between the ages of 6 and 18.

Respondents have been in SHGs from 1 to 13 years, averaging 5.8 years. Most respondents are members of SHGs that they have formed. Since joining SHGs, members have assumed different leadership positions and developed skills like public speaking, leadership, conflict resolution and coordination. Most of those who have been in leadership mentioned rotational leadership being practiced in their groups. There were also cases where women assumed leadership through nomination, volunteering or in rare cases election.

The study used before and after comparison. Most SHG members reported support from their family, and being active participants in the activities of the groups. Benefits gained from SHGs strengthened support from husbands where they were weaker at the beginning.

Before joining the SHGs, the women described themselves as being limited within their households, marginalized from social activities and having very low involvement in business. After joining SHGs, they expanded their 'world', got social support, managed

to integrate into society, as well as gained awareness in issues of rights, health and harmful traditional practices.

Saving and credit experiences were limited before SHG, but after their group involvement, they managed to save both in SHG and outside the groups. The woman had very limited borrowing experience before SHG membership. At present, borrowing has increased from the groups, even for those who never borrowed before. Those involved in SHG for more than five years save birr 10 or more, on average, per week. Women borrow for different reasons but borrowing for business was higher compared to consumption, even higher among women who have been in an SHG for 10 years or more.

At the time of joining SHGs, the women had no more than one income generating activity. At the time of the research, members engage in more than one business activity. They have started, expanded and/or diversified their business following skills trainings and improved access to credit. Most of the businesses remain informal, owned by women who make their own decisions regarding the business and the income generated from them. There are also cases where their husbands join in such decision making.

The business incomes average between ETB 1,300 to 2,800 per month depending on the number of years the women have been in SHGs. The business - related challenges mentioned were lack of work place and additional finance.

The asset base of the women and their households has shown improvement, with the increased number of livestock, economic trees, equipment and household durables. Although the majority still live in mud wall and floor houses, housing conditions have improved from mud floor to cement for some members, including an average increase in number of rooms the household is living in. The increase in numbers of household durables and equipment is mainly among members who did not have them before joining SHGs. Households were grouped into five asset quintile groups based on asset index. Accordingly, the average number of years of membership is to be higher among the relatively rich and very rich quintiles. Most of the asset characteristics of the households have similar trends both in urban and rural areas.

Looking at general well-being, most respondents are satisfied with their standard of living, occupation and health, have changed their eating habits towards more balanced diets and are able to eat three times a day on average. In terms of income and meeting basic needs of the family, rural households were better than urban.

Overall, the study found SHGs to positively affect the lives of members and their family. The recommendations include consistently adhering to the principles of SHG approach during formation, finding ways of formalizing members' mostly unregistered types of businesses, solve business - related challenges like work space and financing, as well as addressing the challenges of urban households that are more stressed than those in rural.

Section I: Background

1.1 Introduction

Self Help Groups (SHGs) are formed with the poorest members of the community. Groups of 15 to 20 members form an SHG (the first level of the People's Institution). When SHGs grow in number and begin to realize there are problems they cannot solve without the help of other groups, the groups come together to form a cluster of Self-Help Groups or a Cluster Level Association (CLA, the second level of the People's Institution typically composed of about eight to ten strong SHGs). As the number of SHGs increase, more CLAs are established. When there are about eight CLAs considered "strong" through appropriate grading exercises, they come together to form a Federation (the third level of the People's Institution) (KNH, 2014).

The history of Women Self Help Groups as a pro-poor development scheme dates back to five decades in India and Bangladesh. This approach has received a wide range of backing as an effective empowerment tool in fighting both urban and rural poverty. Although variants of this approach are employed, they still maintain the basic features of the Self Help Approach.

Ethiopians had the tradition of supporting each other through traditional people's association. *Iddir* and *equb* are among the commonly mentioned traditional practices. Through *iddirs*, people save money which they can use to support their members during hard times, hence, *iddirs* act as insurance. *Equb* on the other hand is a kind of saving where all members contribute the same amount and take the sum turn by turn ending up over a specific time interval. In *Equb* everyone ends up getting back what they have contributed during the life of the *equb*. Having some similarities with these traditional people's organizations, with additional features of modern management tools, the SHG Approach is not a totally foreign idea to Ethiopians.

In the Ethiopian context, the Self Help Group model was introduced at the start of the new millennium and has proliferated since then. Many Ethiopian resident charities have taken up the approach as the core component of their women empowerment programs (CoSAP, 2015). As of September 2015, the number of Self Help Groups has reached 10,521 SHGs, having 195,667 women members striving for social and economic empowerment across different areas of the country. More than 468,925 children of women organized in SHGs are also benefiting indirectly from the approach (CoSAP, 2015).

Even if the approach has been around for some years now, there is a deficiency of research assessing the contribution of SHGs in bringing the intended changes on the lives of women members and their families. The present study is a collaborative effort between the Consortium of Self Help Group Approach Promoters (CoSAP) and the Ethiopian Economics Association (EEA) to contribute to fill this research gap.

1.2 Research Objectives

This research aims to contribute towards the research gap on the contribution of SHGs to improving the lives of their members and their families in Ethiopia. Particularly, the research aims to achieve the following research objectives:

1. Study how Self Help Groups contributed to the livelihood of women living in chronic poverty.
 - a. Explore the contribution of SHGs towards improving the physical, human, social and financial capital of the targeted women.
 - b. Assess how SHG membership has impacted resilience and coping strategies of impoverished women.
2. Study the extent and potential of Self Help Groups in alleviating the multidimensional nature of poverty.
 - a. Generate recommendations on the impact of the intervention that could be used by policy makers, funding agencies and promoting organizations at large.
 - b. Point out critical gaps that need to be addressed by stakeholders at all levels.

1.3 Significance of the Research

SHGs are serving a large number of women and their families. Even if individual level savings are typically small, the total amount of saving within the system is reported to be quite large. A program implemented on such a scale, covering almost all regions of the country, reaching the poorest of the poor not typically reached by programs even targeting the poor (KNH, 2014) and mobilizing a large sum of money deserves to be studied and understood well. This study aims to contribute to the knowledge base regarding SHGs in Ethiopia. The study goes beyond the program monitoring and evaluation studies of individual implementers as it covers areas where the approach has been implemented by different organizations.

The study will contribute to the policy dialogue regarding SHGs by showing their positive contribution to members, their family and the community at large. The study also brings out some of the challenges the approach and members face to the attention of policy makers. It will also serve to demonstrate results of efforts and financial resources invested by donors. By showing what is working and what is not, it will give a justification for continuing, improving and if necessary discontinuing support to the aspects of the approach that are working, need improvement or are not working respectively. It will also provide information for implementers on aspects of their work that are effective and weaknesses in the system, so that they can take action accordingly. In general, this study will be useful for policy makers, donors and implementers by giving an overall picture about the SHG approach and its status in Ethiopia.

1.4 Definition and Principles of SHGs

The Self Help Group approach constitutes three tiers of women institutions. Self Help Groups (SHGs) are from similar socio-economic background. The second tier institution is called Cluster Level Association (CLA) whereas the apex body of women institution is known as Federation. Each of these institutions has distinct roles and responsibilities to ensure the social, economic and political empowerment of organized women as well the community in general.

The SHG approach starts by identifying its target, poor women in our case, through a situation analysis. It is important to recognize that even huge poverty alleviation programs (especially those run by the state) reach the poor but often do not reach the poorest of the poor. The SHG Approach instead starts with the poorest of the poor. Various methodologies can be employed in order to come up with a situational analysis that serves as a basis for deciding where (in which communities) and why to promote the approach (KNH, 2014).

An SHG is made up of 15 to 20 members from among the women identified as the poorest in the community. If there are more members, a second group may be formed. Group size is important - too few members can limit the group's collective strength, while a group that is too large can limit participation and active involvement of all the members. It is important for SHG members to commit themselves to meet regularly on a weekly basis, with a prepared agenda. The members decide the meeting place, and the day/time suitable to them. Group members are encouraged to name their group in order to create identity. Members are helped by the community facilitator (CF) to make realistic rules for their group. The rules involve regular attendance, punctuality, saving regularly, respecting one another, lending procedures, leadership rotation, etc. (KNH, 2014).

The Self Help Groups, to function as informal grassroots level institutions, follow basic principles, which include;

- Members are from same geographical area
- Homogeneity and affinity among members
- Regular weekly meeting and savings
- Loan from internal savings
- Rotational leadership and democratic decision making
- Have bylaws abided by all members
- Basic record-keeping
- No external free handouts.

The SHG Approach is a holistic approach which, when implemented according to the above principles, leads to social, economic and political empowerment for the individual, the community and beyond (KNH, 2014). SHGs seek to bring economic and social development to their members; enable poor members to meet basic

needs and enhance their social capital; enable making important decisions together in the group as well as in their personal lives; strengthens self-esteem; as well as open new possibilities for involvement in family and neighborhood issues. Things happening at the SHG level are mainly oriented around issues that impact on the life of individual group members, their families and their immediate environment (ibid).

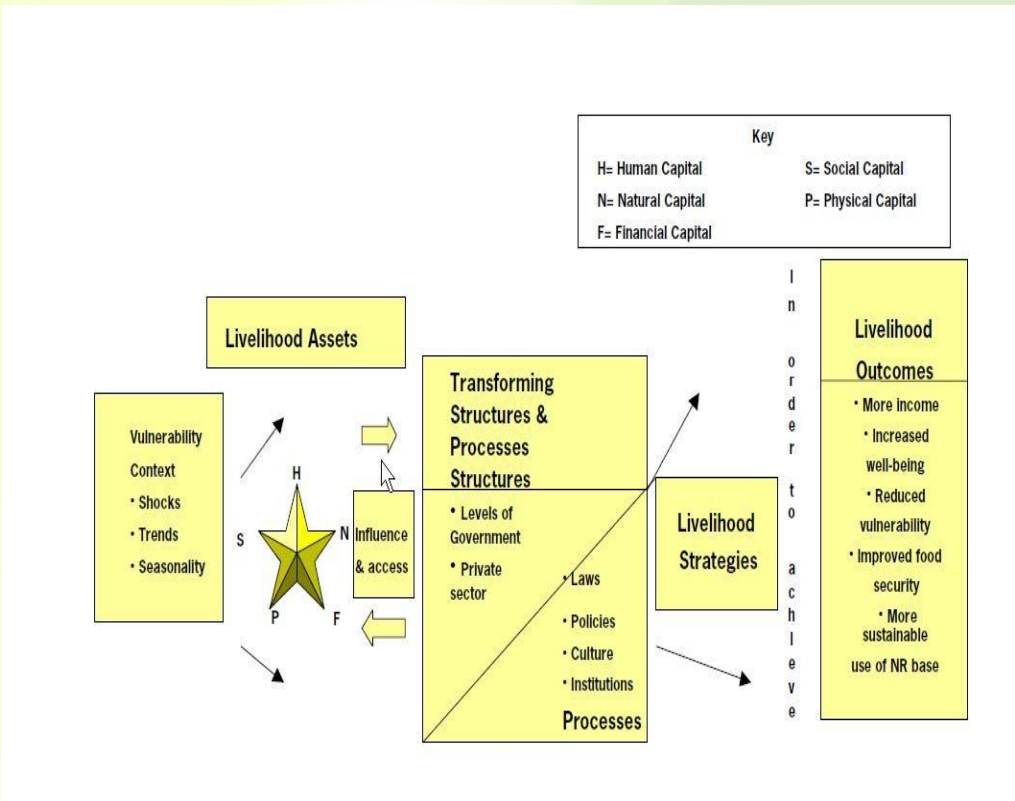
1.5 Limitations

The SHG approach has been implemented by different promoting organizations (NGOs), in different parts of the country and at different points in time. The focus so far has been on implementing and bringing the desired changes in the lives of extremely poor and marginalized women. This led to an overlook for collecting and maintaining baseline data before the initiation of the intervention. This poses a challenge for conducting a rigorous impact evaluation. Limitation in available time and budget for this particular research has also made inclusion of control groups impossible. In order to overcome these challenges, the study attempted to re-construct baseline from memory and a qualitative analysis. Most items we considered in our baseline re-construction are assets that are not likely to be forgotten by the respondents since it takes much effort to acquire them. In addition, we have included respondents who joined SHG in different years, making some of the respondents recent joiners who could also serve as a comparison for those who have been in groups for several years.

Section II: Previous Studies and Evaluations of SHGs

The Self Help Group uses the Sustainable Livelihood (SL) as its conceptual framework. Conventional poverty eradication definitions and approaches are considered too narrow because they focus only on certain aspects of poverty such as low income, or did not consider other vital aspects of poverty such as vulnerability and social exclusion. The SL concept offers the prospects of a more coherent and integrated approach to poverty. The SL Framework is built around five principal categories of livelihood assets, graphically depicted as a pentagon to underline their interconnections and the fact that livelihoods depend on a combination of assets of various kinds and not just from one category. An important part of the analysis is thus to find out people's access to different types of assets (physical, human, financial, natural, and social) and their ability to put these to productive use. The framework offers a way to assess how organizations, policies, institutions, cultural norms shape livelihoods, both by determining who gains access to which type of asset, and defining the range of livelihood strategies that are open and attractive to people (Krantz, 2001).

Figure 2 - 1: Sustainable Livelihood Framework

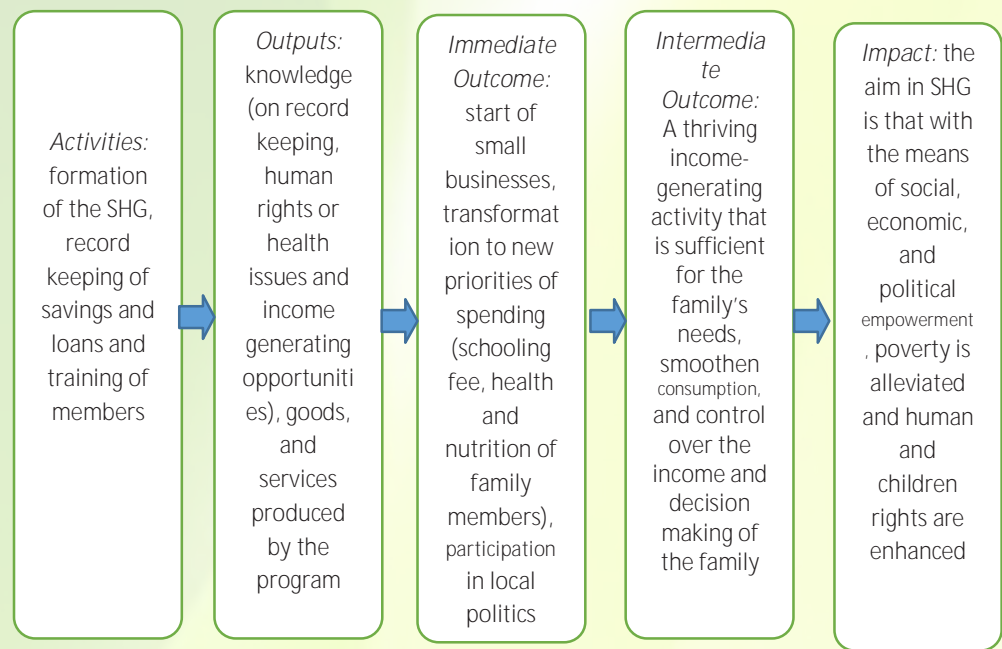


Source: Krantz (2001) page 19

The Theory of Change (ToC) of the Self-Help Approach with focus on economic empowerment is described by Gohlet al. (2014) as follows:

- 1) Activities: SHG formation, record keeping of savings and loans and members' training.
- 2) Outputs: Knowledge (on record keeping, human rights or health issues and income generating opportunities), goods, and services produced by the program.
- 3) Immediate Outcome: The start of small businesses, transformation from regular savings to new spending priorities (e.g. children's schooling, family health and nutrition). Further effects on the social capital may include participation in local politics and the addressing of communal needs.
- 4) Intermediate Outcome: A thriving income-generating activity that is sufficient for family needs, ability to smooth out consumption and to enable women to have control over family income and decision making.
- 5) Impact: With the means of social, economic, and political empowerment, poverty is alleviated and human and children rights are enhanced.

Figure 2 - 2: Economic Empowerment Based Theory of Change for SHG¹



The SHG Approach was found to be one of the (if not the) most cost - efficient interventions in Oromia and SNNP regions, spending about only 5 pound sterling

¹Schematic presentation of Gohlet. al. (2014)'s ToC

per SHG member according to Tsegaye et. al. (2013). Using their Focus Group Discussion (FGD) based approach, Tsegaye et. al. (2013) found SHGs to have a benefit cost ratio ranging between 58:1 to 173:1, meaning a return of USD 58 to 173 for each dollar invested in SHGs. The cost efficiency emanates from the 'organic' growth structure of the Approach. Despite this low per capita investment, SHGs resulted in improving its members' lives in terms of building confidence, sense of mutual support and relationships. This social capital in turn led to changes in economic status such as building asset base, diversification of income generating activities and pooling resources to help one another. Livelihood improvements manifest in the form of increased food intake (both in quality and quantity), better health care and education (even being able to pay for private services) as well as improved coping ability to shocks. They also noted that borrowing from SHGs is mainly for consumption at early stages but most transformed into borrowing for IGA as the groups mature.

Connect (2013), using a qualitative approach for their terminal evaluation for Facilitator for Change, found that SHGs have encouraged saving and economic use of resources, created loan access, some linkage to formal financial institutions (mainly MFIs), asset creation, improvement in child lives through better education and consumption. In the dimension of social empowerment, SHGs helped fight harmful traditions at different levels, improve human capital (health and education of members and their families), improved leadership skills and better social networks. Connect also identified challenges at policy, implementer and SHG levels including the uniformity of formation criteria, support for SHG at their early and critical stage, the qualification and motivation of facilitators, members' illiteracy as well as follow-up by implementing organizations.

Sibhatu and Kürschner, in a mid-term evaluation on SHG projects in three regions of Ethiopia (2010), also used a qualitative approach that included a semi-structured questionnaire, involved non-SHG members in order to make comparisons. They found that implementing organizations have followed recommended procedure to reach intended targets even if some degree of variation was observed on the degree of diligence from one organization to another. The mid-term review noted that inclusion of less poor often caused difficulties during group formation or in developing the groups, and better - off women, if at all included, left the groups after some time.

Sibhatu and Kürschner (2010), given the short life span of the SHGs under review, focused on immediate outcomes. Accordingly, they found that SHG members' purpose in borrowing money was mainly to engage in income generating activities (IGAs) like purchasing food items such as oil and flour in bulk and distributing them. They also found few cases where loans were used for direct consumption. Other outcomes noted in this study include trainings for the women particularly on

business skills, and increased nutrition (ability to provide regular breakfast for their children).

Gurmuu (2012), using a qualitative study and a survey of a small sample of women while assessing their projects, identified the following contributions of the SHG Approach: reduction in prevalence of harmful traditional practices, increased school attendance, improved provisions of children's needs, improved conflict resolution mechanisms, active social participation of women in their communities and improved saving culture. The particular benefits for SHG members were changing skills into livelihood means, improved saving, improved credit access resulting in improved financial freedom and increased confidence of the SHG women and reducing marginalization due to poverty.

The SHG members' profile, according CoSAP baseline study (2013) showed they were on average 35 years old (on a range of 18 to 80); had an average household size of 6.5, and 66 percent of them being headed by males, more than 80 percent were illiterate, and households mainly engaged in farming. This baseline study covering Somali, Afar and Oromia regions found 97 percent of the households owned their houses, 46 percent of which were grass and wood and those with brick and cement accounting only for 1 percent. Except for mobile phone and radio, these households were found to be poor in terms of household assets. Ownership of cows and goats was common as compared to other livestock such as oxen, donkeys, camels and chicken.

The baseline study (CoSAP, 2013) found that 46 percent of households depend on the husbands' earnings for household income. In this regard, households in Somali region turned to stand out uniquely; though the household income is shared by the husband, the women have other remittances and gifts as source of their household income. Households facing shortages to cover expenses mentioned borrowing, food gift, food aid and remittance as a way out of these shortages. Respondents said they face food shortages during the year and often reduce the number of meals per day, quantity and quality of food as their main coping strategy.

The baseline survey assessed some social aspects of the target women, particularly their access to basic services. The results showed a considerable number, about 30 percent of school age children being out of school. Affordability was a major reason among the factors deterring children's education (CoSAP, 2013).

A qualitative study covering Ethiopia, Rwanda, Swaziland and South Africa found that the important impact of SHGs is in improving social security, according to perception of members in Ethiopia and Swaziland. In Rwanda, it was social bondage, while in South Africa micro-credit access ranked high among the benefits reported. Another benefit that came out was initiating and strengthening women's

participation in income generating activities (IGAs). Funds from SHGs, either borrowed or grants, have helped members improve access and utilization to education and health. Ability to pay rent and utility bills were also among the major achievements. House rehabilitation by SHG members was most common in Rwanda and Ethiopia. The study also found that SHG members' children benefited most through food, clothing and school fees (Peme and Lathamala, 2005).

Flynn (2013), based on two key informant interviews, conducted a case study of the impacts of SHGs in Uganda and found that one of the SHG's biggest successes is its provision of affordable loans where members can choose the loan terms themselves. In addition to loans members obtain from their groups, SHGs also facilitate access to external credit (from banks, microfinance and SACCOs) that they would otherwise not be able to access by themselves. Along with loan access, SHGs also motivate members to start saving regularly and give them a convenient and safe place to do so. Members also reported that being part of SHG helped them economically. They were able to improve their lives through the skills learned; saving and borrowing that helped start small businesses such as opening shops and rearing animals. Women from the female-only SHGs reported women - specific benefits such as building confidence, empowered to take charge of changes in their community and build relationships with each other. They also reported that SHGs strengthened the relationships of the women in the whole community, not just between those in the same group.

Flynn also found that SHGs improve other non-economic aspects of life. Through discussions with fellow SHG members at meetings and by the support and interaction with the community facilitators, information not previously known is shared. With this knowledge, the women are able to get more involved in the community, support development initiatives, especially in health and education, and improve their living situations. In every development intervention, sustainability is an issue that comes up all the time. The SHGs are inherently promoting 'development from inside out' meaning that the groups are not dependent on external resources, and are run by the members themselves, not by external aid workers. The members make all decisions and decide what they want to focus on. Their projects are sustainable because members are both the planners and the implementers and, therefore, are invested in making them succeed. Additionally, all the finances come from within the groups. While assessing challenges, the only problem reported by Flynn was members' absence from regular group meetings without a valid reason.

Gohlet et al. (2014) in their evaluation study over a number of East Asian countries using mixed methods detected changes in spending patterns particularly in children's education. They also found that initial resistance from family members (particularly husbands) against SHG has now faded away. The groups also helped enhance the knowledge of their members both through discussion and trainings.

Gohlet.al. also found a number of other dimensions that they attributed to SHGs; including active participation in politics, generating and managing income, asset building, liberation from debt, consumption smoothing, and resilience to shocks.

The SHG approach seems to be studied more in India than any other place. Goto (2014), in his experimental study focused on both economic and social impacts of SHG-based microfinance services in Kerala, South India. The study found that members who were involved for longer duration (at least 18 months) experienced a positive influence on consumption smoothing. The study also noted that wealthier members are more likely to reap the benefits from productive investment than poorer members, who are keen to invest in consumption and household assets. Goto used both household data and three types of laboratory experiments: public goods game, dictator game, and trust game in order to determine each participant's social preference parameters. Goto's identification strategy took advantage of the fact that newly formed SHGs were randomly forced to wait to receive the necessary financial training before obtaining access to internal loans that created quasi-experimental conditions. The laboratory experiments suggested that repeated social interactions could increase trust and cooperation.

In another impact study of SHG on India's overall economy, Sundaram (2012) identified different channels through which the approach contributes to the overall economic development of the country. The channels are the improvement in the saving culture, the improved access to finance particularly for the poor and marginalized, increased improvement in employment mainly through the income generating activities of SHG members, improved decision - making within the household as a result of increased awareness of different issues as well as gained financial independence, involvement in local governance, social activism, environmental protection and reduction of violence. The review also looked at some challenges to the sector, such as take-off at early stages of the groups, limited fund allocation from State and Central Government, limited credit mobilization via linkages with banks, targeting problems in reaching the intended poor and low increase in income from IGAs.

The reviewed studies share the common theme that SHGs have been beneficial for members, their families, and the community at large. As can be seen in the review, not much research has been done on the contribution of SHGs in Ethiopia. And those studies' main methodology relied on qualitative techniques, which helps us understand the context of the research problem and brings out individual stories. But there is a challenge when it comes to generalizing findings to a larger scale. This study aims to contribute to this challenge by employing both qualitative and quantitative methods as well as by covering a sample with different variation when it comes to year of formation of the group, type of place of residence (rural, urban and pastoral) and regions of the country.

Section III: Methodology

3.1 Sampling

The study aimed to assess the situation of close to two hundred thousand women organized in more than 10 thousand Self Help Groups using a nationally representative sample. However, given budget and time constraints, the research team decided to conduct the study in carefully selected areas that are believed to give reasonable picture of the target population. The target population, women organized under SHGs, covers all regions of Ethiopia with the exception of Tigray and Gambella regions. The approach is being implemented through 28 promoting organizations in urban, rural and pastoralist areas.

First we narrowed down our focus to Oromia, Amhara, SNNP regions and Addis Ababa; covering about 31 thousand women in about 1,800 SHGs. This was done based on CoSAP staff expert knowledge on the penetration of SHG approach in these areas. Second, from this focused list, we selected a sample of 605 women using different criteria. Both urban and rural areas from Amhara and Oromia regions were included. The remaining urban sample areas were Addis Ababa and SNNPR/Hawassa.

In addition to location, the year of start of the SHG approach in the area was used as an important factor for inclusion in the sample. This was done in order to make possible a comparison between SHG members with different number of years in the program. Some researchers argue that the older the SHG, the higher the benefits gained from the approach. We included both younger and older groups in our sample in order to check this hypothesis.

Finally, logistical considerations were also part of these objective sampling approaches. The table hereunder summarizes the distribution of our samples across the three regions and Addis Ababa.

Table 3- 1: Distribution of the Sample

Region	Woreda/Town	Urban/Rural	Year of 1 st SHG*	Sampled SHG Members
Oromia	Lume/East Showa	Rural	2008	83
	Adama	Urban	2008	60
Amhara	Habru/N.Wollo	Rural	2003	79
	Debremarkos	Urban	2003	50
SNNP	Hawassa	Urban	2007	53
Addis Ababa	Addis Ketema	Urban	2005	146
	Arada	Urban	2010	84
	Gulele	Urban	2009	50
			Total	605

* Year in Gregorian calendar

Once the survey locations were identified, we conducted both quantitative and qualitative surveys in these locations. For the quantitative survey part, we gathered lists of all SHG members in those locations. Selection of individual respondents was done using random sampling from these lists using the random select cases option of the statistical package SPSS.

3.2 Quantitative Method

As briefly mentioned above, the study utilized both quantitative and qualitative approaches to gather information that is used to assess the contribution of SHGs. This subsection describes the quantitative approach while the next one covers the qualitative one.

In the quantitative approach, the main challenge we faced was the fact that no comprehensive baseline data exists that could be used to compare current and baseline conditions of these women. Without baseline data, it is difficult to fully address our research questions. In order to overcome this challenge, we reconstructed baseline data by asking respondents to recall from memory baseline situations of some aspects of their livelihood. Constructing baseline from memory has its own limitation, as respondents could forget, overestimate or underestimate baseline situations; particularly where some baseline situations are many years back. We chose to use this approach despite its limitations because this was the only option to conduct the research given the available time and budget.

With baseline reconstruction in mind, we designed a standard questionnaire with sections covering Self Help Group participation, gains in terms of skills and training, saving and credit, economic aspects, social aspects, asset including land, livestock, trees, equipment and household durables; housing conditions, access to infrastructure as well as consumption behaviors. The questionnaire design went through different phases with comments and suggestions. We also translated the questionnaire into Amharic.

After translation, we organized a one-day training and piloting for data collectors. During the training, we discussed each question in the questionnaire and their implications for the study. While doing so, we made several changes in order to include important missing questions, remove irrelevant ones, and correct those that needed to be. We also had a quick piloting of the questionnaire by inviting SHG members from Lideta Sub-City in Addis Ababa to the training center in order to save time. Those SHG members were later excluded from the formal survey in order to avoid contamination.

This part of the study's field work was organized into six teams with each team having one supervisor from CoSAP and four to five enumerators under each supervisor. When the teams arrived at their respective survey sites, they started their work by having a re-orientation session to cover changes made to the final questionnaire following their training in Addis Ababa, as well as common mistakes observed from questionnaires during the pretest. On the same first day in the field, teams mapped the sampled respondents in order to ease the data collection process. The supervisors invited field officers /coordinators of implementing organizations and community facilitators of the targeted SHGs that could best help map the sampled women for this mapping session.

Once re-orientation and mapping was complete, the teams proceeded to data collection on the second day. To ensure common understanding of the questionnaire and data quality, the teams stopped to reflect on their experience right after filling out the first questionnaire. For the remaining days, enumerators filled out about four questionnaires per enumerator per day while the supervisors checked the completed questionnaires by each enumerator in their respective team each day. CoSAP had prepared and distributed a guideline for supervisors to ensure consistency of this process across different teams.

Once data collection was complete, an experienced team of Ethiopian Economics Association (EEA) edited the questionnaires to further improve their quality by checking for inconsistencies. Post-coding was also done for initially un-coded responses and responses beyond the pre-coded list. Data was then entered into computers; some electronic data cleaning was done before proceeding to data analysis reported in section IV.

3.3 Qualitative Method

For this qualitative research work, a sample of nine Self Help Groups was randomly selected from Amhara, Addis Ababa and Oromia regions. Geographically, Habru (North Wollo), Addis Ketema Sub City and Arero (Borena) were the study locations from Amhara, Addis Ababa City Administration and Oromia National Regional State respectively. SHGs, that are ten years old and others younger than ten, participated in Focus Group Discussions (FGD). The distribution of these nine SHGs reflects the different social, cultural and economic backgrounds of the communities where the SHG approach is implemented. Particularly, the Borena zone pastoralist community has quite different social, cultural and economic environment compared to the urban Addis Ababa and Habru's small town (Mersa) community. Attempts were, therefore, made to explore SHG approach capacity to uplift the different communities from their poverty, empower women and create a resilient community where their economy becomes resistant to different shocks.

From these nine SHGs, nine members (one from each) were selected for an in-depth interview and observation of their living homes and business activities. Discussions were also conducted with family members, particularly husbands, of the nine members to assess the contribution of the approach at household level.

Relevant government sector offices were also purposively selected and interviewed, including the Women and Children Affairs Office, Finance and Economic Development and Administration Offices. In Borena, The Food Security and Disaster Prevention and Preparedness Office located at Arero was interviewed.

Therefore, focus group discussions, key informant interviews, observations, in-depth individual interviews and storytelling methods were used to collect qualitative data from relevant sources. Furthermore, SHGs and SHG members' bank books, individual passbooks and minute books were reviewed and analyzed. Attempts were also made to cross - check the FGD and observation outcomes with SHG records.

Section IV: Results and Discussion

4.1 Household Characteristics

As mentioned in the methodology section, this study's quantitative survey covered 605 SHG members and their households, which comprised 2,943 household members (including the respondents themselves). On average, these households have 4.87 members, with household size ranging between 1 and 13. Of the close to three thousand household members, 54 percent were females while the remaining were males. For marital status, 47 percent of household members were never married, while 28 percent are married, 11 percent divorced and widowed, and 14 percent were under the age of 10 and not asked about marital status.

Fifty-five percent of heads of household were female and 45 percent male. Majority of the heads are married (56 percent) while 14 percent are divorced and 26 percent widowed. The never - married are lower than 4 percent. When we disaggregate marital status by sex, we found female heads to dominate the single (75 percent), the divorced/ separated (100 percent) and the widowed (98 percent) categories, while males dominate the married (78 percent) categories as compared to one another.

When it comes to literacy, the individual - level data shows that the majority (82 percent) can read and write, with males having a higher percentage (89 percent versus 76 percent of females). Looking at the case of the heads of these households, the proportion of those who can read and write drops by about 20 percentage points to 61 percent, with men still having a higher percentage (77 percent) than women (48 percent). Out of those household members who are six years and older, 45 percent have some primary level education while 28 percent have some secondary. College level education was also found to be close to 9 percent, being impressively more than threefold of that of TVET, which stood at only 2.3 percent.

The Functional Adult Literacy (FAL) training provided to SHG members accounts for 3 percent when considering all household members under the study. The contribution of FAL goes up to 8.3 percent out of the 605 household heads when we consider the education level of the household head and close to 12 percent of female - headed households. SHG households also have 92 percent of their school age members (ages 6 to 18) currently attending school.

Table 4- 1: Literacy

Literacy	Household Members			Head of the Household		
	Male	Female	Total	Male	Female	Total
Read only	31 (2.52)	51 (3.42)	82 (3.01)	9 (3.3)	21 (6.34)	30 (4.97)
Read and write	1,091 (88.63)	1,136 (76.09)	2,227 (81.75)	211 (77.29)	160 (48.34)	371 (61.42)
Cannot read and write	109 (8.85)	306 (20.5)	415 (15.23)	53 (19.41)	150 (45.32)	203 (33.61)
Total	1,231 (100)	1,493 (100)	2,724 (100)	273 (100)	331 (100)	604 (100)

Note: Column percentages in parenthesis

Table 4- 2: Education Level

Level of Education	Number of individuals	Percent	Cumulative percentage
Primary	1218	44.80	44.80
Secondary	761	27.99	72.78
TVET	63	2.32	75.10
College	238	8.75	83.85
Non-formal	44	1.62	85.47
Functional Adult Literacy (FAL)	83	3.05	88.53
No Education	312	11.47	100
Total	2719	100	

4.2 SHG Membership and Leadership

The SHGs visited during our qualitative study were established by different organizations, most of them being established by NGOs promoting the approach while others by active women in the village who knew the performance of previously established SHGs, and requesting the promoting organization to organize them in SHGs. In some cases, a cluster of SHGs helped in formation of new groups in their own neighborhoods. This process indicates that senior SHGs, SHG participants and Cluster Level Associations (CLAs) have played roles in establishing SHGs. It may be the case that during the formation process, Participatory Rural Appraisal (PRA) tools such as social mapping, wealth ranking, home visits and observations might not necessarily have been adhered to in some cases.

Survey respondents have different experiences in terms of duration of membership, roles played in the group, level of engagement, etc. The number of years these women have been SHG members range between 1 and 13 years. The average years of membership for the entire sample were 5.8 years. A majority of respondents (about 63 percent) reported a membership period of more than 5 years. Computing the average number of years of membership separately for those who have been members for less than and greater than 5 years separately, we found 3 years and 7.4 years for those who have been SHG members for less than 5 years and for those 5 years and above respectively. Ninety-three percent of these women are founding members of the SHGs while the remaining 7 percent joined already- formed SHGs.

Looking at these women's experiences in leadership² roles of their SHGs, close to 50 percent have been chairpersons of their meetings. The remaining roles (bookkeeping, secretary, CLA representative and treasurer) were reported in lower proportion of participation. Looking at the average number of years that these women served in these positions, meeting chairs have the lowest, about one and half years, as compared to the other positions. This frequent change could partly explain the larger proportion of participation in this particular leadership role compared to the others. On the other hand, treasury has the longest average years of service of 3 years, which indicates the importance of trust, skill and institutional memory needed for the position. This could be further explained by the fact that some positions like booking and treasurer often demand special skills (literacy) and rarely rotated. CLA representatives selected from SHGs have office terms of about 3 years; hence, leadership rotates relatively slower than the weekly meeting moderations.

Due to the technical skills and literacy level required to assume some positions, 80 percent of the respondents reported the practice of rotational leadership, yet less than 50 percent reported holding the technical leadership positions (like bookkeeper and secretary).

² According to the SHG principles, there are *moderators* and no leaders in SHGs. Here the term 'leadership' is used to be in line with the kind of questions asked or wording used in the questionnaire since the study considered any responsibility as a leadership role.

Table 4- 3: Leadership Roles Taken

Leadership Position	Number assumed this position	Average number of years
Meeting chair	292 (48.26)	1.5
Bookkeeper	46 (7.60)	2.4
Secretary	115 (19.01)	2.8
CLA representative	175 (28.93)	2.8
Treasurer	105(17.36)	3

Note: Percentages in parenthesis out of the 605 women surveyed

A vast majority of women (73 to almost 80 percent) reported getting some skills in public speaking, leadership, conflict resolution and coordination as a result of assuming a leadership position in their respective SHGs. We also learned from the qualitative discussion that women in SHGs are more assertive - expressing themselves well in public and keen in defending their entitlements. They reported fighting gender-based violence; promoting child protection issues and defending their rights individually and in group. SHGs and SHG members have become social activists in their villages and communities. Government sector offices also reported cases that indicated the degree of women's assertiveness.

Table 4- 4: Benefits of Taking Leadership Roles

Benefit categories	Yes	No	Total
Public speaking	438	118	556
	(78.78)	(21.22)	
Leadership skills	405	151	556
	(72.84)	(27.16)	
Conflict resolution	444	112	556
	(79.86)	(20.14)	
Coordination skills	431	124	555
	(77.66)	(22.34)	

Note: Percentages in parenthesis

How the women assumed these positions is important to determine whether or not SHGs have inculcated democratic principles. Despite reporting leadership rotation practices in their SHGs by close to eighty percent of our respondents, their response to assume the position by nomination was the dominant form (44 percent of the time). Leadership by rotation stood second at 34 percent, followed by volunteering at 18 percent out of those who reported of holding such a position. The fact that some reported winning election (3.4 percent) suggests that some SHGs practice elections for their leadership positions.

Concerning SHG members' participation in their group activities and their family support, the majority of the women reported being an active participant (73 percent) and having consistent support from their family from the point of joining SHG until present (81 percent). Following this, about 17 percent reported not being an active member at the beginning but turning out to be active at present. On the other hand, 6 percent reported being active intermittently while 4 percent report declining activity from the start to the present. On the side of family support, 17 percent reported family's reservation at the beginning but turning into support at present. Some discussions with the women suggested that wealth creation, accumulation and economic contribution of women to household income convinced the husbands to support women in SHGs. This motivation at home has strongly encouraged women to be more active in their groups.

Our Focus Group Discussions (FGDs) found that membership size of some SHGs ranged between 15 and 28 members. The discussions revealed SHGs to be of size 21 during their formation period and 19 at the time of this research work. About 82 percent of the survey respondents reported members leaving their groups as well. Accordingly, the reported number of members who left the groups was an average of three members and the main reasons for leaving were moving from the area, death and dissatisfaction with the groups (although the last one accounted for only 10 percent).

4.3 SHG and Social Aspects

During the Focus Group Discussions, it was mentioned that before joining SHGs, members were housewives, illiterate, shy, fearful and less assertive. The women had no education, training and exposure to what other women, communities and societies do. They described their home as being their world. Our survey shows that 75 percent of the women knew some of their fellow group members before joining the SHG but currently the people they consider as their close friends are members of their SHGs for 80 percent of our respondents. In the opinions of more than 96 percent of the respondents, the Self Help Groups also increased the closeness among members. This shows that the group members contributed in widening their social network and making their 'world' at least bigger than their homes. We learned from the discussions in our qualitative study that SHG members trust each other, work together, and they now have good 'sisters' who support them. They also go to government offices together to demand services, in other cases they also have SHG representatives who can speak on their behalf.

The women in the survey also indicated that SHGs helped them gain awareness and knowledge regarding different issues. Among these issues are innovation and business, maternal health, child care, contraceptive use, gender rights, about HIV/AIDS, harmful traditional practices (HTPs) and conflict resolution.

Table 4- 5: Awareness Gains as a Result of SHG Participation

Knowledge Items	Gained Awareness/Knowledge		Percent Yes
	Yes	No	
Innovation and business	471	134	77.85
Maternal health	533	71	88.25
Child care	541	63	89.57
Contraceptive use	498	107	82.31
Gender rights	525	80	86.78
About HIV/AIDS	541	64	89.42
Harmful tradition	548	55	90.88
Conflict resolution	550	44	92.59

Innovation and business also came out in FGDs and KIIs. The discussions identified that SHG members had no or single menial income generating activities before joining SHG, but following the various business and entrepreneurship trainings along with improved access to affordable credit service from the group fund, women in SHGs have opened new businesses, expanded and scaled up existing business types and/or diversified into different businesses.

A vast majority (94 percent) of SHG members viewed their participation as beneficial in improving their decision making within their families. But 21 percent of our respondents say that they need to get permission from their husband to attend SHG meetings. This 21 percent suggests a positive change when viewed from the overall patriarchal nature of the society; and also implies that there remains work to do in this area since women empowerment is one of the central agenda of the Self-Help Approach.

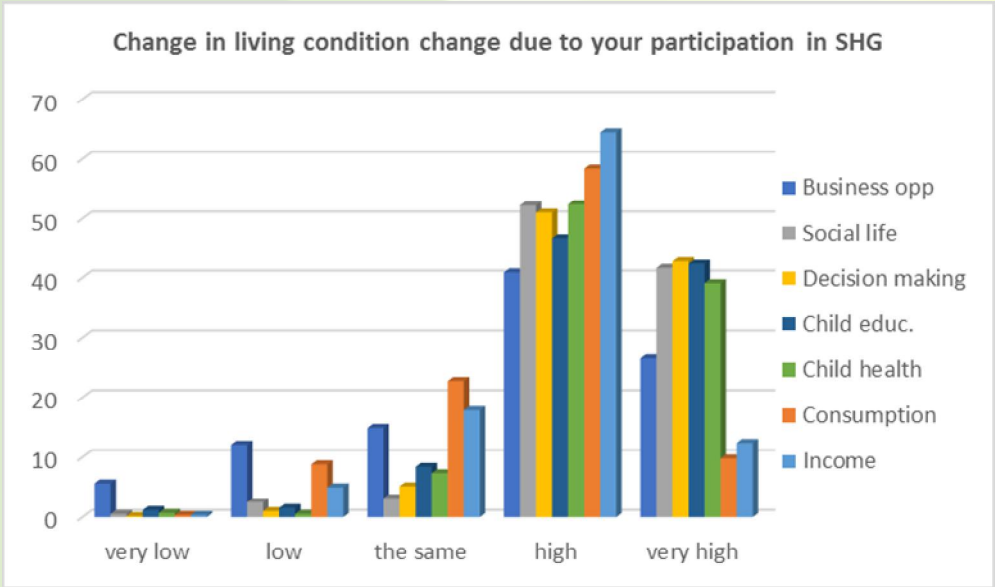
In all of the FGDs conducted, respondents asserted that they own, control and decide on their loan, income generating activities and income. Some women also mentioned having personal bank accounts that their husbands know about but have never asked their deposit amounts, why they deposit and so on. The study suggested that there is rather cooperation and positive competition between wife and husband, especially in the areas where husbands are given SHG Approach orientations.

A significant majority of women (98 percent) in our study agreed that the SHG Approach has helped them meet new people, get social protection (82 percent), and enhance innovative problem solving skills (85 percent). They also mentioned to gain skills in leadership (84 percent), entrepreneurship (77 percent) and business plan preparation (64 percent). Only 37 percent reported SHGs helped them in acquiring crafting skills.

Respondents were asked to rank the changes that came about in their lives due to their SHG participation using Likert scale of 1 (very low) to 5 (very high).

Accordingly, income, consumption, and business opportunities were ranked “high”; and being active in social life and decision making at home as well as children’s health being “good”. The second most reported category being “very high/very good” shows that, in the perception of these women, participating in SHG contributed towards positive changes in their living conditions.

Figure 4 - 1: Change in Living Condition Due to SHG Participation



A key informant from Borena Zone in Oromia region explained how women from pastoralist communities started doing uncommon livelihood activities because of their improving social capital. Culturally, women in Borena pastoralist area are engaged in preparing food for the family, child care, fetching water and firewood collection, caring for animals and supporting some farm activities (where there is agriculture). These women of pastoralist communities used to do things individually. Contrary to this, men in pastoralist Borena Zone work in arbitration/mediation activities and farming when there is agriculture together. Men are also the sole owners of family assets and wealth in that area.

According to our key informant, women’s collective actions came following the SHG Approach. At present, SHG members collect wood together to construct and fence their homes, save money, take loans from their own fund to engage in different income generating activities, and start to decide on their income and accumulate wealth and assets in the form of houses, animals and cash. This social capital is one of the critical assets necessary to resist economic shocks in the area. Women in SHGs have developed mutual support habits and saved money to expend at times of crisis, unlike other community members. This has happened because of the trust they have developed, shared interest and social skills they

developed as immediate outputs of the trainings. This effort has, in turn, strengthened members' mutual support habit, they travel to forests and return home singing different cultural songs, they construct one home within two days and surprise their husbands and they fence their backyards which is not common in pastoralist areas. Similar voices were also heard during the discussions with SHG members in Addis Ababa. The women recognize the role of social capital for an improved livelihood, and particularly aging women appreciate their belongingness to the group where they share information and leisure time with sisters/friends and have confidence that group members will care for each other in times of sickness, financial problems and risks.

The 'social capital' (trust built) among SHG members is also worth mentioning. For instance, due to trust among group members, some of the visited SHG members in Mersa have borrowed high amounts, up to 70,000 birr and in some exceptions up to 100,000 birr from their group. This happened because, despite the SHGs' informal nature, the members' built-in trust means that everyone respects the bylaw (including repayment schedule); hence timely repayment is not a question.

The social savings, to be discussed further in the next sub-section, have a real 'social' impact on these poor women who otherwise would have been marginalized from happy and sad social events. Tradition dictates taking gifts such as salt, sugar and tea to the household on social occasions. Poor and marginalized women were not active participants of such social events partly because they did not have money to buy gifts but social saving in the SHG Approach has made tremendous contribution to revitalize this social bondage, mutual support and coexistence within group members as well as the community around them.

4.4 Saving and Credit

The SHG Approach targets women at the lowest economic ladder as compared to others in their villages. Promoting organizations (NGOs) apply participatory wealth ranking tools to identify the poorest women to become SHG members. Because of poverty, only a few SHG members had the experiences of accessing loans from micro - finance institutions before the groups. In the discussions, they mentioned that they used to be just housewives, daily workers or domestic employees, and were business- illiterate. As a result, saving and credit that takes the peculiarities of these women are at the heart of the SHG Approach.

When we look at the histories of the women surveyed, most of them (about 83 percent) never had access to credit before joining SHGs; 72 percent never saved prior to their SHG membership. As mentioned above, the SHG Approach targets very poor women whose saving and credit needs are not being particularly met by formal financial instruments (banks and microfinance institution – MFI). For instance, the average weekly saving of the women we interviewed was less than 11 birr, which is very low amount to take to the bank or MFI and save. Therefore,

giving access to saving and credit for this group of the society is an important aspect of SHGs.

Our data indicates that SHG members had low access to credit before joining the groups, and that borrowing outside of the group has dropped to almost 9 percent while the number of respondents who borrowed money from their groups was about 86 percent. This suggests that there was low access to credit for these women before joining SHG. It also suggests that the external borrowing has not increased with majority of them accessing credit from their groups in the preceding 12 months from the survey.

At present, the women said, trainings on saving, loan, business development and management etc. on one hand and easier access to internal lending on the other have combined theory and practice towards better business participation and skill transfer among the SHG members. Focus group participants expressed that vast majority of their members take several rounds of loans to open, expand and scale up their businesses.

Among the types of investments for which loans were used, business tops the list with 65 percent followed by children’s education 33 percent, consumption 30 percent, buying of household durables 27 percent, and health 24 percent. Social expenses are at the bottom of this list in the 12 months preceding the survey at 14 percent. The most common expenditure items, except perhaps consumption, have a longer term impact on the households’ welfare as these items are income generating activities, asset building or investments on human capital.

Table 4- 6: Access to Saving and Credit

Taken credit			Saving		
Outside of SHG		From SHG	Outside of SHG		With SHG**
Before joining SHG	Last 12 months		Before joining SHG	Last 12 months	
17.36% (605)*	9.15% (601)	85.45% (605)	28.31% (590)	42.64% (589)	99.34% (605)

* Total number of cases in parenthesis ** concerning saving in the month prior to the survey

This research attempted to check the claim of Tsegayeet. al.(2013) that borrowing from SHG is for consumption initially and shifts to business at later stages. We formed three groups of SHG members based on their number of years in the SHG. Out of 484 respondents who reported their year of entry into SHGs, we found 181 (37.4 percent) with 1 to 4 years of membership, 249 (51.5 percent) with 5 to 9 years and 54 (11.2 percent) in 10 or more years group. Comparing the proportion of respondents reporting borrowing for purposes of household consumption and for business, we found those in the first two groups to have a similar proportion

(for consumption in the 30s and for business in the 60s percent) while those who have been SHG members for 10 years or more to have higher proportion (about 84 percent) of business borrowing and lower for household consumption (less than 20 percent) as compared to the other two groups. Interestingly, in all categories, borrowing for business is high (more than 60 percent) while that of consumption is low (less than 35 percent).

Table 4- 7: Use of Borrowed Money by Duration of SHG Membership

Years of membership in SHG	Number and Proportion	Borrowed for Business	Borrowed for household consumption
1 to 4 years	181 (37.40)	102 (68.00)	45 (30.00)
5 to 9 years	249 (51.45)	134 (62.33)	71 (33.18)
10 and above	54 (11.16)	41 (80.39)	10 (19.61)
Total	484		

In the case of saving, only 28 percent of respondents reported having any savings before joining an SHG. The experience from the 12 months prior to the survey shows that 99 percent had savings with their SHG while respondents with savings outside of SHGs rose to 43 percent. This suggests that SHGs encourage saving not only in their groups but also outside of the groups. *Equb* leads the list where most respondents save followed by bank and at home, both before joining SHG and at present.

Introduced by the SHG approach, regular weekly saving is a common saving type for all SHGs visited. This saving has two forms: optional and fixed. Some groups apply optional saving so that members save different amounts on weekly basis. SHG members save from ETB 2 to 200 per week in their groups. In most cases, groups have increased the minimum optional saving amount over years. In Borena Pastoralist area, Negegna SHG in Arero for instance increased the minimum saving amount several times. The group started by saving ETB 5 weekly, increased to ETB 7, 10, 12 and 15 per week at the time of this study. On the other hand, instead of members having different saving amounts within one group, there are also groups, particularly in Addis Ababa, who apply fixed saving so that all members of a particular SHG have a fixed amount of money in their individual passbook. This simplifies, they explained, recording and creates a common understanding among SHG members because all members have saved equal amount (obligation) and have equal opportunity to take loan (rights).

Our survey found the average monthly saving to be 42.78 birr with a range of 3 to 600 birr. On average, SHG members who have been members for more than 5 years save about 10 birr more than those who joined in recent years. Another important type of saving is the social saving which involves saving for emergencies,

social protection and social expenses (funerals, graduations, weddings, etc.) saved in the spirit of strengthening their sisterhood relationship. Seventy five percent of the respondents reported having such additional savings that normally ranged between 25 cents a week to 50 birr averaging at 5.9 birr.

Table 4- 8: Average Saving per Month

		Mean saving (in Birr) (Standard deviation)	Minimum	Maximum
Length of membership in SHG	Less than 5 years	37.12* (43.19)	8	260
	5 Years and above	48.88 (79.53)	4	600

* Mean difference is significant at 10% level of significance

To further explain the correlation between saving and loan (credit) in SHGs, the approach analyzes the loan-saving ratio³, which justifies the magnitude of internal financial circulation for business engagement purpose. For instance, an SHG key informant from Mersa area saved 23,800 birr in her group saving. She took 197,000 birr loan from her group in seven rounds, yielding a loan-saving ratio of 8.3. Where the ideal loan-saving ratio of strong SHG is expected to be 4 (KNH, 2014), the respondent pushed it up to twice the amount considered the ideal performance.

SHGs have crafted internal rules to determine the type and amount of gift to provide for social events out of their social saving. Every member knows her group's obligations and entitlements. Social protection savings are meant for healthcare and education, members withdraw the money they saved to medical/health, education and household needs. Once withdrawn, this money will not be repaid but group members will continue saving for the same purpose. This saving type is one of the important saving types particularly at initial stage of the SHG because members solve their immediate economic problems using this saving. For example, during September, household expenditure increases due to the New Year and 'Mesqel' [Finding of True Cross] celebrations. September is also the start of the school year which requires purchase of exercise books, school uniforms, text books and related educational expenses for children. Therefore, households usually face financial problems to cover such multiple expenses out of pocket. At this time, they withdraw the social saving at the beginning of September and use to cover such extra-ordinary expenses.

³Loan/saving ratio is the quotient of cumulative loan amounts revolved divided by accumulated regular saving. Loan-saving ratio in a strong SHG should be 4 or above.

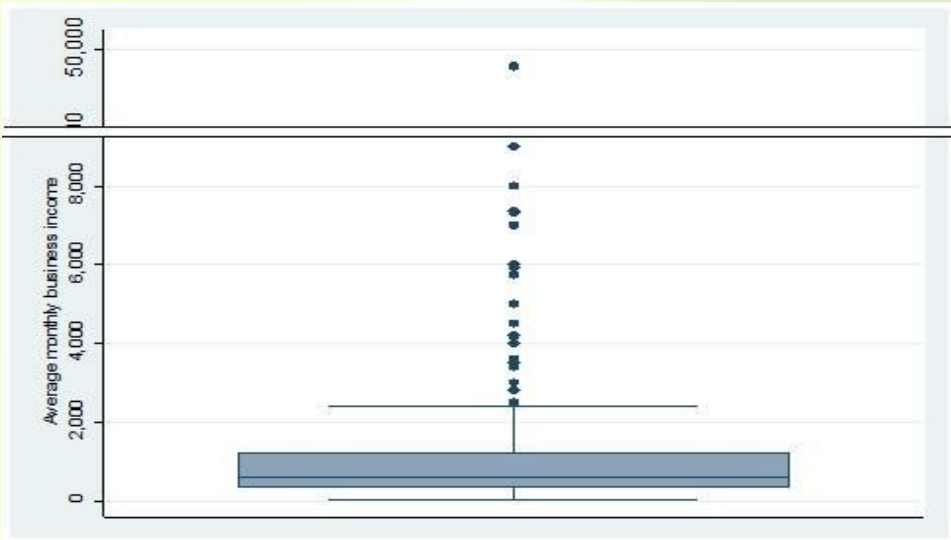
4.5 Economic Activities

Training on different business skills and access to finance coupled with other social skills developed through participation in SHG either helped these women initiate business or expand an existing one. Sixty-five percent of the respondents are currently engaged in some sort of business.

The income generating activities mentioned during FGDs include seasonal trades (such as roasting and selling maize during maize harvest period, buying grains cheap and selling during lean seasons, etc.), animal fattening, and some are also engaged in multiple complementary business activities such as trading coffee, soft drinks, cigarettes, tissue paper, and sometimes alcohol. Some SHG members have also entered into hotel and cafeteria service provisions, bakery, clothing trade, laundry services using modern washing machines and production and selling of cultural dresses.

In the survey, about 41 percent reported small businesses, followed by selling *injera* (12 percent) and food (8 percent) as well as vegetable and spice trading (about 7 percent each) among the most frequently identified types of businesses. Most of these women conduct their businesses informally, with only 16 percent registering their businesses. The average monthly income from their business activities is 1,633 birr. Some reported earning as low as 7 birr while the highest going as high as 48,160 birr. But as shown in the Box and Whisker diagram below, the median is 600 and the majority (90 percent) earns 3,000 birr or less.

Figure 4 - 2: Box and Whisker Diagram of Monthly Business Income



Looking at the same average monthly business income by disaggregating the data into members' years of SHG membership, those in the 1 to 4 years of membership group have the lowest, closely followed by the 5 to 9 years groups as shown in the

table below. After trimming the most extreme values (lower than 50 birr and higher than 40,000 – i.e. less than 2 percent of the data), the 10 and more years group has average monthly income from IGAs, twice as much as that of the 1 to 4 years group.

Table 4- 9: Average Monthly Business Income by Years of Stay in SHG

Years of membership in SHG	Monthly business income		
	Average	Minimum	Maximum
1-4 year	1,373.25	50	30,000
5-9 year	1,419.05	60	18,000
10 or more years	2,829.55	50	33,000

The business activities are mainly owned by the respondents (the SHG member woman of the household), who is also responsible for making decisions regarding the business as well as the income generated from it. Eighty-six percent of the respondents doing business mentioned that they are the owners of the business while 80 percent say they are the ones who make the major business decisions, and 78 percent reported being the one who make decisions on the income they generate. There are also businesses jointly owned with either spouses (9 percent) or other family members (3 percent). Spouses are also involved in joint business decision making in 15 percent of the cases and 17 percent on the income generated.

Table 4- 10: Business Ownership and Decision Making

Responsible	Business Owner		Decision on Business		Decision on Income	
	Freq.	Percent	Freq.	Percent	Freq.	Percent
I am	337	85.97%	312	79.59%	306	78.06%
My spouse	3	0.77%	4	1.02%	4	1.02%
My spouse and I	35	8.93%	60	15.31%	66	16.84%
My family and I	13	3.32%	14	3.57%	13	3.32%
Other family members	2	0.51%	1	0.26%	2	0.51%
Other non-family	2	0.51%	1	0.26%	1	0.26%
Total	392	100%	392	100%	392	100%

Our qualitative survey found that women use the credit and savings in SHG as well as savings in the form of *iqub* for business purposes. Some women are saving up to 2,000 birr per week in their *iqub*. This rather unusual amount of *iqub* contribution was observed in Habru (Mersa area) where a member can get 104,000 birr at the end of the year. The money enables her to invest on better income generating activities. A woman who saves 2,000 birr per week, for example, is a member of another business group that took land in Mersa to construct a multipurpose hall at

the business center of Mersa town. The Mersa women use savings at *Iqub* for activities such as constructing market halls, constructing living homes and buying *Bajaj* (a three - wheeled vehicle mainly used for transportation services), to expand existing business in the case of Addis Ababa women and to repay loans for Borena Pastoralist women. Women in Borena area take loans to buy sheep, goat, cow and so on. But, they do not sell animals immediately, rearing or fattening before selling in the next market or sell directly to same market without adding value on the purchased animals. Meanwhile, they have weekly *Iqub* collection so a member can easily pay back her loan from the *Iqub*. By the end of the loan term, she owns the sheep, goat, cow or other materials purchased by the loan.

Hence, SHG members have developed the culture of saving to meet the unlimited human needs as well as a reserve fund for crisis periods. For example, as per the key informant from Woreda office in Arero, women organized in SHGs have better economic capacity to resist disaster and risks of food shortage and migration than unorganized women/community in the area. Strengthening the above confidence that SHGs have on their own, the office has confirmed that the experiences of SHGs is well recognized and going to serve as a model practice to establish Kebele - level food security and disaster risk reduction fund in the region. This asserts the fact that those women in SHGs and their households have stronger economic structures than other community members in the area. Moreover, Negegna SHG members in Arero also narrate that: *"We SHG members resist economic shocks better than unorganized women in our society because we have mutual support mechanisms, acquired business skills to engage in petty trades and services, saved money, constructed our houses, bought animals and other assets to sell in case of emergencies; we stored some grains in our granaries, and collected grasses for our animals. Comparing us [SHG members] with unorganized women means putting feather and stone on a running flood to see which can be easily swept away."*

Despite the will and the commitment of these women to engage in income generating activities and help change the living conditions of their families, they face some challenges to do so. The main external challenges mentioned by our respondents are finding a place to do business (21 percent) and financial limitations (20 percent). The following were also mentioned as challenges although they are reported less frequently; shortage in input supply, smaller demand, and lack of business skills.

4.6 Asset

To give us an idea on the household standard of living as well as their potential to withstand shocks, we compared the asset base of women covered in this study - including livestock, trees, farm equipment, household durables and the condition of the family house.

We asked survey respondents about ownership of cattle, sheep and goats, camel, pack animals, chicken and beehives before joining SHG and at the time of the survey, to show changes that took place after joining SHG in the absence of a baseline data. Notwithstanding other non-SHG factors contributing to such changes, we simply made the before-and-after comparisons hereunder.

With this in mind, the households reported increase in the number of livestock owned on average. Particularly for camels, none of them had one before SHG but some are reported now (even if their number is just 2). The number of chicken owned has also doubled on average. The before and after trend of both urban and rural areas is similar to that of the overall, except for beehives in urban areas, all others increased.

Table 4- 11: Livestock Ownership

Livestock	Baseline			Now			Average value (in Birr)		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
Cattle	1.76	1.24	1.59	2.60	1.35	2.19	18,090.12	25,365.38	19,857.94
Sheep/goat	1.42	1.43	1.42	2.04	1.76	1.95	4,437.50	3,526.09	4,104.76
Camel	-	-	-	0.02	-	0.01	30,000.00	-	30,000.00
Pack animals	0.54	0.02	0.37	0.76	0.07	0.53	2,971.43	4,500.00	3,024.14
Chicken	6.00	1.18	4.37	12.46	4.18	9.74	1,223.56	670.32	1,058.65
Beehives	0.09	0.28	0.15	0.09	0.22	0.13	1,800.00	3,000.00	2,400.00

The average value of the livestock owned at present is summarized in the above table based on the respondents’ estimated value of each animal. We estimated an 8,343.93 birr average gain in value of livestock for those who had none before joining SHG but now have livestock. Averaging the value over households who never had livestock before joining SHG regardless of their ownership of livestock at present, it was found to be 1,020 birr. These changes in livestock acquisition were also supported by the findings of our qualitative study. For instance, women in Borena zone mentioned borrowing money from their groups to buy animals for rearing and fattening.

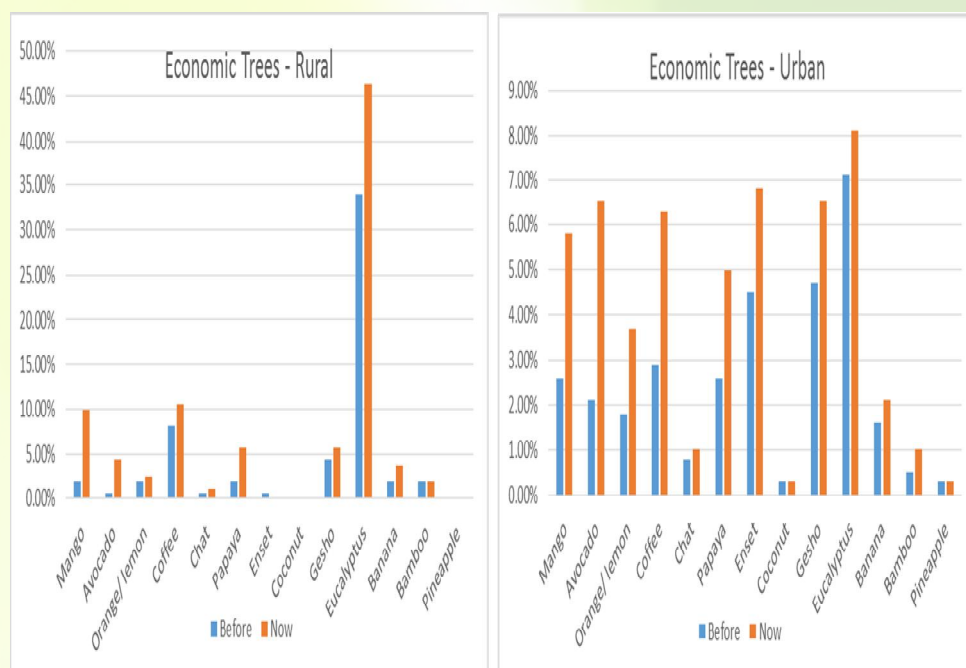
The second asset we considered was ownership of economic trees. Comparing the number of households, owning these trees before SHG and at present disaggregated by rural and urban, shows that the proportion of these households has increased in ownership of all trees except for *enset*, coconut, bamboo and pineapple in rural and coconut and pineapple in urban areas. In these few exceptional cases, the proportions either remained the same or decreased (in the case of *enset* in rural).

Table 4- 12: Ownership of Economic Trees

Economic Trees	Rural		Urban	
	Before	Now	Before	Now
Mango	1.9%	9.9%	2.6%	5.8%
Avocado	0.6%	4.3%	2.1%	6.5%
Orange/ lemon	1.9%	2.5%	1.8%	3.7%
Coffee	8.1%	10.5%	2.9%	6.3%
Papaya	1.9%	5.6%	2.6%	5.0%
<i>Enset</i>	0.6%	0.0%	4.5%	6.8%
<i>Gesho</i>	4.3%	5.6%	4.7%	6.5%
Eucalyptus	34.0%	46.3%	7.1%	8.1%
Banana	1.9%	3.7%	1.6%	2.1%

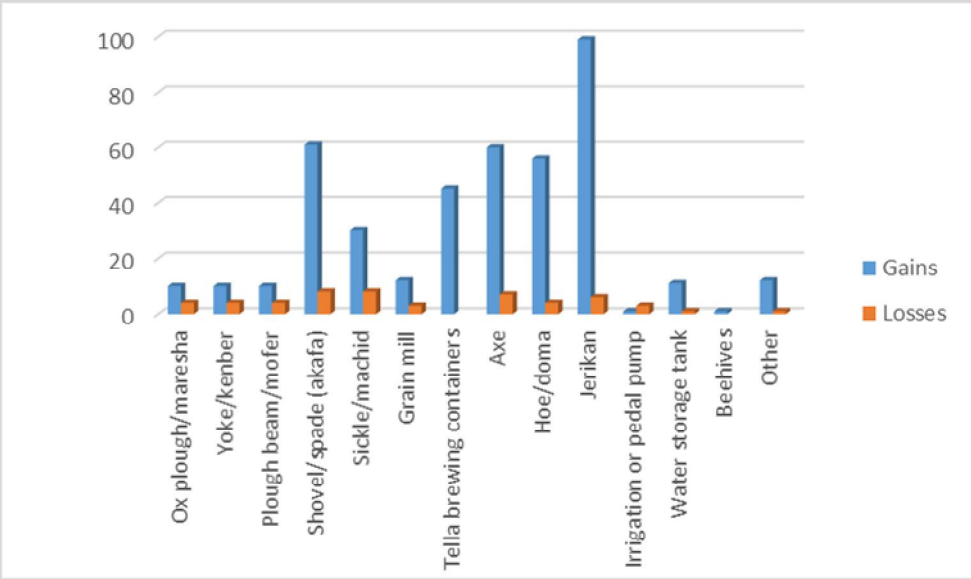
The graphic presentation makes it clear to observe these changes for the major trees, with more households reporting eucalyptus trees than any other. It is also clear that the proportion of households owning mango, avocado and papaya has at least doubled now as compared to the status of these households before joining SHG in both urban and rural areas.

Figure 4 - 3: Proportion of Households Owning Different Economics Trees by Place of Residence



While considering the average number of farm assets, except for weaving equipment and beehives, the remaining assets showed an increase of some sort (see table A.3 in the annex) in rural areas. On the contrary, items related to ploughing, grain mill, pedal pump and beehive either declined or remained the same in urban areas. Looking further into the changes in specific households, we found that the increase in the proportion of households owning these assets increased partly due to the acquisition of these assets by households who had none before joining SHG. The graph below depicts this picture by comparing the number of households who acquired the respective equipment now but did not have them before (gains) with the number of households who had the equipment before joining SHG but do not have them anymore (losses). In all the cases, the gains are higher than the losses, with gains in most cases being many folds of the losses.

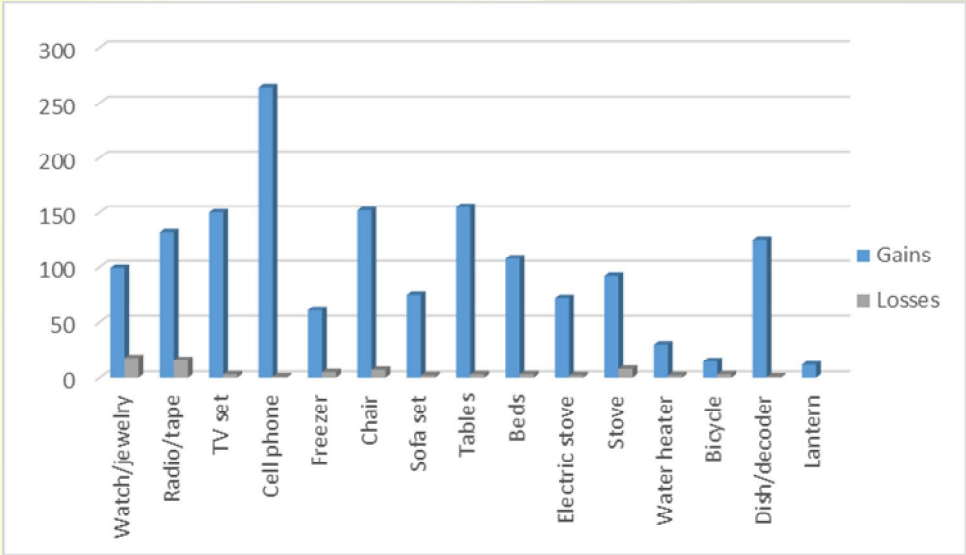
Figure 4 - 4: Gains and Losses of Farm Equipment



Both urban and rural SHG households compared to their situations before joining SHGs seem also to be doing better in terms of household durables such as watches and jewelry, radio and tape recorders, TV sets, cell phones, freezer, chair and sofa sets, tables, beds, stoves and water heaters. On one hand, increase in ownership of such items shows improvement in the household standard of living; and on the other hand, losses may occur because of selling the assets to withstand shocks.

Looking at how equitable these increases are, we found that the increase is more from the acquisition of these items for the first time than the same family having more of these items. Doing similar gain-loss analysis as before, we can see that the number of households who never had these items before SHG but have them now (gains) are far more than those who had these items before but have lost them now for some reason (loss). This fact stands out impressively for all the items considered.

Figure 4 - 5: Gains and Losses of Household Assets



The focus group discussions and key informant interviews echoed similar views that assets are being accumulated because women are making decisions on their credits and income. There were cases of women who furnished their homes with quality beds, window and door curtains, floor carpets, sofa, electric cooking stoves, new televisions with satellite dish, refrigerators, cupboards/buffet, coffee tables, and other household utensils. It was also common to see gold rings during SHG meetings indicating that these women and their family can afford to buy ornaments which was unthinkable before. Focus group discussion participants mentioned that they have bought things like coffee tables, plates, utensils, tea/coffee cups and so on. When their income becomes reliable and growing, they continue buying higher value goods.

Another important aspect of quality of life is the situation of the houses these families are living in. Continuing with our before-and-after comparison based on our baseline reconstruction from respondents' memory, we found that the most

common type of dwelling to be several huts/houses in one compound; except in the case of rural-before cases where single hut dominated. Such dwelling types have increased in proportion from 47.77 to 54.05 percent while that of single hut/house decreased from 40.33 to 34.88 percent. This could probably be caused by families being able to build additional houses or rooms in their compounds. The average number of rooms that the household occupies (excluding kitchen, toilet and rooms for livestock) slightly increased from 2.03 to 2.37 rooms, which seems to support the construction of additional house/room argument above.

Table 4- 13: Type of Dwelling

Type of Dwelling	Before SHG			Now		
	Rural	Urban	Total	Rural	Urban	Total
Several huts/houses (in different compound)	36	35	71	31	34	65
	5.95 %	5.79%	11.74 %	5.12%	5.62 %	10.74%
Several huts/houses (all in one compound)	40	249	289	70	257	327
	6.61%	41.16 %	47.77 %	11.57%	42.48 %	54.05%
Single hut/ house	86	158	244	60	151	211
	14.21%	26.12 %	40.33 %	9.92%	24.96 %	34.88%
Other		1	1	1	1	2
	-	0.17%	0.17%	0.17%	0.17%	0.33%
Total	162	443	605	162	443	605
	26.78%	73.22 %	100%	26.78%	73.22 %	100%
Average number of rooms	2.03 (1.21)**			2.37 (1.50)**		

** Standard deviations

Ownership of houses by the households interviewed has increased. In the before case, 38.84 percent of the households owned the houses they are living in, which increased to 41.98 percent at the time of our survey. The proportion of households living in houses of relatives/family also increased slightly from 1.82 to 2.15 percent. The remaining cases; *kebele*, rented and shared (*deba*) decreased at least in some small extent. During discussions with SHGs, we have found that there are also women in Addis Ababa who are saving for condominium houses. Looking at urban and rural cases separately, the most common type of household ownership is owning in rural while renting from *kebele* is dominant in urban areas.

Table 4- 14: Ownership of Dwelling

Ownership	Before SHG			Now		
	Rural	Urban	Total	Rural	Urban	Total
Own	122	113	235	133	121	254
	20.17%	18.68 %	38.84%	21.98 %	20.00%	41.98%
Kebele	17	255	272	13	252	265
	2.81%	42.15 %	44.96%	2.15%	41.65%	43.80%
Rented	15	65	80	11	58	69
	2.48%	10.74 %	13.22%	1.82%	9.59%	11.40%
Shared (<i>debal</i>)	3	4	7		4	4
	0.50%	0.66%	1.16%	-	0.66%	0.66%
Relatives/family	5	6	11	5	8	13
	0.83%	0.99%	1.82%	0.83%	1.32%	2.15%
Total	162	443	605	162	443	605
	26.78%	73.22 %	100%	26.78 %	73.22%	100%

Most of the respondents live in houses with iron sheet roof both in rural and urban areas. Eighty-five percent in the before and 89.75 percent in the present cases live in houses with iron sheet roof. Mud roofs remained the same at about 3 percent while thatch decline from 9.29 to 4.46 percent. The walls of most of the households interviewed are made of mud (79.24 percent in the before and 77.19 percent in the present, showing slight decline). The changes in the proportion of houses built using the remaining types of materials only slightly changed on both directions (some increased while others declined).

Table 4- 15: Main Type of Material the Roof of the House Is Made of

Roof	Before SHG			Now		
	Rural	Urban	Total	Rural	Urban	Total
Mud	13	5	18	13	5	18
	2.2%	0.8%	3.0%	2.2%	0.8%	3.0%
Thatch	51	5	56	23	4	27
	8.5%	0.8%	9.3%	3.8%	0.7%	4.5%
Wood	3	14	17	3	11	14
	0.5%	2.3%	2.8%	0.5%	1.8%	2.3%
Iron sheets	94	416	510	121	422	543
	15.6%	69.2%	84.9%	20.1%	70.1%	90.2%
Total	161	440	601	160	442	602
	26.8%	73.2%	100.0%	26.6%	73.4%	100.0%

Table 4- 16: Main Type of Material the Wall of the House Is Made of

Wall	Before SHG			Now		
	Rural	Urban	Total	Rural	Urban	Total
Mud	95	382	477	88	379	467
	15.78%	63.46%	79.24%	14.57%	62.75%	77.32%
Mud bricks	22	32	54	26	33	59
	3.65%	5.32%	8.97%	4.30%	5.46%	9.77%
Blokes		14	14	3	17	20
	-	2.33%	2.33%	0.50%	2.81%	3.31%
Cement/ concrete		3	3	4	7	11
	-	0.50%	0.50%	0.66%	1.16%	1.82%
Wood/bamboo	40	3	43	36	2	38
	6.64%	0.50%	7.14%	5.96%	0.33%	6.29%
Iron sheets	2	4	6	2	4	6
	0.33%	0.66%	1.00%	0.33%	0.66%	0.99%
Total	162	440	602	161	443	604
	26.91 %	73.09 %	100.00 %	26.66 %	73.34 %	100.00 %

The dominant material of the floors of most of these houses is again mud. But the proportion of mud floor houses dropped from 72.14 percent in the before case to 60.5 percent at present. The second most common type of floors is cement or ceramics, accounting for 25.04 percent of the houses in the before case, increasing to 35.37 percent in the present case. The trends are the same while disaggregating the data by rural and urban type of dwelling areas.

Table 4- 17: Main Type of Material the Floor of the House Is Made of

Floor	Before SHG			Now		
	Rural	Urban	Total	Rural	Urban	Total
Mud	147	288	435	118	248	366
	24.38%	47.76%	72.14%	19.50%	40.99%	60.50%
Cement/ concrete	13	138	151	35	179	214
	2.16%	22.89%	25.04%	5.79%	29.59%	35.37%
Others	2	15	17	9	16	25
	0.33%	2.49%	2.82%	1.49%	2.64%	4.13%
Total	162	441	603	162	443	605
	26.87%	73.13%	100.00%	26.78%	73.22%	100.00%

The main source of energy for lighting in rural areas during the before case was kerosene lamp while electricity was for urban. In the present situation, electricity dominated both urban and rural areas. The baseline situation was 78 percent using electricity while this has reached 87 percent in the present for the whole sample. The main energy source for cooking is wood for rural and charcoal in urban areas. In the before case, wood accounted for 44 percent while charcoal stood at 37 percent. During the study, 40 percent used wood while 37 percent use charcoal for cooking. Use of electricity increased from 11 to 18 percent.

Households with no toilet facilities dominated the list at the time of joining SHG in rural households but this improved with covered pit latrine topping the list at present. In urban and in the overall sample, uncovered pit latrine was common initially but this has moved favorably towards covered pit whose proportion increased to close to that of the uncovered. Overall covered pit increased from 32 percent to 48 while uncovered decreased from 51 percent to 42. Most rural families depended on community tap water both in the past and at present while urban households used tap in compound and community tap water with similar proportions. Overall, community tap water was the most common type (close to 50 percent) at joining SHG case but has dropped to 33 percent leaving the top for tap in compound at 59 percent.

Finally, we produced an asset index in an attempt to see the association between length of SHG membership and asset base, using data on livestock, ownership of economic trees, farm equipment, household durables, housing condition, and access to improved water and toilet facilities to compute the index. Computing the average year of membership for each quintile of asset index, those in the rich and very rich side of the index seem to have a clear higher trend in average number of years of membership as compared to the poorer three quintiles. Even if there is no clear trend in between the first three poorer groups, the comparison with the richest shows that, on average, the richest SHG members seem to be those who have been members for longer years.

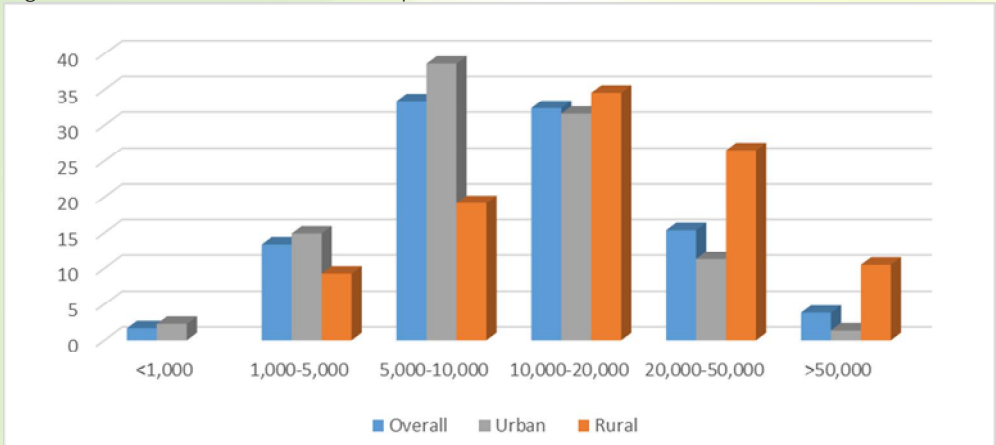
Figure 4 - 6: Average Years of Membership in SHG by Wealth Group



4.7 Consumption and General Wellbeing

The annual household income of about 66 percent of SHG members in the study is between the income bracket 5,000 and 20,000 birr. Households in urban areas show higher proportions in the lower income groups (10,000 or less) while that of rural increasingly exceeds that of urban in the above 10,000 categories as shown in the graph below.

Figure 4 - 7: Annual Income Groups

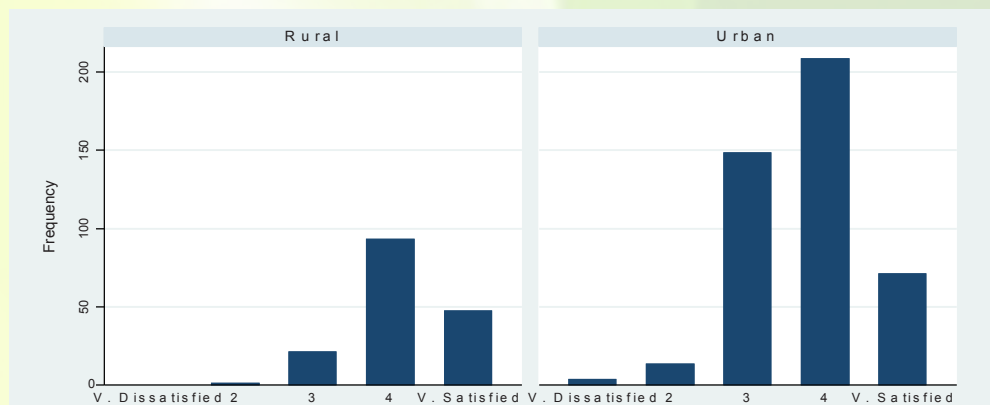


In consumption habits and general wellbeing, we found that close to 75 percent of survey respondents reported change in their family feeding habit in the past five years. Out of those reporting change, about 56 percent changed towards a more balanced diet and almost 30 percent reported eating more vegetables. The survey households, both urban and rural, reported an average of three meals per day. On answering the number of meals that household members had the day before the survey, on average children had 3.4 meals while both male and female adults had 2.9. Disaggregating this response by rural and urban areas show similar result for children while adult men and women have slightly lower numbers in urban areas (2.9 and 2.8 for men and women respectively) as compared to that of rural (3.01 and 3.1 for men and women

respectively). But on the contrary, 47 percent reported their consumption being affected by high food prices and households with similar proportion reported reducing shopping due to food price inflation.

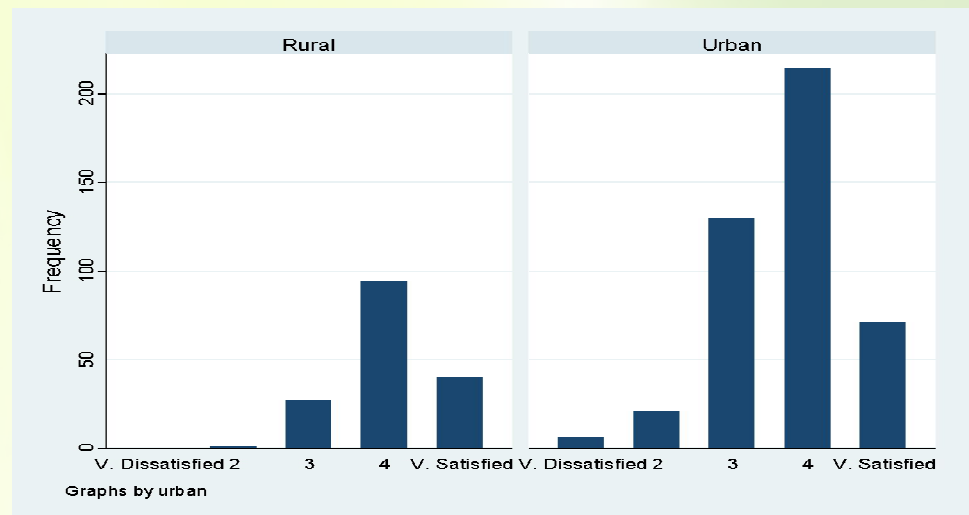
SHG members report being satisfied and very satisfied with their general standard of living when asked on a 5 point Likert scale. Overall, 50 percent are satisfied and 20 percent very satisfied while 28 percent are neutral. Looking at this result separately for rural and urban respondents, the category with the highest frequency is satisfied followed by very satisfied for the case of rural and neutral for urban.

Figure 4 - 8: Satisfaction with General Standard of Living



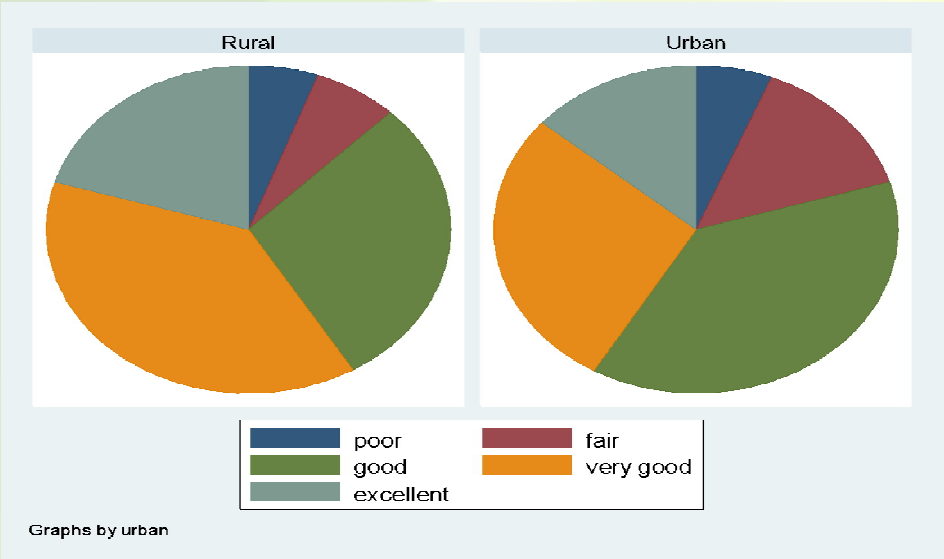
Using a similar approach to assess respondent satisfaction with their main occupation, we found 51 percent to be satisfied while 18 percent are very satisfied. The satisfied category dominates in both rural and urban locations, followed by very satisfied in rural and neutral in urban areas.

Figure 4 - 9: Satisfaction with Main Occupation



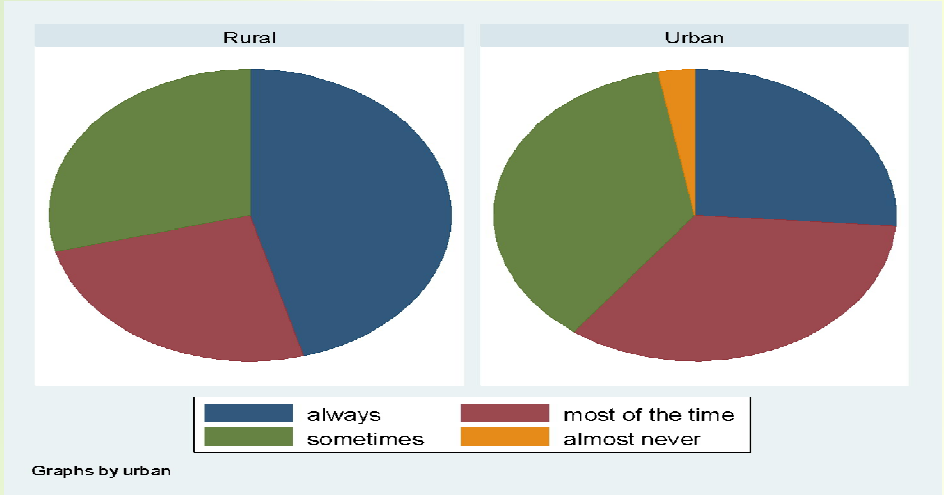
SHG members also seem to be doing “good” and “very good” in terms of their health status as summarized by the pie charts hereunder. On ability of meeting the families’ basic needs like food and clothing, some 2.15 percent said almost never being able to meet them while the remaining seem to be distributed into always, most of the time and sometimes able to meet their family’s basic needs with similar proportions.

Figure 4 - 10: General Health Status of the Respondent



Difficulty in meeting families’ basic needs, particularly never being able to meet them, is almost exclusively reported by SHG members from urban areas. This can be seen from the pie charts below. These respondents account for about 3 percent among the urban respondents while none has reported the never being able to satisfy category in rural areas.

Figure 4 - 11: Able to Meet the Household’s Basic Needs



Section V: Conclusion and Recommendation

5.1 Conclusions

The self-help group approach has been implemented for more than a decade in Ethiopia. Despite its practice, the area is found to have a research deficit in terms of its impact on its members. This research aimed to contribute to this gap through a mixed method approach of both quantitative and qualitative methods.

The profile of the survey respondents shows that most of the household heads are females, showing that SHG has female headed households represented at a higher proportion than in the general public. We have also noted that most of the respondents are in groups they formed themselves, showing commitment for longer terms in SHG.

On group related aspects, we noted some discrepancies with the SHG principles particularly in the involvement of promoting NGOs, CLAs, government bureaus and SHGs themselves in the formation of new SHG without strict adherence to the procedures. From the discussions, we noted that such deviations could lead to inclusion of members with heterogeneous interests in one group leading to disagreement and conflicts while setting priorities. Despite some lack of consistency in SHG formation procedures, respondents reported playing active role and getting their family support in most of the cases. They also reported taking leadership roles and gaining different social skills as a result of these leadership roles. Even if rotational leadership, one of the core SHG values, is practiced in most of the cases, we found few cases of being either nominated to leadership positions, volunteering or winning elections. Such practices give more chances to those who are very active, leaving behind those with a timid personality from getting the intended social and personal skills by missing the chance to be involved in leadership.

In the view of study participants, SHGs contributed to expanding their social horizon from just their houses to different levels of friendship, sisterhood, social support as well as gaining awareness on issues that matter for them (child care, gender right, business opportunities, HIV/AIDS, harmful traditions and conflict resolution). They have also become more assertive, more active in decision making both inside and outside their houses. In some cases, they also found new ways of collaborating with their community such as doing things in groups and benefiting from economies of scale where the tradition used to be working alone. Social savings now enable them to take part in social occasions using their social funds, without which they were previously unable to do so, hence, were marginalized from the rest of the community.

Being very poor, these women had little or no access to credit and saving practice before SHG but at present they are accessing credit from their groups. The little credit they used to get from sources other than SHG has decreased while those who had never taken credits have started taking from their groups. SHG has increased saving, not only in the groups but also at other saving options such as *iqub*. SHG has also

contributed in more saving outside the group with those who are in SHGs for more than five years saving about 10 birr more on average.

Loans taken from SHGs are used for business, consumption, health and education. In general, the proportion of those borrowing for consumption is less, and borrowing for business - related activities is high. Looking further into this, these proportions diverge even more for those who are in SHGs for 10 years or more; higher proportion for business borrowing and lower for consumption.

Access to credit, particularly the kind of credit that is more suited for their needs as the rules are set by the group members themselves, coupled with skills training helped SHG members to be engaged in economic activities. The women had no or a single income generating activity before joining SHG but reported either starting a new business or expanding/modernizing an existing one. The average monthly income from their businesses seems to increase with the number of years they have been members in an SHG. Most of the businesses are in the informal sector operating without registration. Majority of the women in the study own their businesses, and make decisions about it and on the income it generates, although there are cases where they collaborate with their husbands and other family members on such decisions. The women reported their main business challenges as a place to do business and financial constraints.

Comparing these women's household asset base, we found it to have an increasing trend overall: more livestock, more households with economic trees, increase in ownership of farm and household assets, increase in the number of rooms/huts the household lives in as well as increase in ownership of the household they live in. Particularly, comparing the gains and losses of trees, farm equipment and household durables, we found more households acquiring some of these items they never had before and only fewer losing (having them in the past but not at the present). On average, the households had a better asset base at the time of the study compared to the time when they joined SHGs. Most of the households seem to be living in iron sheet, mud wall and mud floor houses (both in urban and rural areas) but some increases have been observed in favorable conditions as cement floors.

Rural households used to depend more on kerosene to light their houses before SHG but are now shifting towards electricity, while the proportion of urban households using electricity has increased over the same comparison of joining SHG and at the time of the study. The main cooking energy sources remain wood and charcoal with a slight increase in electricity at time of the survey. No access to toilet was the dominant one for the before case in rural areas, whereas uncovered pit latrine was dominant in urban areas. Presently, access to toilets has increased in rural areas while in urban areas the use of covered pit latrine has increased. Trying to see the association between asset base and duration of membership in SHG, it was found that the relatively rich and very rich quintiles have higher average number of years of membership than the relatively very poor, poor and the middle quintiles.

In terms of total annual income, urban households dominate the lower end of the income group while rural households overtake the urban at the higher end. Generally respondents are satisfied with their standard of living and current occupation; eat a more balanced diet; increased consumption of fruits and vegetable; eat about three times a day on average; and doing well in terms of their health. Their households are now able to meet most of the basic needs of their members with only few urban cases not being able to do so.

5.2 Recommendation

The present study found some indications that the SHG approach has helped its members and their family both socially and economically. But it was difficult to determine the extent these could be attributed to the approach alone due to absence of baseline data and control group. We recommend further studies to either gather baseline information in areas where the approach is yet to be implemented by considering both control groups as well as experimental techniques; or strengthening data capturing techniques from project implementation so that future research could effectively use these baseline situations.

With this in mind, SHGs developed their members' social capital, made them assertive, socially active, less marginalized, provided them access to credit, boosted saving both inside and outside the group, developed skills through their involvement in leadership and trainings, developed the income generating activities, and strengthened their resilience to shock through building their asset base. SHG members are more satisfied with their living conditions and occupations, send their children to schools, feed them well, and take charge in decision making within their households as well as becoming more aware of issues that matter to them.

Despite these achievements, there is room to improve these outcomes. This includes improving the consistency and adherence to the principles while forming SHGs; finding a way to formalize the mostly informal businesses these women do so that they will be able to access additional benefits that other businesses access; solve the challenges of place to operate their businesses and access additional finance; urban households seem to be in more stress (as indicated by their concentration at the lower annual income side than rural, with some households failing to meet their basic needs at all); and housing conditions, even if improving, are still in poor conditions.

Tackling these challenges will improve the gains of SHGs to the group members, their family and the community as a whole.

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