

2021-06-17

# THE ASSESMENT OF WOMEN EMPOWERMENT THROUGH RURAL SAVING AND CREDIT COOPERATIVES: IN CASE OF LIDET SAVING AND CREDIT UNION CLUSTER WOREDAs, AMHARA, ETHIOPIA

MEKIDELAWIT GASHE

---

<http://ir.bdu.edu.et/handle/123456789/12120>

*Downloaded from DSpace Repository, DSpace Institution's institutional repository*



**COLLEGE OF AGRICULTURE AND ENVIRONMENTAL SCIENCES  
DEPARTMENT OF RURAL DEVELOPMENT AND AGRICULTURAL  
EXTENSION**

**THE ASSESMENT OF WOMEN EMPOWERMENT THROUGH RURAL  
SAVING AND CREDIT COOPERATIVES: IN CASE OF LIDET  
SAVING AND CREDIT UNION CLUSTER WOREDAs, AMHARA,  
ETHIOPIA**

**By**

**MEKIDELAWIT GASHE: (ID No: BDU1100524)**

**January, 2021  
Bahir Dar, Ethiopia**

**COLLEGE OF AGRICULTURE AND ENVIRONMENTAL SCIENCES  
DEPARTMENT OF RURAL DEVELOPMENT AND AGRICULTURAL  
EXTENSION**

**THE ASSESMENT OF WOMEN EMPOWERMENT THROUGH RURAL  
SAVING AND CREDIT COOPERATIVES: IN CASE OF LIDET SAVING AND  
CREDIT UNION CLUSTER WOREDAs, AMHARA, ETHIOPIA**

**A THESIS SUBMITTED TO**

**COLLEGE OF AGRICULTURE AND ENVIRONMENTAL SCIENCES, BAHIR  
DAR UNIVERSITY, IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTERS OF SCIENCE IN  
RURAL DEVELOPMENT MANAGEMENT**

**BY:**

**MEKIDELAWIT GASHE**

**Main Adviser: Aznanaw Abebe (Msc, Ass. Professor)**

**Co-Adviser: Almaz Gizaw (PhD, Associate Professor)**

**January, 2021**

**Bahir Dar, Ethiopi**

## School of Post Graduate Studies Bahir Dar University

As thesis research advisors, we here by certify that we have read and evaluated this thesis Prepared under our guidance, by Mekdelawit Gashe Mandefro, Entitled: **ASESSMENT OF WOMEN EMPOWERMENT THROUGH RURAL SAVING AND CREDIT COOPERATIVES: IN CASE OF LIDET SAVING AND CREDIT UNION CLUSTER WOREDAS, AMHARA, ETHIOPIA**".

**AZNANAW ABEBE (Ass. Professor)**  30/1/2021

Name of Principal Adviser      Signature      Date

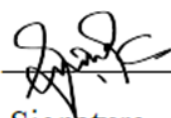
**ALMAZ GIZAW (Ph.D.)**  30/1/2012

Name of Co- Adviser      Signature      Date

As member of the Board of Examination of the MSc Thesis Open Defense Examination, we certify that we have read and evaluated the Thesis prepared by **Mekidelawit Gashe** and examined the candidate. We recommended that the Thesis be accepted as fulfilling the Thesis requirement for the Degree of Master of Science in Rural Development and Management.

Dr. Koyachew Enkuahone  08/03/2021  
Chairperson      Signature      Date

Birhanu Melesse  11/03/2021  
Internal Examiner      Signature      Date

**Kibrom Adino (PhD)**  06/03/2021  
External Examiner      Signature      Date

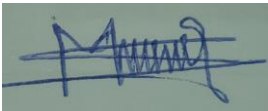
## **DECLARATION**

I declare that the thesis, entitled “Assessment of women empowerment through rural saving and credit cooperatives: in case of lidet saving and credit union cluster woredas, Amhara, Ethiopia” submitted to the “Department of rural development and management in Bahir Dar university, in partial fulfillment of the requirements for the award of the degree of Master of Rural Development Management, is a record of original research work done by me during 2020-2021 G.C. under the supervision and guidance of Aznanaw Abebe (Ass. professor) and Almaz Gizaw (Ph.d.), it has not formed the basis for the award of any degree /diploma/ associate ship /fellowship or other similar titles of any candidate of any university.

Place: Bahir Dar

Date: 29/01/2021

MEKIDELAWIT GASHE



## ACKNOWLEDGMENTS

First of all “All praise and thanks be to my GOD, the Lord of existence, the most Gracious, the most Merciful”. Always I wish and become successful, except to be your servant.

I would like to express my deepest indebtedness to my family as always they were there, right beside me patiently especially at the night time, and may GOD reward them with his highest blessings.

Secondly, heartfelt gratitude and appreciation go to my advisor, **AZNANAW ABEBE (Ass. professor)** and **ALMAZ GIZAW (Ph.D.)** for their genuine approach, valuable guidance and in-depth understanding that they extended to me during the entire work of this paper and enabled me to complete this research paper.

Finally, I wish to acknowledge the support of my organization AAE, to allow me its precious time and my staff for their valuable support during education time. Many thanks shall go to data collectors Lidya Marew, Destaw Tamir, Hanna Demissie and the sample women who responded to my questionnaire at the cost of their time.

<b>TABLE OF CONTENT</b>	<b>PAGE NO</b>
DECLARATION .....	ii
ACKNOLEDGMENTS .....	iii
Table of content .....	iv
List of Tables .....	vii
List of figure .....	viii
Abbreviation and Acronyms .....	ix
Abstract .....	x
<b>CHAPTER 1: INTRODUCTION</b> .....	<b>1</b>
1.1 Background of the Study.....	1
1.2 Statement of the Problems .....	3
1.3 Objectives.....	5
1.3.1 General Objective.....	5
1.3.2 Specific Objectives.....	5
1.4 Research Questions .....	6
1.5 Significance of the Study .....	6
1.6 Scope and Limitation of the Study.....	6
<b>CHAPTER 2: LITERATURE REVIEW</b> .....	<b>8</b>
2.1 Concepts and Definitions of Rural Saving and Credit Cooperatives .....	8
2.1.1 The products of RuSACCOs.....	8
2.1.2 Financial literacy training .....	10
2.2 The Concept and Definition of Women Empowerment .....	11

2.2.1	Women economic empowerment.....	12
2.2.2	Women Socio-Cultural Empowerment.....	13
2.2.3	Role of Saving and Credit Cooperative for Women Empowerment .....	14
2.3	The Situation of Gender in Ethiopia .....	15
2.4	Measuring Women’s Empowerment .....	17
2.4.1	Economic Security Index (ESI) .....	18
2.4.2	Purchase Decision Index (PDI).....	19
2.4.3	Control over Asset Index (COAI).....	19
2.4.4	Mobility Index (MI).....	19
2.4.5	Awareness Index (AI) .....	19
2.5	Empirical Literature .....	20
2.6	Conceptual Framework of the Study .....	23
CHAPTER 3: RESARCh METHODS .....		25
3.1	Description of Study area.....	25
3.2	Design of the Study .....	28
3.2	-Sampling Technique and Sampling Size Determination.....	28
3.4	Data collection method, Data type, and Source .....	29
3.4.1	Data collection method .....	29
3.4.2	Data type and source .....	30
3.5	Method of Data Analysis .....	30
3.5.1	Econometrics model analysis.....	30
3.6	Description of variables and hypothesis .....	32
CHAPTER FOUR 4: RESULTS AND DISCUSSION.....		37
4.1	Descriptive Statistics .....	37



4.1.2	The Descriptive Statistics of Categorical Variables.....	39
4.1.3	The Descriptive statistics of Continuous Variables .....	43
4.1.4	Correlation Analysis.....	45
4.2	Women’s perception of RuSaCco on women empowerment .....	47
4.3	Econometric Results and Discussion .....	58
4.3.2	Overview of the model specification and post estimation tests .....	58
4.3.3	The Determinants factors affecting women’s empowerment in RuSaCco .....	59
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS .....		62
5.1	Conclusion.....	62
5.2	Recommendation.....	63
6	REFERENCES .....	64
7	Appendices .....	68

## LIST OF TABLES

<i>Table 3-1-Sample Size in selected RuSaCCos .....</i>	<i>29</i>
<i>Table 3.2 methode data analysis.....</i>	<i>30</i>
<i>Table 3 -3 Summary of Variables and Hypothesis.....</i>	<i>36</i>
<i>Table 4.1. women empowerment index .....</i>	<i>39</i>
<i>Table 4-2. Descriptive statistical result of Categorical variables .....</i>	<i>42</i>
<i>Table 4-3.The descriptive statistics of Continuous independent variables.....</i>	<i>44</i>
<i>Table 4-4. Correlation .....</i>	<i>46</i>
<i>Table 4-5. Reliability Coefficient of the Pilot and of the Scales .....</i>	<i>47</i>
<i>Table 4-6. Respondent's perception result by likerts.....</i>	<i>49</i>
<i>Table 4-7. Respondent's perception result by likerts.....</i>	<i>51</i>
<i>Table 4-8. Respondent's perception result by likerts.....</i>	<i>53</i>
<i>Table 4-9. The logit regression output and the marginal effect.....</i>	<i>59</i>

## **LIST OF FIGURE**

<i>Figure 1-Conceptual Framework of the study</i>	24
<i>Figure 2.Map of the study areas</i>	25
<i>Figure 3-Education level of respondents</i>	40
<i>Figure 4-Duration of members RuSaCco</i>	41

## **ABBREVIATION AND ACRONYMS**

AI	Awareness Index
APFS	African people Food Security
CEI	Cumulative Empowerment Index
COAI	Control Over Asset Index
DMI	Decision Making Index
EI	Empowerment Index
EP	European Parliament
ESI	Economic Security Index
GBWAO	Gunna-Begemidir Agricultural Office
ICRW	International Center for Research on Women
MFI	Microfinance Institution
MI	Mobility Index
OSHO	Oromo Self Help Organization
PDI	Purchase Decision Index
SWAO	Simada Woreda Agricultural Office

## ABSTRACT

*Rural women belong to the most deprived section of the society facing adverse conditions in terms of social oppression and economic inequality, and being poor. Hence the existence of a women deprivation, on one hand, and the intervention of Rural saving and credit cooperative, as a mitigation measure for these problems, on the other hand, are the motivation to conduct this study. The objective of the study was to analyze women empowerment through women saving and credit cooperatives. The researcher collected and use primary data from 6 Rural saving and credit cooperative through questionnaire and interview methods. This study also employed multi-stage sampling techniques. The collected data were analyzed with both descriptive statistical tools like mean, stanDard deviations t-test for continuous variables and  $X^2$  for categorical variables, and logit regression model for econometric analysis was used. Women's empowerment was measured with empowerment index by summed up Economic Security Index (ESI), Purchase Decision Index (PDI), and Control over Asset Index (COAI), Mobility Index (MI), and Awareness Index (AI). The estimated result of the logit model revealed that age, education, financial literacy training (FL), consultation service (CS), and loan for IGA (lnLforIGA), were significant and had a positive effect on the probability of women empowerment family size, and distance from RuSaCco were significant and had a negative effect on women empowerment. This research recommended that the government, NGOs, and the researchers should strengthen women saving and credit cooperatives and should target those suffering most from empowerment failures to create quality women communities.*

**Keywords:** *Cooperatives, Empowerment, Empowerment index logit model*

# **CHAPTER 1: INTRODUCTION**

## **1.1 Background of the Study**

Rural Saving and Credit Cooperative (RuSACCOs) are voluntary associations whereby members regularly pool their savings and subsequently obtain loans which they use for different purposes. The entire structure and service delivery models are similar in SACCOs and RUSACCOs (Merga, 2018). The modern cooperative movement started 160 years ago in the world, about 60 and 50 years correspondingly in Africa and Ethiopia (Nuredin, 2015). The cooperative saving and credit movement was started in Germany in the middle of the 19th century at the time of agricultural crisis and continued heavy famine in Europe to solve the persistent problem of low-income people's banking and investment access and to build a self-financed society and thereby for the alleviation of poverty among the poorer economic classes (Ergete Temechew, 2014). The first savings and credit cooperatives have emerged in Africa in 1955, primarily in Ghana (Josephine, 2015).

Likewise, a unique feature of Ethiopian cooperatives is their rise and fall through the changing political Regime. This explains why views about the importance, creditability, and above all the sustainability of cooperatives differ. The present legal environment, the way of cooperative promotion by the Federal Cooperative Agency, and the participation of the members are relatively better than in the past when internationally accepted cooperative principles, norms, and ethics were distorted, violated, and intentionally ignored (Gesesse 2007). The first two SACCOs were formed by the Ethiopian road authority (1958) and Ethiopian Telecommunication workers. At that time, the promotion, formation, and management of the SACCOs were based on Proclamation No 241/1966 under the H/Selassie Regime. After the fall of the monarchy, the main legal instrument for promoting and regulating cooperatives was Proclamation No 138/1978. The new socialist government gave the authority for the promotion, registration, and supervision of SACCOs to the NBE. NBE, however, simply used the general cooperative proclamation passed for different kinds of cooperatives promoted under the command economic policy. SACCOs were not considered one of the country's financial institutions, licensed and regulated by the NBE (Veerakumaran

2007). Proclamation 147/91 and other directives were passed to facilitate the promotional activities based on internationally accepted cooperative principles.

Since 2011, there are 5,296 RUSACCOs active in the country with total members of 443,123 (227,135 male and 215,988 female) (Kifle Tesfamariam, 2015). According to Zemen Ayalew (2014), 1,081 RUSACCOs are operating in the Amhara region having a membership size of 74,693 out of which 50,877 are male and 23,816 female. Moreover, under Lidet Saving and Credit Union cluster, 6 Rural Woredas which have 112 Rural Saving and Credit Cooperatives have 18440 members of whom there are 6374 women RuSACCOs members (Lidet Union, 2020).

Various works of literature also state that cooperatives are one of the means to empower women. According to Kifle (2015), empowerment has always been fundamental to the cooperative idea where a weaker section of the people get together to achieve goals that they would not be able to achieve on their own. As most of the rural women have no access to savings and credit, they often have to depend on an informal rotating credit association for start-up capital; some women may also depend on financial, material, and labor assistance from their friends and families. Thus, poor rural women are in great need of savings and credit services, marketable business skills, and other business management training to positively change their situations to lead dignified life (Mossissa, 2013). Economically empowering women is essential both to realize women's rights and to achieve broader development goals such as economic growth, poverty reduction, health, education, and welfare. This can benefit not only women but also society more broadly. It promotes women's ability to achieve their rights and well-being while also reducing household poverty, increasing economic growth, and productivity (ICRW, 2011).

Empowerment is defined as a women's holding of her assets (not family assets), her ability to participate in the buying and selling process, her control over the sales proceeds, her independence in terms of mobility (that is, her ability to visit a place unaccompanied by anyone), and her awareness around general knowledge questions (Rahman, 2007).

However, despite this wide distribution and serve as a means of improving the lives of the poor women empowerment in rural areas, very little is known about the role of Rural saving

and credit cooperatives, especially in Ethiopia. So, this study was conducted to due attention to such community-based institutions that can bring women empowerment.

## **1.2 Statement of the Problems**

The socio-economic condition of Ethiopia is characterized by a low growth rate of income, saving, investment, inadequate social services, high population growth, and high unemployment rate. Rural women belong to the most deprived section of the society facing adverse conditions in terms of social oppression and economic inequality, a visible majority of them being poor (Raniand *et al.*, 2016). Different studies indicated the low status of women in developing countries in general and in Ethiopia in particular (Almaz, 1991; Hirut, 2004; Mukuria et al., 2005) cited in the Ethiopian Society of Population Studies (2008)..

According to the CARE International organization's impact report (2018), women have fewer economic rights, less access to economic opportunities, and less control over economic resources than men due to a range of social, legal, and political inequality. Women's economic empowerment is first and for most human rights issues but it also vital for achieving Sustainable Development Goals. Most of the world's poorest people and those who become the victims of different traditional practices and being absent in political power as well as decision-making position are women. Consequently, they face unequal access to different vital resources and have a lack of power in a decision-making position to have control over them, which is needed to improve their economic, political and social status (Akinsanmi, 2005). Such a situation lead to Gender inequalities feed patterns of women life (United Nations, 2011).

The promise of microfinance [like RuSaCco] lies in its ability to empower people to work their way out of the poverty trap while avoiding dependency and the 'hand out' shame of conditional aid (Brannen, 2010). Despite important advances in expanding access to formal financial services (like Rural saving and credit cooperative), in the developing world [like Ethiopia] in recent years, a significant access gap remains between men and women. Globally, only 58 percent of women hold an account in a formal financial institution, compared to 65 percent of men (Demirguc-Kunt *et al.*, 2015). In Ethiopia, microfinance programs [including RuSaCco] are recently being promoted by the government as well as



non-governmental organizations (NGOs) as a solution strategy for addressing poverty alleviation (Fikadu & Wondaferahu, 2016). But still, rural societies including women have been facing different socio-economic problems. According to Feleke (2016), RUSACCOs society in Ethiopia has been encountering various challenges like lack of awareness and poor saving-culture, a small number of women membership, low level of education, low mobilization of savings, lack of access to credit, exposed to usury, lack of access to market, low level of investment, member's late repayment loan, and lack of information about loans from RuSACCOs.

Women, particularly, in rural areas have proportionately the least possessions, skills, education, social status, leadership qualities, and capabilities for mobilization, which determines the degree of decision making and power, and as a result, their dependence on men increases (Sen, 2018). Moreover, Ethiopian women still often face social, cultural, and at times legal constraints that limit their decision-making capacity. Therefore, empowering rural women is a multi-faceted task and must include several components such as decision making, lead, access to land, credit, extension, training in agriculture and natural resources management, low-cost technologies and practices that ease their work burden, and income-generating activities outside agriculture (Ogato, 2013).

Having these unsolved problems, this study tried to look out previous studies. But previous studies were limited on "Women empowerment through Rural Saving and credit cooperative". Those few related studies have also encountered many gaps. For instance, studies which have been conducted by Taybela (2016), Mosissa Kejela (2013), Geol (2015), Fikadu (2016), and Saheen et al (2018) on the role of Microfinance in the Economic Empowerment of Women and on the contributions of the savings and credit cooperative services focus only on economic empowerment, but these researchers ignored the role of microfinance (RUSACCO) on socio-cultural and political empowerment of women.

Furthermore, as far as the researcher's knowledge and based on available sources, there is no previous study conducted directly on this title Under Lidet Union Cluster Woredas, Amhara, Ethiopia.

Lidet Saving and Credit Union are located in South Gonder zone Amhara regional state. It was established in March 2007 by 6 Rural Saving and Credit cooperatives having a 141000 ETB capital. By now Lidet Saving and Credit Union have 6 Rural Woredas which have 112 Rural Saving and Credit Cooperatives and have a capital of about 240245000 ETB (Lidet Saving and Credit Union, 2020). According to (Lidet Union, 2020), the 112 RuSACCOs have 18440 members of whom there are 6374 women RuSACCOs members.

Therefore, thinking that any development analysis is incomplete if it fails to account for the rural women through financial institution; this study will be reconciled the gaps identified above and will try to investigate the role of Rural saving and credit cooperative by identifying the determinant factors like Access to credit, Saving, Dividend, Access of extension services, IGA participation, and leadership participation.

Hence the existence of a women deprivation, on one hand, and the intervention of Rural saving and credit cooperative, as a mitigation measure for these problems, on the other hand, are the motivation to conduct this study.

### **1.3 Objectives**

#### **1.3.1 General Objective**

The general objective of this study was to assess women's empowerment through Rural Saving and credit Cooperatives, under Lidet Union Cluster Woredas, South Gonder, and Amhara, Ethiopia.

#### **1.3.2 Specific Objectives**

Based on the general objective and the problem stated above, the specific objectives of this study was:

- To assess the level of women's empowerment in the Rural Saving and Credit Cooperatives.
- To analyze women's perception on women Empowerment

- To identify factors affecting women's empowerment in Rural Saving and Credit Cooperatives.

## **1.4 Research Questions**

Based on the above specific objectives and the research gaps stated in the statement of the problems, this study has attempted to answer the following questions:

- What is the level of women's empowerment in rural saving and credit Cooperatives?
- What are the perceptions of women on RuSaCco in the Empowerment of women?
- What are the determinants factors affecting women's empowerment in Rural Saving and credit Cooperatives?

## **1.5 Significance of the Study**

The significances of this research are, first to give information to RUSACCOS, and cooperatives promotion offices (CPO) to be aware of existing gaps and major factors that determine women empowerment in RUSACCOS. Second, it helps the government and different project implementers, researchers, and development practitioners, and policymakers to have better knowledge as to where and how to intervene in rural areas to enhance women empowerment. Finally, the study will help other researchers to use it as a base for further detailed study on similar issues.

## **1.6 Scope and Limitation of the Study**

The study has covered women empowerment through rural saving and credit cooperative under Lidet Union Cluster Woredas, South Gonder, and Amhara, Ethiopia. The study has used representative sample households to gather the required data and the target women have been RuSACCOS participants living in rural areas. The study was limited to women empowerment through Rural Saving and Credit Cooperatives under Lidet Union Cluster Woredas, South Gonder, and Amhara, Ethiopia. The sample kebeles was restricted to 6 from rural areas of Lay Gaint, Gunna Begemidr, and Simada Woredas. Therefore, the findings of the study were not generalized for women in urban areas. And the limitation of this study

lacks to include some variables like, the effect of religious ceremony, the interest rate on borrowing, lacks include some psychosocial factors like self-esteem, life satisfaction, trust, self-efficacy and self-control which would affect women empowerment in RUSACCO. These need another study. This indication would help other researchers to have a hint to have further study.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Concepts and Definitions of Rural Saving and Credit Cooperatives**

Rural Saving and Credit Cooperative (RuSACCOs) are voluntary associations whereby members regularly pool their savings and subsequently obtain loans which they use for different purposes. Entirely saving and credit cooperatives including RUSACCOs were called SACCOs. RUSACCOs are serving in rural areas but SACCOs are serving in both rural and urban areas. The entire structure and service delivery models are similar in SACCOs and RUSACCOs (Merga, 2018). SACCO is a cooperative financial institution that is owned and controlled by its members and operated to promote saving, providing credit at low-interest rates, and providing other financial services to its members (IJCRB, 2013). A SACCO's membership open to all that belong to a group, regardless of race, religion, color, creed, and gender or job status. These members agree to save their money together in the SACCO and to make loans to one another at reasonable rates of interest (Mesay, 2014).

According to Yared (2008), SACCOs offer loans to their members mainly for the construction of dwellings, purchase of house furniture, educational fees, medical and hospitalization expenses a repayment periods ranging between 2 and 3 years. The role of Savings and Credit Cooperative Societies SACCOS in providing financial services particularly in the rural areas is now more important than before (Philip, 2015). Rural saving and credit cooperatives (RuSACCOs) provide their members with savings, credit, and training services. Generally, the idea behind the establishment of RuSACCOS is to promote savings and make credits available to the members. Rural Savings and credit cooperatives are user-owned financial intermediaries. Members typically share a common bond based on a geographic area, employer, community, or other relationships. Members have equal voting rights, regardless of how many shares they own.

#### **2.1.1 The products of RuSACCOs**

##### **i. Saving**

According to Oluoch (2016), savings is about choosing between current and future consumption, they further say savings theories traditionally predict that current consumption

is related not only to current income but to a long term estimate of income. According to Betru (2010), saving can be defined simply as holding something back from today's consumption and withholding something valuable for future use. Rural SACCOS are active in promoting savings since members' deposits are the principal sources of loanable funds. RuSACCOS societies have two kinds of savings:

**Regular savings (compulsory savings):**

It is the main part of savings in RUSACCOS. RUSACCOS members are owners of the institutions; they saved regular savings, to some extent irregular savings, and have purchased shares. This type of savings is the predetermined amount of savings, which is saved regularly every month without interruption by RUSACCOS-members. The amount of monthly regular savings was decided by the saver him/herself within the saving range decided by the cooperative general assembly. Members can not withdraw this type of savings from the cooperatives unless they decide to terminate their membership. Every six months, members receive interest for the saved amount of cash. Regular savings were required as a precondition of membership and are used as collateral of loans when members request and get the loan. Although regular savings in RUSACCOS are preconditions for receiving loans, unlike savings made in other types of microfinance, they are not targeted only for loans receive.

**Irregular savings (voluntary savings):**

This type of savings is allowed not only for members but also for non-members. As far as they are interested, non-members can use this product. Irregular savings products can attract idle resources from some clients (both members and non-members) and channel them to others (members and cooperatives, which are established under the same proclamation) in the form of loans for investment in productive activities. Unlike regular savings, savers are not obliged to save every month and their amount was not predetermined. Moreover, these savings bear interest, and the saver can withdraw his/her savings at any time on demand. From such types of savings, savers do benefit only from interest payment.

ii. **Share**

Every potential member must purchase the specified minimum share(s) as determined by the RuSACCOS making each member the owner of the cooperative. Purchasing shares was carried out not only by new members but the existing members are also expected to purchase

additional shares from the RuSACCOs in proportion to their savings that would enable them to maintain at least 3:5 to 1 and 6:1 savings/share leverage ratio.

**iii. Credit:**

means the taking of money from RuSACCOS for consumption or investment based on the saving amount of the saver to repay after a long period or after a short period. Loan duration under RuSACCOs includes a Short-term loan: a loan that was provided for different activities up to one year only. Medium-term loan: a loan that was extended for different purposes and lies between one year and five years. Long-term loan: a loan that was given for ten years and above. The loan was disbursed for petty trading such as grain trade, livestock trade, local drink, and food preparation (Feleke, 2016).

**iv. Dividend:**

Patronage dividends are allocated to RuSACCOS members based on a proportion of profit made by the business with RuSACCOs. Members should receive a patronage dividend in proportion from the profit. It is the reward for members' participation in their cooperatives. A dividend has a unique advantage in the Ethiopian cooperative movement. First members can appreciate the RuSACCOs as their organization and value the benefits of the cooperative compared with other forms of business organizations. This, in turn, helps to eliminate the past negative image of cooperatives and to develop members' sense of ownership. Moreover, the payment of patronage dividends to members is a major factor in attracting new members and increasing the willingness of old members to save and borrow through the cooperative.

### **2.1.2 Financial literacy training**

Financial literacy is first and foremost about empowering and enlightening members so that they are knowledgeable about finance in a way that is relevant to their lives and enables them to use this knowledge to evaluate products and make informed decisions. As a consequence of the changing structure of an economy, financial knowledge has become not just a convenience but an essential survival tool. Ghirmai,(2010), elaborated financial literacy as a broad concept that includes both information and behavior; it is relevant for all consumers regardless of their wealth or income. Financial education covers topics such as budgeting, saving, managing credit, and learning to negotiate. Financial literacy is a set of skills that serve as the entry point to basic financial knowledge.

## **2.2 The Concept and Definition of Women Empowerment**

Empowerment is the process by which the powerless (marginalized) gain great control over the circumstances of their lives (Batliwala, 1994). It considers both the issues of control over resources (physical, human, intellectual, financial, and material) and ideology (beliefs, values, and attitudes). This means that empowerment entails a process of change by which those who have been denied the ability to make choices in which majorities are women acquire such ability (Malhotra, 2002). To be able to make choices, women need to move from the state of disempowerment by expanding their ability. In short, the concept of empowerment has been tied to the range of activities undertaken by and for women in different areas.

Different authors and Organizations define the term empowerment and women's economic empowerment in different ways. United Nation Social Development Network (UNSDN) defined empowerment as, it is the process of enabling people to increase control over their lives, to gain control over the factors and decisions that shape their lives, to increase their resources and qualities, and to build capacities to gain access, partners, networks, a voice, to gain control (UNSDN, 2012). According to the Swedish International Development Agency (Sida) empowerment refers to the process of change that gives individuals greater freedom of choice and performing an activity (Sida, 2015). (Tandon, 2016), also, define Empowerment as the ability to analyze the surrounding environment in political and social terms; it also means the ability to organize and mobilize for social change. According to Mandal (2013), Empowerment refers to increasing the spiritual, political, social, or economic strength of individuals. So, the concept of empowerment is now widely used in several disciplines to characterize the states and social processes of individuals and communities. In economic development, the concept has come to mean women's power in all economic domains and market-related interactions-earning, spending, and saving income; buying, owning, and selling assets; holding and inheriting wealth; starting and operating a business; acquiring a bank account or credit; and participating in or leading a union or other form of economic collective action (Fox & Romero, 2017).

Empowerment is complex, multi-dimensional, nonlinear, reversible, and unpredictable. Women may be "empowered" in one dimension but not in others (Picard & Gillingham,



2012). So, it can be discussed in a different dimension like economic, social, psychological, and political empowerment.

### **2.2.1 Women economic empowerment**

One of the most successful strategies for alleviating poverty has become Feminist empowerment since it enhances the productivity of women's small enterprises and income-generating activities in which they invest (Visvanathan, *et al*, 1996). Based on (UNIFEM, 2010)description the financial sustainability and feminist empowerment paradigms underline women's income-generating activities. According to (Mbughuni, 1994), explanation in the alleviation of the poverty paradigm, an increasing income at the household level, and the use of loans for consumption become undertaken a major emphasis. In the feminist empowerment paradigm, social and political empowerment becomes one of the basic influencing factors on individual economic empowerment (Kabeer, 2009).

A woman is economically empowered when she has both the ability to succeed and advance economically and the power to make and act on economic decisions and to have the power and agency to benefit from economic activities, women need to have the ability to make and act on decisions and control resources and profits (ICRW, 2011). Women's economic empowerment means enhancing women's capacity to access and control over assets and improves their capability to participate in the decision-making process that they can negotiate, influence and control over of the day to day life (Edengenet, 2016). Empowerment is the process to take control of the decisions, resources, assets, institutions, and policies that affect their well-being. According to Swedish International Development Agency (Sida) defines women's economic empowerment, as the process which increases women's real power over economic decisions that influence their lives and priorities in society. Women's Economic Empowerment can be achieved through equal access to and control over critical economic resources and opportunities (Sida, 2015). European Parliament's Committee on Women's Rights and Gender Equality (EPCWRGE) defines Women's economic empowerment it is a transformational process, in which women gain increased access to and power over economic assets and economic decisions (EP, 2017).

According (Shaheen et al., 2018), women economic empowerment includes, women decision making at different levels; women participation in economic and social matters, women's access and control over resources, access to options, access to have health and education facilities, control and choice to use resources, options to make life choices (Shaheen et al, 2018). According to (Kimanjara, 2013), Women economic empowerment refers to the ability of women to access and have control of the factors of production and being able to generate income, taking charge of household decision making, provision of essential needs (food, clothing, shelter, education and health issues of family members), and ownership of assets (Kimanjara, 2013).

### **2.2.2 Women Socio-Cultural Empowerment**

The subordinate status of women vis-à-vis men is a universal phenomenon, though with a difference in the nature and extent of subordination across countries. Gender role ideology does not only create a duality of femininity and masculinity, it also places them in a hierarchal fashion in which the female sex is generally valued less than the male sex because of their socially ascribed roles in the reproductive sphere. The gender status quo is maintained through low resource allocation to women's human development by the state, society, and the family. This is reflected in the social indicators which reflect varying degrees of gender disparities in education, health, employment, ownership of productive resources, and politics in all countries. Additionally, gender is mediated through class, caste, and ethnicity that structure access to resources and opportunities (APFS, 2007).

A democratically organized and managed organization is favorable to women, as it is only in this kind of environment where they will be able to express their needs, articulate their interests and views, as well as seek equal and equitable rights and privileges with men. Gender, racial, political, social, religious discrimination, which hinders many people from being equitably represented in decision-making bodies, must, hence, be discouraged and systematically addressed. Moreover, people with leadership potentials, but have been inhibited to develop and actualize their capacities because of the effects, for instance, of gender stereotyping, must be identified and assisted in self-transformation (UN, 2007).

### **2.2.3 Role of Saving and Credit Cooperative for Women Empowerment**

Saving and credit cooperatives are one of the formal micro-finance institutions established based on cooperative proclamation. Microfinance (like RuSACCO) has been seen as an instrument in the economic empowerment of women (Shaheen et al, 2018). Women's access to financial services, including savings, insurance, and credit, is essential to allow them to benefit fully from economic opportunities (United Nations, 2009).

Microfinance plays a significant role in contributing to women's economic empowerment. The assessment of Women Savings and Credit Cooperatives Services findings also indicated that Cooperatives are the best tools that enhance economic assets such as income, expenditure, housing, and household assets, access to food; social capital assets include social network, social mobility, and involvement in family, community and social actions, and human capital assets consist of access to education and skills development training, access to health care facilities. Through the provision of loans to women, particularly to the poor, uneducated, and who are not able to fulfill the collateral requirements set by other lending institutions, microcredit enables them to be self-employed. Access to savings and credit can initiate or strengthen a series of interlinked and mutually reinforcing empowerment. Women can use savings and credit for economic activity, thus increasing incomes and assets and control over these incomes and assets. This economic contribution may increase their role in economic decision-making in the household, leading to greater well-being for women and children as well as men. The process of empowerment may be further strengthened by group formation focusing on savings and credit delivery: Women can access wider information and support networks for economic activity; groups can support women in disputes within the household and community; groups can link to wider movements for change in women's position (Mayoux, 2002) and (Rathirane & Semasinghe, 2014)

Temba (2016), Fekadu, and Wondaferahu (2016) also assure the idea that microfinance services promote women's economic empowerment. For women to develop economically they need to have access to funds to improve their businesses. So, microfinance help to give them credits without any valuable collateral. The microfinance program improves women's

control and access to assets and decision-making power at the household level; by providing independent sources of income.

Access to savings and credit can initiate or strengthen a series of interlinked and mutually reinforcing ‘virtuous spirals’ of empowerment. The first set of assessments point out that women can use savings and credit for economic activity, thus increasing incomes and assets and control over these incomes and assets (Mayoux, 2005). Both in turn had significantly higher consumption standards and were more likely to partake in household decision-making than women from male loanee households or from households who had not received credit. Similarly, rural saving and credit cooperative society has an important role in lessening the vulnerability of the poor by creating assets, income, and consumption smoothing, providing emergency assistance, and empowering and making women confident by giving them control over assets and increased self-esteem and knowledge.

Rural savings and credit cooperative is one of the means of interventions that leads to women empowerment by increasing their income and their control over assets, enhancing their knowledge and skills in various income generation schemes, and increasing their participation in household and community. Empowerment is a process through which the cooperative members get control over resources, opportunities to exercise political power to reach ultimate goals. Empowerment includes power over personal choices, power over the definition of own need power overexpressing of own idea, power over cooperatives, power over resources, power over economic activity, and power over reproduction. OSHO (2009) elucidates that access to savings and credit cooperatives can empower women to become more confident, more assertive, more likely to take part in family and community decision-making process, and better capable to confront gender inequality. Savings and credit cooperative can reduce the isolation of women as when they come together in groups they have an opportunity to share information and discuss ideas and develop a bond that wasn’t there previously.

### **2.3 The Situation of Gender in Ethiopia**

According to the UN (2014), general assessment on country gender profile Women in Ethiopia account for 50 percent of the population but do not equally participate in and benefit

from development and progress. Despite the positive policy environment created, and progress for women in Ethiopia, their participation in key anti-poverty and development programs and sectors and their role in decision-making is still minimal. While acknowledging the significant progress in laws, policies, and gender mainstreaming initiatives, constraints on data collection and access to the real state of women in Ethiopia remain still problematic. Despite the existed difficulties that the country faced so far Ethiopia has committed to achieving the standards of gender equality and women's human rights as a natural outcome of its own Constitution. As a result, the country introduced its National Policy on Women and enacted the recent constitution, in 1993 and 1995 respectively. Thus conditions guarantee women's equality and the protection of women's human rights in various spheres of life to calls for equal rights of women, including Affirmative Action to bridge existing gaps. Besides, the government also revised Family Law & Penal Code in 2000 and 2005 respectively to be made more incongruent with international and regional instruments.

On the other hand, the institutional mechanisms for the advancement of women in the country have evolved since 2005 for the first time followed by 2010 on the proclamation decisions of 471/2005 & 691/2010 which called for the establishment of the Ministry of Women's Affairs (MoWA) and Ministry of Women, Children, and Youth (MoWCYA), respectively. Thus institutions played a significant role in women's capacity of the civil servants to act as a catalyst for the advancement of gender-aware policies and the implementation of laws has increased significantly over the last successive years, start from the federal, Regional, Zonal, Woreda, and Kebele level. On-going programs to develop sector-specific gender mainstreaming guidelines, gender budgeting, and gender audits to fill the existed gender disparity (UN, 2014).

As a member of the international community, the country Ethiopia also has signed several agreements that help in promoting and protecting the rights of women. Consequently, the country ratified the Convention on Elimination of All Forms of Discrimination against Women (CEDAW and the Convention on the Political Rights of Women (CPRW) become the foregone conclusion. On the other hand, 1995 become also the year Ethiopia adopt the principles of the Beijing Platform for Action (BPA) and has endorsed and engaged with the past Millennium Development Goals as well as the recent Global Sustainable Development

Goal. While global and regional instruments with domestic laws and policies for the advancement of women are crucial, their enforcement and implementation are equally important. The outstanding progress made over the year is often comprised of deep-rooted prejudices and stereotypes coupled with limited capacities at different levels.

According to the UN (2014) report confirmed in terms of regional conventions, Ethiopia has ratified the African Charter on Human and People's rights, in 1998. It is, however, yet to ratify the Protocol to the African Charter on Article 13 of the Constitution of Ethiopia states that all fundamental rights granted are to be interpreted in conformity with the principles of the signed conventions and declarations. All the legal reform enacted, the political institution being established, international and regional conventions signed so far fight prevailing inequalities and level the field for equal participation of women in political, social, and economic life and bring some changes from a different perspective. However, the country was left behind to fulfill women's socio-economic, political, cultural, employment, legal, and spiritual right.

## **2.4 Measuring Women's Empowerment**

Measuring the empowerment process is conceptualized at different levels, in different domains, and at different levels of an actor's life (Alsop and Heinsohn, 2005; as cited by Abdou and Almas, 2016). These domains include the state in which people are civic actors, the market in which persons are economic actors, and society in which they are social actors (Abdou & Almas, 2016). Women's dimensions of empowerment can be indicated in different indicators for measuring different dimensions and levels of empowerment.

The Gender-Related Development Index and the Gender Empowerment Measure of the United Nations Development Program (UNDP) is the examples of indices used in measuring empowerment at a broad societal level. Another indicator includes Women Empowerment Measure which attempts to measure women's overall empowerment. It focuses mainly on women's participation in three basic areas: women's access, participation & control of economic resources based on their earned income.

Development projects very often attempt to produce changes on many levels (e.g. individual, household, community, and environmental). This measurement tool has been developed to measure women's empowerment at the lowest possible level of analysis – the individual level (Simone et al., 2017). According to Abdou and Almas, (2016) three indices such as the cumulative empowerment index (CEI) which is obtained by combining the decision-making and self-esteem indices, the decision-making index (DEC.IND), and the self-esteem index (EST.IND) can be used for measuring empowerment.

In project and program evaluations, researchers have used a variety of measures of empowerment and in particular economic empowerment. As cited by Fox and Romero (2017); Brody et al. (2015) on women's SHGs and empowerment; Banerjee et al (2015) on graduation projects for ultra-poor women, and Upadhyay et al. (2014) on fertility and empowerment all found that control over household expenditures was the most common measure of empowerment used in project evaluations.

According to Simone et al., (2017), Oxfam's impact evaluation advisers have been using the Women's Empowerment Index in evaluations to assess the impact of development projects in improving women's empowerment for more than five years now. There are five steps used to construct the index. The five steps are: defining the characteristics that describe an 'empowered women' in the context of the study; designing the questionnaire for data collection; constructing indicators and applying cutoff points for each person in each indicator; defining a relative weight for each indicator; and finally calculating the empowerment index (Ibid).

According to Rahma (2011), women's empowerment can be measured by the summation of the Economic Security Index (ESI), Purchase Decision Index (PDI), and Control over Asset Index (COAI), Mobility Index (MI), and Awareness Index (AI).

#### **2.4.1 Economic Security Index (ESI)**

To find out the ESI of women the researcher asks questions such as whether she possesses any assets in her names such as land, house, domestic productive assets (e.g. cattle, duck, chicken), savings, jewelry, a poultry farm, or a business enterprise, (e.g. shop). Assets are

categorized into four groups namely valuable assets, productive assets, savings, and poultry or shops in her name. To find out the ESI, if women owning any of the above mentioned out of four categories if someone scored two she is considered empowered in terms of ESI. Therefore, the cut-off point is considered two in this case.

#### **2.4.2 Purchase Decision Index (PDI)**

If someone owns any of the four groups namely valuable assets, productive assets, savings, and poultry or shops in her name, and if she participates in the decision-making process of buying or selling her assets, she is considered empowered in terms of PDI. Out of the four groups of assets, we have considered the cut-off point to be two. So if she scores two or more, she is considered empowered in terms of the PDI. That means anyone scoring two or more will be scored one in the second step to calculate the EI, zero otherwise (Rahma, 2011 & Abdou and Almas, 2016).

#### **2.4.3 Control over Asset Index (COAI)**

To calculate COAI, questions are asked such as “Are you allowed to keep the money from the sale of your asset, or do you spending from your pocket to buy the asset?” In the ESI if there is a positive answer (she owns some assets in her name) only then will she answer this section. She scores one for a positive answer and zeroes otherwise ((Rahma, 2011).

#### **2.4.4 Mobility Index (MI)**

To find out the mobility of a female we ask questions such as “Do you visit places (such as local markets, sub-district town, parent’s place, court, Bank. For that reason, we consider visiting a place both generally and occasionally as empowering as long as she can visit the place on her own. If a woman visits a place by herself, not accompanied by anyone, generally or occasionally she is considered empowered (Rahma, 2011).

#### **2.4.5 Awareness Index (AI)**

According to Abdou and Almas (2016), to find out the AI, seven general knowledge questions will be asked to the female. The questions are (1) Do you know the name of the ministry of women's affairs? (2) Do you know the name of the Prime Minister of the country? (3) Do you



know the legal minimum marital age of a bride? (4) Are you aware of the divorce procedures? (5) Do you have any reservations about females working outside the house? (6) Do you use contraceptives and participate in the decision of birth control with your husband? (7) Are you aware of the disease of AIDS? The cut-off point estimated here is five. If someone scored five or more out of seven questions, she is considered empowered and scored one in the second step of calculating EI and zero otherwise (Rahma, 2011).

## **2.5 Empirical Literature**

A great deal of empirical data revealed on the issues of women's economic empowerment, it does not just work, earning income, or even, ownership, unless and otherwise, it involves control over production resources (Duflo, 2012).

(Rai and Ravi, S., 2011) found that client's spouses use more health insurance in terms of filling claims than those of non-clients and that women who are clients make significantly more use of health insurance than non-clients women who have obtained the insurance through their husband. Their findings provide evidence that women who are members of the women's economic empowerment (WEE) program are more empowered. Despite the notable achievement of the feminist and financial sustainability empowerment approach in empowering women, there is no evidence that the feminist empowerment approach has resulted in gender equality. The failure in the WEE program in achieving gender equality is associated with the little attention on gender issues concerning intrahousehold relationship and their implication on women's economic empowerment (Mayoux).

A study conducted by Shaheen et al (2018) on the Role of Microfinance in Economic Empowerment of Women in Pakistan indicated that Microfinance and more specifically the availability of interest-free loans take women out of vulnerable states to become financially independent. The indicator selected for identification of economic empowerment was the control over financial resources both at household and business level, the decision of selling of any asset, contribution in household monthly income, choice of spending of money on health-related matters of children/brother/sister/parents (dependents) and choice to spend on education/marriage of dependents. The analysis of the study has been found that microfinance has a considerable role in the economic empowerment of women which includes, women

decision making at different levels; women participation in economic and social matters, women's access and control over resources access to have health and education facilities, control and choice to use resources.

Some studies find out that women's involvement in the savings and credit cooperatives results in women's economic, social, and political empowerment. For example; the finding of Rani et al., (2016), in Oromiya region, shows that in aggregate terms there is an improvement and significant change of rural women's status in all selected empowerment dimensions after joining rural saving and credit cooperative. Moreover, the result of the binary logistic analysis shows that mobility, age, access to mass media, utilization of loans by women, and educational status of the respondents were highly important in influencing women's empowerment in rural saving and credit cooperative. Similarly, according to the study of (Berhan *et al.*,2011) in Enda-mehoni, Tigray region, the empowerment score reveals only 43(28.7%) respondent women are empowered after joining RUSACCOs and the majority 101(67.3%) of women have low levels of empowerment. The multiple regression analysis shows that there were positive effects of access to training, formal education, contribution to the household income, duration of loan use, and utilization of loans by women on women empowerment score, while time spent on household work has a strong negative effect.

Moreover, according to (Goel, 2015), microfinance plays an instrumental role in improving women's position by contributing to economic activities and thereby improving their decision making. The result of the study conducted in the Sabarkantha district of India by Goel (2015) indicates that the availability of loans from MFIs supports the women in getting productive employment, an increase in their income, and participation in decision making. The MFIs (SHGs) provided social opportunities to make women aware of the development programs as well as starting income generation activities and self-employment. The effects of microfinance have been studied by analyzing the lives of the women before and after availing the microfinance. The microfinance program increases the income of individual respondents, therefore total household income grows and it empowers the women to contribute additional economic support in household income.

A study conducted by Meron and Samson (2015), in the Tigray region of Ethiopia, showed that microfinance service leads to a positive contribution to women's economic empowerment. The result shows that when women are a member of a microfinance institution, they will be economically resourceful and it contributes to their empowerment. While they conducting their research, they used decision-making on large sales as a proxy indicator for women's economic empowerment. The analysis part was done by comparing both microfinance participants and none participants.

A similar study was also conducted by (Taye, 2014), in Oromiya National Regional State Wolliso Woreda on the impact of Microfinance institutions on women's economic empowerment. The results of the study indicate that the micro-financing program has a positive role in women's economic empowerment as measured by the increased participation of women in household decision-making. The analysis revealed that access to Microfinance has an immense contribution to the economic empowerment of women through improvement in their businesses. Besides, the study showed that access to microfinance improved the status of women both at the family level and in society as a whole.

A similar study was also conducted on the role of Microfinance on Women's Economic Empowerment in Southwest Ethiopia by Fikadu (2016). They used to control assets and participation in the household decision as an indicator of women's economic empowerment. The study indicated that microfinance services have a positive role in control & access to resource and women's decision making power, Finally, the study concluded that availing microfinance services had a significant role in women's economic empowerment.

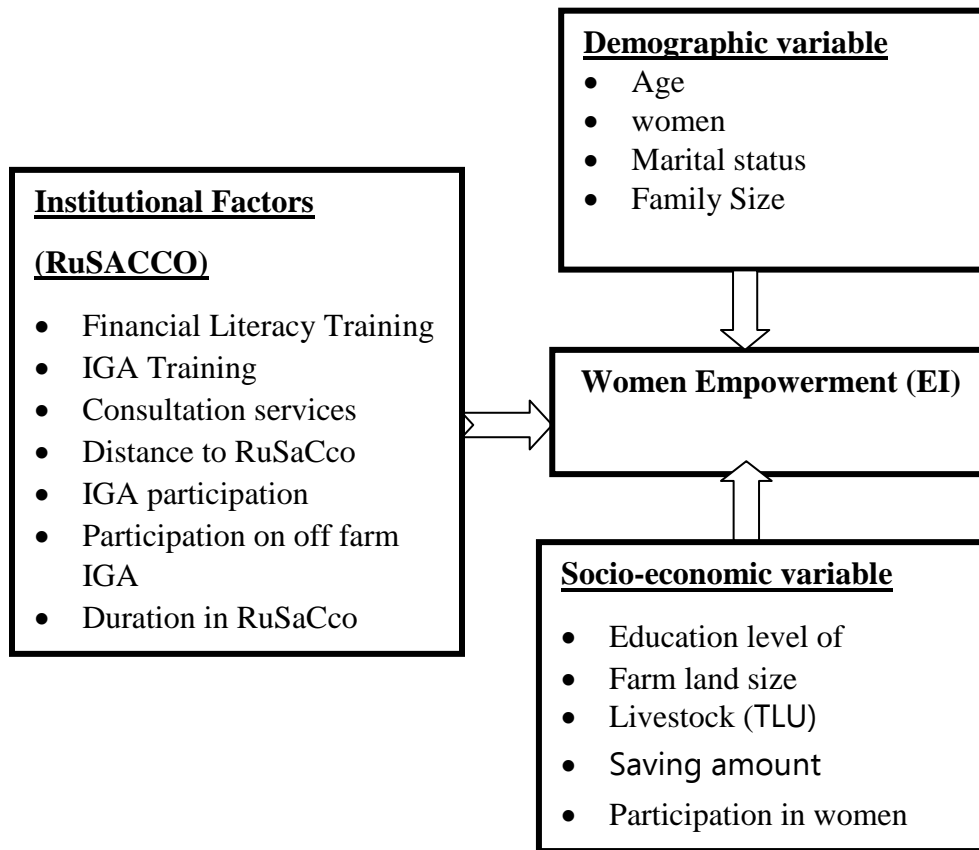
A study conducted by Abdou and Almas (2016), using a multinomial logistic, on determinants of households' decision-making and attitudes towards physical abuse of spouses, in Rwanda found that variables of sources of empowerment such as education and media exposure were found to have a net positive association with women's empowerment while other variables such as residence and the age at first marriage were negatively associated with women's empowerment. Further analysis showed that the effects of education, age of the respondent, wealth, and the number of children ever born remained strong conditions that affected households' decision-making and attitudes about physical abuse.

## 2.6 Conceptual Framework of the Study

As Malhotra and Schuler (2011), revealed that provide framework regard women empowerment dimensions and indicators from a more specific extent at household and followed by community up to the broader arena. Therefore, women empowerment dimensions become framed in regard to their economic, social and cultural, legal, political, and psychological perspectives. Economic empowerment includes women's access to get credit and have to control its contribution on the improvement of the living condition of their family and enhancing properties and assets owned at the household level. Socio-cultural empowerment includes freedom of movement, have an equitable division of labor, have equal access to get employment opportunities, commitment to educating daughters, participation in domestic decision making, absence of discrimination against daughters, be free from gender-based violence, Child marriage (CM), and other kinds of harmful traditional practices, have control over once own sexual reproductive health right such like ability to make childbearing decisions, use contraception, control over spouse selection and marriage in a timely fashion, being safe from unwanted pregnancy and unsafe abortion.

Based on and other authors like Malhotra and Schuler (2011) and Chen (2010) the most used indicators of women empowerment in different studies are based on women control over savings and income (Goetz and Gupta, 1996; Pitt et al., 2006); ownership of assets (Barnes et al., 2001; Garikipati, 2008); decision-making (Hashemi and Rosenberg, 2016); mobility (Schuler, Islam, and Rottach, 2010).

Therefore, based on literature reviews, the determinant factors which were assumed to affect women's empowerment through saving and credit cooperatives are disaggregated as demographic, situational, and socio-economic factors. As indicated in fig 1, the dependent and independent variables are connected with an arrow indicating that the dependent variable is determined by the independent variables.



**Figure 1-Conceptual Framework of the study**

*Source: Own compilation, 2020*

## CHAPTER 3: RESEARCH METHODS

### 3.1 Description of Study Area

Lidet Saving and Credit Union are located in South Gonder zone Amhara regional state. It was established in March 2007 by 6 Rural Saving and Credit cooperatives having a 141000 ETB capital. By now Lidet Saving and Credit Union have 6 Rural Woredas which have 112 Rural Saving and Credit Cooperatives and have a capital of about 240245000 ETB (Lidet Saving and Credit Union, 2020). According to (Lidet Union, 2020), the 112 RuSACCOs have 18440 members of whom there are 6374 women RuSACCOs members.

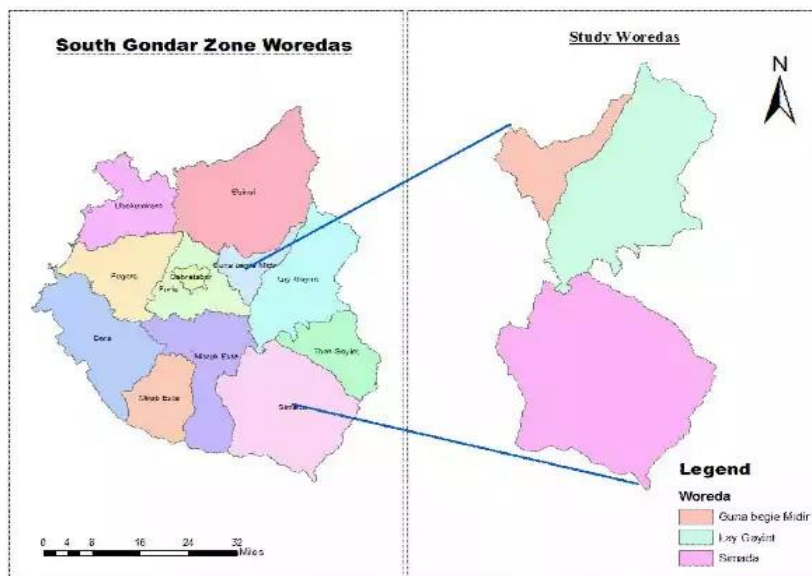


Figure 2. Map of the study areas

Source :Google map earth with own compilation,2020

**Gunna-Begemidir Woreda :**This woreda has 18 rural kebeles and one suburban town. The administrative center is Kimirdingay is located at a distance of 130 km from the regional capital, Bahir Dar, and 30 km from Debre Tabor, Zonal Capital (GBWAO 2019).

Ecologically, the agro-ecological zone comprises dominantly Kolla, Dega, and Woyna-Dega. The mean maximum temperature is 21°C from February to May. The mean minimum temperature is 9.6°C from June to January while the mean annual temperature of the woreda is 15.5°C. In terms of topography, 45% of the total area is a gentle slope, while flat and steep slope lands account for 29% and 26%, respectively. The Woreda has an altitude that varies

between 1900 to 4035 meters above sea level. In terms of land use pattern, an estimated 65% of the area is cultivated and planted with annual and perennial crops, while the area under grazing and browsing, forests and shrubs, settlements, and wastelands account for about 10, 0.6, 8, and 17% respectively. 50%, 30%, and 20% of the soil are brown, red, and black respectively.

According to the present statistics of the woreda administration Office (2019), Guna Begemidir woreda has a total population of 109,518, of which 51.2% is male and the remaining 48.8% in females. Of the total female population of the woreda, 24,074 (45.0%) are in the reproductive age, 15-49 years. The total population of the woreda residing in the rural area is 99,968 (91.3%); the rest 9,550(8.7%) live in urban centers. Agriculture is the main economic practice in which about 85 % of the population has engaged. The farming system can generally be characterized as mixed and includes the production of arable crops and the raising of livestock. In the study area crop, vegetables and fruit are the main productions. ‘Teff’, wheat, vetch, chickpea, sorghum, barley, and bean are crops grown and apple, potato, cabbage, tomato are vegetables and fruit (GBWAO, 2019).

Moreover, before ACSI started its program in the Gunna-Begemidir woreda, there was no financial institution that provides financial services. But at this time there are 3 ACSIs, 18 RuSACCos, which provide micro-finance services. According to the report of the Woreda cooperative office (2019), 1509 (Female 791) members of RuSACCO have mobilized about 255866.4 ETB of saving in Lidet Union.

**Simada Woreda:** Simada woreda is part of the South GonDar Zone found in one of the nine regional states of the Amhara region, which is located 774 km north of the capital city of Addis Ababa and 209 km southeast of Bahir Dar. This woreda is bordered on the southeast by the Beshilo River which separates it from the South Wollo Zone, on the southwest by the Abay (Nile) which separates it from the East Gojjam, on the northwest by Este, and on the east by Tach Gayint. Part of this district’s boundary with Este is defined by the Wanka, a tributary of the Nile. The major town of Simada is called Wogeda (Meseret, 2012).

Ecologically, the agro-ecological zone comprises 40% Woinadega (intermediate elevation), 10% Dega (high land) and 50% kola (low land). The climate is monsoonal and varies with elevation. The primary wet season extends from April through October; among these, July

and August are the wettest months. The mean annual rainfall is 900-1100mm and the mean annual temperature is 23°C (Meseret, 2012).

According to the Central Statistical Agency (CSA) (2007), the district has an estimated total population of 228,271, an increase of 22% from the 1994 Census. Agriculture is the main subsistence of about 99% of the woreda population. The remaining 1% are merchants and government civil servants. The farming system can generally be characterized as mixed and includes the production of arable crops and the raising of livestock. In the study area crop, vegetables and fruit are the main productions. ‘Teff’, wheat, vetch, chickpea, sorghum, barley, and bean are crops grown and apple, potato, cabbage, tomato are vegetables and fruit (SWAO, 2019).

Moreover, before ACSI started its program in the Gunna-Begemidir woreda, there was no financial institution that provides financial services. But at this time there are 3 ACSIs, 23 RuSACCos, which provide micro-finance services. According to the report of the Woreda cooperative office (2019), 7388 (female 2673) RuSACCO members have saved about 3026027 ETB in Lidet Union.

**Lay Gayint Woreda:** Lay Gayint woreda is one of the South Gondar Zone of the Amhara National Regional State (ANRS), Ethiopia. Lay Gayint district is located about 175 km northeast of Bahir Dar, along the Woreta Woldia highway. The district lies between the coordinates of 11°32'-12°16' N and 38°12'-38°19' E and covers an estimated area of 1511 km<sup>2</sup>. The altitude of the Lay Gayint district varies between 1500 and 4235 meters above sea level (masl). Agro-ecologically, the district is divided into four elevation and temperature zones, namely: lowland (Kolla) (12.5%), midland (woina-dega) (39.42%), highland (dega) (45.39%), and wurch (very cold or alpine) (2.71%) (Addisu and Menberu, 2015). Lay Gayint district receives a mean annual rainfall of 1020 mm. The main rainy season, which represents the long rainy season (Meher), occurs between June and September, and the small rainy season (belg) occurs between March and May. The mean minimum and maximum air temperature of the district are 6.9 and 21.9 °C, respectively (ENMSA, 2017). Moreover, before ACSI started its program in Lay Gayint woreda, there was no financial institution that provides financial services. But at this time there are 3 ACSIs, 29 RuSACCos, which provide



micro-finance services. According to the report of the Woreda cooperative office (2019), 4366(female- 1248) RuSACCO members have saved about 1,228,910.00 ETB in Lidet Union.

## **2.2 Design of the Study**

This study has applied a cross-sectional study design, because of its cost-effectiveness and allows the inclusion of participants or groups of people from whom an analysis can be made. To collect data and analyze it, this study used questionnaires and interview methods. The study was carried out using a quantitative and qualitative approach. In this research, data were collected from representative samples, and these sample groups were considered to be representative of the entire population and the findings from this are expected to be generalized to the entire population.

## **3.2-Sampling Technique and Sampling Size Determination**

The study was conducted in three randomly selected Woredas (Gunna Begemidir, Lay Gayint, and Simada), which are located under Lidet Saving and Credit Union Cluster, South Gonder Zone, and Amhara Regional State.

The sample has been drawn from RuSACCOs members using a three-stage random process. In these techniques, [RuSACCO] is selected in the first stage(s). In the last stage, random sampling has been used from the listed frame.

Therefore, in the first stage, as shown in Table 3.1, three Woredas were selected from Lidet Union Cluster (from the 6 Woredas) purposively. These woredas are Gunna-Begemidir, Lay Gayint, and Simada woreda. In the second stage, 6 RuSACCOs were selected randomly from the three woredas: 2 RuSaCCOs from Gunna-Begemidir, 2 RuSaCCOs from Lay Gayint woreda, and 2 RuSaCCOs from Simada woreda.

In the third stage, as shown in Table 3.1, a representative sample of 162 respondents have been selected by lottery method from 6 RuSACCOs. As shown in Table 3.1, the sample were disaggregated in each RuSACCOs by the proportional formula. Then the study participants have been picked by listing all sample frames of the 6 RuSACCOs and by lottery method. Yamane's (1967) formula is applied to determine the sample size (162). Due to the reason that

most of the living condition of the rural people in Ethiopia is similar, precision in ( $e= 0.05$ ) and degree of variability (0.5) was used.

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

Where;

- ✓ N =is the total number of RuSACCO members from Lay Gaint, Guna-Begemidr and Simada woredas.
- ✓ n=is the sample size.

**Table 3-1-Sample Size in selected RuSaCCos**

Woredas	Name of RuSaCCos	All Women member in Selected RuSaCCos	Sample size from each RuSACCo
Guna	Temesgen	34	20
	Fikere Addis	54	32
Lay Gayint	Salizuramba	42	25
	Alemtsehay	47	28
Simada	Beles	56	35
	Geta Wonz	38	22
	Total	271	162

Source: Own Computation, 2020

### **3.4 Data collection method, Data Type, and Source**

#### **3.4.1 Data collection method**

The researcher has conducted a household survey in March 2020 from 162 RuSACCO members from 6 representative RuSACCOS. The questionnaire and the interview were held at RuSACCO meeting time and their houses by moving door to door. The Interview schedule method of data collection was used for those who able to read and write, Questionnaires was applied due to the reasons for their capability to provide evidence about the household

features and due to their easy nature to collect information within a short time. Interviews were used for those who are not able to read and write.

### 3.4.2 Data type and source

The data for this research was generated from both primary and secondary sources. The Primary data was collected through a questionnaire using face to face interviews of the sample respondents and FGD with beneficiaries of the selected cooperative members, leaders, and cooperative promotion office officials.

### 3.5 Method of Data Analysis

**Table 3-2- method data analysis**

no	Objectives	Method of data analysis
1	To assess level of women empowerment	Empowerment Index
2	To analyse perception of women	Likert scale
3	To identify factors affecting women empowerment	Logit model

The study has employed both descriptive and Econometrics methods of data analysis. First, the variables were described using simple statistical measurements like mean, standard deviations, t-test (for continuous variables), and  $X^2$  test (for categorical variables).

#### 3.5.1 Econometrics model analysis

##### i. Logistic Regression Model

The binary logistic regression analysis was applied to investigate factors affecting women empowerment through RuSACCos.

In this study, the dependent variable Y (women empowerment) is a binary variable taking value 1 if women are empowered by the calculated empowerment index and 0 if not. In the situation where the dependent variable is dichotomous, logit models are the appropriate ones to study the relationship between dependent and independent variables. In the condition where the binary variable is qualitative, it is the probability of the dependent variable given the independent variable that is determined. The common qualitative regression model is the logit model (Gujarati, 2004).

Based on the literature review, in this research, a total of 13 variables will be used as predictors to check for their significance as women’s empowerment determinants. Thus, variables like age, education, training, income, Land size, access to extension service, access to credit, and occupation of the respondent.

The logit model is specified by (Gujarati, 2004) as follows:

$$P_i = E(Y=1/X_i) = \frac{1}{1+e^{-(\beta_0+\beta_i X_i)}} \dots\dots\dots(2)$$

The probability of women empowerment is expressed as:

$$P_i = \frac{1}{1+e^{-Z_i}} \dots\dots\dots(3)$$

The probability of being empowered is given as 1-P<sub>i</sub>

$$1-P_i = \frac{1}{1+e^{Z_i}} \dots\dots\dots(4)$$

$$\frac{P_i}{1-P_i} = \frac{1+e^{Z_i}}{1+e^{-Z_i}} = e^{Z_i} \dots\dots\dots(5)$$

Applying natural log

$$L_i = \ln \frac{P_i}{1-P_i} = \ln e^{Z_i} = Z_i = \beta_0 + \beta_i X_i \dots\dots\dots(6)$$

Where P<sub>i</sub> stands for the probability of being empowered and ranges from 0 to 1.

Z<sub>i</sub> indicates a linear function of n explanatory variables and is stated as:

$$Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 \dots\dots\dots \beta_n X_n \dots\dots\dots(7)$$

$\beta_0$  is an intercept (constant),  $\beta_i$  is a vector of coefficients and  $X_i$  is a vector of explanatory variables.

$L_i$  - is logs of odds ratio in favor of empowerment, if the error term  $\varepsilon_i$  is hosted, the logit model will become:

$$Z_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + \varepsilon \quad (8)$$

### ii. Empowerment Index (EI)

Before, setting the econometric model and regression procedure, the first technique was computing women's empowerment index for outcome variables. The empowerment index has been computed based on the formula used by Rahma (2011) and Handya and Kassamb (2004).

To calculate the EI(Empowerment Index), all indices such as ESI(Economic Security Index), PDI(purchase Decision Index), COAI(Control over Asset Index), MI(Mobility Index), and AI(Awareness Index) were computed accordingly. The cut-off point decided here is three. If someone scores three or more out of five indices are considered empowered and scored one, zero otherwise (Rahma, 2011).

This may be symbolically written as:

$$\text{Empowerment (EI)} = (\text{ESI} + \text{PDI} + \text{COAI} + \text{MI} + \text{AI}) \geq 3 \quad \text{-----9}$$

$$\text{Women Empowerment Index (WEI)} = 1 \text{ if } \text{EI} \geq 3 \quad = 0 \text{ otherwise.}$$

## 3.6 Description of variables and hypothesis

Variable in research played an important role in measuring observation, formulating and testing hypotheses, and developing a research question and it brings clarity to our research problem (Peter, 2015).

### Dependent variable:

The dependent variable is a variable that depends upon or is a consequence of the other variable. It is the variable explained by other variables. The dependent variable in this study is women's empowerment.

**Independent variable:** A variable that explains other variables are called independent variables; it is the variable that is antecedent to the dependent variable. This variable includes different characteristics of variables that influence the dependent variable like a continuous variable, discrete variable, and dummy variable.

**Age of Women (AGEW):** it is a continuous variable measured in years. The age of respondents will positively correlate with empowerment. In most cases, people the age of maturity, seem to understand what they want when they come together. Matured women are active and productive by borrowing loans and using the loan effectively for income-generating activities to uplift their status in society. Therefore, in this study, age is hypothesized to have a positive relationship with women's empowerment.

**Marital Status:** This is a categorical variable and takes a value 1, 2, 3, and 4 if a woman single, married, divorced, and widowed respectively. It is expected that married women have a better empowerment status than others because of the additional income of the husband.

**Education Level of Women (Edu):** is a categorical variable. This indicates that while women's education level increases the probability of increased awareness of women and thereby would increase the empowerment of women. Women groups require tasks such as proper planning, proper record keeping, managing group finances, and representation of the group outside.

**Family Size (FS):** is the total number of family members living under the same house under the control and management of the same household. This variable is a continuous variable that might harm women's empowerment. When the number of family members is more, the burden of women also increased. Large family size may affect women's empowerment negatively.

**Financial literacy training (FLt):** It contains a set of skills through which individuals and eventually the society, in general, make all-round development and actively participate in the development process through the acquisition of more knowledge, skills, capabilities, and attitudes. It promotes the empowerment of women. So, a positive relationship is expected.

**IGA training (IGAt<sub>i</sub>):** It is a discrete variable, which takes a value of 1, if women have gotten training and "0", otherwise. Training would increase the awareness level of women and

exposure to new ideas, information, activities, opportunities, working environment, and different sources of income. It can increase women's empowerment to affect positively.

**Amount of Saving (ASRuSaCco):** It is a continuous variable that its data was collected from the respondents and RuSACCOs records. Saving can be defined simply as holding something back from today's consumption and withholding something valuable for future use. This simple phrase describes two key elements of any saving activity (Betru, 2010). According to (Aude et al., 2018), savings help poor people manage risks, reducing the likelihood that they sell assets, or resort to local money lenders when faced with a crisis or other economic shock. It is expected to influence empowerment positively.

**Loan for IGA (LforIGA<sub>i</sub>):** This variable have a continuous number. This means taking of money from RuSACCO for IGA purposes based on the saving amount of the saver to repay after a short period. Access to loans can increase participation in income-generating activities and thereby be expected to affect empowerment positively.

**Participation off-farm IGA (PIGA<sub>i</sub>):** It is a dummy variable. It takes 1 if respondents are engaged in Non-farm or Off-farm IGA, 0, otherwise. It is expected to have a positive effect on the empowerment of women. According to (Theshome Maharu, 2014), off-farm activities have the potential to improve the living standard of the poor and hence have a greater tendency in reducing income inequality, as it is an important source of income for the poor society.

**Tropical Livestock Unit (TLU):** It is a continuous variable and indicates to livestock owned by women and expressed in terms of the Tropical Livestock Unit (TLU). It is the total number of livestock holding of the women measured in the livestock unit converted into TLU using conversion factor (Fekadu, 2010). Livestock plays a major role in the economic empowerment of women. Livestock is a source of income for women. Households who have better possession of livestock are expected to be less vulnerable to food insecurity and would be empowered. Therefore, it is expected that livestock holding has a positive impact o women empowerment.

**Distance from RuSACCO (DIS) :** It refers to the distance from home to RuSACCO in Km to have the availability of financial access to households to participate in RuSACCO and thereby to get different treatments provided by the institution (RuSACCO). The more the distance is short the more the participant will participate in RuSACCO and thereby would be empowered.

**Consultation Service (CS):** it is a dummy variable measured with 1 if respondent access to consultation, workshops, etc. otherwise 0. Consultation is an ongoing process through which individuals, groups, organizations, and societies enhance their ability to identify and meet development challenges. Respondent's access to consultation for its members is one of the important factors. Thus, getting access to training or consultation for women provides an opportunity to fill the skill gap Taybel (2016). It is expected to positively influence women's empowerment.

**Participation in women Association (MW):** It is a dummy variable labeled as 1 if respondents are a member of the women association, 0 otherwise. Being a member in a women association would enable women to be empowered in all aspects. RuSaCco would also help women to be a membership in women association because of that it increases social interaction among women.

**Size of farmland (SFL):** It is measured in a hectare. It is a continuous variable. The land size which is directly proportional to income has a significant and positive impact on income performance. This is because those respondents with larger cultivated land earn more income be it from crop production or livestock raising. Hence, this variable is expected to influence positively women's empowerment.

**Duration of membership in RuSACco:** It was a categorical variable that was labeled as 1, = less than 2 yrs., 2=2-5 yrs. 3= for the duration from 6-10 years; 4, for above 10 years. It was hypothesized that as the duration in membership increase from one category to another category, would increase women's empowerment.



**Table 3 -3 Summary of Variables and Hypothesis**

Variable	Type	Measurement	Expected Sign
<b>Dependent outcome variable</b>			
Women empowerment	Dummy	1 if EI $\geq$ 3 ; = 0 otherwise	
<b>Independent Variables</b>			
Age	Continuous	Age of women in years	-
Marital Status	Categorical	1 = single	+
		2 = married	
		3 = divorce	
		4 = widowed	
Education level	Categorical	1 = unable to read	+
		2 = primary education (1-4)	
		3 = primary education (5-8)	
		4 = Secondary education (9-12)	
Duration in membership in RuSaCco	Categorical	1 = less than 2 yrs.	+
		2 = 2-5 yrs.	
		3 = 6-10 yrs.	
		4 = more than 10 yrs.	
Livestock ownership in TLU	Continuous	Measured in TLU.	+
Saving amount	Continuous	Will be measured in ETB	+
Loan for income generating activities IGA	Continuous	Will be measured in ETB	+
Consultation service	Dummy	1 if gets consultation, 0 otherwise	+
Financial literacy training	Dummy	1 if gets training, 0 otherwise	+
IGA training	Dummy	1 if gets training, 0 otherwise	+
IGAs-participation	Dummy	1 if participate on Non and off-farm,0 otherwise	+
Distance from RuSACCO [DIS <sub>i</sub> ]	Continuous	Will be measured in KM	-
Size of farmland	Continuous	Will be measured in a hectare	+
Participation in Women Association	Dummy	1 if participate in women association, 0 otherwise	+

## **CHAPTER FOUR 4: RESULTS AND DISCUSSION**

In the study of “**women empowerment through rural saving and credit cooperatives,**” the survey data has been analyzed both in descriptive statistics and econometric techniques to give empirical evidence and to answer basic research questions of the study. This chapter is divided into two subsections. The first subsection provides the descriptive nature of sample households. The second subsection discusses the factors affecting women empowerment through rural saving and credit cooperatives, with logit regressions econometric estimation results.

### **4.1 Descriptive Statistics**

#### **4.1.1 Empowerment Index of the five dimensions**

For this study, the Economic security index, Purchasing decision index, Control over asset index, Mobility Index, and information index to measure women’s empowerment were used to calculate the women empowerment index.

Table 4.1 presents a general overview of sample women on their socio-economic and demographic characteristics. As revealed in Table 4.1, there were a total of 162 sample RuSaCco member women households that were surveyed for this study.

To find out the ESI, if woman owning any of the four groups namely valuable assets, productive assets, savings, and poultry or shops in her name and if someone scored two, she is considered empowered in terms of ESI. Based on this, according to the survey data displayed in table 4.1, 129 women which means 79.63% of women were empowered in terms of economic security index. This means that most of the respondents were empowered by the economic security index because women in RuSaCcos have different opportunities that enables them to be empowered.

About purchase decision index, if someone owns two out of any of the four group namely valuable assets, productive assets, savings, and poultry or shops in her name, and if she participates in the decision-making process of buying or selling her assets, she is considered empowered in terms of PDI. Based on this according to the survey data displayed in table 4.1,

158 women which accounted for about 97.03% of the respondents were empowered by the measurement of purchasing decision index (PDI). This result indicates that women in RuSaCco were better of in decision making. It was because of the reason that they were learned to keep their rights and to convince their husbands.

To find out the mobility of a female the researcher has asked the respondent; if they had ever gone the *places (such as local markets, sub-district town, parent's place, court, Bank?)* They were given one point for each place they had ever visited and if a woman visits a place by herself, not accompanied by anyone, generally or occasionally she is considered empowered in terms of mobility index. So based on the survey, as depicted in table 4.1, the researcher has found that 127 women responded as they have visited the common areas which means 78.4% of the respondents are empowered in terms of mobility index the study areas.

To find out the AI, seven general knowledge questions were asked, such as “do you know the name of the ministry of women affairs, do you know the name of the Prime Minister of the country?, do you know the legal minimum marital age of a bride?, are you aware of the divorce procedures?, do you have any reservation about females working outside the house?, do you use contraceptives and participate in the decision of birth control with your husband?, are you aware of the disease AIDS?” If someone scored five or more out of seven questions in each question, she is considered empowered in terms of AI and zero, otherwise. Based on this hypothesis, as presented in table 4.1, this research has found that 91 or 56.17% of women were scored as empowered by awareness index.

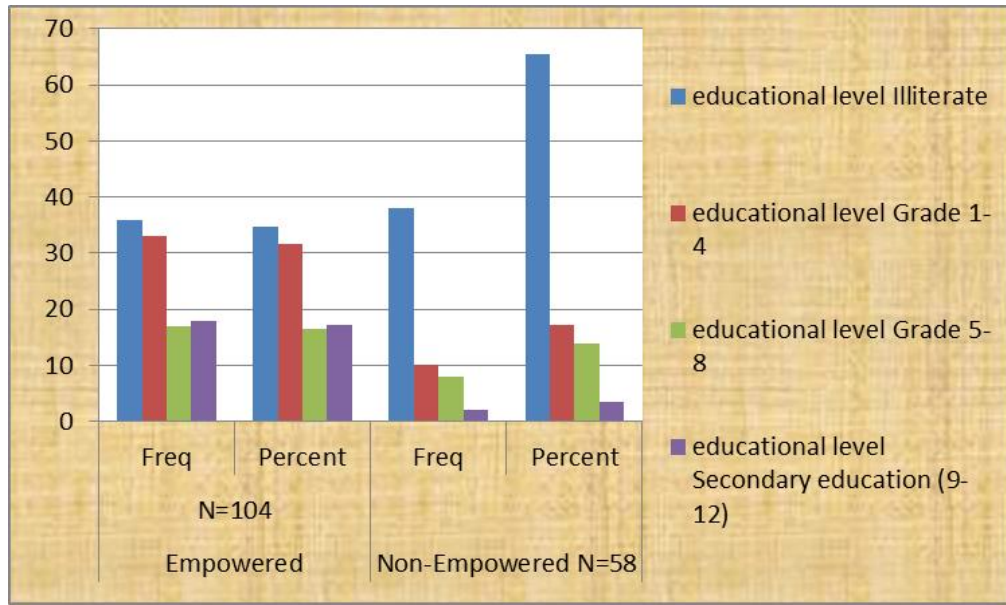
After calculating all these five indices, such as ESI, PDI, COAI, MI, and AI, the researcher computed the women empowerment index (WEI) by adding up the five indices with a cut-off point to be 3 three to decide whether women have been empowered or not which is modified from the model of (Rahma, 2011). Hence, based on the survey depicted at table 4.1, 104 women 104 women which accounted for 65.8% from the total respondents were empowered in Rural Saving and Credit Association (RuSaCco).

**Table 4.1. women empowerment index**

<b>Empowerment indices</b>	<b>Categories</b>	<b>Fre q</b>	<b>Perce nt</b>	<b>How Index is calculated</b>
Economic security index	<i>Economically Secured</i>	129	79.63	ESI=valuable assets+ productive assets+savings +poultry/TLU/ or shops $\geq 2$
	<i>Insecured</i>	33	20.37	
Purchasing decision index	<i>Participate in descion</i>	158	97.53	ESI=valuable assets+ productive assets+savings +poultry shops $\geq 2$ and if participated in decision
	<i>Not participate in desc</i>	4	2.47	
Mobility index	<i>Can move anywhere</i>	127	78.4	I the move to local markets, sub-district town, parent's place, court, Bank, score 1
	<i>Cannot move</i>	35	21.6	
Awareness Index	<i>Awere</i>	91	56.17	AI= knowing MoWA+ PM+ marital age of a bridge+ divorce procedure+ have reservation working outside the house +use contraceptives + aware of the disease AIDS $\geq 5$
	<i>Not Awere</i>	71	43.83	
Control over asset index	<i>Can decide &amp; control</i>	157	96.91	If women can decide and control over their asset.
	<i>Cannot decide</i>	5	3.09	
<b>Women Empowerment Index</b>	<b><i>Empowered</i></b>	<b>104</b>	<b>65.8</b>	<b>Empowerment (WEI) = (ESI + PDI + COAI + MI + AI) <math>\geq 3</math></b>
	<b><i>Non-empowered</i></b>	<b>58</b>	<b>34.2</b>	

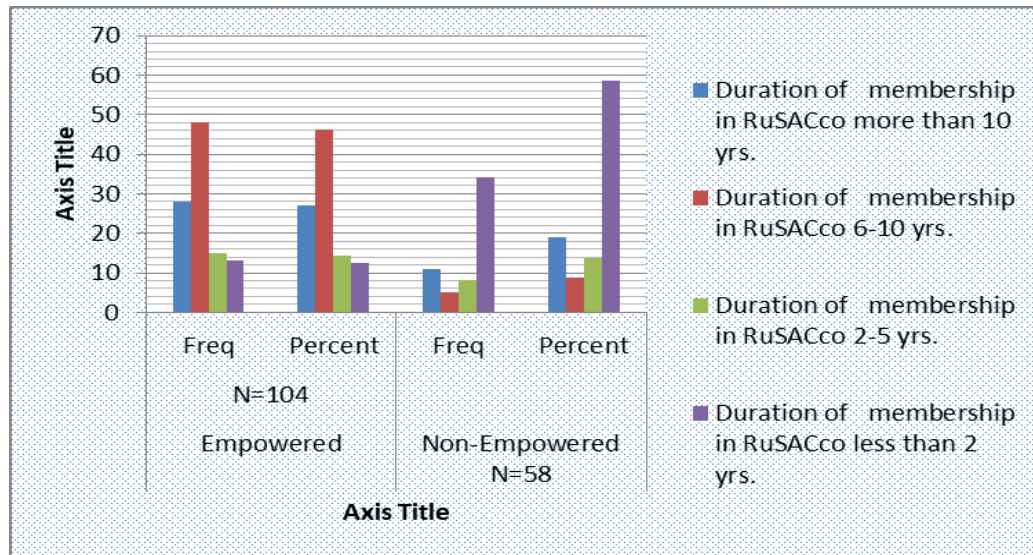
#### 4.1.2 The Descriptive Statistics of Categorical Variables

**Education level:** Based on the result illustrated in Table 4.1 and figure 4.1, the respondents' educational level for empowered women in RuSaCco; 31.73% of them were from Grade 1- 4, 16.43% were from Grade 5-8, 17.31 were educated from Grade 9-12 and 34. 62 unable to read and write. Whereas the educational level of the non-empowered women; 17.24% were from Grade 1- 4, 13.79% were from Grade 5-8, 3.45% were educated from Grade 9-12, and 35. 52 % were unable to read and write. The  $\chi^2$  –test [16.6795] indicates that there was a difference in terms of educational status between the two groups at less than 1% level of significance.



**Figure 3-Education level of respondents**

**Duration of membership in RuSACco:** as illustrated in Table 4.1. and figure 4.2; that the duration of respondents in RuSaCco of those empowered women; 26.92% of respondents have stayed above 10 years; 46.15% have stayed from 6-10 years, 14.2% of respondents have stayed from 2 to 5 years and 12.5% respondent stayed below 2 years in RuSaCcos as a member. Whereas, the duration of respondents in RuSaCco of those non-empowered women; 18.97% of respondents have stayed above 10 years; 8.62% have stayed from 6-10 years, 13.79% of respondents have stayed from 2 to 5 years and 56.62% respondent have stayed below 2 years in RuSaCcos as a member. This implies that those non-empowered women have stayed fewer years in RuSaCcos as a member and the  $\chi^2$ -test [44.3224] indicates that it was statistically significant.



**Figure 4-Duration of members RuSaCco**

**Consultation:** Consultation is an ongoing process through which individuals, groups, organizations, and societies enhance their ability to identify and meet development challenges. Respondent’s access to consultation for its members in RuSaCco is one of the important factors. As depicted in table 4.2, most the empowered women [98.08%] have gotten consultation in RuSaCcos, but 82.76 % of the non-empowered women have been consulted in RuSaCco. The  $\chi^2$ -test [12.7387] indicates that it was statistically significance

**Financial literacy Training:** This study has argued that financial literacy is important for poor women to be empowered economically. Good financial literacy skills would build the capacity to better understand and manage financial risk. Respondents have been asked if they had received a range of training on the core subjects of business planning, savings, loans, income-generating activity selection, and planning and management, which is generally called financial literacy. Hence researcher in this study dealt with up to what degree the difference was visible between empowered women and non-empowered women. So, as presented in Table 4.1, respondents have ensured that 87.5% of empowered women have been trained but only 18.97% of non-empowered women have gotten this training. This means that there was a statistical difference in financial literacy training between empowered and non-empowered women at less than a 1% level of significance.

**Table 4-2. Descriptive statistical result of Categorical variables**

Variables	Categories	Empowered N=104		Non-Empowered N=58		$\chi^2$ -test
		Freq	Percent	Freq	Percent	
educational level	<i>Unable to read &amp; write</i>	36	34.62	38	65.52	16.6795***
	<i>Grade 1-4</i>	33	31.73	10	17.24	
	<i>Grade 5-8</i>	17	16.43	8	13.79	
	<i>SeconDary education (9-12)</i>	18	17.31	2	3.45	
Duration of membership in RuSACco	<i>more than 10 yrs.</i>	28	26.92	11	18.97	44.3224***
	<i>6-10 yrs.</i>	48	46.15	5	8.62	
	<i>2-5 yrs.</i>	15	14.42	8	13.79	
	<i>less than 2 yrs.</i>	13	12.5	34	58.62	
Consultation	<i>Consulted</i>	102	98.08	48	82.76	12.7387***
	<i>Not Cosulted</i>	2	1.92	10	17.24	
Financial Literacy Training	<i>Trained</i>	91	87.5	11	18.97	74.9969***
	<i>Not trained</i>	13	12.5	47	81.03	
IGA Training	<i>Trained</i>	91	87.5	15	25.86	62.5430***
	<i>Not trained</i>	13	12.5	43	74.14	
<i>Praticipation on off farm IGA</i>	<i>Participated</i>	66	63.46	16	27.59	19.1719***
	<i>Not participated</i>	38	36.54	42	72.41	
Memebership in Women Association	<i>Yes</i>	73	70.19	12	20.69	36.5867***
	<i>No</i>	31	29.81	46	79.31	

Note: \*\*\*, \*\*, and \* means significant level at 1%, 5%, and 10% probability levels respectively

**Income-generating selection and management (IGA) training:** Respondents have been asked if they had received a range of training on the core subjects of income-generating activity selection, planning, and management. So, as presented in Table 4.2, respondents have ensured that 87.50% of those empowered women and 25.86% of none-empowered women have gotten IGA training. The status entails that there was a statistical difference in terms of

training between empowered women and non-empowered women at less than a 1% level of significance

**Participation in IGAs:** Next to, IGA training, financial literacy training, capacity building training, access to loan, and saving participation in RuSaCco, women were expected to engage in different income-generating activities. So, the result presented in Table 4.2, which entails that 63.46%, those empowered women have engaged on off-farm IGAs, whereas, 27.59 % of non-empowered women have engaged on off-farm IGAs. From the result, this study suggests that empowered women have better participation in different off-farm IGAs than Non-empowered women with a 1% significance level.

**Membership in Women Association:** To be a member in a women association would enable women to be empowered in all aspects. RuSaCco would also help women to be a membership in women association because of that it increases social interaction among women. As a result, 70.2% of the respondents, those who are empowered women in RuSaCco were a member of women association, but only 20.75 out of the non-empowered women were a member of women association.

#### **4.1.3 The Descriptive statistics of Continuous Variables**

**Age of Respondents:** As it is shown in Table 4.2, the average age of respondents for empowered women and none-empowered women was 39.4 years and 27.7 years old respectively. This showed that there is a difference of 11.99 years on average age among empowered women and non-empowered women. The t-test result ( $t= 6.9914$ ) indicated that there was statistical significance at a 1% level of significance.

**Family Size:** Table 4.2 depicted that, the average family sizes of empowered women were 5.1 and the average family sizes of non empowered women were 6.77 with a standard deviation of -1.67. The t-test result ( $t = -4.8824$ ) showed that there was a statistically significant difference in the mean family sizes between the two groups at less than 5 % level of significance. The presence of dependency in the family was one of the variables which hinder women's empowerment.



**Land size:** The average land size for the empowered women was 0.715 hectares and the average land size for non-empowered women was 0.708 hectares with a mean difference of 0.167 hectares. The t-test result ( $t=1.6213$ ) showed that there was a statistically significant difference in the mean family sizes between the two groups at less than 10 % level of significance. This tells that it was a statistically significant difference in mean of the size of cultivated land size between empowered and non empowered.

**Tropical livestock unit (TLU):** Concerning livestock holding in TLU, it was observed an average livestock holding of 2.653 for empowered women and 1.167 livestock holding in TLU for non-empowered with the mean difference of 1.485 TLU at a 1 % level of significance. Hence, this study revealed that those who have more livestock would have a chance to be empowered than those who have less and haven't.

**Table 4-3. The descriptive statistics of Continuous independent variables**

Variables	Empowered		Non-empowered		Mean difference	t-test
	N=104		N=58			
	Mean	Std.	Mean	Std.		
Age of respondent	39.394	10.6218	27.655	9.528	11.739	6.9914***
Family Size	5.096	2.106	6.775	2.086	-1.67	-4.8824**
Land Size	0.715	0.582	0.547	0.708	0.167	1.6213*
Tropical Livestalk Unit(TLU)	2.653	1.416	1.167	1.418	1.485	6.3976***
Distance from RuSaCco	1.764	1.327	6.15	2.969	-4.386	-12.9445***
Amount of Saving in RuSaCco	4096.73	3135.57	3208.7	3492.74	888.02	1.6585*
Amount of loan for IGA	3917.32	3966.5	2675.86	4045.7	1241.46	1.8963*

**Note:** \*\*\*, \*\*, and \* means significant levels at 1%, 5%, and 10% respectively

**Distance from home to RUSACCOS:** Concerning distance from home to RUSACCOS, while conducting this research respondents were asked their amount of distance from home to RuSaCco in KM. Based on their response the statistical result depicted in table 4.3 shows that the mean distance from home to RuSaCco for empowered women was 1.764 km and the

mean distance from home to RuSaCco for non-empowered women was 6.150 km with a mean difference of 4.386 km with a t-test result ( $t=12.9445$ ), which indicated that it was statistically significant.

**Amount Saving in RuSaCco:** As presented in Table 4.3, a large portion of the saving amount goes to empowered women which account for an average saving amount of ETB, 4096.73 ETB, whereas 3208.7 ETB was for non-empowered women with a mean difference of 888.02 ETB at 10 % level of significance, considering that non-empowered women stay fewer years in RuSaCco.

**Amount of loan for IGA In RuSaCco:** Saving and lending activities are the two pages of a coin. So the evidence in Table 4.3, shows that empowered women have gotten on average about 3917.23 ETB and non-empowered have gotten, about 2675.86 ETB loans to run their income generation activities, and the loan stays from one year to three years. The mean difference of 1241.46 ETB for loan utilization for IGA entails that there was a significant difference between the two groups at less than a 10% level of significance.

#### **4.1.4 Correlation Analysis**

The correlation test is to show the strength of the association between the variables involved. Inter-correlations coefficients ( $r$ ) were calculated by the means of Pearson's test. According to Bartz (1999, p. 184) described the strength of associations between the variables as below:  $r$  ranging from .20 to .40 may be regarded as indicating a low degree of correlation,  $r$  ranging from .40 to .60 may be regarded as indicating a moderate degree of correlation,  $r$  ranging from .60 to .80 may be regarded as a strong degree of correlation and  $r$  ranging from .80 or higher be regarded as a very high degree of correlation.

Based on these, the results of the measures of correlation are presented in table 4.4. The Pearson test is used to determine correlations between the women's empowerment and the independent variables. Positive significant correlations have been observed between age, education (Edu), financial literacy training (FL), consultation service (CS), and loan for IGA (lnLforIGA), and women empowerment with a 1% level of significance. Positive significant correlations have been observed between participation on of farm IGA, and women

empowerment at a 10% level of significance. The relationships among family size and duration of membership in RuSACco have a negative correlation against the empowerment of women with a 1% level of significance (see Table 4.4 below).

**Table 4-4. Correlation**

	WEI	Age	Fs	Edu	Dis	Flt	Cs	poffi	Aliga
WEI	1								
Age	0.4837***	1							
	0.0000								
Fs	-0.3601***	-0.1712	1						
	0.0000	0.0294							
Edu	0.2794***	0.0792	-0.1807	1					
	0.0003	0.3163	0.0214						
Dis	-0.7152***	-0.3884	0.2348	-0.2115	1				
	0.0000	0.0000	0.0026	0.0069					
Flt	0.6804***	0.4807	-0.2809	0.0934	-0.6278	1			
	0.0000	0.0000	0.0003	0.2373	0.0000				
Cs	0.2804***	0.0857	-0.1753	0.0299	-0.1642	0.1735	1		
	0.0003	0.2783	0.0257	0.7053	0.0368	0.0272			
Poffi	0.3440***	0.2455	-0.0839	0.1477	-0.319	0.3418	0.0978	1	
	0.0000	0.0016	0.2884	0.0607	0.0000	0.0000	0.2158		
Aliga	0.1483*	0.0743	0.0376	0.0278	-0.2703	0.1636	-0.0548	0.3891	1
	0.0597	0.3476	0.6349	0.7258	0.0005	0.0375	0.4889	0.0000	

Source: Own computation from Stata result,2020

\*. Correlation is significant at the 0.1 level (2-tailed). \*\*\*Correlation is significant at the 0.001 level (2-tailed).

Then, there was a low degree of a positive relationship between education level consultation service, participation in off farm IGA and women empowerment because of the positive value for the correlation coefficient which lies between 0.20 to 0.4. There was a moderate positive relationship between age, and women empowerment, because of the positive value for correlation coefficient which lies between 0.4 to 0.6 and there was a strong positive

relationship between financial literacy and women empowerment because the correlation coefficient lies 0.60 to 0.8.

Then, there was a low degree of the negative relationship between family size and women empowerment because of the negative value for correlation coefficient which lies between 0.20 to 0.4. There was a strong negative relationship between distance from home to RuSaCco and women empowerment because of the negative value for correlation coefficient which lies between 0.60 to 0.8.

#### **4.2 Women’s perception of RuSaCco on women empowerment**

The second specific objective of this research were set out to answer the research question of “What are the perceptions of women on RuSaCco in the empowerment of women?”

So to analyze the perception or the feeling of women about RuSaCco on empowerment, the researcher analysed into two ways; the first one is by interviewing women and allowing them to forward their perception in five-point frames which are called Likert type and the second one is by interviewing women and allowing them to express their perception in the open discussion which is called FGD.

Reliability Testing: In this study, 35 respondents were systematically selected for the pilot test. Cronbach’s alpha coefficient was used for for the reliability test. The higher the coefficient alpha value, the higher the reliability of the questionnaire, vice versa.

**Table 4-5. Reliability Coefficient of the Pilot and of the Scales**

<b>MEASURE OF SCALES</b>	<b>CRONBACH'S ALPHA OF PRESENT PILOT STUDY(N=35)</b>	<b>CRONBACH'S ALPHA OF PRESENT MAIN STUDY (N=162)</b>
<b>PERCEPTION OF WOMEN ON WOMEN</b>	<b>0.77</b>	<b>0.81</b>

According to *Zikmund et al.* (2013), coefficient alpha can be categories as follow: Coefficient alpha ( $\alpha$ ) value 0.80-0.95 very good reliability, 0.70-0.80 good reliability, 0.60-0.70 fair reliability, 0.60 below low reliability.

As depicted in table 4.5, the pilot test results in the above table indicate that the scales was acceptable to conduct research in relation to perception of women on women empowerment in RuSaCco ( $r= 0.77$ ). Therefore, all the scales were used to collect data for the main study.

**Likert scale analyses:** As presented in Table 4.6, respondents were allowed to share their perception on the predetermined positively worded statement which was stated as “*Being a RuSaCco member has a positive effect on women empowerment.*” As a result, about 46.15 percent and 25 percent of the respondents from empowered groups and 31.03 percent and 17.24 percent from the non-empowered groups have strongly agreed and agreed respectively on that rural saving and credit cooperatives are an institution which enables women to be empowered in different aspects. But about 1.92 percent and 12.5 percent of the respondents from empowered groups and 8.62.03 percent and 22.41 percent from the non-empowered have strongly disagreed and disagreed respectively, which means empowered women and non-empowered women have significant difference at 1% level of significance.

Creating loan access is one of the treatment members could get from RuSaCco which is aimed at reducing extra cost resulted from the high loan from usury. So as shown in table 4.6, respondents opinion, over the predetermined positively worded statement which was stated as “*loan from RuSaCco is better than Loan from usury* was, about 58.65 percent and 18.27 percent of the respondents from empowered groups and 41.38 percents and 18.97 percents from the non-empowered groups have strongly agreed and agreed respectively on the statement of loan from RuSaCco is better than a loan from usury. But about 11.54 percent and 2.88 percent of the respondents from empowered groups and 18.97 percent and 13.79 percent from the non-empowered have strongly disagreed and disagreed respectively, which means empowered women and non-empowered women have significant difference at 1% level of significance.

**Table 4-6. Respondent's perception result by likerts**

Variables	Categories	Empowered N=104		Non-Empowered N=58		$\chi^2$ -test
		Freq	Percent	Freq	Percent	
Being a RuSaCco member has a positive effect on women empowerment.	<i>strongly agree</i>	48	46.15	18	31.03	10.1208***
	<i>Agree</i>	26	25	10	17.24	
	<i>Neutral</i>	15	14.42	12	20.69	
	<i>Disagree</i>	13	12.5	13	22.41	
	<i>Strongly disagree</i>	2	1.92	5	8.62	
the loan from RuSaCco is better than a Loan from usury	<i>strongly agree</i>	61	58.65	24	41.38	10.2426***
	<i>Agree</i>	19	18.27	11	18.97	
	<i>Neutral</i>	9	8.65	4	6.9	
	<i>Disagree</i>	12	11.54	11	18.97	
	<i>Strongly disagree</i>	3	2.88	8	13.79	
Credit Access helps for IGA participation	<i>strongly agree</i>	56	53.85	19	32.76	11.7668**
	<i>Agree</i>	21	20.19	10	17.24	
	<i>Neutral</i>	11	10.58	9	15.52	
	<i>Disagree</i>	10	9.62	9	15.52	
	<i>Strongly disagree</i>	6	5.77	11	18.97	
Being RuSaCco members affect other microfinance negatively	<i>strongly agree</i>	3	2.88	3	5.17	11.3613***
	<i>Agree</i>	3	2.88	9	15.52	
	<i>Neutral</i>	6	5.77	6	10.34	
	<i>Disagree</i>	52	50	22	37.93	
	<i>Strongly disagree</i>	40	38.46	18	31.03	
saving and borrowing improves women empowerment	<i>strongly agree</i>	46	44.23	24	41.38	2.6766
	<i>Agree</i>	41	39.42	25	43.1	
	<i>Neutral</i>	10	9.62	7	12.07	
	<i>Disagree</i>	3	2.88	2	3.45	
	<i>Strongly disagree</i>	4	3.85	0	0	
Membership in RuSaCco increase Confidence	<i>strongly agree</i>	49	47.12	23	39.66	1.4455
	<i>Agree</i>	37	35.58	21	36.21	
	<i>Neutral</i>	7	6.73	5	10.34	
	<i>Disagree</i>	6	5.77	4	6.9	
	<i>Strongly disagree</i>	5	4.81	4	6.9	

**Note:** \*\*\*, \*\*, and \* means significant levels at 1%, 5%, and 10% respectively

As depicted in Table 4.6, respondents have forwarded their perception on the predetermined positively worded statement which was stated as *“Credit Access helps for IGA participation.”* As a result about 53.85 percent and 20.19 percent of the respondents from empowered groups and 32.76 percent and 17.24 percent from the non-empowered groups have strongly agreed and agreed respectively on the statement of credit access help for IGA participation. But about 17.24 percent and 5.77 percent of the respondents from empowered groups and 15.52 percent and 18.97 percent from the non-empowered have strongly disagreed and disagreed respectively, which means empowered women and non-empowered women have significant difference at 1% level of significance.

As presented in Table 4.6, respondents were allowed to share their perception on the predetermined negatively worded statement which was stated as **“Being RuSaCco members affect other microfinance negatively.”** As a result about 2.88 percent and 2.88 percent of the respondents from empowered groups and 5.17 percent and 15.52 percent from the non-empowered groups have strongly agreed and agreed respectively on the statement of being RuSaCco members affect other microfinance negatively. But about 50 percent and 38.46 percent of the respondents from empowered groups and 37.93 percent and 31.03 percent from the non-empowered have strongly disagreed and disagreed respectively, which means empowered women and non-empowered women have significant difference at 1% level of significance.

In RuSaCCo all members have equal access to all treatments based on their contribution to RuSaCco. It does not differentiate members by their irrelevant status. So as depicted in table 4.7, sample women forwarded their perception on the predetermined negatively worded statement of *“Poor women in RuSaCco has low loan access.”* Based on the survey, about 8.65 percent and 4.81 percent of the respondents from empowered groups and 17.24 percent and 32.76 percent from the non-empowered groups have strongly agreed and agreed respectively on the statement of poor women's in RuSaCco has low loan access. But about 30 percent and 54 percent of the respondents from empowered groups and 13.79 percent and 24.14 percent from non-empowered have strongly disagreed and disagreed respectively, which means empowered women and non-empowered women have significant difference at 1% level of significance.

**Table 4-7. Respondent's perception result by likerts**

Variables	Categories	Empowered N=104		Non-Empowered N=58		$\chi^2$ -test
		Freq	Percent	Freq	Percent	
Participation in decision ion making increase social, Economical and political empowerment	<i>strongly agree</i>	48	46.15	22	37.93	5.9995
	<i>Agree</i>	38	36.54	27	46.55	
	<i>Neutral</i>	9	8.65	8	13.79	
	<i>Disagree</i>	6	5.77	0	0	
	<i>Strongly disagree</i>	3	2.88	1	1.72	
Poor women in RuSaCco has low loan access.	<i>strongly agree</i>	9	8.65	10	17.24	34.2633***
	<i>Agree</i>	5	4.81	19	32.76	
	<i>Neutral</i>	6	5.77	7	12.07	
	<i>Disagree</i>	30	28.85	8	13.79	
	<i>Strongly disagree</i>	54	51.92	14	24.14	
Being membership in RuSaCco increase the job burden	<i>strongly agree</i>	14	13.46	10	17.24	18.4512***
	<i>Agree</i>	9	8.65	17	29.31	
	<i>Neutral</i>	7	6.73	8	13.79	
	<i>Disagree</i>	27	25.96	8	13.79	
	<i>Strongly disagree</i>	47	45.19	15	25.86	
RuSaCco members are considered as fearless	<i>strongly agree</i>	12	11.54	9	15.52	28.9474***
	<i>Agree</i>	7	6.73	19	32.76	
	<i>Neutral</i>	5	4.81	8	13.79	
	<i>Disagree</i>	27	25.96	14	24.14	
	<i>Strongly disagree</i>	53	50.96	8	24.14	
Economic development enables social and political empowerment	<i>strongly agree</i>	64	61.54	27	46.55	5.6548
	<i>Agree</i>	25	24.04	23	39.66	
	<i>Neutral</i>	8	7.69	4	6.9	
	<i>Disagree</i>	3	2.88	3	5.17	
	<i>Strongly disagree</i>	4	3.85	1	1.72	
Dividend can increase the saving magnitude	<i>strongly agree</i>	55	52.88	27	46.55	3.7568
	<i>Agree</i>	27	25.96	22	37.93	
	<i>Neutral</i>	10	9.62	6	10.34	
	<i>Disagree</i>	7	6.73	3	3.45	
	<i>Strongly disagree</i>	5	4.81	1	1.72	

**Note:** \*\*\*, \*\*, and \* means significant levels at 1%, 5%, and 10% respectively



In this research, it was investigated that whether being a RuSaCco member could create a job burden or not. Hence, based on the survey, about 13.46 percent and 8.65 percent of the respondents from empowered groups and 17.24 percent and 32.76 percent from the non-empowered groups have strongly agreed and agreed respectively. But about 25.96 percent and 45.19 percent of the respondents from empowered groups and 13.79 percent and 25.86 percent from the non-empowered have strongly disagreed and disagreed respectively, which means empowered women and non-empowered women have significant difference at a 1% level of significance.

In a rural communities, women who participate in the social associations, in different meetings and public ceremonies, had been labeled as “fearless.” From the survey data, presented in table 4.7, about 11.54 percent and 6.73 percent of the respondents from empowered groups perceived and 15.52 percent and 32.76 percent from the non-empowered groups have strongly agreed and agreed respectively, which means these much of women in RuSaCco are considered as fearless. But about 25.96 percent and 50.96 percent of the respondents from empowered groups and 13.79 percents and 24.14 percents from the non-empowered have strongly disagreed and disagreed respectively, which means the perception of empowered women and non-empowered women on “*Women in RuSaCco are fearless*” have significant difference at 1% level of significance.

From the survey data, presented in table 4.8, only 7.69 percent and 3.85 percent of the empowered groups of respondents have strongly agreed and agreed respectively, which means they perceived that “*Being RuSaCco member could create conflict in decision making*” but 12.07 percents and 32.76 percents from the non-empowered groups have strongly agreed and agreed respectively. This means there is a significant difference between these groups at a 1% level of significance.

To empower women, participating in leadership in RuSaCco is an important element. So from the survey as depicted in table 4.8, only 8.65 percent of the respondents from the empowered groups strongly disagree with the negatively worded statement of “women are unable to be a leader.” But about 29.31 percent from the non empowered groups have strongly disagreed.

**Table 4-8. Respondent’s perception result by likerts**

Variables	Categories	Empowered N=104		Non-Empowered N=58		$\chi^2$ -test
		Freq	Percent	Freq	Percent	
Being RuSaCco member creat conflict in decision making	<i>strongly agree</i>	8	7.69	7	12.07	32.1741***
	<i>Agree</i>	4	3.85	19	32.76	
	<i>Neutral</i>	7	6.73	7	12.07	
	<i>Disagree</i>	30	28.85	8	13.79	
	<i>Strongly disagree</i>	55	52.88	17	29.31	
Women RuSaCco leader make RuSaCc be weak	<i>strongly agree</i>	6	5.77	1	1.72	3.8415
	<i>Agree</i>	5	4.81	1	1.72	
	<i>Neutral</i>	14	13.46	9	15.52	
	<i>Disagree</i>	34	32.61	25	43.1	
	<i>Strongly disagree</i>	45	43.27	22	37.93	
Women are unable to be a RuSaCCo leader	<i>strongly agree</i>	14	13.46	8	13.79	16.7830***
	<i>Agree</i>	9	8.65	17	29.31	
	<i>Neutral</i>	7	6.73	8	13.79	
	<i>Disagree</i>	27	25.96	10	17.24	
	<i>Strongly disagree</i>	47	45.19	15	25.86	
No difference between membership and non-membership	<i>strongly agree</i>	10	9.62	7	12.07	4.9288**
	<i>Agree</i>	3	2.88	5	8.62	
	<i>Neutral</i>	1	0.96	4	6.9	
	<i>Disagree</i>	8	7.69	10	17.24	
	<i>Strongly disagree</i>	82	78.85	32	55.17	

**Note:** \*\*\*, \*\*, and \* means significant levels at 1%, 5%, and 10% respectively

In this study from 16 statements prepared to analyze women’s perception,7 variables or statements like, **“To save and to borrow improve women empowerment, Membership in RuSaCco increase Confidence, Participation in decision ion making increase social, Economical and political empowerment, Economic development enables for social and political empowerment, Dividend can increase saving magnitude, and Women RuSaCco leader make RuSaCc be weak:”** are insignificant difference between empowered women and non empowered groups

**Qualitative Analysis:** The qualitative approach of the FGDs and interviewing key informants focuses on the women's perception about on the role of RuSaCco on women empowerment and the main changes, which occurred after joining RuSaCcO in general and examine the perception of women about the motivation of women to join the Rural Savings and Credit Cooperatives, the change in saving and credit habits, their perception of the role of the RuSaCco on the improvement of women in decision-making, their participation in income generation, their level of awareness, their right to freedom of movement, the decision to sell, and their ability to control wealth.

**What motivates women to join the Rural Savings and Credit Cooperatives?** In this interview, respondents have confirmed that they joined RuSaCco because they have been motivated by the services such as financial skills training, savings services, credit services, proximity to their home, good savings interest, and profit-sharing .

Hence, in Lay Gaint woreda, 7 FGD members have participated and shared their perception by saying that;

*”When Rural saving and credit cooperatives are formed, it is aimed to alleviate the shortage of financial options. We have had the opportunity to listen to the lesson about savings and loan options should be able to solve our problems, improve our living conditions, get access to credit and get rid of loans and loans.”*

In Gunna Begemdir woreda, 8 FGD members have participated and shared their perception by saying that;

*“We want to benefit economically, we want to have assets, we know the benefits, we can save money and borrow, we understand that the interest is paid for ourselves, we have access to savings and loans.”*

In Simada woreda, 8 FGD members have participated and shared their perception by saying that;

*“RuSaCco increased demand for wealth and property, solve, increased access to credit for additional income-generating opportunities, access to learning opportunities with our*

*moderators. We can borrow up to six times the amount of money we have saved according to the association's bylaws.”*

**How do you measure the current status of women who are members of the RuSaCco compared to what they were before they became members?** This question was forwarded to know women’s status after joining RuSaCco. As a result, they proved they are better off in decision-making, in participation in income generation, in the level of awareness, in knowing the freedom of movement, in the decision to sell, and in the ability to control wealth.

So, in Lay Gaint woreda, 7 FGD members have participated and shared their perception by saying that;

*“Female members had difficulty thinking and saving before joining the RuSaCco. we never had the morality to work. Men didn’t let wives control, buy, sell, move, and exercise wealth because of their ignorance and the influence of men. As long as we are a member of the RuSaCco: And after receiving counseling and some training, after being able to save and borrow, and after earning a living, we realize that our past situation is affecting not only us but also our spouses and our entire family. membership is important for many things.”*

And also in Gunna Begemdir woreda, 8 FGD members have participated and shared their perception by saying that;

*“The fact that we were able to make the most of our time and access to the service, which is located in our nearest kebele, made us regret our past. We are very happy to be able to get a savings service loan from our own company and benefit from the company's profits.”*

Moreover, in Simada woreda, 8 FGD members have participated and shared their perception by saying that;

*“The importance of savings before becoming a member is the importance of financing and managing the ability to speak in public and now it is very different. In the past, membership was not considered possible.”*

**How do you measure women's participation in the various income-generating activities compared to their pre-membership status?** Here the researcher investigated women's perception about the participation in income-generating activities, their ability to participate in income-generating activities at their discretion, conditions, and hence respondents confirmed that joining RuSaCco enabled them to participate in income-generating activities (eg loans) compared to the before joining to RuSaCcos.

Hence, in Lay Gaint woreda, 7 FGD members have participated and shared their perception by saying that;

*“Before joining RuSaCco, most of us did not engage in income-generating activities. Although we are occasionally employed, we do not know how to make a living. We are experienced and may not be able to audit our profits and losses. After all, we are borrowing money to do business, and we are making the profit, we pay the loan back to the RuSaCco.”*

In Gunna Begemdir woreda, 8 FGD members have participated and shared their perception simply by saying that;

*“There is a big difference”.*

In Simada woreda, 8 FGD members have participated and shared their perception by saying that;

*“In a past time saving and working was not accessed for the poor. Now we can save, borrow, work and generating new ideas”*

**How do you explain the convenience of women around the financial option before you become a member and become a member?** It is to know women's options for saving, loan options, dividends, and so on.

In Lay Gaint woreda, 7 FGD members have participated and shared their perception by saying that;

*“Before becoming a member of the RuSaCco, most of us receive loans from a usurer; There were no loan options available to relatives as well as to those who could not*

*meet any of the requirements. However, as long as we are a member of the RuSaCco, these problems are slightly alleviated.”*

In Gunna Begemdir woreda, 8 FGD members have participated and shared their perception simply by saying that;

*“The fact that this facility is on the doorstep of our home is a time-saving, cost-effective, and still profitable business.”*

In Simada woreda, 8 FGD members have participated and shared their perception by saying that;

*“After become members, we get better education and training, we are better off morally, we save money every month, and we have a better idea of credit, we never saved any money before becoming a member. Now a woman who wants a loan is only required to apply, but before that, we had to look for a lender and when we found one, we had to borrow with high-interest rates.”*

**How do you assess women's participation and leadership in various leadership positions before and after membership?** Under this question, women shared their ideas, about whether they were given equal leadership positions, leadership skills, and acceptance and not.

In Lay Gaint woreda, 7 FGD members have participated and shared their perception by saying that;

*“Most women did not participate in leadership positions before becoming members of the RuSaCco and did not conduct ourselves independently. Even after becoming a member of the RuSaCco, most of us did not come to the leadership but came to lead it efficiently and faithfully. Those who have held leadership positions in the RuSaCco have been elected by the government and the community by a large number of people and are highly respected.”*

In Gunna Begemdir woreda, 8 FGD members have participated and shared their perception simply by saying that;

*“It's a testament to our ability to lead; we have seen a positive change in the membership of women members; We have nominated and nominated members for the*

*kebele organization. We are seeing to become leaders and becoming the leaders of the women's development team”*

In Simada woreda, 8 FGD members have participated and shared their perception by saying that;

*“Women have lost our ability. We have found that those who are determined to make their decisions can be held accountable in a responsible way. After this leadership, many have come to the forefront of government structure.”*

### **4.3 Econometric Results and Discussion**

The descriptive statistics discussed earlier indicate that there is a significant difference between empowered women and none-empowered women against independent variables in RuSACco, and the descriptive statistics discussed on the performance of outcome variables, women empowerment index. However, descriptive statistics are limited and may not imply causality, as they fail to quantify and later on to account for other sources of the observed differences. To show causality, this section discusses the major findings of the study and includes two parts. First, the model specification and post estimation test are shortly presented, and in the second part discussion of the logit regression results is outlined.

#### **4.3.2 Overview of the model specification and post estimation tests**

The test of marginal effect logit regression models is presented in appendix1. The post estimation results for multicollinearity check up are presented in appendix 2 (a) & (b). The model fits the data reasonably well. Various post estimation was made to check the validity of the model. These are: The VIF for continuous (the result is below the rule of thumb, 10) and contingency coefficient (the result shows below the rule of thumb, 0.75) for categorical variables also computed to measure the multicollinearity problem. So based on the result shown in Appendix 2 (a) & (b) there is no serious multicollinearity problem across the explanatory variables.

The LR ( $\chi^2(15) = 90.26$ );  $\text{Prob} > \chi^2 = 0.0000$ ) and (Pseudo  $R^2 = 0.8379$ ) for logit model is highly significant, indicating a good model fit. And finally, robust regression was used to control the problem of heteroscedasticity and non-normality. In addition to these tests adding

and dropping the variables which have colinearity problem, transforming to logs, and indexing were employed during the estimation process to come up with consistent and unbiased estimation result.

#### 4.3.3 The Determinants factors affecting women’s empowerment in RuSaCco

To remind the reader the third specific objective of this research was set out to answer the research question of “*What were the determinants factors affecting women’s empowerment in Rural Saving and credit Cooperatives?*” It was hypothesized that the probability of being empowered depends on whether RuSaCco, as an institution, provides the treatments or different services, and whether women have gotten these services or not.

**Table 4-9. The logit regression output and the marginal effect**

WEI	Coef.	Robust Std. Err.	Z	P> z	95% Conf. Interval		Mariginal effect
Age	.1006472	.0356707	2.82	0.005***	.0307339	.1705606	.0031918
Fs	-.4223478	.2078631	-2.03	0.042**	-.8297519	-.0149437	-.0133937
MrS	-.4818639	.8733523	-0.55	0.581	-2.193603	1.229875	-.0152811
Edu	2.305366	.8575292	2.69	0.007***	.6246396	3.986092	.0731089
Drn	.0065213	.8966387	0.01	0.994	-1.750858	1.763901	.0002068
Ls	-.0907275	.6771146	-0.13	0.893	-1.417848	1.236393	-.0028772
Mswa	2.161766	1.645976	1.31	0.189	-1.064288	5.38782	.068555
Tlu	-.3550271	.2948035	-1.20	0.228	-.9328313	.2227772	-.0112588
Dis	-.6758299	.3003254	-2.25	0.024**	-1.264457	-.0872028	-.0214322
Igat	-1.017598	1.311939	-0.78	0.438	-3.58895	1.553754	-.0322706
Flt	2.75749	1.210148	2.28	0.023**	.385644	5.129336	.0874469
Cs	7.697406	2.546825	3.02	0.003***	2.705721	12.68909	.2441039
Poffi	2.443111	1.130249	2.16	0.031**	.2278636	4.658358	.0774771
Lnaliga	.8831595	.3850704	2.29	0.022**	.1284353	1.637884	.0280072
LnASR uSaCco	.8503949	.7672475	1.11	0.268	-.6533826	2.354172	.0269681
_cons	-22.83657	8.105563	-2.82	0.005**	-38.72318	-6.949958	
Wald chi2(15) =		90.26	Number of obs =		162		
Prob > chi2 =		0.0000	Log pseudo likelihood =		-17.133372		
Pseudo R2 =		0.8379					

Source: Own computation, 2020

Note: \*\*\*, \*\*, and \* means significant levels at 1%, 5%, and 10% respectively.



So, as revealed in Table 4.9, the logit model for the dependent variable was employed to indicate whether women empowerment in RuSaCco was affected by the independent covariates or not. After logit regression the marginal effect is was employed for analysis purposes. Hence the estimated result of the logit model revealed that age, education, financial literacy training (FL), consultation service (CS), and the logarithm of loan for IGA (lnLforIGA), were significant and had a positive effect on the probability of women empowerment and on the other hand family size, and distance from RuSaCco were significant and harmed women empowerment.

**Age of respondents (Age):** It is a continuous variable measured in years. It was expected and hypothesized that age would have a positive effect on women's empowerment. The marginal effect of age is significant at a 1 % level of significance and it was found that the effect was positive on empowerment of women. The result implies that if respondents' age increase by one year, the probability to be empowered would increase by 0.32 %. This is because that older woman would be conscious in all aspects and life experience would teach them to be empowered. This finding is similar to the finding of (Chepkemoi, 2017), which indicated as a unit increase in age, significantly increased log odds of the involvement of women in decision making by 0.130.

**Family size (FS):** This is a continuous variable and defined as the total number of family members in the household. If the number of members of the household increases, it was expected that the total family expenditure will be increased, the family management for women will matter and thereby women's empowerment would be negatively affected. Therefore, it was expected that, this variable would have a negative effect, on women's empowerment. Based on the hypothesis, the marginal effect of the logit regression result depicted in table 4.9 that, it was significant at a 5% level of significance and which implies that a one-person increment in family size would decrease the probability to be empowered by 1.34 percent.

**Education level:** It was assumed that women with better education levels can easily empower women. Moreover, a higher education level is related to better income, and enable women to participate in different income-generating activities. Therefore, the educated members, other

variables being constant, may have higher empowerment in a RUSACco than those unable to read and write. Based on the logit regression result this variable is significant at a 1 % level of significance and had a positive effect in which the marginal effect implies that as education level increase from one category to another category, the probability to be empowered would be increased by 7.3 percent, other things being constant. The finding is similar to the finding of (Chepkemoi, 2017), and (Abdou M., & Almas H., 2016)

**Effect of distance from RuSaCco:** The belief of respondents on the effect of the distance of the respondent's residence from the RUSACCOs office associated with the empowerment of women is found to be negative effect and significant at a 5% significance level. The negative association implies that the probability of women empowerment in RuSaCco members would decrease by 2.14 percent if the respondent's home is far from RuSaCco increased by one Km, This implies that the distance of RUSACCO to the beneficiaries' home would enforce them to get financial access, to be consulted, and thereby to be empowered.

**Financial literacy Training:** This variable is positively significant at a 5% level of significance. The marginal effect of financial literacy revealed that if a woman gets financial literacy training, the probability to be empowered will increase by 8.7%, other variables are assumed to be constant. Since it promotes saving more, borrowing a lot, to promote to the participation of different IGAs, a positive relationship was expected.

**Consultation Service:** As depicted in table 4.8, the marginal effect of consultation service shows that if the respondents get consultation services, the probability to be empowered in RuSaCco, would be increased by 24.41%, which was a significant 1% level of significance, other things being constant. This finding is pareral to the study of (Kifle . , 2015)

**Amount of loan (its log):** The amount of loan (its log) is found to be significant at a 5% level of significance which has a positive effect on women's empowerment. The result shows that if the percentage change of loan for IGA participation is increased by 1percent, the probability to be empowered for women would increase by 2.8 percent, while other variables are kept constant. These findings coincide with the study of (D Lalithaa R.& Deribi B., 2016).

## **CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Conclusion**

The results of the study lead to the following main conclusions:

First, from the logit model estimation, it can be inferred that if the women gets capacity building, if they get education access, if they get different training like financial literacy, if they get different consultation, if they participate in different IGAs and if they get credit access, they can be empowered. So the positive determinants of women's empowerment in RuSaCco are age, education level, consultation, participation in IGA, and loan for IGA.

Second, and from the logit model estimation result, this study concluded that if family size increases, and if the distance from home to RuSaCco is far, women empowerment would be affected negatively. Hence the negative determinants of women empowerment are family size, and distance from home to RuSaCco.

Third, from the FGDs and key informants' interviews, women's attitude or the perception about the role of RuSaCco on women's empowerment is positives. And it can be concluded that joining to RuSaCco can lead women to improve their status in decision-making, in participation IGA, improve the level of awareness, know right to freedom of movement, improve the decision to sell, and increase their ability to control wealth.

Finally, it is proved that the level of women empowerment in RuSaCco is better off if they get the treatments or services of RuSaCco appropriately.

## 5.2 Recommendation

The concerned body should create access to saving, access to loan, and access to the participation of different IGAs. It is impossible to achieve this without the integrated hands of policymakers, government organizations, NGOs, researchers, academic institutions, and the poor women themselves are recommended to do the followings specifically;

- The cooperative office should strengthen RuSaCcos and women members should be mobilized in the rural community to get financial literacy training, IGA training, consultation, access to saving, access to loan, access to IGA participation.
- The cooperative promotion office, kebele cooperative promoter, RuSaCco committees, district cooperative expert, and stakeholders' district like the Agriculture office, kebele development agent should conduct continuous monitoring and follow up with technical assistance to improve savings products and information systems in the rural community.
- To increase the empowerment level of women Pycho-social activities should be done. Therefore, policies should target those suffering most from empowerment failures.

## 6 REFERENCES

- Abdou Musonera & Almas Heshmati . (2019). Measuring Women's Empowerment in Rwanda. *Discussion Paper No. 10131*.
- Abdou Musonera, Almas Heshmati. (2016). Measuring Women's Empowerment in Rwanda. *Discussion Paper No. 10131*.
- Aude de Montesquiou, T. S. (2018). Aude de Montesquiou, Tony Sheldon, and Syed M. Hashemi. (2018). From Extreme Poverty to Sustainable Livelihood: A Technical Guide to the Graduation Approach.
- Batliwala, S. (1994). The meaning of Women's Empowerment: Population Policies Reconsidered .
- Berhan Dargie, Kelemework Tafere(Ph.D.), and M. Muthyalu(Ph.D.). (2011). Women's Empowerment through Rural Savings and Credit Cooperatives in Enda-Mohoni Woreda in Ethiopia. *International Journal of Research in Management, Science and Technology*.
- Berhan Dargie, Kelemework Tafere(Ph.D.), and M. Muthyalu(Ph.D.). (n.d.). Women's Empowerment through Rural Savings and Credit Cooperatives in Enda-Mohoni Woreda in Ethiopia.
- Brannen, C. (2010). An Impact Study of the Village Savings and Loan Association (VSLA) Program in Zanzibar, Tanzania.
- Chepkemai, L. (2017). The role of rural saving and credit cooperative (SACCO) societies on women empowerment in Kenya: a case study of united women Sacco.
- D Lalithaa Raniand Deribi Bekele Yadeta. (2016). Empowerment of rural women through cooperative: A case of saving and credit cooperative society of Dendi district, Oromia regional state, Ethiopia. *international Journal of Applied Research 2016; 2(8): 367-373*.
- Empowerment of rural women through cooperative: A. (n.d.). *International Journal of Applied Research 2016; 2(8): 367-373*.

- FAO. (2001). Project Cycle Management Technical Guide: Socio-Economic and Gender Analysis Programme, Rome, Italy.
- Fox Louise and Romero Carolina. (2017). Concepts and Measurement of Women's Economic Empowerment.
- Goel, V. (2015). Impact of Microfinance Service on Economic Empowerment of Women in India Sabarkantha District, Gujrat .
- Gujarati, D. (2004). Essentials of Econometrics, 4th Edition, Mc Graw –Hill Companies. 1003p.
- ICRW. (2011). International Center for Research on Women. Understanding and Measuring Women's Economic Empowerment.
- Kabeer, N. (2009). Gender equality and women's empowerment: A critical analysis of the third.
- Kifle Tesfamariam Sebhatu. (2015). Determinants of Women Empowerment in Cooperative Societies A Survey in South Eastern Zone Tigray Region of Ethiopia. *Journal of Economics and Sustainable Development ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online) Vol.6, No.3, 2015* .
- Kimanjara, T. (2013). influence of Microfinance on Economic Empowerment of Women: A Case of Kenya Women Finance Trust, Nakuru Town, Kenya.
- M., F. G. (2016). The Role of Microfinance on Women's Economic Empowerment in Southwest Ethiopia: In the Case of Four Woredas around Gilgel-Gibe Hydroelectric Power Dam.
- Malhotra, A. (2002). Measuring women's empowerment as a variable in international.
- Mayoux, L. (n.d.). Participatory learning for women's empowerment in microfinance. 2012.
- Mbughuni, P. ( 1994). Gender and Poverty Alleviation in Africa: Recent Research.
- Mendal, K. (2013). Concept and Types of Women Empowerment.
- Merga Gameda. (2018). Impact of Village Saving and Credit Group on Household Wealth in Habro district, West Hararghe Zone of Oromiya, Ethiopia.

- MeronZenaselase and Samson Abay. (2015). Microfinance and Women Economic Empowerment Nexus: Eastern Zone, Tigray Region, Ethiopia.
- Mesay Kassaye Yiemene. (2014). Assessing The Effectiveness of Saccos Towards Improving Food and Livelihood Security At Household Level; The Case of Dodota District, Arsi Zone, Oromiya Regional State, Ethiopia, p.32.
- MOSISSA KEJIELLA MEGERSSA. (2013). ASSESSMENT OF WOMEN SAVINGS AND CREDIT COOPERATIVE.
- Parliament, E. (2017). .Women's Economic Empowerment at International Level.
- Philip, C. J. (2015). Contributions of Savings and Credit Cooperative Society on Improving Rural Livelihood in Makungu ward Iringa, Tanzania. . *Proceedings of the Second European Academic Research Conference on Global Business, Economics, FinanceI.*
- Picard, M. and Gillingham, S. (2012). Women's Empowerment Impact Measurement Initiative Guidance. 6.
- Pidugu, S. R. (2015). A theoretical framework and empowering model of women. *International Journal of Academic Research ISSN: 2348-7666 Vol.2, Issue-2(3) (Special), April-June, 2015.*
- Rahman, S. (2007). THE IMPACT OF MICROCREDITON POVERTY AND WOMEN’S EMPOWERMENT: A CASE STUDY OF BANGLADESH.
- Rai and Ravi, S. . (2011). . Do Spouses Make Claims? Empowerment and Microfinance.
- Sen, A. (2018). Self-Help Groups and Empowerment of Women – A Case Study of Rural Areas in India. *The Researchers’ - Volume IV, Issue II, 25 July-2018 International Research Journal SSN: 2455-1503J.*
- Shaheen I.,I.Hussain , and G. Mujtaba. (2018). Role of Microfinance in Economic Empowerment of Women in Lahore, Pakistan: A Study of Akhuwat Supported Women Clients.
- Sida. (2015). Supporting Women’s Economic Empowerment: Scope for Sida’s Engagement. 10.

- Simone Lombardini, Kimberly Bowman and Rosa Garwood. (2017). A 'HOW TO' GUIDE TO MEASURING WOMEN'S EMPOWERMENT: Sharing experience from Oxfam's impact evaluations.
- Tandon, T. (2016). Women Empowerment: Perspectives and Views.
- Taye, C. (2014). The Impact of Microfinance Financial Services on the Economic Empowerment of Women: The Case Study of Wsidom Micro Financing Institutions S.C, at Woliso Woreda.
- Temechew, E. (2014). Challenges and prospects of saving and credit cooperatives in South Wolo Zone, Amhara Region, Ethiopia The case of Kalu Woreda saving and credit cooperatives .
- Theshome Maharu. (2014). Determinants of Household Graduation from Productive Safety Nate Program. The case of Kedida Gambela Woreda in Southern Region.
- UNIFEM. ( 2010). Gender Issues New York: UNIFEM. [[http://www.unifem.org/gender\\_issues](http://www.unifem.org/gender_issues)] .
- United Nations. (2011). Gender Equality in the Contemporary World. United Nations,
- United Nations Social Development Network. (2012). Empowerment.
- Visvanathan, N., Duggan, L., Nisonoff, L. and Wiegersma, N. (1996). (n.d.). . The Women, Gender and .
- Yared Gebremichael. (2008). Development of Saving and Credit Cooperatives in Mekelle Zone: Performance, Challenges and Proposed Intervention. International Journal of Science and Research (IJSR) ISSN (Online): 2319-7064, p.508.
- Zemen Ayalew Ayele. (2014). the Impact of Saving and Credit Cooperatives on Food Security in the West Amhara Region of Ethiopia.



## 7 APPENDICES

### Appendix 1 Marginal regression result

	dy/dx	Delta-method Std. Err.	z	P> z	[95% Conf. Interval]
Age	.0031918	.0014058	2.27	0.023	.0004365 .0059471
Fs	-.0133937	.0062967	-2.13	0.033	-.025735 -.0010523
MrS	-.0152811	.028634	-0.53	0.594	-.0714027 .0408405
Edu	.0731089	.0191719	3.81	0.000	.0355327 .1106851
Drn	.0002068	.0284535	0.01	0.994	-.0555611 .0559747
Ls	-.0028772	.0213669	-0.13	0.893	-.0447556 .0390012
Mswa	.068555	.0456542	1.50	0.133	-.0209257 .1580357
Tlu	-.0112588	.0096058	-1.17	0.241	-.0300859 .0075683
Dis	-.0214322	.011115	-1.93	0.054	-.0432173 .0003528
Igat	-.0322706	.0438217	-0.74	0.461	-.1181594 .0536183
Flt	.0874469	.0412118	2.12	0.034	.0066732 .1682205
Cs	.2441039	.0626128	3.90	0.000	.1213849 .3668228
Poffi	.0774771	.0403126	1.92	0.055	-.0015342 .1564884
Lnaliga	.0280072	.0106398	2.63	0.008	.0071535 .0488609
lnASRuSaCco	.0269681	.022387	1.20	0.228	-.0169095 .0708458

### Appendix 2. (a) estat vce, correlation

	WEI	Age	Fs	Edu	Drn	Dis	Flt	cs	poffi	lnaliga
WEI	1.0000									
age	0.4837	1.0000								
fs	-0.3601	-0.1712	1.0000							
Edu	0.2794	0.0792	-0.1807	1.0000						
Drn	0.4168	0.3076	-0.0689	0.1267	1.0000					
Dis	-0.7152	-0.3884	0.2348	-0.2115	-0.4187	1.0000				
flt	0.6804	0.4807	-0.2809	0.0934	0.3361	-0.6278	1.0000			
cs	0.2804	0.0857	-0.1753	0.0299	0.0869	-0.1642	0.1735	1.0000		
poffi	0.3440	0.2455	-0.0839	0.1477	0.2424	-0.3190	0.3418	0.0978	1.0000	
lnaliga	0.6044	0.3469	-0.1739	0.0987	0.2712	-0.5008	0.4292	0.1765	0.2658	1.0000

### Appendix 2 (b). vif

Variable	VIF	1/VIF
lnASRuSaCco	1.82	0.549524
Dis	1.80	0.554064
Tlu	1.62	0.618891
Lnaliga	1.57	0.636329
Age	1.29	0.773910
Ls	1.20	0.831985
Fs	1.08	0.924059
Mean VIF	1.48	

Appendix 3: Conversion Factor Tropical livestock (TLU)

S. No	Types of Livestock	TLU
1	Ox	1
2	Cow	1
3	Young bulls	0.6
4	Heifers	0.5
5	Calves	0.2
6	Sheep	0.15
7	Goats	0.15
8	Donkey	0.65
9	Mule	0.7
10	Horse	0.8
11	Poultry	0.005
	Total	

Source: Fekadu, 2010 cited by Arega (2013)

## Appendix-4: Questionnaires

### BAHIR DAR UNIVERSITY



### DEPARTMENT OF RURAL DEVELOPMENT AND MANAGEMEN

#### Introduction

Questionnaires on the women empowerment through rural saving and credit cooperatives: the case of Lidet saving and Credit union cluster woredas, Amhara, Ethiopia, 2020

Dear respondents!!! I am Mekidelawit Gashe, a Rural Development and Management MSc. Student at Bahir Dar University. I am conducting academic research on the above topic. The objective of this study is to analyze women's empowerment through Rural Saving and credit Cooperatives, under Lidet Union Cluster Woredas, South Gonder, Amhara, Ethiopia. To realize this objective your genuine response is very important. Please express your opinion openly and honestly. Your responses will remain confidential and will not be shared with anyone else, except for the sole purpose of this research. I appreciate your assistance and co-operation in completing this questionnaire.

#### Instruction:

- You are Kindly Requested to Give Genuine Responses.
- Tick (Circle) the corresponding number of your choices from the given alternatives.
- Put the numbers you agree with to those questions which are not multiple choices.
- Feel free to respond.

**Thank you for your cooperation to give responses to the questioners!**

**Part One: Respondent’s Socio-Demographic Information**

- ❖ Region----- Zone----- Woreda----- Kebele-----  
 Village-----Name of Rural Saving and Credit Cooperative -----
- ❖ Respondent’s code number: ----- Date of interview: -----

1. Age of the respondent:-----years
2. Family size: Total \_\_\_\_\_
3. What is your marital status?  
 Single: 2. Married: 3. Divorced: 4.Widowed:
4. Education status of respondent in years \_\_\_\_\_
5. Who is Head of the Household? Woman herself = 1 Other = 0

**Part Two: RuSaCco Participation**

6. Are you participating in the RuSaCco? Yes =1 No=0
7. How long have you participated in RuSaCco? -----Years
8. Are you any member of committees in your RuSaCco? Yes =1 No = 0
9. How much kilo meter it takes from your home to RuSaCco? \_\_\_\_\_KM

**Part three: RuSaCco Services**

10. What services have you gotten from being a member of RuSaCco?

S.N	Have you gotten the following Services?	Yes=1 No=0
1	IGA training,	
2	Financial literacy (Saving, loan, budgeting& financial service	
3	Access to credit	
4	Saving	
5	Dividend	
6	Different coaching	

**Part Four: Capacity Building Training**

11. Do you have gotten any skill development training as being a RuSACCO member?  
 1= Yes, 0 = No

**Part Five: Financial literacy training**

12. Have you ever attended any training programs regarding RUSACCOs (Savings, Credit, Budget, Insurance, financial service)? \_\_\_\_\_

Yes=1 No=0

**Part Four: Savings**

13. Do you have regular savings in RuSaCco? 1 = Yes 0 = No

14. If yes how many birr do you save? \_\_\_\_\_

15. If you answer, yes in question number 6, who decides the use of saved money?

1. Mostly myself 2. Mostly my husband 3 .me and my husband jointly

4. Other specify \_\_\_\_\_

16. Do you believe that saving helps you to be empowered?

Yes=1 No=0

**Part five: Credit**

17. Have you taken any loans? 1 = Yes 0 = No

18. How many birrs did you have borrowed? \_\_\_\_\_

19. Can you purchase cloth for yourself or your children at your own decision?

1 = Yes 0 = No

20. How did you use this loan?

S.N	Loan Utilization	Amount ETB
1	For IGA purpose	
2	For consumption	
3	For debt repayment	

**Part Six: Off-Farm Activities**

21. Did you have participated in off-farm activities/employment? 1 =Yes 0= No

22. If yes, in which of the off-farm activities your household is engaging in at present?

Off-farm activities	1. yes 0. No	Estimated annual income in birr
Selling Fattened Shoats		
Selling Fattened Cattle		

Dairy sales (milk, cheese, yogurt)		
Poultry rearing and sales (chickens, eggs)		
Beekeeping (selling honey, bees-wax, beehives or colonies)		
Selling grass or fodder (for livestock)		
Total income		

**Part Seven: On-Farm Income**

23. What type of farm activities you practice and how much is the total farm income of the members? Please fill the following table

Farming activities	Participating Yes =1 No=0	Estimated income in ETB
Spinning or weaving cloth (cotton or wool)		
Making repairing clothes (embroidery, tailoring)		
Pottery		
Blacksmithing		
Barber or Hairdresser		
Selling tea, coffee or beverages (e.g. Tela, Tejj)		
Selling cooked food		
Construction work		
Petty trading (selling cake, bread, soft drinks, candy, tobacco, etc.)		
Sale of Natural Products		
Selling firewood or charcoal		
Selling construction materials (poles, sand ...)		
Total		

**Part Eight: Livestock Asset**

24. Do you have livestock? 1. Yes =1      2. No=0

**Part Nine: Land**

25. Do you have land? 1= Yes 0 = No

26. If yes, how much hectare?-----

**Part Ten: About Economic Security Index (ESI)**

27. Do you have land in your name? 1= Yes 0 = No

28. Do you have house in your name? 1= Yes 0 = No

29. Do you have live stalk (like-----) in your name? 1= Yes 0 = No

30. Do you have saving account in your name? 1= Yes 0 = No

31. Do you have business enterprise (like shop) in your name? 1= Yes 0 = No

32. Do you have poultry in your name? 1= Yes 0 = No

**Part Eleven: Purchase Decision Index (PDI)**

33. Do you participate in the decision-making process of buying or selling of your assets?

1= Yes 0 = No

**Part Twelve: About Control over Asset Index (COAI)**

34. Are you allowed to keep the money from the sale of your asset? 1= Yes 0 = No

35. Do you spending from your own pocket to buy the asset? 1= Yes 0 = No

**Part Thirteen: About Mobility Index (MI)**

36. Do you visit places (such as local markets, sub-district towns, parent's places, courts, Bank? on your own.

**Part Fourteen: About Awareness Index (AI)**

37. Do you know the name of the ministry of women affairs? 1= Yes 0 = No

38. Do you know the name of the Prime Minister of the country? 1= Yes 0 = No

39. Do you know the legal minimum marital age of a bride? 1= Yes 0 = No

40. Are you aware of the divorce procedures? 1= Yes 0 = No

41. Do you have any reservation about female working outside the house? 1= Yes 0 = No

42. Do you use contraceptives and participate in the decision of birth control with your husband? 1= Yes 0 = No

43. Are you aware of the disease AIDS? 1= Yes 0 = No

**Part Sixteen(A)-Questionnaire for the perception of women on RuSaCco in Empowerment of women.**

✓ Please choose your perception from the 5 choices by thinking this mark (✓) in front of the statement

1= Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly agree

S. N	Predetermined statements for the perception of women on RuSaCco on women empowerment	1	2	3	4	5
1	Being a RuSaCco member has a positive effect on women empowerment					
2	the loan from RuSaCco is better than a Loan from usury					
3	Credit Access helps for IGA participation					
4	Being RuSaCco members affect other microfinance negatively					
5	To save and to borrow improve women empowerment					
6	Membership in RuSaCco increase Confidence					
7	Participation in decision making increase social, Economical and political empowerment					
8	Poor women in RuSaCco has low loan access					
9	Being membership in RuSaCco increase the job burden					
10	RuSaCco members are considered fearless					
11	Economic development for social and political empowerment					
12	Dividend can increase saving magnitude					
13	Being RuSaCco member create conflict in decision making					
14	Women RuSaCco leader make RuSaCco to be weak					
15	Women's are unable to be a leader					
16	No difference between membership and non membership					

**Part Sixteen(B)-Questionnaire for FGDs and key informant groups**

Number of participants-----Woreda-----Name of RuSaCco -----

Q1	<p><b>What motivates women to join the Rural Savings and Credit Cooperatives</b></p> <p>Suggestion: When you share your thoughts, you may cite the services provided by the RuSaCco to their members (women) such as financial skills training, savings services, credit services, proximity to their home, good savings interest, profit</p>
----	---



	sharing, committee participation, etc. Don't forget that you are conscious.
Q.2	<p><b>How do you measure the current status of women who are members of the RuSaCco compared to what they were before they became members?</b></p> <p>Introduction: When you share your thoughts, the role of women in decision-making, their participation in income generation, their level of awareness, their right to freedom of movement, the decision to sell, their ability to control wealth, etc. Remember that you are considering it.</p>
Q.3	<p><b>How do you measure women's participation in the various income-generating activities compared to their pre-membership status?</b></p> <p>Introduction: When you share your thoughts with us about women's participation in income-generating activities, their ability to participate in income-generating activities at their own discretion, conditions that enable them to participate in income-generating activities (eg loans), etc. Remember that you are considering it.</p>

Q.4	<p><b>How do you explain the convenience of women around the financial option before you become a member and become a member?</b></p> <p>Suggestion: When you share your ideas, women have options for saving, loan options, dividends, and so on. Remember that you are considering it.</p>
Q.5	<p><b>How do you assess women's participation and leadership in various leadership positions before and after membership?</b></p> <p>Suggestion: When you share your ideas, women are given equal leadership positions, leadership skills and acceptance, and so on. Remember that you are considering it.</p>