

**The Role of Microcredit Programme in
Empowerment of Women: The case of Dire
Dawa Women Association's Microcredit
Programme**

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Master of Arts (Public Administrations)
INDIRA GANDHI NATIONAL OPEN UNIVERSITY
(April, 2014)

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**This dissertation is submitted in partial fulfilment of the requirements of
the M.A (Public Administrations) of the Indira Gandhi National Open
University
(April, 2014)**

STATEMENT OF DECLARATION

Ms. Netsuh Lishanu declares that the thesis entitled The Role of Microcredit Programme in Empowerment of Women: The case of Dire Dawa Women Association's Microcredit Programme is the result of my own efforts. I have conducted the thesis independently with guidance and support of the research adviser Ato Elias Berhanu. The study has not been submitted for the award of any degree in any other university. It is submitted to IGNOU for the partial fulfilment of the requirement of the degree of Masters of Arts in Public Administration.

Name: Netsuh Lishanu Ayalew

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Date: April 1st, 2014

CERTIFICATE

Certified that the Dissertation entitled The Role of Microcredit Programme in Empowerment of Women: The case of Dire Dawa Women Association's Microcredit Programme submitted by Netsuh Lishanu is her own work and has been done under my supervision. It is recommended that this Dissertation be placed before the examiner for evaluation.

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ACRONYMS

CSA	Central Statistics Authority
DDWA	Dire Dawa Women Associations
GTP	Growth and Transformation Plan
MDGs	Millennium Development Goals
PSNP	Productive Safety Net Programme
SIDA	Sweden International Development Agency
UNICEF	United Nations Children's Fund
UN Women	Nations Entity for Gender Equality and Empowerment of Women

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Finally, to my father and mother whose love and support is my strength.

ABSTRACT

This case study examines the role of microcredit programme in changing the social and economic status of women in the context of empowerment. It is based on the findings of primary fieldwork in Dire Dawa, investigating the processes and results from the implementation of Dire Dawa Women Association's Micro Credit Programme. The central activity of the programme was the transfer of money in value of Ethiopian Birr starting from 2,500 to 120,000 to targeted women from extremely poor households. This investment in cash was given specifically to a woman within that household and the majority of these female beneficiaries used it to start their own small businesses.

This study argues that interventions which adopt primarily an economic entry point coupled with minimum training on basic financial literacy and gender had an empowerment effect in the lives of the women in building the agency role in other words, having the capacity to act on what they know. Importantly, giving them back their sense dignity and worth as a human being to be equally treated and to not to be deterred from reaching their full potential.

Chapter One: Introduction

1.1 Background of the Study

The empowerment of women is one of the critical issues of development. Globally, United Nations Entity for Gender Equality and Empowerment of Women (UN Women) informs us that “women perform 66 percent of the world’s work, produce 50 percent of the food, but earn 10 percent of the income and own 1 percent of the property.” In developing countries, it is even worse as they appear to form the largest of the poor. The ‘feminization of poverty’ theory, which came to predominance during the late 1970s and 1980s, stresses how the majority of poor people are female and that women are more likely to live in extreme poverty than men (Chant 2008). Since then, repeated emphasis on the links between women and poverty has led to a focus on reducing poverty primarily through women (ibid). ‘Entry-points’ for development interventions are contentious, hard choices have to be made and priorities set.

It has been widely acknowledged in the development literature that one of the means to empower women is by providing them easy access to credits. Accessibility of women to credit will enable them to venture into income generating activities, usually by establishing microenterprises, and thus provide additional income to the household (Nessa et al, 2012).

The impact of microcredit programme, however, is not limited to improving income of poor women. What is more important perhaps is that the ability to generate once own income potentially leading to help the women to have more power and choices related to their household decision making with regards to household’s consumption, expenditure, children’s education, health, freedom of movement, social awareness as well as participation in the community (Chowhudry et al., 2005). In this regards, microcredit, which usually targeted on poor women, has been argued to play an important role in empowering women, as well as integrating them into the mainstream development by making credit accessible to them, which they normally find it difficult to obtain from the formal credit institutions.

The Federal Democratic Republic of Ethiopia has declared its unequivocal commitment to the development of women with the announcement of the National Policy on Women in 1993 (referred to as the Women's Policy), and the promulgation of the Constitution in 1994. In

1996, the Proclamation that gave the legal background for the operation of micro financing through providing microcredit, amongst other services, was introduced. Since then, the participation of women in microcredit has been steadily growing. Recent data shows, women constitute 45 percent of those reached by microcredit in total (Getaneh, 2010).

However, it is equally important to understand that microcredit programmes need to be well designed to best meet the real needs of the poor women and empower them with the right tools and attitude to be able to successfully navigate their life and actively participate in the decisions that affect their life. Critical evaluations of some of the microcredit programmes on women empowerment have been generating mixed results. While some are supportive of microcredit's ability to induce a process of economic, social and political empowerment, others are more skeptical and even point to a deterioration of women's overall wellbeing (Holvoet, 2005). This research will explore to what extent microcredit programmes actually helps promoting women empowerment by taking the case of Dire Dawa Women Association's microcredit programme. The programme will be taken into account in order to describe how women empowerment was pursued through the promotion of microcredit.

1.2 Statement of the Problem

Microcredit is seen today as the single most important factor contributing to equality between women and men. It can stabilize livelihoods, broaden choices, provide start-up funds for productive investment, help poor women to smooth consumption flows and send children to school. However, economic empowerment cannot be understood in terms of material change only. Notwithstanding this success, there is a good deal of skepticism about microcredit as a tool of poverty reduction. Transforming the positive impact of microcredit into subsequent dimensions of empowerment is more complex. Female empowerment does not spring automatically from the introduction of microcredit. It requires working on the self esteem of the women, challenging the cultural barriers, including discriminatory practices and attitudes as well as acquiring the necessary skills to effectively utilize the credit.

Even though considerable research has been done on the impact of microcredit to women and its effect on their empowerment, internationally, there is still dearth of evidence on the effect of the microcredit on the empowerment of women in Ethiopia.

On a personal note, the researcher has been a keen observer of the thousands of women participating in the microcredit programmes in Dire Dawa. And the researcher remains inquisitive of the role microcredit plays in transforming the lives of the women and their families that goes beyond increase in household consumption to aspect of empowerment.

The research, therefore, looks at the case of Dire Dawa Women Association's microcredit programme with the intent to answer to the following questions:

- ✓ What are the effects of microcredit on the dimensions of women's empowerment?
- ✓ What are the critical elements in microcredit programmes that facilitate the empowerment of women?

1.3 Scope of the Research

Using the empowerment concept as the operational basis of the study, impact of the DDWA microcredit programme in empowering the women is explored both from the recipient of the credit perspective and the Dire Dawa Women Association's microcredit programme staff perspective. The main research units of the study, therefore, were the individual women who are recipient of the microcredit.

The research is conducted at one of the Dire Dawa Women Association's microcredit (DDWA) programme. DDWA is an indigenous, non-for-profit, non political and non-governmental organisation officially established on April 04, 2004 through the initiation of few dedicated women who are struggling for women's equality. DDWA is chosen because it is one of the strongest association that is working in supporting women with an excellent track records.

1.4 Purpose and Specific Objectives of the Research

The purpose of this study is to identify microcredit-driven empowerment processes of women in the case study (Dire Dawa Women Association's Microcredit Programme). Born and bred in Dire Dawa, the researcher has a special interest in learning about the potential of microcredit as a tool for poverty reduction as well as women's empowerment and how this scheme is changing the lives of women in Dire Dawa. Furthermore, the exploration of the interconnectedness of economic and social empowerment is of particular interest. Research findings should allow

DDWA Microcredit Programme to adapt and improve their programme to better support empowerment processes of women.

Therefore, the specific objectives of the research are aimed at:

- Exploring the level of changes observed in the lives of the women that goes beyond increased income, improved household expenditure and examine the level of their empowerment;
- Identifying if there are changes in the intra-household relationship; and
- Identifying if supplementary services such as training, awareness raising, working through groups rather than individuals, etc. are provided to enable the women challenge not only the conditions but also position of their life in their family, community and society.

1.5 Limitations

The one anticipated limitation for this research was the level of openness of the women to share their experience particularly in relation to the empowerment dimensions related to intra household relation, and this to some extent posed some problem in collection of the data. However, establishing good rapport and getting them interested in the outcome of this research is believed to address the challenge.

Chapter Two: Literature Review

2.1 Introduction

In this chapter, the study presents, a synthesis of the existing literature on the link between microcredit scheme and its potential role as empowerment tool for women. The chapter consist the following sub sections: evolution of microcredit, the impact and potential of microcredit on poverty and empowerment of women, microcredit and development, definition of empowerment and its link with microcredit scheme, conceptual framework for the study.

2.2 Evolution of microcredit and its effect on women's empowerment

There has been considerable rethinking on the impact and potential of microcredit on poverty and empowerment of women since the Grameen bank first pioneered the concept in 1979. Professor Mohammad Yunus, Nobel laureate in peace and pioneer of Grameen bank, came up with this idea of providing small loans to the neighborhood poor households, particularly poor women households, those unable to provide collateral. The problem of women's access to credit was also given emphasis at the first International Women's Conference in Mexico in 1975, which resulted in the establishment of the Women's World Banking network. In 1985, during the second International Women Conference in Nairobi, there was a mushrooming of government and non-government income generating programmes for women, most of which included microcredit.

Prof. Yunus further expounded that if the goals of economic development include improved standard of living, removal of poverty, access to dignified employment and reduction of inequality then it is quite natural to start with women. They constitute the majority of the poor, the under employed and the economically and socially disadvantaged. In most places, women still trail men in labour force participation, access to credit and financial services, entrepreneurship rates and ownership and inheritance rights. This gender gap is neither efficient nor just" (Kerry, 2010). For this reason, development activities are increasingly focusing on empowerment of women, not only as a supporting factor of economic development, but also as a goal in itself. This is reflected in development politics in general

and notably in the MDGs (Millennium Development Goals), which signal “a widespread recognition that empowering women in particular is key to economic and social development”.

Appreciation of the above the above, women are now increasingly benefiting from the microcredit schemes. However, empowerment is not dependent on mere access but on control of both the credit and the use to which that credit is put. Access does not automatically include control (Burra et.al. 2005:44). While evaluating the effect of microcredit programme on women empowerment, several studies yield mixed results. Some are in favour of the argument of the ability of microcredit to induce a process of economic, political and social empowerment whereas others, being more skeptical, point to a deterioration of women’s overall wellbeing.

As to women’s empowerment is concerned, generally the effects of the programme are largely positive (Rahman, 1986; Pitt and Khandker, 1995; Mahmud, 1994; Amin and Peibly, 1994; Huda and Mahmud, 1998; Steele et.al., 1998, Mayoux, 1998, Mahmud, 2003 Murthy et.al, 2005, Holvoet, 2005). Based on the findings from an ethnographic study and quantitative survey of Grameen Bank and Bangladesh Rural Advancement Committee (BRAC), Hashemi, Schuler and Riley (1996) argued that involvement in ‘microcredit programme’ does empower women by strengthening their economic roles, increasing their ability to contribute to their families’ support. Also enabling women to negotiate gender barriers increased their control over their own lives and improved their relative positions in the household.

Critics however of microcredit argue that women’s access to credit reinforces patriarchal norms of women’s subordination, resulting to worsening of gender relationship and disempowerment (Goetz and Sen Gupta, 1996; Montgomery et.al., 1996; Rahman, 1999). Goetz and SenGupta (1996) find that a significant proportion of women’s loans are directly invested by their male relatives, though women borrowers bear the liability for repayment. The phenomenon of loss of control of loan by women borrower and the intense pressure of timely repayment of loan increase tension and frustration within the family which produces new form of dominance over women by the members of family as well as microfinance institutions and that increase violence in the society (Rahman, 1999: 67).

Both sociology and economics have subfields concerned with intra household relations and within these both have theories relying on access to resources to explain differences in power and welfare outcomes within household. They extend the theories to include social norms, values and culture as intervening variable in the ability to translate resources into intra household power, particularly for women. Micro level contexts in some cases do not support that only in improvement in women's resources lead to their improved status (Jejeebhoy and Sathar, 2001; Malhotra and Mather, 1997; Mizan, 1994).

The allocation of authority and control within household structures by social norms and values produce unequal gender relations where men command authority and resources (Kabeer, 1995: 224-28). In the household affairs, working women may successfully bargain over certain aspects of household expenditure but what remains non-negotiable is men's control over asset management decisions based on land, capital and other valuable assets related to household's affairs (Pant,2000:94). Moreover, if a family builds property assets, it will have other sources of funds available to survive a crisis and thus become less dependent on strategies more harmful to women (Kantor, 2003:438). Likewise, women's welfare outcomes of a family are influenced by mobility decision since women themselves are constrained by the female seclusion norms about which families make decisions. Women's mobility levels have direct effects on women's ability to create and maintain links with people outside the family, including those who can help improve the operation of their enterprises (ibid).

2.3 Microcredit in Ethiopia

The advancement of women's economic empowerment in a Micro and Small Enterprises as part of Development Strategy, took some years to spread in Africa and eventually in Ethiopia after the initial impulse in South East Asia. Approximately 28 per cent of Ethiopian Households are headed by women. Female headed households and women in male headed households have unequal access to productive assets and other resources. For instance, a CSA agricultural sample survey on land utilization (2009/2010) showed that the average land holding size of women in the survey was 0.68 hectare while it was 1.11 for men. Women access to extension services was also found to be less than for men leading to a plan to develop actions that would make access more equitable in the current Ethiopia's 5-years Growth Transformation Plan (GTP). For example, despite progressive laws introduced in the

country, until recently women in Somali Region were barred by backward tradition from owning property without a male guardian. Female employment rates rose between 1999 and 2005 (from 46 to 49 per cent) and urban unemployment declined among female youth from 26 to 22 per cent. The participation of women in the non-agricultural sector is likely to have increased to well above 50 per cent by now which marks a distinct improvement vis-à-vis 1999 when it stood at slightly above 40 per cent (it rose from 41 in 2004 and 44 in 2005 to 47 in 2006). Women constitute 42 per cent of permanent public servants with significant disparities among regions.

The link between women's economic empowerment and economic growth was also further underscored by the econometric model put forward by the World Bank in a research paper entitled "Unleashing the Potential of Ethiopian Women – Trends and Options for Economic Empowerment" (World Bank, June 2009). The simulation showed that by enhancing women's access to key productive factors such as regular employment, jobs in the informal sector, access to entrepreneurial inputs such as credit and land, Ethiopia's would benefit by as much as 1.9 per cent growth per year.

Societies that fail to make full use of half their human resources are "condemned to remain wallowing in poverty and backwardness." "destitute, poor and average African woman whose life situation embodies the African economic, political and social predicament so vividly and so fully" would occupy centre-stage of the continent.

The late Prime Minister, Meles Zenawi addressing a major conference at United Nations Economic Commission for Africa (ECA) on gender and development in Africa

Notwithstanding the challenges, the Federal Democratic Republic of Ethiopia has made several efforts to strengthen national structures to achieve gender equality. The country's constitutions and national policies are consistent with international legal instruments on gender equality, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). The Ethiopian constitution clearly guarantees the rights of women as equal to those of men in all spheres including equality in marriage, the right to equal employment, and rights to acquire, administer, control, use and transfer property, with emphasis on land and inheritance issues and the right to access family planning and education.

The challenge is then is how to translate all these important provisions into the daily reality of the vast majority of poor which constitute mainly women. As it has been presented in the above, microcredit scheme is not without its complexities and solving poverty and empowering women is not a simple task. But, without further understanding about the modality of microcredit schemes and elements that are critical for empowerment for the participating women, the problem of falling short from really affecting the lives of the women is likely to remain. The fact is that women participating in the microcredit schemes in Ethiopia unfortunately still work within a society that undervalues their contribution in every aspect and restrict their freedom in exercising their full potential. Therefore, for microcredit programme to bring meaningful and lasting changes such as empowerment of women, it needs to be administered mindful of these critical issues.

2.4 Conceptual framework for the study/women empowerment

An empowerment concept has been especially adopted for the purposes of the research, which makes it possible to understand and illustrate change processes in the lives of women. The concept is based on various suggestions in the development literature (i.e. Mostofa et al., 2008, Rahman & Naoroze 2007, Pitt et al., 2006, Hashemi et al., 1996), the concept of women empowerment that is adopted in this research is measured by five dimensions that is believed to represent the expansion of choice and freedom of women to make decisions, as well as to take the actions which are necessary to influence their life outcomes. These are: (i) economic decision making, (ii) household decision making, (iii) freedom of movement, (iv) ownership of property, and (v) social awareness. These five dimensions are based on the central meaning of women's empowerment, fundamental right of women in family, society and nationally from various literatures (i.e. Baltiwala, 1995, Malhotra et al., 2002). A number of items are arranged under each of these five measurements and the women taking part in the research will be asked to indicate their apparent extent of empowerment along a 5-point range.

Since the research is exploratory study, the researcher uses the Dire Dawa Women Association's Microcredit Programme as a case study and the researcher will spend several hours with the participants of the microcredit programme conducting an in depth interview so as to be able to understand the experience of the women in the process and learn the changes brought about in their life because of the programme.

The critical features of this conceptual framework include a recognition that economic and women empowerment are intertwined and often mutually reinforcing, and of the need to address the structural causes of poverty, including power relations, in order to provide a sustainable exist strategy from poverty.

Chapter Three: Research Methodology

3.1 Research Design

This research draws on literature of both international and national and their analysis of the success and limitations of the women economic empowerment programmes. The intention here is to relate the evidence drawn from the case study of Dire Dawa Women Association's (DDWA) microcredit programme in its role in empowering the women.

The research deals with individuals as its unit of analysis and tries to see if there are any commonalities and patterns, in the empowerment traces of changes experienced across the various women different in age and background.

The five dimensions of empowerment (economic decision making, household decision making, freedom of movement, ownership of property, and social awareness) score of a respondent in a particular dimension of empowerment is computed by adding the scores obtained in all items in that class. Concerning sampling, 30 female participants of the Association were interviewed so as to get a good representation of the different age and background. Considering the size of the sample, the result is highly significant with relatively small (.05) margin of error.

3.2 Method

The study employed both quantitative and qualitative approaches. In the qualitative research method, namely Semi Structured Interview (SSI), focus group discussion (FGD) and case study were employed. In the quantitative method, questionnaire that contain a set of predetermined questions were used to collect data from individual women participating in the Dire Dawa Women Association's microcredit programme.

A snowball sampling was used to identify the relevant participants for the in-depth one-to-one interview. In choosing the participants, purposive sampling was used as a starting point and to make sure that the study incorporates participants from various background and age.

This enabled the researcher to see possible the full scale and range of changes registered in the lives of the women and the families.

3.3 Data Collection Strategies

To capture the variety of dimensions and perspectives and to obtain a valid and reliable assessment of the research, a triangulation of three different research tools including literature analysis, semi-structures interviews and case study were applied. The literature analysis provided important information on the programme background of DDWA Microcredit Programme, the framework conditions for empowerment and actual debates on microcredit and empowerment. A series of qualitative semi-structured interviews constituted the core of the research. Particular interview guidelines were prepared for the female microfinance clients and officials at different levels of MFIs. Both in-depth individual interview and focus group discussion were conducted. The empirical body of the research is based on interviews with 30 women microcredit programme participants and 4 programme personnel.

3.4 Ethical Considerations

3.4.1 Permission for doing the research

This research commenced after obtaining an approval from the DDWA management and the research advisor.

Before starting the interview, the researcher did a brief self introduction describing status and background in order to build rapport and encourage the participant to open up during the interview. The nature and purpose of the research was clearly explained to the participants. The participants were told explicitly that participation is purely on voluntary basis. If participants are literate and can understand the informed consent statement, a written consent was sought from the participants. Otherwise, if their literacy level does not allow that and/or if there is a need for protecting their anonymity, only verbal consent for taking part in the research required, and hence no written consent solicited.

3.4.2 Privacy/Confidentiality/Anonymity

If, for one reason or another, any of the participants requested for a private set up for the interview, it was facilitated. Besides, no question that invaded the participant's privacy was asked. The researcher ensured that the need for confidentiality and/or anonymity of the participants is protected and guaranteed.

3.5 Benefits of the Research to the Participants

The research will benefit the participants at different levels. First, as the research primary concern is to understand the link between microcredit programmes and the level of empowerment brought about by the programme, the findings will have an input on how to improve the modality of the programme to best serve the women.

Chapter Four: Findings

4.1 Demographic and Socio-Economic Characteristics of Respondents

The case study of the *Dire Dawa Women Association's Microcredit Programme* looked into the experience of a group comprising 30 members. Data on distribution of age show that highest proportions of the respondents are in their 30s and 40s, 63% and 27% respectively. Data on marriage status indicate that 100% of the respondents were married, out of which 63% have three to two children and 90% of them live with their husbands.

Chart 1: Age Distribution of Members

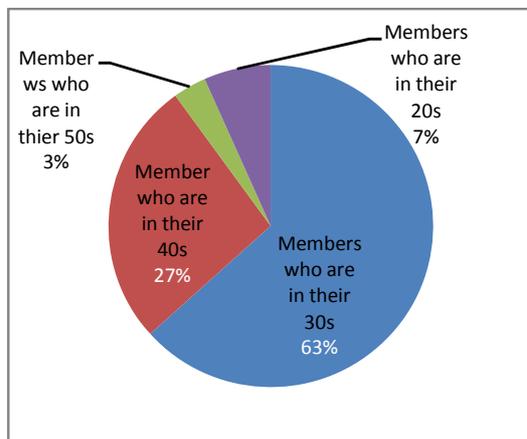
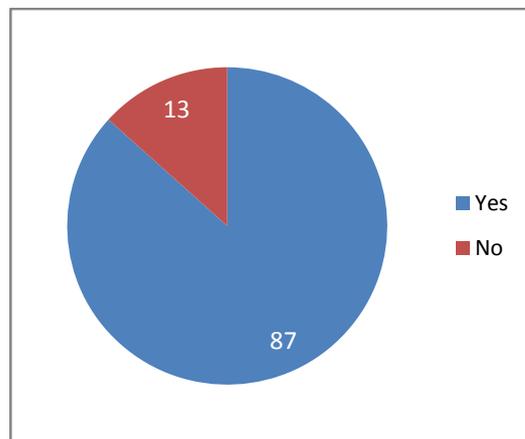


Chart 2: Have You Ever Been to School?



Data on educational status also revealed that 87% of the respondents have attended school. The highest level of schooling that some of the members (3%) reached is above secondary with the majority i.e. 36% completing junior secondary level. However, currently, all respondents are not attending school.

Data on family size shows that comparable proportions of the women (27%) have six and four family size, followed 20% of the respondents having five and other equal proportions (10%) having a total of eight and seven family members.

Finally, data on number of children per respondents show that 100% of the women have reported to having children. The majority (33%) of the respondents have two children, followed by 30% of the respondents reported to have three and only two women (7%) have reported to having six children.

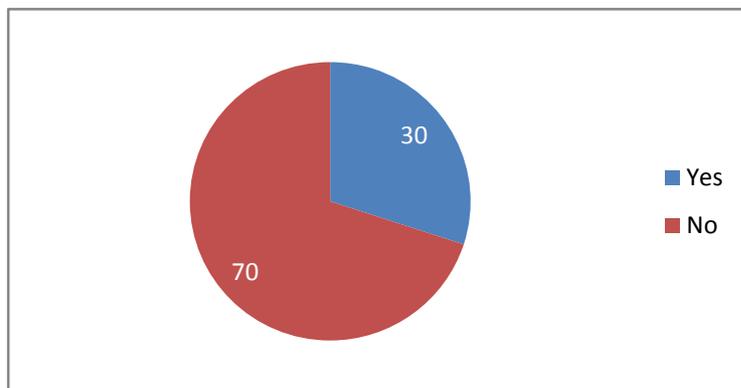
4.2 Introduction to the Dire Dawa Women Association Microcredit Programme

4.2.1 Eligibility for and loan repayment modality

The overall criterion for participating in the credit is absence of regular income. And the loan is available for either individuals or persons organized in a group. The Dire Dawa Microcredit association loan size range from 2,500 to 120,000 Ethiopian Birr. Eighty seven percent (87%) of the members took the credit to start-up their own small business, the remaining 13% took the loan to either finance their children’s schooling or to cover and/or improve their household consumption.

The repayment modality is monthly. The members are expected to repay their credit monthly starting from as small as 1 percent of the loan. However, should they be found not to comply and pay their monthly contribution, they will be liable to pay back with interest as well as with the probability of losing their credit. As chart 3 shows below 70% have reported to have never defaulted on their payment.

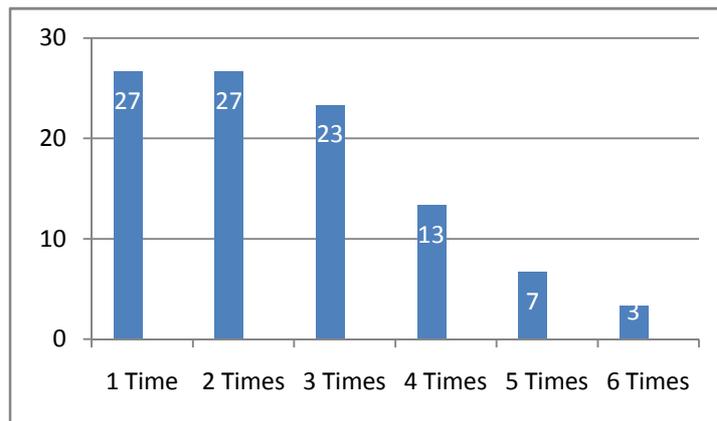
Chart 3: Have You Ever Defaulted on Your Payment?



4.2.2 Frequency of the loan taken from the association

Twenty seven percent of the respondents took the loan one or two times followed by 23% of the respondents using the credit three times, 13% four times, 7% five times and 3% six times. Chart 4 shows the frequency of loan obtained by the respondents.

Chart 4: Frequency of Participation in the Credit



4.2.3 Induction to the microcredit process

When asked about whether members have been given any induction about the credit procedures, on the type of rules or any other initiative to build their capacity in terms of managing their loan, 76% have reported that they have passed through some kind of induction. The remaining 23% of the respondents reported that they were not given introduction. When asked to further explain what the induction entailed, 53% stated that it was about what is expected of members, the repayment modality and repercussions to failure to repay on time. Twenty three percent (23%) reported that the training included introduction to basic financial literacy.

The focus group and individual in-depth interviews with the programme staff of DDWA Credit Programme revealed that participants of the scheme are taken through an introductory phase where they not only be introduced to the objectives, rules and procedures of the programme but also provided with basic gender and financial literacy trainings. However, the programme staff have also acknowledged that these trainings need to be followed-up with refresher sessions that will assist the women to properly use the money but also have the confidence to challenge the old-aged gender values and believe in their own ability.

Finally, in terms of penalty for failing to pay the loan, respondents indicated that it ranges from paying with interest, not being qualified for the second round credit to confiscating property.

4.3 Investigating the Extent of Empowerment of Beneficiaries of DDWA Microcredit Programme

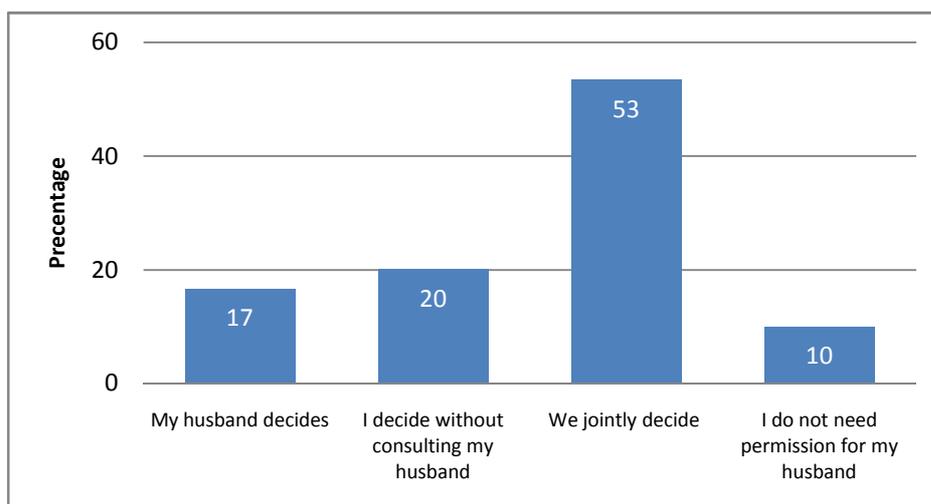
This section will carefully examine each dimension of empowerment against the observed changes in the lives of women for being part of the microcredit programme.

4.3.1 Household decision making

In the study, four indicators – decision to renovate the house or build additional rooms/construct new house, decision to purchase vegetables or household consumption materials, decision on family planning and decision on children schooling - were followed-up to measure the level of the women’s decision making capacity in their own home. Some of the interesting findings are elaborated below.

In regards to decision on issues related to renovation or building a new house, in other words on matters related to assets, as Chart 5 shows, it is a joint decision for the majority (53%). For 17% of the respondents, their husbands decide on such matter.

Chart 5: Who Decides on Issues Relating to Renovating or Building a House?



In regards to purchasing of vegetables or any other edible goods for the family for consumption, 23% said that they jointly decide with their husbands compare to the 50% who said they do not need their husband permission.

In relation to decision when and what to spend, as Chart 6 shows, 50% of the respondents reported that they solely take the decision. Followed by comparable proportions (23%) of women reporting they either exclusively or jointly take decision.

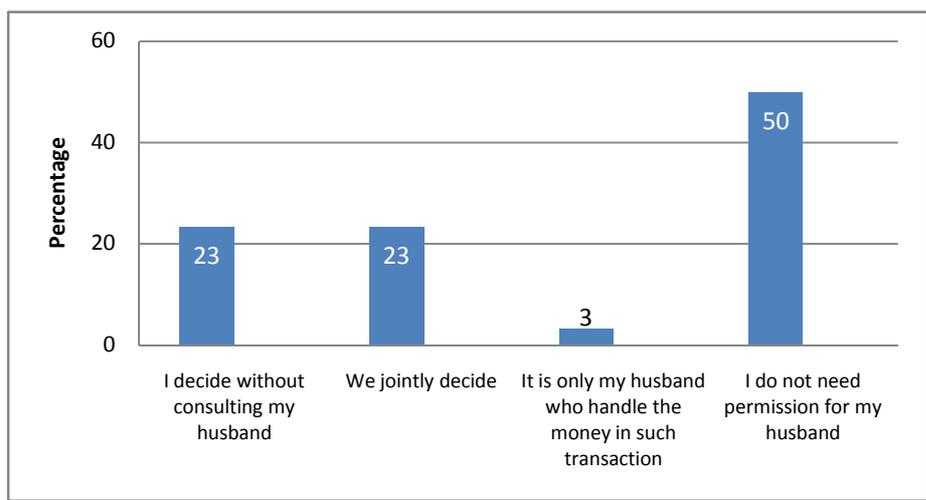
One of the interesting cases that were documented to demonstrate the shift in decision making power of the women in the household was the case of W/ro Abebech. All names have been changed to respect the identity of the respondents.

Box 1: The case of W/ro Abebech

W/ro Abebech is married to daily labourer, Ato Girma. The couple has four children between the ages of 9 and 16. W/ro Abebech, before joining the microcredit programme, she used to be a housewife who used to ask for money for every little thing that either the house or the children needed.

She says, “I used to feel so small, smaller than my youngest child for being so dependent on my husband. But now, she says, because of this credit the weight has lifted from my shoulder, I now feel that I have a voice and most importantly I feel I am respected both by my children and my husband”. W/ro Abebech further says, “It is indeed a great feeling to have, and I recommend it to all women who used to be like me, waiting for their husbands to give them money for all the things they or the family need”.

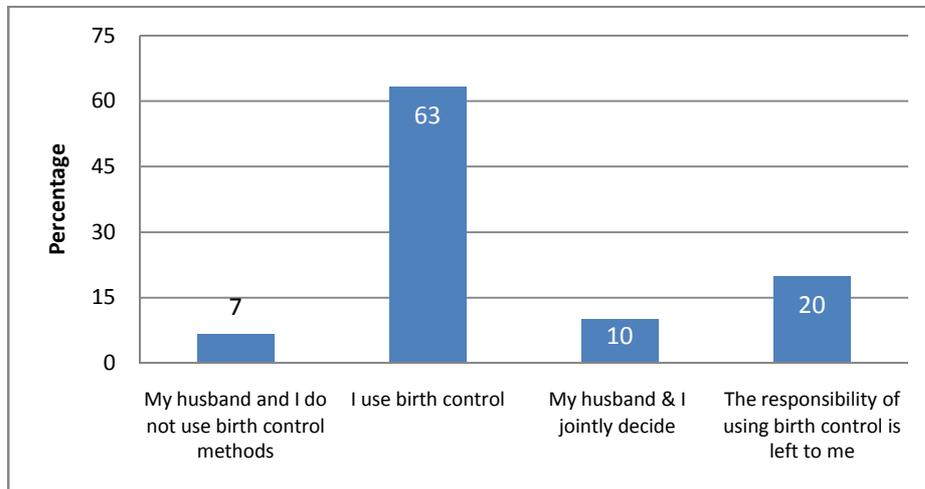
Chart 6: Who Decides on Spending?



The other dimension that was examined under the household decision making was the ability to decide on using birth control measures. Chart 7 shows some interesting findings in relation

to the progress made in using birth control but it also corroborate with many other previous studies that the burden of using birth control is still left to the women with the majority, 63% reporting of the usage.

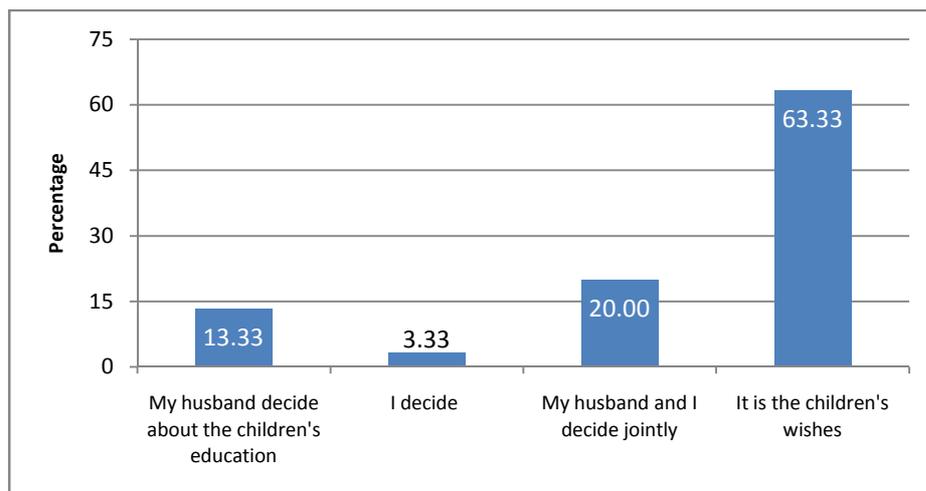
Chart 7: How are Decisions on Family Planning Arrived in Your Household?



Other alarming finding is the fact that 7% of the respondents reported that either their husbands or themselves not using birth control. Ethiopia is one of the few developing countries in recent years that have registered remarkable changes in this area. However, this finding also shows us that there is still a lot work need to be done to achieve universal acceptance towards birth control measures.

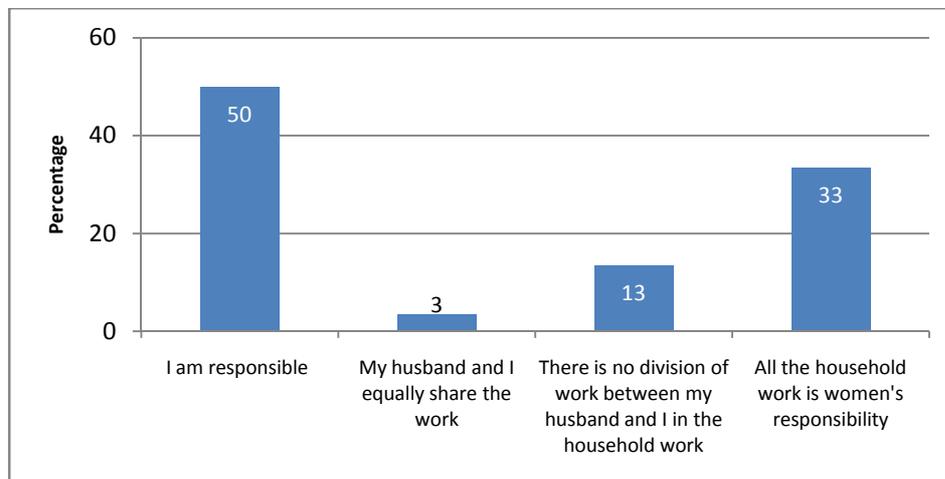
In regards to their children’s education, Chart 8 shows that 63% of the respondents reported that they respect their children’s wish, in deciding where to send them to school. However, they also did not go without underscoring that their decision is dependent on other related factors such as transport cost to and from school which has high potential in influencing their decision.

Chart 8: Who Decides on the Children's Education?



Finally, on issues related to doing household chore, the data shows that gender values and norms are still very pronounced. As Chart 9 shows, 50% of the women reported to be the primary responsible person for doing such tasks in the house, and with only 3% reporting that their husbands also equally share the work.

Chart 9: Who Does the Household Chore?



The other not so much surprising but sad reality is that 33% of the respondents still feel that the work in the house is the domain of the women, despite being part of such an empowering programme. This finding also corroborates with other studies that values and attitudes of women is very much a barrier to change as the external social norms. Critical lesson for this programme or similar undertakings that aims to change or transform social, economic and political positions of women, the prerequisite for a success is working on the internal values of women.

4.2.1.1 Respondents' perception of changes in their lives due to the credit

The five most mentioned things that the respondents were able to do after accessing the credit scheme range from ability/capacity to build additional rooms in their house or renovate their house, been able to save in the bank, been able to expand their businesses, been able to support their children's education and been able to have additional income to cater to the needs of their children.

4.3.2 Economic decision making

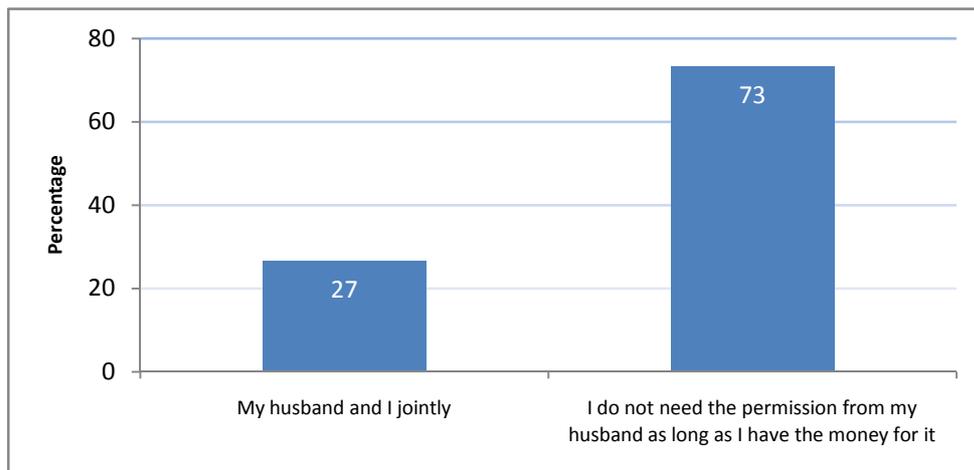
In regards to controlling the loan taken from the credit association or in other words deciding on what the money should be used to, 53% of the respondents reported that they are exclusively responsible in deciding on its utilization and remaining 47% stated that they jointly decide with their husbands.

In relation to decision on saving, 50% of the respondents affirmed that they do not need permission from their husbands on how much can be saved in the bank. Equally about 46% said that the decision is jointly made and a very minority group about 3% said that it is their husbands who make the decision on how much can be saved or its utilization.

Capital assets such as land or buying of big property was one of the indicator in measuring empowerment of women, In such matter, half of the respondents 53% conveyed that they jointly decide with their husbands compared to the 23% who said that it is their husband who decides exclusively.

Regarding the decision on engaging in income generating activities, as Chart 10 shows, 73% said that they do not need permission from their husbands as long as they have the money for it, compared to the 27% who said that they jointly decide with their husbands.

Chart 10: Who Decides on Engaging in Income Generating Activities?



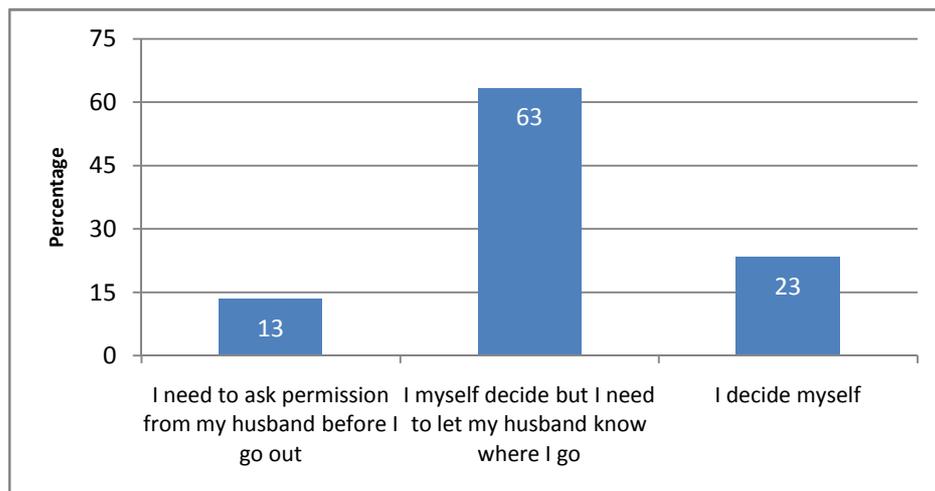
4.3.2.1 Respondents' perception of changes in their lives due to the credit

Participants of the credit association were also asked to mention five things that they were able to do after accessing the credit, the majority's response revolved around further expanded their vegetable trading business, buy house utensils, started cattle rearing business, helped them to create job opportunity for others and helped them to come out of their kitchens and own their own small business.

4.3.3 Freedom of Movement

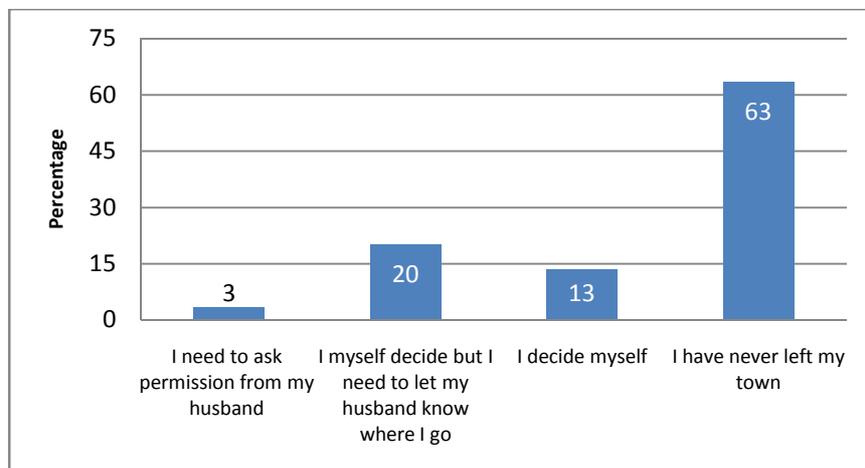
Freedom to move from a place to a place was considered as one of the empowerment indicator. Accordingly, Chart 11 shows that about 13% of the respondents reported to needing permission from their husbands for their movement, versus the 63% of the respondents who expressed that they are free to go to wherever they want to go as long as they inform their husbands their whereabouts. Twenty three percent (23%) reported that they have never left their town.

Chart 11: Who Decides on Your Physical Mobility?



Finally, when asked who takes the decision for their travel outside their town, as Chart 12 shows, considerable proportion (20%) stated that they themselves decide but they need to inform their whereabouts to their husbands. Interestingly, 63% of the respondents have never left their town

Chart 12: Who Decides if there is a Need for You to Travel Outside Your Town?



The findings under this indicator shows that may be the economical margin or the profit they acquire from their small business does not give them the luxury to travel. Revealing that this is might be a practical question as well as an empowerment issue.

4.3.3.1 Respondents' perception of changes in their lives due to their credit

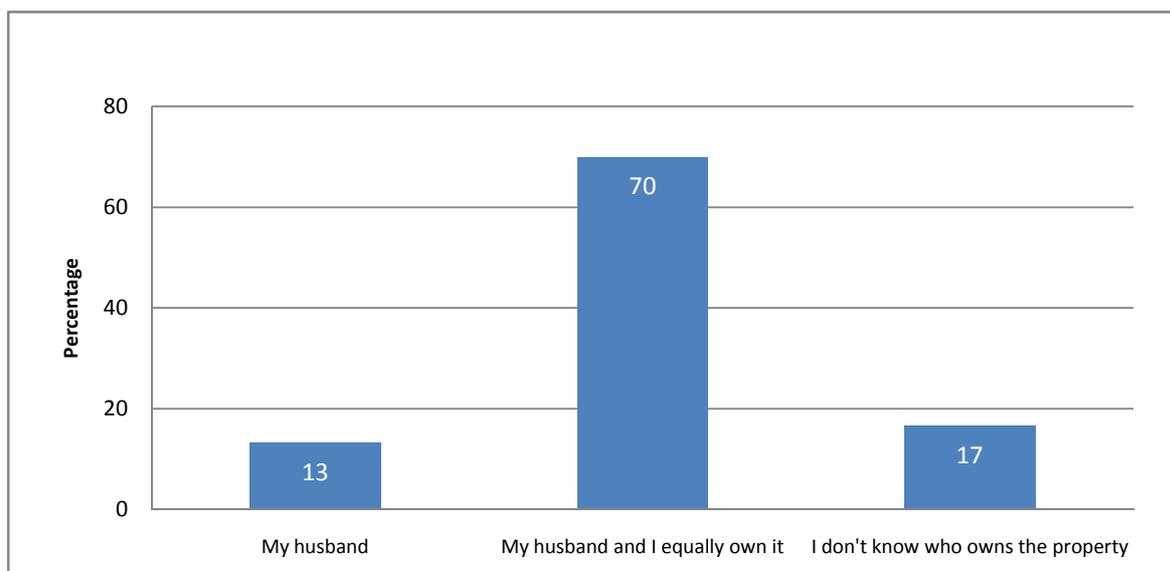
Out of the respondents who got the chance to travel outside their town, the five most mentioned visited places because of the credit are neighboring towns such as Harar, Jijiga and some were able to travel as far as Addis Ababa.

But there were many who mentioned time and again that they do not have the luxury to travel outside their town or visit their families.

4.4 Ownership of property

The two indicators that were considered to assess the level of property ownership by the women were the person(s) the household property registered under and the opinion of the respondents on the type of property women should be allowed to own. As Chart 13 shows the majority, 70% of the respondents reported that they own properties registered under their household equally with their husbands, followed by 17% who stated that they are not aware or knowledgeable who owns the property and 13% who reported that property being owned by their husbands.

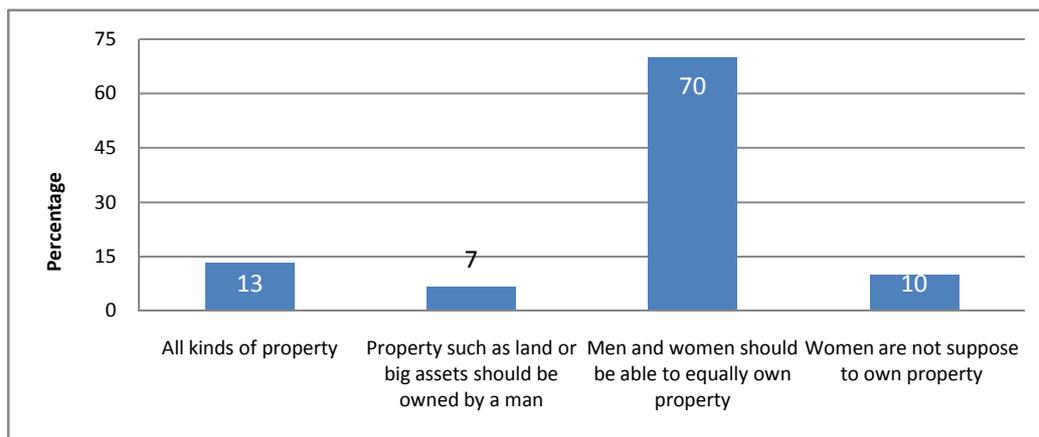
Chart 13: Who Owns the Property Registered Under Your Household?



The opinion of respondents on the types of property that can be owned by women were further solicited to substantiate the extent of women's ownership of property, as data on

Chart 14 shows that the majority, 70% felt that men and women should equally own property versus the 10% who believe that women are not suppose to own property and 7% who are in the opinion that property such as land or big assets should be owned by men. Bringing the total of women who still believes that men are entitled to lead and own family property. And women should be left to homestead where they are useful in caring and taking care of their families.

Chart 14: What kind of Property Should Women Be Allowed to Own?



4.4.1 Respondents perception of changes in their lives due to the credit

Respondents were also asked the new things that they were able to own after accessing the credit scheme. Interestingly, the women felt that being involved in the credit scheme has enabled them to have opinion; some felt that they were able to participate at equal footing with their husbands in their home decision making processes, some were able to own their formal deeds of their house and some also felt that there is no change in their life.

Box 2: The case of W/ro Almaz

W/ro Almaz is married to Ato Mezmur a watchman at one of the commercial bank. The couple has six children. W/ro Almaz, alike so many housewives from a very low economic social strata, lives from her husband monthly income which is often very small to address the various need of the family. She says, “I used to feel guilty whenever I ask money my husband, especially when things get over before he gets his next month salary”. She says, “It was a daunting process for me to go through, to see my husband’s blaming eyes”.

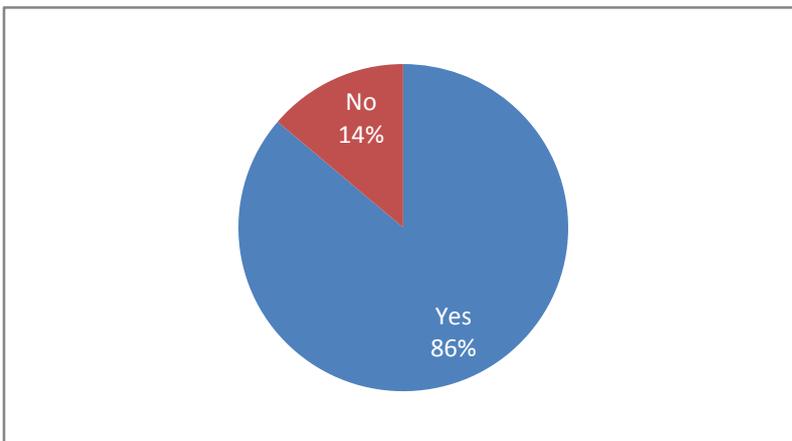
After joining the credit programme, she says, “My life changed all for the better. I open a small shop in my own house and sale all sorts of things from vegetables to candle to grains. I started getting and earning my own income”.

It is with so much pride in her face and voice that W/ro Almaz says that she now feels so happy and useful to be able to bring additional income to her household and her family.

4.5. Social Awareness

The three important questions considered in the study to measure social awareness were opinion gauging regarding if girls and women are equally treated with boys and men in today’s society, the three most critical obstacles to equality and the solutions to differential treatment of the two sexes. Chart 15 shows that 86% of the respondents felt that girls and women are equally treated as boys and men in today’s society.

Chart 15: Is There Gender Equality in Our Society Today?



Out of the 14% who thought equality is yet to be achieved, they mentioned the three critical reasons for the status quo: the influence of culture and tradition, harmful social practices and

attitudes. Respondents felt that teaching and raising the level of awareness of the public at large is a very important tool to combat inequality.

However, when the question was further probed and elaborated in the focus group discussions among the beneficiary women, many issues did come out. Issues such as, men are still treated as the head of the household, entitled to make all the important decisions such as buying land or house, where the family should settle or how children are treated or disciplined. Men are also still treated as keeper of their wives; speaking on their behalf, representing them in local political meetings or gathering, etc.

The women highlighted that the microcredit has helped us to some extent challenge all these old-aged attitudes and beliefs. The women also felt that it is interesting to see the slow but steady change in the attitudes of their husbands, willingness to accept to their wives as equal partner.

4.5.1 Respondents perception of changes in their lives due to accessing the credit

Respondents were also provided the opportunity to express what they have recently come to know or be aware of because of the credit. Hence, responses range from that it is better to take loan from an institution instead of an individual, being part of the credit programme exposed them to things that they were only dream of doing and the credit enabled them to lead a better and stable life.

Surprisingly, there were three women (10%) who felt that they are in worse state than before they accessed the credit.

Chapter Five: Conclusion and Recommendations

5.1 Conclusion

The study investigated five dimensions of women's empowerment, household and economic decision making, freedom of movement, ownership of property and social awareness. Empowerment, as used here, concerns improving of women's ability to make decision on issues that affect their lives. There are indications of increased empowerment by the Dire Dawa Women Association's Microcredit programme beneficiaries across the five dimensions.

In terms of household decision making, DDWA microcredit programme beneficiaries, for the most part, jointly decide over spending and renovation of their own house. The additional cash on their hand has also given them the confidence to have their say in their family's life.

There are also signs of empowerment in the dimension of economic decision making with women having equal say in utilization of the money and owning capital assets. The most important change, in the dimension of economic decision making, is the change in the perception of women that they can start their business without first getting permission from their husbands. The relationship has changed to more negotiation and listening to what the other, in this case, the women has to say, which used to not be the case.

In terms of ownership of property, the study shows progress, with majority of the women reporting to owning their households properties jointly with their husbands. It is also an indication that programmes such as microcredit programmes promote women's acceptability and capacity to be treated as equal partner in many aspect of their relationship with their husbands including owning property.

The data and analysis on freedom of movement interestingly show that there is no as such significant change in the lives of the women. As reported by the majority, despite participating in the credit programme and having extra cash at hand, the women did not travel outside their home town. However, many have expressed that their movement is in no way restricted by their husbands or their family.

For the individual women who do seem to becoming more empowered, there are two important elements that assisted this transition/change:

- **The introduction to the programme and trainings on basic financial literacy and gender:** have given the women the knowledge and skill they require in starting and managing their small businesses.
- **The perceived improved sense of value and worth:** the women, who felt that they are much more listened to, respected or their opinion is valued after taking part in the credit scheme, are the ones who succeed to pursue their business.

For the individual women who do seem to struggle in the programme, there are three key elements that are presenting challenge for the women from participating successfully in the programme, pay their loan on time and actively engage in their group meetings:

- **Lack of proper orientation to the programme:** women who reported to have limited orientation and subsequent training on how to manage the loan had difficulty in paying their loan on time. The few who fall under this category also expressed frustration and even disputes among their husbands because of the failure to pay the loan.
- **Lower educational background:** women who are from a lower educational background seemed to struggle absorb the orientation and trainings provided in the programme. Emphasizing the need to have slightly different approach or rigorous support to the women who have low education background.
- **Difficulty from breaking away traditional gender values and norms:** as it has already substantiated in the previous sections, the power of change need to begin first from the women themselves. They should be able to ask and challenge traditional gender values that keep women to play subordinate roles in their family, community and society. This means, programme such as this also need to be complemented with strong gender awareness training. And their male partners should also be part of this awareness raising programme.

5.2 Recommendations

The study has brought out that the complementary services such as training, awareness raising and working through groups rather than individuals, etc. have enabled the women challenge the conditions of their life in their family. However, it deserves to be mentioned that running a business/entrepreneurship however small, requires predisposition and some abilities to identify and carry out the productive projects, therefore providing with continuous refresher training as well as facilitating experience sharing within and across microcredit programmes would be profitable to both the beneficiaries and to those initiate such programmes.

The other critical component of such scheme is the strategy and process how old-aged gender values and norms are challenged without creating family break-up or disruption. Such programmes would benefit great deal; if a mechanism is created for the husbands of the women to be part of the awareness creation programme to make them positive partners in this transition processes.

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Appendices

Appendix A: Consent Form

I, Netsuh Lishanu, am a second year student of the MPA, at Indra Ghandi Open University. As part of Master's thesis, I am doing a research on *The role of microcredit programme in empowerment of women*. I am especially interested in learning to know how your life has changed because of the microcredit programme.

Participation in the interview is entirely voluntary, and neither not being willing to participate nor withdrawing at any stage of the interview will have any consequences. All confidential information will be kept safe and will not be related to you in anyway. I will record interviews for saving time and for not missing data and information. The cassettes will be kept in a confidential manner and it will be destroyed after compiling the report. I will also be taking notes whenever necessary.

Based on the explanation above, are you willing to participate in the interview? If yes, either sign below or express your willingness verbally.

Yes _____

No _____

Thank you very much; your contribution is much appreciated!

Appendix B: Questionnaire

Field study on *the Role of Microcredit Programme in Empowerment of Women: The Case of Dire Dawa Women Association's Microcredit Programme* (2013)

CONSENT

Interviewer say: Hello, my name is Netsuh Lishanu. I am a second year student of the MPA, at Indra Ghandi Open University. As part of my final graduation thesis, I am doing a research on *The role of microcredit programme in empowerment of women*. This paper examines the effects of women's access to credit in taking a greater role in household economic resources control and use, power to manage some decision making and having greater social networks. For background information, I will also ask question in relation to your family situation.

Participation in the interview is entirely voluntary, and neither not being willing to participate nor withdrawing at any stage of the interview will have any consequences. All confidential information will be kept safe and will not be related to you in anyway.

Based on the explanation above, are you willing to participate in the interview? If yes, either sign below or express your willingness verbally.

May I continue the interview?

Yes = Continue the interview

No = Go to the next sampled respondent

I. IDENTIFICATION DETAILS

No.	Code
101. City: _____	<input type="checkbox"/>
102. Sub city/Kebele _____	<input type="checkbox"/>
103. Respondent Serial Number: _____	

II. Demographic and socio-economic characteristics

No.	Question	Answer/Codes	Skip
201	How old are you? (Interviewer: fill in completed years)		
202	Are you married?	Yes=1 No=2	→ 204
203	Do you live with your husband?	Yes=1 No=2 Widowed =3	
204	Do you have children?	Yes= 1 No=2	→ 205
205	What is your family size? (including non blood related persons living with you)		
206	How many children? (Interviewer: fill in no. of children)		
207	Have you ever been to school?	Yes = 1 No = 2	→ 211
208	What is the highest level of education you have completed?	Few years of primary education = 1 Completed primary = 2 Few years of secondary/junior sec. = 3 Completed junior secondary = 4 Few years of secondary senior secondary = 5 Completed secondary senior secondary = 6 Few years of above secondary education = 7 Completed above secondary education = 8	
209	Are you currently attending school?	Yes=1 No=2	→ 211
210	In which grade are you attending school?	Primary level (P1-P7/grades 1- 7) = 1 Secondary (8 - 10) = 2 Preparator (11-12) = 3 Above preparatory = 4	} →211

III. Introduction to the microcredit programme

No.	Question	Answer/Codes	Skip
211	How long have you been participating in the microcredit programme?		
212	Who is eligible to access the microcredit? criterion?	A widow=1 A divorced=2 A person that does not have formal employment=3 A person without regular income=4	

		A beggar=5 Others please specify _____= 6	
213	How is the microcredit administered?	To persons organised in a group=1 To individual that meet the requirement =2 Others, please specify _____=3	
214	What is the amount of the credit?		
215	Does the credit/loan come with restriction that it can only be spend to specific activity?	Yes = 1 No = 2	→ 217
216	What are the different types of credit?	Credit for house construction = 1 Credit for grocery shopping = 2 Credit for vegetable trading = 3 Credit for poultry = 4 Credit for children's schooling = 5 Credit for household consumption = 6 Others please specify _____ = 7	
217	What is the repayment modality?	Monthly =1 Quarterly =2 Yearly =3 Others please specify _____=4	
218	Was there a preparation phase before taking the credit?	Yes = 1 No = 2	→ 220
219	What did the preparation phase entail	Introduction to the rules of the credit =1 Introduction to skills such as how to manage the credit =2 Introduction to other group members=3 Introduction to the DD Microcredit Programme staff=4 Other please specify _____=5	
220	Where you provided with additional training of any kind to help you with the management of the credit?	Yes =1 No =2	→ 222
221	What were the additional support or training provided to you?	Training on gender =1 Training on credit management =2 Training on group dynamics =3 Other please specify _____=4	
222	Have you ever defaulted on your repayment?	Yes =1 No =2	→ 223
223	What is the penalty for defaulting payment?	_____	

IV. Empowerment dimensions – (i) Household decision making

No.	Question	Answer/Codes	Skip
301	How do you in your house arrive at decision on spending money on issues related to house repair and construction?	My husband decides = 1 I decide separately without consulting my husband = 2 My husband and I jointly decide = 3 I do not sepnd money in such matters, it is my husband who handle the money in such transaction = 4 I do not need the permission of my husband = 5	
302	How do you in your house arrive at decision on spending household purchases such as food, toiletries, candies for the children, cooking utensils, furniture, children's clothing, and own clothing?	My husband decides = 1 I decide separately without consulting my husband = 2 My husband and I jointly decide = 3 I do not sepnd money in such matters, it is my husband who handle the money in such transaction = 4 I do not need the permission of my husband = 5	
303	How do you in your house arrive at decision on issues related to family planning?	My husband and I do not use birth control methods = 1 I use birth control = 2 My husband use birth control = 3 My husband and I jointly decided for me to use birth control method = 4 The responsibility of using birth control is left to me = 5	
304	How do you in your house arrive at the decision on issues related to your children education such as which school to go, what type, up to which grade or level to study, etc.?	My husband is the one who decide about our children's education = 1 I decide on our children's education = 2 My husband and I jointly decided = 3 It is the children's wishes =4 I/we do not have the capacity to send our school to children=5	
305	Who between you and your husband do the household chore and caring work such as washing the children, cleaning the house, cooking, etc.	I am responsible for caring for the children and taking care of the house =1 My husband and I equally share the repsonsibility of caring of the children and taking care of the house =2 My husband is responsible to go out, work and provide for the family=3 There is no division of work between my husband and I in the household work (we do everything and what we can) =4 All the household work is women's responsibility so I do it=5	
306	What are the five things that you were able to do in your household because you are now able to access the microcredit?	=1 =2 =3 =4 =5	
307	What are the five things that you are	=1	

not able to do in your household before you access the microcredit programme?	=2
	=3
	=4
	=5

V. Empowerment dimensions – (ii) Economic decision making

No.	Question	Answer/Codes	Skip
401	Who control the money you borrowed from the credit association?	My husband controls it and how it can be used = 1	
		I have a total control over the loan and how it can be used = 2	
		My husband and I jointly control and decide on its use = 3	
		I do not have a say in such matters, I bring the money and give it to my husband who handle the money and its utilisation = 4	
		My husband control it and I will ask him when need provisions for the house =5	
402	How do you in your house arrive at decision on saving money and deciding on the utilization of the saving?	My husband solely decide on how much can be saved = 1	
		My husband and I jointly decide on how much we can save and its utilisation = 2	
		I do not need permission of my husband on how much we can save and how much of it we can use = 3	
		I do not have a say in such matters, it is my husband who handle saving and its utilisation = 4	
		We don't have a saving =5	
403	Who decide in your household when a land or other assets are brought?	My husband solely decide if we buy a land or other assets = 1	
		My husband and I jointly decide on what to buy = 2	
		I do not need permission of my husband on acquiring such assets as long as it is for the benefit of all of us= 3	
		I do not have a say in such matters, it is my husband who handle it = 4	
		We don't capacity =5	
404	How decide for the household to engage in income generating activities such as vegetable trading, poultry rising, grocery shop, etc.?	My husband solely decide = 1	
		My husband and I jointly decide = 2	
		I do not need permission of my husband to engage in such activities as long as I have the money for it= 3	
		I do not have a say in such matters, it is my husband who handle it = 4	
		We don't capacity =5	
405	What are the five things that you were able to do in your household because you are now able to access the microcredit?	=1	
		=2	
		=3	
		=4	
		=5	

406	What are the five things that you are not able to do in your household before you access the microcredit programme?	=1
		=2
		=3
		=4
		=5

VI. Empowerment dimensions – (iii) Freedom of movement

No.	Question	Answer/Codes	Skip
501	Who decide on your physical mobility to market, health clinic, other places, etc.?	I need to ask permission my husband before I go out=1	
		I myself decide but I need to let my husband know where I go = 2	
		I am not allowed to go out unless I am accomponied either by my husband or children = 3	
		I decide myself = 4	
		Both my husband and I agree on where I go or not =5	
502	Who decide when you need to go for the monthly or other meetings related to the microcredit programme?	I need to ask permission my husband before I go out=1	
		I myself decide but I need to let my husband know the purpose= 2	
		I am not allowed to go out unless I am accomponied either by my husband or children = 3	
		I decide myself = 4	
		Both my husband and I agree on where and why I go =5	
503	Who decide if there is a need for you to go out of the town?	I need to ask permission my husband before I go out=1	
		I myself decide but I need to let my husband know the purpose= 2	
		I am not allowed to go out unless I am accomponied either by my husband or children = 3	
		I decide myself = 4	
		I have never left my town =5	
504	What are the five places that you were able to go because you are now able to access the microcredit?	=1	
		=2	
		=3	
		=4	
		=5	
505	What are the five places that you are not able to go before you access the microcredit programme?	=1	
		=2	
		=3	
		=4	
		=5	

VII. Empowerment dimensions – (iv) Ownership of property

No.	Question	Answer/Codes	Skip
601	If you have any property registered under your household who owns it?	My husband =1	
		My husband and I equally own it=2	
		I don't know who owns the property =3	
		My husband and his relatives =4	
		Women are not suppose to own property =5	
602	What kind of property you think women should be allowed to own?	All kinds of propersy =1	
		Property such as land or big assets such as house should be owned by a man=2	
		Man and women should be able to equally own property =3	
		Women should be limited to owning petty trading such as vegetable trading,etc.=4	
		Women are not suppose to own property =5	
603	What are the five things that you were able to own because you are now able to access the microcredit?	=1	
		=2	
		=3	
		=4	
		=5	
604	What are the five things that you are not able to own before you access the microcredit programme?	=1	
		=2	
		=3	
		=4	
		=5	

VIII. Empowerment dimensions – (v) Social awareness

No.	Question	Answer/Codes	Skip
701	Do you think girls and women are equally treated to boys and men in our society today?	Yes=1	
		No=2	
702	If your answer is no, what do you think are the three most critical obstacles?	=1	
		=2	
		=3	
703	What do you think are the solutions to the discriminatory treatment of women and men?	=1	
		=2	
		=3	
		=4	
		=5	
704	What are the five things that you are aware of now because you are now able to access the microcredit?	=1	
		=2	
		=3	
		=4	
		=5	
705	What are the five things that you are not aware of before you access the microcredit programme?	=1	
		=2	
		=3	
		=4	
		=5	

Appendix C: Case Study

I. TARGET/SAMPLE

- Women participating in the DDWA Microcredit Programme

II: PURPOSE:

This case study guideline is prepared to collect qualitative information for the research. The interview is intended to find out whether or not the programme has been successful in empowering women in addition to household income increment.

III: GENERAL INFORMATION

- 1 Name of sub city _____
- 2 Education level _____
- 3 Marital status _____
- 4 Family Size _____
- 5 Ethnic group _____
- 6 Credit amount _____
- 7 Purpose of the credit

III: INTERVIEW/DISCUSSION GUIDES

The interviewer shall make a brief introduction about the objectives of the case study. She/He will then ask the respondent to respond to questions related to the microcredit programme based on the following guides.

- 1 Profile of the respondent (age, education level, family background, socio-economic back ground etc)
- 2 How were you able to support yourself and your family before participating in the microcredit programme?
- 3 How did you access the microcredit?
- 4 What were your intent in accessing the microcredit?
- 5 How are you now utilizing the credit?
- 6 Have you found it beneficial to participate in the microcredit programme?
- 7 What are the five important things you think you have got by participating in the microcredit programme?
- 8 What are the three things that you think must be done to improve the programme for the programme to be even more successful?

Note for the interviewer: during the interview, the interviewer may bring up, as appropriate, those relevant activities of the programme in order to probe more on a particular question. For instance, if there is additional support provided to the women such as training, etc.

Appendix D: Focus Group Discussion

I. TARGET/SAMPLE

- Women participating in the DDWA Microcredit Programme

II. PURPOSE:

The purpose of the FGD is to have a general discussion about the DDWA Microcredit Programme and its impact.

IV: DISCUSSION GUIDE

1. How do you describe the DDWA Microcredit Programme?
2. How do you come to know about the programme?
3. Do you think the right people are benefiting from the programme??
4. Do you think the programme is effectively undertaken?
5. What do you think are the three most successful results of the programme?
6. What do you think are the three most challenges of the programme?
7. What do you think are the three most important issues that need to be improved for the programme to be successful?

Note for the interviewer: during the interview, the interviewer may bring up, as appropriate, those relevant activities of the programme in order to probe more on a particular question.

Appendix E: Key informant

I. TARGET/SAMPLE

- Personnel of DDWA

II: PURPOSE:

This guideline is prepared to collect qualitative information for the research on the programme. The interview is intended to find out whether or not the programme has been successful in achieving its objectives.

III: GENERAL INFORMATION

- 1 Name of sub-city _____
- 2 Education level _____
- 3 Position of the respondent in the organization/institution _____

IV: INTERVIEW GUIDE

1. How do you describe DDWA Microcredit Programme?
2. What are the modalities of the programme? (Identifying the beneficiaries, amount of the credit, modality of the credit provision, punitive and legal measures in time of default, etc.)
3. Who are the targets?
4. How do you describe the level of repayment?
5. Is there any additional activities provided to the women that can facilitate their management of the credit?
6. Do you think the issue of empowerment is addressed in the programme or do you think women are empowered in the process?
7. What do you think are the three key elements that ensure the women not only get credit but also in the process be empowered?
8. What do you think are the three most challenges of the programme?
9. What do you think are the three most important solutions for some of the challenges faced in the programme?

Note for the interviewer: during the interview, the interviewer may bring up, as appropriate, those relevant activities of the programme in order to probe more on a particular question.

Research Proposal

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Title of the Dissertation: **The Role of Microcredit Programme in Empowerment of Women: The case of Dire Dawa Women Association's Microcredit Programme**

May 15, 2013

**The Role of Microcredit Programme in
Empowerment of Women: The case of Dire
Dawa Women Association's Microcredit
Programme**

Supervised by
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Master of Arts (Public Administrations)
INDIRA GANDHI NATIONAL OPEN UNIVERSITY
(May, 2013)

CERTIFICATE OF APPROVAL

I hereby certify that the proposal for the Dissertation entitled **The Role of Microcredit Programme in Empowerment of Women: The Case of Dire Dawa Women Association's Microcredit Programme** by (name of the candidate) **Netsuh Lishanu** has been prepared after due consultation with me. The proposal has my approval and has, to my knowledge, the potential of developing into a comprehensive Dissertation till its completion.

(Signature of the Academic Supervisor)

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The role of microcredit programme in empowerment of women

1. Introduction

The empowerment of women is one of the critical issues of development. Globally, United Nations Entity for Gender Equality and Empowerment of Women (UN Women) informs us that “women perform 66 percent of the world’s work, produce 50 percent of the food, but earn 10 percent of the income and own 1 percent of the property.” In developing countries, it is even worse as they appear to form the largest of the poor. The ‘feminization of poverty’ theory, which came to predominance during the late 1970s and 1980s, stresses how the majority of poor people are female and that women are more likely to live in extreme poverty than men (Chant 2008). Since then, repeated emphasis on the links between women and poverty has led to a focus on reducing poverty primarily through women (ibid). ‘Entry-points’ for development interventions are contentious, hard choices have to be made and priorities set.

It has been widely acknowledged in the development literature that one of the means to empower women is by providing them easy access to credits. Accessibility of women to credit will enable them to venture into income generating activities, usually by establishing microenterprises, and thus provide additional income to the household (Nessa et al, 2012).

The impact of microcredit programme, however, is not limited to improving income of poor women. What is more important perhaps is that the ability to generate once own income potentially leading to help the women to have more power and choices related to their household decision making with regards to household’s consumption, expenditure, children’s education, health, freedom of movement, social awareness as well as participation in the community (Chowhudry et al., 2005). In this regards, microcredit, which usually targeted on poor women, has been argued to play an important role in empowering women, as well as integrating them into the mainstream development by making credit accessible to them, which they normally find it difficult to obtain from the formal credit institutions.

The Federal Democratic Republic of Ethiopia has declared its unequivocal commitment to the development of women with the announcement of the National Policy on Women in 1993 (referred to as the Women's Policy), and the promulgation of the Constitution in 1994. In 1996, the Proclamation that gave the legal background for the operation of micro financing through providing microcredit, amongst other services, was introduced. Since then, the participation of women in microcredit has been steadily growing. Recent data shows, women constitute 45 percent of those reached by microcredit in total (Getaneh, 2010).

However, it is equally important to understand that microcredit programmes need to be well designed to best meet the real needs of the poor women and empower them with the right tools and attitude to be able to successfully navigate their life and actively participate in the decisions that affect their life. Critical evaluations of some of the microcredit programmes on women empowerment have been generating mixed results. While some are supportive of microcredit’s ability to induce a process of economic, social and political empowerment, others are more skeptical and even point to a deterioration of women’s overall wellbeing (Holvoet, 2005). This research will explore to what extent microcredit programmes actually helps promoting women empowerment by taking the case of Dire Dawa Women

Association's microcredit programme. The programme will be taken into account in order to describe how women empowerment was pursued through the promotion of microcredit.

2. Statement of the problem

Microcredit is seen today as the single most important factor contributing to equality between women and men. It can stabilize livelihoods, broaden choices, provide start-up funds for productive investment, help poor women to smooth consumption flows and send children to school. However, economic empowerment cannot be understood in terms of material change only. Notwithstanding this success, there is a good deal of skepticism about microcredit as a tool of poverty reduction. Transforming the positive impact of microcredit into subsequent dimensions of empowerment is more complex. Female empowerment does not spring automatically from the introduction of microcredit. It requires working on the self esteem of the women, challenging the cultural barriers, including discriminatory practices and attitudes as well as acquiring the necessary skills to effectively utilize the credit.

Even though considerable research has been done on the impact of microcredit to women and its effect on their empowerment, internationally, there is still dearth of evidence on the effect of the microcredit on the empowerment of women in Ethiopia.

On a personal note, the researcher has been a keen observer of the thousands of women participating in the microcredit programmes in Dire Dawa. And the researcher remains inquisitive of the role microcredit plays in transforming the lives of the women and their families that goes beyond increase in household consumption to aspect of empowerment.

The research, therefore, looks at the case of Dire Dawa Women Association's microcredit programme with the intent to answer to the following questions:

- ✓ What are the effects of microcredit on the dimensions of women's empowerment?
- ✓ What are the critical elements in microcredit programmes that facilitate the empowerment of women?

3. Literature review

There has been considerable rethinking on the impact and potential of microcredit on poverty and empowerment of women since the Grameen bank first pioneered the concept in 1979. Professor Mohammad Yunus, Nobel laureate in peace and pioneer of Grameen bank, came up with this idea of providing small loans to the neighborhood poor households, particularly poor women households, those unable to provide collateral. The problem of women's access to credit was also given emphasis at the first International Women's Conference in Mexico in 1975, which resulted in the establishment of the Women's World Banking network. In 1985, during the second International Women Conference in Nairobi, there was a mushrooming of government and non-government income generating programmes for women, most of which included microcredit.

Prof. Yunus further expounded that if the goals of economic development include improved standard of living, removal of poverty, access to dignified employment and reduction of inequality then it is quite natural to start with women. They constitute the majority of the poor, the under employed and the economically and socially disadvantaged. In most places, women still trail men in labour force participation, access to credit and financial services,

entrepreneurship rates and ownership and inheritance rights. This gender gap is neither efficient nor just” (Kerry, 2010). For this reason, development activities are increasingly focusing on empowerment of women, not only as a supporting factor of economic development, but also as a goal in itself. This is reflected in development politics in general and notably in the MDGs (Millennium Development Goals), which signal “a widespread recognition that empowering women in particular is key to economic and social development”.

Appreciation of the above the above, women are now increasingly benefiting from the microcredit schemes. However, empowerment is not dependent on mere access but on control of both the credit and the use to which that credit is put. Access does not automatically include control (Burra et.al. 2005:44). While evaluating the effect of microcredit programme on women empowerment, several studies yield mixed results. Some are in favour of the argument of the ability of microcredit to induce a process of economic, political and social empowerment whereas others, being more skeptical, point to a deterioration of women’s overall wellbeing.

As to women’s empowerment is concerned, generally the effects of the programme are largely positive (Rahman, 1986; Pitt and Khandker, 1995; Mahmud, 1994; Amin and Pably, 1994; Huda and Mahmud, 1998; Steele et.al., 1998, Mayoux, 1998, Mahmud, 2003 Murthy et.al, 2005, Holvoet, 2005). Based on the findings from an ethnographic study and quantitative survey of Grameen Bank and Bangladesh Rural Advancement Committee (BRAC), Hashemi, Schuler and Riley (1996) argued that involvement in ‘microcredit programme’ does empower women by strengthening their economic roles, increasing their ability to contribute to their families’ support. Also enabling women to negotiate gender barriers, increased their control over their own lives and improved their relative positions in the household.

Critics however of microcredit argue that women’s access to credit reinforces patriarchal norms of women’s subordination, resulting to worsening of gender relationship and disempowerment (Goetz and Sen Gupta, 1996; Montgomery et.al., 1996; Rahman, 1999). Goetz and SenGupta (1996) find that a significant proportion of women’s loans are directly invested by their male relatives, though women borrowers bear the liability for repayment. The phenomenon of loss of control of loan by women borrower and the intense pressure of timely repayment of loan increase tension and frustration within the family which produces new form of dominance over women by the members of family as well as microfinance institutions and that increase violence in the society (Rahman, 1999: 67).

Both sociology and economics have subfields concerned with intra household relations and within these both have theories relying on access to resources to explain differences in power and welfare outcomes within household. They extend the theories to include social norms, values and culture as intervening variable in the ability to translate resources into intra household power, particularly for women. Micro level contexts in some contexts does not support that only in improvement in women’s resources lead to their improved status (Jejeebhoy and Sathar,2001;Malhotra and Mather,1997;Mizan,1994).

The allocation of authority and control within household structures by social norms and values produce unequal gender relations where men command authority and resources (Kabeer,1995:224-28). In the household affairs, working women may successfully bargain over certain aspects of household expenditure but what remains non-negotiable is men’s

control over asset management decisions based on land, capital and other valuable assets related to household's affairs (Pant,2000:94). Moreover, if a family builds property assets, it will have other sources of funds available to survive a crisis and thus become less dependent on strategies more harmful to women (Kantor, 2003:438). Likewise, women's welfare outcomes of a family are influenced by mobility decision since women themselves are constrained by the female seclusion norms about which families make decisions. Women's mobility levels have direct effects on women's ability to create and maintain links with people outside the family, including those who can help improve the operation of their enterprises (ibid).

The advancement of women's economic empowerment in a Micro and Small Enterprises as part of Development Strategy, took some years to spread in Africa and eventually in Ethiopia after the initial impulse in South East Asia. Approximately 28 per cent of Ethiopian Households are headed by women. Female headed households and women in male headed households have unequal access to productive assets and other resources. For instance, a CSA agricultural sample survey on land utilization (2009/2010) showed that the average land holding size of women in the survey was 0.68 hectare while it was 1.11 for men. Women access to extension services was also found to be less than for men leading to a plan to develop actions that would make access more equitable in the current Ethiopia's 5-years Growth Transformation Plan (GTP). For example, despite progressive laws introduced in the country, until recently women in Somali Region were barred by backward tradition from owning property without a male guardian. Female employment rates rose between 1999 and 2005 (from 46 to 49 per cent) and urban unemployment declined among female youth from 26 to 22 per cent. The participation of women in the non-agricultural sector is likely to have increased to well above 50 per cent by now which marks a distinct improvement vis-à-vis 1999 when it stood at slightly above 40 per cent (it roles from 41 in 2004 and 44 in 2005 to 47 in 2006). Women constitute 42 per cent of permanent public servants with significant disparities among regions.

Societies that fail to make full use of half their human resources are "condemned to remain wallowing in poverty and backwardness." "destitute, poor and average African woman whose life situation embodies the African economic, political and social predicament so vividly and so fully" would occupy centre-stage of the continent.

Former Prime Minister, Meles Zenawi addressing a major conference at United Nations Economic Commission for Africa (ECA) on gender and development in Africa

The link between women's economic empowerment and economic growth was also further underscored by the econometric model put forwarded by the World Bank in a research paper entitled "Unleashing the Potential of Ethiopian Women – Trends and

Options for Economic Empowerment" (World Bank, June 2009). The simulation showed that by enhancing women's access to key productive factors such as regular employment, jobs in the informal sector, access to entrepreneurial inputs such as credit and land, Ethiopia's would benefit by as much as 1.9 per cent growth per year.

Notwithstanding the challenges the Federal Democratic Republic of Ethiopia has made several efforts to strengthen national structures to achieve gender equality. The country's constitutions and national policies are consistent with international legal instruments on

gender equality, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). The Ethiopian constitution clearly guarantees the rights of women as equal to those of men in all spheres including equality in marriage, the right to equal employment, and rights to acquire, administer, control, use and transfer property, with emphasis on land and inheritance issues and the right to access family planning and education.

The challenge is then is how to translate all these important provisions into the daily reality of the vast majority of poor which constitute mainly women. As it has presented in the above, microcredit scheme is not without its complexities and solving poverty and empowering women is not a simple task. But, without further understanding about the modality of microcredit schemes and elements that are critical for empowerment for the participating women, the problem of falling short from really affecting the lives of the women is likely to remain. The fact is that women participating in the microcredit schemes in Ethiopia unfortunately still work within a society that undervalues their contribution in every aspect and restrict their freedom in exercising their full potential. Therefore, for microcredit programme to bring meaningful and lasting changes such as empowerment of women, it needs to be administered mindful of these critical issues.

4. Conceptual framework

An empowerment concept has been especially adopted for the purposes of the research, which makes it possible to understand and illustrate change processes in the lives of women. The concept is based on various suggestions in the development literature (i.e. Mostofa et al., 2008, Rahman & Naoroze 2007, Pitt et al., 2006, Hashemi et al.,1996), the concept of women empowerment that is adopted in this research is measured by five dimensions that is believed to represent the expansion of choice and freedom of women to make decisions, as well as to take the actions which are necessary to influence their life outcomes. These are: (i) economic decision making, (ii) household decision making, (iii) freedom of movement, (iv) ownership of property, and (v) social awareness. These five dimensions are based on the central meaning of women's empowerment, fundamental right of women in family, society and nationally from various literatures (i.e. Baltiwala, 1995, Malhotra et al., 2002). A number of items are arranged under each of these five measurements and the women taking part in the research will be asked to indicate their apparent extent of empowerment along a 5-point range.

Since the research is exploratory study, the researcher uses the Dire Dawa Women Association's Microcredit Programme as a case study and the researcher will spend several hours with the participants of the microcredit programme conducting an in depth interview so as to be able to understand the experience of the women in the process and learn the changes brought about in their life because of the programme.

The critical features of this conceptual framework include a recognition that economic and women empowerment are intertwined and often mutually reinforcing, and of the need to address the structural causes of poverty, including power relations, in order to provide a sustainable exist strategy from poverty.

5. Research Design

This research draws on literature of both international and national and their analysis of the success and limitations of the women economic empowerment programmes. The intention here is to relate the evidence drawn from the case study of Dire Dawa Women Association's (DDWA) microcredit programme in its role in empowering the women.

The research deals with individuals as its unit of analysis and tries to see if there are any commonalities and patterns, in the empowerment traces of changes experienced across the various women different in age and background.

The five dimensions of empowerment (economic decision making, household decision making, freedom of movement, ownership of property, and social awareness) score of a respondent in a particular dimension of empowerment is computed by adding the scores obtained in all items in that class. From the Association at least 30 participants will be interviewed so as to get a good representation of the different age and background. However, since snowball samplings are to be used, these numbers might be changed depending on the actual situation during the data collection. That is, the number will increase if including more participants is believed to yield additional knowledge about the research topic.

6. Method

A qualitative research method, namely a case study, will be employed to gather the data by conducting an in-depth interview. Using a questionnaire and semi-structures interview, using a set of predetermined questions; data will be gathered from individual women participating in the Dire Dawa Women Association's microcredit programme.

A snowball sampling will be used to identify the relevant participants for the in-depth one-to-one interview. In choosing the participants, purposive sampling will be used as a starting point and to make sure that the study incorporates participants from various background and age. This will enable the researcher to see possible the full scale and range of changes registered in the lives of the women and the families.

7. Limitations

One possible limitation anticipated for this research would be the level of openness of the women to share their experience particularly in relation to the empowerment dimensions related to intra household relation, and this will pose some problem in collection of the data. However, establishing good rapport and getting them interested in the outcome of this research is believed to solve this problem.

8. Scope of the research

Using the empowerment concept as the operational basis of the study, impact of the DDWA microcredit programme in empowering the women is explored both from the recipient of the credit perspective and the Dire Dawa Women Association's micro credit programme staff perspective. The main research units of the study, therefore, are the individual women who are recipient of the microcredit.

The research will be conducted at one of the Dire Dawa Women Association's microcredit (DDWA) programme. DDWA is an indigenous, non-for-profit, non political and non-governmental organisation officially established on April 04, 2004 through the initiation of few dedicated women who are struggling for women's equality. DDWA is chosen because it is one of the strongest association that is working in supporting women with an excellent track records.

9. Purpose and specific objectives of the research

The purpose of this study is to identify microcredit-driven empowerment processes of women in the case study (Dire Dawa Women Association's Microcredit Programme). The researcher has a special interest in learning about the potential of microcredit as a tool for poverty reduction as well as women's empowerment in Dire Dawa. Furthermore, the exploration of the interconnectedness of economic, and social empowerment is of particular interest. Research findings should allow DDWA Microcredit Programme to adapt and improve their programme to better support empowerment processes of women.

Therefore, the specific objectives of the research are aimed at:

- Exploring the level of changes observed in the lives of the women that goes beyond increased income, improved household expenditure and examine the level of their empowerment;
- Identifying if there are changes in the intra-household relationship; and
- Identifying if supplementary services such as training, awareness raising, working through groups rather than individuals, etc. are provided to enable the women challenge not only the conditions but also position of their life in their family, community and society

10. Data collection strategies

To capture the variety of dimensions and perspectives and to obtain a valid and reliable assessment of the research, a triangulation of three different research tools including literature analysis, semi-structures interview and case will be applied. The literature analysis provides important information on the programme background of DDWA Microcredit Programme, the framework conditions for empowerment and actual debates on microcredit and empowerment. A series of qualitative semi-structured interviews constituted the core of the research. Particular interview guidelines were compiled for female microfinance clients, officials at different levels of MFIs and control groups. Both in-depth individual and focus group interviews will be conducted. The empirical body of the research is based on interviews with 30 women microcredit programme participants and 4 programme personnel.

11. Ethical considerations

11.1 Permission for doing the research

This research will commence after obtaining an approval from the DDWA management and the research advisor.

11.1.1 Consent

Before starting the interview, the researcher will do a brief self introduction describing status and background in order to build rapport and encourage the participant to open up during the interview. The nature and purpose of the research will be clearly explained to the participants. The participants will be told explicitly that participation is purely on voluntary basis. If participants are literate and can understand the informed consent statement, a written consent would be sought from the participants. Otherwise, if their literacy level does not allow that and/or if there is a need for protecting their anonymity, only verbal consent for taking part in the research will be required, and hence no written consent will be solicited.

11.2 Privacy/Confidentiality/Anonymity

If, for one reason or another, any of the participants requested for a private set up for the interview, it will be facilitated. Besides, no question that will invade the participant's privacy will be asked. The researcher would make sure that the need for confidentiality and/or anonymity of the participants is protected and guaranteed.

11.3 Benefits of the research to the participants

The research will benefit the participants at different levels. First, as the research primary concern is to understand the link between microcredit programmes and the level of empowerment brought about by the programme, the findings will have an input on how to improve the modality of the programme to best serve the women.

12. Timeline of the research

No	Major Activities	Feb	March				April				May				June		
		Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3
1.	Obtaining approval of the research approval																
2.	Literature review																
3.	Identifying the research sites																
4.	Data collection																
5.	Analysis of data																
6.	Writing up of the draft research report																
7.	Getting feedback from the advisors																
8.	Finalising the research report																
9.	Communicating the findings to DDWA																

13. Research budget

The budget requirement for the research will be as follows:

No.	Budget item	Unit cost (Birr)	Total Budget (Birr)
1.	Transport allowance for the researcher		800
2.	Per Diem for the researcher	100birr/day*20 days	2000
3.	Refreshment for research participants	Lump sum	1000
4.	Tape recorder and accessories	Lump sum	400
5.	Fee for data transcribers	50birr/day*10*2 persons	1000
6.	Photocopy	Lump sum	300
7.	Printing	Lump sum	500
8.	Binding	Lump sum	300
	Sub Total	6300	
	Contingency (10%)		550
	Total		6,850