



EMPOWERING WOMEN THROUGH SELF-HELP GROUPS(SHGS): DALE RURAL WOMEN SELF-HELP GROUPS' ACTIVITIES, BENEFITS AND CHALLENGES, SIDAMA ZONE, SNNPR**Dagne Shibru Abate and Mohit Bhatara**

ABSTRACT

Women empowerment is considered the key aspect of socio economic development throughout the world. SHG is one of the most important approaches for women empowerment and development and it is practiced in various countries of the world---USA, UK, India, etc. This paper aimed at investigating the roles of SHGs in empowering rural Dale women. To explicitly examine this, the study looks into activities, benefits and challenges of the groups. Methodologically the study is based on qualitative approach. purposive sampling method was used to gather pertinent information from informants. The research is cross-sectional in terms of its data versus time, and descriptive in type. The major subjects of the study are Awada rural women self help group members. Apart from intensive uses of secondary data, in-depth interview, structured observation, small group discussions and case studies were used as major tools to generate pertinent first hand information from informants. The study depicted that the scheme of micro financing through SHGs in Awada kebele has brought about economic power to the hands of women and has considerably reduced their dependence on men. This has helped in empowering women and building their self confidence, enabling them to think and act independently, and to value their dignity and participation in decision-making at family and community levels.

KEYWORDS: Empowerment, Woman, Self Help Group, Awada.

INTRODUCTION

The marginalization of women in all walks of life, especially in developing countries, is continuing to weaken their socioeconomic development. The downgrading of women as a social category, first and for most, has negatively affected their economic and political positions in society. This has been the case in nearly all African countries; Ethiopia is not an exception to this fact. To address the socioeconomic and political marginalization of women, and thereby to promote their empowerment, the government of Ethiopia has been taking series of measures. Actions have been taken to increase their representation at different levels. First with the setting up of an office at a ministerial level---the Ministry of Women Affairs (MoWA)---was formed and operating. A standing committee is also functional in the House of Representatives to address the social, economic and political problems of women, to ensure women's access to land, and enhance their role in decision making and leadership. Moreover, the seats held by women in the national parliament increased from 2% in 1997 to 32% in 2007. (Tsehay and Lebesech, 2010). More recently, key government programs and strategies including the 'Plan for Accelerated and Sustained Development to End Poverty (PASDEP):2005-2010' (FDRE,2005a) and the GTP: 2010/11-2014/15(FDRE, 2010) pay special attention to women and their legitimate questions for social, economic and political inclusion (Nigatu and Tesfaye, 2015).

Women empowerment through SHG operationalized in this study as the increasing of economic, social and political strength of individuals and communities which will finally lead towards the development of confidence in their own capacities. In other words, Empowerment in the context of a SHG member, can be seen as having the following six components (MYRADA, 2002):

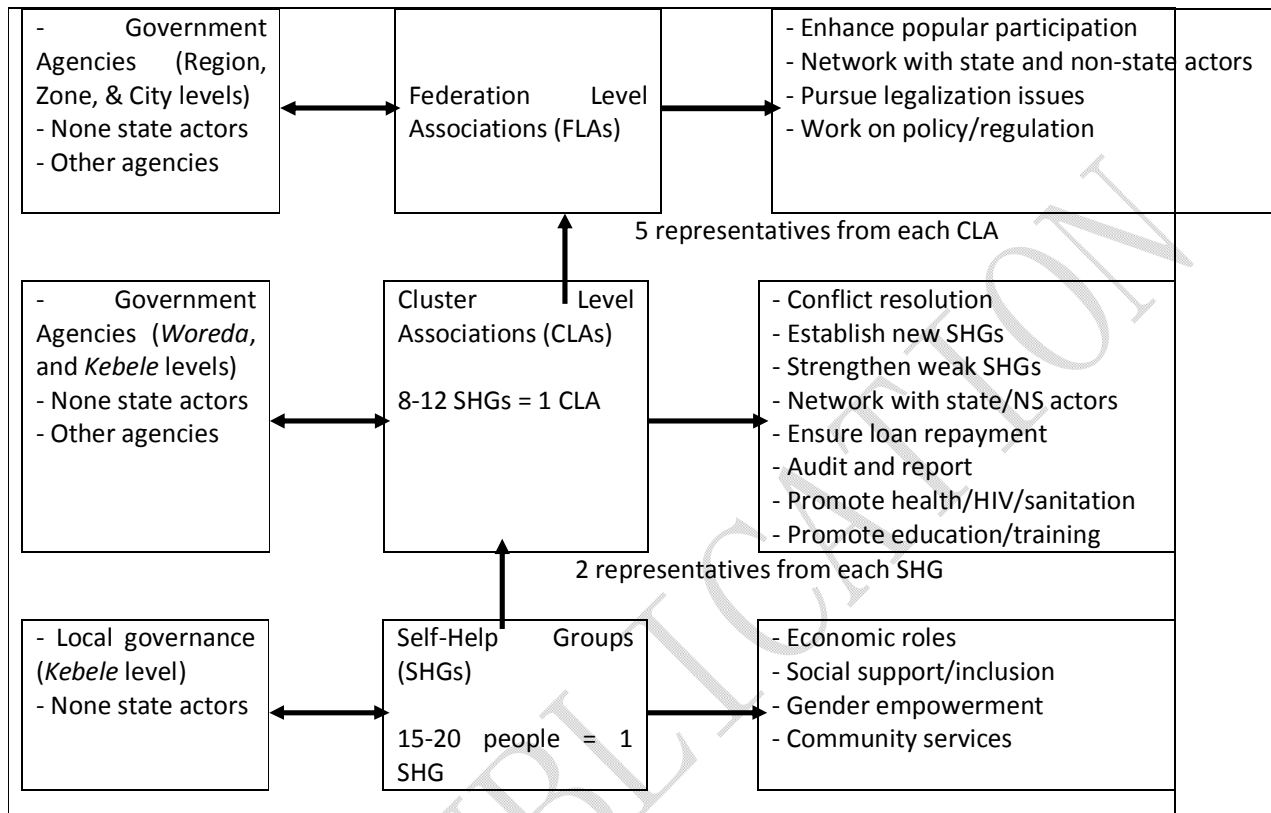
- A. Influence over economic resources of the family and participation in economic decision making;
- B. Ability to influence in decisions related to her own development as an individual;
- C. Power over local polity and participation in socio-political decision making;
- D. Influence over other decisions pertaining to general welfare of the family with respect to all members which include children;
- E. Increased interaction with other members of the community; and
- F. Improvement in the technical and managerial skills of the members.

Self-Help Group (SHG) is a small voluntary association of poor people, preferably from the same socio-economic background. Usually, the number of members in a SHG does not exceed twenty . This comprises very poor people who do not have access to formal financial institutions. They act as the forum for the members to provide space and support to each other. SHGs enable their members to learn to cooperate and work in a group environment. Members come together for the purpose of solving their common problems through self-help and mutual help (EKHC, 2009; Sundaram, 2012). Self-help group is a method of organizing the poor people and the marginalized to come together to solve their individual problem. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members. To make the book-keeping simple enough to be handled by the members, flat/straight interest rates are used for most loan calculations.

The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral and is closely related to that is widely used by micro finance institutions (Rutherford, 1999). SHGs are formed with the assistance of self-help promotion institutions (SHPIs), which include NGOs, government agencies, and microfinance institutions. In addition to helping with group formation, SHPIs provide training, monitoring, and other support services. Occasionally, promoters give SHGs initial seed capital to lend, but more typically, groups begin by saving and lending out their members' own resources (CGAP, 2007:1). SHGs approach aims at poverty reduction, livelihood improvement, empowerment of women, social inclusion, etc. Today, more foreign NGOs, Civil Society Organizations (CSOs), and religious institutions are promoting the SHGs approach in various parts of Ethiopia (Gebre et al , 2014).

SHGs are known and widely used and contributed a lot in empowering and developing its members, particularly women in Asia and America. In India, for example, there are 2.2 million SHGs representing 33million members (Fouillet and Augsburg, 2007). In USA , as Katz estimates, there are 500,000 to 750,000 SHGs with 10 to 15 million participants (Katz, 1993).

The approach is introduced in Ethiopia in 2002 by kindernothilfe (KNH), a German international child focused organization, following an experience sharing workshop held in India where professionals from Ethiopia and other African countries took part and obtained enormous experience on SHG approach. Jerusalem Children and Community Development Organization (JeCCDO) and Ethiopian Kale Hiwot Church (EKHC) were the pioneer organizations to uphold the SHG approach and start intervention accordingly (Rutherford, 1999; kindernothilfe, 2008).

Figure 1. Structure, functions and partners of SHGs Approach

Source: Gebre et al, 2014

As it is depicted on the diagram above, a total of 15-20 familiar individuals from the same neighborhood and on the same socio-economic level form one SHG and develop their own by-laws. Some 8-12 similar SHGs living in close proximity establish a Cluster Level Association (CLA), which represents its members to lower levels of local government (Kebele and Woreda) and undertakes numerous other activities. Certain CLAs in a given area form Federation Level Association (FLA) to represent membership to higher levels of local government (City, Zone, and Region) besides playing many other roles. The concept of SHGs approach thus refers to the whole harmonized system (Gebre et al, 2014).

Since its introduction up to 2008 alone, about 25 local NGOs are implementing more than 40 self help group projects. Over these six years 2958 SHGs have been established. Some 49,910 women, who have a total of 192,117 children, are actively participating in the groups' activities that have proven to be successful in significantly changing the lives of the members and their families for the better. These projects are being implemented in four regions(Oromia, Amhara, Benshangul Gumuz and SNNPR) and two city administrations---Addis Ababa and Dire Dawa (kindernothisilfe, 2008)--- to empower women and bring about changes in their lives. Nowadays close to 18000 SHGs operate in the country and the number is on the rise partly because many civil society Organizations and religious institutions began to work as SHG promoters(Gebre et al, 2014). So far, significant progress has been made by SHGs to create opportunities for powerless and voiceless people particularly women to unleash their potential and alleviate poverty (ibid).

STATEMENT OF THE PROBLEM

The Ethiopian Constitution guarantees equal rights to women and men and puts an end to discriminatory laws and regulations that adversely affects women(see the 1995 EFDR constitution, Article 35). As a result, progress has been made by the government in endorsing sectoral laws and policies favorable for women's participation in political, socioeconomic and legal issues. Institutional arrangements have been put in place at all levels to push the realization of the constitutional objectives and ensure women empowerment (Tsehay and Lebesech, 2010).

Despite such positive developments, a paradoxical feature exists on the ground. In reality women, particularly the rural ones, maintain unequal status characterized by unequal power, limited ownership of resources, low level of education, customary practice and demeaning attitudes. The deep rooted negative perceptions and socioeconomic challenges that Ethiopian women face still remain unchallenged (ibid).

In order to change the existing face of socio-economic scenario, SHGs are playing significant role in meeting their members' emergent economic needs without depending on external help. 'SHGs build economic self reliance of rural poor, overcome misuse and create confidence predominantly among women who are mostly unseen in the social structure' (Rajesh, 2011).

But so far they didn't get sufficient recognition by government bodies at all levels, and above all there is no any grass root level study on these groups. This piece of research is about the roles of SHGs in empowering rural women of Awada *kebele* of Dale¹ *woreda* . The study focuses on 6 women SHGs of Awada *kebele* (i.e., 25% of the women SHGs in the *woreda*).

SIGNIFICANCE

This study will have relevance in providing local level information to government and NGOs that would take part in planning and policy decision in order that they consider the importance of SHG approach in empowering women at the grass root level. By assessing changes in the life of SHG members, the study will help to reveal their experiences to other rural areas in the region. The result of the study is also expected to broaden the existing literature and knowledge on women empowerment and development through SHGs and initiate further research interest on the area.

OBJECTIVES

The overall objective of this study is to assess the roles of SHG approach to empower rural Dale women. Specifically, the study attempts to:

- Describe what SHGs meant, their characteristic features, and benefits to their members;
- States the roles of SHGs in the promoting grass root level participation and democratization.
- Examines the changes occurred in the life of the SHG members in the study area
- Identifies the challenges encountered by the groups; and
- Examines the existing government policy/ legislations in relation to SHGs and digs out the gaps.

MATERIALS & METHODS

This study utilizes mainly qualitative approach because of its holistic nature. In contrast to quantitative approach, qualitative research methodologies have more relevance in divulging experiences, perceptions and meanings of research participants. The approach pays attention to meanings, notably, how people make sense out of their lives and experiences. The field work for the research took three months

¹ Dale is one of the present day 21 *woredas* in Sidama Zone. SHGs are found in four *woredas*---Dale, Shebedino, Boricha, and Loka Abaya---of Sidama zone. Among the 36 rural *kebeles* and 3rural towns, SHGs are introduced in 8 rural *kebeles* of Dale *woreda*. SHG approach was introduced in Dale *woreda* by Kale- Hiowot church in 2001EC to empower and develop the rural poor; since then it is actively functioning in the *woreda*. There are 24 women, 22 men, and 33 mixed women-men SHGs in these 8 *kebeles*. In each *kebele* one SHG facilitator is assigned by Kale-Hiwot church. The total number of members in the 79 SHGs are 1359.

time (Feb. to April, 2015). The research is cross-sectional in terms of its data versus time, and descriptive in type. The major subjects of the study are Awada rural women self help group members. Besides, *kebele* officials, Kale-Hiwot church leaders, *woreda* and *zonal* micro and small enterprise development agencies, *kebele* agricultural DA took part in the study. Purposive sampling is used as technique to draw informants. As this is qualitative research, ongoing data organization, interpretation and analysis was carried out as of the very first day of the field work. Field notes were used, and developed into a full-fledged research document. Published and unpublished materials which include magazines, pamphlets, and reports from regional *kale-Hiwot* church office, bylaws of SHGs, documents from micro and small enterprise development agencies, and internate sources were used as secondary data sources. The most important primary data collection instruments employed include structured observation, interview, FGD and case studies. Through the structured observation the SHG bylaws, book keeping and saving documents, small business materials, and members' day to day relationships were examined. The observation involved participations in their weekly meetings. I employed interview with 22 individuals. These include 6 ordinary members of SHGs, 3 leaders of SHGs, 3SHG facilitators, 2 non member women, 2 *kebele* officials, 2 officials of *woreda* and *zonal* micro and small enterprises, 2 *kalehiwot* church officials, and 2 Husbands of women in SHG.

Five case studies were also conducted. The case studies were of individual success stories after their memberships in the SHGs. On top of these, I have conducted 6 focus group discussions(each group comprised 8-10 women) in Awada *kebele*. Above all, in this study, all research participants took part in the research on their own free will. The way of life of the research subjects was respected and appreciated. Research participants were told about the objectives of the research before they took part in the interview process.

LITERATURE REVIEW: CONCEPTUAL CLARIFICATION AND THEORIES

The World Bank defines empowerment as the process of increasing the capacity of individuals or groups to make choices, and to transform those choices into desired actions and outcomes. Central to this process are actions that build both individual and collective assets, and improve the efficiency and fairness of the organizational and institutional context which govern the use of these assets (World Bank 2001 in Kulkarni, 2011; UN,2001). Keller and Mbwewe (1991, as cited in Rowlands 1995) describe it as 'a process whereby women become able to organize themselves to increase their own self-reliance, to assert their independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination.' Women's empowerment consists of "gaining the ability to generate choices and exercise bargaining power, developing a sense of self-worth, a belief in one's ability to secure desired changes, and the right to control one's life" (UNIFEM, 2000). In other world, disempowerment is characterized by high illiteracy, low income, lack of access to resources, low decision making power, a culture of dependence, and lack of collective action (Mitiku and Nigatu, 2015).

Microfinance has three approaches which can be acted upon independently or together (Hirute, 2010 in Mitiku and Nigatu, 2015). These are: the capacity building approach; the channeling approach; and the institutional approach. The capacity building approach focuses on the very poor, the land less , the voiceless group of the society, especially women. The aim is to raise awareness, organize the clients and build their confidence to enable them believe in their own ability to transform their lives including the development of saving culture. The channeling approach may be used by rural banks and NGOs to assist the 'not-so-poor' or productive poor . These groups may have the courage to take some minor tasks but may lack financial support because of the lack of collateral security. It basically works through credit intermediation, extension and peer pressure. In the institutional approach, poor women are helped by mobilizing their own savings through the group formation and linking them up with financial institution.

Daley -Harris (2007) in his turn portrays the participation of women based on instrumental and humanitarian viewpoints. In the instrumental approach, women are viewed as a means to achieve poverty reduction objectives by improving their access to financial services in order to enhance their productivity, improve their economic power , and consequently improve the well being of their families(Cheston and

Kuhn, 2002; Jackson, 1996). On the other hand, the humanization perspective acknowledges the higher incidence of poverty and deprivation among women and advocates development for women.

Similarly, Mayoux (1999), systematically discussed the rationales for targeting women in microfinance. These are 1) poverty alleviation 2) financial sustainability, and 3) feminist empowerment. According to poverty alleviation rationale since women are widely recognized for having a lower empowerment/activity rate and earn less than men(World Bank, 2001), to overcome this situation, addressing women has become an indispensable solution (Burjoree et al, 2002; Cheston and Kuhn, 2002; Mayoux, 1999 in Mitiku and Nigatu, 2015).

The SHGs approach is a development model which recognizes poverty not only as a material deprivation but also as a continuous process of disempowerment that includes denial of choices, rights and opportunities, displacement, discrimination and oppression (kindernothilfe, 2008). Studies in different contexts have reported positive effects of microenterprise services on women's economical empowerment (Schuler and Hashemi, 1994). Women involved in microcredit programs in Bangladesh exhibited greater economic security, ability to make own purchases and freedom from family domination and violence than those in the control. A study of Grameen Bank's clients also reported that women participants in microcredit programs were more conscious of their rights, were better able to resolve conflicts and had more control over decision making at the household level(Sebstad and Chen, 1996). A similar study in Sri Lanka indicated that access to small loans contributed to women's independence in income generation, which gave them more bargaining power in relations with male family members (Hulme,1996). Another related study reported that 55% reduction in incidents of physical and/ or sexual abuse over a 12 month follow-up period among 430 rural South African women who received micro-enterprise services and participatory training (Pronyk, 2006).

In sum, 'Women empowerment is crucial to the socio-economic progress of the country. Investing in women's capacity building and empowering them to exercise their choices is not only valuable itself but is also the surest way to contribute to economic growth and overall development' (Sanchita, 2012:1). It is even believed that eradicating poverty and achieving sustainable development could not be separated from achieving gender equality and the empowerment of women (United Nations Division for the Advancement of Women,2001:9).

Awada SHGs Activities and benefits

Social benefits

The implementation of SHG approach creates several opportunities to members participating in the groups. Open discussion among women on economic, social and political issues often leads to a list of prescribed solutions by women themselves. SHG members in Awada state that participation in groups considerably improved their health and social well-being. They say that groups are places where one can share experiences and learn different ways to live with his/her conditions or overcome any challenges one might face. But more than that groups are places where one can establish his/her lasting friends. Groups mean help, support, and safe places to talk to one another. Some women SHG members in Awada able to send their children to schools at yirgalem town by covering all the necessary expenses which include stationary, house rents, food, and uniform.

Case 1: Tejitu Dogona, a young woman of 30 and mother of four, was born and grown in Awada. She is grade 2 complete. Tejitu's husband is a library attendant at yirgalem comprehensive secondary school. His meager income could not sustain the livelihood of his family. To supplement her husband's income, Tejitu joined *Jiro* (literally wealth) SHG in 2001EC and started saving 1 *birr* every week. After saving for about six months, she borrowed 100 *birr* and started banana business. Later she borrowed 200 *birr* soon after returning the first loan. Then she involved in butter sells in her residence. After returning the second loan she again borrowed 300 *birr*.

By the profit she made, Tejitu send her kids to school at yirgalem town. Tejitu's sons are grade 8 and

10, while the daughters are grade 2 and grade 6. Apart from covering meals and clothing to her kids, Tejitu pays monthly 250 *birr* for house rent at yirgalem. In the past, says Tejitu, we could not afford to teach our children at yirgalem; but now we can.

Tejitu has 2 *equbs* in yirgalem. She pays 50 *birr* (with 22 women) every Monday, and 100 *birr* every Thursday(with 21 women). The total sum of Monday's *equb* is 1100 *birr*, while Thursday's *equb* is 2100 *birr*. Tejitu put 2100 *birr* at Yirgalem commercial bank when she received her turn of Thursday's *equb*. After some time Tejitu withdrew 2000 *birr* from the bank deposit and repaired the hut in which she lives with her family.

Before joining the SHG, Tejitu and her family were living in a small old hut. After receiving her bigger *equb* money and by getting a 6300 *birr* loan from her business colleagues at Yirgalem market, Tejitu recently constructed a new house of corrugated iron roofed. Lending money for house construction is a norm among Tejitu's business friends at Yirgalem.

Tejitu has furnished her house with house materials and kitchen utensils. Tejitu said that in the past for every 50 *birr* loan from village money lenders, we pay 100% interest. Thanks to our SHG, now for every 50 *birr* from our SHG we pay interest only 2.5 *birr*. In the past some village money lenders did not trust to lend us money. Now I do not knock the doors of village money lenders. I have a vision to open a big shop at Yirgalem. Tejitu confidently says that now I am a rich woman. My family has no food problem. I have sent all my kids to school. In the past I did not even imagine saving one *birr* could have value. Now I understood, richness begins from saving a single coin. I remember that there was a time I and my family ate sugarcane as a dinner and slept.

SHG women in Awada organized yearly environmental cleaning and sanitation campaigns within their communities. They constructed pit latrines in the compound of every member, constructed a big bridge on Woyima river (at the cost of about 8000 *birr*) which was obstructing their journey to Yirgalem town. The bridge enabled an access of four rural *kebele* people (Awada, Beramera, Wicho and Bedeye) to Yirgalem town.

ECONOMIC BENEFITS

Saving: with regards to economic empowerment, the SHGs in Awada have adopted the culture of saving and augmented their income. By the end of 2015 members saved over 33,000 *birr*; which is in the hands of treasurers. As a principle, every member of SHGs in the study area saves weekly 0.5-5 *birr*. The types of savings are regular and social. To maintain proper accounts/records, every SHG visited has a ledger held by secretary of the group, and every member of the SHGs has its own pass book. The initial challenge for most members was to accept the idea that such a small saving would become a big sum to make a difference in their lives. But the savings steadily increased allowing them to take loans on low interest rate (5%) to cover household expenses and engage in small business. Over 90% of the informants saved amounts which they never had before.

Case 2: W/ro Mulu Elias 45, is a mother of 5 who lives in Awada. Mulu's family used to live on the meager income her husband provided from his pension earnings as a retired *Derge* soldier. Now he works as school security guard at *Adarash* elementary and Junior secondary school at yirgalem. His salary is so small. This small sum of money hardly meets the sustenance needs of Mulu's family. One day Mulu heard about SHG in her locality. She went to meet the members of the SHG and enquired them about the benefits members of SHG get and asked them to share their experiences with her. After hearing from them, so inspired, she then decided to join the group, immediately starting to save 2 *birr*/week for over six months, her involvement allowed her to borrow 100 *birr* for the first time;

which afterwards was supplemented by the additional 75 *birr* support she got from her husband. Then she was able to engage in small scale butter sales. Mulu was buying butter from Yirgalem market at whole sale prices, these retailed at yirgalem market and at Awada *kebele*. And as such, Mulu's business growing from time to time consequently increasing her savings parallel to settlement of her loan. Mulu who earlier used to sale butter on guesstimate has now bought a small weighing scale by 650 *birr* for accurately weighing the butter she is selling.

Mule the desperate mother of 5 children who once had been unable to meet herself and her family's daily needs, with the initiative of the SHG so capacitated, is now able to use her potential. Recently Mulu has 2 *equbs*(*local traditional saving*) which on a weekly basis she is paying a sum of 150 *birr*; of which the 100 *birr* is paid on Monday, and the additional 50 *birr* is paid every Thursday. The total sum of the two consecutive *equbs* are 2200 *birr*, and 1900 *birr* respectively. Mulu says, "I am young and energetic enough to run here and there; I have the vision and hope to be a model business-woman one day. Thanks to Jesus and our SHG who helped me."

Loan: members of the visited SHGs borrow money to cover household expenses(eg., consumer goods, education, construction, etc) and involve in petty businesses. Over 80% of members got loans from their respective SHG and all returned except only one woman. Key informants disclosed that loans from SHGs has multiple advantages: as opposed to commercial banks, microfinance and village money lenders, SHGs lend out money with low interest rates (only 5%), no collateral requirement, non bureaucratic bottle necks. Peer pressures are the methods to force defaulters. Across all visited SHGs loan repayment period is in negotiation with the group which may range from 3 to 12 months. The payment is in installments which may be, weekly or fortnightly, monthly, or as determined by the group at the time of taking the loan. The SHG committee members stated that the members of the SHGs developed faithfulness. They work hard and pay loans on time.

Self-employment opportunities: The implementation of SHG has generated self-employment opportunities for the rural poor. Access to credit has enabled the majority of women (25%) to undertake gainful/productive employment /activities(IGAs).

POLITICAL BENEFITS

Members in all visited SHGs able to conduct their meetings by themselves. It is reported by the *kebele* officials that women SHG members are active participants in most *kebele* level community matters. They attend meetings, save and participate in all activities of their respective groups voluntarily. Each SHG developed its own bylaw through direct involvement by which the group frames rules and regulations which are required for its effective functioning. All the SHGs are impartial in nature, and the procedure of decision-making is democratic. Besides, there is a custom of rotational leadership among all the SHGs visited; which should be encouraged for its being fertile ground to learn democracy and rule of law. Women begun to explicitly discuss their problems by themselves. Matters related to savings, loans, interest, repayments, social issues, women's rights, etc are deliberated democratically.

Case 3: Birtukan Bojoga and Desta Gujjo are in their early 20s; Birtukan 6th grader and Desta a 9th grade complete, are Chairperson and Secretary of *Beleto* (*Beleto* literally to mean first) SHG respectively.

Birtukan and Desta said that SHGs are places where poor women become well-off. It is a place where there is no discrimination on the bases of religion, clan, ethnicity, or gender. It is a place where one can learn how to live helping one another. It is a place where members share their problems. SHGs are places where members learn democracy and rule of law.

The experience and self-esteem we develop in the SHG enabled us to be active participants in every

public meetings in our locality and we have developed the courage to express our idea without any fear-which formerly had been hardly possible to us to do so. Our involvement and activities in the SHG added to our family an understanding of the value of self determination, social life and above all the endless love of the almighty God.

These days we are no more sole money recipients from our husbands for each and every household expenditure as we are also able to do so and contribute for the same. We take part in making decisions on important social and economic issues of our respective families. Relationships with our husbands have been improved. It is smooth, warm and sweet as conflicts which may arise due to critical resource shortages are lessened. Our husbands are happy and have no objections for our involvement in SHGs.

Some women members of SHGs convinced their husbands that they are valuable members of their family that can make change in their family; thus husbands started considering their wives whenever they make decision on important economic, social and political matters of the family.

Case 4. Adanech Kambata is a 35 years old woman. She is a married and mother of 4 children. Her husband is a poor farmer who could not sustain the livelihood of his family by farming on his small plot of land. As Adanech was a house wife she was not supplementing his income. To mitigate the problems in her family, Adanech joined the SHG in her locality in 2001EC. Initially, for the first six months, Adanech was paying the weekly one *birr* saving by taking away from the money given by her husband for daily/weekly household meal purchases. Later, she got a loan of 100 *birr* and bought a hen and a cock. After some times the hen started laying eggs. Later step by step Adanech became owner of several chicken and started the business of eggs and chicken sells. Even on this interview day she sold 22 eggs by 61.60 *birr*.

After three years business of chicken and eggs, Adanech borrowed 120 *birr* to buy improved seed of Haricot bean. Consequently she cultivated the Haricot bean on about 0.25 hectare of homestead farm and sold the yield by 1180 *birr*. Then she bought a calf by 1000 *birr* from Yirgalem market in the same year. After two years feeding, care and support, she grew the calf into heifer and sold it by 7000 *birr*. Then immediately she bought corrugated iron and nail thereby constructed a new house.

Adanech says that in the past her family were living in an old small hut; she had nothing, she was dependent on her husband. Adanech now became well-known in the village for making and selling *kineto* (non-alcohol local beer) and local bread, apart from the aforementioned business. All of Adanech's children are sent to school without any problem. Adanech thanks her SHG for making everything possible. Adanech says that she feels her SHG as her own home in that members share ideas of success, problems, happiness, sorrow of one another. Everybody has concern to one another. Adanech suggests that if SHGs get recognition and support from government, they can make significant change not only at family level, but also at community level.

As we have seen from the case studies, as a result of their membership in the groups, the income of women increased, they developed confidence, self esteem as well as hope to see good /bright days in near future. They have taken encouraging and visible steps in the direction of democratization and grass root level women empowerment.

Challenges encountered by SHGs in the study area:

Lack of Government recognition or legal personality: SHG approach could not get adequate recognition and obtain support from government bodies at different levels. All informants involved in interviews, case studies and FGDs underlined the need for securing legal personality. The charities and societies agency,

which was established by proclamation No. 621/2009 is responsible for the registration and regulation of charities and societies. Of the five categories of registration listed on the proclamation (Ethiopian Societies, Ethiopian Charities, Ethiopian Resident Societies, Ethiopian Resident Charities, and Foreign Charities), we could not find any option/category in which SHGs could be registered. Without official recognition, conducting formal communication with government agencies proved to be difficult. *Kebele* offices would not recognize the existence of SHGs and respond to requests for space, services, etc. In the absence of legal personality, the banks and micro finance institutions would not allow SHGs to open saving accounts or take loans. The courts could not recognize the legality of SHGs without registration. As a result, SHGs rely on their promoters (NGOs and CSOs) for formal communication. The problem will definitely manifest when the projects of the promoters phase-out.

No audit: in all the visited SHGs savings are held in the hands of treasurers; and not audited.

Lack of capital, and work place: women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited. Given such situation, women entrepreneurs are bound to rely on their own savings and want to expand their business. But could not do that as internal loans alone could not satisfy their need specially of those who run business and IGA. Besides, no link with markets as well as no marketable skill.

Case 5. My name is Abaynesh Bekele. I am 26. I have two kids of 6 years and 4 years old. My husband is a daily laborer in one of the private garages at yirgalem. His meager income as a temporary employee in the garage could not sufficiently sustain the livelihood of our family. Besides, my husband is alcoholic and he spends his income by drinking alcohol and chewing '*khat*' (a stimulant leaf). One lucky morning, in the month of June 2001EC, I was approached by Ato Desalegn, the SHGs facilitator in our *kebele*, and he told me about SHGs and invited me to participate in the group. At the beginning, I rejected his invitation, due to the mere fact that I had no money to save, and squarely told him that I will not come to the meeting which in my eyes was futile. But the facilitator insisted that I had to come to the SHG meeting whatever my position was. With so much resistance, I then accepted the invitation and attended the meeting. The SHG members told me about their group and the advantages of joining them. Besides, the community facilitator also told me what SHG meant, its benefits and as to how to make savings.

As I normally dislike dependency and handouts, I immediately started saving 0.50 per week, all from the small amount of money I usually obtain from my husband for purchasing daily food items/consumer goods. After saving for over 6 months, I got a loan of 200 *birr* and started a petty business of selling butter in our village. After 4 months I made enough money to repay the first loan and borrowed another 400 *birr*, which helped me to expand my business and get a good sum of money within a couple of years.

The *equb* I joined a year ago with 20 persons by contributing 50 *birr* on a weekly basis allowed me to get 1000 *birr* after the settlement of the previous loan. With the collected *equb* money, I bought timber wood to repair our old hut which was about to fall one day in sudden. So encouraged by the SHG initiative and the *equb*, I have a plan to organize another new *equb*, thereby to change our Tukul with corrugated iron roofed new house. In the past I had been jobless, fully dependent on my husband's meager income, but now I am so grateful to God to the strength he has given me. So capacitated to assist my husband, now I cover the lion's share of our family's expenses. I have bought several household utensils such as chairs, bed, and kitchen furniture which made our house relatively ideal place to live. Nowadays we have no problem of food or clothes for ourselves and our kids. My problem is lack of money to expand and diversify the business I am running and wish to get an area/place to run my business.

Insufficiency of training: no sufficient training on book keeping, entrepreneurships, homestead vegetable and fruit farming, balanced diet, family planning, etc. Thus, some utilize the loan for unintended purpose.

Illiteracy: In the study area, almost all (over 95%) of the women are still illiterate. Due to the lack of education, majority of the rural women in Awada are not aware of business, technology and market knowledge. Though most of the members of the SHGs are committed and have strong ambition to bring about change in their lives, they are engaged only in one type of business---- petty trade of butter, and very few in maize flour. This will create market saturation.

Influence of husbands: in Awada it is mainly women's duty to look after the children and other members of the family. Men play a secondary role only. In case of married woman, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business. Some non members of SHGs in Awada state that support and approval of husbands seem necessary condition for women's entry into business; i.e., if he does not want the woman to involve in activities that would make her work outside her home, he would simply disallow her from engaging in IGAs.

Conclusion and Recommendations

Conclusion

SHG program clearly plays a central role in the lives of the poor. The program in various ways seem to be successful in reaching poor clients. Importantly, there is evidence of increased household income which is the most important mechanism to empower the rural women.

Besides, the process of empowerment in Awada manifests itself in increased self-esteem, confidence among members and changes in decision-making at the family level. After joining the SHG, the women are economically, socially and politically empowered. This empowerment enabled them to start taking control over their lives. On the whole SHGs are playing a significant role in empowering and developing the rural poor women in Awada *kebele* of Dale *woreda*.

Recommendations

Government bodies at different levels should give due recognition on the relevance of SHGs approach to empower and develop rural women, and need to enact a new law / legislation to ensure the legalization of SHGs as the existing law did not.

All SHGs raised area / work place as a major problem, thus it is compulsory to local level governments to positively respond to their claims, and also support them through trainings on such topics as book keeping, entrepreneurships, homestead vegetable and fruit farming, balanced diet, family planning, dispute settlement, etc

The existing SHGs' money is held by members / treasurer which is risky. Therefore, concerned bodies need to give attention to this issue and act as soon as possible. Unless, this will hinder the development of the already established SHGs, and negatively affect new formations.

Internal loans alone could not satisfy the needs of SHG members, specially of those who run business and IGAs. This is serious in Awada women SHGs and needs practical response----financial support.

REFERENCES

- CGAP. (2007). Sustainability of self help groups in India: Two Analyses. Occasional paper.No.12
- EDA and APMAS (2006). *Self-Help Groups in India: A Study of the Lights and Shades*, CARE, CRS, USAID and GTZ, 2006, p. 11
- EFDR constitution (1995). The Ethiopian Federal Democratic republic constitution.
- EKHC(2009). *Self help group's the concept: SHG teaching manual*. AddisAbaba: Ethiopian Kale-Hiwot church integrated urban development department. (Amharic version)

- Fouillet C. and Augsburg B. (2007). *Spread of the Self-Help Groups Banking Linkage Program in India*. International Conference on Rural Finance Research: Moving Results, held by FAO and IFAD, Rome, March 19-21.
- Gebre Yntiso, Dagne Shibru and Temesgen Chibsa (2014). Rapid Assessment of Self-Help Groups in Ethiopia. Addis Ababa: Tacking Trends in Ethiopia's Civil Society (TECS)
- Kabeer, Naila. (2001). *Reflections on the measurement of women's empowerment*. In *Discussing Women's Empowerment-Theory and Practice*. Sida Studies No. 3. Novum Grafiska AB: Stockholm.
- Kinder Not Hilfe (2008). The self help approach Annual report. *The Self help Approach –Ethiopia*. Addis Ababa: central printing press
- Kulkarni Vani S,(2011). Women's empowerment and microfinance: An Asian perspective study. IFAD Occasional papers 13
- Malhotra,Anju, Schuler Ruth S., and Boender Carol (2002). *Measuring Women's Empowerment as a Variable in International Development*. Background Paper Prepared for the World Bank Workshop on Poverty and Gender: New Perspectives Final Version: June 28, 2002.
- Manjunatha S.(2013).*The Role of Women Self – Help Groups in Rural Development of Karnataka State, India: International Research Journal of Social Sciences*. ISSN 2319–3565.Vol. 2(9), 23-25, September (2013)
- Mitiku kebede and Nigatu Regassa. The empowerment of women through microfinance services in SNNPR. In Tesfaye Semela et al, eds.(2015) Impacts of women development and change packages on the socioeconomic and political status of women in SNNPR: promise, success and challenges. Hawassa: Center for Policy and Development Research(CPDR), Hawassa University.
- Mulneh Shiferaw (2011). *Gilgal*. No 3. Addis Ababa: The Ethiopian Kale-Hiowt Church Training Department Ministry and leadership Transformation Project.
- Nigatu Regassa and Tesfaye Semela. Regional context and research Framework. In Tesfaye Semela et al, eds.(2015) Impacts of women development and change packages on the socioeconomic and political status of women in SNNPR: promise, success and challenges. Hawassa: Center for Policy and Development Research(CPDR), Hawassa University
- Rajesh. (2011).Self Help Groups in Rural Development. India
- Reddy Anuppalle, R. (2008). Self-help groups in India—A catalyst for women economic empowerment and poverty eradication.33rd global conference of ICSW, Tours (France) June 30th –July 4th, 2008. Workshop No 54-microfinance.
- Rodger Voorhies (2005). *Managing to go down market: regulated financial institutions and the move into microsavings*. In Madeline Hirschland (ed.) 'Savings Services for the Poor: An Operational Guide', Kumarian Press, Bloomfield, CT, 2005, p. 106.
- Rutherford Stuart (1999). Self-help groups as micro finance providers : how good can they get? Mimeo.
- Sundaram A. (2012). *Impact of self help group in socio-economic development of India*. IOSR Journal Of Humanities And Social Science (JHSS) ISSN: 2279-0837, ISBN: 2279-0845. Volume 5, Issue 1 (Nov. - Dec. 2012), PP 20-27.
- Tsehay Tsegaye and Lebesech Tsega (2010). *Gender Mainstreaming in Microfinance Institutions in Ethiopia*. Occasional paper No.28. Addis Ababa: OXFAM Novib in Collaboration with the Association of Ethiopian Microfinance Institutions(AEMFI).
- UNIFEM (2000) *Progress of the world's women*. New York: UNDP for Women.
- United Nations Division for the Advancement of Women (DAW).(2001). *Empowerment of Women Throughout the Life Cycle as a Transformative Strategy for Poverty Eradication*. Report of the Expert Group Meeting 26 – 29 November 2001 New Delhi, India.
- United Nations report: 'Women in India - How free? How equal?' Data on population and literacy are based on India Census 2001.
- World Bank (2001) *Engendering development: Through gender equality in rights, resources,and voice – summary*. Washington, DC. www.worldbank.org/gender/prr/engender_summary.