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ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDY

**THE EFFECT OF MICROFINANCE ON WOMEN ECONOMIC
EMPOWERMENT IN THE CASE OF ADDIS CREDIT AND SAVING
INSTITUTION S.C BOLE SUBCITY WOREDA 07**

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JAN /2025

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**A senior essay submitted to department of Business Administration for the
requirement of partial fulfillment of master's degree in Business Administration**

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WOREDA 07**

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Declaration

I hereby declare that this thesis titled "The Effect of Microfinance on Women's Economic Empowerment: The Case of Addis Credit and Saving Institution S.C, Bole Subcity Woreda 07" is the result of my own independent research, conducted under the supervision of zerihun kinde. This thesis has not been submitted in whole or in part for any other degree or qualification at any other institution. I further declare that all sources of information and materials used in the preparation of this thesis have been properly acknowledged, and all references to other works are cited in accordance with academic conventions.

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LIST OF ACRONYMS

BSCSI	Bole sub city credit and saving institution
ACSI	Addis Credit and Saving Institutions
S.C	SHARE COMPANY
MFI	Microfinance Institutions
BRAC	Bangladesh Rural Advancement Committee

ABSTRACT

This study, titled "The Effect of Microfinance on Women's Economic Empowerment: A Case Study of Bole Sub City Credit and Saving Institution," aims to assess the influence of Addis Credit and Saving Institution on women's economic empowerment. The study also explores changes in women's saving habits before and after becoming members of the institution. Data was collected from 90 female clients through a questionnaire, utilizing only primary data. A simple random sampling method was employed to address the research questions, and the data were analyzed using tables. The findings reveal that participation in microfinance loans has positively impacted the economic and social status of women, leading to improvements in their saving habits and decision-making power. Based on these results, the study recommends that the Ethiopian government prioritize expanding credit institutions focused on women's empowerment, as this could contribute significantly to their economic well-being and societal participation.

CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Microfinance is commonly defined as the delivery of financial service to micro-entrepreneurs and small business that are unable to access banking service due to the costs involved in serving these group.

The evolution of microfinance is from Bangladesh since the late 1970s and has been very successfully project in the case of Ethiopia the evolution of microfinance undergone significant change over the past few decades. The proclamation allowing for the establishment of microfinance institutions was issued in July 1996. Since then, numerous microfinance institutions have been officially registered and have begun offering their services (Taye 2006). Microfinance pay special attention to women; The reason that align with community development goals:

1. **Poverty Reduction:** Women are often more vulnerable to poverty, and empowering them can help elevate their families' economic status.
2. **Economic Independence:** Access to financial resources enables women to launch and expand their businesses, fostering greater economic self-sufficiency.
3. **Enhanced Decision-Making:** With financial support, women can take on more significant roles in household decision-making, which positively impacts family well-being.
4. **Social Transformation:** Empowering women can lead to broader social improvements, such as decreased gender-based violence and heightened community involvement.
5. **Increased Resilience:** Providing financial stability to women enhances the ability of households to withstand economic challenges, contributing to overall community resilience.

Despite this women do not have access to credit and other financial services for various reasons. Therefore, microfinance is created to fill this gap..

In Ethiopia, microfinance is viewed as a vital instrument for enhancing agricultural productivity and ensuring food security, particularly within the framework of the Agricultural Development Led Industrialization strategy (Belay, 2001).

In Addis Ababa, there is microfinance named Addis Credit and Saving Institution (ACSI), a Microfinance Share Company. ACSI started operations in 1995 as a department of a local NGO, and has grown to become one of the largest MFIs in Ethiopia. As the first licensed MFI, the Addis Credit and Savings institution was established in January 27, 2000 and registered as a microfinance share company in April 1997. ACSI's primary mission is to improve the economic situation of low income, productive poor people in the Addis Ababa primarily through increased access to lending and saving services.

1.2 Background of the Organization

Addis Credit and Saving Institution S.C. (ACSI) is one of the largest microfinance institutions in Ethiopia, playing a critical role in providing financial services to low-income individuals and small business owners who lack access to traditional banking. Established in 1995 as a microfinance division within a local NGO, ACSI was officially registered as a microfinance share company in April 1997 and became the first licensed microfinance institution (MFI) in Ethiopia on January 27, 2000. Since its inception, ACSI has focused on promoting financial inclusion, poverty reduction, and economic empowerment, particularly for women and micro-entrepreneurs. The institution offers a range of financial services, including micro-loans, savings accounts, and credit facilities, designed to enable individuals to start or expand businesses, improve their financial stability, and contribute to the local economy.

Recognizing the structural barriers that women face in accessing financial services—such as lack of collateral, limited financial literacy, and societal constraints—ACSI has prioritized gender-focused financial interventions aimed at empowering women economically. In Addis Ababa, particularly in Bole Sub City, Woreda 07, ACSI has played a significant role in facilitating access to credit and savings for women entrepreneurs, enabling them to invest in income-

generating activities, accumulate assets, and achieve greater economic independence. Through its tailored microfinance programs, the institution has contributed to improving women's participation in household decision-making, enhancing their ability to provide for their families, and fostering community development.

ACSI's role aligns with Ethiopia's broader national development strategies, including poverty alleviation initiatives, small and micro-enterprise (SME) promotion, and financial sector expansion. The institution not only provides capital to its clients but also engages in financial literacy training, capacity-building programs, and business development support to ensure that beneficiaries make informed financial decisions and maximize the impact of the services they receive. By empowering women financially, ACSI contributes to breaking the cycle of poverty, reducing gender disparities, and fostering long-term economic growth.

With a strong operational presence in Bole Sub City, Woreda 07, ACSI remains a key driver of economic transformation by addressing financial barriers, supporting women's entrepreneurship, and strengthening community resilience. Through its continuous efforts to expand financial access and improve economic opportunities for marginalized groups, the institution plays an essential role in fostering sustainable development and inclusive economic participation in Addis Ababa.

1.3 STATEMENT OF THE PROBLEM

The World Bank's gender statistics database indicates that women experience higher unemployment rates than men in nearly every country. Additionally, women often dominate the lower-paid, unregulated informal sectors across many economies. This context underscores the need to prioritize and enhance women's access to financial services, as they face greater disadvantages compared to men.

Women make up approximately 50 percent of Ethiopia's population and participate in various economic sectors. Despite their engagement in demanding and time-consuming work, many poor women do not receive equitable compensation. They have limited access to economic opportunities that could allow for alternative income-generating activities, resulting in a dependency on their husbands and minimal involvement in household decision-making.

However, there has been a growing recognition among scholars, policymakers, and development planners of the significant benefits that microfinance programs can provide for disadvantaged women in Ethiopia (Sintayehu, 2007).

There is a widespread agreement that for women to contribute effectively to economic development, they need to be empowered both economically and socially. One key way to achieve economic empowerment is by ensuring that women have easy access to credit for their small and micro enterprises. In Ethiopia, microfinance institutions are primarily established to address poverty and promote women's empowerment. However, there are currently few studies that thoroughly evaluate the impact of microfinance on women's economic empowerment in Addis Ababa. This may be attributed to the relatively recent focus on both microfinance development and the importance of women's economic empowerment as strategies in Ethiopia's policy-making process.

Thus in this study the researcher tries to answer the following research questions.

1. How does microfinance contribute to women's economic empowerment in Addis Credit and Saving Institution S.C.?
2. In what ways does access to microfinance services influence women's income levels and personal savings?
3. What impact does microfinance have on women's participation in household financial decision-making?
4. How does microfinance support the personal and professional development of women beneficiaries?

1.4OBJECTIVE OF THE STUDY

1.4.1. General objective

The general objective of this study is to examine the effect of microfinance institutions on the economic empowerment of women.

1.4.2. Specific objective:

1. To identifying and reviewing the effect of microfinance on women's economic

empowerment in Addis Credit Institution S.C.

2. To assess the effect of microfinance service provision in improving women's income and capital accumulation.
3. To identifying the effect of microfinance in relation to women's time, creating awareness and self-confidence.
4. To investigate the effect of microfinance in improving the individual development and growth of women.

1.5. SIGNIFICANCE OF THE STUDY

The aim of this study is to fulfill a requirement for a master's degree. The findings will assist the government, policymakers, and financial intermediaries in understanding the effect of microfinance in empowering women in Ethiopia. Additionally, this research will provide valuable insights for future researchers interested in this topic. It will specifically explore how microfinance contributes to women's empowerment at Addis Credit Institution S.C. Ultimately, this study will highlight the significant impact of women's empowerment on the country's economic development.

1.6. SCOPE AND LIMITATIONS OF THE STUDY

This research aims to examine the effect of microfinance institutions on women's economic empowerment, specifically focusing on the Addis Credit and Saving Institution S.C. in Bole Sub City, Addis Ababa. The study will assess how the microfinance services provided by this institution contribute to improving women's income, savings, participation in household decision-making, and overall personal development. While this study is crucial at the national level, it is constrained by limited funding and time, which restrict the scope to a single institution in one city.

Due to time constraints, the study will primarily focus on short-term impacts and may not capture long-term effects of microfinance on women's economic empowerment. Financial limitations will also result in a smaller sample size, which may not fully represent the diverse experiences of women in Ethiopia's microfinance programs. Additionally, the research will rely

on self-reported data from surveys and interviews, which might introduce biases due to subjective responses from participants. Lastly, the study will emphasize the direct effects of microfinance on women's economic empowerment and will not fully explore the broader societal or long-term impacts that microfinance may have on women's roles in their communities.

CHAPTER TWO

2 REVIEW OF RELATED LITERATURE

2.1 Definition and Concepts

2.1.1 The Concept and Definition of Microfinance

The term empowerment involves not only financial independence but also the transformation of social norms, allowing women to redefine their roles and assert their influence within households and communities (Yu, 2021). According to Sylvia S. H. Yu (2021) empowerment is a comprehensive process that facilitates financial independence for women while encouraging them to challenge societal norms and assert their agency. Through access to microfinance, women can redefine their roles, leading to a transformative impact that enhances their self-esteem, decision-making capabilities, and overall social status. This multidimensional approach is essential for achieving gender equality and sustainable development (Evans, 2021).

Women's empowerment is fundamentally linked to addressing historical inequities in accessing financial resources, education, and social networks, which have historically hindered their full participation in economic and social spheres (Mama, 2020). True empowerment occurs when women are equipped with the agency to make choices and utilize resources according to their personal and community goals (Choudhury, 2022). Access to resources should be coupled with decision-making power, enabling women to negotiate and leverage these assets according to their own priorities, highlighting the critical link between access and agency (Hossain, 2021). Women who have historically been excluded from decision-making often struggle with a diminished sense of agency, which is essential for setting personal goals and taking action. Economic empowerment can increase women's status in their families and communities, thereby fostering broader societal progress (Uddin, 2022).

Women who have been excluded from decision making for most of their lives often lack this sense of agency that allows them to define goals and act effectively to achieve them. Movements which seek the empowerment of women as group increase opportunities available to individual women, and economic empowerment can increase women's status in their families and societies.

The lack of empowerment, on the other hand, eventually slows down economic and political development, just as the lack of progress in meeting people's basic needs will limit empowerment because poverty itself is disempowering.

2.1.2 Micro-finance and Women Economic Empowerment

The concept of empowerment has gained traction among policymakers and development organizations over the past decade, highlighting the need for targeted interventions that not only provide resources but also facilitate women's agency in decision-making processes. Without such approaches, the cycle of poverty and exclusion will persist. Analysis of different frameworks and strategies for empowering women economically, including microfinance, skills training, and access to markets. Exploration of systemic barriers that hinder women's access to resources, such as discriminatory practices, lack of education, and sociocultural norms. Suggestions for policymakers and development agencies on how to create environments conducive to women's empowerment, emphasizing the importance of integrating gender perspectives into economic policies consideration of how factors such as race, class, and geography intersect to affect women's experiences of empowerment and economic participation. M. A. Elhaj (2023).

Efforts to empower women must address the systemic inequalities that underpin economic exclusion. Development practitioners and agencies are increasingly recognizing that without addressing these disparities, initiatives will fail to meet the practical needs of women, perpetuating their disempowerment. L. M. Arora (2022).

The mismatch between available resources and essential livelihood requirements leaves many women in a state of disempowerment. Poverty is not merely an economic condition; it is a state of social exclusion that limits access to necessary assets and capabilities, reinforcing cycles of marginalization. R. S. Kapur. (2021).

Factors Affecting Microfinance

Several factors influence the effectiveness of microfinance programs, particularly in empowering women. These factors can be categorized into economic, social, institutional, and technological dimensions.

Economic Factors

Access to Capital: The availability and size of loans are critical in enabling women to start or scale businesses. However, access to larger loans is often limited, particularly for women in rural areas (e.g., Ethiopia's microfinance institutions).

Interest Rates: High interest rates can be a significant burden for borrowers, especially women with limited income, as observed in many microfinance programs globally (e.g., in Ethiopia and Bangladesh).

Financial Inclusion: Microfinance aims to bring marginalized groups into the formal financial system. In Ethiopia, microfinance has been instrumental in promoting financial inclusion, particularly for rural women who were previously excluded from traditional banking services.

Social and Cultural Factors

Gender Norms and Empowerment: Cultural expectations around gender roles often impact women's control over microfinance loans and income. Empowerment occurs when women can make decisions about how to use resources, challenge social norms, and improve their social status (Kabeer, 2003).

Social Networks and Group Lending: Group lending models, where women borrow collectively and support each other, have proven to be effective in enhancing empowerment. These networks foster solidarity, build confidence, and provide women with leadership opportunities (Kabeer, 2003).

Institutional and Structural Factors

Regulatory Framework: Government policies play a significant role in shaping microfinance programs. The Ethiopian government, for instance, has established supportive regulatory frameworks, such as the National Microfinance Policy (1997), to ensure that microfinance reaches marginalized populations, particularly women.

Support Services: In addition to access to credit, services like business training, market access, and financial literacy are essential for empowering women. The absence of such complementary services limits the long-term sustainability of women-led businesses (Kabeer, 2003).

Technological Factors

Digital Microfinance: The advent of mobile banking and digital financial services has opened new opportunities for women in rural areas. Digital platforms reduce geographical barriers and offer more convenient access to microfinance services, thus enhancing women's financial autonomy (as seen in Ethiopia and other developing countries).

2.2 Conceptual Framework for Women's Empowerment through Microfinance

To understand the impact of microfinance on women's empowerment, a conceptual framework can be developed to highlight the various factors that influence microfinance outcomes. This framework illustrates how economic, social, institutional, and technological factors interact to shape women's agency, drive empowerment outcomes, and contribute to broader development goals.

Key Variables in the Conceptual Framework

Independent Variables (Influencing Factors):

Economic Factors: These include access to financial resources (capital), interest rates, loan amounts, and the overall financial inclusion of women.

Social and Cultural Factors: Gender roles, decision-making authority within households, and social networks—especially group lending dynamics that encourage solidarity and mutual support among women.

Institutional and Structural Factors: Government policies, legal frameworks, and the availability of support services like business training and market access.

Technological Factors: The role of digital financial services, such as mobile banking and online platforms, which enhance accessibility and convenience for women, particularly in rural areas.

Mediating Factors:

Women's Agency: The ability for women to make independent decisions, control financial resources, and use them in ways that benefit their personal and community goals.

Social Capital: The collective strength and solidarity formed through group lending models, as well as the broader community support that helps women overcome challenges and enhance their empowerment.

Dependent Variables (Empowerment Outcomes):

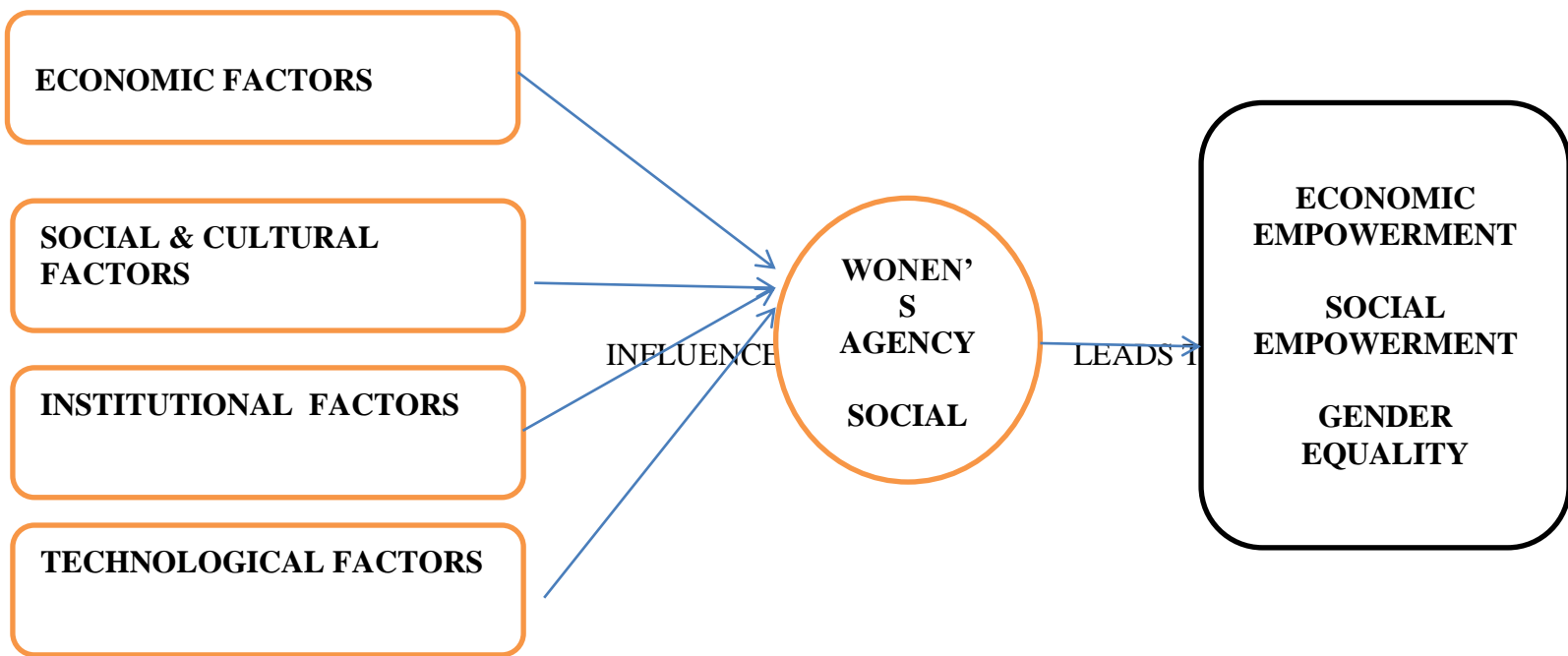
Economic Empowerment: Tangible improvements in women's income, business growth, and overall financial stability, contributing to greater independence.

Social Empowerment: Increased decision-making power, higher social standing, and the development of leadership roles within both households and communities.

Gender Equality: The breakdown of traditional gender barriers, with more equitable distribution of power and resources in families and communities, promoting broader gender equality.

How the Framework Works

This framework explains the pathways through which microfinance contributes to women's empowerment. It demonstrates how external factors (economic conditions, social norms, institutional structures) interact with internal factors (women's decision-making power, social networks) to produce significant empowerment outcomes. These outcomes include enhanced financial stability, greater agency in decision-making, and increased participation in social and economic spheres, ultimately fostering broader development and gender equality.



2.3 Empirical Studies on Microfinance and Women's Empowerment

Recent studies continue to explore the complex relationship between microfinance and women's empowerment, shedding light on both positive outcomes and persistent challenges. Yu (2021) conducted an in-depth examination of how microfinance influences women's financial independence and decision-making capabilities. Her study revealed that microfinance access significantly boosted women's control over their income, leading to greater self-esteem and social status. However, Yu also highlighted that despite financial benefits, entrenched social norms in certain communities often curtailed the broader empowerment that these programs could offer.

Evans (2021) explored the intersection of microfinance and gender norms, focusing on women in rural areas. His research found that while microfinance facilitated financial independence, the persistence of traditional gender roles constrained women's ability to exercise full control over their income and resources. In households where men continued to dominate financial decisions, women's autonomy was limited. Evans emphasized the importance of integrating microfinance

with broader social and community-level interventions to address these cultural barriers effectively.

In a study by Arora (2022), the focus was placed on addressing the systemic inequalities that often undermine the potential of microfinance. Arora argued that while microfinance programs have a clear role in enhancing women's economic standing, they frequently fail to address deeper issues such as gendered social norms, limited access to markets, and unequal educational opportunities. She recommended that microfinance initiatives be complemented with gender-sensitive policies to ensure that women not only receive access to financial resources but also have the agency to fully control and benefit from them.

Kapur (2021) expanded on the challenges microfinance faces when it intersects with poverty and gender norms. His research demonstrated that while microfinance has empowered women economically, issues such as high-interest rates and inadequate business support services limited the long-term sustainability of these women-led enterprises. Kapur concluded that microfinance should be combined with services like business training and mentorship to ensure more lasting empowerment for women in low-income settings.

A more recent study by Elhaj (2023) explored the role of digital microfinance in enhancing women's economic autonomy, particularly in rural areas. Elhaj's research showed that mobile banking and digital financial services have helped women overcome geographic and social barriers to accessing credit. Digital platforms enabled women to manage finances and take out loans independently without the need to travel to bank branches. This innovation has led to greater financial autonomy for women in rural areas, but Elhaj cautioned that challenges related to digital literacy and access to technology still need to be addressed to unlock the full potential of digital microfinance for women's empowerment.

The World Bank's 2022 report on microfinance in Latin America underscored the positive impact of microfinance programs targeting women. It highlighted that women who participated in programs like BancoSol in Bolivia and Fondo de Apoyo para la Mujer in Mexico saw significant improvements in household income and social standing. However, the report also noted that, in many cases, women's participation in decision-making remained limited due to male control over family finances. To address these issues, the report emphasized that

microfinance programs should include financial literacy training and leadership development to foster more substantial empowerment.

In East Africa, a 2023 evaluation by BRAC revealed that microfinance programs combined with educational and health initiatives produced more sustainable results for women. Women involved in these programs experienced increased incomes and improved savings behavior. Additionally, the group lending model helped women build solidarity, gain leadership skills, and enhance their sense of agency. However, the study also noted that without larger loans and comprehensive business support, women often struggled to scale their businesses.

USAID's 2023 study on microfinance in Sub-Saharan Africa highlighted the role of microfinance in enhancing women's economic participation. The study found that in countries like Kenya, Nigeria, and Uganda, microfinance programs had led to improvements in women's decision-making power within households and increased participation in local economic activities. However, the study also pointed out that while access to credit was important, it was not enough on its own. Without complementary services such as vocational training and market access, many women found it difficult to sustain and grow their businesses over the long term.

These recent empirical studies emphasize that while microfinance has shown promise in enhancing women's economic independence, the full potential of these programs is often constrained by factors such as high-interest rates, limited loan sizes, and insufficient support services. Furthermore, the persistence of gendered power dynamics within households can limit women's control over their financial resources. New developments, such as digital microfinance, are opening up new possibilities for women, especially in rural areas, but they also require addressing challenges related to digital literacy and technology access. Overall, these studies suggest that for microfinance to achieve sustainable and transformative empowerment outcomes for women, it needs to be complemented with broader support systems, including training, market access, and policy reforms that address gender inequality.

2.4. Other Countries Experience

Empirical evidences gathered in diverse contexts suggest the prevalence of both negative and positive impacts of micro-finance on women socio-economic conditions. A study conducted by Amin et al in 1998, goes to argue that targeted credit can be used as a mechanism for enhancing poorer women's existing socioeconomic conditions and thereby altering the relations between gender and class, to the benefit of the weaker parties. The authors attempted to explore the relationship between poor women's participation in microcredit programs and their empowerment by using empirical data from rural Bangladesh. This has been done by examining quantitative data collected from a representative sample consisting of female borrowers and non-borrowers from each of five NGO program areas, and the other sample consisting of non-borrowers from counterpart non-program areas with no significant presence of any NGO program.

The results show that the NGO credit members are ahead of the non-members in all three indices of empowerment, irrespective of nonmembers' residence in programmer areas or non-programmer areas. Moreover, the non-members within NGO programmer areas show a higher level of empowerment on the autonomy and authority indices than do the non-members within the comparison areas.

Naila Kabeer's (pakistan) research on microfinance and women's economic empowerment provides important insights into the complexities of how financial services can affect women's lives. While she acknowledges that microfinance can offer women a degree of economic independence by enabling them to generate income, she argues that economic gains alone do not necessarily lead to broader empowerment. For women to be truly empowered, they must have agency—the ability to make decisions about how to use resources, as well as control over income. Kabeer's work highlights that women's ability to control income from microfinance loans is crucial to their empowerment. However, in many cases, control over financial resources is not guaranteed, and men or other family members may still dominate decisions about the money, limiting women's autonomy. Moreover, Kabeer found that microfinance could either improve or strain gender relations within households. In some instances, increased financial independence for women led to tensions, especially in patriarchal households where traditional

gender roles were threatened. On the other hand, in some families, women's income generation promoted cooperation and a more equal division of labor

Kabeer also notes that while microfinance can provide financial independence, it often fails to address deeper structural issues that affect women, such as limited access to markets, gendered social norms, or unequal legal and educational opportunities. Without additional support such as training, mentorship, or access to networks, microfinance may fall short of transforming gender dynamics or creating lasting change. Furthermore, her research emphasizes the role of social networks and group lending models in enhancing empowerment outcomes. In group-based microfinance programs, where women borrow collectively and support one another, Kabeer observed that women often gained confidence and developed leadership skills, contributing to a sense of solidarity and collective action. However, she also stresses the importance of intersectionality, noting that factors such as race, class, and ethnicity influence the effectiveness of microfinance for marginalized women. Ultimately, Kabeer's research underscores that microfinance is a useful tool for women's economic empowerment, but for lasting and meaningful change, it must be paired with broader efforts to address systemic barriers and promote women's control over both their financial and social lives.

Bangladesh's Grameen Bank, founded by Muhammad Yunus, pioneered microfinance by targeting women with small, collateral-free loans, resulting in increased household incomes, improved education for children, and enhanced social status within communities. In India, the Self-Employed Women's Association (SEWA) operates as a trade union for women in the informal sector, offering microfinance services along with training and support, which fosters financial independence and greater involvement in household and community decision-making. In Kenya, Kiva facilitates individual lending to women entrepreneurs, providing them with the capital needed to start or expand businesses, thus promoting economic development and agency. Similarly, Nigeria's Development Exchange Centre (DEC) emphasizes microfinance and skill development for women, helping them enhance their economic positions and contribute to community development. In the Philippines, CARD Bank provides microloans and financial literacy training specifically for low-income women, leading to improved family incomes and increased investments in children's education. These diverse examples demonstrate how microfinance institutions can empower women, elevate their socio-economic status, and foster

broader community development, offering valuable insights for organizations like ACSA in Ethiopia.

In Mexico, the Fondo de Apoyo para la Mujer (FAM) offers microloans specifically to women in rural areas, combining financial services with business training and support to enhance economic independence and social standing within communities. South Africa's Women's Development Bank (WDB) similarly aims to empower women through microfinance and development programs, providing loans, savings accounts, and training for women entrepreneurs, thereby promoting economic participation and leadership roles. In Indonesia, the Koperasi Simpan Pinjam (KSP) model focuses on women's groups, facilitating access to credit and fostering collective savings, which often leads to improved livelihoods and greater agency within families. BRAC in Tanzania targets women with low-interest loans and comprehensive support services, including health and education programs, helping them not only to start businesses but also to improve their overall well-being. In Egypt, the Egyptian Microfinance Federation supports various institutions focused on women's empowerment, offering programs that include financial education and business skills training. Finally, Bangladesh's ASA (Association for Social Advancement) emphasizes microfinance services for women, encouraging group lending and support that strengthens social networks. These diverse strategies highlight the effectiveness of tailored microfinance programs in addressing specific local needs and conditions, providing valuable lessons for similar initiatives in Ethiopia.

2.5 The Micro-finance Experience in Ethiopia

Microfinance in Ethiopia has become a significant tool for poverty alleviation and women's empowerment, particularly since the late 1990s, when the government made microfinance a key part of its development strategy. The Ethiopian government recognized the potential of microfinance institutions (MFIs) in promoting financial inclusion, especially in rural areas, where access to formal banking services is limited. The first formal microfinance institutions in Ethiopia were established in the late 1990s, and by the early 2000s, the sector had expanded rapidly. The government supported the development of microfinance through regulatory frameworks, such as the National Microfinance Policy (1997), which aimed to promote the growth of the sector and ensure that it served marginalized populations, especially women.

Ethiopia's microfinance model is primarily based on group lending, where individuals, particularly women, join groups and take loans for income-generating activities. This model has been particularly effective in enabling women to access credit, which they might otherwise be excluded from due to cultural and economic barriers. Over the years, many microfinance institutions, such as Amhara Credit and Savings Institution (ACSI), Oromia Credit and Savings Share Company (OCSSCO), and Dedebit Credit and Savings Institution, have played key roles in providing financial services to millions of Ethiopians, particularly in rural areas.

The impact of microfinance on women in Ethiopia has been significant in terms of economic empowerment. Women who have accessed microloans have been able to start small businesses, engage in agricultural activities, and improve their household incomes. These microcredit programs have also contributed to increasing women's decision-making power within households and communities. However, despite the positive outcomes, there are challenges that have hindered the full potential of microfinance in Ethiopia. One of the main issues is the high interest rates charged by microfinance institutions, which can place a significant financial burden on borrowers, especially women. Additionally, the limited access to larger loans for scaling businesses, and the lack of complementary support services such as training and market access, have constrained the growth potential of women-led enterprises.

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fostering women's economic empowerment and broader development, there is a need for comprehensive support systems, such as financial literacy training, market access, and policy

2.6 Microfinance Development and Women's Participation in Ethiopia

Microfinance development in Ethiopia has made significant strides since its inception in the late 1990s, with a focus on improving financial inclusion and empowering marginalized populations, particularly women. The Ethiopian government recognized the importance of microfinance as a tool for poverty alleviation and gender equality, establishing a regulatory framework to support the growth of microfinance institutions (MFIs). By the early 2000s, the microfinance sector had expanded rapidly, providing financial services to a large portion of the rural population, who were traditionally excluded from formal banking due to limited access to financial institutions and collateral-based lending requirements. The government's policy initiatives, such as the National Microfinance Policy (1997), aimed to ensure that microfinance would reach vulnerable groups, particularly rural women, by providing accessible credit, savings, and other financial services.

Women's participation in Ethiopia's microfinance sector has been a cornerstone of its development strategy. The group lending model has been widely adopted by many MFIs, particularly for women, as it reduces the risk for both borrowers and lenders. This model allows women, especially in rural areas, to form groups and take out loans collectively, which also helps build solidarity and social capital among participants. Over the years, this model has enabled women to access credit to start small businesses, invest in agricultural production, and improve household incomes. The inclusion of women in microfinance programs has contributed to increasing their economic independence, decision-making power within the household, and their participation in community development. In many cases, women who have accessed microfinance have seen improvements in their social status and their ability to contribute to family welfare, breaking down some traditional gender barriers. Despite these successes, challenges remain in ensuring that microfinance fully supports women's empowerment. One of the major challenges is the high interest rates charged by many microfinance institutions, which can place a heavy burden on borrowers, particularly women with limited income. The lack of access to larger loans for scaling up businesses and the absence of complementary services, such

as business training, marketing, and technical support, often hinders the long-term sustainability of women's enterprises. Additionally, while women have benefited from microfinance, social and cultural barriers, such as patriarchal family structures and male-dominated decision-making, can limit their control over income and assets, reducing the transformative potential of microfinance.

Digital microfinance has begun to play a growing role in enhancing women's participation and access to financial services in Ethiopia. With the introduction of mobile banking and digital financial services, some MFIs have started offering

Products that can be accessed via mobile phones have overcome geographical barriers and reduced the need for physical visits to branches. This innovation has improved the ability of rural women, who are often constrained by time and mobility, to manage savings, make payments, and access loans more easily. As a result, digital platforms hold significant promise in enhancing financial inclusion and providing women with greater autonomy over their financial decisions.

Ethiopia's microfinance sector has been a powerful force in increasing women's economic participation and supporting their empowerment. However, for these programs to be even more effective, there is a need to address structural barriers, including high loan interest rates, limited loan sizes, and inadequate business support service.

CHAPTER THREE

RESEARCH METHODS

3.1 Research Design

This study employs a descriptive research design to analyze the role of microfinance in women's economic empowerment. A mixed-method approach is adopted, integrating both qualitative and quantitative data to provide a comprehensive understanding of the issue. The qualitative component is used to explore the lived experiences and perceptions of women beneficiaries, while the quantitative aspect supports the findings through numerical evidence. This approach is chosen due to its effectiveness in capturing both statistical trends and deeper insights into the socio-economic impact of microfinance on women.

3.2 Research Approach

A mixed-method research approach is used, combining qualitative and quantitative techniques. The primary emphasis is on qualitative analysis, which helps interpret social and economic realities, particularly concerning women's empowerment. However, quantitative analysis is also employed to provide measurable data on income levels, savings behavior, and decision-making power. To ensure accuracy and inclusivity, a structured questionnaire was designed and translated from English to Amharic, as many respondents are more comfortable in the local language. A total of 90 respondents participated in the survey, allowing for a balanced combination of qualitative narratives and statistical data.

3.3 Type and source of data

This study relies exclusively on primary data, which is directly collected from women clients of Addis Credit and Savings Institution S.C. in Bole Sub City, Woreda 07. The data is obtained through structured questionnaires designed to capture detailed insights into women's economic activities, financial behaviors, and decision-making power.

The use of primary data ensures that the information gathered is firsthand, relevant, and specific to the research objectives. This approach allows the study to assess the direct effects of microfinance on women's economic empowerment without relying on pre-existing datasets.

3.4 Methods of Data collection

To obtain reliable and relevant data, a structured questionnaire is used as the primary data collection tool. The questionnaire includes both closed-ended and open-ended questions to capture quantitative responses (such as income levels and savings habits) and qualitative insights (such as personal experiences and decision-making roles). The data is collected through face-to-face surveys with women clients of Addis Credit and Savings Institution in Bole Sub City, Woreda 07

3.5 Target population

The target population for this study comprises 900 female clients of Addis Credit and Savings Institution in Bole Sub City, Woreda 07, specifically those who have been engaged with the institution for at least two years. The selection of this population is based on the study's focus on women's financial inclusion and economic empowerment through microfinance.

3.6 Sampling design

The focus of this study is to explore the effect of microfinance in the economic empowerment of women, specifically considering all women who have accessed credit from the Addis Credit and Savings Institution. Given the large size of this population, conducting a complete enumeration of all women who have benefited from ACSI's credit facility would be too costly and time-consuming. Therefore, a representative sample of the population will be selected for the study. Random sampling will be employed, ensuring that every individual in the population has a non-zero chance of being included, thus eliminating potential bias.. So that bias would be eliminated at the outset. Particularly simple random is use for its simplicity. The sample size is determined by using the following formula

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

$$\frac{900}{1 + 900(0.1)^2}$$

$$= 90$$

$$Z = 90\%$$

$$e = 10\% = 0.1$$

$$N = 900$$

Where:-

n= Sample Size

Z= Confident Level

N= Population

e= Error terms

Using the above formula 90 respondents will use as a sample out of the total population of 900 women's. This all sample will taken from the clients of the institution at least for two years

In the study descriptive statistics such as table will used with the appropriate tests to address the objectives. The summary of statistics can be suit used extensively in this research. Moreover, raw data obtained from various sources will be analyzed using tables and different statistical methods such as percentage, tables, average and so on.

3.7 Methods of Data Analysis

The collected data is analyzed using both qualitative and quantitative methods:

Quantitative Data Analysis: Descriptive statistical tools such as percentages, averages, and frequency tables are used to summarize numerical findings. Tables and graphs are employed for clear visualization of the results.

Qualitative Data Analysis: Responses from open-ended questions are analyzed thematically, identifying common patterns and perspectives related to women's economic empowerment and decision-making.

The integration of these analytical methods ensures that the research findings are both statistically valid and contextually meaningful, providing a well-rounded evaluation of microfinance's impact on women's empowerment in Bole Sub City, Woreda 07.

CHAPTER FOUR

4 .DATA ANALYSIS AND INTERPRETATION

This section of the study focuses on the presentation, analysis, and interpretation of data collected from women clients regarding the role of the Addis Ababa Credit and Saving Institution in Bole Subcity, Woreda 07. The study uses cross-sectional data collected in the current year. Since the research is based solely on primary data, this part primarily involves the analysis of that primary data.

4.1. Primary data analysis

This section of the study analyzes primary data gathered from clients of the Addis Ababa Credit and Savings Institution in Bole Sub-City using questionnaires.

Demographic characteristics of the respondents

Table 4.1 demographic characteristics of the respondent

Age	frequency	percentage(%)
18-25	11	12.22%
26-35	31	34.44%
36-50	30	33.33%
above 50	18	20%
Total	90	100%
Educational level of women client		
Illiterate	35	38.89%
Read and write	10	11.11%
Secondary education	38	42.22%
Diploma	7	7.78%
Degree and above	0	0.0%
Total	90	100%
marital status of women client		

Single	54	60 %
Married	30	33.33%
Divorced	6	6.67%
Total	90	100%
Job occupation of women client		
Jobless	18	20%
Trade	63	70 %
Government employee	9	10%
Total	90	100%

Source: - own survey

The table outlines key demographic characteristics of the respondents, including age, education, marital status, and occupation. In terms of age, a significant portion of the clients (67.77%) falls within the productive age groups of 26-50 years, with the largest group (34.44%) being between 26 and 35 years. This suggests that most clients are in their economically active years, which may influence their need for financial services.

Regarding education, the data shows that a substantial number of women have low educational attainment: 38.89% are illiterate, and 42.22% have only completed secondary education. This highlights that many women with limited educational opportunities rely on the institution's services. These women may face greater financial difficulties, which makes them more dependent on loans to support their families.

Looking at marital status, the majority of respondents are single (60%), followed by married (33.33%) and divorced (6.67%). The high percentage of single women may indicate that, without a husband or other financial support, they turn to the institution for financial assistance.

As for occupation, most of the respondents (70%) are engaged in trade, suggesting that they are self-employed and likely have a consistent income to repay loans. However, 20% of the

respondents are unemployed, which could be due to age or other socio-economic factors. Only a small proportion (10%) work in government jobs.

Overall, the findings indicate that the Addis Ababa Credit and Savings Institution plays a crucial role in supporting women, particularly those with limited education and financial resources. The institution appears to be a key provider of financial assistance to help improve the livelihoods of these women, especially those facing economic hardships.

4.1.1 Service type of client that engaged in

Table 4.2. Service type client engaged in

Service type	Frequency	Percentage%
Loan	90	100%
Deposit	90	100%
Both	90	100%

Source: - own survey

Table 4.2 shows that all respondents of the institution utilize both loan and deposit services, as the data indicates 100% participation in both. This is in line with the institution's policy, which mandates that clients save a certain percentage of the loan they receive. However, the study also reveals that, despite this policy, only a small proportion of the loaned amount is actually being used for savings, suggesting that clients may not fully adhere to or prioritize the savings requirement.

4.1.2. Loan and saving interest rate charged by the institution

Table 4.3. Loan and saving interest rate

Attitude	Loan interest		Saving interest	
	Frequency	Percentage (%)	Frequency	Percentage
Low	1	.111%	44	48.89%
Medium	16	17.78%	40	44.44%
High	33	36.67%	6	6.67%
Very high	40	44.44%	0	0.0%
Total	90	100%	90	100%

Source: - own survey

Interpretation of the Table

The table compares respondents' attitudes toward loan interest and saving interest, each with categories ranging from "Low" to "Very High." Let's break down the data for each category:

Explanation for Loan Interest:

The majority of respondents (44.44%) have a "Very High" attitude toward loan interest, meaning they likely feel very negatively about the interest rates charged on loans. A smaller group (1.11%) has a "Low" negative attitude toward loan interest, suggesting only a few people are satisfied with or indifferent to the loan interest rates.

Explanation for Saving Interest:

A large number of respondents (48.89%) have a "Low" attitude toward saving interest, which suggests they feel the interest offered on savings is not attractive or sufficient. Only 6 respondents (6.67%) have a "High" attitude toward saving interest, and no respondents reported a "Very High" attitude, indicating that the saving interest rate is generally not favorable in the eyes of the clients.

This table reflects that respondents generally have a negative attitude toward both loan interest (most find it high or very high) and saving interest (most find it low or medium). This dissatisfaction could influence their behavior in using the institution's financial services.

Table 4.4 existing repayment period, level of satisfaction, experts support to clients

Question	Low		Medium		High		total	
	Frequency	Percentage (%)	frequency	Percentage (%)	Frequency	Percentage (%)	Frequency	Percentage (%)
Level of satisfaction	0	0	13	14.44%	77	85.56%	90%	100%
Time taken to get loan	61	67.78%	29	32.22%	0	0	90%	100%
Level of awareness creation	6	6.7%	25	26.66%	60	66.66%	90%	100%

Source: own survey

1. Level of Satisfaction:

This criterion asks respondents how satisfied they are with the subject being measured (likely a service or experience).

Low (0): No respondents rated this as low satisfaction.

Frequency: 0 respondents.

Percentage: 0% of respondents.

Medium (13): 13 respondents rated their satisfaction as medium.

Frequency: 13 respondents.

Percentage: 14.44% of respondents ($13/90 * 100 = 14.44\%$).

High (77): 77 respondents rated their satisfaction as high.

Frequency: 77 respondents.

Percentage: 85.56% of respondents ($77/90 * 100 = 85.56\%$).

Total:

The total percentage adds up to 100%, which makes sense because all 90 respondents are accounted for.

Explanation: A majority of respondents (85.56%) expressed high satisfaction, while 14.44% had medium satisfaction. No one expressed dissatisfaction (low satisfaction).

2. Time Taken to Get Loan:

This criterion evaluates respondents' opinions on how long it took to receive a loan. Presumably, respondents were asked how quickly the loan process was.

Low (61): 61 respondents found the time to get the loan to be slow.

Frequency: 61 respondents.

Percentage: 67.78% of respondents ($61/90 * 100 = 67.78\%$).

Medium (29): 29 respondents rated the time taken as medium (perhaps neither fast nor slow).

Frequency: 29 respondents.

Percentage: 32.22% of respondents ($29/90 * 100 = 32.22\%$).

High (0): No respondents rated the time to get a loan as quick or fast.

Frequency: 0 respondents.

Percentage: 0% of respondents.

Total:

The total percentage again adds up to 100% ($67.78\% + 32.22\% = 100\%$).

Explanation: A large proportion of respondents (67.78%) found the loan process to be slow, with a smaller portion (32.22%) rating it as medium. No one thought the process was fast, highlighting possible dissatisfaction with the loan processing speed.

3. Level of Awareness Creation

This criterion measures how aware respondents are of certain information or services, which could relate to marketing, education, or awareness programs.

Low (6): Only 6 respondents rated the level of awareness as low.

Frequency: 6 respondents.

Percentage: 6.7% of respondents ($6/90 * 100 = 6.7\%$).

Medium (25): 25 respondents felt that the level of awareness creation was medium.

Frequency: 25 respondents.

Percentage: 26.66% of respondents ($25/90 * 100 = 26.66\%$).

High (60): A majority of 60 respondents rated the level of awareness creation as high.

Frequency: 60 respondents.

Percentage: 66.66% of respondents ($60/90 * 100 = 66.66\%$).

Total

The total percentage once again adds up to 100% ($6.7\% + 26.66\% + 66.66\% = 100\%$).

Explanation: A significant majority (66.66%) of respondents felt that awareness creation was strong. However, a smaller proportion (33.36%) had lower or medium levels of awareness. This suggests that the majority were aware of the information, but a notable minority may have been less informed.

Summary of the Table:

Level of Satisfaction: Most respondents (85.56%) were highly satisfied with the service or product being evaluated, with a small portion (14.44%) expressing medium satisfaction.

Time Taken to Get Loan: Most respondents (67.78%) felt that the loan process took too long, with only 32.22% finding it acceptable. No one found the process fast, indicating possible dissatisfaction.

Level of Awareness Creation: Most respondents (66.66%) felt there was a high level of awareness creation, while 33.34% felt it was either low or medium. This indicates that most people were adequately informed, but there is still room for improvement.

General Observations:

The data suggests that the surveyed group is generally satisfied with the subject of the survey (likely a service or process), especially in terms of satisfaction and awareness creation.

However, there is a clear concern about the time taken to get a loan, with most respondents finding the process slow.

The level of awareness also seems to be fairly high, with most respondents rating it positively, though some felt it could be improved.

4.1.3 The effect on saving habits

Table 4.5 Effect on saving habits

Saving habit and amount of money they save	Before		After	
	frequency	Percentage (%)	frequency	Percentage(%)
Yes	35	38.89%	90	100%
No	56	62.22%	0	0
10-100	28	31.11%	52	57.78%
101-500	2	2.22%	24	26.67%
500-1000	2	2.22%	10	11.11%
Above 1001	2	2.22%	4	4.44%

Source: own survey

This table compares the saving habits and the amount of money saved by respondents before and after a certain event or intervention. The table consists of two main sections:

1. Saving Habit (Yes/No): Whether respondents save money (Yes or No).
2. Amount of Money Saved: The amount of money respondents save, categorized into different ranges.

Breakdown of the Table:

Saving Habit (Yes/No):

Before:

Yes: 35 respondents (38.89%) saved money before the event/intervention.

No: 56 respondents (62.22%) did not save money before the event/intervention.

After:

Yes: 90 respondents (100%) now save money after the event/intervention.

No: 0 respondents (0%) do not save money after the event/intervention.

Explanation:

Before the event/intervention, only 38.89% of respondents had a saving habit, while 62.22% did not.

After the event/intervention, all respondents (100%) reported that they now save money, indicating a significant improvement in saving habits, likely due to the intervention or program being assessed.

Amount of Money Saved:

Before:

10-100: 28 respondents (31.11%) saved between 10 and 100 units of currency.

101-500: 2 respondents (2.22%) saved between 101 and 500 units of currency.

500-1000: 2 respondents (2.22%) saved between 500 and 1000 units of currency.

Above 1001: 2 respondents (2.22%) saved more than 1001 units of currency.

After:

10-100: 52 respondents (57.78%) now save between 10 and 100 units of currency.

101-500: 24 respondents (26.67%) now save between 101 and 500 units of currency.

500-1000: 10 respondents (11.11%) now save between 500 and 1000 units of currency.

Above 1001: 4 respondents (4.44%) now save more than 1001 units of currency.

Explanation:

Before: A majority (31.11%) saved between 10 and 100 units. Only a small portion (2.22%) saved higher amounts (101-1000 or above 1001).

The number of people saving between 10-100 has increased significantly to 57.78%, suggesting that more people are now saving small to moderate amounts.

The number of people saving between 101-500 has increased to 26.67%, indicating that a substantial portion is now saving a moderate amount.

The number of people saving between 500-1000 and above 1001 has also increased, although to a lesser extent, with 11.11% now saving in the 500-1000 range and 4.44% saving above 1001 units.

Summary of Observations:

1. Saving Habit: The most striking change is the shift from 38.89% of respondents saving money before the intervention to 100% of respondents saving money afterward. This suggests that the event or intervention was highly successful in encouraging respondents to start saving.

2. Amount Saved:

There is a clear increase in the amount of money saved by respondents after the intervention:

A significant increase in people saving between 10-100 units (from 31.11% to 57.78%).

A notable increase in those saving between 101-500 units (from 2.22% to 26.67%).

Moderate increases in those saving between 500-1000 (from 2.22% to 11.11%) and above 1001 units (from 2.22% to 4.44%).

3. General Trend:

Before the intervention, most respondents saved smaller amounts (10-100 units).

After the intervention, there was not only an increase in the number of people saving, but also an increase in the amount of money saved. More respondents are saving larger amounts of money compared to before.

Conclusion:

The data suggests that the event or intervention had a significant positive impact on respondents' saving habits. After the event, everyone reported saving money, and the amount saved has generally increased across all categories.

This implies, Bole sub city credit institution encourages saving habits of women's. As we know as saving increases, consumption also increases. Thus, women can buy or do, as they want

4.1.4 Effect on Household Decision-Making

The participation of women in household decision-making is a key indicator of their economic empowerment. To assess the impact of the ACSI microfinance program on women's decision-making roles within the household, respondents were asked to share their involvement in decisions related to various household activities, such as personal enjoyment, school expenses, and more.

Table 4.6 effect on decision making

	Frequency	percentage (%)
decision maker on different activity	72	80 %
unable to decide	18	20%
Total	90	100%

Source- own survey

This data provides insight into the decision-making roles of women within the household, specifically in relation to their participation in various household activities.

Breakdown:

Decision Maker on Different Activities:

Frequency: 72 respondents

Percentage: 80% of the 90 respondents

Unable to Decide:

Frequency: 18 respondents

Percentage: 20% of the 90 respondents

Total:

Frequency: 90 respondents

Percentage: 100%

Interpretation:

80% of respondents (72 out of 90) report that they have decision-making power in various household activities, which suggests a strong level of involvement and empowerment.

20% of respondents (18 out of 90) feel unable to make decisions on these activities, indicating that there is still a portion of women who do not have a say in household matters.

Overall, this data highlights that a majority of women are active decision-makers in household matters, potentially reflecting positive outcomes from programs like ACSI microfinance. It implies that Bole sub city credit institution have critical role on women economic empowerment. After loan, women are able to cover her child schooling, house expenditure

4.1.5. Challenges and opportunities of women's participation in microfinance institution

This section of the study focuses on identifying the challenges and opportunities women face in participating in microfinance institutions (MFIs), particularly in relation to accessing loans. Through open-ended questions, the study highlights various obstacles that hinder women's involvement and explores the potential opportunities that could enhance women's empowerment.

Challenges Faced by Women in Participating in Microfinance

1. Family Obligations:

Many women face the challenge of having to support their family members financially. These responsibilities can limit their ability to take loans or invest in business ventures, as their income is already stretched thin to meet the needs of their families.

2. Cultural and Societal Norms:

Cultural attitudes and societal expectations often restrict women's financial independence and decision-making power. In many communities, women may not be encouraged to engage in financial activities like taking loans or running businesses, leading to a lack of participation in microfinance.

3. Perception of Inability to Repay Loans:

There is a prevalent belief among some women that they are unable to repay loans, either due to low income, lack of resources, or lack of confidence in their ability to manage loan repayments. This perception discourages many women from seeking loans in the first place.

4. Lack of Awareness:

A significant number of women are not fully aware of the available microfinance programs and the benefits they offer. This lack of awareness prevents women from taking advantage of opportunities that could help them improve their economic situation.

5. Limited Access to Competent Credit Institutions:

Many women face the challenge of not having access to reliable credit institutions that offer favorable loan terms. The interest rates charged by some microfinance institutions are often high, and savings interest rates are low, making it less appealing for women to engage with them. This discourages many women from seeking loans from these institutions.

Opportunities for Women's Empowerment through Microfinance

Despite the challenges, women still see several opportunities within microfinance institutions that could lead to greater empowerment:

1. Diverse and Profitable Business Sectors:

Women have the opportunity to participate in various business sectors, many of which are profitable and accessible with the right financial support. These sectors provide women with the chance to expand their business ventures and increase their income, contributing to their financial independence.

2. Wealth Creation and Profit-Oriented Attitude:

Women in microfinance institutions are motivated by the potential for wealth creation. A profit-seeking attitude drives many women to seek loans and invest in businesses with the goal of improving their financial standing and securing a better future.

3. Desire for a Better Standard of Living:

Many women are driven by the desire to improve their living standards and achieve a better quality of life. Access to microfinance loans can provide the financial resources needed to improve housing, education, and overall well-being for themselves and their families.

4. Independence and Decision-Making Power:

Microfinance offers women the opportunity to make their own decisions regarding business and financial matters. This independence allows them to take charge of their own lives, contributing to a greater sense of empowerment and self-reliance.

5. Escape from Authority and Pursuit of Freedom:

Many women see microfinance as a way to break free from the authority of others, such as restrictive societal norms, family control, or patriarchal structures. By engaging in microfinance, women can achieve greater autonomy, which leads to more freedom and control over their lives.

6. Personal Fulfillment and Satisfaction from Self-Employment:

Through microfinance, women can pursue work that is personally fulfilling. Many women find satisfaction and a sense of accomplishment in managing businesses on their own. The ability to work independently and see the results of their efforts can contribute significantly to their personal empowerment and well-being.

Summary

The study highlights both the challenges and opportunities faced by women in accessing microfinance loans. Challenges such as family obligations, cultural restrictions, lack of awareness, and limited access to favorable credit institutions pose significant barriers to women's participation. However, the study also points out several opportunities that microfinance offers, such as access to profitable business sectors, the chance to improve living standards, and the desire for independence and self-sufficiency. Despite the challenges, microfinance offers a pathway for women to achieve economic empowerment, autonomy, and personal fulfillment.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMERY

In Ethiopia, women face significant marginalization in economic, social, and political spheres due to a range of complex, interconnected factors. As a result, their participation in the broader development process is severely restricted, reinforcing cycles of poverty and inequality. Microfinance institutions (MFIs) have emerged as a promising approach to address these disparities by providing financial services—such as small loans, savings accounts, and financial literacy programs—to the impoverished, with a particular focus on women. By granting women access to capital and economic opportunities, these institutions aim to foster financial independence, enhance entrepreneurial activities, and contribute to broader poverty alleviation. Globally, microfinance has been recognized as an effective tool for empowering marginalized populations. In Ethiopia, however, the outcomes and challenges of microfinance remain an area of ongoing research. While these institutions hold potential for advancing women's economic empowerment, the extent to which they can bring about sustainable and transformative change remains subject to further investigation. This includes evaluating the effectiveness of microfinance in overcoming gender-based obstacles, assessing the long-term impact on women's social status and decision-making power, and considering how such initiatives can be integrated with other development strategies for a more holistic approach to women's empowerment.

This being the case, the present study assessed the impact of microfinance on women's economic empowerment, taking the case of Bole sub city credit and saving institution(BSCSI) in woerda 07 credit association Addis Ababa. The study investigated the Impact of microfinance on the economic empowerment of women with a focus on ACSI microfinance programmed. The result of the study indicated that women that had access to credit had better position in decision making regarding domestic issue unlike their fellows who had no opportunity. this study agree with finding the gender dimension of microfinance in recent times stems from the

fact that women are often seen as instruments for societal change and development and as such, empowering them may be of great benefit to society.

The findings of the study underscore the substantial positive impact of microfinance on women's economic empowerment, particularly through the Bole Sub-City Credit and Savings Institution (BSCSI) in Woreda 07, Addis Ababa. The study reveals that women clients, particularly those who have matured in the program, have experienced significant improvements in their ability to access and control economic assets. These women now own and manage critical assets such as livestock, real estate, and better-quality housing, which represent both financial security and an enhanced sense of autonomy. Additionally, women have used the income generated from their loan-financed activities to improve their households, reflecting the direct relationship between microfinance and enhanced living conditions. The asset accumulation of matured clients is notably higher when compared to new clients, indicating that sustained participation in the program leads to greater economic stability and prosperity. Moreover, the study found that women's participation in the ACSI microfinance program has had a substantial effect on their income levels, as matured clients were observed to have significantly higher earnings and better control over their income compared to their counterparts.

The loan program has enabled these women to diversify their income sources by engaging in a range of income-generating activities, which further strengthens their financial independence. Beyond income diversification, the microfinance intervention also had a positive influence on women's saving habits. A significant number of women now maintain deposits in ACSI, indicating that access to financial services has enhanced their ability to save and better manage their finances. This represents a critical shift, as many of these women previously lacked the opportunity to participate in formal saving mechanisms.

Another important finding of the study is the profound impact of the BSCSI intervention on women's participation in household decision-making. Over time, women who participated in the microfinance program have gained greater control over significant decisions within their households. They are now more empowered to make choices related to large financial transactions, such as the sale of goods (e.g., injera, enat guwada migebe, Baltna) and

household expenses, including costs for clothing, personal adornments, and education. This shift in decision-making power reflects a broader transformation in gender dynamics within the household, with women now playing a central role in shaping the economic and social life of the family.

The study also highlighted that improvements in women's average yearly household income, personal cash savings, and asset ownership are all positively correlated with participation in the ACSI loan program. As women contribute more significantly to household income and family welfare, their influence in key household decisions naturally increases. This change further emphasizes the broader implications of microfinance, which not only serves as a tool for poverty alleviation but also as a means of promoting gender equality and women's empowerment. By providing access to financial services for women who are often excluded from traditional banking systems, microfinance plays a crucial role in lifting women out of poverty, while also fostering a greater sense of autonomy, agency, and participation in both the economic and social spheres. Thus, the study underscores microfinance's pivotal role in addressing the economic needs of women and its potential as a powerful instrument for societal change, particularly in the fight against poverty and inequality.

5.2 CONCLUSION

The aim of this study was to evaluate the impact of Addis Ababa Credit and Saving Institutions (AACSI) on the economic empowerment of women. A simple random sampling method was employed to select respondents from the institution, ensuring a representative sample for the analysis. Based on the descriptive analysis of the data, several key conclusions emerged that underscore the positive role these institutions play in fostering women's economic growth and empowerment.

First, the study found that a significant portion of the institution's clients are young women, indicating that the program has a particularly positive impact on the economic growth and sustainability of younger women's empowerment. The AACSI has made notable contributions to improving the livelihoods of women in Addis Ababa, especially those from disadvantaged backgrounds, by providing access to financial resources and opportunities that were previously inaccessible. The findings also highlighted that over half of the respondents were single women

(60%), a demographic that has historically faced significant economic challenges. This suggests that microfinance institutions are especially crucial for unmarried women who may not have access to traditional forms of economic support.

Furthermore, the study revealed that the majority (70%) of respondents were engaged in trade-related activities, which underscores the role of microfinance in supporting small-scale entrepreneurship. The fact that the institution requires either fixed or non-fixed assets as collateral for loans means that the number of jobless clients remains low, as individuals must have some form of financial security to qualify for a loan.

Another key finding was that all clients of the institution are actively involved in both borrowing and saving. According to the institution's policy, clients are required to save a percentage of the loan amount they receive, promoting a culture of saving among borrowers. However, while the study found that the saving interest rate offered by the institution is relatively low, the loan interest rate is perceived as high, which may limit the financial flexibility of some clients.

Despite this, the majority of respondents (85.56%) expressed satisfaction with the services provided by the institution, which highlights the positive perception of AACSI's role in improving women's access to financial services. A notable 67.78% of respondents indicated that the loan application process is efficient and quick, with loans being processed in just three days, further enhancing the accessibility of financial resources.

Additionally, the study found that AACSI plays a significant role in promoting saving habits among women. This, in turn, has empowered women to take greater control over their financial decisions, thereby improving their overall financial security. The research also highlighted that women who had access to loans were better able to meet household expenses, pay for their children's education, and cover other essential costs, which reflects an improvement in their decision-making power within their families.

In conclusion, the study firmly asserts that participation in the Bole Sub-City Credit Institution has led to both economic and social empowerment for women. Through improved financial access, enhanced decision-making authority, and the cultivation of sustainable saving habits, the

institution has played a vital role in transforming the economic status of women in Addis Ababa. This study emphasizes that microfinance, when effectively implemented, serves as a powerful tool for advancing gender equality and empowering women to overcome economic challenges.

5.3. RECOMMENDATION

Based on the conclusions drawn from the study, the researchers put forward the following recommendations aimed at further enhancing the economic empowerment of women through the Addis Ababa Credit and Savings Institutions (AACSI):

1. Interest Rate Adjustment: The Bole Sub-City Credit and Savings Institution should consider revising its interest rate structure to create a more favorable financial environment for women clients. Specifically, the institution should increase the interest rates on savings accounts to encourage greater savings among female borrowers, while simultaneously reducing the interest rates on loans to make credit more affordable and accessible. This adjustment would help to balance the financial burden on women borrowers while incentivizing them to save more effectively.

2. Market Access for Women Traders: To enable women to repay their loans more efficiently, it is crucial that the government facilitates better market access for female entrepreneurs. Establishing a comprehensive market chain for women traders would create new opportunities for income generation and expand the scope for their businesses, ultimately enhancing their ability to manage loan repayments and increase their economic stability.

3. Government Support and Societal Awareness: The government, particularly the City Administration, should place greater emphasis on this sector by implementing policies that encourage gender equality. Efforts should be made to raise awareness across society, targeting both men and women, to challenge and change entrenched gender norms that perpetuate the domination of men in economic and social spheres. Public campaigns and educational initiatives could play a significant role in transforming societal attitudes and fostering an environment of equal opportunity.

4. Tailored Financial Products for Women: To ensure the sustainability and long-term success of women's participation in microfinance programs, it is recommended that institutions introduce special financial products designed specifically for women. These could include preferential interest rates, flexible repayment schedules, and tailored financial advisory services. Such measures would help to alleviate some of the unique challenges faced by women, enabling them to fully benefit from the microfinance system.

5. Expansion of Microfinance Institutions (MFIs): Policymakers should prioritize the expansion of microfinance institutions that specifically cater to the needs of women. This expansion should not only involve increasing the number of institutions but also improving the geographical reach and accessibility of financial services to underserved areas. It is essential that women in both urban and rural areas have access to the necessary resources to start or expand businesses, thereby promoting inclusive economic growth.

6. Capacity Building and Financial Literacy Programs: In addition to financial products and services, microfinance institutions should invest in capacity building programs aimed at enhancing women's financial literacy. Educating women on budgeting, saving, and investment strategies would enable them to better manage their finances, make informed decisions, and ensure that their participation in the microfinance system leads to sustainable economic empowerment.

7. Collaboration with NGOs and Development Agencies: To further enhance the impact of microfinance on women's empowerment, microfinance institutions should collaborate with non-governmental organizations (NGOs) and international development agencies. These partnerships could provide women with additional resources, such as training in business management, access to larger markets, and support in overcoming socio-cultural barriers. By leveraging such collaborations, microfinance institutions can create a more holistic and supportive ecosystem for women entrepreneurs.

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QUESTIONNAIRE

የአዲስ ብሮሮና ቁጠባ ተቋም ደንበኞች መጠይቅ

ውድ ምላሽ ሰጪዎች፣

ይህ መጠይቅ ለማይክሮ ፋይናንስ ተቋማት በተለይም ACSI ደንበኞች ለሆኑ ሴቶች የታሰበ ነው። በአዲስ ብሮሮና ቁጠባ ተቋም አክሲዮን ማኅበር ላይ ያተኮረ “የማይክሮ ፋይናንስ በሴቶች ኢኮኖሚ ማሳልበት ላይ ያለው ተጽእኖ” በሚል ርዕስ ለቀረበ ጥናት ጠቃሚ መረጃዎችን መሰብሰብ ነው ጥናቱን የሚያካሂደው በቅድስት ማርያም የቢዝነስ አስተዳደር የማስተርስ ዲግሪ በተመረቀው ሜላት ቢኒያም ነው። ዩኒቨርሲቲ. የዚህ ጥናት ስኬት በሁሉም ተሳታፊዎች ሙሉ ትብብር ላይ የተመሰረተ ነው. እባክዎን ያስተውሉ ምላሾችዎ በድምሩ እንደሚተነተኑ፣ የግለሰብ ማንነቶች ማንነታቸው ሳይታወቅ መቆየቱን ያረጋግጣል። እንዲሁም ያቀረቡት መረጃ ለአካዳሚክ ዓላማ ብቻ ጥቅም ላይ እንደሚውል እና በከፍተኛ ሚስጥራዊነት እንደሚታከም ዋስትና እንሰጣለን።

1. ምላሽ ሰጪዎች ላይ የግል መረጃ

የአዲስ ብሮሮና ቁጠባ ተቋም ደንበኞች መጠይቅ

1. የተጠሪ የግል መረጃ

1.1. ጾታ

ወንድ

ሴት

1.2. የዕድሜ ክልል

ዓ.18-35 ዓመታት

ብ 36-45 ዓመታት

ሐ. ከ46 ዓመት በላይ

1.3. የትምህርት ደረጃ

ሀ. መሃይም

ለ. ዋና (1-8)

ሐ. ሁለተኛ ደረጃ ትምህርት ቤት (9-10)

መ መሰናዶ

ኢ. ዲፕሎማ

ኤፍ. የባችለር ዲግሪ ወይም ከዚያ በላይ

1.4. የጋብቻ ሁኔታ

አ. ያገባ

ለ. ያላገባ

ሐ. የተፋታ

1.5. የቤተሰብ መጠን

ሀ 1-4 አባላት

ቤ. 5-10 አባላት

ሐ. ከ10 በላይ አባላት

2. የተጠሪው ማህበራዊ-ኢኮኖሚያዊ ሁኔታ

2.1. አማካይ ወርሃዊ ገቢ (በብር)

[እባክዎ ይግለጹ] ____

2.2. አማካይ ወርሃዊ ወጪ (በብር)

[እባክዎ ይግለጹ] ____

2.3. የብድር ፕሮግራሙን ከመቀላቀል በፊት ንግድ ወይም የገቢ ምንጭ አልዎት?

አ. አዎ

ለ. አይ

2.4. የብድር/የብድር ፕሮግራሙን ከተቀላቀሉ በኋላ ገቢዎ ጨምሯል?

አ. አዎ

ለ. አይ

ሐ. መልስ የለም

2.5. አዲስ ብድር እና ቁጠባ ተቋምን ከመቀላቀል በፊት የልጆችህን የትምህርት ክፍያ መክፈል ችለሃል?

አ. አዎ

ለ. አይ

ሐ. መልስ የለም

2.6. ፕሮግራሙን ከተቀላቀሉ በኋላ ለልጆቻችሁ ትምህርት የመክፈል አቅማችሁ እንዴት ተቀየረ?

ሀ. ጨምሯል።

ለ. ቀንሷል

ሐ. እንደዚያው ቀረ

2.7. የብድር ፕሮግራሙን ከተቀላቀሉ በኋላ ለራስዎ ወይም ለቤተሰብዎ የህክምና ወጪዎችን የመክፈል ችሎታዎ እንዴት ተቀይሯል?

ሀ. ከመቀላቀል በፊት ይሻላል

ለ. ከተቀላቀሉ በኋላ ይሻላል

2.8. የብድር ፕሮግራሙን ከተቀላቀሉ በኋላ ለራስዎ እና ለቤተሰብዎ ልብስ የመግዛት ችሎታዎ እንዴት ተቀይሯል?

ሀ. ከመቀላቀል በፊት ይሻላል

ለ. ከተቀላቀሉ በኋላ ይሻላል

2.9. የሚጠቀሙት የምግብ ብዛት እና ጥራት እንዴት ተለውጧል?

ሀ. ተሻሽሏል።

ለ. ተባባሰ

ሐ. እንደዚያው ቀረ

3. የንብረት ባለቤትነት

3.1. አዲስ ብድር እና ቁጠባ ተቋምን ከመቀላቀልዎ በፊት ምንም አይነት ቋሚ ንብረት አለዎት?

አ. አዎ

ለ. አይ

ሐ. መልስ የለም

3.2. የብድር ፕሮግራሙን ከተቀላቀሉ በኋላ የቋሚ ወይም ተንቀሳቃሽ ንብረቶች ባለቤት ነዎት?

አ. አዎ

ለ. አይ

3.3. የብድር ፕሮግራሙን ከተቀላቀሉ በኋላ የየትኞቹ ንብረቶች ባለቤት ናቸው? (ከአንድ በላይ መምረጥ ይችላሉ)

ሀ. ቤት ባለቤት

ለ. የልጆቼን የትምህርት ቤት ክፍያ መክፈል የሚችል

ሐ. ለቤተሰብ የጤና እንክብካቤ መግዛት እችላለሁ

መ. የተሻሻለ የምግብ ዋስትና

ሠ. የቁጠባ መጨመር

4. የቅጥር እድሎች

4.1. ንግድዎን ከመጀመርዎ በፊት ምን እየሰሩ ነበር?

ሀ. ሥራ አጥ

ለ. በተመሳሳይ ንግድ ውስጥ ሌላ ቦታ ተቀጥሯል።

ሐ. ተማሪ

መ. በቤተሰብ ንግድ ውስጥ ያለ ክፍያ ሰርቷል።

ሠ. በመንግሥት ድርጅት ውስጥ ተቀጥሯል።

4.2. ACSIን ከመቀላቀልዎ በፊት በንግድዎ ውስጥ ሰራተኞች ነበሩዎት?

አ. አዎ

ለ. አይ

ሐ. መልስ የለም

4.3. አሁን በንግድዎ ውስጥ ምን ያህል ሰራተኞች (የቤተሰብ አባላትን ጨምሮ) አሉዎት?

ሀ. አንድ

B. 2-5

ሐ. ከ 5 በላይ

መ. የለም

5. የሴቶችን ማበረታታት

5.1. በቤተሰብህ ውስጥ እንደ ትምህርት፣ ምግብ ወይም ልብስ ባሉ ጉዳዮች ላይ ውሳኔ የሚያደርገው ማነው?

1. ባል ብቻ

2. ባብዛኛው ባል

3. ባልና ሚስት

4. በአብዛኛው ሚስት

5. ሚስት ብቻ

5.2. ብድር ለመውሰድ የሚወስነው ማነው?

1. ባል ብቻ

2. ባብዛኛው ባል

3. ባልና ሚስት

4. በአብዛኛው ሚስት

5. ሚስት ብቻ

5.3. ብድሩን እንዴት እንደሚጠቀሙ፣ ምን እንደሚገዙ እና ምርቶችን እንዴት እንደሚሸጡ የሚወስነው ማን ነው?

1. ባል ብቻ

2. ባብዛኛው ባል

3. ባልና ሚስት

4. በአብዛኛው ሚስት

5. ሚስት ብቻ

5.4. ለራስህ ወይም ለቤተሰብህ የሆነ ነገር መግዛት ስትፈልግ ምን ታደርጋለህ?

1. የሚያስፈልገኝን በራሴ ገንዘብ እገዛለሁ።

2. ሁልጊዜ ባለቤቴን ገንዘብ እጠይቃለሁ

3. አንዳንድ ጊዜ ገንዘብ አለኝ፣ አንዳንድ ጊዜ ባለቤቴን እጠይቃለሁ

5.5. በማህበረሰቡ ውስጥ ያለዎትን ሚና እንዴት ይገልጹታል?

1. በኮሚቴ አባልነት በማህበረሰብ ወይም በቀበሌ ልማት ንቁ ተሳትፎ አደርጋለሁ

2. በማህበረሰብ ልማት ጥረቶች እሳተፋለሁ።

3. በስብሰባዎች ላይ የምገኘው ሲጋበዝ ብቻ ነው።

4. በማህበረሰብ ልማት ውስጥ አልሳተፍም።

5.6. በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ በቤተሰብዎ፣ በንግድዎ ወይም በማህበረሰብዎ ውስጥ የውሳኔ ሰጪነት ሚናዎን አሻሽሏል?

አ. አዎ

ለ. አይ

5.7. አዎ ከሆነ፣ እንዴት ተሻሽሏል?

5.8. ማይክሮ ፋይናንስ ፕሮግራሙን ከተቀላቀለ በኋላ የንግድ ሥራ ችሎታዎ ተሻሽሏል?

አ. አዎ

ለ. አይ

5.9. አዎ ከሆነ፣ ምን ለውጦች ተከስተዋል እና ምን አመጣጣቸው?

5.10. ብድር መውሰድ ለራስህ ያለህን ግምት ከፍ አድርጎልሃል ብለው ያምናሉ?

አ. አዎ

ለ. አይ

6. ክሬዲት ማሰባሰብ እና አጠቃቀም

6.1. አዲስ ብድርና ቁጠባ ተቋም ለንግድዎ ስላቀረበው የብድር መጠን ምን ይሰማዎታል?

ሀ. በጣም ዝቅተኛ

ለ. ከሚያስፈልገው ያነሰ

ሐ. በቂ

መ ከበቂ በላይ

6.2. ብድር ለምን ወሰድክ?

ሀ. አዲስ ንግድ ለመጀመር

ለ. የአሁኑን ሥራዬን ለማስፋት

ሐ. ወደ ሌላ ንግድ ለመቀየር

መ አስቸኳይ የፋይናንስ ችግሮችን ለመፍታት

6.3. የመጀመሪያ ብድርዎ በዋነኝነት ጥቅም ላይ የዋለው ለምን ነበር?

ሀ. ጥቃቅን ንግድ

ለ. የልብስ ንግድ

ሐ. ግንባታ

መ. የቆዩ ዕዳዎችን ለመክፈል

6.4. የተበደሩት በግል ነው ወይስ እንደ ቡድን አካል?

ሀ. በተናጥል

B. ቡድን

6.5. እንደ ቡድን አካል ከተበደርክ፣ ጥፋተኛ የተባለውን ቅጣት ከፍለህ ታውቃለህ?

አ. አዎ

ለ. አይ

ሐ. መልስ የለም

6.6. ቡድንህን የመሰረተው ማን ነው?

አ.የቀበሌ አስተዳደር

ለ. ሌሎች እንዲቀላቀሉኝ ጠየኳቸው

ሐ. የቀድሞ የቡድን አባላት ጋብዘውኛል።

D. ACSI ሰራተኞች ቡድኑን ለመመስረት ረድተዋል።

6.7. የብድር አገልግሎት ለማግኘት መስፈርቱ ተገቢ ነው ብለው ያስባሉ?

አ. አዎ

ለ. አይ

ሐ. መልስ የለም

6.8. በብድሩ ላይ ወለድ ከፍለዋል?

አ. አዎ

ለ. አይ

6.9. በወለድ ተመን ላይ የእርስዎ አስተያየት ምንድን ነው?

ሀ. ከፍተኛ

ለ. ዝቅተኛ

ሐ. ፍትሃዊ

6.10. አዲስ ብድርና ቁጠባ ተቋም ብድሩን ለመክፈል በቂ ጊዜ ይፈቅዳል?

አ. አዎ

ለ. አይ

6.11. በአዲስ ብድርና ቁጠባ ተቋም የሚሰጠውን አገልግሎት የማይወዱት ነገር ምንድን ነው?

(ከአንድ በላይ መምረጥ ይችላሉ)

ሀ. የቡድን ብድር

ለ. የብድር መጠን ከተጠየቀው ያነሰ

ሐ. የአገልግሎት መዘግየቶች

መ. ከፍተኛ የወለድ ተመኖች

ሠ. አጭር የመክፈያ ጊዜ

6.13. በተቋሙ የሚሰጠውን ስልጠና፣ ክትትል እና ቁጥጥር እንዴት ይገመግማሉ?

አ. ዝቅተኛ

ለ. ጥሩ

ሐ. በጣም ጥሩ

6.14. በንግድዎ ላይ የሚረዳ ማንኛውም መደበኛ ስልጠና ወስደዋል?

አ. አዎ

ለ. አይ

ሐ. መልስ የለም

6.15. ክሬዲቱን ለመጠቀም የሚያጋጥሙዎት ዋና ዋና ችግሮች ምንድን ናቸው?

ሀ. ከፍተኛ የብድር ወለድ ተመኖች

ለ. አጭር የመክፈያ ጊዜዎች

ሐ. ለመቆጠብ ዝቅተኛ የወለድ ተመኖች

መ. ዝቅተኛ የብድር መጠን

መጠይቁን ለመሙላት ጊዜ ስለወሰዱ እናመሰግናለን; የእርስዎ ምላሾች በጣም የተመሰገኑ ናቸው እናም ለምርመራዎቹ ጠቃሚ ይሆናሉ።

QUESTIONNAIRE

Questionnaire for Clients of Addis Credit and Saving Institution

Dear Respondents,

This questionnaire is intended for women who are clients of microfinance institutions, specifically ACSI. The goal is to collect important data for a study titled “The Effect of Microfinance in Women’s Economic Empowerment,” focusing on Addis Credit and Saving Institution S.C. The research is being conducted by Melat Biniam, a Master's degree candidate in Business Administration at St. Mary’s University. The success of this study relies on the full cooperation of all participants. Please note that your responses will be analyzed in aggregate form, ensuring that individual identities remain anonymous. We also guarantee that the information you provide will be used exclusively for academic purposes and treated with the highest level of confidentiality

1. Personal data on the Respondents

Questionnaire for Clients of Addis Credit and Saving Institution

1. Personal Information of the Respondent

1.1. Gender

Male

Female

1.2. Age Range

A. 18-35 years

B. 36-45 years

C. Over 46 years

1.3. Level of Education

A. Illiterate

B. Primary (1-8)

- C. High School (9-10)
- D. Preparatory
- E. Diploma
- F. Bachelor's Degree or Higher

1.4. Marital Status

- A. Married
- B. Unmarried
- C. Divorced

1.5. Family Size

- A. 1-4 members
- B. 5-10 members
- C. More than 10 members

2. Socio-Economic Status of the Respondent

2.1. Average Monthly Income (in Birr):

[Please specify] ____

2.2. Average Monthly Expenditure (in Birr):

[Please specify] ____

2.3. Did you have a business or any source of income before joining the credit program?

- A. Yes
- B. No

2.4. Has your income increased after joining the loan/credit program?

A. Yes

B. No

C. No Answer

If yes, please explain: ____

2.5. Before joining the Addis Credit and Saving Institution, were you able to pay your children's education fees?

A. Yes

B. No

C. No Answer

2.6. After joining the program, how has your ability to pay for your children's education changed?

A. Increased

B. Decreased

C. Remained the same

2.7. How has your ability to pay medical expenses for yourself or your family changed since joining the credit program?

A. Better before joining

B. Better after joining

Explain why: ____

2.8. How has your ability to buy clothing for yourself and your family changed since joining the credit program?

A. Better before joining

B. Better after joining

Explain why: ____

2.9. How has the number and quality of food you consume changed?

A. Improved

B. Worsened

C. Remained the same

3. Asset Ownership

3.1. Did you own any fixed property before joining Addis Credit and Saving Institution?

A. Yes

B. No

C. No Answer

If yes, please specify the asset: ____

3.2. Do you own any fixed or movable assets after joining the credit program?

A. Yes

B. No

If yes:

A. Fixed assets: ____

B. Movable assets: ____

3.3. What assets do you own after joining the credit program? (You may select more than one)

A. Own a house

B. Able to pay my children's school fees

C. Can afford health care for my family

D. Improved food security

E. Increased savings

If other, specify: ____

4. Employment Opportunities

4.1. What were you doing before starting your business?

A. Unemployed

B. Employed elsewhere in a similar business

C. A student

D. Worked unpaid in a family business

E. Employed in a government organization

If other, specify: ____

4.2. Did you have employees in your business before joining ACSI?

A. Yes

B. No

C. No Answer

4.3. How many employees (including family members) do you now have in your business?

A. One

B. 2-5

C. More than 5

D. None

5. Women's Empowerment

5.1. Who makes decisions in your household about matters such as education, food, or clothing?

1. Husband only

2. Mostly husband

3. Husband and wife

4. Mostly wife

5. Wife only

5.2. Who decides on taking loans?

1. Husband only

2. Mostly husband

3. Husband and wife

4. Mostly wife

5. Wife only

5.3. Who decides how to use the loans, what to buy, and how to sell products?

1. Husband only

2. Mostly husband

3. Husband and wife

4. Mostly wife

5. Wife only

5.4. When you need to buy something for yourself or your household, what do you do?

1. I buy what I need with my own money

2. I always ask my husband for money

3. Sometimes I have money, sometimes I ask my husband

4. Other (specify): ____

5.5. How would you describe your role in the community?

1. I actively participate in community or kebele development as a committee member

2. I participate in community development efforts

3. I only attend meetings when invited

4. I do not participate in community development

5. Other (specify): ____

5.6. Has participating in the microfinance program improved your decision-making role in your household, business, or community?

A. Yes

B. No

5.7. If yes, how has it improved?

[Please explain] ____

5.8. Has your business skills improved since joining the microfinance program?

A. Yes

B. No

5.9. If yes, what changes have occurred and what caused them?

[Please explain] ____

5.10. Do you believe taking loans has boosted your self-esteem?

A. Yes

B. No

5.11. If yes, how has it contributed to your self-esteem?

[Please explain] ____

6. Credit Mobilization and Utilization

6.1. How do you feel about the loan amount provided by Addis Credit and Saving Institution for your business?

- A. Very low
- B. Smaller than required
- C. Adequate
- D. More than enough

6.2. Why did you take the loan

- A. To start a new business
- B. To expand my current business
- C. To switch to a different business
- D. To solve urgent financial problems

If other, specify: ____

6.3. What was your first loan primarily used for?

- A. Petty trade
- B. Garment business
- C. Construction
- D. To pay old debts

If other, specify: ____

6.4. Did you borrow individually or as part of a group?

- A. Individually
- B. Group

6.5. If you borrowed as part of a group, have you ever paid a defaulter's penalty?

A. Yes

B. No

C. No Answer

6.6. Who formed your group?

A. Kebele administration

B. I asked others to join me

C. Previous group members invited me

D. ACSI staff helped form the group

If other, specify: ____

6.7. Do you think the criteria for accessing credit services are appropriate?

A. Yes

B. No

C. No Answer

6.8. Did you pay interest on the loan?

A. Yes

B. No

6.9. What is your opinion on the interest rate?

A. High

B. Low

C. Fair

6.10. Does Addis Credit and Saving Institution allow sufficient time to repay the loan?

A. Yes

B. No

If no, please specify: ____

6.11. What do you dislike about the services provided by Addis Credit and Saving Institution?

(You can select more than one)

- A. Group lending
- B. Loan amount smaller than requested
- C. Service delays
- D. High interest rates
- E. Short repayment period

6.13. How do you rate the training, follow-up, and supervision provided by the institution?

- A. Low
- B. Good
- C. Very Good

6.14. Did you receive any formal training that helped with your business?

- A. Yes
- B. No
- C. No Answer

6.15. What are the main challenges you face in using the credit?

- A. High loan interest rates
- B. Short repayment periods
- C. Low interest rates for savings
- D. Low loan amounts

Thank you for taking the time to complete the questionnaire; your responses are greatly appreciated and will be invaluable to my research.