

SOCIO ECONOMIC IMPACTS OF SELF HELP GROUPS ON WOMEN EMPOWERMENT IN SOUTHERN ETHIOPIA

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ABSTRACT

Hawassa is one of the fastest growing towns in the country which has multifarious social and economic problems. Population influx, unemployment, lack of housing, lack of basic facilities, etc were found to be the predominant problems being faced by the residents of Hawassa. To lessen the repercussions of these problems, various measures have been undertaken by different governmental and civil society organizations. Self Help Group development approach that the Bright Image for Generation Association (BIGA) is undertaking in the town is one of those measures. This study has assessed the socio economic impacts of self-help group on women empowerment in Hawassa District of the South Nations Nationalities People Region of Ethiopia. This study employed a mixed method using both the qualitative and quantitative techniques. The findings indicate that the SHGs have contributed significantly on socio economic empowerment of rural poor women. It was found that there has been a substantial change on the socio economic status of women after membership with SHG with respect to income augmentation, housing facility, change in expenditure pattern, improvement in savings, etc. The findings suggest that the self-help approach is important, particularly by creating access for the poor to financial resources with low interest rates, which is a key for the success of the businesses of the poor.

Keywords: Self-help groups, Women, Empowerment, Participation, Micro finance.

Background of the study

In Ethiopia, women are responsible for almost all the household chores, in addition to the support they provide in agriculture and caring for livestock production. The situation of the environment they live in, lacking appropriate technology increases the burden of women and decreases their opportunity to become involved in income generating activities and as a result, this limits their participation within development sectors. In order to create an enabling environment to empower women to become active participants of the development process and to help them to benefit from it, a number of measures have been taken by the Ethiopian government. In 1992, the Prime Minister's Office established the Women's Affairs Office. In 1993, the declaration of the first National Policy on Women occurred. These measures are among the major efforts made to address the miserable life condition of the women in general, and that of the poor women in particular. These declarations and ratification of various human rights measures fight against gender inequality and the struggle to ensure the rights of women that enable them to live dignified and productive lives.

Different development strategies, such as cooperatives, micro-finance and safety net initiatives, have been employed by different development actors to mitigate the effect of poverty in many parts of the world. The Self-Help Approach has been introduced as one of the strategies to empower the poorest of the poor by unleashing their potential in order to deal with their challenges (Kindernothilfe, 2007). The approach is predicated on the belief in the inherent potential of human beings to cope with situations and manage their lives. The principles underlying the SHGs are that of achieving holistic empowerment for the poor so that they can take charge of their own lives. Sambangi (2009) argues that the SHG phenomenon certainly brings group consciousness to focus on women's sense of belonging and adequate self-confidence

In Ethiopia, the SHG approach has been practised along with other conventional approaches, including cooperatives and other traditional practices. The Bright Image for Generation Association (BIGA)) is one of the NGOs that have been implementing the SHG approach in the town of Hawassa, in the Southern regional state of Ethiopia since 2003, with the objective to empower women, socially and economically.

Problem statement

Ethiopia, with a population of 108.36 million as of November 2018 based on the latest United Nations estimates (Worldometers, 2017) a country where the majority 78 percent of Ethiopians struggle with in an income below US\$ 2 a day (CIA, 2018). Low standards of living and poor fulfilment of basic socio-economic needs and services characterises the country. According to United Nation Development Program, the human development index

value of Ethiopia is 0.463, which is below the average of the sub-Saharan African 0.537 (UNDP, 2017). Most of the poor people, particularly women, in the country depend on meagre incomes. Ethiopian women are discriminated against socially, culturally and economically, and their opportunities for personal growth, education and employment are limited, compared with men (Gizaw, 2009). As in most African countries, Ethiopian women live in physical hardship throughout their lives owing to their role in society. Women are responsible for carrying loads over long distances, grinding corn manually, working in the homesteads, raising children, and cooking (Bekele, 2002; National Report on Beijing Platform, 2004; Prabhakar, 2005).

Over 85 % of Ethiopian women live in rural areas, primarily through subsistence agriculture (GTP Ethiopia, 2011). Women in rural areas comprise part of the rural economy, which is labour intensive and demands heavy physical hardship. In addition to their household work, they are responsible for agricultural work, like weeding, harvesting and other tasks that need labour and time. However, access by the poor women to productive resources is limited and this therefore affects their development (FAO, 2011). Notwithstanding that women in Ethiopia are among the majority of smallholder farmers, they provide most of the labour and manage many of the farming activities on a daily basis (FAO, 2011).

The above fact has constrained women's empowerment and hence poverty has impacted on women more than on any other segment of the community. Women in Ethiopia have lower levels of access to, ownership of, and control over, productive resources than men have. Their access to different social networks is also lower than that of men, resulting in reduced economic productivity, income generation, and weaker bargaining positions in the household (Jones, et al., 2010)

In order to mitigate such situations, many efforts have been carried out by different actors, taking different forms, such as organising women into saving and credit groups and cooperatives, and establishing Micro Finance Institutions (MFIs), in order create access for poor women to financial resources (CoSAP, 2013). Such developmental models have contributed much in different places, but also have many limitations. For example, MFIs have higher interest rates, require collateral security and are business oriented. The micro-finance credit system is based on group lending, and in the event of default, no group member is allowed to borrow again. Accordingly, during the selection of members, they may not incorporate poor individuals without assets. This claim is further strengthened by Fletschner and Kenney, (2014) who state that due to certain legal regulations and customary rules, the type of access to and control over assets that women have, such as land or livestock, is restricted and thus women have limited resources to offer as collateral. Women are less likely to have land in their name, even when the land belongs to their families, and they have low levels of control over the land, even when they legally own it.

Therefore, owing to lack of access to productive assets and control over resources, women in Ethiopia remain the poorest and marginalised members of society. The self-help approach is therefore introduced to alleviate these problems of women by enabling their access to financial resources. SHG is believed to empower women economically, socially and politically. To this end, a great deal of resources has been spent in promoting the SHG approach in Ethiopia since its introduction. However, the question remains as to what extent the SHG approach contributes to the empowerment of women in Ethiopia. Can the SHG approach be an alternative to the existing conventional approaches to women empowerment? What are the challenges, if any, that the SHG approach is facing in meeting its stated objectives and what should be done? This research study strives to answer the above questions. Even though empowerment is a multifaceted concept, encompassing different issues, this research concentrates on feelings of well-being and the inclusion of the poor women in their community.

Specific objectives

The specific objectives of the study are:

1. To analyze the economic impacts of SHGs in terms of changes in the household income, expenditure, and savings of women members and
2. To assess the social benefits that members derived from SHGs.

Materials and methods

As the objective of this study is to assess and understand the socio-economic impact of SHGs on women empowerment, exploratory and descriptive research methods were employed. Hawassa City was selected as the study area. The City has 8 sub-cities and its population is estimated to be more than 280,000 where women constitute 48 per cent of the population. The Bright Image for Generation (BIGA) has commenced Community Development Project, whereby many of the poor, among which the majorities are women, have been benefited.

Sampling Technique and size

Bright Image for Generation (BIGA) Community Development Project was purposively chosen considering that Hawassa is one of the fastest growing City in the region where the socio-economic problems that affect the well-being of the poor community, particularly those of the poor women, are believed to be rampant. Among the 100 identified SHGs, nine (9) SHGs were purposively selected for impact assessment. Accordingly, from these 9 SHGs, 90 members were randomly selected and studied. In order to substantiate data collected from these respondents, a focus group discussion was held with another five (5) respondents who were purposively selected by the researcher. Moreover, to obtain additional insightful data, interviews were conducted with four (4) SHG leaders, and a project coordinating staff separately. The date and time of administration of the instruments were decided in consultation with respondents of the study.

Data Collection Instruments

The methods used to collect the data include the use of semi-structured questionnaire and focus group discussions. In-depth interviews were utilized with SHG leaders.

Data Analysis

The quantitative data collected through questionnaire were tabulated according to their frequency and percentage and then analyzed accordingly. Moreover, the qualitative data collected through discussion of the focus group were changed into complete narratives. In addition to these, all recorded information and hand written notes taken during the interviews with SHG leaders, and the project coordinating office were narrated and reviewed for analysis.

Major findings of the study

Economic Status and Livelihood

As the purpose of this study is to assess the economic and social impact of SHG on their members, thorough examination of the household economic status and the impact upon their livelihood will have paramount importance. The respondents' income, expenditure, and savings were discussed thoroughly. Pertaining to their income, issues related to sources of income of the head of the household and other members of the households, each household member's contribution to the household income, estimated average monthly income, frequency of meals per day, and the current economic status of the family in comparison to their income before they became involved in the SHG were examined. Likewise, the expenditure of the households on food before and after becoming involved in the SHG was examined.

Income

Sources of Income before and after being involved in the SHG

As the impact of SHG members' income was one of the major points to be assessed in this study, sources of family income and expenditure were examined. Thus, to scrutinize various sources of family income before and after being involved in a SHG, various questions were presented to the respondents and their replies were shown in table 1.

Table 1: Sources of income of household heads of the respondents

Major sources of family income	Before SHG		After SHG	
	Frequency	%	Frequency	%
Monthly wage	11	12	31	34.0
IGA & Petty trading	16	18	49	55.0
Daily labor work	53	59	09	10.0
Support from relatives & others	10	11	01	01.0
Total	90	100	90	100

Source: Field survey, 2017

Data in table 1 illustrates some of the major sources of income of the household heads of the respondents before and after becoming involved in the SHG. The study found out that 12% and 34% of the respondents' family earned a regular monthly wage from their employment before and after becoming involved in the SHG respectively. As it is clearly depicted in the table, before involvement in SHG program, income earned from daily labor work was the major source of living for the majority of the respondents' families (59%). However, after becoming involved in SHGs, the main source of families' income has changed and income earned from involvement in various income generating activities (IGAs) and petty trades, became the significant source of living for almost more than half (55%) of the respondents' families. An

in-depth examination of data in the table also showed that the percentage of families who were living by the support they get from relatives & others decreased from 11% to 1%.

Amount of monthly income of the household head

Change in the family's amount of the average monthly income as a result of involvement in SHG is one of the variables that should be examined in this study. Based on the response of the SHG members under the study, data regarding the average monthly income of the family before and after involving in SHGs was gathered and summarized in table 2.

Table 2: Amount of Monthly income of the head of the household

Average monthly income (In birr)	Before SHG		After SHG	
	Frequency	%	Frequency	%
≤ 150	44	49.0	14	16.0
151-250	28	31.0	32	36.0
251-350	13	15.0	35	39.0
351-450	02	02.0	03	03.0
451-550	01	01.0	03	03.0
551-650	01	01.0	02	02.0
Above 650	01	01.0	01	01.0
Total	90	100	90	100

Source: Field survey, 2017

As it is clearly portrayed in the table 2, before involving in SHGs, 49% of the respondents' families earned less than Birr 150.00 per month and, reportedly the data in the table showed that ninety five percent (95%) of the respondents' families' monthly income was between 150.00 - 350.00 Birr. As much as, 46% of the respondents earned between 150.00 and 350.00 Birr. However, after becoming involved in the SHG, the average monthly income of the majority of the respondents (39%) was between 250.00 and 350.00 Birr. The percentage of families who earn below 150.00 Birr decreased from 49% to 16%; and those who earn between 150.00 - 350.00 Birr increased from 46 % to 75%.

Frequency of meals per day for all household members

An attempt to conduct a comparative analysis of change in frequency of family meals before and after being involved in the SHGs was investigated. However, as half of the respondents did not provide information regarding the frequency of family meals per day before SHG involvement, data only from the responded half and after the SHG involvement data were indicated in the table below.

Table 3: Frequency and percentage distribution of family meals per day

Frequency of meals per day	Before SHG		After SHG	
	Frequency	%	Frequency	%
More than 3 times a day	02	02.0	01	01.0
3 times a day	11	12.0	56	62.0
2 times a day	22	25.0	23	26.0
As available	15	17.0	10	11.0
No reply	40	44.0	-	-
Total	90	100	90	100

Source: Field survey, 2017

Frequency of the families' meals per day was another selected indicator for change in the quality of life with in the family. The comparative investigation of the families' food consumption pattern showed that only 12% of the respondents' families' had meals three times a day. As it is clearly indicated in the table, after being involved in the SHG, a significant change was achieved and 62% of the respondents' families' were able to have three meals a day. A reply to a question posed to focus group discussion participants also elucidated that most families' had two meals a day before involving the SHG but their food consumption pattern showed change after being involved in the group. Though they were few, (11%) of the respondents stated that they eat if and only if there is available food at home. One (1) of the respondents' families' reported that they eat four (4) times a day.

Perception of members towards current economic status

An assessment was made on the perception of the respondents towards their current economic status after having an association with SHGs.

Table 4: Perception towards current economic status

Current economic status	No. of respondents	
	Frequency	%
Improved notably	41	46.0
Improved little	32	36.0
Remained the same	14	15.0
Decreased	03	03.0
Total	90	100

Source: Field survey, 2017

Comparison of the economic status of the households within post and pre SHG involvement time revealed that 82% of the respondents believed as their family economic capability showed improvement since they begun to be involved in the SHG program. Eighteen percent (15%) of the respondents reported that their involvement in the SHG program did not bring economic change within their family. More interestingly, three (3) of the respondents replied that their family income has decreased during the last 2 years as their families’ source of income cut-off due to various reasons.

Expenditure

Comparison on families’ expenditure before and after involvement in SHGs, shown in table 5, that family expenditure increased in almost all types of expense items. Seventy nine percent (79%) of the respondents stated that their family’s average monthly expense has increased; and 19% reported that there is no change in their family’s food expenditure. An increase in family expenditure, for instance expenditure on food items, was an effect of the current high inflation on food items. In the focus group discussion respondents elaborated that an increased expense on food items does not imply buying more food for the family. It is rather buying the same amount or even less with increased pay due to the massive commodities’ price rise. The respondents also added that an unpredictable service cost increase on utilities such as electric power and water without having additional service from the service providing agencies, was another cause for the increased expenditure.

Table 5: Consumption/Expenditure Pattern after involvement in SHG

Family expenditure after involvement in SHGs		No. of respondents	
		Frequency	%
Expenditure on Food	Increased	71	79.0
	Same as before	17	19.0
	Decreased	02	02.0
	Total	90	100
Expenditure on clothing	Increased	51	57.0
	Same as before	27	30.0
	Decreased	12	13.0
	Total	90	100
Expenditure on utilities (Electricity & Water)	Increased	86	96.0
	Same as before	04	04.0
	Decreased	00	00.0
	Total	90	100
Expenditure on health & education	Increased	55	61.0
	Same as before	23	26.0
	Decreased	12	13.0
	Total	90	100

Source: Field survey, 2017

Savings

Another important point to be considered in an effort to assess the impact of SHG was to learn about the saving pattern of the members. It is evident that savings, when it comes to the situation of the poor, is a ‘sacrificial savings’ where its purpose is mainly securing the future. With regard to the poor SHG members, the main sources of savings

were limiting expenditures even on basic necessities and saving from income. Careful analysis of the SHG's account books, such as the minute book, and the individual member's savings passbook, showed that the average savings per group per week was about Birr 38.00, while weekly savings per member was Birr 2. Detail investigation of the SHG financial documents showed that there is an increasing and sometimes decreasing trend in the saving patterns of the members. Detailed analysis of SHG general ledger and individual member's savings books showed that an overall performance of the groups' savings had an increasing trend both in individual as well as group savings in the last two years of membership (2015 and 2016). And all the respondents in the group discussion indicated that the current national inflation and the resulting high cost of living was the major reason for the reduction of individual as well as group savings.

Involvement in training

As for building the capacity of the beneficiaries through the provision and facilitation of various skills development trainings are concerned, some of the major objectives of the project, until now varieties of trainings have been provided to the SHG members and the following table illustrates some of the major types of trainings the project has provided, along with the number of SHG members who participated. Data from table 13 below showed that various trainings have been provided to the SHG members and almost all members had benefited from trainings about entrepreneurship skill development, business planning, SHG bookkeeping, HIV/AIDS, and personal hygiene and environmental sanitation.

**Table 6: Members' involvement in various trainings
(Multiple response)**

Types of trainings	Total	
	No	%
Entrepreneurship skills development	78	87.0
Business planning	86	96.0
SHG book keeping	90	100.0
Leadership & management skill development (SHG Leaders)	18	20.0
Awareness creation on personal hygiene & environmental sanitation	82	91.0
Prevention of HIV/AIDS and other STDs	90	100.0
Basic literacy program (Illiterate SHG members)	00	00.0
Family planning	78	87.0

Source: Field survey, 2017

During focus group discussion the respondents also indicated that there was training tailored to specific groups. For instance, trainings on leadership and management skills development was designed to the SHG leaders and accordingly twenty percent (20%) of the respondents took part in leadership & management skill development training. In response to the question raised concerning the socio-economic empowerment as a result of participation in the training, all of the respondents reported that their involvement in various trainings enabled them to acquire basic knowledge that helped them to have a better income and empowered them personally and socially.

Health and Hygiene Knowledge

Change in knowledge about family health and hygiene matters was among the characteristics examined in this study. Data collected in this regard were summarized in table 7. Accordingly, the respondents' knowledge about family planning, personal hygiene and environmental sanitation, and the importance of children's vaccination, and awareness on HIV/AIDS was examined.

Table 7: Respondents' change in knowledge about health and hygiene

Change in knowledge about health and hygiene		No. of respondents	
		Frequency	%
Knowledge in family planning method	More than before	57	63.0
	Same as before	28	31.0
	Did not participate	05	06.0
	Total	90	100
Knowledge in personal hygiene & environmental sanitation	More than before	52	58.0
	Same as before	38	42.0
	Did not participate	00	00.0

	Total	90	100
Knowledge in the advantage of children’s vaccination	More than before	59	66.0
	Same as before	31	34.0
	Did not participate	00	00.0
	Total	90	100
Awareness on HIV/AIDS and other STDs	More than before	79	88.0
	Same as before	11	12.0
	Did not participate	00	00.0
	Total	90	100

Source: Field survey, 2017

As for the change in the level of awareness about the health and hygiene matters during the period of involvement in the SHG, in all the four points discussed in the table 7 above, the majority of the respondents have reported that their awareness increased noticeably. Accordingly, knowledge of sixty three percent (63%) of the respondents in family planning, fifty eight percent (58%) in personal hygiene and environmental sanitation, sixty six percent (66%) in the of the importance of children’s vaccination, and 88% in HIV/AIDS and other STDs, was increased as a result of consecutive trainings that were presented through the assistance of the project. However, some of the respondents replied that their involvement in SHGs did not bring any change in knowledge in the above-mentioned categories.

Housing Condition

The majority of urban dwellers in many parts of Ethiopia suffer from a severe shortage of housing and inadequate infrastructures and utilities. Poor quality dwellings and homelessness, and an increasing number of slums are some of the manifestations of urban poverty. In order to examine the housing condition of the respondents, queries were presented to the SHG members and their reply was summarized in the following table 8.

Table 8: Housing Condition

Ownership of houses	No. of respondents	
	Frequency	%
Own	18	20.0
Rented from Kebele	39	43.0
Rented from Private	32	36.0
Dependent	01	01.0
Total	90	100

Source: Field survey, 2017

As it is summarized in table 8 above, among the respondents’ households, thirty six percent (36%) live in private rented houses and only twenty (20%) of them have private houses. The large proportion forty three percent (43%) of the respondents live in a relatively affordable government owned, kebele house. Only 1% reported that they live together with their relatives.

Conclusion

To conclude, after being involved in SHG, the respondents’ family expenditure capability on family food, clothing, utilities, and children’s education has increased. In addition, a close examination of members’ savings pattern showed that there is no uniformity in an increment or decrement of group pertaining to their individual savings. There was a rise and fall in the SHG members saving pattern resulting from high cost of living. Self-help groups, as women empowerment model, are new development strategies being implemented in Ethiopia. Accordingly, this study is believed to have an important contribution in filling the gap of scanty literature in the areas of self-help groups’ development approach in this country. Many studies proved that women and children are the most vulnerable sects of any community living in poverty. Such susceptibility could have more negative effect when the responsibility of earning the family’s income partially falls upon the shoulder of the female. In regard to this fact, many of the SHG members with whom the study was conducted were found to be women that shouldered the responsibility of earning income for their families.

In this study, women’s participation in decision-making in a family was found to be an important indicator for gauging their social empowerment. Involvement in SHGs enabled most of the members to

receive proper recognition within their community in general with their family members in particular. As most of the SHG members have become income generators for their family, their decision making power about income and expense related matters has shown significant affirmative change. Thus, this indicates that SHGs are an important tool in empowering people, playing an important role in boosting the availability of resources for poor women within the community.

Improved livelihoods were regarded as the most important achievement by SHGs. Most of members who were previously daily workers have now started new petty businesses while others have diversified their income generation activities (IGAs). Previously they used to buy from the merchants on loan basis with interest rates ranging from 10-20 % per month but now the use internal loan from their respective SHGs. Some members have bought sheep (asset) out of their IGA incomes. Members say, culture of savings has made a difference on their incomes. Now they are more careful in spending money e.g. reduced spending on coffee ceremonies, always looking for ways to save more. Saving has also created access to credit. Some were happy that they had now learnt to relate to customers while others had engaged in business for the first time. Many said that they had less stress now since they had an assurance of at least 3 basic meals for their families per day from their IGAs.

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