WOMEN EMPOWERMENT THROUGH MICROFINANCE IN SOUTHERN ETHIOPIA

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Monograph

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Women's Economic Empowerment helps to ensure gender equality and the well-being of nations. When women become economically empowered and get their source of income, they ensure the family's basic needs. This research study aimed to analyze women's economic Empowerment through microfinance in rural areas on Humbo Woreda. A multi-stage sampling technique was used to obtain a sample size of 138Women households. First, cross-sectional data were collected through a semi-structured interview schedule. Second, quantitative data were collected with the help of an Interview schedule from the sample size of 138 women households. Third, the qualitative data was collected by checklist from Focus Group Discussions and Key Informants interviews. Data were analyzed using descriptive and inferential statistics, economic empowerment index, and binary logit model. The index result showed that not-empowered women were 61.59% and empowered women were 38.4%; this indicated that women's economic empowerment status in the study area was low. The binary logit model result revealed that the major factors determining women's Empowerment through microfinance in Humbo Woreda were:1 the education level of women, 2, experience in income generation activities, 3, membership experience in microfinance, 4, distance from microfinance institutions, 5, participation in training, 6, cumulative saving, 7, cumulative loan receive, 8, women working hours and 9, women's perception towards loan risk the influenced women Empowerment through in microfinance positively and negatively at less than 1%, 5% and 10% probability level. Besides, the study also revealed that women are more disadvantaged in empowerment microfinance services. Therefore, it is recommended that existing programs and strategies be reviewed. New and appropriate policies and strategies should be designed to improve women's empowerment status in the study area. Specifically, priority programs should improve women's education by focusing on formal and vocational schools, creating opportunities for women to earn income.

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PREFACE

Introduction

In Ethiopia, women are responsible for almost all the household chores and their support in agriculture and caring for livestock production. The situation of environment they live in, lacking appropriate technology, increases the women's burden and decreases their opportunity to become involved in income-generating activities. One of the essential development features is the community's transformation, which embraces social progress from traditional relations, social norms, and traditional ways of health care, education, and production methods to a more improved one. Changes associated with development provide communities and individuals with more control ad influence over their destinies. Women are highly disadvantaged in the rural community. The lack of access to and control over resources and many discriminatory traditional customs comprise most of those living in absolute poverty. Gender differentials persist at all levels. Women proportionately bear the burden of poverty, mainly attributed to a lower social status and the resulting powerlessness and discrimination against them regarding access to control over resources and opportunities.

Review of Pertinent Literature

Chapter 2, a Review of pertinent literature, explained the key concepts and definitions of economic Empowerment and how different institutions focus on women's economic empowerment issues. Women’s Economic Empowerment is a process that creates an opportunity to make and act on decisions that would allow women to obtain valuable outcomes from economic activity and utilization of resources (productive and physical). Empowerment has been reached through Microfinance and the women's involvement in MFI, which influences the women’s economic status and development of Microfinance in Ethiopia and other countries. However, the power exercised among the women in terms of social and economic development. Some of the empirical literature connotes the researcher's important concepts compared to the previous research studies. Finally, the study's conceptual framework focused on Demographic factors, Socio-Economic factors, Psychological factors, and Institutional factors.

Methodology

The research study was conducted in Humbo Woreda, Wolaita Zone, in Southern Ethiopia. The geographical area, climatic conditions, soil type, agricultural practices, and productive economic activities existed in Woreda. The Multi-stage random sampling method was used to select the total respondents for the study. Of the total sample of respondents, 138 were selected from four Kebeles, such as Abela Faracho, Shochora Ogodama, Gututo Larena, and Bosa Wanch in the Humbo Woreda. Quantitative and Qualitative data were collected with the Interview Schedule and Checklist for Key Informants' Interviews and Focus Group Discussion to triangulate them. The Dependent variable is Women's Economic Empowerment, and 17 Independent variables were included. Five Indicators domains measured the Dependent Variable: Ownership of Assets, Ownership of Income Generating Activities, Decision Making, Control over the resource, and Social participation.

Data Analysis and Results

The Dependent Variable was measured by the five domains of Indicators with the minimum and maximum score values. The Empowered Women was 53, and Not Empowered Women was 85. The results were presented using Descriptive statistics such as Mean, Percentage, Standard Deviation, Correlation Coefficient, and Inferential statistics like Chi-square and the Binary logit regression model. Out of the 17 Independent Variables, only nine are significant: Education, Years of Experience in Income Generating Activities, Years of Membership Experience, Distance from Microfinance institutions, Participation in Training, Cumulative Saving, Cumulative Loan Received, Household Working Hours and Attitude towards Risk. Finally, the marginal effect table was incorporated at the end of chapter 4. Only 9 Significance variables were also interpreted.

Conclusion and Recommendations

The research study was conducted in Humbo Woreda, Wolaita Zone, Southern Ethiopia. The particular research study would generalize the other parts of Ethiopia to emphasise the Gender equality aspect of professionalism among men and women.

Conclusion

This study was conducted to examine women's economic Empowerment and factors that determine women's Empowerment in Humbo Woreda at the Women's Economic Empowerment level.

Recommendations

The possible recommendations are creating Awareness, Training, Vocational Skills orientation, Credit facilities from Microfinance Institutions, and conducting workshops and seminars focusing on Women's Empowerment aspects. In addition, Ethiopia's Government has to arrange loan disbursement facilities for budding women entrepreneurs and load lending from Banks. All these recommendations are highlighted as policy-related intervention activities for the respective Ministry and the Government.

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FOREWORD

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Impact of the Research

Research in common parlance refers to a search for new knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. Research is the art of scientific investigation. Research is an academic activity, and the term should be used in a technical sense. Some people consider research as a movement, a movement from the known to the unknown. It is a voyage of discovery of new information. Research is, thus, an original contribution to the existing stock of knowledge, making for its advancement. It is the pursuit of truth with study, observation, comparison, and scientific experiments. In short, searching for knowledge through an objective and systematic method of finding the solution to a problem is research.

What makes people undertake research?

This is a question of fundamental importance. The general motives for doing research may be either one or more following

- Desire to get a research degree along with its consequential benefits;

- Desire to face the challenge in solving unsolved problems, i.e., concern over practical societal problems, initiates research;
- Desire to get the new intellectual joy of doing some creative work;
- Desire to be of service to society; and
- Desire to get respectability

However, this is not an exhaustive list of factors motivating people to undertake research studies. More factors that direct the Government, Non-Government Organizations, United Nations and Donor Agencies have a common interest and curiosity about new things, desire to understand the causal relationship, social thinking and awakening, and motivate the people to perform research operations.

Focus on Women's Empowerment

The current E-Book focuses on Women's Empowerment in Ethiopian situations where individuals and groups of women have faced common practical problems due to gender discrimination at the ground level. In Ethiopia, 80 per cent of the population resides in rural areas. Women provide most agricultural labour, including non-farm and off-farm income-generating activities at the community level. However, their contribution often goes largely unrecognized, and their fathers or husbands often restrict access to resources and community participation.

Women often face different and more basic economic constraints than men, including less access to credit and limited market access. We encourage female-owned businesses through the Development Credit Authority to support women's ability to create businesses and secure their livelihoods. To support women in agriculture under the Feed the Future initiative, we empower women in decision-making about production, using resources like land, water, or capital, and control over income.

Impact of the Computers on Modern Research

Electronic devices, especially computers and soft wares, are the impetus for 21st-century research scholars worldwide. The computer is certainly one of the most versatile and ingenious developments of the modern technological age. To the researcher, using the computer to analyze complex data has made complicated

research designs practical. Therefore, electronic computers have become an indispensable part of research scholars in different disciplines worldwide. In this age of computer technology, the research scholar must be exposed to the methods and use of computers. A basic understanding of how a computer works help a person appreciate the utility of this powerful tool.

Digital Influence on E-Books

Accessing the Textbook's hard copy is a conventional method of searching for more time, but online materials will save time, cost, logistics, etc. The scholars can easily access the online document resources at any time or place if they have Internet/Wi-Fi facilities. The concept of a Digital library plays a leading dynamic disseminating role to modern researchers. In addition, the articles are the product of nascent micro thought of the world researchers of different disciplines. Articles reading is highly recommended because the recent research outputs have been addressed in the Journals. Articles are the condensed form of the research results with a limited number of pages. Still, E-books are also equally recommended for scholars because it carries full-fledged information of the whole volume of the Theses, Dissertations, Project report etc. E-Books will provide a complete picture of the whole documents that could have been exposed to the world's readers. This is my main idea. I am more interested in publishing the Thesis in an E-Book format. The main advantage of the E-Book through online can be accessed throughout the world users. E-Books are digital Documents that can be downloaded from different weblink sources. Most publishers have declared that E-Books are free to download except few documents restricted by paying a nominal amount for the users.

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library system. They are time-consuming, and searching the right book for the right information is also tedious. The benefit of the Internet and Digital devices is helping users faster, and they can access thousands of books and documents anywhere. The quality of the research and work performance has strengthened due to recent documents' digitalisation. Instead of using library services like Cataloguing and classification, the user can try the caption of many appropriate words like Meta Data to help navigate the online resources of the documents within a fraction of a second.

One of our academic faculties Dr.M.Senapathy from the Department of Rural Development and Agricultural Extension, College of Agriculture, Wolaita Sodo University, has taken dynamic steps to publish this E-book. I appreciate the earnest endeavours of Dr.M.Senapathy, who always supports our students in teaching, guiding, and motivating them morally and intellectually. I hope this E-Books publication output will impart a new E-learning opportunity to Ethiopian University students in particular and to world users in general.

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LIST OF ABBREVIATIONS

AE	**:**	Adult Equivalent
BoFED	**:**	Bureau of Finance and Economic Development
BoARD	**:**	Bureau of Agriculture and Rural Development
CSA	**:**	Central Statistical Agency
CC	**:**	Contingency Coefficient
ETB	**:**	Ethiopian Birr
FAO	**:**	Food and Agriculture Organization
FDRE	**:**	Federal Democratic Republic of Ethiopia
GDP	**:**	Gross Domestic Product
GOs	**:**	Government Organizations
ha	**:**	Hectare
IDS	**:**	Institute of Development Studies
Km	**:**	Kilometer
m.a.s.	**:**	Meter above sea level
NGOs	**:**	Non-Governmental Organizations
ODI	**:**	Overseas Development Institute
PPS	**:**	Probability to Proportional Size
SNNPR	**:**	Southern Nations Nationalities Peoples Region
SPSS	**:**	Statistical Packages for Social Sciences
TLU	**:**	Tropical Livestock Unit
UN	**:**	United Nations
USD	**:**	United States Dollar
VIF	**:**	Variance Inflation Factor
WZFEDD	**:**	Wolaita Zone Finance and Economic Development Department
WFP	**:**	World Food Programme

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WOMEN ECONOMIC EMPOWERMENT THROUGH OMO MICROFINANCE IN SOUTHERN ETHIOPIA

ABSTRACT

Women's Economic Empowerment helps to ensure gender equality and the well-being of nations. When women become economically empowered and get their source of income, they ensure the family's basic needs. This research study aimed to analyze women's economic Empowerment through microfinance in rural areas on Humbo Woreda. A multi-stage sampling technique was used to obtain a sample size of 138Women households. First, cross-sectional data were collected through a semi-structured interview schedule. Second, quantitative data were collected with the help of an Interview schedule from the sample size of 138 women households. Third, the qualitative data was collected by checklist from Focus Group Discussions and Key Informants interviews. Data were analyzed using descriptive and inferential statistics, economic empowerment index, and binary logit model. The index result showed that not-empowered women were 61.59% and empowered women were 38.4%; this indicated that women's economic empowerment status in the study area was low. The binary logit model result revealed that the major factors determining women's Empowerment through microfinance in Humbo Woreda were:1 the education level of women, 2, experience in income generation activities, 3, membership experience in microfinance, 4, distance from microfinance institutions, 5, participation in training, 6, cumulative saving, 7, cumulative loan receive, 8, women working hours and 9, women's perception towards loan risk the influenced women Empowerment through in microfinance positively and negatively at less than 1%, 5% and 10% probability level. Besides, the study also revealed that women are more disadvantaged in empowerment microfinance services. Therefore, it is recommended that existing programs and strategies be reviewed. New and appropriate policies and strategies should be designed to improve women's empowerment status in the study area. Specifically, priority programs should improve women's education by focusing on formal and vocational schools, creating opportunities for women to earn income.

Keywords: Women Economic Empowerment, Microfinance, Binary logit model

CHAPTER I

1. INTRODUCTION

1. INTRODUCTION

1.1. Background of the Study

Agriculture is the main stray of the Ethiopian economy and the people (Belaineh, 2003); on average, the sector contributed about 48% of Ethiopia's GDP between 1995 and 2001. The agricultural sector is also the primary employer, accounting for 85% of total employment in the country and an estimated 70% employment for rural women's economic Empowerment (ADB, 2004)

According to United Nations Development Programme (UNDP), six out of ten of the world's poorest people are women. UNDP also reports that some 75 per cent of the world's women cannot get bank loans because they have vulnerable or insecure jobs and a lack of collateral to offer banks security (UNDP, 2010).

Women's Economic Empowerment is a process that creates an opportunity to make and act on decisions that would allow women to obtain valuable outcomes from economic activity and utilization of resources (productive and physical). Women's economic empowerment is gaining more access to a stable income and economic power or security (Sally, 2014).

Two-thirds of microfinance clients around the world are women. Under the first rationale for investing in microfinance (Integrated Poverty Programme), the focus tends to be on women because they are often the poorest and are responsible for household welfare. In contrast, in the second, women focus because they tend to have higher repayment rates. (Ipedr, 2011)

Empowerment is about people, both women and men, taking control over their lives: setting their agendas, gaining skills, building self-confidence, solving problems and developing self-reliance. No one can empower another: only the individual can empower themselves to make choices or speak out. However, institutions, including international cooperation agencies, can support processes that can nurture the self-empowerment of individuals or groups (UNICEF, 2007).

Even microfinance institutions with methodologies that enable them to reach the poor can seldom serve clients living in villages far from secondary towns because transaction costs are too high relative to the small size of most transactions. In response to these relatives, many development agencies have sought to develop community-based financial organizations that could cost-effectively provide financial services to a client eat the “Low demand” end of the spectrum .in recent years, several models of saving-led community finance have emerged that seem to offer better prospects for long term sustainability than the credit-led revolving fund model (World Bank, 2007).

Microfinance has come to play a significant role in many gender and development strategies because of its direct relationship to poverty alleviation and women's economic Empowerment. As Cheston and Kuhn 2002 have observed, “By giving women access to working capital and training, microfinance helps to mobilize the women’s productive capacity to alleviate poverty and maximize the economic output.”Additionally, investing in women has proven to increase the positive impact of microfinance programs since women are more likely than men to spend their income on household and family needs. (Getaneh, 2010).

Microfinance institutions in Ethiopia are established after the mid-1990s with the issuance of microfinance by the Ethiopian Government. It has made remarkable progress over the past decade, reaching almost two million clients in a country of 77 million people. The microfinance growth rate in terms of the number of clients is 22.9%. About 93% of regular clients live in rural areas (Amha,2008). Ethiopia is the second-largest number of microfinance users (Alemu, 2008).

Women’s Economic Empowerment is the right of individuals, groups and society to use all the vital economic resources, the right to be employed in income-generating activities, the right to save and accumulate money and other assets equally, and to have equal employment opportunities without distinction or discrimination, to have full right to make a decision on economic issues, personal assets and shared resources, and to own properties (Bedru, 2011***).*** In this context, economic Empowerment is to be used in this study.

Women's Economic Empowerment is creating a conducive situation for women to utilize resources equally with men. Women's Economic empowerment is a global issue. According to (ECSA, 2007), women share many countries' populations. However, the economic status of women in rural areas is generally inferior to that of men. Globally, women economic Empowerment received particular attention, and world leaders became committed to avoiding all factors that promote gender-based discrimination.

Ethiopia has promised to empower women by overcoming gender-based discrimination set by the Millennium Developmental Goals. To achieve these goals, Ethiopia has launched various developmental programs at different levels, in which both men and women benefit equally. However, income-generating activities, such as employment, microcredit and microenterprise supports, and social services, were not equally reaching rural women. Hence, governments have entered commitments through ratifying various women's rights conventions and have issued national policies supporting women's access rights and control over resources in many countries. Much concern has been shown in recent years concerning the economic Empowerment of rural women. Click here (**https://www.youtube.com/watch?v=XUUseN1aFLM**).

In the Wolaita zone, microfinance institutions were established after the mid-1993 alone for over 896,271peoples; out of these people, 309,735 beneficiaries are women, and the cumulative amount of dispersed Money is 1,078,867,269, and out of this, 355,511,028 Money is dispersed to women beneficiary (WZOMFI,2017).

According to Humbo Woreda, a microfinance institution was established after mid-1995 alone over 186,918peoples; out of these people, 58,109 beneficiaries were women, and the cumulative amount of dispersed money was 16,196,428, and out of this, 5,068,209 Money was dispersed to women beneficiary (HWFED, 2017).

Humbo Woreda has many social problems flourishing as a result of population growth. Many people infiltrate another area from various parts of the district in search of jobs. Data from the Woreda Council Social Affairs Office and Kebele Administration revealed that overpopulation, unemployment, poverty, lack of income,

lack of access to basic facilities such as potable water, electric power, and a lack of resources etc., are the significant challenges most of the dwellers are confronted with. The primary economic activity in Humbo Woreda includes farming activity and trade. In rural areas, agriculture, characterized by rain-fed, irrigation and subsistence nature, is the source of livelihood. The production of cereals is the main output produced in rural areas.

1.2. Statement of the Problem

In most developing countries, men's domination of women is most robust among women. Access to credit and women's economic empowerment in income-generating activities (Small business) is assumed to strengthen women's bargaining position within the women's economic empowerment, thereby influencing a more significant number of strategic decisions. It also gives women economic empowerment tools and skills; they need to participate more effectively and successfully informal credit and save on influencing decisions and policies that informally affect their lives. (Narayan, 2002)

Different empirical shreds of evidence suggest that women's economic Empowerment, especially in rural areas, is more adversely affected by poverty than men. The incidence of poverty among rural women's economic empowerment is on the rise in most developing countries. Researchers aimed to reduce poverty view poor rural women's economic empowerment as the recipient of the benefits of development instead of active participation. Still, poor rural women have the least access to basic needs such as food, health, and education. (Prakash, 2003)

Women are also more likely than men to spend their incomes on the welfare of children and dependents. Therefore poverty reduction programmes which target women are likely to be more effective. There is also evidence of significant potential for microfinance to enable women's economic Empowerment to challenge and change gender inequalities at all levels. Many microcredit programmes have targeted one of the most vulnerable groups in society-economically empowered women with little or no assets. Many studies have concluded that these programmers have significantly

increased women's economic empowerment, security, autonomy, self-confidence, and status by providing self-employment opportunities. Click here (**https://www.youtube.com/watch?v=mfld-NdZlv8**).

Women's Economic Empowerment in the Credit market is mainly due to limited microfinance institutions, high transaction costs for clients, collateral problems, generally weak institutional base, lack of training, men-dominated ownership and a nominal non-economic activity (Mayoux, 2006).

A Measure that captures Empowerment in one context may have limited relevance in another. However, many existing empowerment measures were initially conceptualized and developed for Asia and South Asian countries. In Ethiopia, where most of the population lives in rural areas, Empowerment is likely to look different from elsewhere because of more polygamy, nuclear families, and larger ideal family size because women's status is often tied to education. Moreover, the study area's socio-cultural status is different from the Asian countries, and socio-cultural realities have important implications for facilitating or impeding women's economic Empowerment and are critical to the overall effort of microfinance initiatives. Thus, the study got it important to include other socio-cultural factors that existed in the area and see the effect of microfinance on women's economic Empowerment in the study area. Click here (**https://www.youtube.com/watch?v=34Rx6yUbnVc**).

Humbo Woreda microfinance institution is not newly established in its early stages. However, credit programs empower poor women economically by strengthening their economic role and increasing their power in women's resource decisions and societal ability. Unfortunately, studies focusing on the Empowerment of women and its impact on poverty are hard to get; this is perhaps due to the institutional development and its effect on poor rural women empowerment, a new phenomenon in Woreda (HWOMFI, 2017).

One microfinance institution is operating in the study area and the Kebeles in particular, but women's Empowerment in Omo Micro Finance are not as significant;

estimates have shown that over 74% of the potential clients are currently outside the reach of the formal financial institution in the Woreda (HWOMFI, 2017).

More importantly, local studies on the impact of microfinance on women's Empowerment that comprises direct and indirect empowerment indicators are rare, particularly in the rural Kebeles, of the Humbo Woreda, where the study was focused, studies are scanty, and there are no published works on the factors that determine rural women economic Empowerment in the area. With this background, the study was designed to identify and analyze microfinance's status on women's economic Empowerment in Humbo Woreda rural Kebeles: Bosa Wanche, Abala Paracho Shochoraogodam and Gututo larena through that make recommendations to improve the effectiveness of interventions.

Therefore, this research study was conducted to generate valuable information about women's economic Empowerment through Omo Micro Finance in Humbo Woreda. The output of the research results can be used as an effective tool for the policymakers' development partners, and researchers can use the results for further research.

No research study has been conducted on women's economic Empowerment through the Omo Microfinance of Humbo Woreda, Woliata Zone. The particular research study tried to fill the gap in women's economic empowerment through the Omo Micro-Finance service.

1.3. Objectives of the Study

1.3.1. General Objective

The study's general objective is to analyze women's economic Empowerment through microfinance and its determinants.

1.3.2. Specific Objectives

The Specific Objectives of the study are:

1. to assess the current economic empowerment status of women in the study area and

2. to identify factors that determine women's economic Empowerment through microfinance in the study area.

1.4. Research Questions

1 What is the current economic empowerment status of women in the study area?
2 What are the factors that determine women's economic Empowerment through microfinance?

1.5. Significance of the Study

It is argued that microfinance as a development strategy can give room for women's participation in socio-economic development. However, very few studies have established the link between Omo Micro Finance and women's economic empowerment. Moreover, even the earlier studies have mainly focused on Ethiopia and very few on rural communities.

Nevertheless, most of the Ethiopian population lives in rural areas; research results that do not give adequate consideration to the rural society could not be considered representative. Furthermore, this study investigates women's empowerment through microfinance services. Thus, the study would gather primary evidence, which shall also serve as input for researchers and policymakers who may further wish to consider the subject matter of this investigation in the future.

Understanding whether or not microfinance services are effective in economically empowering women has important policy implications. In this regard, the study made significant findings regarding the role of microfinance in the economic and financial empowerment of rural women.

1.6. Scope and Limitations of the Study

This research study focuses on women empowerment in Omo Micro Finance, found in Woliata Zone, SNNPR. Empowerment could reflect the women involved in productive economic activities to enhance their income and economic status. The women becoming independent in terms of economic conditions will empower them to succeed in all progressive activities. Therefore, the study is in its scope limited to the case of economic Empowerment of rural women in Humbo Woreda. The study's target population was all Omo Micro-Finance beneficiary women, including women headed in the four Kebeles of the Humbo Woreda. Based on its objective and significance, the study might encounter certain limitations. These were lack of time for sample respondents, written materials, infrastructure threats, and financial problems. However, the researcher's efforts addressed those problems as best as possible.

1.7. Organization of the Thesis

This thesis is organized into five chapters. The first chapter deals with the introduction and beclouds of the study, subdivided into the background, statement of the problem, research objectives, research questions, limitations, or scopes of the study and significance. The second chapter deals with a literature review that includes the socioeconomic Empowerment of rural women, the conceptual framework of the study, and empirical studies on the determinants of women's socioeconomic Empowerment. The third chapter briefly describes the study area and the research methodology employed in sampling, data collection and analysis. Chapter four deals with the results and discussions, and finally, chapter five presents a summary and policy recommendations based on the research findings.

CHAPTER II

2. REVIEW OF PERTINENT LITERATURE

2. REVIEW OF PERTINENT LITERATURE

2.1. Definition and Key Concept

2.1.1. Empowerment

Defining empowerment is challenging because various scholars, policymakers, NGOs, and researchers define it differently. Furthermore, its definition varies from country to country. Hence, there is no universally agreed definition of Empowerment, but they never share common elements (PIE, 2007).

Empowerment has different meanings in different socio-cultural and political contexts and does not translate easily into all languages. Therefore, exploring local terms associated with empowerment worldwide always leads to a lively discussion. These terms include self-strength, control, self-power, self-reliance, own choice, the life of dignity under one's values, the capability of fighting for one's rights, independence, own decision-making, being free, awakening, and capability, to mention only a few. These definitions are embedded in local values and belief systems. Hence, there are many possible definitions of Empowerment (Kidist, 2012).

Empowerment is the expansion of assets and capabilities of poor people to negotiate with, influence, control, and hold accountable institutions that affect their lives. Empowerment is about people -both women and men- taking control over their lives: setting their agendas, gaining skills, building self-confidence, solving problems and developing self-reliance. No one can empower another: only the individual can empower themselves to make choices or speak out. However, institutions, including international cooperation agencies, can support processes that nurture the self-empowerment of individuals or groups and its intrinsic value; it also has instrumental value. Empowerment is relevant at the individual and collective levels and can be economic, social, or political. The term can characterize relations within households or between poor people and other actors at the global level. There are significant gender differences in the causes, forms, and consequences of Empowerment or disempowerment (Kabeer, 2012).

A review of definitions of Empowerment reveals both diversity and commonality. Most definitions focus on gaining power and control over decisions and resources that determine the quality of one's life. Most also consider structural inequalities that affect entire social groups rather than focus only on individual characteristics (World Bank, 2007).

The UNICEF Women's Equality and Empowerment Framework emphasizes women's access, awareness of causes of inequality, capacity to direct one's interests, and taking control and action to overcome obstacles to reducing structural inequality (UNICEF, 2007). The United Nations Development Programmers Gender Empowerment Measure focuses on inequalities in economic and political participation, decision-making power and power over economic resources (USAID, 2012). Other writers explore Empowerment at different levels: personal, involving a sense of self-confidence and capacity; relational, implying the ability to negotiate and influence relationships and decisions; and collective (Roshani, 2010).

In its broadest sense, Empowerment is the expansion of freedom of choice and action. It means increasing one's authority and control over the resources and decisions that affect one's life. As people exercise natural choices, they gain increased control over their lives. Poor people's choices are minimal, both of their lack of assets and their powerlessness to negotiate better terms for themselves with a range of formal and informal institutions. Since powerlessness is embedded in institutional relations, an institutional definition of Empowerment is appropriate (Kebeer 2012).

2.1.2. Micro Finance

Micro Finance refers to providing mainly financial services such as micro-loans to those excluded from the formal banking system. Microfinance, by its name, is about more than just credit. Otherwise, we should always call it microcredit. Many programs offer stand-alone savings products, and remittances and insurance are becoming popular innovations in the services offered by financial institutions for the poor (Morduch, 2009).

According to the study by Brown (2005) and Ferdisa (2012), microfinance is the supply of loans, savings, money transfers, insurance, and other financial services to low-income people. Microfinance institutions (MFIs) encompass a wide range of providers that vary in legal structure, mission, and methodology to offer these financial services to clients who do not have access to mainstream banks or other formal financial service providers. It involves small-scale financial services-primarily credit and saving provided to people who farm or fish or herd; who operate small enterprises or micro-enterprises where goods are produced, recycled, repaired, or sold; who provide services; who work for wages or commissions; who gain income from intoning out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and groups at the local level of developing countries, both rural and urban (Rutherford, 2010).

As cited by Kahn 2011(Khandker 2001). Microfinance has the potential to be a road to new opportunities for a large number of people. In addition, to providing microcredit, microfinance programs may also offer organizational help, training, safety nets and Empowerment

2.1.3. Women's Empowerment

Though international development agencies have long legitimized women's Empowerment, what comprises Empowerment, and how it is measured is debated in the development literature. Still, no central development body has developed a streamlined way of measuring changes in Empowerment. Nor does Omo Micro-credit organization have a uniform way of tracking whether their programs empower women. In different studies and literature, women's empowerment is conceptualized and defined in various ways, like autonomy, agency and status, domestic power (1998), bargaining power of the patriarchy and gender equality.

Empowerment is the course of actions that take ownership and control of their lives by extending their selections. Thus, it is obtaining the capability to compose planned life options in a formerly been life out (UN, 2001). Ethiopia's society of population studies defines women's Empowerment as the process by which women gain greater control

over the circumstances of their lives. Further, ESPS stresses that women's Empowerment is a multidimensional concept that purports to measure a woman's ability to choose and control different outcomes and enhance her self-esteem. Therefore, it can examine based on different indicators as employment was commonly used to capture Empowerment and other relative concepts such as women's autonomy and status.

Kabeer (2012), whose definition is the most widely accepted, defines Empowerment as "the expansion of people's ability to make strategic life choices in a context where this ability was previously denied to them. Described Empowerment as "the enhancement of assets and capabilities of diverse individuals and groups to engage, influence and hold accountable the institution which affects them. Further, it described women's economic Empowerment as "a process whereby women become able to organize themselves, increase their self-reliance, assert their independent right to make choices, and control resources, which will help challenge and eliminate their subordination".

Click here **(https://www.youtube.com/watch?v=v0akpiI8IT4**).

Empowerment is about gaining power and liberty; it is the faculty or capacity to act, the strength and potency to accomplish a shared community and civic duty. It is vital to overcome deeply embedded practices and cultivate higher, more effective ones. Empowerment, the feeling of security, and guidance bring about true wisdom, which becomes the spark or catalyst to release and direct power. The world bank's Empowerment and poverty reduction: A sourcebook defines Empowerment as "the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives" (Kabeer (2012) stress that Empowerment is a process, which leads to words a state in which women's are empowered. That is, Empowerment involves an improvement in women's ability to manage their own lives. That is obtained through increased access to crucial resources and activities, as stressed by" gender empowerment is defined as improving the ability of women to access the constituents of development in particular health, education, earning opportunities, rights, and political participation." This understanding

of women's Empowerment gives a direct link between Empowerment and equality of opportunity. Empowering women will improve their ability to manage their lives, i.e., their access to formal sector employment, small trade, finance, control over resources etc.

This improved ability to manage their own lives entails expanding women's opportunities compared to men's. However, access to resources does not translate into Empowerment or equality unless women acquire to meet their goals. For resources to empower women, they must be able to use them for their choice. The effective use of resources requires agency, which is that decision-making for most of their lives often lacks this sense of agency that allows them to define goals and act effectively to achieve them.

According to Mayoux, L. (2006), women's Empowerment may specifically refer to economic uplift, increased well-being, and transformation of power relations, depending on someone's status viewpoint. In addition, empowerment may reflect women's economic Empowerment in social and political activities, thus empowering other women. Herman further states that some people find that women's Empowerment is in practice. However, it appears that women's Empowerment is very much alive in the south and has been long.

2.1.4. Targeting women under Microfinance.

Women are the most prominent clients of the Omo Micro-Finance institution. Hence, Omo Micro Finance aims to give women access to empowerment and alleviate poverty from the shoulder of poor women. There are several reasons why microfinance is targeting women, the following paragraphs high lights:

The main reason why Omo microfinance is targeting women is to empower them. Getaneh (2010) found that if the lively hood of women is entirely dependent on the income generated by the husband, the marriage breakdown would mean disastrous consequences for the women. Therefore, the women are more eager to accommodate their husband's interests to save the marriage from breaking down.

This weaker bargaining position of women gives an upper hand to the male counterpart in any decision-making within the clients.

By putting financial resources in women's hands, Omo microfinance institutions can help level the playing field and promote gender equality. Another explanation for the rising proportion of female borrowers is the sustainable issue.

Repayment loan is higher in the case of women than men borrowing from the Omo microfinance institutions. Various studies analyzed the relationship between repayment loans and gender. Find that in 1994. 9.7 per cent of Grameen's male borrowers were irregular and had difficulties paying before the due date, compared to only 3.7 per cent of the women. Similarly, it reported that the default rate was reduced significantly in Bangladesh when the percentage of women increased. A study from Guatemala found that female credit misused funds less often and performed better than male groups. This argument is also analyzed by (Getaneh 2010).

Another main reason why women prioritize Oomo Micro Finance is that women are more likely to spend their in came and related finance on the welfare of household, nutrition and family needs than their men counterparts. However, it found no improvement in children's health and households' nutrition when non-labour income is in the hands of women rather than men. Furthermore, his study reported that the budget share for household—Health and education in Brazil increase when the women's bargaining power is increased. So far, assistance to women has been shown to generate a multiplier effect that improves the whole family's welfare (Getaneh, 2010).

2.1.5. Omo Microfinance focus on Women's Economic Empowerment

Debates surrounding Omo Microfinance and women's Empowerment Omo Micro Finance have now received global recognition to empower women and improve as an engine to foster development by removing poor rural women's constraints. In different studies and literature, even though Omo Microfinance empowers women positively, other studies stress that Omo Microfinance credit negatively affects women's

empowerment. Omo Microfinance's outcome on women empowerment differs from a different dimension, and indicators in the different socio-cultural settings have become increasingly evident. Similarly, Mayoux (2005) gives evidence that suggests, even in financially successful Omo Micro programs, actual contribution to Empowerment is often limited;

- Most women remain confined to a narrow range of female low-income activities.
- Many women have limited control over income, and/or little income may substitute for former male household contribution, as men retain more earnings for their use.
- Women often have greater workloads combining both production and reproduction takes.
- Women's expenditure decisions may prioritize female and male children, while daughters in low bear the brunt of unpaid domestic work.
- Women actively press for change, which may increase tensions in the household and the incidence of domestic violence.

2.1.6. The role of Rural Women's Economic Empowerment

Women living in rural areas are essential in effectively mitigating and adapting to climate change and ensuring more sustainable rural development. Rural women often depend on access to natural resources for food and fuel. They are often more aware of the urgency to manage resources sustainably and preserve biological diversity. However, insufficient attention has been paid to the gender equality dimensions of climate change, natural resource degradation and the impact of natural disasters (UNDP, 2010).

Rural women play a critical role in rural economies and societies in both developing and developed countries. Across regions, rural women have proved resourceful and committed to new ways to improve their own lives and their families and communities. Nevertheless, despite this knowledge and the attention given to rural

women in international frameworks, women in rural areas continue to face severe challenges in carrying out their multiple roles within their families and communities, and their rights and priorities are often insufficiently addressed by national development strategies and gender equality policies (Thomas and Fanaye, 2012).

2.1.7. Development of Microfinance in Ethiopia

Until recently, poor rural areas of developing countries could not access formal financial institutions. Human Development (2010) study recognized that in countries where the agriculture sector dominates, unskilled women have limited opportunities outside the household and family-owned farms where they usually are unpaid workers. Besides, women constitute a large proportion of the population in the informal sector with little or no financial security and social benefits.

In his study of microfinance and poverty reduction in Ethiopia, the reason arises why the poor section of most developing countries did not access formal financial sectors. According to him, first, formal financial sectors require collateral and credit rationing. Second, they prefer high-income clients and large loans. Third, the processes and procedures of providing loans are bureaucratic and lengthy. Fourth, they are often urban-based and give lending to those engaged in trade and industry. Fifth, they usually consider the demand for a loan by the poor as unattractive and unprofitable. On the other hand, informal financial sectors were not promising either. They usually require a high-interest rate, which the poor cannot afford to pay. These situations also restrict access to the weak words informal financial sectors. Thus, the limitations of a financial institution in providing the poor with credit have become the driving forces behind the emergence of MFIS. Microfinance institutions are burgeoning to provide the poor with financial and technical assistance with these deriving forces and unusually accepted ways of delivering MFIS to eradicate poverty that the Ethiopia microfinance established after the mid-1990s.

The formal microfinance industry began in Ethiopia in 1994/1995. The Government's lie-censored and supervised microfinance institution proclamation of 40/96 was

designed to encourage microfinance institutions (MFIS) to extend credit for the country's rural and urban poor.

The proclamation gives the framework to create, expand and develop microfinance programs. Following the Agricultural Development Led Industrialization (ADLI) strategy of the EPRDF government, rural finance has been considered an agricultural and food security tool. Consistent with its ADLI policy, the Government has reconsidered the operational modality of microfinance to improve service delivery and outreach significantly. Consequently, the Government came up with a proclamation seem to be outreach and sustainable. If properly implemented, the proclamation can facilitate significant outreach and the flourishing of several sustainable microfinance institutions.

Though it is difficult to get the current status of Ethiopian microfinance institutions, when enactment of proclamation No 40 /1996, there were currently more than 30 microfinance, about 30 % of the MFIS were established by regional states and the others by non-government organizations. Therefore, there are considerable variations in their geographic distribution and shares in the total capital of the microfinance industry. For example, of the 33 MFIS in operation “(about 48%) in the Oromia region, 21.1% and 18.2 % shares in total capital of all MFIS, respectively. Moreover, about 81.3 % of the total capital of all microfinance institutions is owned by only four MFIs, i.e., Amhara (25.6%), Dedebet (24.3%), Addis (16.7%) and Oromia (14.7%) microfinance institutions with only 0.60% of the total capital is owned.

2.1.8. Other Countries MFI Experiences.

Credit programs empower women by strengthening their economic roles and increasing their ability to contribute to their families. Support and those they also empower through other mechanisms. If it is a consistent central focus on credit, Grameen Banks more substantially affects women’s contribution to family support and Empowerment.

The ruralistic, disciplined mode in which Grameen Bank, and to some extent, the Bangladesh Rural Advancement Committee (BRAC) operates, strengths the

empowerment ability to control their assets and income, as well as lifting them to establish an identity outside of the family, and giving them experience and self, confidence in the public sphere.

For example, the women's empowerment project in Nepal showed that 68% of women experienced increased decision-making in family planning, children's marriage, buying and selling property, and sending their daughters to school. In addition, world education found that the combination of education and credit put women in a stronger position to ensure equal access for female children to food, schooling and medical care.

Also, recognize the importance of group savings programs and cooperatives as a catalyst for empowering women. These programmers not only allow improved women to interact with one another: but they also create an exchange of ideas and information, increasing women's ability to earn a higher income and allowing for a more flexible work environment where they can rely on other women for support on matters such as child care.

While microfinance can empower women within the household, there is less evidence that it has effectively transformed social norms and traditions. For example, Linda Mayoux (2005) reports on her survey of fifteen different African programs and finds that the degree of Women's Empowerment is household and region-specific. Thus, she argues, it depends on strict social norms and traditions. However, her finding has to be weighed against the fact that impacts on Empowerment will depend on how well the particular programs were designed.

The study conducted "the role of microfinance in empowering rural women of Bahawalpur city" explores what determines rural women's Empowerment. She uses the empowerment index using five indicators: decision on child health, education, daily purchases, selection of spouse of children, and loan as taken by herself, jointly by her husband or her husband only.

2.1.9. Power and Empowerment View

Different views emerged to explain power and Empowerment, especially singling out the power connotation to define and explain empowerment. Some researchers adhere to “power as an out comer is seen as an aspect of conflict among actors, one actor dominates the other and robs the dominated category that reflects in away with losing relationship where the powerful takes away the powerless while the other groups contended to the consensual relation disputing “power over” perspective sees gains in social relation the powerful do not alienate the powerless to achieve their hidden outcomes.

Others contend that “power as the process of human relation” challenges both conflict and consensual argument that sees power as only negatives; instead, it either reinforces or challenges inequality. (1998) takes a step further; power best describes the social boundaries to gather a defined field of actors. (1997) summarized “power as both on outcome and process of human elaborates that power is exercised in four dynamic and inter-webbed domains.

Power to: A negative or productive power creates new possibilities and actions without domination allowing an individual to shape her. This type of power allows actors to exercise their agency for their interests.

Powers over: A hostile and controlling power wielded in a win-lose relationship may respond to compliance, resistance, or manipulation. In this category, power revolves around excluding the powerless from the powerful, creating and perpetuating inequalities.

Power with: A collective strength based on mutual support, solidarity and collaboration for members' benefit. It is a collective stimulating energy that the powerless share to broaden their arena of gains individually and collectively.

Power Within: The spiritual strength and uniqueness an individual has for her self-worth and self-knowledge stretches into self-acceptance, self-respect as well as respect for and acceptance of others as equals

2.1.10. Service and Operational modalities of Humbo Woreda MFIS

The institution provides loan products of different kinds: lending, microfinance, and small business loans. According to Humbo Woreda Sub-branch, Omo Micro Finance institution is planning to disburse 5,068,209 million to customers 309,735 (61,947groups), out of which 100% were for group-based borrowing.

2.1.11. Empirical Literature

Empirical shreds of evidence gathered in diverse contexts suggest the prevalence of both negative and positive impacts of Omo Micro-finance on Women's Economic Empowerment conditions. A study by Amine et al. in 2008 argues that targeted credit can enhance poorer women's existing economic empowerment conditions, thereby altering the relations between gender and class to benefit the weaker parties.

The authors attempted to explore the relationship between poor women's economic empowerment in Omo Micro-Finance credit programmes and their empowerment using empirical data from rural Bangladesh. This has been done by examining quantitative and qualitative data collected from a representative sample of women borrowers from Humbo Woreda, each of four Kebeles program areas, and the other sample of unempowered borrowers. The results show that the Omo microfinance institution credit members/clients are ahead of the members in all five indices of women's economic empowerment, irrespective of not empowered women members' residence in programme areas. Moreover, the not-empowered members within OMFI programme areas show a higher level of empowerment on the autonomy and authority indices than in the comparison areas.

The result further indicates that Education, Marital status, Extension contact, years of experience in membership experience in Microfinance Institutions, Participation in Training, Cumulative saving, Cumulative loan received, Livestock ownership and leadership tend to be positively associated with autonomy and authority indices. Also

positively associated is the duration of OMFI membership and non-agricultural occupations.

These findings imply that OMFI credit programmes in rural Humbo Woreda will likely bring about rapid economic improvement in women's economic empowerment and hasten their empowerment.

2.1.12. Conceptual Framework of the Study

The conceptual framework is the foundation on which the entire research was carried out. It identifies the network of relationships among the variables considered vital to studying a given problem. For example, a household participates in a microfinance program if it borrows from that source of credit (Zeller, 2000).

The main ideas that have been considered during the women's empowerment in microfinance service are un-equal access to microfinance education and training, the failure to help women to attain different microfinance activities, women's prioritizing of housework, child care more than microfinance affairs, unable to use and control of resources and benefits (2005).

The dependent variable is rural women's economic empowerment in Omo Microfinance service. The critical parameters that are usually considered affecting agent to the dependent variable for this study are; socio-demographic, economic, institutional and psychological factors. Therefore, these variables were expected to, directly and indirectly, impact women's empowerment in the Omo Microfinance service.

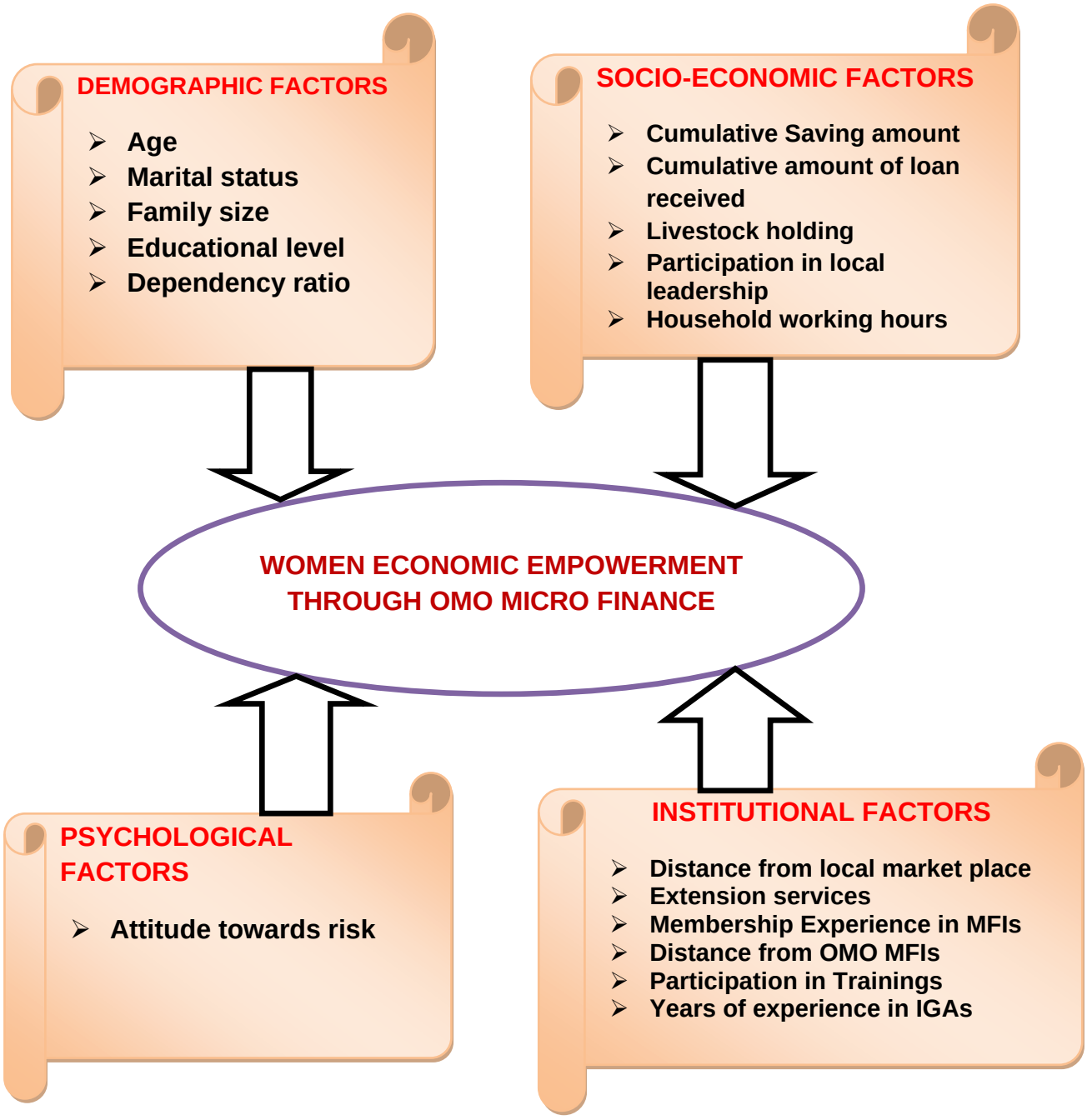

Figure 1: Conceptual Framework of the study.

Source: Developed by the Authors based on the available pieces of literature.

CHAPTER III

3. METHODOLOGY

3. METHODOLOGY

3.1. Description of Study Area

The study was conducted in Humbo Woreda, one of Ethiopia's 12 rural Woredas of Wolaita Zone, Southern Nations Nationalities and Peoples Regional State (SNNPRS). The administrative centre of the Woreda is Tebela which is located 378 km to the southwest of Addis Ababa (the capital city of the country) along the main road that passes through Shashamane to Arbaminch or the main road which passes through Hosanna to Arbaminch, reduced the distance to 348 km away from the capital city of the country. Damota Woyede bounds it in the east, Gamo Gofa zone in the West, Offa Woreda .in the north and Sodo Zuria Woreda in the south. The geographical location of Humbo Woreda is 6.50-6.81 north latitude and 37.57-38.04 east longitude.

Humbo Woreda in the study area at the recent time, the total population is 167,012. There are male and female populations in rural areas, which give 158,698 and 8,312 urban populations. In the rural area, the number of women is 79,136, and the number of males is 79,562. In the urban area, the number of women is 3,942, and the number of males is 4,372. Therefore, the total male head of Woreda is 22,130, and the total female head of the area is 5,954 and 28,084.

The Woreda covers 859 km^2 of land and has two agro-ecological climates. Woyne Dega and Kolla occupied 30% of the region and 70% of Kolla. Therefore, the economic condition of Woreda is agricultural economic activity.

The Humbo Woreda economy depends on agriculture and is followed by small trade. The main annual crops are; maize, sweet potato, taro, yam, and bean, and perennial crops are; enset, coffee, avocado, mango and others.

Financial service is given by Omo microfinance, Wisdom small/Vision Fund/credit and saving institution. However, the researcher's efforts addressed those problems as best as possible.

Humbo Woreda is located in the tropics at a high altitude and possesses a well-moderated Subtropical highland climate. Although the total area of the Woreda is 859 km^2 the agroecology of the Woreda is grouped as Midland (Woyna Dega), 30 and Highland (Kolla26.2°C a) 70 %, and suitable for diverse agricultural production.

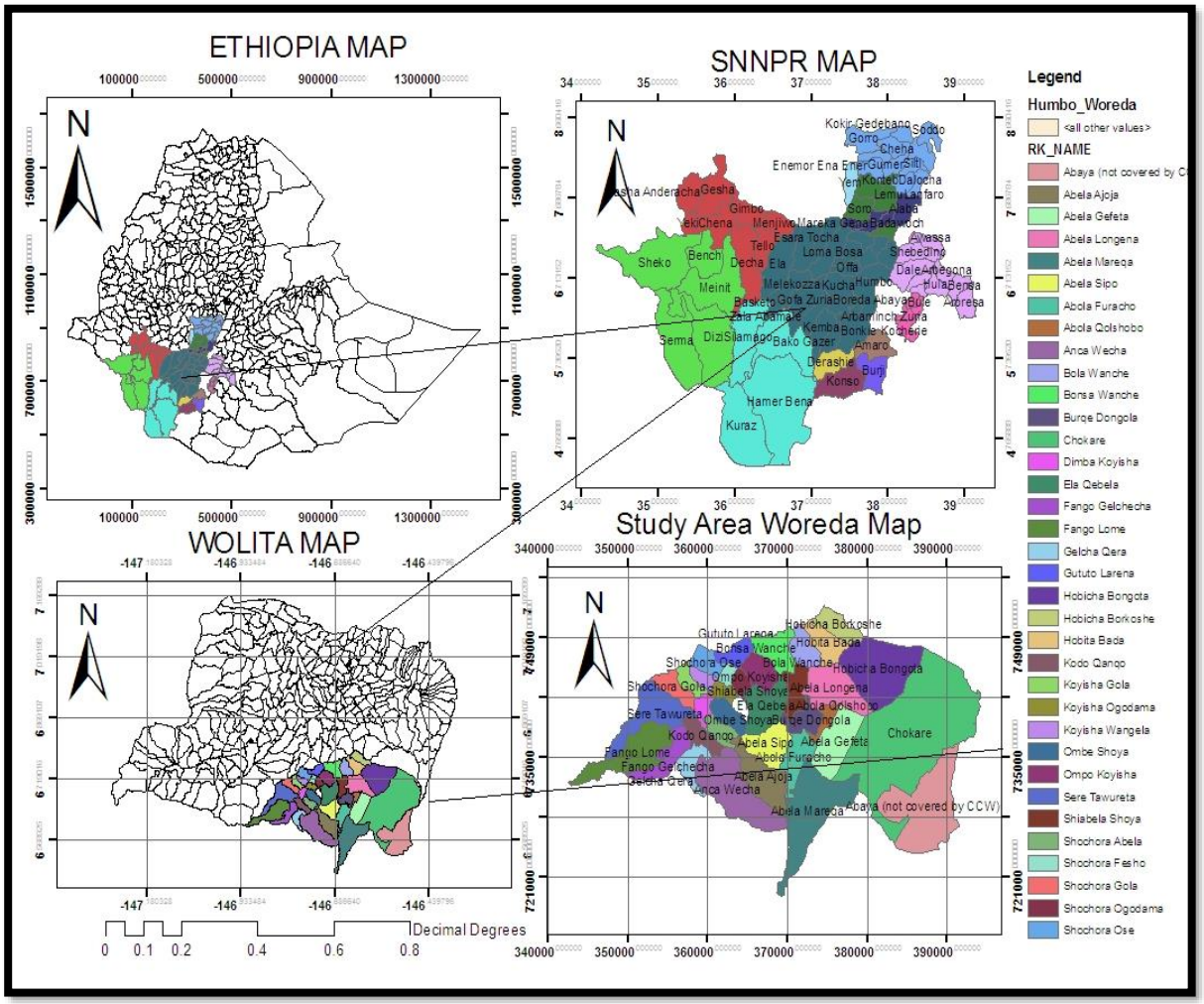

Figure 2: Map of the study area

Source: Ethiopia Map Agency, 2011

The area is moderately drained with acidic red soils. The average monthly temperature ranges between 11.9°C °C (August) and °c (January), with a mean

annual temperature of 26.2°C. F °C. The average rainfall is 1152 mm a year, with summer (Belg) rains called small rains in the mid of February- April. Winter (Meher) is the primary production season, with high and long rains from June to September.

3.1.1. Infrastructure

An adequate infrastructure is an essential vehicle for transforming a rural economy. Roads and communication networks, health and educational facilities, safe and potable water supply, availability, and access to input and output markets are necessary to improve the production and productivity of the rural poor. 60 % of people have access to primary and secondary school. Concerning health infrastructure, 39 % Health Post of the people have accessed medical services. Only about 82.4 % of the people in Woreda are provided with potable water and 659.8 km of fiesta, asphalt and concrete road access in the Woreda. When we see the road coverage, the Woreda has done well. All weathered and dry, weathered roads are available for ease of connection with its neighbouring towns, which is fundamental for transportation access. The economy of the Woreda is mainly based on mixed farming and none farm activity.

Some prominent marketing places in the Woreda are Tebela, Hobech, Abaya, Kolshobo and Galcha. The Humbo market is more extensive in its transaction volume than the others. In addition to the above marketing places, other local evening markets called Kochi to attract large numbers of local petty traders, buying and selling a wide range of items, including grain, salt, prepared foods, butter, and coffee. Pack animals are the primary means of transportation, and a larger share of farm produce is transported using them. Also, it was essential to the economic development of women empowerment in the study area.

3.1.2. Sampling Design

This study used both probability and non-probability sampling techniques. It is based on the data of the women population they belong to Humbo Woreda, Ethiopia. Of 12 rural Woredas of the Wolaita zone, the Humbo Woreda was selected purposively because the researcher resides in the Woreda. Only one Microfinance institution

working in Humbo Woreda, Omo Micro-Finance Tebela, was purposively selected because the June 30, 2017 branch report shows that of total women borrowers, 74% exist in rural areas. The total number of women clients of the WMFI branch is 33; out of this, 1225 were rural borrowers. The Woreda has 44 rural Kebeles, Omo Microfinance operates within 33Kebeles, and four Kebeles were selected using a purposively sampling technique. The sampled responses were selected using the Yamane mathematical formula, and the total number of the sample was 138. Population Proportional determined the number of samples in each Kebele to Size (PPS). The researcher used an interview schedule of 138 respondents to get quantitative information.

3.2. Sampling Procedure

This study used a multi-stage sampling technique to generate the required primary data. In the First stage, Humbo Woreda was selected purposively. Then four Kebeles, such as Gututo larena, Shochora Ogodam, Abela Farach and Bosa Wanch Kebeles, were randomly selected from all the Kebeles of Humbo Woreda using a simple random sampling technique. First, the Kebeles sample size was determined using the simplified formula Yemane T. (1967) provided. A Probability Proportionate to Sample size (PPS) was employed from each kebele. Secondly, 49, 45, 22, and 22 women from Gututo Larena, Shochora Ogodama, Bosa Wanche and Abela Faracho were selected using a systematic random sampling technique.

Pictorial form of the Sample Procedure

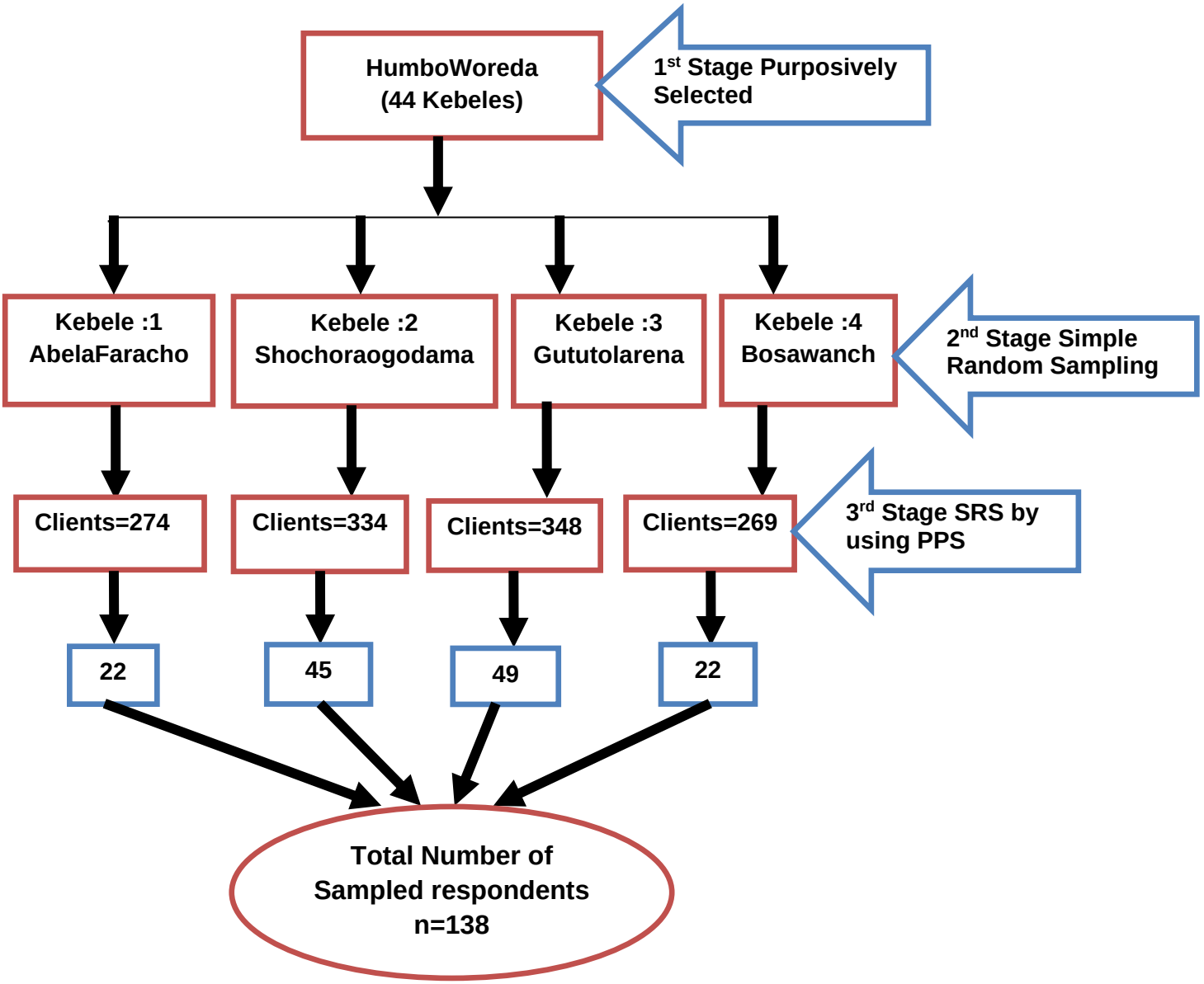

Figure: 3 Sampling Procedure

3.2.1. Sample Size Determination

The sample size for collecting quantitative data for this research is determined using the Yamane (1967) formula, which is more conducive and matches the situation due to time and financial constraints.

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

Where:

n = the total sample size taken from four Kebeles

N= total number of OMF client women = 1225

e= precision level (in this research it is 8% (0.8).

A confidence level of 92% used.

The target population from four Kebeles is 1225.

Using Yemane formula shown above it is

$n=1225/1+1225(0.08)^2 = 1225/1+1225(0.0064) = 1225/8.84 =138$

n = 138

3.2.2. Data Types and Source

This study used both qualitative and quantitative methods of research. Therefore, the data sources for this study were both primary and secondary. Primary sources were the sample respondents of Omo Micro-Finance Clients of women in the study area. In addition, Omo microfinance office experts, women association of Omo Micro-Finance clients or group members, Kebele Administrations, and Omo Micro-Finance agents were employed for triangulation.

Primary sources are the sample respondents of women in the study area. A semi-structured interview schedule collected primary data from sample households from the study area's socio-economic, demographic, and institutional characteristics. The qualitative data was collected from the Women's Affairs Office experts, Women Federations, Health Extension Workers, teachers of adult education, and Kebele leaders by Checklist. The interview schedule was pre-tested among ten non-sampled

respondents of matching characteristics to check its clarity and understandability under local circumstances. Depending on the pre-test results, the questionnaire was modified and revised in light of the suggestions received. For the case of qualitative data, focus groups discussion, Key Informants Interview, in-depth interview, and transect walk for non-sampled respondents was conducted. Secondary data were gathered from various relevant sources: pamphlets, office manuals, circulars and policy papers, and other relevant sources. In addition, various books, published and/or unpublished government documents, websites, reports, and newsletters were reviewed.

3.3. Method of Data Collection

3.3.1. Data Collection tools

Semi-structured interview schedules were used to collect data from selected samples and Focus Group Discussions, in-depth interview, personal interview, and transect walk for 20 non-sampled respondents. A trained enumerator collected the data with a prior orientation about the area and who can speak Wolaitingna (Colloquial) language. These specific tools include:

A. Interview Schedule

It is all about the quantitative data collected from the respondents directly. The primary data was collected from the Omo Micro-Finance servant client women in the study area. The researcher has appointed well-trained enumerators who were involved in the data collection. The interview schedules are prepared in Local Languages to maintain the validity and reliability of the research result.

B. Direct Observation

The prepared checklist should be used as qualitative data from the non-sample respondent. To understand what is currently happening regarding the problem under investigation in the study area, the researcher observed the Omo microfinance client

women meeting personal and saving financial book records and general information from the organization and supporting these clients or women groups.

C. Focus Group Discussion

To investigate the qualitative information and subjective understanding of a research participant for this study, the researcher employed focus Group discussion; researchers collected the information from a non-sample member of older women, Kebele officials, OMF facilitators or agents, and Key Informants from the community for this study. The Focus Group Discussion consists of 20 members with distinct characteristics. The discussion intended to elicit different facts about Omo Micro-Finance service development in the study area.

3.3.2. The Techniques of Data Analysis

The method of data processing and analysis is one of the essential steps in the process. In this study, the researchers employed qualitative and Quantitative research methods and (triangulation) for data analysis. To summarize the collected data, the researcher used descriptive statistical tools such as percentages, tables, figures, mean, standard deviation, t-test and chi-square to analyze the association data. Quantitative data obtained through interview schedules and group records were integrated with the qualitative data obtained with the help of checklists for in-depth interviews and Focus Group Discussions. However, qualitative analysis was also applied to detailed qualitative data and document reviews to analyse data obtained through open-ended interview questions. Hence, the researcher employed qualitative and quantitative data analysis methods to achieve the study objective.

3.3.3. Specification of the Logit Model

The factors determining Women's Economic Empowerment were identified; the logistic regression model was employed to show those factors' functional form and relationship with women’s empowerment. The relationship between microfinance and

women’s empowerment is predicted based on the assumption that if rural women get access to loans from Omo Microfinance, their empowerment level is also increased economically, socially and personally. The logit model was applied to determine women’s economic empowerment since the empowerment indicators, i.e., the dependent variable (women empowerment), are dichotomous.

However, the parameters of the model do not have a marginal effect in the case of linear regression models. On the other hand, in discrete choice models like the logit model, most of the explanatory variables are continuous, calculating the marginal effects of the variables separately.

The calculated marginal effects must not be interpreted as a slight change of Xi since it is the effect of change in a dummy variable change of state. In studies involving qualitative factors, a choice has to be made between logit and probit models. The statistical similarities between the two models make a choice between them difficult. However, many authors agree on the logistic model since the cumulative normal functions are very close to the mid-range. Still, the logistic function has slightly heavier tails than the cumulative normal functions.

This study focuses on the economic empowerment of rural women. Several studies interlinked the area or issue with demographic, socioeconomic, psychological and institutional factors. Thus, the appropriate model consisting of all data dimensions was applied to develop relevant conclusions or outcomes. For deciding the model specification from the three model types such as liner, logit and prohibit, this study's dependent variable is women's empowerment through microfinance designed as dichotomous, and independent variables must be considered.

In general, this research study focuses on the economic empowerment of rural women. Several research studies interlinked the area or issue with Demographic, Economic, Psychological, Information and Institutional factors. Thus, there was a need to have an appropriate model consisting of all dimensions of data required to develop a relevant conclusion or outcome for deciding the model specification from

the three types of the model: linear, logit, and probit. These dependent variable of the economic empowerment of women are dichotomous. Pinyack and Runbinfield (1981), cited in Teshome, 2010 logit and probit model is the most frequently used when the dependent variable is dichotomous (Gujarati,1988). The same person indicated that the functional form of the logit model used in this study is presented as follows

$$P_i = E\left(\frac{Y_i}{x_i}\right) = \frac{1}{1+e^{-z_i}} \quad \text{.....(1)}$$

Where P_i is the probability that women are empowered; Z_i is a functional form and an explanatory variable (x_i) which is expressed as

$$Z_i = \beta_0 + \beta_{i1}X_1 + \beta_2X_2 + \text{.....} + \beta_nX_n \text{ ....} \quad \text{.....(2)}$$

Where β_0 is the intercept and β_i is the model's slope parameters. The slope tells how the log odds in favour of women's empowerment change as independent variables changes. For example, suppose Pi is the probability of rural women's economic empowerment influenced by an explanatory variable. In that case, 1 – Pi indicates the probability of women's economic empowerment did not change when the independent variable changed, which can give us:

$$P_i = E\left(\frac{Y_i}{x_i}\right) = 1/(1+e)^{-(\beta 0+\beta 1X1+\cdots+\beta nXn)} \quad \text{..... (3)}$$

Therefore, taking the ratio of the probability of participating to non-participation can be written as:

Dividing equation (1) by equation (4) and simplifying it gives

$$\frac{Pi}{1-Pi} = \frac{1+e^{Z}}{1+e^{-Z}} = e^{Z} \quad \text{.....(5)}$$

Equation (5) is the odds ratio favouring empowering women in non-empowering economic activities.

$$\frac{p}{1-Pi} \quad \text{..... (6)}$$

The probability that women are empowered in economic activities to the Probability that they are not empowered in economic activities. Finlay taking the natural log of equation 5, we get:

$$Li = \frac{Pi}{1-Pi} = Z_i = \beta o + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_n X_n + \text{U}_{i.} \qquad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots(7)$$

Li is the log of the odds ratio, which is linear in X and the parameters. Thus, if the stochastic disturbance term (U_i) is introduced, the logit model becomes:

$$Zi = \beta_1 + \beta_1 X_1 + \beta_2 X_2 + \ldots + \beta_n X_n + \bigcup i. \qquad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots(8)$$

This study used the above econometric model to analyze the data. The model was estimated using the iterative maximum likelihood estimation procedure. This estimation procedure yields unbiased, efficient and consistent parameter estimates.

3.3.4. Detecting Multi-co-linearity

Before fitting the model**,** it would be necessary to check whether there is multi-co-linearity among the candidate variables or verify the degree of association among discrete variables. The reason is that the existence of multi-co-linearity will affect the parameter estimates. If multi-co-linearity turns out to be significant, the two variables' simultaneous presence reinforces the personal effect of the variables. However, omitting significantly interacting terms incorrectly will lead to a specification bias. To this end, the coefficients of the interaction of the variables indicate whether or not one of the two associated variables should be eliminated from the analysis.

According to Gujarati (1995), there are various indicators of multi-co-linearity, and no single diagnosis will give us a complete handle on the co-linearity problem. Of various indicators of multi-co-linearity, the Variance Inflation Factor (VIF) is used in this study to check whether there is multi-co-linearity or not among the continuous explanatory variables. Each continuous explanatory variable is regressed on all the other continuous explanatory variables, and coefficients of determination for each auxiliary or subsidiary regression were computed. Moreover, Gujarati (1995) stated that a high R^2

obtained could only be a surface indicator of multi-co-linearity. Therefore, a measure of multi-co-linearity associated with the variance inflation factors is defined as:

$$VIF(X_j) = \frac{1}{1 - R_j^2}$$

R_j^2 is the coefficient of determination when the variable X_j is regressed on the other explanatory variables. The larger the value of VIF, the more troublesome the variable (Xi) collinear. A VIF value greater than 10 signals a strong multi-co-linearity (Gujarati, 1995).

Likewise, there may also be an interaction between two qualitative variables, leading to multi-co-linearity or association. To detect this problem, contingency coefficients will be computed from the survey data**.** Contingency coefficient analyses were carried out to check the strength of the association. The value ranges between zero and one, with zero indicating no association between the explanatory variables and values close to one indicating a high degree of association between the variables. A value of 0.75 or more indicates a stronger relationship. The contingency coefficients are computed as follows:

$$C = \sqrt{\frac{\chi^2}{N + \chi^2}}$$

Where CC = Contingency Coefficient, χ^2 = Chi-square test, n= total sample number

3.4. Definition of Variables

Dependent Variable:

The dependent variable is women's economic empowerment, measured by Empowerment Index calculated from five important economic empowerment indicators through microfinance.

For this study, the definition of women's economic empowerment is operational as the expansion of economic activities and assets or women's economic empowerment

influence, control and hold poverty that affects their lives. Empowerment, the Dependent Variable, is measured using the Empowerment Index adapted from Derege (2008).

The sample respondents were classified into two equal empowerment categories, empowered and not empowered, based on the index score. In other words, women's empowerment through microfinance is a dichotomous dependent variable in the model, taking a value of 1 if women are empowered and 0 otherwise. The empowerment index was differentiated by the empowerment index designed to stratify the sample women into two categories of 1 for the empowered women, which is greater than or equal to 0.5 or 0 for the woman not empowered, less than 0.5.

The dependent variables of the model, the dichotomous dependent variables for the determinants of rural women following the dependent variable of the study, employed five domains for women empowerment index analysis, Ownership of personal assets, Ownership of own income-generating activity, Social Participation, Decision making, control over the household resource. Hence, a composite index was calculated based on combining these five items describing women's empowerment at the household and community level.

Each domain received equal weighing (we gave each item a value of 1 if the respondent checked “Yes” and 0 otherwise). To calculate the score, we found two methods in the disclosure studies: the simple method and the weighting method.

The former implies summing the points obtained by each item, while the second consists of dividing the obtained scores by the total number of the items forming the composite index. Some research further suggests that women’s economic empowerment level is more accurately represented when considering multiple economic empowerment indicators and their corresponding determinants. The following composite index calculated the score of these dimensions:

Empowerment Index (G) = $\sum_{j}^{5} \frac{Gii}{N}$ Where,

Empowerment index (Gij) means the empowerment is calculated for each household i with j activities. G_i is a dummy variable that takes the value 1 if checked by the

respondent household and 0 otherwise. Finally, n means the total number of items used to measure the economic empowerment of the respondent household. Therefore, the Logit model's dependent variable is dichotomous in nature, representing the observed economic empowerment decision in women's economic empowerment.

Depending on the index result of each respondent, the respondents were categorized into two groups: empowered and not-empowered. The respondents who scored 0.5 and above were grouped as empowered, while the others who scored below 0.5 were not empowered. The variable representing economic empowerment of women in empowerment that is a dummy variable takes a value economic empowerment is specified as;

Y=0, if the rural women not empowered

Y=1, if the rural women empowered

3.5. Hypothesis of the Study

Independent/Explanatory Variables

Age of the women (AGE): Age can generate or erode confidence. With age, women can become more or less risk-averse to investing. However, age has negative results on the direction of Influence. Some statistical data indicates that young women are more likely to engage in income-generating activities, which helps them better accumulate human, financial, physical, and social assets than the elderly. Therefore, the sample respondent's older age is hypothesised to impact women's empowerment (Jennifer, 2007) negatively.

Education Level (EDU): Education is a significant factor in women's socio-economic empowerment. Women generally are less educated than men. Educated women have a better chance to be empowered. As the formal education level increases among the household members, the probability of a woman being empowered increases. Therefore, it is hypothesized that this variable positively affects women's empowerment.

Marital Status (MSTATUS): It is in a marriage where adulthood is recognized, and the power to take responsibility for one's life is acknowledged. Marriage is the primary means of accessing land and other household resources under the customary system of tenures in sub-Saharan Africa. Thus security of marriage becomes a primary requirement for the security of tenure (Bedru, 2011). Hence, marriage was hypothesized to affect women's economic empowerment positively.

Family size (FASIZE) refers to the total number of people in the household. As the number of children increases in the house, it causes a decrease in women's socio-economic empowerment activity. It indicates that large family size further aggravates this issue. Because the larger household size needs ample time, labour, and patience to complete all household work performed by women. So household size and women's economic empowerment were negatively related.

Dependency Ration: (DEPRTIO) refers to the total of the family under 15 and above 65 years (unproductive) between 15 and below 65 years (productive people). More dependents in households may add to the working burden on women and reduce time investing in income-generating activities, public meeting participation, education, exposure to different information, experience sharing, and occupied household duties. Therefore, it is hypothesized to affect women's economic empowerment negatively.

Extension Contact (EXTN): Extension contact refers to the contact between respondent households and microfinance extension personnel within the survey year measured by the frequency of contacts. The level of adoption of new technologies may be affected by the frequency of extension services; if there is smooth, frequent, effective, and efficient extension service delivery, new and appropriate technology utilisation increases and thrives. Access to extension services and the frequency of contact determine the rate of behavioural change in farmers' attitudes. The more frequent contact opens room for more up-to-date extension services to be transferred to women. The interaction provides more information for the household and facilitates women's informed decisions on their livelihoods. As a result, women who have more

contact with development agents are assumed to be more informed and empowered than those with less contact. Thus, frequency of contact with development agents is hypothesized to influence women's empowerment positively.

Years of experience in Income generation (YEXPIGA): income-generating activity incomplete wide range of areas, such as small business promotion, cooperatives, job creation schemes, sewing circles and credit and saving groups. Women in the study area have different income generation activities such as petty trade, small ruminant fattening, poultry, etc. The more the woman's experience in running income generates activities, the better her ownership of assets and contribution to house expenditures. It is measured in terms of the year. A similar study has a significant and positive relationship between years of experience in income generation and women's economic empowerment. Hence, it is hypothesized to influence women's economic empowerment positively.

Membership Experience in MFIs (EXP): it is a continuous variable measured in the number of years of membership of the woman in the association by interview. Rural credit and saving institutions are found to have an empowering effect on women empowerment. Therefore, it is hypothesized that the level of empowerment increases with years of membership in the village saving and loan association. Thus, the study expects respondents' membership duration and women's economic empowerment to have a positive relationship.

Distance to Microfinance (MICRODIST): The proximity to the nearest microfinance institution is measured numerically in kilometres. It reflects the distance from which the respondents live to the site where microfinance institutions exist. For example, suppose microfinance institutions are too far away from the resident of the women. In that case, the women's participation in microfinance institutions' services is reduced since they have much work at home. Therefore, the farthest distance of microfinance institutions was hypothesized to affect the dependent variable negatively.

Distance to Market Place (MARKDIST): Distance from the market centre refers to the distance of the household's residence from the nearest marketplace in Kilometers

(Km). Production and consumption can be linked either directly or through the market. Thus, marketing is essential to every livelihood system of any community or country. Improved access to the market centre may create better opportunities to earn more income due to opening access to diversified livelihood activities through employee engagement in off/non-farm employment. Households nearer to the market centre can earn more income from agriculture and off/non-farm activities than those who settled far away from the market centre. Improved market access is expected to stimulate household engagement in cash crops, petty trading, handcraft works, and other off/non-farm livelihood options. Therefore, this variable was expected to influence women's economic empowerment negatively.

Participation in Training (TRAIN): Participation in training is a dummy variable. Women have limited access to training in developing countries like Ethiopia. However, if a woman participates in different training, she can acquire diversified knowledge, improving her life, family members' life, and community. Therefore, training participation is expected to impact women's economic empowerment through microfinance positively.

Cumulative Saving (SAVE): Saving in microfinance means depositing cash in the account for wise and sustainable use. It constitutes an integral part of the demand of the poor. Evidence in many cases indicates that most poor people want to save most of the time, while they do not want to borrow at all. Saving helps to build a financial asset and motivates investment. Also, the saving amount indicates the profitability of the business venture. Households with more diversified businesses have better opportunities to save more and absorb shock and uncertainty. Therefore, it is hypothesized to influence women's economic empowerment through microfinance positively.

Cumulative Loan Received (LOAN): The total amount of loan received in Birr by the respondent from different lending institutions in one year by the time of the interview. A sizeable cumulative amount of loan received shows the capacity and self-confidence of the borrower to expand business for better income. Hence, the

cumulative amount of loan access for women is hypothesized to influence women's empowerment positively.

Livestock ownership (LIVESTCK): Livestock is vital for women's livelihoods and asset portfolios. Past livestock interventions appeared not to benefit women-led to considerable research on gender and livestock systems in the 1980s and 1990s. As a result, subsequent livestock development projects became better targeted, focusing on species (poultry, small ruminants, dairy cows) and using approaches (participatory, group-based) that make them, at least in theory, more appropriate for and accessible to women (ILRI, 2010). Livestock is important for livelihoods and has significant potential for poverty alleviation, so livestock ownership and women's economic empowerment were positively co-related.

Women's workload (LOAD): women spend far more time than men on domestic chores and child-care activities at the household and community level. These activities are time-consuming; because of that, women's empowerment in economic activities is minimal. Therefore, Women's workload and economic empowerment of rural women are negatively co-related.

Leadership (LEADER): Leadership can be defined organizationally and narrowly as the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members. Organizationally, leadership directly impacts the effectiveness of costs, revenue generation, service, satisfaction, earnings, market value, share price, social capital, motivation, engagement, and sustainability. Leadership is even used as a universal means for any social problem. However, leadership exists only in relationships and the perception of the employees involved (Endale, 2014). So the leadership of women and women empowerment is positively co-related.

Attitude towards Risk (RISK): An individual desires to perform any task with some degree of excellence. Individuals with a higher achievement motivation have a stronger hope of success than fear of failure. Therefore, it is expected to affect women's empowerment positively.

Table 1: Summary of hypothesized Explanatory Variables

Variables	Definition	Type	Value	Sign
AGE	Age of the respondent women	Continuous	Number of Years	-ve
EDU	Education level of the respondent women	Continuous	Number of grades	+ve
MSTATUS	Marital status of the respondent women	Categorical		+ve
HHSIZE	Household size in AE	Continuous	Adult Equivalent	-ve
DRATIO	Dependency ratio	Continuous	Ratio	-ve
ETN	Frequency of Extension service of microfinance	Continuous	Number of contacts	+ve
IGA	Experience in Income Generating Activities	Continuous	Number of Years	+ve
MEMBEXP	Membership experience in Microfinance Institutions	Continuous	Number of Years	+ve
MKTDIST	Distance from nearest local market centre	Continuous	Kilometres	-ve
MFIDIST	Distance from microfinance institutions	Continuous	Kilometres	-ve
TRAIN	Participation in Training	Dummy		+ve
SAVE	Cumulative Saving Amount	Continuous	Amount in Birr	+ve
LOAN	Cumulative loan Received	Continuous	Amount in Birr	+ve
LIVSTCK	Livestock holding in TLU	Continuous	TLU	+ve
LEADR	Participation in local leadership	Dummy		+ve
LOAD	Women working hours	Continuous	Hours/day	-ve
ATUDTW	Attitude towards risk	Categorical		-ve

Source: Own Computation, 2017

CHAPTER IV

4. DATA ANALYSIS AND RESULTS

4.DATA ANALYSIS AND RESULTS

In this chapter, the study results are presented and discussed in detail to address the two objectives of the research. First, it analyzes the current status of women's socioeconomic empowerment using the empowerment index in the study area and factors that affect rural women's economic empowerment using the Binary logit model for demographic, socioeconomic, institutional and psychological characteristics of sample respondents.

The result is presented by using descriptive statistics like mean, percentage, and standard deviation; as well as value, the Correlation Coefficient employed to measure the relationships between dependent and independent variables; inferential statistics like Chi-square were used to measure association and t-test were used to evaluate the difference between x and y.

Table 2: The result of five domains of Women's Economic Empowerment

S. No.	Indicators	Summary of Score Value
1	Ownership of Asset	7
2.	Ownership of IGA	7
3.	Decision Making	3
4	Control over resource	2
5.	Social Participation	1

4.1. Economic Empowerment Status of the Women

The result showed that majorities were not empowered and few became empowered. When we came to the idea concluded by sample respondents that 38.4% and 61.9 %

are empowered and not empowered, respectively, both qualitative and quantitative analyses agreed on the status of women's economic empowerment.

Table 3: Empowerment Status of Women

Women Empowered			Women not Empowered			Total		
No.	**Mean**	**Std.**	**No.**	**Mean**	**Std.**	**No.**	**Mean**	**Std.**
53	0.3262	0.09525	85	0.6066	0.09866	138	0.4339	0.16776

Source: Survey 2017

The result showed that mean of empowered women was0.6066 with a standard deviation of 0.09525, whereas not empowered women were 0.3262 with a standard deviation of 0.09866. The study results revealed that most women in the study area were not empowered.

4.2. Descriptive result on Women's Economic Empowerment through Microfinance

4.2.1. Demographic Factors

4.2.1.1. Age of the Women in Years:

In this particular study, the data collected on the age of respondents showed that the mean age of empowered women was 30.04 years with a mean of 3.514, whereas the standard division age of not empowered women was 32.01 years, 5.483 standard deviation. This indicates significant age variation between empowered women and not empowered. The possible reason for this variation may be that the age of rural women is one factor that affects economic empowerment. That means the age of any human being might directly relate to self-confidence so that it can generate or erode confidence. Age also influences the potential of women to take a risk and invest. The mean comparison test has depicted that men's difference among respondents' age concerning their empowerment status is statistically significant at less than a 1% probability level (Table 4).

Table 4: Age of the respondent Women

Indicator Variable	Empowered		Not Empowered		Taste statistics	
	Mean	Std.	Mean	Std.	t-test	p-value
Age of the women	30.04	3.514	32.01	5.483	24.874	.0000

****** Significant at 1% level***

Source: Own survey (2017)

4.2.1.2. Education level of Women:

As indicated in Table 4out of the total of 138 respondents, 24.6% are illiterate, 23.2% have completed first-cycle academic education (1-4), 21.7% have completed second-cycle (5-8) education, 27.7% have completed first-cycle secondary education (9-12). In other words, about 43.4% of illiterate rural women are not economically empowered, whereas, in contrast, 37.6% of women whose education level is 9-12 Grade are economically empowered. Education is one of the most critical variables which increases women's ability to acquire, process and use agricultural-related productive & income-generating activities. General education is a necessary condition for economic growth and sustainable development. The education level of rural women is assumed to increase their ability to use women empowerment through microfinance better. Education and training are essential components of any strategy to improve production and productivity. The chi-square value also indicated a statistically significant association between education and women empowerment through microfinance at less than a 1% probability level (Table 5).

Table 5: Educational status of sample women respondents

Education level of rural women	Empowered		Not empowered		Total	
	N	%	N	%	N	%
Cannot read & write	11	12.9	23	43.4	34	24.6
Grades 1-4	18	21.2	14	26.4	32	23.2
Grades 5-8	21	24.7	9	17.0	30	21.7

Grades 9-12	32	37.6	6	11.3	38	27.5
Diploma and above	3	3.5	1	1.9	4	2.9
Total	**85**	**61.6**	**53**	**38.4**	**138**	**100**
χ^2 =18.879**		P =0.00 ***				

****** Significant at 1% level***

Source: Own survey, (2017)

4.2.1.3. Marital Status of respondent

Of the 138 women respondents, about 94.34 % of married women were empowered, while only 3.7% of unmarried women were empowered. Marriage has been the primary means of getting access to land ownership under the customary tenure system in Sub-Saharan Africa. Unmarried women have little access to land because they cannot inherit property in most matrilineal societies, while wives have better access to their husbands' land through marriage. Thus security of marriage becomes a primary requirement for the security of tenure. In marriage, society recognizes the social acceptance of women's status in the communities and this condition also creates confidence in married women involved in any social aspects (Bedru, 2011). Married women have a better chance of getting access to loans because of the security and loan guarantee. In this case, most married women are relatively more empowered than the rest due to better access to economic and social resources through marriage. The chi-square test reveals that women's economic empowerment depends on women's marital status, and the association is not statistically significant (Table 6).

Table 6: Marital status of the respondent

Marital Status	**Empowered**		**Not Empowered**		**Total**	
	N	**%**	**N**	**%**	**N**	**%**
Married	50	94.34	65	76.47	115	83.33
Unmarried	2	3.77	6	7.06	8	5.80
Widowed	0	0.00	6	7.06	6	4.35
Divorce	1	1.89	8	9.41	9	6.52
Total	**53**	**38.4**	**85**	**61.6**	**138**	**100**
χ2 =1.089	P =0.478					

Source: own survey, (2017)

4.2.1.4. Family Size in AE:

The larger family size indicates a heavy burden on a woman's responsibility to care for the rest of her family. Women with larger household sizes are expected to have lower economic participation. In this particular survey, the mean family size of the empowered households was 4.21 with a standard deviation of 1.29 and those who were not empowered women were4.38 with a standard deviation of 1.66. This figure indicates that women with more family sizes were not empowered, while respondents with fewer family sizes were better empowered. The mean comparison showed that the variable is not statistically significant to differentiate among the empowerment of the respondent women in the study area (Table 7)

Table 7: Family Size of the respondent women

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value
Household Size	4.21	1.29	4.38	1.851	4.31	1.656	0.352	1.312

Source: Own survey (2017)

4.2.1.5. Dependency Ratio

The dependency ratio of household members refers to the ratio of members whose age is less than 15 years and above 64 years to the number of persons in the age group 15 - 64 years (active labour force). In this study, the mean dependency ratio of rural women empowered and not empowered is 1.26 and 1.13, with a standard deviation of 0.127 and 0.963. This indicates that households with a relatively more significant number of dependent members were not empowered as those with fewer dependent families. In this regard, in rural households with many dependent members, women are left to take care of those dependent members rather than participate in microfinance services. The overall mean dependency ratio of sample households was 1.01, with a standard deviation of 0.387. Mean comparison has

depicted no statistically significant difference among the sample households concerning the status of empowerment through Microfinance.

Table 8: Dependency ratio of the respondent women

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value
Dependency Ratio	1.26	0.127	1.13	0.963	1.01	0.387	0.879	1.024

Source: Own survey (2017)

4.2.2. Economic Factors

4.2.2.1. Livestock ownership in TLU

In this survey, the mean livestock holding of empowered women was 7.34 TLU with a standard deviation of 1.95. That of not empowered women was 4.74 TLU with a standard deviation of 1.65. The minimum and maximum livestock holding of respondents was 0 and 12.34, respectively. This figure also indicates that household with better livestock holding was better empowered than those with less livestock holding. As livestock holding increases, the probability of women taking part in livestock ownership also increases. Thus, women's ownership of assets, including livestock, and the extent to which they decide on using assets, their products and the income derived from these assets increases. In addition, women's ownership of livestock increases the probability that women will decide on allocating livestock, livestock products, or income derived from these for household consumption, increasing the likelihood that households will consume these products. Increasing women's control over assets and providing cash income from the sale of livestock and livestock products for purchasing food, especially during food shortages and contributing to increased grain yields resulting from improved women's economic empowerment. The mean comparison revealed a statistically significant difference

among empowered and non-empowered sample households regarding their livestock holding at a 10% probability level.

Table 9: Total livestock holding of respondent households in TLU

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value
TLU	7.348	1.9528	4.7498	1.658	6.04139	1.790384	6.233	0.05970

Source: Own survey (2017)

4.2.2.2. Cumulative Saving

Cumulative Saving indicates the number of accumulated capital assets, and the frequency and amount of saving indicate the households' income level. Saving helps rural poor people create assets and absorb shocks and seasonality. In this sample survey, the mean saving of sample households' was 5732.26 ETB with a standard deviation of 2440.569 and 1702.94 ETB with a standard deviation of 1194.284 for empowered and not empowered, respectively. Based on this evidence, households with better cumulative savings were better empowered than those with relatively more minor savings. The possible justification may be that in microfinance institutions, the amount of loan delivered is based on individual savings. In this case, households with a comparatively large amount of cumulative savings may have a better chance and power to get enough money to generate a household's sufficient income in this condition, increasing women's capacity to be empowered. Also, households with comparatively high capital accumulation may have the potential to diversify into some attractive types of income-generating businesses and increase asset accumulation. The saved amount of money indicates either the level of participation or the individual's amount of shareholding. This mean comparison revealed that the difference among sample households regarding empowerment

through microfinance is statistically significant at a less than 1% probability level (Table 9).

Table 10: Cumulative saving of respondent households

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value
Cumulative Saving	5732.26	2440.569	1702.94	1194.284	3250.43	2646.506	28.98	.00000

Source: Own survey (2017)

4.2.2.3. Cumulative Loan Received

This variable deals with loan-taking behaviour and business profitability of respondents. The idea is to measure a woman's confidence level in taking a loan. In this regard, women's cumulative loan amount indicated the women's level of confidence and better empowerment status. Therefore, the cumulative amount of loans is hypothesized positively influence women's empowerment. The survey results in table 10 show the mean cumulative amount of loans of birr5957.36 and birr 522.36 with a standard deviation of birr 2984.57 and birr 4966.48 for empowered and non-empowered women, respectively. The mean comparison test showed that the mean difference among the empowerment categories and the resulting test is statistically significant at1 a % level of significance.

Table 11: Comparison of Cumulative loans taken by respondent Women

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value

Cumulative loan	5957.36	2984.57	522.36	4966.48	5504.08	4316.67	22.13	.0000

****** Significant at 1% level***

Source: Own survey (2017)

4.2.2.4. Years of Experience in Participation in Income Generating Activities

Women in the study area have traditional experiences participating in different income-generating activities. The commonly practised activities were petty trading, small ruminant fattening, pottery, and other retail trading. The respondent's experience in small income-generating activities varies on the individual's choice and exposure to market information. Table 11 shows that the mean years of experience in income-generating activities for empowered and non-empowered respondent households were 6.38 and 3.69, with a standard deviation of 1.82 and 2.08, respectively. The result shows that empowered women have better exposure to income-generation activities than non-empowered women. The mean comparison indicates that women working experience in income-generating activities have a statistically significant influence over rural women's socio-economic empowerment through microfinance at a 1% probability level.

Table 12: Years of experience in income-generating activities of women in the study area

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value
Exp in IGAs	6.38	1.82	3.69	2.08	3.41	2.98	16.35	.000

Source: Own survey (2017)

****** Significant at 1% level***

4.2.3. Social Factors

4.2.3.1. Women's workload hours

In most rural communities in Ethiopia, women work from dawn to dusk and, in contrast with men, have plenty of time for leisure or socializing. Moreover, women are not only the major source of labour in the agricultural sector; they are also responsible for the fundamental tasks of caring for children, the sick and the elderly as part of their household responsibilities. However, despite their vast contribution to society, women's productive, domestic and community-related activities seem to be undervalued, misunderstood, and rendered invisible from official discourse and national statistics.

Table 13: Total working of respondent households in hours

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value
Working at Home	9.769	4.908	14.34	3.43	12.254	3.798	12.098	0.000

Source: Own survey (2017)

****** Significant at 1% level***

Table 13 indicates that the mean working hour per day for empowered women was 9.769, with a standard deviation of 4.908. The mean working hour for women who were not economically empowered was 14.32, with a standard deviation of 3.43. This result indicates that not-empowered women had a relatively high workload and less leisure time when compared to empowered women in the study area. Finally, the survey assures that of the total women respondents, the more significant number of women did not have leisure time. This is because they face a high workload, and the remaining women respondents have low leisure time. It also measures women's empowerment relative to men within their household's time use.

As a result, women are heavily overburdened with domestic responsibilities, and much of their time is consumed doing home-based responsibilities than public-oriented responsibilities. The mean comparison indicates that women working time statistically influence rural women's socio-economic empowerment through microfinance at a 1% probability level.

4.2.3.2. Participation in Social Leadership

Ethiopia is a party to all major human rights treaties, including the most influential women's conventions, and calls for equal participation of women in public decision-making, leadership, Beijing Declaration and Platform of Action, which requires governments to attain a 30% benchmark for women's representation in all public decision making and leadership positions

Table 14: Participation of respondent women in local leadership

Leadership	Empowered		Not empowered		Total	
Participation	N	%	N	%	N	%
Yes	43	81.13%	17	20.00%	60	43.48%
No	10	18.87%	68	80.00%	78	56.52%
Total	53	38.41%	85	61.59%	138	100%
$\chi^2 = 0.885$				**P = 0.34**		

Source: Own survey, (2017)

Table 13 indicates that 80% of women who do not participate in local leadership were not empowered, while about 81.13% of sample households who participated in local leadership were empowered. Of the total 138 respondents, 43.48% have participated in local leadership, and the vast majority, 56.52%, of the women have not participated in local leadership at Kebele and community level. It indicates that women who had participated in local leadership were relatively more empowered than those do not participate in local leadership. The chi-square result indicated that leadership has no significant association with women's economic empowerment through microfinance.

4.2.4. Institutional Factors

4.2.4.1. Extension Services

Extension contact delivers services like advice, demonstration, information, and distribution of rural household inputs. The survey results in this particular study obtained from sample household interviews crosschecking with the records of extension services delivered by the government and other development stakeholders to rural women households at the Kebele level showed that the mean frequency of extension contacts appeared was 5.18, and 3.05for empowered and non-empowered groups of the women respondents respectively. This result indicates that households with a relatively higher frequency of extension contact participate more in agricultural production of crops rather than rely on nonfarm income-generating activities than those with less extension contact. In this regard, the mean comparison has depicted that the frequency of extension contact does not significantly differ among the sample households participating in the rural nonfarm income-generating activity (Table 15).

Table 15: Respondent women's extension contact with MFIs agents

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value
EXTN	5.18	2.34	3.05	1.06	4.302	1.721	1.527	0.103

Source: Own survey (2017)

4.2.4.2. Distance from Nearest Local Market

Women play an important role in their community, and transportation was essential to facilitate the marketing process. Hence, access to transportation is one factor that influences the success of women's economic empowerment. This study indicated that the mean distance between the homesteads of the sample households and the nearest local marketplace is 3.4 km. The mean distance sample households travelled to access the nearest local marketplaces was 2.54 and 3.84 km for empowered and

non-empowered women. This result indicated that farm households whose settlement is nearest to the market centres are more active participants in market-oriented economic activities and better performers in loan utilization than those far away from the local market centre. The possible reason may be that when the remoteness increases, the physical access to the market decreases and the transportation and marketing cost increases; this situation discourages and hinders women from participating in marketing actively. The mean comparison revealed that the correlation between market distance and women's socioeconomic empowerment is not statistically significant among the sample households (Table 16).

Table 16: Women access to nearest local Marketplaces

Indicator Variable	Empowered		Not Empowered		Total		Taste statistics	
	Mean	Std.	Mean	Std.	Mean	Std.	t-test	p-value
Market Distance	2.54	1.134	3.84	1.206	3.423	1.721	0.276	0.633

Source: Own survey (2017)

4.2.4.3. Participation in Training

Although the significance of women's role in farm and nonfarm development activity evidence through developing countries shows that women's farming productivity and efficiency levels frequently remain very low; among the critical reasons for this is lack of extension training, lack of technical advice on production and marketing, cultural practices, skills and technology. In addition to their productive tasks, they are frequently overburdened with household responsibilities.

Table 17: Respondent's participation in Training and women empowerment

Participation in training	Not empowered		Empowered		Total	
	N	%	N	%	N	%
Non-participating	61	71.76%	19	35.85%	80	57.97%

Participating	24	28.24%	34	64.15%	58	42.03%
Total	85	61.59%	53	38.41%	138	100%
χ^2 =2.747*	**P** =0.097					

Note: * = Significant at 10% level

Source: Own survey (2017)

The survey result showed that out of 42.03% of sample households participating in the training, about 64.15% of respondent women were empowered, and 28.24% were not. Contrary to 57.97% of women respondents who do not participate in training, about 35.85% were empowered, and 71.76% were not empowered economically. This result indicates that households with better access to training services have higher economic and social opportunities and better empowerment in the study area. Furthermore, this indicated that households with developed skills and knowledge from training are local entrepreneurs who maximise their income and earning potential. Thus, households participating in any training increased their capacity to scan opportunities and confidence and develop entrepreneurial skills to engage in additional income-generating activities that increase production and productivity. The chi-square test also revealed that the training program in the study area has a statistically significant association with women's economic empowerment at less than a 10% probability level (Table 17).

4.2.4.4. Membership Experience in Microfinance Institution

In the study area, the mean membership experience of sample respondents was 3.4and 1.32, with a standard deviation of 0.93 and 0.68 for women members in Omo microfinance for empowered and not empowered, respectively. This figure indicates that women with long-time experience in cooperatives are more cooperative than those with short-time experience. Furthermore, it indicates that households participating for a long time are more likely to get economic and social benefits. Membership in microfinance institutions increases the social network of the household and enables one to obtain savings and credit, agricultural inputs and training where individual households are incapable of otherwise. The practical reason for this difference is attributed to the fact that during a long time of experience,

women built the skill, confidence and capacity to overcome the existence of some potential entry barriers like the financial problem that hinder women from participating in microfinance institutions' services, social discrimination that marginalizes the poorest, and personal perception and attitude towards microfinance institutions. In addition, the mean comparison revealed a statistically significant difference among the sample households in their participation regarding market distance that they travel at less than a 5% probability level (Table 18).

Table 18: Relationship between membership experience in Microfinance and Empowerment

Indicator Variable	Empowered		Not Empowered		Total		Inferential Statistics	
Membership Experience	**Mean**	**Std.**	**Mean**	**Std.**	**Mean**	**Std.**	**t-test**	**P-value**
	3.24	0.93	1.32	0.68	2.68	0.92	2.24	**.029****

Note **= Significant at 5% Probability level

Source: Own survey (2017)

4.2.5. Psychological Factors

4.2.5.1. Attitude towards Risk

Attitude towards cooperatives was assessed regarding their evaluative attitude on cooperative importance using a scale developed for this study. The score values of positive attitude statements on cooperatives were assigned 4, 3, 2, 1 and 0 for strongly agree, agree, not decided, disagree and strongly disagree. The score value is reversed for the negative statements mean scores were assigned as 4, 3, 2, 1 and 0 for strongly disagree, disagree, not decided, agree and strongly agree.

Table 19: Relationship between Attitude towards risk and empowerment

Indicator Variable	Response Category for Social Norm										
	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total
	N	%	N	%	N	%	N	%	N	%	N

Empowered women	6	11.321	5	9.434	3	5.660	15	28.302	24	45.28	53
Not empowered women	22	25.882	20	23.529	9	10.588	28	32.941	6	7.059	85
Total	28	20.290	25	18.116	12	8.696	43	31.159	30	21.73	138
$\chi 2$						4.289					
P-Value						0.062					

**** Significant at 10 % levels.***

Source: Survey result 2017

4.3. Binary Logit Regression Model

Under this session, out of 17 hypothesized explanatory variables, 9 variables that significantly influenced the empowerment of the rural households in the study area are presented. The coefficients of parameter estimation and odds ratios estimation results are interpreted to characterize the significant explanatory variables' dimensions and degree of influence.

The model results showed that the binary logit model correctly predicted 96.4% of women's economic empowerment. The model chi-square value of 96.57 shows that the inclusion of the explanatory variables contributed to improvement in the fit of the entire model. The Cox, Snell, and Nagelkerke pseudo-R-square values were 0.603 and 0.837, respectively. The Hosmer-Lemeshow test result reported a chi-square value of 8.121 with a p-value of 0.421, which is greater than 0.5 and 0.05 levels, showing no difference between the observed and the predicted values; hence estimates of the model fit the data at an acceptable level.

As observed in the multi-co-linearity test, there is no co-linearity among variables. Hence, all hypothesised independent variables were analyzed using the binary logit model under this section. The analysis was made by statistical software STATA 12 and SPSS 20 versions. Thus, the results of variable computation are presented as follows (Table 20).

Table 20: The result of the Binary Logistic Regression Model

Variables	Coefficient (β)	Std. Error	Wald Statistics	P. value	Odds Ratio Exp(β)
AGE	-1.521	0.145	1.735	0.209	0.218
EDU	0.863	0.100	0.608	0.003***	2.370
MSTATUS	0.168	0.515	1.064	0.301	1.183
HHSIZE	-0.564	0.539	2.094	0.296	0.568
DRATIO	-0.534	0.652	0.549	0.110	0.586
ETN	0.798	0.112	2.731	0.708	2.221
IGA	0.483	0.397	0.140	0.009***	1.621
MEMBEXP	0.069	0.166	0.166	0.043***	1.071
MKTDIST	-1.058	0.250	0.068	0.684	0.347
MFIDIST	-0.054	0.663	0.160	0.069*	0.947
TRAIN	0.049	0.896	0.092	0.008***	1.050
SAVE	2.073	0.866	1.838	0.005***	7.949
LOAN	2.031	0.200	0.575	0.09*	7.633
LIVSTCK	0.865	0.403	0.820	0.105	2.375
LEADR	0.996	0.172	0.629	0.202	2.707
LOAD	-0.879	0.001	0.473	0.002***	0.415
ATUDTW	-1.016	0.404	0.134	0.023**	0.362
Constant	0.461	0.813	0.019	0.889	1.586

Number of obs = 138
LR chi^2 (18) = 120.6
Prob> chi^2 = 0.0000
Log-likelihood = 146.6
Model Chi-square = 96.57
Cox and Snell R2 = 0.603
Negelkerke pseudo R^2 = 0.837

Correctly predicted by logit model overall sample 96.4%
***, **, * at 1, 5, and 10% significant level respectively

Source: Own survey, (2017)

4.4. Interpretation of Econometric Results

Table: 20 of the binary logistic model indicated that from 17 explanatory variables, 9 variables were significant for women's economic empowerment. Those are the respondents' education level, experience in income-generating activities, years of membership experience in microfinance, distance from the microfinance, participation in training, cumulative saving, cumulative loan received, household working hours and attitude towards risk; significant variables are discussed in the following way. For example: P>x2=0.000 ,Logistic =46.6 and Model Chi-Square =96.57.

Education level (EDU): Education builds and increases farmers' ability to engage in more diversified livelihood activities. As the model output indicates, education positively and significantly influenced women's economic empowerment through microfinance at less than a 1% probability level. This finding indicates that rural women with relatively higher educational levels are likelier to be empowered than those with lower education status. This is due to most probably educated people gaining better skills, experience, knowledge in production, marketing and utilization of resources, and better risk management capacity than uneducated farmers, which helped them engage in diversified economic and social livelihood opportunities. On the other hand, even any information regarding agricultural and/or nonagricultural production and productivity and marketing, new and appropriate technology adoption is easily accessed by literate individuals because they are very ambitious to get information and use it. It is identified from the model result that keeping the influence of other variables constant, the odds ratio in favour of Women Empowerment through Microfinance increases by a factor of 2.370 for a unit increase in women's education level.

Years of Experience in Income Generating Activities (IGA): Women's experience in income generation positively influences women's economic empowerment. The result is consistent with the hypothesis and significantly influences women's economic empowerment at1% the level of probabilities. The more women experience running income-generating activities, the better their economic status enhances their self-confidence to make a voice in household decisions. The more wealth a woman has, the less economic dependency on the husband's income enhances women's confidence to control and utilise household resources. Moreover,

the long years of experience in income generation of men and women have better exposure to market centres and access to information that ultimately enhances women's bargaining power at the household and community levels. Keeping the influence of other factors constant, in favour of the odds ratio, the likelihood of economic empowerment of women through microfinance service increased by a factor of 1.621 as their years of experience in income-generating activities increase

Years of Membership Experience (MEMBEREXP): Years of membership experience in microfinance were hypothesised to correlate positively with women's empowerment through microfinance. As hypothesized, this variable was influenced significantly and positively to determine women's empowerment through microfinance at less than a 5% probability level. That means that being a member of microfinance institutions for an extended period builds trust, self-confidence, motivation, skills, and knowledge and also improves the wealth status of households either by opening the way to microfinance services like saving, credit, training, and other or by promoting access social capital in which off/non-farm options are available. Keeping the influence of other factors constant, in favour of the odds ratio, the likelihood of women's empowerment through microfinance service increased by a factor of 1.071 as their membership experience increased.

Distance from the Microfinance (MFIDIST): The proximity to the nearest microfinance institutions reflects the distance from which the respondents live to the site where microfinance institutions are found. Suppose microfinance institutions are too far away from the resident of the women. In that case, the women's participation in microfinance institutions' services is reduced since they have much work at home. Therefore, the nearest microfinance institutions centre means frequent microfinance institutions' different economic and social activities. The furthest distance from microfinance institutions was hypothesized to negatively affect women's empowerment through microfinance in rural areas. The model output also reveals that distance microfinance institutions are negatively and significantly related to women's empowerment through microfinance institutions' service at less than a 10% probability level. The odds ratio in favour of women empowerment in the rural area decreases by the odds of 0.974. Their settlement distance from microfinance institutions increases, controlling the impacts of other variables constant.

Participation in Training (TRAIN): this variable was positive and significantly impacted women's empowerment through microfinance at less than a 1% probability level. This implies that women participating in agricultural and non-agricultural training areas are likelier to be empowered than those without training. The probable reason may be that training improved agricultural and non-farm sectors' production and productivity, which helped rural women accumulate additional assets by participating in non-farm activities due to increased income and assets. On the other hand, training might develop the entrepreneurial skill of the women to engage in additional income-generating activities. In the study, the likelihood of women's empowerment through microfinance had increased by 1.050 as women's participation in training increased by one unit.

Cumulative Saving (SAVE): As expected, this variable was found to positively and significantly influence women's empowerment through microfinance at less than a 1% probability level. This result implies that households with large amounts of accumulated cash income from saving are more likely to engage in non-farm activities. The possible reason is that the power of accumulated financial capital pushed the farm household to engage in additional income-generating activities for asset accumulation. As a result, households with adequate income sources can overcome financial constraints to engage in alternative rural women's economic empowerment. Hence, better savings can encourage farmers to invest in non-farm activities from which family income can be generated. Depending on the model result, the influence of other factors was kept constant; the odds ratio revealed that the probability of a woman being empowered through microfinance is increased by the factor of 7.949 with a unit increase in the level of cumulative cash saving.

Cumulative Loan received (LOAN): loan size indicates the individual's trust, self-confidence, and business skill without over-indebtedness. Financial capital is one of the major driving forces for rural livelihood diversification and empowerment. Households with a large amount of cumulative finance were diversifying more in the split set of activities because the power of the cumulative amount of loan may push the households towards adopting alternative means of living. As the model output indicates, cumulative loan size positively and significantly influenced women's empowerment through microfinance at less than a 10% probability level. This finding

indicates that those farmers who accessed a large amount of loan through different terms had built trust and are more likely to be empowered because they had participated in a diversified set of livelihood alternatives of non-farming and off-farming in addition to agriculture activities, apart from this large amount of loans accessed as cumulative loans by the sample households to engage in multiple sets of activity as an insurance mechanism for business diversification or may build better experience in business implementation and diversification since loan size is one of the indicators of trust by microfinance institutions for long time experience. Depending on the model result, keeping the influence of other variables constant, a one-unit increase in the size of cumulative term loans increases household empowerment by the odds of 7.633.

Household Working Hours (LOAD): Those women spending more time at the household level have little time to visit other areas, expand economic opportunities, and have fewer interventions in external activities, including income-generating activities. The model shows a significant difference between women's household working hours and women's empowerment through microfinance at a 1% significant level. Moreover, the odds ratio in favour of women's empowerment through microfinance reduces by odds of 0.415as household working hours increase, keeping other factors constant.

Attitude towards Risk (ATUDTW): is one of the independent variables limiting women's economic empowerment through microfinance. The attitude was hypothesized to be negatively associated with women's empowerment through microfinance, and as hypothesized, it was found significant and negative at a 5% probability level. The possible justification for this negative influence may be that the attitude towards loan risk may affect women's confidence to borrow money from a microfinance institution to start a business. Risk-taking is the direct indicator of self-confidence and the bearing capacity of the individual in the business process. Therefore, the odds ratio favouring women's empowerment through microfinance indicates the probability of women being empowered. However, microfinance decreased by 0.362 as the attitude toward women's risk towards loan risk increased. This aligns with the findings (Deribe, 2007) that attitude towards economic activity affects women's economic empowerment.

CHAPTER V

5. CONCLUSION AND RECOMMENDATIONS

5. CONCLUSION AND RECOMMENDATIONS

The study was conducted in Humbo Woreda, Southern Ethiopia. This study used a multistage sampling method to sample respondent women from the four registered Kebeles (Bossa Wanche, Abala Faracho, Shochora Ogodama and Gututo Larena). Finally, the required number of women samples in each Kebele was identified. Then, the sample respondents were selected from each Kebele by using Probability Proportionate to Sample the sample. Lastly, the total number of sample respondents was determined by the Yamane formula.

Quantitative data were collected from 138 sample respondents through an interview schedule. In addition, using the checklist, qualitative data was gathered from non-sampled respondents from 20 experts in the women and children office, agricultural office, OMO microfinance office, Woreda Administration Office, Women Association leader and Focus Group Discussion.

The study's objective was realized by conducting a household survey for 138 randomly selected households in the study area. Both descriptive and econometrics analyses were employed. Descriptive statistics like mean, standard deviation, chi-square, percentages and frequency methods were applied for descriptive analysis. The binary logistic regression model investigated women's economic determinants for selected rural households. The study results indicated that 61.59% of the women were not empowered, and 38.4% were empowered. Moreover, it indicated that rural women's economic empowerment was measured by Demographic, Socioeconomic and institutional in the study area.

The result of the descriptive statistics showed that there is a statistically significant mean difference among respondent women in their empowerment status through microfinance related to the age of respondent women, livestock holding, cumulative saving, cumulative loan received, experience in income-generating activities, women working hours, distance from a microfinance institution, and membership experience.

It also revealed a statistically significant association between women's empowerment and education and participation in the training of the sampled households.

The binary logistic regression model revealed that out of the 17 hypothesized variables in the model, 9 were found to be significantly determined by a household's empowerment status. In pursuit of this, the result of the binary logistic regression model indicated that variables of the education level of women, experience in income generation activities, membership experience in microfinance, distance from microfinance institutions, participation in training, cumulative saving, cumulative loan received, women working hours and women's Attitude towards loan risk influenced women empowerment through microfinance positively and negatively at less than 1%, 5% and 10% probability level.

5.1. Conclusion

This study looked into the status of women's economic empowerment and the factors that determine women's empowerment in Humbo Woreda at the Women's Economic Empowerment level.

Microfinance programmes targeting women have become a significant policy in most developing countries to empower women, mainly rural women and have the significant potential for contributing to women's economic empowerment. For example, the microfinance industry in Ethiopia is established after the mid-1990 "s with the issuance of microfinance by the Ethiopian government. Now a day, it has made remarkable progress over the past decade, reaching almost two million clients in a country of around 80 million people. Accordingly, the microfinance in Humbo Woreda is early in its structure, which began its operation in mid-1982G.C. With this, the current study assesses the impact of microfinance on Women's Economic Empowerment in rural areas.

Henceforth, descriptive results and a Binary logistic model were employed to analyze the result. In addition, matching, P-value, t-test, and chi-square were also employed to compare the empowered and not empowered women in the study.

Empowering the credit policy gives women clients better access and control over resources, contributing to better improvement in their savings and income level. Accordingly, empowered women have better access and control over resources than other not empowered women's clients in the study area.

The result reveals that empowered women have better savings and income levels than the other groups or not empowered women and a difference in saving and income levels between not empowered women in the study area. Of the total respondents, 38.4% are empowered, and 61.59% are not empowered. Hence, empowered women are better empowered in each dimension than the not-empowered clients in the study area.

The binary logistic regression model was employed to see the effect of explanatory variables on cumulative women's empowerment. The logistic regression result reveals that, out of the total 17 explanatory variables, 9 of them significantly affect cumulative women's empowerment and the remaining 8 are insignificant. Age of the women's respondents, marital status of women, Family size of women, dependency ratio of the women, Extension service of the women, Market distance, Livestock, Leadership of the women and attitude toward risks are insignificant variables that can affect women's empowerment according to the result of binary logistic regression.

5.2. Recommendations

Based on the findings of the study, the following recommendations are given.

- The Humbo Woreda microfinance institution will give awareness, training, and information about the credit provided for women who lack information about the institution for clients' lives in Kebele or rural areas. Such broadening of its service in almost all rural Kebele will make the poor rural women out of the root of hidden poverty by increasing their income level. Beyond this, the considerable change would be registered in women's empowerment if the majority of vulnerable rural poor women have access and opportunity to receive supportive micro-financing services. Furthermore, HWOMFI should provide for nearby rural Kebeles by

increasing its human resource and financial capacity to improve society's awareness.

- The descriptive analysis shows that empowered women are better than the not-empowered clients residing in both programmes, Kebeles, in their saving and access and control over resources. Thus, by cooperating with concerned Kebele level administration bodies, the HWMFI management bodies will create a conducive environment and give awareness about the institution, its mission, and how their saving level and access and control over the resource will increase the empowered clients in the programme Kebeles.
- The positive and significant relationship of education to women empowerment through microfinance in the study area calls for policy measures for different women groups in the rural area to get appropriate adult education. Besides, continuous education and training for women must also be promoted and implemented by considering women to increase their knowledge and skills.

- Nowadays, microfinance institutions are becoming critical, and the ultimate objective of the development plan is to address the poorest rural poor who are marginalized due to social discrimination. With this argument, the positive correlation of membership experience in microfinance depicts some clues on policy recommendations in the area of social mobilization and promotion of microfinance, promoting gender-sensitive microfinance policies, and creating the environment of good governance and leadership in microfinance to hold women members for an extended period to be service beneficiary. Furthermore, membership in microfinance institutions improves the wealth status of women households by opening the way to cooperative services like saving, credit, training, and others or by promoting access to social capital in which off/ nonfarm options are available. The appropriate social capital promotes the potential to secure rural income sources and reduce vulnerability shocks.

- In this regard, the negative correlation of distance from the nearest cooperative indicates that rural development experts, policymakers and development practitioners should create improved access to cooperative services by expanding

the coverage of the operation territory or improving physical access like alternative transportation and road access to cooperative services.

- The positive and significant influence of participation in training call for the policy implication on building the capacity of rural women households in the area of entrepreneurship, financial literacy, income-generating activities, rural business plan development, asset management, and other integrated areas of agricultural and non-agricultural training are essential dimensions that can improve the skills and knowledge of the rural poor to utilize the available opportunities efficiently.

- Cumulative saving indicates the accumulated cash capital and the power of the individual to start a new business. In this case, the positive and significant association between cumulative saving and women empowerment implies that microfinance institutions, village-level saving groups, and other forms of microfinance institutions should be strengthened and capacitated to better serve the rural community in saving credit. Furthermore, the target community awareness program should be delivered with appropriate extension services.

- Since the size of the cumulative loan received is the indicator of the self-confidence, trust, skill and experience of the individual in microfinance, its positive and significant association calls for building the capacity of the rural poor in the area of credit utilization, business plan development, financial literacy, marketing management and entrepreneurship. Besides, providing sufficient demand-driven loans can capacitate the most impoverished women household to cope with shocks and stress by opening the way to live to ensure livelihood diversification mechanisms.

- Household working hours, the main enemy of women’s involvement in different social and economic activities, is one factor that inhibits women's participation in rural cooperatives. The binary logistic model results suggest an inverse relationship between women's household working hours and economic

empowerment. Therefore, this needs many stakeholders to work on the issue and can relieve women from the situation.

- Psychological factors of the respondents, like women’s attitude towards risk, should be considered the main factors of women's empowerment. Attitude toward represents drivers for the promotion of women's empowerment. It is impossible to be economically empowered with low motivation for innovation, and a low attitude represents expansion and calculated risk-taking. Hence, no governmental organization that works on women's capacity building, the women's affair office has to pay attention to women with low motivation for their economic empowerment activity by initiating them for regular practice, starting from setting a small and measurable goal, delivering fear-avoidance training and building their capacity women to become confidential through seminars, workshops, visiting demonstration areas, and conferences in rural kebele level. Besides, making all legal procedures revised as much as possible in light of rural women's suggestions and comments and building a flexible policy environment.

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7. APPENDICES

7. APPENDICES

Appendix I: Tables

Appendix Table 1: Contingency Coefficient (CC) for Discrete Variables

VARIABLES	MSTATUS	TRAIN	LEADR	PERCEPT
MSTATUS	1			
TRAIN	0.234	1		
LEADR	0.172	0.180	1	
ATTRSK	0.074	0.042	0.013	1

Source: model output

Table 2: Empowerment Index for each Respondent

S. No.	Total	No.	Total	No.	Total	No.	Total	No.	Total	No.	Total
1	0.27	26	0.56	51	0.45	76	0.7	101	0.27	126	0.36
2	0.18	27	0.55	52	0.45	77	0.36	102	0.45	127	0.56
3	0.24	28	0.65	53	0.18	78	0.27	103	0.55	128	0.55
4	0.57	29	0.4	54	0.4	79	0.6	104	0.6	129	0.67
5	0.56	30	0.4	55	0.27	80	0.5	105	0.6	130	0.56
6	0.36	31	0.18	56	0.3	81	0.36	106	0.65	131	0.56
7	0.65	32	0.4	57	0.2	82	0.3	107	0.57	132	0.45
8	0.7	33	0.27	58	0.36	83	0.36	108	0.36	133	0.67
9	0.75	34	0.3	59	0.45	84	0.32	109	0.36	134	0.36
10	0.56	35	0.6	60	0.1	85	0.27	110	0.65	135	0.36
11	0.87	36	0.42	61	0.2	86	0.56	111	0.6	136	0.45
12	0.14	37	0.31	62	0.3	87	0.5	112	0.4	137	0.56
13	0.67	38	0.58	63	0.32	88	0.7	113	0.4	138	0.75
14	0.4	39	0.18	64	0.65	89	0.72	114	0.32		
15	0.55	40	0.4	65	0.36	90	0.56	115	0.65		
16	0.3	41	0.27	66	0.45	91	0.56	116	0.36		
17	0.45	42	0.3	67	0.27	92	0.55	117	0.45		
18	0.21	43	0.2	68	0.36	93	0.78	118	0.67		
19	0.45	44	0.25	69	0.45	94	0.56	119	0.36		
20	0.3	45	0.18	70	0.3	95	0.6	120	0.45		
21	0.18	46	0.6	71	0.6	96	0.6	121	0.3		
22	0.3	47	0.27	72	0.45	97	0.68	122	0.6		
23	0.18	48	0.3	73	0.46	98	0.6	123	0.45		
24	0.1	49	0.2	74	0.36	99	0.4	124	0.36		
25	0.27	50	0.27	75	0.7	100	0.27	125	0.27		

Source: Own survey (2017)

Appendix Table 3: Variance Inflation Factor (VIF) of Continuous Variables

Variables	Tolerance	VIF
AGE	0.623	1.606
EDU	0.784	1.275
HHSIZE	0.642	1.559
DRATIO	0.796	1.256
IGA	0.675	1.482
MEMBEXP	0.635	1.362
MKTDIST	0.662	1.511
MFIDIST	0.841	1.189
SAVE	0.972	1.029
LOAN	0.732	1.122
LIVSTCK	0.841	1.189
LOAD	0.642	1.559

Source: model output

Appendix Table 4: Conversion factor used to estimate Tropical Livestock Unit (TLU)

Types of Animal	Conversion factors
Calf	0.50
Weaned calf	0.34
Heifer	0.75
Cow and Ox	1.00
Horse	1.10
Donkey (Adult)	0.70
Donkey (young)	1.35
Camel	0
Sheep & Goat (Adult)	0.13
Sheep & Goat (young)	0.06
Chicken	0.013

Source: Storck et. al., (1991)

Appendix Table 5: Conversion factor used to estimate Adult Equivalence (AE)

Age groups in years	Male	Female
0-2	0.40	0.40
3-4	0.48	0.48
5-6	0.56	0.56
7-8	0.64	0.64
9-10	0.76	0.76
11-12	0.80	0.88
13-14	1.00	1.00
15-18	1.20	1.00
19-59	1.00	0.88
60+	0.88	0.72

Source: Storck et al., (1991)

7.1. Appendix I: Interview Schedule

WOMEN ECONOMIC EMPOWERMENT THROUGH OMO MICROFINANCE IN SOUTHERN ETHIOPIA

The objective of the Interview Schedule is to collect the current research information on Women's Economic Empowerment through the Omo Micro-Finance service in Humbo Woreda. The study is conducted for academic purposes only, and the data be kept confidential. Hence, we request your honest and fair responses to fill this interview schedule.

Personal Information

Code No----------

Date of Interview----------

Name of the Respondents----------

Kebele----------

Village----------

Name of the Interviewer----------

A. Measurement of the Dependent Variable

The following Indicators will help to measure the Empowerment Index of the Dependent Variables.

S. No.	Empowerment	Score	S. No.	Empowerment	Score
1.	**Ownership of the personal asset**		3.	***HH Decision making***	
				➢ *Husband only*	0
1.1	**Cash Saving**			➢ *Husband mostly*	1
	➢ Nil	*0*		➢ *Equal control*	2
	➢ 1-200birr	*1*		➢ *Wife mostly*	3
	➢ 201-400 birr	*2*		➢ *Wife only*	4
	➢ 401-600 birr	*3*	4.	***Control over Household resources***	
	➢ 601-800birr	*4*			
	➢ 801-1000birr	*5*		➢ *Husband only*	0
	➢ 1001-1200 birr	*6*		➢ *Husband mostly*	1
	➢ >1200	*7*		➢ *Equal control*	2
	Physical Asset			➢ *wife mostly*	3
	➢ Nil	*0*		➢ *wife only*	4
	➢ 1-500birr	*1*	5.		
	➢ 501-1000 birr	*2*		***Social Participation***	
	➢ 1001-1500 birr	*3*		➢ *1Low (0-6)*	0
	➢ 1501-2000birr	*4*		➢ *2Medium (7-12)*	1
	➢ 2002-2500birr	*5*		➢ *High (13-18)*	2
	➢ 2501-3500 birr	*6*		***EMPOWERMENT INDEX***	
	➢ 3501-4000birr	*7*		➢ *Minimum Score*	3
	➢ 4001-4500birr	*8*		➢ *Maximum score*	61
2.	➢ >4500	*9*			
	Ownership of own IGA				
	➢ *No*	*0*			
	➢ Yes	*1*			

B. Measurement of the Independent Variables

I. Demographic Factor

1. Age of the client ----------

Category	Below 20 Years	20-30 Years	31-40 Years	41-5o Years	51-60 Years	>60 years
Code	1	2	3	4	5	6

2. Marital status of the women respondents 1. Married 2. Unmarried

3. Widowed 4. Divorced

3. How large is your family size? Male ---- Female ----?

Category	Small (1-3)	Medium (4-6)	Big (Above 6)
Code	1	2	3

4. Level of Education ----------

Category	Cannot Read and Write	Grades 1-4	Grades 5-8	Grades 10+2	Above diploma
Code	1	2	3	4	5

5. How many family members are there in your family below 15 years of age and above 65 years of age? (Dependency ratio) ---------- members below 15 years and ---------- members

II. Economic Factor

Years of Income Generating Activity

6. Do you have your own income-generating activity at present? (Ownership of income-generating activity)

1. Yes 2. No

If 'Yes', ask Questions No.8-13

7. How many years of experience do you have in income generation? ---------- Years.

8. Are you moving to run Income Generating Activates? (mobility)

1. Yes 2. No

9. Do you see an increase in your mobility to run income-generating activities in the past 12 months?

1. Yes 2. No

Membership in Association

Ask Question No 10- only Association Members

10. How long have you been a member of a saving and Internal lending community? --------- months.

11. Did you have experience in running income-generating activities before you joined Omo Micro-Finance?

1. Yes 2. No

12. Have you seen any income-generating capacity improvement since joining Omo Micro-Finance?

1. Yes 2. No

13. Do you see and decrease your husband's contribution to household expenditure in the past 12 months?

1. Yes 2. No

14. Did you borrow money during your membership?

1. Yes 2. No

Cumulative Amount of Loan

15. What was the purpose of your loan?

1. To run Petty trading 4. Purchase of farm inputs
2. Repayment of other loans 5. To construct /maintain the house
3. To cover school expenses 6. Purchase of food grain

16. How much amount of loan did you take in the past? ----------loans

17. What is the cumulative amount of loan you received in the past 12 months? --------- Birr.

18. Did you have difficulty repaying your loan?

1. Yes 2. No

19. Do you have personal cash savings? (Ownership of asset)

1. Yes 2. No

If 'Yes', ask (Question No.20-39)

20. How much? ---------- Birr.

21. Where do you put your cash saving?

1. Saving and loan association 2. In my house

3. Iqqub 4. Others (specify)

22. Do you see an increase in your personal cash savings in the past 12 months?

1. Yes 2. No

23. Do you see an increase in your contribution to household expenditure in the past 12 months?

1. Yes 2. No

24. Do you have personal assets other than cash savings? (Ownership of assets)

1. Yes 2. No

25. What assets do you have, how much, and how do you control them?

S. No.	Type of Assets	Unit	Amount	Current value	*Who control
1	Chicken				
2	Grain				
3	Goats/Sheep				
4	Donkey				
5	Calves				
6	Heifer/Young bull/				
7	Caw				
8	Ox				

*Who controls = 1. You and Yourself 2.You and your spouse 3.Only your spouse

25. Do you see any improvement in your personal non-cash savings during the past 12 months?

1. Yes 2. No

III. Institutional Factor

Years of Membership

26. Are you borrow many from Omo Micro-Finance Institution?

1. Yes 2. No

27. Are you involved in any formal and informal local everyday activities in your area?

1. Yes 2. No

28. Which of the following organizations are you a member and /or leader of, and how often /Tick / (Social participation and mobility)?

S. No.	Organization	Membership			Frequency		
		Member (1)	Committee (2)	Leader (3)	Always (3)	Sometimes (2)	Never (1)
1	Kebele Council						
2	Women association						
3	Development Committee						

29. If your mobility has increased in the past 12 months?

1. Yes 2. No

30. Do you see an increase in the frequency of your effort to convince your husband in your discussion in the past 12 months?

1. Yes 2. No

31. Do you see an increase in the frequency of your effort to convince others during the discussion in the past 12 Months?

1. Yes 2. No

32. Who controls the following resource in your husband (control over resource)

S. No.	Category of Resources	Who controls it or income from		
		Husband and Wife (1)	Husband Mostly (2)	Wife mostly (3)
1	Land			
2	Oxen			

3	Cows			
4	Heifers/young bull			
5	Donkey			
6	Sheep/goats			
7	Food crop harvest			
8	Loans			
9	Cash saving			
10	Off-farm income			
11	Non-farm income			

Decision-Making Power of the women

43. Who decides on the following affairs in your household? (Tick) Participation in household decision-making)

S. No.	Types of Decision	Who decides		
		Husband mostly (1)	Both husband and wife (2)	Wife Mostly (3)
1	Crop to be grown			
2	Use of fertilizer or improved seed			
3	Rent in land			
4	Selection IGAS			
5	Borrowing			
6	Children's education			
7	Use of contraceptive			
8	Number of children			
9	House construction/maintenance			

44. Do you see any improvement in your household decision-making participation in the past 12 months?

1. Yes 2. No

Distance to Market

45. How far is your residence from the nearest market? ---------- Km

Access to Media

IV. Psychological Factor
Attitude towards Risk

46. Women's attitude towards Risk concerning lending Birr from Omo Microfinance institution.

S. No.	Statement s to measure the Attitude	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
1	Credit will improve the economic status of the poor					
2	There are many formalities before getting a loan from a Micro Finance institution.					
3	There are some Male disturbances in microfinance Institutions also in general.					
4	Team Sprite is good for saving					
5	To bring economic development through Omo Microfinance Institutions is time taking.					
6	There are many challenges in repaying the loan to Microfinance Institutions.					

7.2. Appendix II: Checklist For Focus Group discussion (FGD)

1. What are the aims of the Microfinance institution?

2. How to alleviate women's poverty by providing credit and saving services?

3. How to empower rural women by providing credit and savings?

4. How do you perceive women's empowerment status?

5. What are the service-providing target groups of the institution?

7.3. Appendix III. Checklist for Key Informants Interview with Omo Micro Finance Institution Officers.

1. What produces provides loans and saving services to rural women?

2. Do you think rural women are economically empowered through loans?

3. Is rural women get enough loans from the institution

4. How do you prepare the business plan?

5. Explain the advantage and disadvantages of Microfinance in the Villages.

8. ETHIOPIA – KEY TECHNICAL TERMS

8.ETHIOPIA - KEY TECHNICAL TERMS

We include a list of Key technical terms that are generally used by Ethiopians practically and culturally. These Key terms will help know the meaning of the words of other nationalities, readers, or users who will read this E-Book. In addition, Ethiopian researchers have generally used these technical terms in their Thesis and other research documents. That is why; we have prepared to understand the international scholars accessing this research document.

Belg: Long Rainy Season starts from February to June every year.

Birr: Ethiopian Currency

Dega: Highland altitude, which is one of the topographies of the agro-ecological zones

Development Agent: The one who disseminates the new technology and innovations to the model farmer and fellow farmers in the villages. The Development Agents are for Agriculture, Health, Livestock and Natural Resource Management for every Village (Kebele) in Ethiopia.

Idir/Edir: It is the social customary Informal Financial Institutions in the Village that help the people in emergencies like death ceremonies, and natural catastrophes like drought, famine, and flood situations.

Iqub/Equb: It is a traditional Informal economic Institution existing in both the Urban and the Village that saves cash. Equb will help poor people who cannot buy clothing, food, household equipment, etc. The small group consists of 30 to 40 members of the society who used to contribute 2 to 5 Birr weekly, and each member collects a maximum of 300 Birr. It is one of the popular mutual finance benefit schemes, often formed by people affiliated.

In other words, the number of members depends on the availability of like-minded people in the locality. Besides, the amount of money each member can contribute

also depends on the capacity of all members. Collection time can also be determined based on mutual agreements weekly, every 15 days or monthly.

Kebele: means “Village” in the Ethiopian language. The Kebele is the basic administrative unit of the Ethiopia Government. A type of administrative division at the lower level is higher than the village. It is one of the small administrative units of the District (Woreda).

Kiremt: Rainy season

Kolla: Low land is mainly lower than 500m above sea level. It is one of the topographies of the agro-ecological zones.

Mahber: It refers to a support union, which is usually formed based on religious, ethnic, professional etc., affiliation whereby members contribute some amount of money voluntarily, which they will later use for individual, group, or community support programs.

Meher: Short Rainy Season starts from July to September every year.

Time Difference: Ethiopia Standard Time is 3 hours ahead of Greenwich Mean Time (GMT+3). Ethiopia is in East Africa Time Zone (EAT). European Time at 8 A.M., but in Ethiopia, it is 2 in the morning.

Woreda: Means District. The Woreda is a small administrative unit of the Zone. Local administrative above Kebele level, which is equivalent to District.

Woyne Dega: Mid Highland altitude.

Year Difference in Ethiopia: An Ethiopian year comprises 13 months and is seven years behind the Gregorian calendar. Ethiopia celebrated the new Millennium in September 2011 because the Ethiopians continued with the same calendar that the Roman church amended in 525 AD. The current Ethiopian year is 2013, and the European Year is 2021.

9. GLOSSARY

9. GLOSSARY

Absolute Poverty: A situation of inability to meet the minimum income levels, food, clothing, healthcare, shelter, and other essentials.

Adaptive Research: Research conducted to validate, modify and/or calibrate a new technology to specific soil, climate, socioeconomic or environmental characteristics of a given area.

Agrarian system: The pattern of land distribution, ownership, management, and the agrarian economy's social and institutional structure.

Agribusiness: Agriculturally related businesses that supply inputs (such as fertilizer or equipment) or are involved in the marketing of farm products, such as warehouses, processors, wholesalers, transporters and retailers. The combination of the producing operations of a farm is the manufacture and distribution of farm equipment and supplies and the processing, storage and distribution of farm commodities.

Agriculture area: Land used primarily for producing or collecting farm commodities. The land distinguishes between arable land under protective cover, land under permanent crops in the open-air, and land under permanent meadows and pastures, both naturally grown or cultivated.

Agriculture holding: Economic unit of agricultural production under single management comprising all livestock kept and all land used wholly or partly for agricultural production, without regard to title, legal form or size.

Agricultural Operation: The management and use of farming resources to produce crops, livestock or poultry.

Agricultural Production: Measured in the total output of a crop.

Agro-ecological Zone: A land resource mapping unit, defined in terms of climate, landform, soils, and land cover, and having a specific range of potentials and constraints for land use. Essential elements in defining an agroecological zone are

the growing period, the temperature regime and the soil units. A significant area of land is broadly homogenous in climatic and edaphic factors but not necessarily contiguous, where a specific crop exhibits roughly the same biological expression. Zones of similar agricultural performance are defined by soil and climate.

Analysis of Variance: Analysis of variance is a method for testing a hypothesis about means. It is the most widely used statistical inference method for analysing experimental data.

Applied Research: The research results can be used immediately by the farmer and applied to particular practical problems in the country or region.

Asset ownership: Land ownership, physical capital (factories, buildings, machinery, etc.), human capital, and financial resources generate income for owners.

Attitudes: The states of mind or feelings of an individual, group, or society regarding issues such as material gain, hard work, saving for the future, and sharing the wealth.

Basic education: The attainment of literacy, arithmetic competence, and elementary vocational skills.

Case Study: The detailed study of an individual unit such as a household, farm, enterprise or activity. It contrasts with the survey approach in which several units are studied. The case-study approach is helpful for familiarisation and teaching purposes, whereas the survey approach is more oriented toward gaining information about the population of the relevant unit.

Dairy Farm: A commercial establishment for processing or selling milk and milk products.

Central Tendency: There are many measures of the centre of a distribution. These are called measures of Central Tendency. The most common are the mean, median and mode.

Class Interval: The class interval is a data division used in a histogram. For instance, it is possible to partition scores on a 100 point into class intervals of 1-25, 26-49, 50-74 and 75-100.

Confidence Interval: A confidence interval is a range of scores likely to contain the parameters being estimated. Intervals can be more likely to contain the parameters: 95% of 95% confidence intervals contain the estimated parameter, whereas 99% of 99% confidence intervals contain the estimated parameter. The wider the confidence interval, the more uncertainty there is about the parameter's value.

Constant: A value that does not change values such as Ti or the mass of the Earth is constant

Continuous Variables: Variables can take on any value in a specific range. Time and distance are continuous; gender SAT score and “time rounded to the nearest second” are not. Variables that are not continuous are known as discrete variables. No measured variable is truly continuous. However, discrete variables measured with enough precision can often be considered continuous for practical purposes.

Dependent Variable: A variable that is explained or affected by another variable. A variable that measures the experimental outcome. In most experiments, the effects of the independent variable on the dependent variables are observed.

Developing Countries: Asia, Africa, the Middle East, Latin America, Eastern Europe, and the former Soviet Union are presently characterized by low living and other developmental deficits. Used in the development literature as a synonym for less developed countries.

Development: The process of improving the quality of all human lives and capabilities by raising people’s levels of living, self-esteem, and freedom.

Discrete Variable: Variables that can only take on a definite number of values are called “discrete variables”. All qualitative variables are discrete.

Dummy Variable: An artificial variable

Family farm: A farm plot owned and operated by a single household.

Farm Enterprise: An individual crop or animal production function within a farming system, the smallest unit for which resource use and cost return analysis is usually carried out.

Farmer: The principal decision-maker involved in the management of a farm. Usually, but not always, will be head of the household. Sometimes the choice of principal decision-maker will be somewhat arbitrary since the decision-making may sometimes be segregated for different farm activities.

Farming System: Unit of analysis of agricultural production, defined by the components and boundaries and the types of interactions among the components and environments outside the boundaries. Farming systems include all agricultural and non-agricultural, under the control of farm household units. For example, a decision-making unit comprises a farm household, cropping, livestock systems, and fish production systems that produce crop and animal products for consumption and sale.

Fixed Assets: Durable assets represent long-term investments for more than one production cycle. Examples are breeding livestock, plant and machinery, land and building etc.

Food Insecurity: A situation exists when people lack secure access to sufficient amounts of safe and nutritious food for average growth and development and active and healthy life. It may be caused by the unavailability of food, insufficient purchasing power, inappropriate distribution, or inadequate use of food at the household level. Food insecurity may be chronic, seasonal or transitory.

Food Security: Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. A situation exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

Focus Group Discussion: A Qualitative method of data collection in which the information is collected in the context of a group utilizing relevant discussion

Gender Analysis: The systematic efforts have to document and understand the roles of women and men within a given context. Gender analysis helps strengthen development planning, implementation, monitoring and evaluation; to make

programmes and projects more efficient and relevant. Ignoring gender issues and the resulting gender-blind development strategies have caused many development programs and projects to fail to reach their principal goals and the desired benefits to the target population and have sometimes led to unintended negative impacts. The current situation of the rural women and men regarding different issues/problems and the impact of agricultural and rural development policies, legislation and projects and programmes on women and men respectively – and the relations between them – should be analyzed before any decisions are made. Such analysis aims to formulate development interventions better targeted to meet women's and men's needs and constraints.

Gender roles: Learned behaviours that condition activities, tasks, and responsibilities viewed within a given society as "masculine" or "feminine".

Globalization: Increasing integration of world production, commerce, communications and finance. More than merely the expansion of worldwide trade, globalization is based on improvements in the last two or three decades in telecommunication and information technology and financial sector reform that has opened domestic markets to foreign investors, especially in services, thereby intensify (ing) the interpretation of local and international market forces worldwide.

Habitat: The place or type of site where species and communities typically live or grow is usually characterized by a relatively uniform portion of the physical features or consistent plant form. Deserts, Lakes and forests are all habitats.

Heterogeneous: Non-uniform, variable, coming from outside. The heterogeneous nature causes their outside. Their heterogeneous nature causes their constituents to segregate. Example: physical fertilizer mixtures.

Household: A household in the Ethiopian case is understood similarly as FAO (2005:4) defines "a household is an economic unit of agricultural production under single management comprising all livestock kept and all land used wholly or partly for agricultural production purposes, without regard to title, legal form or size". Households represent rural societies' primary production and consumption unit and are agents of economic change. ii. Composed of the farmer and his family and is

considered both the production and consumption unit of the social organization. The household can be managed by one person or operation collectively. Family members live, sleep, eat, share the same place, and divide household duties, general farm management, and work.

Human capital: Productive investments embodied in human persons, including skills, abilities, ideals, health, and locations, often resulting from expenditures on education, on-the-job training programs, and medical care.

Independent Variable: A variable that does not need to be explained by or is not affected by another variable. Variable that is manipulated by the experimenter, as opposed to dependent variables. Most experiments observe the effect of the independent variable(s) on the dependent variable.

Indicator: A directly observable trait used to define a variable empirically.

Inferential Statistics: The type of statistics that makes conclusions from data derived through sampling and projects them onto the population

Informal sector: The part of the urban economy of developing countries characterized by small competitive individual or family firms, petty retail trade and services, labour-intensive methods, free entry, and market-determined factor and product prices.

Infrastructure: Facilities enable economic activity and markets, such as transportation, communication and distribution networks, utilities, water, sewer, and energy supply systems.

Integrated Rural Development: The broad spectrum of rural development activities, including small-farmer agricultural progress, the provision of physical and social infrastructure, the development of rural nonfarm industries, and the capacity of the rural sector to sustain and accelerate the pace of these improvements over time.

Key Informants: These are community members who are exceptionally qualified to provide information about local conditions, usually due to their position within the community, e.g. local officials, community leaders, and other development workers.

Key informants may provide background information or introductions to other community members or groups. The qualitative information will help to triangulate with quantitative data of the research.

Land Area: Total area excluding area under inland water bodies.

Landholdings: Land owned, occupied, or used by farmers or tenant farmers.

Least developed countries: **A** United Nations designation of countries with low income, low human capital, and high economic vulnerability.

Less Developed Countries: A synonym for developing countries.

Likert Scale: The respondent has to choose a scale introduced by Likert employing a set of response categories ranging from positive to very negative.

Linear Regression: A method of estimating the value of a Dependent Variable when the values of two-interval scaled and normally distributed variables are known.

Literacy: The ability to read and write.

Livestock Systems: A subset of farming systems, including cases in which livestock contribute more than 10 per cent to total farm output in value terms or where intermediate contribution such as animal traction or manure represents more than 10 per cent of the total value of purchased inputs.

Microfinance: Financial services, including credit, supplied in small allotments to people who might otherwise have no access to them or have access only on very unfavourable terms, including micro-savings and micro-insurance microcredit.

Multiple Regression: Multiple regression is linear regression in which two or more predictor variables are used to predict the criterion

Non-farm Income: The typical non-farm activities that are pursued by rural households in Ethiopia: non-farm rural salaried employment; non-farm rural self-employment (sometimes called micro-enterprise income); rental income obtained from leasing land or property; urban to rural remittances arising from within national

boundaries; other urban transfers to rural households, for example, pension payments and international remittances arising from cross-border migration.

Non-Governmental Organizations (NGOs): Nonprofit organizations often provide financial and technical assistance in developing countries. Most NGOs render social and community development activities to poor people or disadvantaged sections of society.

Off-farm income involves working on other farms for wages or arrangements such as sharecropping or exchanging labour in-kind. Off-farm income is strictly defined as income generated from working outside one's own farm through participating in ploughing, weeding or harvesting on another farmer's land. Moreover, we also consider income from local environmental resource extraction such as firewood collection, charcoal production and gathering of wild fruits as off-farm income.

On-farm Income: Income generated from one's own farming, whether on owner-occupied land or leased land, includes livestock and crop income. Income is derived from crop production and the rearing and selling of animals. This includes income earned from commercial woodlots and beekeeping.

Pilot Study: A complete replica of the leading research study will be employed in a fraction of the sample.

Positive Association: There is a Positive association between X and Y if smaller values of X are associated with smaller values of Y and larger values of X are associated with larger Y values.

Pre-test: A small-scale test administered before introducing a study aimed at measuring the efficacy of one or more main study elements. It helps to modify and update the Interview Schedule/Questionnaire.

Qualitative Data: The data collected should be from older people who are highly experienced in the research area.

Quantitative Data: The data to be collected from the concerned respondents or any published reports quantitatively.

Qualitative Variable: Also known as Categorical Variables, qualitative variables with no natural sense of order. They are, therefore, measured on a nominal scale.

Random Sampling: The process of selecting a subset of the population for statistical inference. Random sampling means that every member of the population is equally likely to be chosen.

Regression: Regression means “prediction”—the regression of Y on X, the prediction of Y by X.

Regression Analysis: A method employed to study the relationship between variables, especially the extent to which a dependent variable functions one or more independent variables.

Sample: A group of units chosen to be included in a study

Significance: A criterion related to the validity of data.

Significance Level: In significance testing, the significance level is the highest value of a probability value for which the null hypothesis is rejected. Standard significance levels are 0.05 and 0.01. If the 0.05 level is used, the null hypothesis is rejected if the probability value is less than or equal to 0.05.

Smallholder Farmer: In Ethiopia, the smallholder farmer meets the conventional meaning of small farms of less than 2 hectares per household. They are known for their resource constraints like capital, inputs and technology; their heavy dependence on household labour; their subsistence orientation; and their exposure to risks such as reduced yields, crop failure and low prices

SPSS: A statistical package for Social Sciences that the software could support with computer-assisted research data analysis.

Staple food: The leading food consumed by a large portion of a country’s population.

Stakeholders: A large group of individuals and groups of individuals (including governmental and non-governmental institutions, traditional communities, universities, research institutions, development agencies and banks, donors etc.) with

an interest or claim (whether stated or implied) which has the potential of having an impact on a given project and its objectives. Stakeholders with a direct or indirect “stake” can be at the household, community, local, regional, national or international levels.

Subsistence Farming: Growing crops and, where appropriate, keeping animals to provide food (cereals, pulses, vegetables and fruits), shelter materials, and possibly other products (fibres, medicinals) for family use.

Survey: A method of data collection employing systematic and structured verbal or written questioning.

Sustenance: The basic goods and services, such as food, clothing, and shelter, are necessary to sustain an average human being at the bare minimum level of living.

Triangulation: A research approach employing more than one data collection and analysis method.

Underdevelopment: An economic situation characterized by persistent low levels of living in conjunction with absolute poverty, low income per capita, low rates of economic growth, low consumption levels, poor health services, high death rates, high birth rates, dependence on foreign economies, and limited freedom to choose among activities that satisfy human wants.

World Bank: An “international financial institution” that provides development funds to developing countries in interest-bearing loans, grants, and technical assistance.

10. SUBJECT INDEX

10. SUBJECT INDEX

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Prof.Dr. Seda Yıldırım
(Assoc. Prof.), Tekirdag Namik, Kemal University, Faculty of Economics and Administrative Sciences, Department of Business Administration, 59030, Tekirdag, Turkey. sedayil@gmail.com

Covid-19 pandemic has showed that the World is so far away from achieving 2030 Sustainable Development Goals. When considering the higher proportion of unemployment and povertyin the world, the most of governments from developing and the least developed countries have mostly focused on improving economic development with the higher proportion employment in several sectors. Ethiopia which is one of the least developed countries in the African region, is the second country with the highest population in this region. So, women empowerment can be seen as an important issue to be investigated for Ethiopia. The book investigated women empowerment for Humbo Woreda, Southern Ethiopia. Accordingly, it is thought that this book will give new and original findings for women empowerment in Ethiopia.

Prof. Dr. Khaoula Khwaldıa,
Professor, Laboratory of Natural Substances,
National Institute of Research and Physicochemical Analysis, Tunisia

Women empowerment is key to achieving the Millennium Development and Sustainable Development Goals. Women empowerment helps boost women's education, training, social development, and political and economic opportunities. Women empowerment allows women to build self-confidence, gain skills, solve problems, and develop self-reliance. The individual woman can empower herself to make choices to undertake any one of the micro-businesses to come out of poverty and elevate economically in the given environment. As a result, women become independent socially, economically, and politically, thereby taking independent decisions. Women's empowerment is a multi-dimensional concept that purports to measure a women's ability to choose and control different outcomes and enhance her self-esteem. This book will bring a whole image of women's development at the village level.

Prof.Dr. Djenebe Traore
Professor, Director General, West Africa Institute (WAI), Achada St. António - Caixa Postal 396 - A, Praia, Republic of CABO VERDE

Women's empowerment indicates the financial uplift and social and economic transformation of power relations. Rural women's economic empowerment is possible only through the involvement of women. Individually women become more powerful only when opportunities are available to change their lives. Women's lives have dramatically improved over the past decades. Today women have greater access and control over various their resources and life choices. They use those choices to participate more in labour, limit children, and diversify their families for micro-business and economic production activities. The pace of change for many women in developing countries has accelerated. This book will bring clear insight into women's development and promote empowerment issues.

Prof. Dr. Predrag Ilıc
Director and Scientific Advisor of Institute for protection and ecology of the Republic of Srpska

Empowerment is relevant at the individual and collective level and can be economic, social and political. Women empowerment will bring gender equality to society. This is a good sign of progress for women in all spheres. Empower is the course of actions that take ownership and control of their lives by extending their selections. Women empowerment is an independent attempt to make herself accessible and women's ability to manage their own lives. This book will bring clear insight into women's issues in microfinance institutions in the Ethiopian context.

Prof. Dr. Mohamed Rabıe
President, Arab Thought Council in Washington

Women's Economic Empowerment is a process that creates opportunities for women to become players in developing the national economy by allowing them to obtain valuable outcomes from economic activity and utilization of financial resources. Women's economic empowerment is gaining more access to a stable income, economic power, and security. Microfinance has come to play a significant role in many gender and development strategies because of its direct relationship to poverty alleviation and women's economic Empowerment. This book will clearly show how women become empowered in society to equip themselves to be independent.

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