

JIMMA UNIVERSITY
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CERTIFICATE

This is to certify that the thesis entitles “The Impact of Microfinance on Poverty Reduction: The case of Selected Clients of Oromia Credit and Savings Share Company (OCSSCO) in Gindeberet Woreda, Western Shoa Zone of Oromia Region”, submitted to Jimma University for the award of the degree of master of Business Administration (MBA) and is a record of bona fide research work carried out by Mr. Gizaw Ajema Begna, under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

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DECLARATION

I hereby declare that this thesis entitled “The Impact of Microfinance on Poverty Reduction: The case of Selected Clients of Oromia Credit and Savings Share Company (OCSSCO) in Gindeberet Woreda, Western Shoa Zone of Oromia Region”, has been carried out by me under the guidance and supervision of Arega Seyoum Asfaw (PhD) and Hamdu Kedir (MSC).

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

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Abstract

Microfinance has become very important in global poverty reduction debates. The popular assumption is that, enabling poor households access to credit helps households begin micro entrepreneurship which would enable them improve their incomes and eventually escape from poverty. The major causes of low economic growth and high incidence of poverty, in Ethiopia, includes lack of income, assets, employment opportunities, education, health and etc. To reverse the economic decline and poverty situation in the country, the Ethiopian government has taken policy measure such as structural adjustment program (SAP), agricultural development led to industrialization (ADLI), and poverty reduction strategy paper (PRSP), etc. Currently, increasing the poor access to micro finance services is accepted as one of the tool to attack poverty. This study assesses the impact of microfinance on poverty reduction the case of selected clients of Oromia credit and savings share company (OCSSCO) in Gindeberet woreda, Western Shoa Zone of Oromia Region, Ethiopia. The study used both primary and secondary data. Primary data were collected through structured questionnaire from active and new (incoming) clients. Secondary data were collected from different books, unpublished yearly or quarterly reports journal of articles, CSA reports and other relevant official reports. A total of 242 samples were selected using two stage sampling technique. Descriptive and inferential statistics of chi-square test of independence were applied in the study. The impacts were analyzed based on the variables such as income, nutritional status, medical facilities, access to education, saving, women empowerment, and employment creations. The findings indicated that OCSSCO credit program has made a positive impact on households' income, nutritional status, medical facilities and employment creations. However, the finding didn't show the impact of OCSSCO on households' access to education and women empowerment.

Key words: *Impact, poverty, microfinance, poverty reduction, clients, and poor*

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ABBREVIATIONS/ACRONYMS

ACSI-	Amhara Credit and Saving Institution
AEMFI-	Association of Ethiopian Microfinance Institutions
AIMS-	Assessment Impact of Micro financing Services
CSA-	Central Statistical Agency/ Authority
DECSI-	Dedebit Credit and Savings Institution
IDA –	International Development Association
MFI-	Micro finance Institution
MoUDC-	Ministry of Urban Development and Constructions
NBE-	National Bank of Ethiopia
NGO-	Non Governmental Organizations
OCSSCO-	Oromia Credit and Savings Share Company
PRSP-	Poverty Reduction Strategy Paper
RUFIP-	Rural Financial Intermediation Programme
SPSS -	Statistical Package for Social Scientists
SAP-	Structural Adjustment Program
USAID-	United States Agency for International Development

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Poverty is the major problem in most developing economies. It is the condition in which low income people cannot meet the basic needs of life. This situation leads to many difficulties like decreased health facilities, high illiteracy rate, decreased quality of life etc., these difficulties motivate human beings to commit heinous crimes and sometimes suicide. Poverty is defined by several authors as it is the situation of having not enough money to meet the basic needs of human beings (Hulme and Paul, 1997).

World Bank in its report (1990) defines poverty as the inability to attain a minimum standard of living. Poverty means a shortage of having enough to eat, a low life expectancy, a high rate of infant mortality, low educational standard, low enrolment and opportunities, poor drinking water, inadequate health care, unfit housing conditions and lack of active participation in a decision making process. Poverty does not only mean lack of material needs but also vulnerability and powerlessness. Power and participation dimension is argued to be independent with the income level and asset ownership dimension (Holcombe, 1995).

According to the World Bank report (2002), the dimension of poverty is classified as at least in four dimensions. These are: lack of income, low level of achievement in education and health, vulnerability to risks and some sort of insecurity and voiceless ness. The broad and widely used definition of poverty is developed by the World Bank, which incorporates the economic, social, political and environmental situations of the people. The broader definition of poverty as the multidimensional phenomena leads to a clearer understanding of its causes and to formulate a more comprehensive policy aimed at poverty reduction.

Provision of financial services is one of the important economic inputs in the effort to reduce poverty and empower economically marginalized segments of the society. Microfinance

institution programs gained a worldwide acceptance and popularity since 1980s in providing financial services to the poor.

The word microfinance is being used very often in development vocabulary today. Although the word is literally comprised of two words: micro and finance which literally mean small credit; the concept of microfinance goes beyond the provision of small credit to the poor. Christen (1997) defines microfinance as 'the means of providing a variety of financial services to the poor based on market-driven and commercial approaches' (Christen R.P., 1997)¹. This definition encompasses provision of other financial services like savings, money transfers, payments, remittances, and insurance, among others. However many microfinance practices today still focus on micro-credit: providing the poor with small credit with the hope of improving their labor productivity and thereby lead to increment in household incomes.

In recent times the term 'Microfinance' (MF) became a buzz word in every corner of the world as well as in the formulation of welfare programs by government. After hearing success stories in microfinance across the developing countries, third world nations started to give more importance to MFs. Since, banks have failed to reach the poorest of the poor of the country's population; microfinance emerged as a potential tool to fill the gap between financial institutions and needy people. Though we are in the 21st century where science and technology plays a vital role in the pace of development, many countries across Africa suffered from hunger, ill health, mass poverty and illiteracy. To curb all these awful conditions, there is a need of massive financial recourses. Microfinance is said to be an effective instrument discovered in the 21st century to mitigate poverty in the world. Microfinance helps the poor to come out from many wicked problems.

1.1.1 Micro Finance Institutions (MFIs) in Ethiopia

Wolday (2000) argued that the establishment of sustainable and profitable microfinance institutions that reach a large number of poor household who are not served by the conventional banks such as, commercial and development banks because of high collateral and other security requirement, their institutional and structural problems have been the current issue of the new development strategy of the Ethiopian government, that is poverty reduction strategy.

Since the takeover of the present government in 1991, considerable attempt has been made to liberalize the financial sector. To this effect, Proclamation No. 84/94 was issued, which allows private domestic investors to participate in banking and insurance activities, which were previously monopolized by the government. However, the issuance of this proclamation alone did not totally solve the financial problem of the economically active poor people in rural and urban areas (Seifu 2002).

Based on the development of the microfinance industry at national and global level, Ethiopia took the direction of building sustainable microfinance institution in order to deliver financial services to the poor. Microfinance was first seen in Ethiopia in the late 1980s, offered mostly by NGO relief and development programs. The year 1996 saw the formalization of the industry with the government issued “Proclamation for licensing and supervision of microfinance institutions No 40/1996”(Wolday 2004). This Directorate officially brought MFIs under Ethiopia’s monetary and financial framework. It enabled all MFIs to accept deposits and stressed the need for sound commercial principles in the sector.

The Ethiopian microfinance sector is characterized by its rapid growth, an aggressive drive to achieve scale, a broad geographic coverage, a dominance of government backed MFIs, an emphasis on rural households, the promotion of both credit and savings products, a strong focus on sustainability and by the fact that the sector is Ethiopian owned and driven. The industry has a strong focus on loans to the very poor. Sector outreach is impressive and the financial performance of the sector is considered good; MFIs have also mobilized a significant amount of savings (Wolday 2004).

The microfinance sector of Ethiopia, as at 2011, recorded 2,470,641 borrowers. There are currently 35 MFIs registered with the National Bank of Ethiopia (www.nbe.gov.et) who are providing microfinance service for approximately 2.5 million active borrowers which is insignificant proportion compared with the demand. The Ethiopian microfinance market is dominated by a few large players, all of which are closely linked to regional government ownership. The three largest institutions account for 65 per cent of the market share in terms of

borrowers, and 74 per cent by gross loan portfolio. These are Amhara (ACSI), Dedebit (DECSI) and Oromia (OCSSCO) Credit and Savings Institutions (NBE, 2011).

1.1.2 Background of the Organization (OCSSCO)

In many developing nations the rural poor who are typically attached with poverty do not have accessibility to formal financial institutions. Generally in Ethiopia, due to high collateral requirements by formal banks, the majority of small-scale poor farmers have been denied access to financial services. Even there is no bank branch in many Woredas. To tackle this problem, rural development is mainly the essential tool, credit being the best strategy. Since one of the major problems of the poor is lack of access to credit and saving services, the Oromia rural credit and savings scheme development project was initiated to fill this gap under the Oromo Self Help Organization (OSHO), which was established to deliver credit and mobilize savings in rural Oromiya in 1996. The project started operation in January 1996 in four districts of Oromia. The achievement of this scheme leads to the establishment of Oromia Credit and Saving Share Company. The company is a transformation of this scheme development project.

As per proclamation No. 40/1996, issued by National Bank of Ethiopia (NBE) for licensing and supervision of microfinance activities, OCSSCO was registered by NBE in August 1997. Since then, OCSSCO, as an independent microfinance institution, has been operating in providing credit and mobilizing savings from members, non-members, associations and institutions.

The general objective of the company is to alleviate poverty and promote economic development through the provision of credit and saving services. The specific objectives of OCSSCO include achieving household level food security in Oromia, increasing household income and improving the overall economic and social conditions of rural households (AEMFI, 2000). The strategy of OCSSCO is to meet the above objectives include targeting resource poor people, mobilizing both compulsory and voluntary savings and delivering credit to the poor. In line with this the purpose of the current research is to assess whether or not these objectives are achieved as it is intended.

1.2. Statement of the Problem

Microfinance industry has got the attention of academicians and practitioners as an innovative method of fighting poverty. Johnson and Rogaly (1997) argued that NGO's have begun to

implement micro financing as an effective instrument of poverty reduction since 1990s. In Ethiopia also government and NGO's started to deliver financial resources to informal sectors. As result, micro financing has been considered available tool to reach the poorest segment of the population (Bekele, 1996; and Solomon 1996). In addition, World Bank (2000) indicated that providing the poor access to financial services is one of the key poverty reduction instruments of international development institutions.

In any low income country, however, the prevailing operation of the formal financial institutions is inefficient to provide sustainable credit facilities to the poor. Most of the requirements demanded by formal institutions for the purpose of lending which require physical collateral worth three to four times the amount of their loans are beyond the capacity of the poor.

To solve those limitations, microfinance institutions have been developed. In line with this premise, formal microfinance in Ethiopia has been started in 1994/5 as a potential tool to fill the gap between financial institutions and needy people. In particular, the licensing and supervision of microfinance institution proclamation No. 40/1996 encouraged the spread of microfinance institutions (MFIs) in both rural and urban areas. As a result, there are around 35 active licensed MFIs (NBE, 2014) who are providing microfinance service for approximately 2.4 million active borrowers which is insignificant proportion compared with the demand.

Many of these programs use social mechanisms, such as group based lending, to reach the poor, particularly women, who lack access to formal financial institution (World Bank, 1998) .This group based lending approach provides an innovative promising mechanism to provide credit to the poor with ultimate objectives of poverty reduction. OCSSCO, which is one of the microfinance institutions, provides credit and savings services in Oromia regional state by targeting resource poor people with ultimate objectives of achieving household level food security, increasing household income and improving the overall economic and social conditions of households in the region.

The poor participate in microfinance programs in the expectation that borrowing increases their income and sustain self - employment. It is also considered as a strategy to increase income, improved saving, improved nutrition, increase access to education, health and improve living standard of the poor and ultimately, achieve the objective of poverty reduction. The assessment

of the impact of microfinance institutions is important to assess whether it achieves its objectives or not. However, few impact assessment studies have been undertaken at OCSSCO level which is not enough as compared to the outreach and size of the institution (OCSSCO).

In Gindeberet Woreda, the program started on September, 1999. Though the program has been in place for the last fourteen years; however, to best of the researcher's knowledge there was no impact assessment has been undertaken on the performance of the program and its contribution to improve the living standards of the poor in the woreda. Thus, this study is initiated to contribute some information to the existing body of knowledge on the assessment of the impact of OCSSCO's credit and savings program on the socio-economic conditions of selected clients in Gindeberet woreda of Oromia region.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study is to assess the Impact of OCSSCO's credit program on Poverty Reduction in Gindeberet Woreda, Western Shoa Zone of Oromia Region, Ethiopia

1.3.2 Specific Objectives

1. To examine the contributions of OCSSCO's credit program towards improving clients household income in Gindeberet woreda.
2. To measure the effect of OCSSCO in enhancing the savings behavior of clients in Gindeberet woreda.
3. To see the impact of OCSSCO in improving the living conditions (in terms of food, health and education) of clients in Gindeberet woreda.
4. To evaluate the role of OCSSCO with respect to women empowerment and employment creation in the study area.

1.5 Study Hypotheses

H₁: Participation in microfinance programs leads to improving clients household and enterprise income.

H₂: Participation in microfinance programs leads to enhancing the saving behavior of clients.

H₃: Participation in microfinance program leads to improving the living conditions (in terms of food, health and education) of clients.

H₄: Participation in microfinance program services expected to improve women empowerment and employment creation

1.4 Significance of the Study

The findings of this study will have immense contributions and expected to benefit different stakeholders such as the Government, NBE, AEMFI, the Microfinance institutions, etc.

To the Government, NBE and other Fund-raising Organizations:

In line with the ability of micro financing services to ensure economic development by providing savings and credit to low income earners, the government has been pushed to support the development of microfinance institutions. This has seen a lot of investment by the government in providing financial support to the microfinance institutions. The findings from this study on the impact of microfinance may help the government, regulatory and policy makers like NBE and other fund-raising organizations in determining the contribution of these investments.

To Microfinance Institution's Management and AEMFI:

The microfinance institutions are formed with the objective of ensuring that low income earners have access to financial services. There are several Ethiopian who fall under the bracket of low income earners. Microfinance institutions aim at ensuring that all these citizens who are low income earners are catered for in terms of provision of financial services. It is, therefore, necessary for the institutions to understand the perceptions of the citizens on the impact of the microfinance services they are offering and the level of awareness of the public on the existence of microfinance institutions and their services. This information may be used by the management of the microfinance institutions and AEMFI in determining areas for improvement so as to ensure their success.

For Academicians/ Researchers:

Little research has been done in Ethiopia that identifies the impacts of microfinance. Considering the benefits attributed to microfinance institutions in economic development and the rapid

development of these institutions, impact of microfinance has received attention of researchers and academicians. Therefore, a study on the assessment of the impact of microfinance on poverty reduction in Ethiopia, with special reference to OCSSCO west shoa zone Gindeberet woreda, may therefore attract researchers and academicians who are in need of educating more and providing solutions to lack of access to financial services in Ethiopia and other sub-Saharan Africa. The information from the study will also form basis for literature for other researchers and academicians who are willing to carry out studies in the same or related field.

1.5 Scope and Limitations of the Study

The study concerns assessment of the impact of microfinance on poverty reduction the case of selected clients of Oromia credit and savings share company (OCSSCO) in Gindeberet woreda, Western Shoa Zone of Oromia Region, Ethiopia. Therefore, it may not have a scientific justification to assure the reader that the final conclusion out of this paper could be representative and applicable to all households who are participating in microfinance programs throughout the country.

1.6 Structure of the Thesis

This paper has five sections and has been organized as follows: The first section (chapter I) consist of an outline and overview of the thesis including background, statement of the problem, objective of the study, significance of the study, and scope and limitations of the study. The second section (chapter II) includes a conceptual overview of MFs. It discussed deeply the review of literature on the assessment of impact of microfinance on poverty and discussed the definition of microfinance, and the historical development of microfinance in Ethiopia. The third section (chapter III) describes an outline and explanation of the research methodology employed in the study. This includes a research design, research methodology, target population and sampling methods used and method of data analysis and presentation. The forth section (chapter IV) deals with the empirical analysis and findings of the study. The last section (chapter five) summarizes the analysis; made conclusions and recommendations about where to be improved, and where future research can expand the assessment of the impact of microfinance on poverty reduction.

CHAPTER TWO

2 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Microfinance and Poverty Reduction

In Africa there are many community-oriented policies and programs which incorporate different objectives related to economic development, national development, nation building or simply development. For example, the operation feed yourself in Ghana, agricultural development led to industrialization (ADLI) and poverty reduction strategy paper (PRSP) in Ethiopia, the agricultural development projects (integrated rural development projects), and the green revolution are well known inside and outside Africa. Most of these policies and programs were or are designed to improve the socio-economic conditions of the rural population. Microfinance program has been viewed as a unique program for the reduction of vulnerability, and hence the achievement of the Millennium Developmental Goals (Adamu, 2007). Microfinance allows poor people to diversify and increase income sources, the essential path out of hunger. Diversification makes people more resilient to external shocks.

The study of poverty and its reduction are not new. Rather what are revisited are the spatial differences in levels of poverty among real units. Poverty is a global phenomenon, which affects continents, nations and peoples differently. It afflicts people in various depths and levels, at different times and phases of existence (Oyeyomi, 2003). The most commonly way to measure poverty is based on income or consumption line. A person is considered poor if his or her consumption level falls below 1USD per day, a level necessary to meet basic needs. This minimum level is called the poverty line (The World Bank, 2002).

Narayan et al. (2000) systematically defined poverty when he said that “don’t ask me what poverty is because you have met it outside my house. Look at the house and count the number of holes. Look at my utensils and the clothes that I am wearing. Look at everything and write what you see. What you see is poverty”.

Micro-finance is a term used to refer to different methods for giving poor people access to financial services. Irobi (2008) defined microfinance as the provision of financial services such credits (loans), savings, micro-leasing, micro-insurance, and payment transfers to economically

active poor and low income households to enable them engage in income generating activities or expand/grow the small businesses. Microfinance is sectionally defined as a financial intervention that focuses on the low-income group of a given society. The intervention primarily involves credit services and may also include savings, insurance on credits and savings.

Furthermore, Robinson (2001) defined microfinance as the supply of loans, savings and other basic financial services to the poor. Microfinance evolved as an economic development approach intended to benefit the low-income part of a given society, both men and women (Irobi, 2008).

According to World Bank (2007), the term refers to provision of financial services (including saving and credit) to the poor. Micro-finance banks therefore are institutions that are established to provide financial services to the poor. Microfinance institutions can be non-governmental organizations, savings and loan cooperatives, loan unions, government banks, commercial banks, or non-bank financial institutions (Ledgerwood, 1997). The policy seeks to make financial services available on a sustainable basis to the economically active poor, low-income earners and micro, small and medium enterprises through privately owned enterprises.

The objective of microfinance according to Otero (1999) is not providing capital to the poor to combat poverty; it seeks to create an institution that delivers financial services to the poor who are ignored by the formal banking sector.

2.2 Assessing MFI's Micro Financing Scheme on Poverty Reduction

Assessing microfinance impact has been the main concern of development specialists in order to know whether or not providing financial services to the poor has reduced the poverty. The impact may be measured using indicators such as income, wealth, food security, child nutrition, and employment, quality of life, or gender relations. Khandker (1999) argued that the immediate impact of having access to credit from a micro credit program is on employment and income in which these may have impact on other outcomes such as consumption, nutrition, contraceptive use, fertility and education. According to Meehan (2000), there are many supporters of micro credit provision who would agree that well designed lending programs could improve the income of the poor people.

Fidler and Webster (1996), however, stressed the existence of methodological difficulties associated with the measurement of the impact of the program towards poverty reduction. They proposed the descriptive approach in assessing the impact of microfinance on poverty reduction by comparing the beneficiaries' outcomes before and after loan or outcomes of clients and non-clients.

Joanna Legerwood (1999) stated the three broad categories of impacts of microfinance activities.

- (1) Economic impacts (business expansion, income, accumulation of wealth and consumption).
- (2) Socio-political or cultural impacts (changes in favor, changes from barter to monetized economy, hope for changes in power, redistribution of assets, nutrition and education).
- (3) Personal or psychological impacts.

According to Joanna legerwood an impact from one of these categories can in itself cause an impact on one or more of the others. The poor participate in micro-credit programs in the expectation that borrowing will increase their income and sustain self-employment.

Khandker (1999) argued whether participation in micro-credit programs does in fact reduce poverty in terms of consumption and help increase income and employment on a sustained basis could be measured directly. The benefits of program participation can also be measured indirectly, by measuring changes in socio-economic outcomes. This implies that the effects of micro-credit programs on participants can be measured in terms of consumption, nutrition, employment, net worth, schooling, contraceptive use and fertility. The study argued that changes in income and employment among program participants might affect the living standard of the poor. There are two important factors that determine the overall impact of the program. These are the growth potential of activities financed by the micro credit programs and the extent of credit market imperfections that are resolved with enhanced availability of credit.

According to AIMS (2000), the purpose of an impact assessment is to answer the question of whether a project leads to change that is different from what would have happened without the intervention, or whether the program increases the probability of that change. In the context of the rapid growth and evolution of microfinance industry, impact assessment is a critical to classify whether or not the changes occur on the livelihood of the clients.

Establishing impact is making a credible case that the program led to the observed or stated changes, meaning that the changes are more likely to occur with program participation than without program participation. It does not imply that the changes always occur from program participation. Rather, it increases the probability that the changes will occur.

The type of change we are looking for can occur for multiple reasons, many of which are not related to program interventions (AIMS, 2000). There are factors that enhance or constrain opportunities for change but are not directly linked to the program intervention such as gender of client, number of household members, price of business inputs and external factors.

According to AIMS, searching for impacts requires lens on the full range of family/household economic activities because the micro enterprise is firmly embodied in the family/household especially among poorer families. How the micro enterprises fit into overall economic strategies depends on the following factors.

- i) The composition of the family, which will vary in different locations and cultures.
- ii) Decision-making within the family about investments and the selection of productive activities.
- iii) How the family is linked extremely to larger social networks through which it gives and receives resources.

Ledgerwood (1999) argued that most microfinance institutions see microfinance as a cost effective means of poverty reduction, but the detailed intentions and expectations of microfinance programs can differ considerably. Impact of microfinance activities may fall at the level of the economy itself.

2.3. The Impact Analysis Framework

The impact of microfinance initiatives can be seen from three different but interrelated aspects. These are economic, socio-political/cultural and personal/psychological. It means that large MFIs reaching hundreds of thousands of clients may have three aims: 1) bringing changes in economic growth in a region or sector, 2) bringing a shift in the political aspect of a particular district, and 3) improving borrowers' sense of self. These impacts could be evaluated from two perspectives. The first one is the financial system approach (*theintermediary school*) and the second one is the client-oriented impact analysis approach (*theintended beneficiary school*). The

first one focuses on changes in the organization (MFI) and its operations. And as such, its proxy indicators are outreach and sustainability of the program (Goetz and Gupta, 1996; Hulme, 2000, Ledgerwood, 1999 and Yaron, 1997). However, what clearly indicates ‘who benefits’ and ‘how’ is *the intended beneficiary school*, which is the focus of this study.

2.3.1 Impact Indicators of Poverty

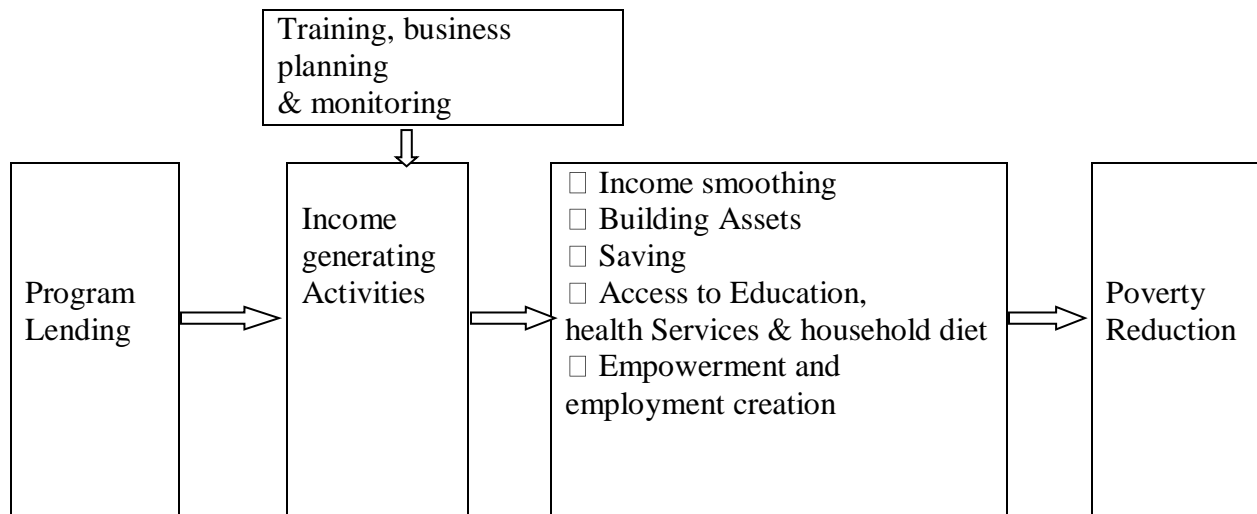
Income, assets, welfare and consumption expenditure can be used as indicators of impact. The framework by (Ledgerwood 1999, cited in Daba 2003) defines domains of impact indicators to measure impact at the household, enterprise, individual and community levels. At the household level, income, assets, consumption expenditure and basic services are indicators of impact assessment. At the enterprise level, five domains of development include the resource base, production process, management, markets and financial performance. At the individual level, three domains of well-being include independent control of resources, leverage in households’ decision-making units and community participation. At the community level, four domains of development include net changes in employment and income, forward and backward linkages, social networks and civil participation.

According to (Chekol kidane 2002, cited in Daba) the changes of these indicators that indicate the movements at different levels toward or away from greater economic security are believed to suggest the role of microfinance interventions in expanding options for poor women and men in relation to the broader development goals of poverty alleviation and economic growth.

According to AIMS (2000), domains of household security include income, assets and expenditures. This study also identified that microfinance impact at household level leads to increased income, increased assets and increased welfare (in such aspects as food security, housing and health).

Studies suggest that many microfinance programs have attained the objective of reaching a large number of clients with small amounts of resources. This study was assessing the impact of OCSSCO credit program on poverty reduction by taking selected clients and new (incoming) clients of OCSSCO households as units of analysis. The model given below would specify the linkages of variables involved in the study.

Figure 2.1 Linkage of Variables Model



Source: - Adapted from Hulme (2000)

2.4 Empirical Studies on Microfinance Impact Assessment

Microfinance institutions are considered to be a strategic tool for the poverty reduction in the developing countries. However, knowledge about the achievements of such initiatives remains only partial and contested. At one extreme are studies arguing that microfinance has very beneficial economic and social impacts (Holcombe, 1995; Hossain, 1988; Otero and Rhyne, 1994; Remenyi, 1991; Schuler, Hashemi and Riley, 1997). At the other are writers who caution against such optimism and point to the negative impacts that microfinance can have (Adams and von Pischke, 1992; Buckley, 1997; Montgomery, 1996; Rogaly, 1996; Wood and Shariff, 1997). In the 'middle' is work that identifies beneficial impacts but argues that microfinance does not assist the poorest, as is so often claimed (Hulme and Mosley, 1996; Mosley and Hulme, 1998). Given this state of affairs the assessment of microfinance programs remains an important field for researchers, policymakers and development practitioners.

2.5. Empirical Evidence in Ethiopia

Impact assessment in microfinance has received more attention than in any other area of enterprise development because it is now generally accepted that impact assessment is a critical element in further improving micro-finance services and promoting innovation. Existing impact assessments have made an important contribution to understanding some of the complex interactions between microfinance interventions, livelihoods and different dimensions of poverty

reduction and empowerment (Mayoux, 2001). Several studies have been conducted to examine whether microfinance can really help the poor. There is no consensus on results and some of them contradict each other. In some cases microfinance is said to have brought positive impacts on the life of the program clients, whereas in some other instances, microfinance is found to play insignificant role towards mitigating the problem of the poor.

Most of the findings are from research works on the impact of different microfinance organizations, particularly Oromia Credit and Savings Share Company (OCSSCO) in Oromia regional state, Amhara Credit and saving Institution (ACSI) in Amhara regional state, Dedit Credit and saving Institution (DESCI) in Tigray regional state, Omo in SNNPRS and WISDOM Microfinance Institution in Addis Ababa.

A study by Tesfaye (2003) and Hailai (2010), using econometrics models (like the propensity score matching (PSM) model, the treatment-effects model, OLS and a version of the Heckman sample selection model) on the impact of DECSI in Tigray regional state confirmed that impact of microfinance on survey households' poverty indicators is insignificant. Although, it may help households just to survive in times of shocks and vulnerabilities or for consumption smoothing the results confirm that impact of households' participation in microfinance on reducing poverty and accumulating fixed assets is insignificant. Another study particularly in Ganta- Afeshum wereda (Tigray regional state) by Asmelash (2011) pointed out that DECSI's micro financing scheme appears to have a positive impact on the clients overall household income, sources of household income, acquisition of key household assets, housing improvement, access to education, and access to health facilities. However, the survey findings did not strongly evidenced regarding some of the impact variables such as women empowerment (similar with Tesfaye, 2003), food security, and coping with difficulties.

The impact of the program is better in the urban program areas than in the rural program areas except for clients' empowerment, which the rural clients have shown better involvement in the household and business decision making activities and participation in any associations or groups in the community. Based on the ANOVA and Chi square test results, Asmelash concluded that DECSI's micro financing scheme contributed a positive impact on the improvement of the household income of the rural female clients. The result of the study also revealed that the scheme did not enable rural frequent clients to diversify their livelihood but a significant

numbers of the frequent urban clients have better secondary income sources than the new urban clients have. DECSI's micro financing scheme appeared to have a positive impact on the ownership of key household asset of its clients in the urban program area. Another finding of the study was that DECSI's micro financing scheme had a positive impact on the improvement of business and employment opportunity of its clients both in the rural and the urban program areas; had improved the diet condition of its urban clients but no significant change on the rural one; has a positive impact on the empowering of its rural women clients to participate in the decision-making process of household and business activities. Surprisingly its role in empowering for urban women was not significant.

Jemal (2003) also used Wilcoxon Matched Pairs Non- Parametric test to assess the impact of OCSSCO scheme on beneficiaries of Kuyu Wereda based on the situations of borrowers before and after the loan. According to the survey results, 20.7% of the sample borrowers have managed to create additional sources of income (livelihood diversification) after participation in the credit scheme; 93.1% of them reported of having savings after the program, mostly saving below 10 Birr per month (i.e., about 92.1%). Almost all of those who started saving after the loan are saving nothing more than the compulsory group/center savings, which shows that much have to be done in terms of mobilizing more savings.

The study of Daba Moti (2003) Sasiga branch of OCSSCO in Eastern Wollega Zone of Oromiya Regional State indicates about 95% of sample clients reported that their live conditions have been improved because of program participation while only 20% of sample non-clients reported the trend that their living conditions have been improved because of good agricultural season and petty trade using their own income for the last two years, But considering school-age children and actual enrollment, the result does not show difference between the two groups. Another study in Dale wereda, Sidama zone by Adane (2010) also came up with similar result. In the study area, microfinance intervention enabled the participants to increase their annual income (for 64% of the clients), increased their saving (88% of the respondents) though there is high compulsory saving rate, improved their food expenditure (88%), yearly harvest increased (69%) due to better application of fertilizer, but no significant change was observed in diversifying the livelihood. Actually the study tried to examine the impact of microfinance on food security using

information from the same person before and after the intervention. This approach did not indicate whether the impact is due to the intervention or not.

Extensive studies have been conducted on the role of ACSI by Bamlaku the case of Enmay wereda of East Gojjam (2004), Getaneh (2007), a comparative study of ACSI and wisdom by Kassa (2008) and Mekonnen (2008); and the summary of the findings are presented as follows. Amhara Credit and Saving Institution (ACSI) is one of the largest micro finance institutions operating in Ethiopia providing micro-finance market to the low income population of Ethiopia, particularly of the Amhara region. It has started its operations in 1995 and has become a licensed MFI in April 1997 having an aim of improving the economic situation of low income, productive poor people of the region primarily through increased access to lending and saving services. Its lending activities have witnessed positive socio-economic impact upon its clients through helping the poor increase their income; asset possession and their empowerment status (Mekonnen, 2008). Results from the client empowerment qualitative tool show that clients had increased self-esteem since joining the program, with 54 of 60 reporting increased self-esteem and 60 of 60 reported feeling better about themselves and their achievements. About 71% of mature male and 66% of mature female clients had gained self-confidence due to the successful repayment of a loan. These women have not only decided to improve their lives by engaging in income generation activities but have also decided to invest in the future by making sure their children are educated and employable. The client empowerment interview also found that clients gained confidence in deciding to purchase assets (like clothes, jewelry) without feeling the need to seek permission. They participated in decisions about children's' education and marriage, house and household assets. It also enables the clients to cultivate own land which was not practiced due to lack of inputs and resources (Mekonnen, 2008).

The survey result of Bamlaku on the other hand indicated that most clients used their loans strictly in productive activities except that they smooth their income during bad times. The primary loan activity in the rural program area was agriculture, where the majority of the respondents have identified themselves as farmers. In the urban areas loans were used mainly for commercial activities, which included petty trade, retail business, local food and drink processing, and handicraft and services businesses. That means urban beneficiaries diversify their livelihood than rural ones. The result is consistent with the findings of Asmelash, 2011 (Ganta-Afeshum wereda of east Tigray zone). Another study regarding the role of ACSI in

Amhara regional state on poverty reduction by Ramanaiah and Gowri (2011) revealed that microfinance scheme enabled 66% of the borrowers to be food secured, 44% not to dispose-off assets and get acceptance in their community and 39% enabled to send their children to school. Overall, 89.9% reported that participation in the program has changed their life positively. In the same study, 20% reported that they exhibited no change in their life-style, while the remaining 3.3% actually experienced worst life style as a result of the credit (due to failure in business, and therefore increased debt burden, having to sell some assets to settle debt). The finding by Kassa(2008) (a comparative study on the role of ACSI and WISDOM) revealed different results mainly on livelihood diversification; that means WISDOM microfinance institution in Addis Ababa achieved positive impact on diversification of income (mainly through self-employment), nutritional status and wellbeing of female clients and their families. This may be due the skill training given before they commenced any business.

Similar result was obtained by Doocy et al. (2004) on two centers of WISDOM (Sodo and Adama) that extended participation in the WISDOM lending program results in diversification of livelihood and contributed a 23% of additional source of household income. That means participation in the WISDOM microfinance program gave people the funds to expand existing businesses or start other microenterprises, resulting in the diversification of income sources and the spread of the risk of financial over an increased number of microenterprises. Those female clients (in kassa's study) were significantly less likely to be food aid recipients suggesting that WISDOM is successful in reducing malnutrition and food insecurity problems of its clients. But the outcome for ACSI was not as expected. The result of the Chi-Square analysis of Bamlaku's study also supported the argument that micro financing scheme has a positive impact on improving the income level of beneficiaries. Kassa also concluded on his study, women were totally dependent on their husbands before ACSI, but some women are responsible for their activities and have access and control of their resources after joining ACSI. Some women clients reported self-esteem since joining the program and their interaction in group meetings helped them made good business decisions. This result coincides with the findings of Mekonnen (2008) on ACSI.

2.6. Conclusion and Knowledge Gap Emerged from Earlier Literature

The assumption of microfinance intervention, the provision of financial services especially loan, is to enhance the welfare and economic situation of its clients by making adequate finance available to help them engage in profitable activities.

Several studies have been conducted to examine whether microfinance can really help the poor, but there is no consensus on results and some of them contradict each other. At one extreme are studies arguing that microfinance has very beneficial economic and social impacts (Holcombe, 1995; Hossain, 1988; Otero and Rhyne, 1994; Remenyi, 1991; Schuler, Hashemi and Riley, 1997). At the other are writers who caution against such optimism and point to the negative impacts that microfinance can have (Adams and von Pischke, 1992; Buckley, 1997; Montgomery, 1996; Rogaly, 1996; Wood and Shariff, 1997). In the ‘middle’ is work that identifies beneficial impacts but argues that microfinance does not assist the poorest, as is so often claimed (Hulme and Mosley, 1996; Mosley and Hulme, 1998).

As discussed in empirical study above in Ethiopia also several studies have been conducted on the impact of different microfinance organizations, particularly Oromia Credit and Savings Share Company (OCSSCO), Amhra Credit and savings Institution (ACSI), Dedebit Credit and saving Institution (DESCI), Omo in SNNPRS and WISDOM Microfinance Institution in Addis Ababa. But, studies of overseas on the impact of the MFIs in improving the living standard of the poor are not exhaustive and also some of the papers were done ten years back and absence of information on impact assessment at country level.

In Gindeberet Woreda, the program started on September, 1999. Though the program has been in place for the last fourteen years; however, to the best of the researcher’s knowledge there was no impact assessment has been undertaken on the performance of the program and its contribution to improve the living standards of the poor in the woreda.

Thus, this study is initiated to fill this gap and contribute some information to the existing body of knowledge on the assessment of the impact of OCSSCO’s credit and savings program on the socio-economic conditions of selected clients in Gindeberet woreda of Oromia region.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Description of the Study Area

Ginde Beret (Afan Oromo: “*Gindabarat*”) is one of the woredas in the Oromia Region of Ethiopia. Part of the West Shewa Zone, Ginde Beret is bordered on the south by Jeldu, on the southwest by Ambo, on the west by the Guder River which separates it from the Horo Guduru Welega Zone, on the north by the Abay River which separates it from the Amhara Region, on the east by Abuna Gindeberet woreda. The capital city of the woreda is Kachisi which is 193 KM from Addis Ababa to the North West and 138 KM from the zone town Ambo to the north. (<http://www.geographic.org>). The woreda is organized into 31 kebeles with an estimated area of 2,417.82 square kilometers (Gindeberet woreda land and environmental conservation office 2014).

This woreda is divided into two agro-ecological zones, locally called badda-daree, or mid-land, which comprises 40% of the total area and has an altitude ranging between 1500 and 2604 meters above sea level, and gammojjii, or low-lands, which comprises 60% and has an altitude between 1000 and 2500 meters; the badda-daree zone is much cooler and receives more rainfall than the gammojjii. The cultivated area covers 40.8% of the woreda (of which 32.7% of the total area is planted in annual crops), while 36.1% is pasture, 1.3% forest, 9% shrub land, 8.8% degraded on non-arable land, 2% is covered by bodies of water, and all other categories of land makes up the remaining 2%.(Gindeberet woreda agriculture office 2014)

The 2007 national census reported a total population for this woreda is 104,595, of whom 52,726 were men and 51,869 were women. The total population of the woreda for the year 2013/14 is estimated at about 122,899 of which 61,953 are male and 60,946 are female. (Using 2.5% rate of increase CSA). About 89.44 % of the total population of the woreda engages in agricultural activities. Others include those who participate in trading, civil servants and unemployed people. Gindeberet branch of OCSSCO microfinance is a particular study area which is first established in September, 1999 in the woreda (OCSSCO, 2014).

3.2 Research Design

The study employed a cross-sectional descriptive survey design. For this reason the researcher used mixed methods, i.e combination of quantitative and qualitative methods for the assessment of the impact of microfinance on poverty reduction. Qualitative methods allow researchers to explore behaviors, perspectives, feelings, and experiences in depth, quality and complexity of a situation through a holistic framework. In contrast, quantitative research is a formal systematic approach which incorporates numerical data to obtain information about the world. For this particular research quantitative techniques were used to drive an empirical estimate of the impact of an intervention on the target groups. A qualitative method is also used to show the direction of change and individual's perceptions.

3.3. Population of the Study

The study population was the entire people found in the list of Oromia Credit and Savings Share Company (OCSSCO), Gindeberet woreda. The study has used two groups of samples namely, experimental group and control group. Control group was used to avoid the problem of intervening variables (variables that are affecting the output of the research other than independent variables). This control group is randomly selected from the list of people who are in the training phase, which would be clients of the OCSSCO in the near future or incoming clients. Experimental groups are randomly selected from the list of OCSSCO active clients those are staying in the program for more than two years. Accordingly, there are 3494 active clients and 548 new (incoming) clients who are in the training phase were taken as target population for the study.

3.4 Sample Size and Sampling Techniques

Two stages sample design procedure were adopted for the survey. The first stage is the selection of sample kebeles. The second stage is the selection of sample respondents from the selected kebeles. From the researcher's preliminary study of information obtained from OCSSCO Gindeberet branch, currently there are 31 kebeles in the woreda. From 31 kebeles of the woreda where OCSSCO operating five kebeles, Namely, Ciracha Gato, G/A/Sabbat, Gammada, K/Sankori and C/jibat were randomly selected. From a total of 3494 household active clients and 548 new (incoming) clients in list of OCSSCO 565 active clients of which 324 male and 241

female and 88 new (incoming) clients of which 52 male and 36 females were in the sample selected kebeles. In general, a total of 653 established and incoming clients were included in this study. The selection of respondents was based on frequent clients and incoming clients. So, sample size determination was using Cochran W.G. (1977) finite population correction factor formula as follows:

$$n_0 = \frac{Z_{\alpha/2}^2 pq}{e^2}$$
 (To determine the sample size in estimating the mean or the proportion Kothari, 1999 and Cochran, W.G., 1997),

$$n = \frac{n_0}{1 + \frac{n_0}{N}}$$
 (To determine sample size of finite population correction factor formula Kothari, 1999, and Cochran .W.G., 1997),

$$n_1 = \frac{n(N_1)}{N} \& n_2 = \frac{n(N_2)}{N}$$
 (Sample size determination of two strata proportion of Kothari 1999 and Cochran, W.G., 1977),

n_0 = is the sample size without considering the finite population correction factor (when population > 10,000)

n = sample size with considering the finite population correction factor (with population < 10,000) because of this n would be preferred.

$Z_{\alpha/2}$ = Value of the standard normal distribution

e^2 = margin of error

N = total number of the entire people found in the list of OCSSCO Gindeberet branch (five kebeles).

P = proportion of experimental (client) and Control group (incoming client) in the list of OCSSCO (five kebeles of Gindeberet woreda), α = level of significance, $q = 1-p$.

n_1 = sample size from strata one (experimental group) and n_2 = sample size from strata two (control)

N_1 = total population size in strata one (experimental group) and N_2 = total population size in strata (control group) two.

Where $d = 0.05$, $\alpha = 0.05$, $p = 0.5$, & $q = 0.5$

$$n_0 = \frac{(1.96)^2 * 0.5 * 0.5}{0.05^2} = 384$$

To address each respondent and to collect real information, the researcher has take participants who have know-how on the area and this reduces time and cost. The researcher used the correction method as the best sample size determination. Considering the population correction factor, the sample size is as follows:

$$n = \frac{n_o}{1 + \frac{n_o}{N}} = \frac{384}{1 + \frac{384}{653}} = 242$$

From this the Sample size determination for experimental group (active client) and control group (incoming client) computed as follows: Hence,

$$n_1 = \frac{n(N_1)}{N}, n_1 = \frac{242 * 565}{653} = 209, \quad n_2 = \frac{n(N_2)}{N}, \quad n_2 = \frac{242 * 88}{653} = 33$$

The size of the ultimate units was determined by using the proportionate sampling technique, giving a size of 46, 54, 42, 47, and 53 from Ciracha Gato, G/A/Sabbat, Gammada, K/Sankori and C/jibat respectively. The 242 sample households were selected from each kebele by using systematic random sampling technique. The distribution of the sample households by program area and gender is given in Table 3.1 below.

Table 3.1 Sample Size

Name of of Kebele	Household size							Sample size						
	Active clients			New (incoming) Clients			Total H/hold	Active clients			New (incoming) Clients			Total sample
	M	F	T	M	F	T		M	F	T	M	F	T	
C/ Gato	82	27	109	9	6	15	124	30	10	40	3	3	6	46
G/A/Sabbat	68	61	129	12	4	16	145	25	23	48	5	1	6	54
Gammada	42	46	88	11	13	24	112	16	17	33	4	5	9	42
K/Sankori	64	48	112	11	6	17	129	24	17	41	4	2	6	47
C/jibat	68	59	127	9	7	16	143	25	22	47	3	3	6	53
Total	324	241	565	52	36	88	653	120	89	209	19	14	33	242

Source: 2015 OCSSCO & Researcher’s Computation.

3.5. Sources of Data and Data Collection Techniques

This part of the study outlines data sources and data gathering tools to be well-designed for the study. The study has employed both primary and secondary sources. As to the primary source, data were collected from different sources, such as; active clients, new (incoming) clients, and branch officials of OCSSCO. In support of the primary source, secondary data related to institutional issues was collected from secondary sources including books, unpublished yearly or quarterly reports, journal of articles, CSA reports and other relevant official reports. The study used both qualitative and quantitative data collection tools. Most of the data were collected through survey structured questionnaire containing both close and open-ended questions that were developed by USAID's AIMS project (2000) and CGAP's poverty assessment tool (2003). In accordance with the situation of the study area, some modifications have been made to fit with local context. A checklist for qualitative data was used to collect information from clients and interview with the OCSSCO microfinance institution officials to support and make the result concrete. Moreover, direct observation was made in branch. This method helped the researcher to observe the real impact of OCSSCO intervention on poor clients. The questionnaire were first prepared in English language then it was translated in to "Afan Oromo" to facilitate the data collecting process. In order to collect the primary data, five enumerators were recruited and trained. Based on this, the primary data was collected.

3.6 Data Analysis and Presentation

The method of data analysis used in this study is descriptive statistics, such as frequency, percentage, and means were used. Inferential statistics of chi - square test of independence was used to establish relationship between the dependent variables and other explanatory variables in condensing the data for interpretation. SPSS, the latest version, was used to process the raw data. The impacts are analyzed based on the variables such as income, nutritional status, medical facilities, access to education, saving, women empowerment, and employment creations.

CHAPTER FOUR

4. EMPIRICAL FINDINGS AND DISCUSSION

4.1 General Characteristics of Respondents

Data for the analysis in this study were collected from 242 sample respondents of OCSSCO Gindeberet branch, from five kebeles of the woreda. Of which 209 and 33 were active and new (incoming) clients respectively. Fortunately, all selected sample subjects participated in the study and the overall response rate was 100%.

The following table summarizes the sample respondents' individual demographic characteristics such as sex, marital status, educational level, household size, and number of dependents with in the household.

Table 4.1 Sample Respondents by Sex

Types of Sample Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Active clients	Male	120	57.4	57.4	57.4
	Female	89	42.6	42.6	100.0
	Total	209	100.0	100.0	
New (incoming) clients	Male	19	57.57	57.57	57.4
	Female	14	42.43	42.43	100.0
	Total	33	100.0	100.0	

Source: SPSS Output from survey Data, 2015.

Table 4.2 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.000 ^a	1	.986
Continuity Correction ^b	.000	1	1.000
Likelihood Ratio	.000	1	.986
Fisher's Exact Test			
N of Valid Cases ^b	242		

Source: SPSS Output from Survey Data, 2015.

From the total 242 respondents in the sample area, 209 active clients and 33 new clients (incoming clients) were interviewed for the study. Of the total sample active clients of the program, 120 (57.4%) were male and 89 (42.6%) were female. From the total sample new-clients (incoming clients), 19 (57.57%) were male and 14 (42.43 %) were female. Here, the data clearly indicates the numbers of female were low compared to that of male. ($P > 0.05$) which means there is no significant difference between active clients and new (incoming) clients in their sex. This indicates that both types of clients have almost similar number of respondents in their sex.

Table 4.3 Sample Respondents by Age

Age	Types of sample respondents				Total
	Active clients		New (incoming) clients		
	Respondents	Percent	Respondents	Percent	
18-25	38	18.18	12	36.36	50 (20.66%)
26-35	57	27.27	9	27.27	66 (27.5%)
36-45	69	33.01	4	12.12	73 (30.16%)
">45"	45	21.53	8	24.24	53 (21.9%)
Total	209	100	33	100	242 (100%)

Source: SPSS Output from Survey Data, 2015.

As can be seen from the table 4.3 above, out of the total respondents, the ages of 50 (20.66%) are in the range of 18-25, 66 (27.5%) were in the range of 26-35, 73 (30.16%) were in the range of 36-45 and 53 (21.9%) were greater than 45. This implies that the ages of most respondents lie in the range of age between 36 and 45. In the case of active clients the majority of respondents' ages lie between 26 and 45. Whereas new (incoming) clients most of the respondents age lies in the group of 18-25 years old. This reveals that most of the respondents were youngsters.

Table 4.4 Sample Respondents by Marital Status

Marital status	Types of sample respondents				Total	Percent
	Active clients		New (incoming) clients			
	Respondents	Percent	Respondents	Percent		
Single	20	9.57	6	18.18	26	10.74
Married	189	90.43	23	69.7	212	87.6
Divorced	0	0	2	6.06	2	.83
Widowed	0	0	2	6.06	2	.83
Total	209	100	33	100	242	100

Source: SPSS Output from Survey Data, 2015.

Table 4.5 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.699 ^a	3	.000
Likelihood Ratio	19.111	3	.000
Linear-by-Linear Association	22.300	1	.000
N of Valid Cases	242		

Source: SPSS Output from Survey Data, 2015.

Considering the marital status of the total respondents, 26 (10.74%) were single, 212 (87.6%) were married, 2 (.83%) were divorced and 2 (.83%) were widowed. Out of the total respondents of active clients 20 (9.56%) were single, 189 (90.43%) were married. whereas out of the total respondents of new (incoming) clients, 6(18.18%) were single, 23 (69.7%) were married 2 (6.1%) were divorced and 2 (6.1%) were widowed. This indicates that, the marital status of the active clients is significantly different from that of the marital status of new (incoming) clients. This implies that the married active clients were more participating in the microfinancing scheme than new (incoming) clients significant at 95% confidence level (p value less than 0.05).

Table 4.6 Sample Respondents by Level of Education

Educational level of sample respondents	Types of sample respondents				Total	Percent
	Active clients		New (incoming) clients			
	Respondents	Percent	Respondents	Percent		
Illiterate	65	31.1	17	51.52	82	33.88
Primary Education	93	40	8	24.24	101	41.74
Secondary School	37	15	4	12.12	41	16.94
Diploma	8	3.72	1	3.03	9	3.72
Degree	6	3.31	2	6.06	8	3.31
Others	0	0	1	3.03	1	.41
Total	209	100	33	100	242	100

Source: SPSS Output from Survey Data, 2015.

Table 4.7 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.090 ^a	5	.015
Likelihood Ratio	11.668	5	.040
N of Valid Cases	242		

Source: SPSS Output from Survey Data, 2015.

From the total respondents 82 (33.88%) were illiterate, 101 (41.74%) were primary education complete and 41 (16.94%) were secondary school complete, 9 (3.72) were diploma holder, 8 (3.31) were first degree holder and 1 (.41%) was respond other. Out of sample respondents of active clients 65 (31.1%) were illiterate, 93 (40.0%) were primary education complete and 37 (15.0%) were secondary school complete, 8 (3.72%) were diploma holder, 6 (3.31%) were first degree holder. On other hand, out of sample respondents of new (incoming) clients 17 (51.52%) were illiterate, 8 (24.24%) were primary education complete and 4 (12.12%) were secondary school complete, 1 (3.03%) was diploma holder, 2 (6.06%) were first degree holder and 1 (3.03) responds other. This shows that the level of education of the sample respondents 101 (41.74%) lie in the range of primary school completed and 82 (33.88%) are illiterate. This implies that about 68.9% of active clients sample respondents were in the range of primary school complete and above. Whereas in new (incoming) clients more than half (51.52%) of the respondents were illiterate. The chi-square test result also implies that there was a significant difference with respect to the ducational status of established clients and that of incoming clients ($P < 0.05$).

Table 4.8 Household Size of Respondents

Household size	Type of sample respondents		Total
	Active clients	New (incoming)clients	
1	10	3	13
2	4	3	7
3	16	3	19
4	27	4	31
5	30	6	36
6	32	4	36
7	46	6	52
8	32	1	33
9	8	2	10
10	0	1	1
11	4	0	4
Mean of household size	5.79		5.03

Source: SPSS Output from Survey Data, 2015.

From the total sample respondents, the number of household size ranges from 1 to 11. The average household sizes of active clients and new (incoming) clients were 5.79 and 5.03 respectively, which is above the average of the country. This indicates lower average household size was reported in the new (incoming) clients.

Table 4.9 Household Dependents

Number of Dependents	Type of sample respondents		Total
	Active clients	New (incoming)clients	
1	14	4	18
2	12	2	14
3	23	5	28
4	34	9	43
5	56	3	59
6	55	5	60
7	15	4	19
8	0	1	1
Total	209	33	242
Mean of household dependnts	4.58	4.24	

Source: SPSS Output from Survey Data, 2015.

The table above shows the number of household dependents. The number of household dependents ranges from 0 to 8. The average numbers of household dependents of active clients and new (incoming) clients were 4.58 and 4.24 respectively. This implies that, active clients have more dependents than the new (incoming) clients have.

Therefore, since the active clients have more dependents than the new (incoming) clients have; they require higher income to cover all the necessary expenses of the dependents, and this can affect the welfare of the frequent clients negatively.

4.2. The Contributions of OCSSCO's Credit Program towards Improving Clients Household Income

Microfinance is expected to improve the long term economic and social security of its clients through wealth creation, income smoothing and asset building etc. The assumption is that the intervention of the microfinance through the provision of financial services, especially credit that aimed at enhancing the welfare and economic situation of its clients by availing adequate finance to engage them in profitable activities. On the other hand, if the loan is used for non productive activities, such as consumption and purchase of non-productive assets, microfinance intervention will not bring the intended impact, which is poverty reduction.

4.2.1 Contribution on Household Income

One of the immediate impacts of having access to credit from the micro financing program is on household and enterprise income of clients. Thus, participation in microfinance program may have a positive impact on the economic welfare of client's household and enterprise. Households with higher income levels have more choices, can better meet their basic needs, and enjoy broader opportunities.

Respondents were asked to give information about their household annual income and trend of income during the last two years.

Table 4.10 Household Annual Income and Trends

Indicators	Responses	Types of clients			
		Active clients	New (incoming clients)	Total	Chi-Square (χ^2)
Did you have a source of income for your household before two years?	Yes	187(89.47%)	28(84.85%)	215(88.84%)	$\chi^2 = .615$ (P=0.433)
	No	22(10.53%)	5(15.15%)	27(11.16%)	
Total		219(100%)	33(100%)	242(100%)	$\chi^2 = 58.348$ (P=.000)
Average Yearly Income of Respondents		7158.68	558.52		
During the last two years did your overall household income:	Increased greatly	5(2.39%)	2(6.06%)	7(2.89%)	$\chi^2 = 61.410$ (P=.000)
	Increase	190(90.91%)	14(42.42%)	204(84.30%)	
	Remains the same	6(2.87%)	12(36.36%)	18(7.44%)	
	Decrease	4(1.91%)	4(12.12%)	8(3.31%)	
	Decreased greatly	4(1.91%)	1(3.03%)	5(2.07%)	
Total		209	33	242(100%)	

Source: SPSS Output from Survey Data, 2015.

As it can be seen from the data obtained from respondents in the table above from the total respondents 187 (89.47%) active clients and 28 (84.85) new (incoming) clients were have a source of income for their household before two years. This indicated that the majority of both group of the respondents were have source of income before two years. The difference is insignificant ($P > 0.05$).

The households of the active clients averaged higher income level than the households of the new (incoming) clients. The survey result indicated that the annual income for the active clients averaged Br. 7,158.68, while the annual income for the new (incoming) clients averaged Br. 5,558.52.

Therefore, this result supports the argument that microfinancing scheme has a positive impact on improving the income level of the beneficiaries household.

Regarding to trends of income, from all sample respondents, 190(90.91%) of active clients, and 14 (42.42%) of new (incoming) clients replied that their income has increased in the past two years, 6 (2.87%) of active client and 12 (36.36%) of new (incoming) clients reported that they have experienced no change in their income; and 4 (1.91%) of active clients and 4 (12.12%) of new (incoming) clients replied that their income has decreased in the previous two years. There is significant difference between the active and new (incoming) clients in the trend of their income ($P < 0.005$).

Respondents were also asked the reasons for increased or decreased the income of their household since they have participated in the microfinance program (See table 4.11).

Table 4.11 Reason for Income Improvement

Types of respondents	How did your income improved					
	Good agricultural season	Expand existing business	Undertake new enterprise	Able to purchase input due to accessibility of credit	Other	Total
Active clients	49 (23.44%)	49 (23.44%)	8 (3.83%)	87 (41.63%)	0	193 (92.34%)
New (incoming) clients	11 (33.33%)	2 (6.06%)	2 (6.06%)	0	1 (3.03%)	16 (48.48%)
Total	60 (24.79%)	51 (21.07%)	10 (4.13%)	87 (35.95%)	1 (.41%)	209 (86.36%)

Source: SPSS Output from Survey Data, 2015.

Table 4.12 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	76.087 ^a	6	.000
Likelihood Ratio	69.392	6	.000
N of Valid Cases	242		

Source: SPSS Output from Survey Data, 2015.

Table 4.13 Reason for Income Remains Constant or Decrease

Types of sample respondents	How did your income remains constant or decrease			
	Unable to get inputs due to lack of credit	Crop failure	Family members lost job	Total
Active clients	4 (1.91%)	5 (2.39%)	7 (3.35%)	16 (7.65%)
New (incoming) clients	13 (39.39%)	3 (9.09%)	1 (3.03%)	17 (51.52%)
Total	17 (7.02%)	7 (2.89%)	5 (2.07%)	33 (13.64%)

Source: Survey Data

Table 4.14 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	69.219 ^a	4	.000
Likelihood Ratio	46.691	4	.000
N of Valid Cases	242		

Source: Source: SPSS Output from Survey Data, 2015.

As it is observed from the above table respondents of active clients and new (incoming) clients which have answered their income was increased or decreased, the following responses were obtained.

From the total 92.34 % of active clients those replied their income has increased, 49 (23.44%), 49 (23.44%), 8 (3.83%) and 87 (41.63%) reported that their income was increased because of good agricultural season, expanding existing business, undertake new enterprise and able to purchase in puts due to accessibility of credit respectively. Regarding the responses of new (incoming) clients, 48.48% of them replied that their income was increased; they agreed that their income was increased due to good agricultural season, expand existing business, undertake new enterprise and other.

On the other hand, the most fundamental reasons for the decrease of the households income during the last two years, 1.91%, 2.39%, and 3.35% of active clients replied that unable to get

inputs due to lack of credit, crop failure and family member lost jobs respectively, were the main reasons why their income were decreased.

Whereas, 39.39%, 9.09%, and 3.03% of new (incoming) clients replied that unable to get in puts due to lack of credit, crop failure and family member lost jobs respectively were the main reasons for their income todecrease.

The result of the chi -square analysis supports the argument that microfinance scheme has a positive impact in improving the enterprises income level of the beneficiaries ($P < 0.05$).

Hence, one could argue that respondents of the frequent borrower were beneficiaries from OCSSCO's of credit scheme.

The findings mentionedabove on trend of household income were similar with the study by Doocy et. (2004), Daba (2003), Jemal (2003), Adane (2010, Bamlaku (2004), Gtaneh (2007) and Asmelash (2011), but a study by Tesfaye (2003) and Hailai (2010) contradict with this finding.

4.2.2 Household Asset Building

Microfinance services are expected to have contribution on asset building like on ownership of residential houses, households' material wealth, and on the number of household level livestock possession of their clients through increasing their income.

4.2.2.1. House Ownership and Housing Improvements

Housing is an important or basic asset for households. The assumption is that households may have better housing ownership and improve their houses after getting the loan from OCSSCO. If households have access to capital through loans, they will invest it in income generating activities. It is expected that they will increase their income and have better capacity to improve and build their own houses.

The sample respondents of this survey were all from rural kebeles since thy have their own house regardless of the house type. The results in table 4.16 revealed that out of all respondents 135 (64.59%) and 74 (35.41%) active clients and 21 (63.66%) and 12 (36.36%) new (incoming) clients have had houses of roof with iron sheet and roof with grass respectively. And the chi-

square value (P=0.260) indicates there is no significant difference between the two in their house type before two years.

The survey result also indicated that 179 (85.65%) of active clients and 7 (21.21%) of new (incoming) clients made improvements and repairs their housing during the last two years. The chi-square result (P < 0.05) from the table also indicated that there was a significant difference between the two groups in their house improvements. In addition to this, when clients were asked the source of income to improve their houses, out of the total active clients, 175 (97.77 %) replied that the improvement of their house was due to access of credit from the microfinance intervention. From this argument, it is possible to say that OCSSCO's microfinance intervention has a positive impact on the housing improvement of the households of its clients.

Table: 4.15 House Ownership and Housing Improvements

Sample respondents saving Trend	Indicators	Types of sample respondents			
		Active Clients	New (incoming) Clients	Total %	Chi-Square Tests (X ²)
What type of house did you have before two years?	Roof with iron sheet	135 (64.59%)	21 (63.66%)	64.46	X ² =4.015 (P=0.260)
	Roof with grass	74 (35.41%)	12 (36.36%)	35.54	
Did you improve your house for the last two year?	Yes	179 (85.65%)	7 (21.21%)	76.86	X ² =66.571 (P=0.000)
	No	30 (14.35%)	26 (78.79%)	23.14	
If you have improved your house, how?	Improved income due to access to credit	175 (97.77%)	2 (28.57%)	95.16	X ² =69.046 (P=0.000)
	Gifts or Aids	4 (2.23%)	5 (71.43%)	4.84	

Source: SPSS Output from Survey Data, 2015.

4.2.2.2 Livestock Ownership

Access to microfinance services help rural people to have more stable sources of finance, which in turn allows them to purchase improved agricultural inputs, and help them to improve their farming management strategies. Consequently, they can improve their agricultural productions and diversify their income from agricultural and non-agricultural activities. As a result, their household welfare will be improved. The survey results in this regard are summarized in Tables 4.16 below.

Table4.16 Livestock Ownership by Respondents

Types of livestock	No of livestock	Active clients			New clients		
		Before /two year/joining MF program	After/two year joining MF program	Deviation %	Before /two year joining MF program	After /two year/joining MF program	Deviation %
Oxen	None	68	21	-47(22.49)	17	16	-1(3.03)
	One	47	67	20(9.57)	9	9	0
	≥2	94	121	27(12.92)	7	8	1(3.03)
Cows	None	77	52	-25(11.96)	13	12	-1(3.03)
	One	43	49	6(2.87)	6	7	1(3.03)
	≥2	89	108	19(9.09)	14	14	0
Sheep	None	175	132	-43(20.57)	27	23	-4(12.12)
	One	8	21	13(6.22)	2	5	3(9.09)
	≥2	26	56	30(14.35)	4	5	1(3.03)
Goats	None	110	87	-23(11.00)	24	21	-3(9.09)
	One	16	36	20(9.57)	2	10	8(24.24)
	≥2	83	86	3(1.44)	7	2	-5(15.15)
Horses	None	174	177	3(1.44)	28	29	1(3.03)
	One	20	16	4(1.91)	4	3	-1(3.03)
	≥2	15	16	1(0.48)	1	1	0
Donkey	None	177	168	-9(4.31)	30	29	-1(3.03)
	One	20	25	5(2.39)	2	2	0
	≥2	12	16	4(1.91)	1	2	1(3.03)
Mules	None	197	196	-1(0.48)	32	32	0
	One	12	12	0	1	1	0
	≥2	0	1	1(0.48)	0	0	0
Chickens	None	156	65	-91(43.54)	29	26	-3(9.09)
	One	8	12	4(1.91)	0	5	5(15.15)
	≥2	45	132	87(41.63)	4	2	-2(6.06)

Source: SPSS Output from Survey Data, 2015.

The table above shows that, respondents change in their livestock number at household level. As the data indicate, active respondents who have had no ox reduced from 68 to 21, while 22.49 % of them have become owner of an ox at present, whereas in case of new (incoming) clients only 3.03% who have had no ox become owner of an ox at present. Similarly, active clients those who had no cows, sheep, goats, donkey, mules, and chickens become decreased from 77-67, 175-132, 110-87, 177-168, 197-196, and 156-65 respectively. In case of new (incoming) clients there is also a bit change but when we compare the difference the change observed was almost none.

Hence, from the above data one can easily understand that microfinance service could positively affect the number of cattle or asset built by its clients.

Respondents were also asked whether their purchasing power to buy items was improved or not. Accordingly, the result shows that 185 (88.52%) and 6 (18.18%) of active and new (incoming) clients respectively reported that their purchasing power to buy items was improved. On the other hand 24 (11.48%) and 27 (81.82%) of active and new (incoming) clients respectively replied that their purchasing power was not shown improvement.

Out of the sample respondents who reported that the trend of their purchasing power to buy items was shown improvement, 131 (62.68) of active clients replied that their purchasing power to buy items was improved due to income from microfinance activities. On the other hand, out of the sample respondents who reported that the trend of their purchasing power to buy items was not shown improvement , 22 (66.67%) of new clients agreed that their purchasing power to buy items was not improved due to lack of credit .

The findings of the survey indicated that OCSSCO's microfinance scheme has a positive impact on the improvement of the purchasing power of its beneficiaries to buy items (See table 4.17).

The above discussed results on household asset building and purchasing power were consistent with the findings of Daba (2003), Asmelash (2011), and Bamlaku (2004). But it was contradict with the studyby Tesfaye (2003) and Hailai (2010).

Table 4.17 Trend of Purchasing Power of Clients

Sample respondents trend of purchasing power	Indicators	Types of sample respondents			
		Active Clients	New (incoming) Clients	Total %	Chi-square tests (x^2)
Have your purchasing power to buy items improved	Yes	185(88.52%)	6(18.18%)	78.93	$X^2=95.09$ ($P=0.000$)
	No	24(11.48%)	27(81.82%)	21.07	
If your purchasing power was improved, how?	Due to increase in income from microfinance activities	131(62.68)	0	131(54.13%)	$X^2=100.4$ ($P=0.000$)
	Due to increase in income from non-microfinance activities	3(1.44%)	1(3.03%)	4(1.65%)	
	Gifts or aids	4(1.91%)	0	4(1.65%)	
	Good agricultural season	39(18.66%)	5(15.15%)	44(18.18%)	
	Others	8(3.83%)	0	8(3.31%)	
If your purchasing power was not improved why?	Lack of Credit	12(5.74%)	22(66.67%)	34(14.05%)	$X^2=130.2$ ($P=0.000$)
	Failure of Agriculture Products	8(3.83%)	2(6.06%)	10(4.13%)	
	Market problem	4(1.91)	3(9.09%)	7(2.89%)	

Source: SPSS Output from Survey Data, 2015.

4.2. The Effect of OCSSCO in Enhancing the Saving Behavior of Clients

The general objective of the company is to alleviate poverty and promote economic development through the provision of credit and saving services. Therefore, it is expected from microfinance program the saving behavior of clients should be improved than none (incoming) clients. There are two types of savings: compulsory and voluntary. Compulsory saving is normally enforced and starts simultaneously with the loan that is approved for individuals who are program participants, but voluntary saving is an individual saving that depends on the willingness of the individual including clients and non- clients to save and withdraw at any time when the need arises.

Respondents were asked to give information about their personal saving account since two years, type of savings and where they save, average monthly saving amount in birr, source of money for savings, purpose of saving and whether their personal cash savings improved or not (see table 4.18).

Table 4.18 Trends in Client Savings

Sample respondents saving Trend	Indicators	Types of sample respondents			
		Active Clients	New (incoming) Clients	Total	Chi-Square Tests (X^2)
Do you have a personal saving account since two years?	Yes	209	5	214	$X^2=200.5$ ($P=0.000$)
	No	0	28	28	
what type of savings have you made and where	Compulsory savings in MFI	209	0	209	$X^2=242$ ($P=0.000$)
	Iqub	0	4	4	
	Other	0	1	1	
Average Monthly saving amount in Birr:	Compulsory	65.75	0	63.75	$X^2=122.5$ ($P=0.000$)
	Voluntary	57.43	10	56.22	
What is your source of money for saving	Business /farm profit financed by the loan	209 (100%)	5 (15.15%)	214	$X^2=200.5$ ($P=0.000$)
For what purpose did you save	To earn interest income	111	0	111	$X^2=210$ ($P=0.000$)
	Loan repayment	32	0	32	
	To expand your business	66	4	70	
	For safety purpose (from theft or damage)	0	1	1	
Have your personal cash savings	Increased	163 (78%)	1 (3.03%)	164	$X^2=202.5$ ($P=0.000$)
	Stayed the same	42 (20.1%)	4 (12.12%)	46	
	Decreased	4 (1.9%)	0	4	

Source: SPSS Output from Survey Data, 2015.

From the total number of respondents all active clients and only 5 new (incoming) clients have personal saving accounts in microfinance since two years. Active clients reported that they have

saved monthly an average of 65.75 compulsory and 57.43 birrvoluntary, whereas new (incoming) clients saved only an average of 10 birr per month. The sources of money for savings for both types of group were from business /farm profit financed by the loan. The loan for new (incoming) clients may be another source of lending. Respondents were also asked for what purpose did they saved and whether their personal cash savings improved or not. The reasons for their saving include to earn interest income, loan repayment, to expand business, and for safety purpose. Out of the total respondents 163 (78%) of active clients and only 1 (3.03%) new (incoming) clients responds that their personal savings have improved.

Therefore, it is possible to say that at 99% of confidence level, there is significant difference between the two groups of clients in saving habits and source of income for savings. Thus the difference of savings between the two groups suggests that the program has enhancing the saving behavior among the active clients.

This result coincides with the findings of Jemal (2003), Adane (2004) and Daba (2003) discussed in chapter two of empirical study. But it contradicts with Ramanaiah and Gowri (2011) findings.

4.3 The Impact of OCSSCO in Improving the Living Conditions of Clients

4.3.1 Impact on Household Diet

Microfinance intervention is expected to support clients in ensuring food security, which is one of the main objectives of the institutions and the prime concern of all household insuring food security, (Tsehay and Mengistu, 2002, cited in Asmelash, 2006). The condition of diet (nutrition) is an important factor in the wellbeing of the household members. Thus, the assumption of this variable is that the participants of the microfinance scheme will have a better household diet condition and food security in bad years as compared to household diet condition of the control groups.

Hence, for the purpose of this study the monthly expenditures on food and the trend of consumptions expenditures of respondents were used as the variables. In line with this, respondents were asked the changes they perceived in their food consumption after microfinance program participation.

Table 4.19 Trend of Household Diet Conditions

Sample respondents Diet Trend	Indicators	Types of sample respondents			
		Active Clients	New (incoming) Clients	Total	Chi-Square Tests (X^2)
During the last twelve months has your household diet	Improved	203 (97.13%)	16 (48.48%)	219	$X^2=97.288$ ($P=0.0001$)
	Stayed the same	2 (.96%)	12 (36.36%)	14	
	Worsened	4 (1.91%)	5 (15.15%)	9	
	Total	209	33	242	
Diet improvement due to:	Able to buy more cereals such as teff, maize, etc.	43	2	45	$X^2=119.10$ ($P=0.0001$)
	Able to buy vegetables and fruits	27	1	28	
	Able to buy dairy products meat, egg, etc.	50	2	52	
	Able to eat three times (meal) a day	83	11	94	
	Total	203	16	219	
How has Diet stayed the same or worsened	Un able to buy more cereals such as teff, maize, etc.	1	0	1	$X^2=32.817$ ($P=0.0001$)
	Un able to buy vegetables and fruits	0	6	6	
	Un able to buy dairy products meat, egg, etc.	3	7	10	
	Un able to eat three times (meal) a day	2	4	6	
	Total	6	17	23	
Lack of food or money to buy food during the last 12 months:	Yes	8(3.83%)	5(15.15%)	13(5.37%)	$X^2=7.706$ ($P=0.021$)
	No	201 (96.17%)	28 (84.85%)	229 (94.63%)	
How long this period did lasts in months (lack of food or money to buy food during the last 12 months)?	1	4	2	6	$X^2=7.367$ ($P=0.061$)
	2	0	2	2	
	4	0	1	1	
	8	4	0	4	

The condition of nutrition used in the household is an indicator of the household's wellbeing. The assumption is that participants in the OCSSCO program will improve their household diet and are less vulnerable to food shortage and shocks than the non-participants of the program. The responses of experimental and control groups about their diet condition are indicated in above 203 (97.13%) of active clients reported that their household diet during the last twelve months has improved. Whereas regarding to new (incoming) clients 16 (48.48%), 12 (36.36%), and 5(15.15%) respondents replied that their household diet during the last twelve months has improved, stayed the same and worsened respectively. ($P = 0.0001$). This indicates that there is highly significance difference between active clients and new (incoming) clients in their household diet improvement. The reason how was their diet improved respondents reported that due to able to buy more cereals such as teff, maize, etc., able to buy vegetables and fruits, and able to buy dairy products meat, egg, etc. This may be different between active and new (incoming) clients due to participations in microfinance credit program. The incidence of lack of food or money to buy food during the last 12 months was 8 (3.83%) and 5 (15.15%) for active clients and new (incoming) clients respectively with p value 0.021. There is also a significance difference between the two groups. Very small number of respondents faced with shortage of food during the last 12 months with p value 0.061. This indicates there is no significant difference between active clients and new (incoming) clients.

This result indicates that more clients have enjoyed diet improvement than new (incoming) clients. From the results, it is possible to conclude that OCSSCO credit program have a positive impact on households' diet condition. Similar result was obtained by Adane (2010), Ramanaiah and Gowri (2011) and Daba (2003).

4.3.2. Impact on Household Access to Education

Information was collected on school age children enrolment and trends in number of family members attending school in both active and new (incoming) client. The findings of the study were as follows:

Table 4.20 Numbers of Family Members Attending School

Number of school age children	How many children in your household are schools aged?		How many of these children currently attended school?	
	Active Clients	New (incoming) Clients	Active Clients	New (incoming) Clients
1	23	8	28	9
2	2	7	26	8
3	57	5	9	5
4	52	3	26	3
5	11	2	10	0
6	9	0	4	0
7	8	0	4	0
8	23	8	28	9
Total	625	58	556 (88.96%)	52 (88.14%)

Source: SPSS Output from Survey Data, 2015.

Enrollment of school-age children are also considered to assess the impact of credit scheme in improving access to educational facilities. From the reported 625 potential school-age children of clients, 556 (88.96%) are actually enrolled and attending their school this year. On the other hand, from the reported 59 potential school-age children of non-clients, 52 (88.14%) are actually enrolled and attending their school. This suggests that enrollment of school-age children who are currently attending school of the two groups does not show difference. This did not indicate whether the impact is due to the intervention or not. This result contradicts with the findings of Asmelash (2011), Ramanaiah and Gowri (2011), but it was consistent with the study findings by Daba (2003), Tesfaye (2003), and Hailai (2010).

Table 4.21 Trends in Number of Family Members Attending School

Sample respondents Education Trend	Indicators	Types of sample respondents			
		Active Clients	New (incoming) Clients	Total	Chi-Square Tests (X ²)
Did the number of your family attending school for last two years is :	Improved	184(94.34%)	23(95.83%)	94.95%	X ² =9.22 (P=0.062)
	Stayed the same	9(5.66%)	2(4.17%)	5.05	
	Decreased	0	0	0	
If increased why?	Access to new school building in the area	92(44.02%)	18(8.61%)	110	X ² =24.878 (P=0.0001)
	Income improvement in the household	87(41.63%)	2(0.96%)	89	
	Increase in the awareness of the household towards education	5(2.39%)	5(2.39%)	10	
If decreased or remain the same why?	Lack of income for school tuition	4 (1.91%)	2(0.97%)	6	X ² =7.304 (P=0.063)
	Lack of access to school in the area	0	0	0	
	Needed for help in non-business activity	5 (2.39%)	0	5	

Source: SPSS Output from Survey Data, 2015.

The survey result regarding trend of school age children enrollment during the last two years reveal that new (incoming) clients household have reported better improvement on school age children enrollment during the period, whereas the percentage of active clients household who have shown an increase is relatively lower than the new (incoming) clients.

The result shows that 184 (94.34%) of sample active clients and 23 (95.83%) of sample new (incoming) clients reported the trend that the number of their family members attending school increased for the last two years. However; 9 (5.66%) of sample of active clients and 2 (4.17%) of new clients reported the trend that the number of their family members attending school has been stayed the same over the last two years. The findings of the study reveal that microfinance intervention didn't improve access to education facilities.

Farthermore, when active clients were asked for the reasons of increase or decrease in the trend of their access to school during the last two years, those who have shown an increasing trend have replied that the main reason for the improvement of school age enrollment in their household, was access to new school building in the area and followed by income improvement from loanable activities. However, needed for help in non-business activity and lack of income for school tuition was the main reason for the decrease of access to school enrollment for those who had shown a declining trend. Whereas when new (incoming) clients were asked the reasons of increase or decrease in the trend of their access to school during the last two years, due to access to new school building in the area and increase in the awareness of the household towards education for improved and lack of income for school tuition for not improved.

4.3.3 Impact on Access to medical Facilities

With regard to the impact of OCSSCO's on access to medical facilities to its clients, the respondents' access to medical facilities during the last two years was examined.

Poverty and poor health have bi-directional relationship in which poor health leads to poverty and poverty leads to poor health conditions. Apart from lack of financial resources to pay for health services, food, clean water and good sanitation, the poor also suffer from poor health facilities (Daniel, 2004 cited in Abebe 2006). Thus, provision of financial services to the poor may improve access to medical facilities and improve the health conditions of the poor.

To test this hypothesis, households were asked on the status of their health conditions, medical treatments and the overall medical access in the last 12 months. Table 4.23 reveals that about 47 (22.49%) and 15 (45.45%) of active and incoming clients, respectively, didn't have sickness or injury incidences in their household in the last 12 months. However, sickness or injury incidence was higher 162 (77.51%) in active clients than incoming clients 18 (54.55%). Incidence of sickness was higher in active clients than new (incoming) clients. Almost all the respondents (active and incoming clients) had medical treatment. This implies that they had the capacity to pay medical expenses.

The money for medical costs 130 (80.25%), 18 (11.11%), 4 (2.47%), and 10 (6.17%) were covered from business profits, other family members, relatives, and borrowed at cost respectively, in the case of active clients whereas in incoming clients, only 5 (27.78%) of

expenses were covered by them selves. About 155 (95.68%) of active clients and only 3 (16.67%) of incoming clients reported that their overall access to medical facilities in the last 12 months were improved. The reasons for access to medical facilities for their household/family of active clients were reported due to access to money from the microfinance activities 112 (69.14%), better local treatment 16 (9.88%), sold household assets 25 (19.75%) and borrowed from other sources 2 (1.23%). There were an occasion that a household members not taken to medical. From those 12 (5.74%) and 5 (15.15%) were active clients and incoming clients respectively.

The study finds difference in responsiveness of demand for medical care between active clients and incoming clients. Therefore, it can be concluded that program participants have been benefited from the microfinance scheme (see table 4.22 below).

Table 4.22 Trends of Medical Facilities of Respondents

Indicators	Responses	Types of clients	
		Active client	Incoming client
During the last two years, was there an occasion in which you or a member of your family needed medical attention:	Yes	162 (77.51%)	18 (54.55%)
	No	47 (22.49%)	15 (45.45%)
Where did you get the money to pay these medical cost	Yourself	130 (80.25%)	5 (27.78%)
	Other family members	18 (11.11%)	2 (11.11%)
	Relatives	4 (2.47%)	7 (38.89%)
	Borrowed at cost	10 (6.17%)	4 (22.22%)
During the last 12 months access to medical facilities for your household/family has:	Improved	155 (95.68%)	3 (16.67%)
	Stayed the same	4 (2.47%)	13 (72.22%)
	Deteriorated	3 (1.85%)	2 (11.11%)
If improved how	Access to money from the microfinance activities	112 (69.14%)	0
	Better local treatment	16 (9.88%)	0
	Sold household assets	25 (19.75%)	3 (100%)
	Borrowed from other sources	2 (1.23%)	0
Due to lack of money is there a household members not taken to medical	Yes	12 (5.74%)	5 (15.15%)
	No	197 (94.26%)	28 (84.85%)

Source: SPSS Output from Survey Data, 2015.

4.4 The Role of OCSSCO with Respect to Women Empowerment and Employment Creation

4.4.1 Women Empowerment

This is to identify on how women clients have been empowered by their participation in the program. Participation in microfinance program services expected to lead control over resources on the part of women clients. Information that control and decides over the business activities within the household was collected. Decisions to take loan and use loan in house hold were collected only from clients of the microfinance and decision to buy inputs and sell agricultural and business products were collected from both groups. Out of all respondents of active clients 184 (91.54%) and 17 (8.46%) make decision to take loan and use loan in their house hold both husband and wife equally and most of the time husband respectively. Regarding decision to buy inputs and sell agricultural and business products from the total sample respondents, 10 (4.96%) of active clients and 4 (12.12%) of new (incoming) clients reported that there is a practice of most of the time husband making decisions in household. This indicates men domination in making decisions. On the other hand, 191 (95.02%) of active clients and 29 (87.88%) of new (incoming) clients reported that both husband and wife equally make decision on their business activities. Both types of clients reported that in the last twelve months they were a member of a group or association with the majority of them to get support when they needed.

Therefore, it is difficult to suggest the impact of credit and saving microfinance scheme on women empowerment since the result does not show much difference between active clients and new (incoming) clients (see table 4.24 below). This result was similar with the findings of Asmelash (2010), Tesfaye (2003) and Hailai (2010), but it contradicts with the findings of Daba (2003) and Kassa (2008).

Table 4.23 Trend of Women Empowerment

Indicators	Response	Types of Respdnts	
		Active clients	Non clients
Who makes decision to take loan and use loan in your house hold	Husband and wife equally Most of the time house band Most of the time wife	184 (91.54%) 17 (8.46%)	
Who makes decision to buy inputs and sell agricultural and Business products	Husband and wife equally Most of the time house band Most of the time wife	191 (95.02%) 10 (4.96%)	29 (87.88%) 4 (12.12%)
In the last twelve months were you a member of a group or association?	Yes No	209 (100%)	33 (100%)
Can you tell me the ways in which being in a group helped you:	Provided support when I needed help Give me business ideas and contacts Give me training and new information?	130 (62.20%) 69 (33.01%) 10 (4.78%)	28 (84.88%) 5 (15.12%) 0

Source: SPSS Output from Survey Data, 2015.5

4.4.2 Employment Creation

The poor participate in microfinance programs in the expectation that borrowing increases their income and sustain self - employment. It is expected that enterprises can benefit from microfinance program by improving access to their capital, which helps them to expand their business. Through this expansion enterprises can increase production, profit and create job opportunities to their households and the community. Therefore to assess the role of OCSSCO with respect to employment creation respondents were asked what were the major types of activities they engaged for the last two years, whether or not their employment opportunities have been improved for the last two years, income has improved due to improvement in job opportunities due to OCSSCO microfinance, and used hired labor in their business or farm activities (see table 4.25)

Table 4.24 Trend of Employment Creation

Indicators	Response	Types of Respdents		
		Active clients	Non clients	Chi-square tests
What were the major types of activities you engaged for the last two years	Wood or metal work		1 (3.03%)	$X^2=7.222$ (P=0.027)
	Agricultural activities	177 (84.69%)	26 (78.79%)	
	Retail trade	32 (15.31%)	7 (21.21%)	
Do you think that your employment opportunities have been improved for the last two years?	Yes	199 (95.22%)	6 (18.18%)	$X^2=130.6$ (P=0.000)
	No	10 (4.78%)	27 (81.82%)	
Do you think that your income has improved due to improvement in job opportunities due to OCSSCO microfinance?	Yes	204 (97.61%)		$X^2=242$ (P=0.000)
	No	5 (2.39%)	33 (100%)	
Have you used hired labor in your business or farm activities?	Yes	8 (3.83%)	2 (6.06%)	$X^2=.359$ (P=0.549)
	No	201 (96.17%)	31 (93.94%)	
If yes, how many		8 (3.83%)	2 (6.06%)	

Source: SPSS Output from Survey Data, 2015.

On the data collected from respondents on their employment opportunity due to microfinance credit program from the table above is concluded as follow:

Out of total sample respondents, 177 (84.69%) of active clients and 26 (78.79%) of new incoming) clients respectively reported that they were engaged on agricultural activities and 32 (15.31%) and 7 (21.21%) of active and new (incoming) clients respectively were engaged

onretail trade and only 1 (3.03%) of new (incoming) clients on wood or metal work business activities. Respondents were also asked the trend of their employment opportunities, whether there was improvement or not. Accordingly, 199 (95.22%) and 6 (18.18%) of active and new (incoming) clients respectively reported that the trend of their employment opportunities have shown improvement, on the other hand 10 (4.78%) and 27 (81.82%) of active and new (incoming) clients respectively reported that the trend of their employment opportunities have not improved. There was significant difference between active clients and new (incoming) clients in trend of their job opportunities, but on using hired labor in their business or farm activities the result does not show much difference between the two groups. In general it is possible to say that the microfinance scheme have positive impact on employment creation of its clients. This result also consistent with the findings of Kassa (2008), Doocy et al. (2004), and Daba(2003), but it contradicts with the study by Tsfaye (2003), Hailai (2010), and Mekonnen (2008) which was discussed in the chapter two of empirical study.

4.5. Clients Perception in the Program and Operational Problems of Loan

Separate questionnaire was designed to capture the perception of active clients on OCSSCO's savings and credit program and its operational problems.

Table 4.25 Clients Perception and OCSSCO's Credit Program Operational Problem

Indicators		Response	Frequency	Percent
Do you use any portion of your last loan to :	Buy food for your household	Yes	6	2.87
		No	203	97.13
	Buy clothes or other household items	Yes	2	0.96
		No	207	99.04
	Give or loan the money to your spouse or someone else	Yes		
		No	209	100
Do you think that the loan is sufficient to run your project?		Yes		
		No	209	100
The interest rate on loan is fair?		Yes	33	15.79
		No	176	84.21
Do you trained about loan utilization?		Yes	209	100
		No		
If yes has it been satisfactory?		Yes	157	75.12
		No	52	24.88
Was the loan issued timely?		Yes	168	80.38
		No	41	19.62
If no has it negative impact on your business?		Yes	41	19.62
		No		
Do you think that have you benefited from the credit scheme of OCSSCO?		Yes	201	96.17
		No	8	3.83
During your OCSSCO loan program participation period what are your major Operational problems:		Lack of business knowledge	41	19.62
		Shortage of working capital	76	36.36
		Lack of market for output	45	21.53
		Lack of knowledge of using the loan	29	13.88
		Loss or damage	11	5.26
		Weather conditions.	7	3.35

Source: SPSS Output from Survey Data, 2015.

Table above shows whether clients use their loan for the intended purpose or not, whether they were satisfied with financial services of OCSSCO or not and also major operational problems during OCSSCO loan program participation period. As it was analyzed in employment creation the major types of activities of clients engaged for the last two years were on agricultural activities and retail trade. Here to check whether clients use their loan for these intended purpose or not. Respondents were asked whether they use any portion of their last loan to: buy food for household, buy clothes or other household items and give or loan the money to someone else, 97.13%, 99.04%, and 100% of clients replied no. This indicated that they used their loan for the intended purpose. All clients respond the loan was not sufficient to run their project. The majority of respondents (84.21%) reported the interest rate on loan was not fair. 75.12% of respondents satisfied on the training about loan utilization and 80.38% of active clients replied the loan was issued timely. In general almost all active clients (96.17%) reported they were benefited from the credit scheme of OCSSCO.

Respondents were asked their main operational problems since they have become the beneficiary of microfinance scheme. Accordingly, 19.62%, 36.36%, 21.53%, 13.88% and 5.26% of active clients reported lack of business knowledge, shortage of working capital, lack of market for output, lack of knowledge of using the loan, loss or damage and weather conditions were the main operational problems respectively.

4.6 Interview Results of Branch Manager and Loan Officer of OCSSCO

As it was explained in the methodology part of this research, there was interview with the OCSSCO microfinance institution official to support and make the result concrete. From this discussion, information was gathered in relating with; how the poor identified to be the program beneficiaries of institutions, about loan size, controlling mechanism of loan use, training clients about loan utilization and the main challenges (problems) for the institution.

Accordingly, the process of identifying the poor's started by consultations and discussions with the kebele administrations and local elders to target the poor people. The local elders and Kebele administration are responsible to rank peasant association members in to poor, medium and rich based on their wealth. After the poor are identified, trained and accepted by OCSSCO, borrowers form their group. Intensive awareness and orientation about loan utilization is provided at the time when poor were identified for the program they are organized and trained for the loan.

Moreover they are informed about company's culture, policies, capacity and credibility and also regular and frequent contact with the clients undergone.

OCSSCO' staff undertake regular monitoring and supervision of clients to assess the use of loans, whether they used their loan to the intended purpose or not and ensure repayment of loans in accordance with the schedule. The centers meet once a month for the purpose of compulsory saves and discussion the matter concerning their economic and social issues of their environment. At the center all loans are processed, approved, disbursed and followed up by center coordinator. Furthermore OCSSCO microfinance encourages clients to increase their performance and reduce defaults.

As discussed with the branch manager and loan officer of the branch the main challenges (problems) for the institution were the following:-Insufficiency of loan size that makes the borrowers to divert the loan from more income generating activities,poor infrastructure such as lack of transportation facilities, inaccessibility of telecommunication, and the like makes difficult the delivery of financial services and monitoring or follow- up clients in loan utilization in rural areas, The complains from clients onhigh lending interest rate which has been currently, fixed at 17% may discourages the program participants from continuing with the program and the termination of experienced employee to other organization were the main challenges (problems) for the institution.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Overview of the Thesis and Major Findings

The assumption of microfinance intervention, the provision of financial services especially loan, is to enhance the welfare and economic situation of its clients by making adequate finance available to help them engage in profitable activities (Ledderwood, 1999).

Based on this assumption, it was hypothesized that participating in microfinance programs leads to improving clients household income, enhancing the saving behavior of clients, improving the living conditions (in terms of food, health and education) of clients and improve women empowerment and employment creation. This paper is designed to assess the impact of OCSSCO's microfinance scheme using USAID's AIMS project (2000) and CGAP's poverty assessment tool (2003).

According to AIMS (2000), the purpose of an impact assessment is to answer the question of whether a project leads to change that is different from what would have happened without the intervention, or whether the program increases the probability of that change.

From its initial establishment the general objective of OCSSCO is to alleviate poverty and promote economic development through the provision of credit and saving services. Most findings of this study were consistent with the objectives of the program that the study was initiated to assess. Findings of the study made based on the study hypotheses on the intervention of OCSSCO microfinance in the study area would be summarized as follows:

This paper reports on a survey of 242 respondents of OCSSCOs credit and saving program clients of Gindeberet Woreda, Western Shoa Zone of Oromia Region.

The assessments were focused on the impact of OCSSCO on clients' socio-economic conditions", which mainly associated with the changes in the living condition of the clients. The analysis of the assessment at the house hold level were by using descriptive analysis and chi – square test of independence based on variables such as household income, saving, household

nutrition, medical facilities, access to education, women empowerment and employment creation in the study area.

Demographic Characteristics:

The survey indicated that most of active clients participating in the microfinancing scheme were married. Regarding to level of education the data reported that the active clients were more educational status than that of new (incoming) clients. Lower average household size and dependents was reported in the new (incoming) clients.

However, there is no significant difference between the active clients and the control groups in the other indicators for respondents' characteristics.

Household Income:

Microfinance is expected to improve the long term economic and social security of its clients through wealth creation, income smoothing and asset building etc.

The results of the survey found that most of the sample respondents from the active clients were found to register an increasing trend in their income for the last two years in comparison with new (incoming) clients. From all sample respondents, 190 (90.91%) of active clients, and 14 (42.42%) of new (incoming) clients replied that their income has increased. This shows that the changes more likely occur with program participation than without program participation.

The survey result also indicated that 179 (85.65%) of active clients and 7 (21.21%) of new (incoming) clients made improvements and repairs their housing during the last two years. The chi- squar result ($P < 0.05$) from the table (4.16) also indicated that there was a significant difference between the two groups in their house improvements. The findings of the survey also indicated that OCSSCO's microfinance scheme has a positive impact on the improvement of livestock number at household level and the purchasing power of its beneficiaries to buy items (table 4.17 & 4.18).

Client Savings:

It is expected from microfinance program the saving behavior of clients should be improved than none (incoming) clients.

Concerning savings, active clients reported that they have saved monthly an average of 65.75 compulsory and 57.43 birr voluntary, whereas new (incoming) clients saved only an average of 10 birr per month. This indicates the program has enhancing the saving behavior of active clients than new (incoming) clients.

The Living Conditions of Clients:

The survey result on diet condition indicated that more clients have enjoyed diet improvement than new (incoming) clients. 203 (97.13%) of active clients and 16 (48.48%) of new (incoming) clients replied that their household diet during the last twelve months has improved.

The study also indicated the positive impact of the microfinance on the improvement of medical facilities of program participants. 155 (95.68%) of active clients and only 3 (16.67%) of incoming clients reported that their overall access to medical facilities in the last 12 months were improved.

Concerning impact on the educational facilities of the household the findings of the study revealed that microfinance intervention didn't improve access to education facilities, because 184 (94.34%) of sample active clients and 23 (95.83%) of sample new (incoming) clients reported the trend that the number of their family members attending school increased for the last two years. Farther more, when both groups were asked for the reasons of increase in the trend of their access to school during the last two years, they have replied that the main reason for the improvement of school age enrollment in their household was access to new school building in the area.

Women Empowerment and Employment Creation:

Participation in microfinance program services expected to lead control over resources on the part of women clients and increases income and sustains self - employment.

The survey result indicated that the employment creations of active clients were improved than new (incoming) clients during the last two years but, it is difficult to suggest the impact of credit and saving microfinance scheme on women empowerment since the result does not show much difference between active clients and new (incoming) clients.

5.2 Conclusion

Based on the the major findings, the following conclusions were drawn:

The study has empirically analyzed the impact of OCSSCO credit program on poverty reduction the case of selected clients in Gindeberet worda.

The study found out that program intervention leads to change that was different from that would have happened with out the intervention. The program increases the probability of improvement in economic status of the clients. The changes more likely occur with program participation than without program participation.

In general from the findings OCSSCO microfinance institution service have brought positive impacts on improving; household income, household diet condition, access to medical facilities, and employment creation, and asset building status of its clients. Majority of its clients perceived their livelihood status is in continuous progress due to an improvement on their income and household assets. This implies that microfinance institutions have an important role in poverty reduction.

However, the findings on the impact of OCSSCO crdit program on households' access to education and women empowerment didn't consistent with the hypothesis developed in the study. This leaves more room for further study as to why these variations prevailed, although further and deep studies needed to be conducted in this area.

5.2 Recommendations

The intervention of microfinance is expected to improve the living standard of the poor and reduce poverty. As such it improves the economic status of the society and country as a whole.

Based on the findings and conclusions of the study, the following recommendations are forwarded.

To Microfinance Institution's Management and AEMFI:

Based on the findings of this study, OCSSCO has attained the target of improving the living condition of its clients in relation to income, nutritional status, medical facilities, and employment creations. But much more must be done on the impact of credit and saving

microfinance scheme on women empowerment and on the educational facilities of the household since the result does not show much difference between active clients and new (incoming) clients.

As most of the clients suggested that the loan was not sufficient to run their projects. Therefore, OCSSCO ought to make an effort to increase the size of loan for its clients in relation to the business size and type of activities.

Complains from clients on high lending interest rate which has been currently, fixed at 17% with interest rate on saving (5%) may discourages the program participants from continuing with the program. Therefore, OCSSCO should take corrective action to balance the interest rate on saving and lending.

To the Government, NBE and other Fund-raising Organizations:

The positive outcomes of OCSSCO's microfinance scheme in improving the living condition of its clients in relation to income, nutritional status, medical facilities, employment creations, to have access to key household assets, as well as in housing improvements imply that microfinance is important in reducing poverty and in enhancing social welfare in Ethiopia.

Therefore, all the necessary support should be provided to the industry from the government, NBE, and other fund-raising organizations in order to improve their performance and outreach as well as to improve the magnitude and type of impacts towards poverty alleviation. And more conducive working environment should be created in order to improve the magnitude of the current impact results.

For Academicians/ Researchers:

The current study was based on small sample size taken from only one woreda of Oromia region west shoa zone. Therefore, the results cannot be generalized to other district of Oromia especially in the analytical terms. Further research done on a bigger scale with large sample size could shed light on how microfinance activities affect the average living standard of poor people of Oromia, analytically.

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Annex 1

JIMMA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM

OCSSCO's Credit and savings program Survey Questionnaire

Dear Respondent:

This project is entitled “The Impact of Microfinance on Poverty Reduction: The case of Selected Clients of Oromia Credit and Savings Share Company (OCSSCO) in Gindeberet Woreda, Western Shoa Zone of Oromia Region”

This study is conducted in partial fulfillment of the requirements for master’s Degree in Business Administration (MBA) by obbo Gizaw Ajema.

This questionnaire has been designed to find out the impact of OCSSCO credit program on clients poverty reduction. The information you provided in this questionnaire will be very useful and confidential. Your cooperation and commitment in answering this questionnaire is kindly appreciated. Thank you.

If you have any question, you can contact the researcher by the following addresses:

Mobile:-0920838132

Email: gizawajema@gmail.com

Name of interviewer _____

Date of the interview _____

1. Personal Information of the Respondent

Please make an “x” mark in the box provided in front of the Question

1.1.Sex: 1. Male 2. Female

1.2.Ages: 1.18 – 25 2. 26 – 35 3. 36 – 45 4. Above 45

1.3.Marital Status: 1.Single 2. Married 3.Divorced 4.Widowed

1.4.Educational level: 1. No formal Education 2. Elementary Education 3.Secondary Education 4. Diploma 5.Bachelor’s Degree 6. Others/Specify

1.5.Household size: M _____ F _____ Total _____

1.6.Number of dependents within the household _____

2. Loan and Loan Repayment

2.1.Did you have previous access to credit from other formal or informal financial Institutions?

1. Yes 2. No

2.2. If Yes, When? _____ Amount of loan in birr _____

2.3.Purpose of loan _____

2.4.In how many months was the total loan wanted to be fully repaid? _____

2.5.Have you completed repayment of the loan? 1. Yes 2. No

2.6.If your answer for Q. No. 2.5 is No, Explain your reason and amount.

Reason _____ Amount of outstanding Birr _____

2.7.Are you a customer of OCSSCO? 1. Yes 2. No

2.8.If your answer for Q 2.7 is yes, when did you start as customer?

Year (in Ethiopian calendar) _____

2.9. How many times have you taken loan since then?

2.10. What was the amount of the first loan? _____Birr

2.11. What is the amount of your current loan? _____Birr

2.12. Would you tell us the amount of credit you have taken from OCSSCO?

1st round _____Birr 5th round _____Birr

2nd round _____Birr 6th round _____Birr

3rd round _____Birr 7th round _____Birr

4th round _____Birr 8th round _____Birr

2.13. How did you invest the last loan you took it from OCSSCO?

1. Commercial (trade/retail including petty trade)

2. Manufacturing (includes food processing, textile production, crafts, leather work)

3. Service (includes hairdressing, restaurants, food stalls, and cleaning services)

4. Agriculture (includes food or other crop production, animal raising)

5. Others (specify) _____

- 2.14. Do you use any portion of your last loan -----?
- A. Buy food for your household 1. Yes 2. No
 - B. Buy clothes or other household items 1. Yes 2. No
 - C. Give or loan the money to your spouse or someone else 1. Yes 2. No
 - D. Keep money on hand in case of emergency or to repay loan 1. Yes 2. No
- 2.15. Do you think that the loan is sufficient to run your project? 1. Yes 2.No
- 2.16. What is the interest rate of the loan? _____Percent
- 2.17. Do you think that the interest rate on loan is fair? 1. Yes No 3. Don't know
- 2.18. If your answer to Q.2.17 is 'No,' would you tell us the appropriate interest rate? ____%
- 2.19. Have you been trained about loan utilization? 1. Yes 2. No
- 2.20. If your answer to Q.2.18 is yes, has it been satisfactory? 1. Yes 2. No
- 2.21. Was the loan issued timely? 1. Yes 2. No
- 2.22. If your answer to Q.2.10 is 'No', has it negative impact on your business/farm activities? 1. Yes 2. No
- 2.23. On question 2.11 if it has an impact, specify the impact _____

3. Information about source of income

- 3.1. Did you have a source of income for your household before two years ago? 1. Yes 2. No
- 3.2. If your answer to Q.3.1 is yes, explain the source and the amount of your income
- Source of income _____ Amount of monthly income _____ Birr
- 3.3. During the last two years did your overall household income
- 1. Increased greatly 2. Increase 3. Remains the same 3. Decrease 4. Decreased greatly
- 3.4. How did your income increase? (If increased) 1. Good agricultural season 2. Expand existing business 3. Undertake new enterprise 4. Able to purchase input due to accessibility of credit 5. Got jobs 6. Others (specify) _____
- 3.5. How did your income remain constant or decrease? (If remain constant and decrease)
- 1. Illness or death of one or more of your family member 2. Unable to get inputs due to lack of credit 3. Crop failure 4. Family member lost jobs 5. Others (specify) _____

4. Consumption and Nutritional Status

- 4.1. What is the approximate monthly consumption expenditure of your household during the last twelve months? Birr _____

4.2. During the last twelve months has your household diet;

1. Improved 2. Stayed the same 3. Worsened

4.3. If your answer to Q.4.3 is improved, how has it improved?

1. Able to buy more cereals such as teff, maize, etc. 2. Able to buy vegetables and fruits
 3. Able to buy dairy products meat, egg, etc. 4. Able to eat three times (meal) a day
 5. Others (specify)

4.4. If your answer to Q4.3 is worsened how has it worsened?

1. Unable to buy more cereals such as teff, maize, etc.
 2. Unable to buy vegetables and fruits 3. Unable to buy dairy products meat, egg, etc.
 4. Unable to eat three times (meal) a day 5. Others (specify)

4.5. During the last twelve months, was there ever a time when it was necessary for your household to eat less or less well either because of lack of food or a lack of money to buy food? 1. Yes 2. No

4.6. If your answer to Q4. 5 is yes, how long did this period last ___ (specify No. of months)

5. Information About the Household Assets

5.1. What type of house did you have before two years?

1. Roof with iron sheet 2. Roof with grass 3. Others (specify)

5.2. Have you made any improvement to your house during the last 2 years? 1. Yes 2. No

5.3. If your answer is yes, due to;

1. Access to credit 3. Improved income 2. Gifts or Aids 4. Others (specify) __

5.4. If your answer for Q.5.2 is No, what are the reasons? _____

5.5. What are the types, numbers and estimated value of the assets you purchased during the last two years?

S/No	Type asset	No of asset	Total price in birr
1	Chairs		
2	Tables		
3	Beds		
4	Radio / Tape Recorder		
5	Stove		
6	TV		
7	Refrigerator		
8	Mobile		
9	Others (specify)		
10			
Total			

5.6. Did your purchasing power to buy assets was improved during the last two years?

1. Yes 2. No

5.7. If your answer for Q 5.6 is 'Yes', how?

1. Due to increase in income from microfinance activities
 2. Due to increase in income from non-microfinance activities
 3. Gifts or aids 4. Good agricultural season 5. Others (specify) _____

5.8. If your answer for Q 5.6 is No, Why? 1. Lack of credit 2. Failure of agricultural products

3. Market problem 4. Lack of working capital 5. Others (specify) _____

5.9. Do you have livestock? 1. Yes 2. No

5.10. If your answer for Q.5.9 is yes, list their type and numbers of animals.

S/No	Animal Type	No of Animals Before Joining MF Program/Before two years	No of Animals After Joining MF Program/After two years
1	Oxen		
2	Cows		
3	Calves		
4	Sheep		
5	Goat		
6	Horses		
7	Mule		
8	Donkey		
9	Chickens		
	Others(specify)		

5.11. Did the number of your livestock during the last two years:

1. Increased 2. Remained the same 3. Decreased

5.12. If your answer for Q.5.11 is increased, how? _____

5.13. If your answer for Q.5.11 is, decreased and remained the same, why? _____

5.14. Do you own land? 1. Yes 2. No

5.15. If your answer for Q.5.14 is yes, have you encountered of farm oxen to plough your land for the last twelve months? 1. Yes 2. No

5.16. If your answer for Q5.15 is yes, what options do you have to plough your farmland?

1. Exchanged 2. Obtained from relatives 3. Rented 4. Others (specify) _____

6. Information about Access to Education

6.1. How many children in your household are schools aged (5-17 years age)? _____

6.2. How many of these children currently attended school (total No. in a school) _____

6.3. Did the number of your family attending school for last two years is:

1. increased 2. Stayed the same 3. decreased

6.4. If your answer for Q. 6.3 is increased, how?

1. Access to new school building in the area 2. Income improvement in the household 3. Increase in the awareness of the household towards education 4. Others (specify) _____

6.5. If your answer for Q. 6.2 is decreased or remained constant, why?

1. Lack of income for school tuition 2. Lack of access to school in the area
3. Lack of interest to attend school 4. Needed for help in the business activity
5. Needed for help in non-business activity 6. Others (specify) _____

6.6. What is your average educational expense for the household per year? (Amount in Birr) _____

6.7. Compared to the previous years, your family average educational expense during the last 12 months has: 1. Increased greatly 2. Increased 3. Stayed the same
4. Decreased 5. Decreased greatly

7. Access to Medical Facilities and Expenditure

7.1. During the last two years, was there an occasion in which you or a member of your family needed medical attention? 1. Yes 2. No

7.2. Where did you get the money to pay these medical costs? 1. Yourself 2. Other family members 3. Relatives 4. Borrowed at cost 5. Others (specify) _____

7.3. What is the average household medical expenditure for the last twelve months? _____

7.4. During the last 12 months access to medical facilities for your household/family has:

1. Improved 2. Stayed the same 3. Deteriorated

7.5. If your answer to Q.7.4 is 'improved', what is the main reason?

1. Access to money from the microfinance activities 2. Better local treatment
3. Sold household assets 4. Borrowed from other sources 5. Others (specify) _____

7.6. In the last twelve months, was any ill or injured member of the household not taken for medical attention or treatment because of the household lacked the money to pay for it?

1. Yes 2. No

8. Information on Employment and Business

- 8.1. What were the major types of activities you engaged for the last two years? 1. Local drink preparation 2. Selling “injera” 3. Wood or metal work 4. Textiles 5. Shoe polish or repair 6. Beauty salon 7. Agricultural activities 8. Animal husbandry 9. Retail trade 10. Others (specify) _____
- 8.2. Do you think that your employment opportunities have been improved for the last two years? 1. Yes 2. No
- 8.3. If your answer to Q.8.2 is yes, how? _____
- 8.4. If your answer to Q.8.2 is No, why? _____
- 8.5. (Only for clients) Do you think that your income has improved due to improvement in job opportunities due to OCSSCO microfinance? 1. Yes 2. No
- 8.6. Have you used hired labor in your business or farm activities? 1. Yes 2. No
- 8.7. If your answer to Q 8.6 is yes, how many? _____. Is it for temporary or permanent? _____

9. Information about Saving

- 9.1. Do you have a personal saving account since two years? 1. Yes 2. No
- 9.2. If your answer for Q 9.1 is yes, what type of savings have you made and where?
1. Compulsory savings in MFI 2. Voluntary savings in MFI 3. Saving and credit association 4. Iqqub 5. Iddir 5. Others (specify) _____
- 9.3. Specify the average monthly saving amount in Birr: Compulsory _____ Voluntary _____
- 9.4. What is your source of money for saving? 1. Business /farm profit financed by the loan 2. Borrowed from money lenders and friends /relatives 3. Income from employment 3. Others (specify) _____
- 9.5. For what purpose did you save?
1. To earn interest income 2. Loan repayment 3. To expand your business 4. For safety purpose (from theft or damage) 5. Others (specify) _____
- 9.6. Have your personal cash savings 1. Increased 2. Stayed the same 3. Decreased

10. Women Empowerment

- 10.1. Who makes decision to take loan and use loan in your house hold?
1. Husband only 2. Wife only 3. Husband and wife equally 4. Most of the time house band 5. Most of the time wife
- 10.2. Who makes decision to buy inputs and sell agricultural and Business products?

1. Husband only 2. Wife only 3. Husband and wife equally 4. Most of the time house band 5. Most of the time wife

10.3. In the last twelve months were you a member of a group or association 1. Yes 2. No

10.4. If your answer for Q 11.3 is yes can you tell me the ways in which being in a group helped you? 1. Provided support when I needed help 2. Give me business ideas and contacts 3. Allowed me to develop my leadership skill 4. Give me training and new information 5. Others (specify) _____

11. Other Information (only for clients)

11.1. Do you think that have you benefited from the credit scheme of OCSSCO?

1. Yes 2. No

11.2. If your answer to Q.11.1 is No, why? _____

11.3. If your response to Q.11.1 is yes, in what ways you benefited _____

11.4. During your OCSSCO loan program participation period what are your major Operational problems: 1. Lack of business knowledge 2. Shortage of working capital (land) 3. Lack of market for output 4. Lack of knowledge of using the loan 5. Loss or damage 6. Weather conditions 7. Others (specify) _____

12.4. What is your overall opinion about the credit scheme of OCSSCO? _____

Interview Questions for Branch Manager and Loan Officer of OCSSCO Gindeberet

1. How do you identify the poor to be the program beneficiaries of your institutions?
2. Do you think that the loan is sufficient for your client to run their projects?
3. Is there any controlling mechanism for clients whether they use their loan for the intended purpose?
4. Did you provide training for clients before and after loan provision about loan utilization?
5. What are the main challenges (problems) for the institution?

Thank you!

Annexe2

YUNIVERSIITII JIMMAA

KOLLEEJII BARNOOTA DIGIRII LAMMAFFAA

SAGANTAADIGIRII LAMMAFFAA BULCHIINSA DALDALAA (MBA)

Gaaffilee Odeeffannoo Waa’ee Sagantaa Liqii fi Qusannoo WALQO Ittiin Guuramu

Kabajamoo Deebii Deebisaa:

Gaaffileen qorannoo kun mata duree “The Impact of Microfinance on Poverty Reduction” ykn Dhiibbaa Maaykiroofaaynaansiin Hiyyummaa Hir’isuu irratti Qabu: Maamiloota waldaa Aksiyoonii liqii fi qusannaa Oromiyaa (WALQO) damee Gindabarat irraa odeeffannoo fudhachuuf qophaa’edha.

Qorannoo kun kan raawwatu Obbo Gizaaw Ajjamaa tiin, sababa Digirii lammaffaa gosa barnootaa “Business Administration (MBA)” tiin xumursiisuu danda’uufidha. Kaayyoon gaaffilee qorannoo kanaa waa’ee dhiibbaa maaykiroofaayinaansiin hiyyummaa hir’isuu maamilootaa irratti qabu waldaa Aksiyoonii liqii fi qusannaa Oromiyaa damee Gindabarat (WALQO) Godina Lixa Shawaa adda baasuuf odeeffannoo funaanuudha. Deebiiin keessan qorannoo kana xumursiisuudhaaf faayidaa guddaa qaba, iccitiin isaa eegamaa fi faayidaa biroof hin oolu.

Kanaaf, gaaffii kana hordofuun haala gaarii fi karaa danda’amuun waan naaf ibsitaniif galata guddaa qabdu.

Yoo gaaffii qabdu taatan teessoo armaan gadiin na argachuu dandeessu.

Lakk.bil.0920808332

Email: gizawajema@gmail.com

1. Haala Dhuunfaa

Deebii keessan sanduqa keessatti mallattoo“x” gochuun deebisa.

- 1.1. Saala : dhiira Dalaa
- 1.2. Umrii: 18-25 26-35 36-45 45nii ol
- 1.3. Haala gaa'ilaa: 1. Kan fuudhe /heerumte 2. Qeerroo/Qarree 3. Kan hiike/tte
4. Kan jalaa duute/ kan irraa du'e
- 1.4. Sadarkaa barnootaa: 1. Kan hin baranne 2. Sadarkaa 1^{ffaa} 3. Sadarkaa 2^{ffaa}
4. Dippiloomaa 5. Digrii 6. kan biro (ibsa) _____
- 1.5. Baayi'ina maatii 1. Dhiira _____ 2. Dhalaa _____
- 1.6. Maatii keessaa kan of hindandeenye 1. Dhiira _____ 2. Dhalaa _____

2. Odeeffannoo Waa'ee Liqii fi Liqii Deebisuu

- 2.1. Kanaan dura dhaabbata mallaqaa idilee ykn idilee hin taane iraa liqii argattanii beektuu? 1. Eeeyyee 2. Lakki
- 2.2. Eeyye yoo jettan, yoom/bara kam? _____ Qarshii meeqa? _____
- 2.3. Maalliif leqeffattani? _____
- 2.4. Liqii isaa waliigalaa/guutummaatti ji'a meeqa keessatti deebi'uu qaba? _____
- 2.5. Liqicha kanfalattanii xumurtaniittuu? 1. Eeeyyee 2. Lakki
- 2.6. Deebiin keessan gaaffii 2.5 lakkii yoo ta'e, sababa isaa fi hanga isinirratti hafe ibsa Sababa hin kanfalleef _____
Baay'ina Qarshii isin irrattii hafee _____
- 2.7. Maamila WALQO taataniittuu? Eeeyyee Lakkii
- 2.8. Deebiin keessan eeyye dha yoo ta'e, yoomraa jalqabdaniiti maamila taatani? Akka lakkoofsa Itoophiaatti _____
- 2.9. Erga maamila taatani si'a meeqa liqeffattaniittu? _____
- 2.10. Liqiiin yeroo jalqanaa qarshii meeqa? _____
- 2.11. Liqiiin keessan yeroo amma hoo meeqa? _____
- 2.12. Hamma liqii WALQO irraa fudhattaniittan nutti himuu dandeessu?
Marsaa 1^{ffaa} qar. _____ Marsaa 5^{ffaa} qar. _____
Marsaa 2^{ffaa} qar. _____ Marsaa 6^{ffaa} qar. _____
Marsaa 3^{ffaa} qar. _____ Marsaa 7^{ffaa} qar. _____
Marsaa 4^{ffaa} qar. _____ Marsaa 8^{ffaa} qar. _____
- 2.13. Liqii dhuma irratti WALQO irraa fudhattan maal irra oolchitu?
1. Daldalarra 2. Oomisha 3. Tajaajila 4. Qonnaa

5. Kan biroo (ibsa) _____
- 2.14. Liqii fudhattaan kanaan:
- A. Maatii keessaniif nyaata bittu? 1. Eeyyee 2. Lakki
- B. Uffataa fi waantota biroo maatiif bittu? 1. Eeyyee 2. Lakki
- C. Nama biroof kennitu ykn liqeessitu? 1. Eeyyee 2. Lakki
- D. Yeroo rakkoof ykn liqii deebisuuf of harkatti qabattu? 1. Eeyyee 2. Lakki
- 2.15. Liqii argattan karoorra hojii keessanii gaggeessuuf nu gaha jettanii yaadduu?
1. Eeyyee 2. Lakki
- 2.16. Dhalli liqii parseentii meeqa? _____
- 2.17. Dhalli liqii irratti herregamu haqa qabeessaa? 1. Eeyyee 2. Lakki 3. Hin beeku
- 2.18. Deebiin keessan gaaffii 2.17 lakkii yoo ta'e, parseentii dhalaa ta'uu qabu nutti himuu dandeessu? _____%
- 2.19. Akkaataa itti fayyadama liqii irratti leenjii aragtaniittuu? 1. Eeyyee 2. Lakki
- 2.20. Deebiin keessan gaaffii 2.19 eeyyee yoo ta'e, quubsaa dhaa? 1. Eeyyee 2. Lakki
- 2.21. Liqii yeroon isiniif kennamaa? 1. Eeyyee 2. Lakki
- 2.22. Deebiin keessan gaaffii 2.21 lakkii yoo ta'e, hojii keessan irratti dhiibbaa miidhaa geessisu qabaa? 1. Eeyyee 2. Lakki
- 2.23. Deebiin keessan gaaffii 2.21 eeyyee yoo ta'e, dhiibbaa isaa ibsa _____

3. Odeeffannoo waa'ee madda galii

- 3.1. Waggoota lamaan darbaniin dura maatii keessaniif madda galii qabdu turee?
1. Eeyyee 2. Lakki
- 3.2. Deebiin keessan gaaffii 3.1 eeyyee yoo ta'e, madda galii keessanii fi hamma galii keessanii nuuf ibsa.
- Madda galii _____ galii ji'aa qar. _____
- 3.3. Waggoota lamaan darban keessa galiin waliigalaa maatii keessanii:
1. Baay'ee dabaleera 2. Dabaleera 3. Jijjiirama hin agarsiifne
4. Hir'ateera 5. Baay'ee hira'ateera
- 3.4. Galiin keessan akkamitti dabaluu danda'e? (dabaleera yoo ta'e)
1. Arfaasaan waan toleef

2. Hojii duraan jiru babal'isuun 3.Hojii haaraa jalqabuun 4.Wantootni hojiif gargaaran liqii argameen bitamamanii waan guuttamniif 5. Hojii argachuun 6. Kan biroo yoo jiraate (ibsaa) _____
- 3.5. Galiin keessan maaliif jijjiirama hin agarsiifne ykn hir'ate (jijjiiramni hin jiru ykn hir'ateera yoo ta'e)? 1. Dhukkubsachuu ykn du'a maatii keessaa 2. Dhabinsa liqii irraan kan ka'e wantoota hojiif gargaaran bitachuu dhabuu 3.Oomishni qabuu diduu 5. Maatii keessaa namni hojii gadhiisuu 6. Kan biroo yoo jiraate (ibsaa)

4. Baasii Nyaataa fi Haala Soorannaa

- 4.1. Ji'oottan kudha lamaan darban keessa baasiin soorata maatii keessanii tilmaamaan ji'aatti qarshii meeqa ta'a? _____
- 4.2. Ji'oottan kudha lamaan darban keessa haalli sirna nyaataa maatii keessanii:
1 .Fooyya'eera 2. Jijjiirama hin qabu 3. Gadi bu'eera
- 4.3. Deebiin keessan gaaffii 4.2 fooyya'eera jedha yoo ta'e, akkamitti fooyya'uu danda'e?
1 Midhaan adda addaa kan akka xaafii, boqqolloo fi kkf bitachuu danda'uu
2 Fuduraa fi muduraa bitachuu danda'uu
3 Nyaata bu'aa horii irraa argamu kan akka foonii, killee fi kkf bitachuu danda'uu
4 Guyyaatti si'a sadi nyaachuu danda'uu
5 Kan biroo yoo jiraate (ibsaa)_____
- 4.4. Deebiin keessan gaaffii 4.2 gadi bu'eera jedha yoo ta'e, maaliifi?
1. Midhaan adda addaa kan akka xaafii, boqqolloo fi kkf bitachuu dadhabuu
2. Fuduraa fi muduraa bitachuu dadhabuu
3. Nyaata bu'aa horii irraa argamu kan akka foonii, killee fi kkf bitachuu dadhabuu
4. Guyyaatti si'a sadi nyaachuu dhabuu
5. Kan biroo yoo jiraate (ibsaa)_____
- 4.5. Ji'oota kudha lamaan darban kana keessa sababii qarshii ittiin midhaan bitattan dhabdani maatiin keessan nyaanni itti hir'ate ykn waan nyaattan yeroo dhabdan jiraa? 1 .Eeyyee 2 .Lakki
- 4.6. Deebiin keessan gaaffii 4.5 eeyyee yoo ta'e, yeroo hammamiif ? (baay'ina ji'oota isaa ibsaa)_____

5. Odeeffannoo waa'ee Qabeenya/ meeshaa/

- 5.1. Waggaa lamaan dura mana jireenyaa akkamii qabdu ture?
 1 .Mana qorqoorroo 2 .Mana citaaa 3. Kan biroo (ibsaa) _____
- 5.2. Waggaa lamaan darban kana keessa mana keessan fooyeffattaniittuu?
 1. Eeyyee 2. Lakki
- 5.3. Deebiin kee gaaffii 5.3 eeyyee yoo ta'e, kan fooyya'uu danda'e:
 1 .Liqii argachuu danda'uu 2 .Galiin fooyya'uuu 3 .Kenna ykn gargaarsa argachuu 3 .Kan biroo (ibsaa) _____
- 5.4. Deebiin keessan gaaffii 5.2 lakkii yoo ta'e, sababni isaa maaliif? _____
- 5.5. Waggoota lamaan darban kana keessatti meeshaa bitattan baay'inaa isaa fi tilmaama gatii isaa waliin gabatee armaan gadii keessattii ibsaa.

T/L	Gosa meeshaa/qabeenyaa	Baay'ina meeshaa	Gatii dimshaashaa Qar.
1	Barcuma /teessoo/		
2	Minjaala		
3	Siree		
4	Raadiyoo/Teeppii		
5	Stoovii		
6	TV		
7	Firiijii/qorrisiisaa		
8	Moobaayilii		
9	Kan biroo(ibsaa)		
	Wlaliigala		

- 5.6. Waggoota lamaan darban kana keessa dandeettiin mi'a bitachuu keessan fooyya'eeraa? 1. Eeyyee 2. Lakki
- 5.7. Deebiin keessan gaaffii 5.6 eeyyee yoo ta'e, akkamitti?
 2 Galiin hojii maallaqa WALQO irraa argdhuun hojjedhu waan dabaleef
 3 .Galiin hojii maallaqa WALQO tiin ala argadhu waan dabaleef
 4 Kenna ykn gargaarsa waanan argadheef
 5 Oomishni arfaasaan waan tolcheef 6. Kan biro(ibsaa) _____
- 5.8. Deebiin keessan gaaffii 5.6 lakkii yoo ta'e, maaliif?

1. Liqqi dhabuu 2.Oomishni qabuu diduu 3.Rakkoo gabaa
 4. Kaappitaala hojiif oolu dhabuu 5.Kan biroo (ibsa) _____

5.9. Horii qabduu? 1. Eeyyee 2. Lakki

5.10. Deebiin keessan gaaffii 5.9 eeyyee yoo ta'e, gosa isanii fi baay'ina isaanii tarreessaa

T/L	Gosa Horii	Baay'ina Horii Waggaa lamaa dura/Osoo sagantaa WALQO hin hirmaatiin dura	Baay'ina Horii Waggaa lamaan asi / Sagantaa WALQO tti erga hirmaachuu jalqabdani
1	Qotoota		
2	Dulloota		
3	Jabboota		
4	Ro'oota		
5	Hoolota		
6	Fardeen		
7	Gaangolii		
8	Harroota		
9	Lukkoolee		
	Kan biroo ibsa		

5.11. Waggaa lamaan darban kana keessa baay'inni horii keessanii :

- 1 .Dabaleera 2 .Hin daballe 3.Hir'ateera

5.12. Deebiin keessan gaaffii 5.10 dabaleera kan jedhu yoo ta'e, akkamitti dabaluu danda'e _____

5.13. Deebiin keessan gaaffii 5.10 Hin daballe ykn hir'ateera yoo ta' e, maaliif? _____

5.14. Lafa qonnaa qabduu? 1. Eeyyee 2. Lakki

5.15. Deebiin keessan gaaffii 5.14 eeyyee yoo ta'e, ji'oottan kudh lamaan darban keessa qotoota ittiin qotattan dhabdaniittuu? 1. Eeyyee 2.Lakki

5.16. Deebiin keessan gaaffii 5.14 eeyyee yoo ta'e, akkamitti qotattu?

1. Hidhata 2. Firarraan argadhe 3.Cimaada 4 Kan biroo (ibsa) _____

6. Odeeffannoo waa'ee Carraa Barnootaa

6.1. Maatii keessan keessa daa'imman umriin isaanii barnootaaf ga'e meeqa? _____

6.2. Daa'imman umriin isaanii barnootaaf ga'e keessaa meeqaan isaaniitu mana barnootaa galeera? _____

- 6.3. Waggoota lamaan darban keessa hirmaannaan maatii keessanii barnootaa irraatti:
1 .Dabaleera 2 .Jijjiiramni hin jiru 3 .Hir'ateera
- 6.4. Deebiin keessan gaaffii 6.3 dabaleera jedha yoo ta'e, akkamitti?
1 .Manni barnootaa naannoo keenyatti waan ijaarameef
2 .Maddi galii maatii keenyaa waan dabaleef
3 .Hubannoon maatiin keenya waa'ee barnootaaf qabnu waan dabaleef
4 .Kan biroo yoo jiraate ibsaa _____
- 6.5. Deebiin keessan gaaffii 6.3 hir'ateera ykn jijjiiramni hin jiru jedh yoo ta'e, maaliif?
1 .Baasii mana barumsaaf kanfallu waan hin qabneef
2 .Manni barnootaa naannoo keenya waan hin jirreef
3 .Barachuudhhf fedha dhabuu
4 .Hojii daldala keenya waan nugargaaraniif
5 .Hojii daldalan alaa waan nugargaaraniif
6 Kan biroo yoo jiraate ibsaa
- 6.6. Baasiin maatii keessaniif waggatti barnootaaf baastan giddugaleessaan qarshii meeqa ta'a? _____
- 6.7. Kan bara darbee waliin walbira qabdani yoo ilaaltan, baasiin barnootaa keessan ji'oota kudha lamman darbee:
1 .Baay'ee dabaleera 2. Dabaleera 3 .Jijjiirama hin qabu 4. Hir'ateera
5 .Baay'ee hir'ateera

7. Carraa of waldhaansisuu danda'uu

- 7.1. Waggoota lamaan darban keessa, maatii keessan keessaa ykn ofii keessan haalli itti hordoffii mana yaalaa barbaaddan tureeraa? 1. Eeyyee 2. Lakki
- 7.2. Deebiin keessan gaaffii 7.1 eeyyee dha yoo ta'e, baasii kanfaltii mana yaalaa kanaaf oolu eessaa argattani?
1. Kanuma kooti 2. Kan Miseensa maatii 3 .Firraan Fudhadhe
4 .Liqii dhalaatiin 5 .kan biroo yoo jiraate ibsaa _____
- 7.3. Baasiin maatii keessaniif ji'oota kudh lamaan darban keessa mana yaalaaf baastan giddugaleessaan qarshii meeqa ta'a? _____
- 7.4. Ji'oottan kudha lamaan darban keessa maatii keessan yaalchisuu danda'uun keessan:

- 1 .Fooyya'eera 2 .Kan duraarra jijjiirama hin qabu 3 .Gadi bu'aadha
- 7.5. Deebiin keessan gaaffii 7.4 fooyya'eera jedha yoo ta'e, sababni isaa maali?
1. Carraa liqii WALQO irraa argachuu 2. Waldhaansa aadaa gaarii argachuu
3. Qabeenya Gurgurachuun 4. Liqii gara biroo 5. Kan biroo (ibsa) _____
- 7.6. Ji'oottan kudh lamaan darban keessa maatii keessan keessaa namni dhibamee sababa qarshii dhabuu keessaniin osoo yaalii hin argatiin hafe jiraa? 1 .Eeyyee 2 .Lakki

8. Odeeffannoo waa'ee Carraa hojii Argachuu fi Hojii Ummachuu

- 8.1. Waggoottan lamaan darban keessa hojiin ijoo isni irratti hirmaattan maalidha?
1 .Dhugaatii qopheessuu 2 .Buddeena gurguruu 3 .Hojii mukaa ykn sibiilaa
4 .Huccuu hojjechuu 5 .Kophee cululuqsuu/suphuu 6 .Mana miidhaginaa
7 .Hojii qonnaa 8 .Horii horsiisuu 9 .Daldala 7 .kan biroo(ibsa) _____
- 8.2. Waggoottan lamaan darban kana keessa carraan hojii argachuu keessanii fooyya'eera jettanii yaadduu? 1 .Eeyyee 2 .Lakki
- 8.3. Deebiin keessan gaaffii 8.2 eeyyee yoo ta'a akkamitti? _____
- 8.4. Deebiin keessan gaaffii 8.2 lakkii yoo ta'e, maaliif? _____
- 8.5. Galiin keessan sababii carraa itti fayyadama liqii WALQO tiif fooyya'eera jettanii yaadduu? (Maamila WLQO tiif qofaaf) 1 .Eeyyee 2 .Lakki
- 8.6. Bakka hojii keessaniitti humna qacarattaniittan qabduu? 1 .Eeyyee 2 .Lakki
- 8.7. Deebiin keessan gaaffii 8.6 eeyyee yoo ta'e, hammam/meeqa? _____

9. Odeeffannoo Waa'ee Qusannoo

- 9.1. Waggoota lamaan darban kana keessa qusannoo dhuunfaa keessanii qabduu?
1 .Eeyyee 2 .Lakki
- 9.2. Deebiin keessan gaaffii 9.1 eeyyee yoo ta'e, qusannoo akkamii fi eessatti qusattu?
1 .Qusannoo dirqamaa DMF 2 .Qusannoo fedhaa DMF 3 .Waldaa liqii fi qusannaa 4 .Huqqubii 5 .Afoosha 6 .Kan biroo yoo jiraate ibsa _____
- 9.3. Giddu galeessaan ji'atti qarshiin isin qusattan: Qusannaa dirqamaa _____, Qusannaa fedhaa _____
- 9.4. Maddi qusannoo qarshii keessanii maali irraa argame?
1. Bu'aa daldala/bu'aa qonnaa liqii faaynaansii irraa argame
2 .Qaamolee liqii kennannii fi hiriyyaa/firarraa
3 .Galii qacaramuu irraa argamu 4 .Kan biroo yoo jiraate ibsa _____

- 9.5. Dhimma maaliitiif maallaqa qusattu?
1 .Bu'aa qusannoon irraa argachuuf 2 .Liqii isinirra jiru kanfalachuuf
3 .Hojii keessan ittiin babal'ifachuuf 4 .Qarshiin akka isin jalaa hin banneef (hattuun akka hin fudhanneef) 5 .Kan biroo yoo jiraate ibsaa _____
- 9.6. Hammi qarshii qusannoo keessanii : 1 .Dabaleera 2 .Akkuma duraati
3 .Hir'ateera

10. Odeeffannoo waa'ee Ofdanda'ummaa Dubartootaa/women empowerment/

- 10.1. Maatii keessan keessaa kan liqii fudhuu fi qarshii liqiin argame irratti murteessu kan dand'u eenyu dha?
1 .Abbaa manaa qofa 2 .Haadha warraa qofa 3 .Abbaa manaa fi haati manaan walqixa 4 .Irra caalaa abbaa manaa 5 .Irra caalaa haadha warraa
- 10.2. Mi'oota bituu fi gurgurtaa bu'aalee qonnaa fi daldalaa irratti eenyutu murteessaa dha?
1 .Abbaa manaa qofa 2 .Haadha warraa qofa 3 .Abbaa manaa fi haati manaan walqixa 4 .Irra caalaa abbaa manaa 5 .Irra caalaa haadha warraa
- 10.3. Ji'oota kudha lamaan darban kana keessa miseensa garee ykn waldaa taataniittuu?
1 .Eeyyee 2 .Lakki
- 10.4. Deebiin keessan gaaffii 10.3 eeyyee yoo ta'e, miseensa waldaa ykn garee keessatti hirmaachuun bu'aa isniif qabu nutti himuu dandeessuu?
1 .yeroon deeggarsa barbaadu nagargaaru
2 .Hojii kootiif yaada naaf kennu fi najajjabeessuu
3 .Hoggansummaa koo akkan cimsadhu nataassisu
4 .Leenjii fi odeeffannoo haaraa naaf kennu 5 . Kan biroo yoo jiraate ibsaa _____

11. Odeeffannoo Kan Biroo(Maamila WALQO qofaaf)

- 11.1. Sagantaa liqii WALQO kana irraa fayyadamneerra jettuu? 1. Eyyee 2. Lakki
- 11.2. Deebiin keessan gaaffii 11.1 lakkii yoo ta'e, maaliif? _____
- 11.3. Deebiin keessan gaaffii 11.1 eeyyee yoo ta'e haala kamiin fayyadamuu dandeessani?

- 11.4. Wayita sagantaa liqii WALQO kana keessatti hirmaattan rakkoo ijoon isin qunname maalidha? 1 .Hanqina hubannoo waa'ee hojii/bizinasii 2. Hanqina kaappitaala hojii (lafaa) 3 .Hojii keenyaaf gabaan dhabamuu 4 .Itti fayyadama liqii irratti hubannoo dhabuu 5 .Qarshii gatuu ykn qabeenyi baduu 6 .Haala qilleensaa 7. Kan biro yoo jiraate (ibsaa)_____

Gaaffii Qomaa Manaajera Damee WLQO fi Abbaa Adeemsa Liqii if Qusannoof

6. Hiyyeessoni sagantaa liqii fi qusannaa dhaabbata keessanii ta'anii akka fayyadaman akkataa kamiin addaan baafattu?
7. Liqiin isin maamiloota keessaniif kennitan hojii isaanii haala gaariin gaggeessuuf gahaa dha jettanii yaadduu?
8. Maamiltootni keessan liqii fudhatanniin kaayyoo/ hojii barbaadamef oolchuu danda'uu isaanii haallii ittiin hordofuu dandeessan jiraa?
9. Maamiltoota keessaniif liqii fudhatan irratti akkaataa itti fayyadamuu danda'anirratti jalqabaa duraa fi hojii isaanii irratti leenjii ni kennituufii?
10. Rakkoo ijoon waldaa kanaa maal faati?

Galatoomaa!