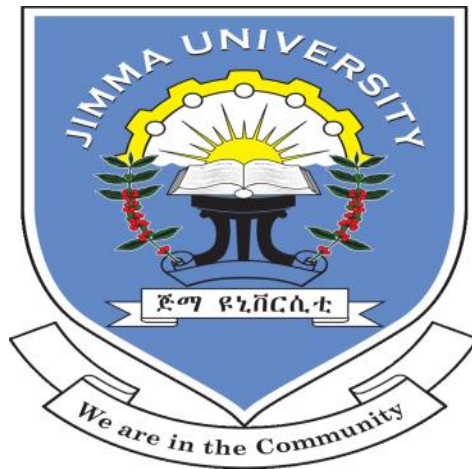


**The Effect of Micro Finance Institution on Poverty Reduction in
Jimma City**

By

Abdulgefar Abda



Jimma University

College of Business and Economics

August, 2020

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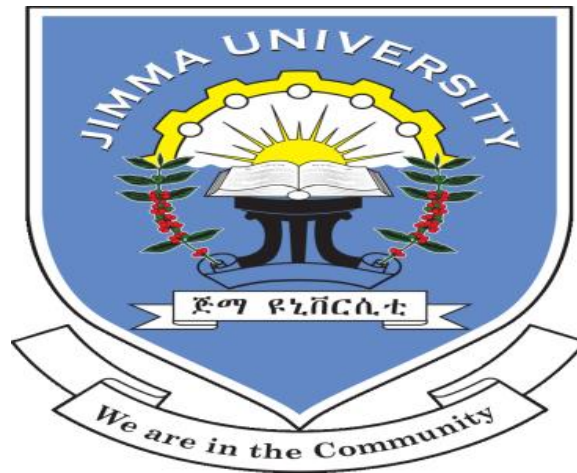
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Advisers: Main-Adviser: Wubishet Mengesha (Ast. Professor)

Co-Adviser: Frew Mulatu (MBA)



Jimma University

**A Thesis Submitted to College of Business and Economics in
Partial Fulfillment for the Requirements of MBA Degree in
Business Management**

August, 2020

Jimma University

Declaration

The researcher here by declares that the thesis entitled, “The Effect of Micro Finance Institution on Poverty Reduction in Jimma City” is his original work and that all sources that was referred to indicated and acknowledged with complete references.

Student name: Abdulgefar Abda

Sign _____

Date _____

This thesis was submitted for examination with our approval as the university advisors.

Main advisor: Wubishet Mengesha (Ast. Professor) &Co- advisor: Frewu Mulatu(MBA)

Sign _____

Sign _____

Date _____

Date _____

Place: Jimma University

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Department of Management

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Acronyms and Abbreviations

AEMF: Association of Ethiopia Micro Finance
CGAP: Consultative Group to Assist the Poor
CSA: Central Statistical Agency
GDP: Gross Domestic Product
IMF: International Monetary Fund
MCR: Micro-credit
MF: Microfinance
MFIs: Micro Finance Institutions
MIX: Microfinance Information Exchange
NBE: National Bank of Ethiopia
NGO: Non Governmental Organization
OCSSCO: Oromia Credit and Saving Share Company
PRN: Poverty reduction
SDPRP: Sustainable Development and Poverty Reduction Program
SME: Small and medium-sized Enterprise
SPSS: Statistical Package for Social Science
UN: United Nation
US: United State

Abstract

The aim of this thesis was to assess the effect of MFI's service on poverty reduction in Jimma city. To this end, two sets of quantitative data on (MFIs services & poverty reduction) were collected simultaneously through closed ended standardized survey instruments and poverty reduction indicator's survey instrument. Data was collected from 390 respondents, who were randomly sampled from 15000 Oromia credit and saving share company's (OCSSCO) active clients in Jimma city. The two sets of quantitative data were analyzed using descriptive (Mean & St. deviation) and inferential (a Pearson r correlation and a linear regression) statistics through SPSS version 20. The first major finding of this study revealed that, the level of service delivery in Oromia Credit and Saving Share Company (OCSSCO) is low which signifies that active clients of MFI (OCSSCO) in Jimma city are not satisfied by the service delivery of the company. Despite of this, however, clients' perception is positive towards the contribution of OCSSCO in reducing poverty in the study area. The other major finding of this study revealed that MFI's service is strongly correlated and has a significant effect on poverty reduction. Moreover, this study also identified that, saving service of MFI has relatively high significant effect on poverty reduction; microcredit and training are the next. However, insurance service of MFI has no significant effect on poverty reduction in the study area. Finally, the researcher strongly recommends that MFIs office leaders and their experts found in Jimma city to conduct survey on their own service delivery, study it, and create an action plan for further improvement of their service. The researcher also recommends that, MFI's office leaders and experts in Jimma city should become search for the variables that more support their poverty reduction campaign and they need to study it and plan for further strategies to fight against poverty.

Key words: *MFI's service, poverty reduction, Micro-credit, Micro-insurance, Training, and Active Clients.*

CHAPTER ONE

Introduction

This chapter deals with Background of the study, Statement of the problem, Objectives of the study, Operational definitions of key terms, Significance of the study, Delimitation of the study and Organization of the study.

1.1. Background of the Study

Microfinance emerged as a better alternative method for satisfying the credit needs of the poor in their efforts to improve their livelihood and move out of poverty. Microfinance Institutions (MFIs) play important roles in the economic growth and development of any government because of their potentials in poverty reduction, wealth creation and employment generation. Microfinance appear to be an alternative and organized means of getting credit service for those marginalized or financially excluded portion of population and subject to exploitation by the informal money lenders to aid poverty reduction campaign (Bakhtiari, 2006). Even though, different authors and organizations have defined Microfinance institutions in different ways, however, the concept or the meaning of the definitions are usually the same in which microfinance refers to the provision of financial services; primarily savings and credit to the poor and low income households to alleviate poverty (Omunjaluand Fondo, 2014).

In line with this, poverty issue has been the subject of discussions for many centuries (World Bank, 2004). According to Momodou(2016) poverty is a multidimensional concept that seeks to measure levels of deprivation encountered by a person, household or community. Although most of the literature focuses on indicators of deprivation such as income, food, access to housing and so on, the choice of indicators to measure levels of deprivation can often be arbitrary and hence may not reflect a full-scale measure of unmet basic needs in different social contexts (Momodou, 2016).

In Ethiopian context, the government defines poverty as multi-dimensional extending beyond the low level of income. The first dimension in this context is material deprivation (lack of opportunity), which is measured by an appropriate concept of income or consumption. The

second dimension is low achievement in education and health (low capabilities). The third and the fourth dimensions of poverty are vulnerability (exposure to risk or low level of security) and facelessness (and powerlessness), respectively (Tassew, 2004).

Regarding to the alleviation of poverty in Ethiopia, the poverty reduction strategy is becoming the operational framework to translate the global MDGs targets in to national action (UNDP, 2005). In line with this, MoFED(2010) confirmed that, Ethiopia is one of world fastest growing countries which have prepared inclusive development plan and exerting greatest efforts to alleviate poverty so as to realize sustainable development. In this respect the country has well recognized microfinance services as one of important tool for poverty reduction and ensuring development goals (MoFED, 2010 &Wolday, 2012).

To this end, Micro finance service intervention in Ethiopia have also be considered as one of the policy instrument of the government and non-government organizations (NGOs) to enable rural and urban, induce technology adoption, improve input and productivity, , improve input supply, increase income, reduce poverty and attain food security. The sustainability of micro finance institutions that reach a large number of rural and urban poor who are not served by the conventional financial institutions, such as the commercial banks, has been a prime component of the new development strategy of Ethiopia (Wolday, 2012).

In the same spirit, microfinance industry has witnessed tremendous growth for the last 10 years. According to recent data from the National Bank of Ethiopia, by end 2015/16, the number of microfinance institutions reached 35. Their total capital and total asset also increased significantly by 23.2 and 20.2 percent and reached Birr 8.876billion and Birr 36.67billion, respectively. These micro-finance institutions mobilized deposits which went up by 25.2 percent and reached Birr 18.43billion. The Amhara Credit and Saving, Dedebit, Oromiya, Omo and Addis Credit and Savings institutions, accounted for nearly 83.7percent of the total capital, 92.9percent of the savings, 88.3 percent of the credit and 89.2percent of the total assets of MFIs at the end of 2015/16(NBE, 2015).

While NBE (2013&2015) advocates that, the loan given by MFIs for micro and small enterprises contributes for the acceleration of the development process of the country, however, it is

commonly observed and heard from staff members and community at large the escalating number of unemployment youths who are exposed to risk or low level of security in Jimma city. In this regard, Oromia credit and saving Share Company (OCSSCO) micro financing institution is among micro financing institution operating in Ethiopia particularly in Oromia region with mission to provide need based financial services to strengthen economic of low-income rural and urban dwellers. To this end, the researcher initiated to study the effect of micro finance institution's (OCSSCO) services on reduction of poverty in Jimma city.

1.2.Statement of the Problem

Despite the fact that, Micro finance institutions(MFIs) play a great role in reducing poverty through supporting the economic activities of the rural and urban poor peoples in growing countries ,however, poverty is still the burning issue around the world particularly, in third world countries like Ethiopia (World Bank,2014).

A number of previous international researchers studied the impact of MFI on enhancing the living standards of marginalized citizens in growing countries (Schreiner, 2002; Parveen & Leonhäuser, 2004; Rajasekhar, 2004; Imene, 2009; Idor, 2012; Suzuki, 2013and Omunjalu, &Fondo, 2014). These studies revealed controversial results. For instance, some of them reported a significant effect of MFIs practices on poverty reduction (Imene, 2009& Suzuki, 2013). Others reported that there is no effect of MFIs practices on poverty reduction (Schreiner, 2002; Parveen & Leonhäuser, 2004; and Rajasekhar, 2004).This clearly implies that the topic under consideration is debatable.

Several local researchers have studied micro finance and its role on poverty reduction. To mention some, Alemu, Alamirew&Bamlaku(2006) studied the role of microfinance institutions (MFI's) in the alleviation of poverty in Jimma city administration in South Western Ethiopia. Their study focused on the role of microfinance programs on income, employment, asset, expenditure, and gender empowerment. Ayelech (2010) studied the role of microfinance institution in urban poverty alleviation in selected towns in Ethiopia. Her study revealed that the role of microfinance is positive mainly on income which in turn has effects on nutritional status, education fee, medical facilities, employment generation, and empowerment. In the same sprit Aziza(2013) studied the contribution of Microfinance based on income, living condition, asset

accumulation, saving, decision making power, self-esteem, self-confidence, business management skills along with the strength and weakness of the institution among others in Addis Ababa city administration. The finding indicated that a positive contribution on improving clients' living standard.

On the other hand, some researchers, like, Seibel (2003) and Ebisa (2013) conducted study on the service of MFI in relation to poverty reduction in Ethiopia and reported that microfinance institutions are decisive way outs from the vicious circle of poverty in rural and urban poor even who get access, and argue that in Ethiopia still many people live below the absolute poverty line. Therefore this contradicting result indicates that the issue under consideration requires further study.

To sum up, early studies on Microfinance institutions (MFI) and poverty reduction primarily focused on the role of microfinance institutions (MFI) in reduction of poverty. These research literatures have shown that microfinance institutions' (MFI) service is correlated with and does have effect on the poverty reduction (Alemu, Alamirew&Bamlaku ,2006; Ayelech ,2010 ;Idor ,2012;and Aziza ,2013).Other studies, however, have provided evidence indicating that there is no effect of MFIs practices on poverty reduction (Schreiner, 2002;Seibel ,2003;Rajasekhar, 2004; Ebisa ,2013; and Nakiyimba ,2014).

In addition to the controversial results of the existing empirical studies in the topic, most of these early studies used limited variables (either MFI's services or poverty reduction indicators) as a single variable , collect & analyze data and made a conclusion(Parveen& Leonhäuser ,2004;Ebisa ,2013;and Nakiyimba ,2014). In this regard, the effort of these previous researchers is acknowledged. However, due to these reasons, our knowledge is still blurred particularly, in the area, such as the level of MFIs service delivery, the extent of its relationship and effects on poverty reduction in the study area. To shade light on this existing knowledge gap, this study examined effects of MFIs services in terms of (micro-credit, savings, training& micro-insurance) on poverty reduction measured in terms of (income, employment, living standard and self-confidence) of clients in Jimma city. To this end, the following four research questions were formulated.

1.3. Research questions

1. What is the level of Micro finance institution's services measured in terms of (micro-credit, savings, training& micro-insurance) as perceived by clients in Jimma city?
2. What is the perception of clients about Micro finance institution's contribution on poverty reduction measured in terms of (income, employment, living standard and self-confidence) in the study areas?
3. To What extent do Micro finance institution services associate with poverty reduction in Jimma city?
4. What is the relative effect of each of the Micro finance institution services (micro-credit, savings, training& micro-insurance) on poverty reduction in the study area?

1.4. Objective of the research

1.4.1. General objective

The overall objective of this study was to examine the effect of Micro finance institution services on poverty reduction in Jimma city administration.

1.4.2. Specific objectives

1. To assess the level of Micro finance institution services (micro-credit, savings, training& micro-insurance) as perceived by clients in the study area.
2. To investigate the perception of clients' about the contribution of Micro finance institution to poverty reduction (income, employment, living standard and self-confidence) in the study areas.
3. To examine the association between each of the micro finance institution services and poverty reduction in Jimma city.
4. To predict whether each of the Micro finance institution services has effect on poverty reduction in the study area.

1.5. Significance of the Study

The results of this study may have the following benefits.

- It may raise the awareness of office leaders and experts, particularly Jimma city Oromia credit and saving Share Companies about the concept of MFI, how it assists poverty reduction efforts. So that, they may inspire to pay attention to routine services.
- This study may provide important information to Jimma city MFI office leaders and experts in the study area as it gives them an insight regarding the MFI's services that may more influence on poverty reduction. This information becomes very supportive in the planning process particularly in poverty reduction strategic plans.
- The research may serve donors, program managers, NGO personnel, researchers and practitioners of micro-finance service to acquire the understanding about the process of intervention, the level of contribution of MFI service in reducing poverty.
- This study may provide MFI practices survey instrument. So that Jima city MFI office leaders and experts may initiate to assess other poverty reduction institutes' activities through this survey instrument.
- This study may serve as a starting point for other researchers especially, at zonal, district levels, who may have interest to study the impact of MFI services on poverty.

1.6.Delimitation of the study

This study was geographically delimited to Jima city administration, the study did not include all finance institutions in the study area rather it attempted to deal with microfinance institutions that provide saving and credit services to the low income dwellers of the city.

Regarding to its content, this study was delimited to assess MFI services in terms of(micro-credit, savings, training& micro-insurance) and examined its' effect on reduction of poverty measured in (income, employment , living standard and self-confidence) of clients in the study area. In terms of its approach this study was delimited to quantitative and utilized correlation

research design. The result of this study was not concluded for other financial institutes such as public or private banks.

1.7. Definition of key terms

Microfinance: - refers to an array of financial services, including loans, savings and insurance, available to poor entrepreneurs and small business owners who have no collateral and wouldn't otherwise qualify for a standard bank loan (Anyanwu, 2004).

Micro finance Institutions (MFIs): - a microfinance institution is an organization, engaged in extending micro credit loans and other financial services to poor borrowers for income generating and self-employment activities. **Oromia Credit & Saving Share Company (OCSSCO):** - is one of the largest and leading Microfinance Institutions in Ethiopia working in Oromia regional state.

Poverty: Poverty is a condition in which a person of community is deprived of the basic essentials and necessities for a minimum standard of living (Yunus, 2003).

Poverty reduction: The developmental interventions embracing microenterprises as the key unlocking the potential of stagnant economies and improving the livelihoods of the poor (Momoh, 2005).

Micro-credit: - is an extension of very small loans (microloans) to impoverished borrowers who typically lack collateral, steady employment, or a verifiable credit history. It is designed to support entrepreneurship and alleviate poverty.

Micro-insurance: - is a financial arrangement to protect low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved.

Training: - is teaching, or developing in oneself or others, any skills and knowledge or fitness that relate to specific useful competencies. Training has capability, capacity, productivity and performance.

Active Client; - recent customers or beneficiaries of the program and who are screened by the institution (OCSSCO) and took loan from the institution to repay on agreed time and also who are saving in that institution.

1.8.Organization of the study

This research paper was organized in to five chapters in chronological order; the first chapter was an introduction for the overall study. This part consisted of background of the study, statement of the problem, objectives, significance, delimitation, operational definitions of key terms, and organization of the study. The second chapter totally devoted to the review of related literatures particularly the bases of this study (i.e. theoretical and conceptual framework).In this chapter, results of previous studies, general concepts and definitions of basic issues and empirical evidences about the relationship between/impact/ effects of MFIs services on poverty reduction were reviewed in detail.

Chapter three outlined research design, the study site and population, sample size and sampling techniques, sources of data, instrument for data collection, reliability analysis of survey instrument, data collection procedures, data analysis procedure for each of the specific objectives and ethical consideration.

Chapter four presented data analysis and interpretation. In Chapter five summaries of the main findings, discussion of the results with the previous studies and conclusions as well as recommendations were forwarded. Finally, the necessary information like, references and appendices were attached at the end of this paper.

CHAPTER TWO

Review of Related Literature

Introduction

This chapter was arranged by three separate sections, one providing the supporting for the next. Some sections are sub-sections designed to present more precise information on the topics. The first section of this chapter high lights the theoretical framework of the study. In this section, the concept and importance of microfinance were critically reviewed. The second section devoted to the review of previous empirical study, the effect of Microfinance on poverty reduction. The final section introduces the conceptual framework of the study.

2.1.Theoretical framework

2.1.1. Theoretical approach to Microfinance

Over the past two decades, MFIs have adopted innovative techniques of providing microfinance services to the poor (Remenyi, 2002).There is two main approaches on the role of microfinance intermediation in poverty reduction can be identified. In terms of the first approach that is portrayed as the Minimalist Approach the MFIs offer only financial services in the form of credit. These MFIs are unwilling to provide non-financial services due to multiple reasons ranging from high administrative costs to high transaction costs. In that sense, the primary focus of these MFIs is institutional profit and viability (Remenyi, 2002).

On the other hand, MFIs that follow Credit-plus approach provide other services in addition to financial services. These non-financial services may include skill development, training, educational activities, marketing assistance, supply of inputs and business development services (Abbas, Sarwar and Hussain, 2005). According to them, the provision of credit alone will not guarantee that the receivers of credit use scarce capital in productive manner so that the recovery of loans is not ensured. These services that include mainly the services that would assist entrepreneurs and the self-employed in developing their businesses are provided with, or prior to, the provision of key financial services, namely credit facilities. It is interesting to note that these services are increasingly being recognized as an important component of microfinance intermediation as they are associated with the viability and sustainability of the enterprise. Moreover, it is believed that the viability and sustainability of enterprises will in turn ensure

financial viability and sustainability of the relevant MFIs. Even though this is not a direct financial service, it is part of the financial package offered by a financial institution (Swain, Sanh & Tuan, 2008).

In theory, a continuous source of support can allow a MFI to achieve length of outreach without sustainability. In principle, such an institution could live a long time. In practice, however, longer outreach through sustainability usually strengthens the structures of incentives that serve to maximize expected social value less social cost discounted through time. Scope of outreach is the number of types of financial contracts offered by a MFI. In practice, the MFIs with the best outreach produce both small loans and small deposits. Deposits matter for two reasons. First, all poor people are deposit worthy and save to smooth consumption, to finance investment, and to buffer risk. In contrast, not all poor people are creditworthy. Second, deposit strengthens the incentives for sustainability and length of outreach (Abbas, Sarwar and Hussain, 2005). Depositors avoid MFIs if they do not expect them to live to return their deposits. To attract and to keep deposits, a MFI must please not donors and government but rather users and regulators (Swain, Sanh & Tuan, 2008).

2.1.2. Concept of Micro Finance

According to Lidgerwood (1999) microfinance is generally include savings and credit but can also include other financial services such as insurance and payment services. These financial services according to Parker et al., (2000) defines microfinance as provision of small loans (called “micro-credit”) or savings services for people excluded from the formal banking system. Similarly, Robinson (2001) Micro finance is the provision of financial service to low-income poor and very poor self-employed people.

Schreiner and Colombet (2001) define micro finance as the attempt to improve access to small deposits and small loans for poor households neglected by banks. Therefore, micro finance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector.

Microfinance is the supply of loans, savings, money transfers, insurance, and other financial services to low-income people. Microfinance institutions (MFIs) which encompass a wide range of providers that vary in legal structure, mission, and methodology offer these financial services to clients who do not have access to mainstream banks or other formal financial service providers (Lafourcade, 2005). Microfinance is a type of banking service which provides access to financial and non-financial services to low income or unemployed people. Microfinance is a powerful tool to self-empower the poor people especially women at world level and especially in developing countries (Noreen, 2011).

2.1.3. The History of Microfinance

Microcredit and microfinance are relatively new terms in the field of development, first coming to prominence in the 1970s, according to Otero (1999) and Robinson (2001). Prior to then, from the 1950s through to the 1970s, the provision of financial services by donors or governments was mainly in the form of subsidized rural credit programs. These often resulted in high loan defaults, high loss and an inability to reach poor rural households (Robinson, 2001).

Robinson states that the 1980s represented a turning point in the history of microfinance in that MFIs such as Grameen Bank and BRI 2 began to show that they could provide small loans and savings services profitably on a large scale. They received no continuing subsidies, were commercially funded and fully sustainable, and could attain wide outreach to clients (Robinson, 2001). It was also at this time that the term “microcredit” came to prominence in development (MIX 3, 2005). The difference between microcredit and the subsidized rural credit program of the 1950s and 1960s was that microcredit insisted on repayment, on charging interest rates that covered the cost of credit delivery and by focusing on clients who were dependent on the informal sector for credit (*ibid.*). It was now clear for the first time that microcredit could provide large-scale outreach profitably.

The 1990s “saw accelerated growth in the number of microfinance institutions created and an increased emphasis on reaching scale” (Robinson, 2001). Dichter (1999) refers to the 1990s as “the microfinance decade”. Microfinance had now turned into an industry according to Robinson (2001). Along with the growth in microcredit institutions, attention changed from just the provision of credit to the poor (microcredit), to the provision of other financial services such as

savings and pensions (microfinance) when it became clear that the poor had a demand for these other services (MIX, 2005).

The importance of microfinance in the field of development was reinforced with the launch of the Microcredit Summit in 1997. The Summit aims to reach 175 million of the world's poorest families, especially the women of those families, with credit for the self-employed and other financial and business services, by the end of 2015 (Microcredit Summit, 2005).

2.1.4. Microfinance Institutions in Ethiopia

The development of microfinance institutions in Ethiopia is a recent phenomenon. The proclamation, which provides for the establishment of microfinance institutions, was issued in July 1996. Since then, various microfinance institutions have legally been registered and started delivering microfinance services (Wolday, 2000). The number of micro finance institutions as well as the number of clients is increasing from time to time.

The existing political and economic condition of the country contributes a lot for the development of the microfinance industry. According to Getaneh(2005) the Licensing and Supervision of Microfinance Institution Proclamation of the government encouraged the spread of Microfinance Institutions (MFIs) in both rural and urban areas as it authorized them, among other things, to legally accept deposits from the general public (hence diversify sources of funds), to draw and accept drafts, and to manage funds for the micro financing business.

2.1.5. The Importance of Microfinance

Robinson (2001) explains, until 1980s the presence of in-formal microenterprises, street vendors, home workshops, market stalls, providers of informal transportation services, was generally perceived by policymakers and economists to be as a result of economic dysfunction. Microenterprises were thought of as little more than an indicator that the structure and growth rate of the formal economy were inadequate to absorb the national labor force, and so were perceived as a concealed form of unemployment. Microfinance supported these informal microenterprises through microcredit. The microcredit approach to poverty reduction is the provision of small loans to individuals, usually within groups, as capital investment to enable income generation through self-employment (Weber, 2006). To sum up microfinance refers to

provision of financial services to low income earners and the poor in general to raise their income levels thus promoting their standard of life. These include the following:

2.1.5.1. Micro-credit and Insurance

These are the provision of small loans to clients for business purposes. They refer to small amounts of money; the clients are encouraged to save in the financial institutions. All entrepreneurs face risks in their businesses and therefore it becomes necessary for financial institutions to insure various businesses by the use of different policies to reduce the risks involved in running businesses.

Micro insurance is considered as one of the most effective means of reducing the vulnerability of the poor from impacts of theft, disease, disability, fire and other hazards (Brown & Churchill 1999; and Brown & McCord 2000). Churchill (2006) defined micro-insurance as a financial arrangement to protect low income people against specific perils in exchange for regular premiums payments proportionate to the likelihood and cost of the risk involved.

2.1.5.2. Training & skills

Training is used for future development and needed requirement of today and also enhancing the additional competencies of the employees that enhance the employee's productivity (Jackson, 2014). It is also one way for enhancing the employee's performance and developing the skills and knowledge of the employees training used as an equipment or tool (Jackson, Schuler, & Jiang, 2014). Culture of the institution quickly accepts through training and that employees have rewarded or awarded who have advantageous (Jackson, 2014). Organizations need people with high and appropriate levels of knowledge, skills and abilities (Armstrong, 2016).

Training is the use of systematic and planned instruction and development activities to promote learning. Training is provide to adopt the change that organization are required and also training conducted for new employees for easily adjust according to the culture of the organization and enhance their abilities and adopt new skills (O'riordan, 2017).

Training opportunities enhance staff commitment and, if based on an objective assessment of need, result in a more efficient and effective organization (O'riordan, 2017). Financial

institutions offer various training programs to equip the clients with the required knowledge and skills necessary to run their business efficiently.

2.1.6. Poverty reduction

The major objective of microfinance services is to empower the poor and this is done by giving various financial services to their clients. The following are the factors that contribute to the fulfillment of the above objective:

2.1.6.1. Increase in income levels

It is obvious that as employment opportunities comes up, the unemployed will be able to get jobs which have been created and those who had temporary jobs may now get permanent jobs and this will obviously lead to an increase in individual as well as national income.

2.1.6.2. Creation of employment opportunities

Better utilization of the loans given to clients of MFIs in most cases leads to expansion of businesses and this in turn will also lead to creation of employment opportunities to the society.

2.1.6.3. Higher living standard

As the income of the people increases, individuals are able to purchase goods and services which in return lead to increase in the standard of living. Increase in the National income enables the nation to inject more money for the development of infrastructural development which also will see the standard of the people increasing.

2.1.6.4. Self-confidence

According to Bandura (1997) definition, self-confidence is a belief in one's capabilities to organize and execute the courses of action required to produce given attainments. This was a belief about the level of competence a person expected to display in a given situation. It contributed to successful performances in that a boost in self-efficacy led a person to initiate a task, attempt new strategies, or try hard to succeed. The degree to which the feedback boosted

self-efficacy depended upon the credibility, trustworthiness, and expertise of the person (Bandura, 1997). This implies that, when people have high incomes and their standard of living goes up, this builds in them self-confidence, people psychologically feel recognized and self-worth.

2.2. Empirical Literature review

2.2.1. Effect of Micro-finance on poverty reduction

Several studies both local and international have been done on the effect of microfinance on poverty reduction and have shown that microfinance reduces poverty while others have negative findings.

Many researchers conducted the studies in relation to financial performance of MFIs and their contribution for poor community in Ethiopia. For instance, Seibel (2003) proved through the survey that micro finance is that chemical through which the germ of poverty can be killed. The study also showed that micro finance is equally profitable in the poor countries as in the rich countries. He rejects the concept that Microfinance is a poor solution for poor countries. If properly regulated and supervised, they have great potential in poverty alleviation and development, both in rural and urban areas. Samuel (2006) has done his research on the impact of microfinance in Addis Ababa, the case of Gasha Microfinance Institution he concluded by comparing the participants and non-participants. The significant differences in income, expenditure (business input cost and consumption expenditure) show that the changes in these variables were caused by participation in the microfinance program. On the other hand, the tests show that even though there are differences in monthly savings, asset building, nutritional intake, ability to send children to school, and access to health facilities between the two groups, they are not statistically significant.

Ayelech (2010) studied the role of microfinance institution in urban poverty alleviation. In order to investigate the fundamental premise, this study examined empirical evidence in Addis credit and saving institution to know its contribution to poverty reduction. The contribution of microfinance is analyzed based mainly on income which in turn has effects on nutritional status, education fee, medical facilities, employment generation, and empowerment among others. The

finding indicates that ADCSI scheme has made positive contribution to the clients in relation with observed variables. Though the result also implies that ADCSI gives priority to women clients on the provision of financial services; loan disbursement of men is higher than loan disbursement of women. Besides, significant number of borrowers cannot afford expenses on education, clothing they have no income generating mechanism before joining in the institution among others. Therefore, strengthening the existing operation with other support means of income generating mechanism would be appropriate to address the problem of urban poor.

Gedam (2010) studied on the role of ACSI in addressing financial needs of women clients engaged in micro and small enterprise. The objective of this study is to assess the source of startup and working capital, working capital and funds for expansion of the business during operations for women engaged in MSEs sector and to what extent ACSI helps women to address their financial needs by both quantitative and qualitative methods. The role of microfinance is analyzed based mainly on clients' profile, sources of startup capital, sources of working capital, loan methodology and loan size. The finding indicates that ACSI has made significant contribution to address working capital needs of women clients than the other sources of funds of women. However the result also indicates that ACSI has benefited men than women, the loan size is very small to the needs of women, the procedure and regulations are very restrictive to access the loan. Therefore, modifications of loan size and flexibility in operational activities would be appropriate to address financial problem of women in the sector.

Aziza(2013) studied the contribution of Microfinance based on income, living condition, asset accumulation, saving, decision making power, self-esteem, self-confidence, business management skills along with the strength and weakness of the institution among others. The finding indicates that SFPI scheme has made positive contribution to the clients in relation to 8 observed variables. Nevertheless significantly higher number of the clients complained about the institutions high interest rate, too small loan size, repayment policy, problematic group dynamics. Therefore, as a pointer to future endeavors, the current services of SFPI need to amend the loan size and reduce the interest rate in order to resolve the issues at hand and to fit the financial problem of the poor in the sector.

Many international research works also conducted the studies in relation to financial performance of MFIs and their contribution for poor community in different countries such as; Mukhtar (2000) sought to investigate the prospects of micro-insurance in rural areas of Nigeria. The researcher used cross sectional research design and used data from a sample of 190 respondents, who were conducted through questionnaire. The data collected was analyzed using logit regression model. The study recommended that income level of the rural dwellers should be taken into consideration while setting premium, efforts to provide, at least basic education in the areas should be intensified.

Parveen & Leonhäuser (2004) carried out a study in investigating the nature and extent of empowerment of rural women, factors influencing it and further outlined a strategic framework, role of Self-help groups, education, training and gender awareness for enhancing empowerment. For the purpose of study, qualitative and quantitative methods were integrated and primary data was collected from 156 respondents from three villages of Mymensingh district of Bangladesh during January to April 2003 by applying stratified random sampling. For the purpose of measuring women empowerment, a cumulative empowerment index was prepared by adding the scores of six empowerment indicators, namely, contribution to household income, access to resources, ownership of assets, participation in household decision-making, perception on gender awareness and coping capacity to household shocks. The results showed that the level of women empowerment was not very satisfactory at the household level.

Mawa (2008) conducted a research study focusing the issue under discussion and concluded that microfinance is an innovative step towards alleviating poverty. The author mentioned that microfinance facilities provided to the people help them to use and develop their skills and enable them to earn money through micro enterprises. Moreover provision of micro finance helps them to smooth their consumption level and manage unexpected risks. Micro finance helps the poor to build assets, educate their children and have a better quality of life.

Shastri (2009) revealed that there is no way better than micro finance in the war against poverty. Creating self-employment opportunities is one way of attacking poverty and solving the problems of unemployment. The authors reported that there are over 24 core people below the

poverty line in India. The Scheme of Micro-finance has been found as an effective instrument for lifting the poor above the level of poverty by providing them self-employment opportunities and making them credit worthy. According to Marguerite Robinson (2000), microfinance institutions are important for poor people in providing credit and mobilizing of savings. MFI can expand and diversify enterprises and helps to reduce risk, improve management, raise product, helps in increase household's income and provide credit at much lower cost than credit from informal commercial moneylenders. Monique Cohen (2000) concluded that access to microfinance is a key risk management strategy for clients, and MF services reduce vulnerability and contribute to poverty alleviation. Scholars and development practitioners have in recent years devoted considerable attention to lend successfully to poor people.

Considerable evidence now shows that an unconventional lender such as Grameen Bank lends to the poor people and so with the reasonable degree of financial self-sufficiency and repayment rates that is significantly higher than for comparable loans by conventional lending institutions (Ghatak and Guinnane, 1999). There are two distinct reasons for the success. First, many of these lending programs ask borrowers to form a group in which all borrowers are jointly liable for each other's loan. Second, most micro lenders engage in intensive monitoring of clients and rely heavily on the promise of repeat loans for borrowers who perform well.

Obeng(2011) carried out a study on impact of Microcredit on poverty reduction in rural areas A case study of Jaman North District, Ghana. He used the questionnaire for data collection from program beneficiaries and microfinance institutions and analyzed the data using tables, percentage and diagrams. The objectives of the study were to assess whether microfinance has engendered positive or negative outcomes in reducing poverty. The findings from the study were that people, especially vulnerable and marginalized were getting access to credit which impacted positively on the poverty levels of the beneficiaries.

Obwanga (2012) sought to find out the impact that Saccos in Kisumu County have on alleviation of poverty in Kenya. Descriptive statistics was used to analyze the data which was presented in form of tables and graphs. The findings indicated that 5% of the Sacco members fall below poverty level which is expenditure of less than Ksh 100 per day. The study concluded that

Saccos had a positive impact on alleviation of poverty in Kisumu County as 95 % of the members fall above poverty level of expenditure of less than Ksh 100 per day.

Khatum et al, (2012) examined the impact of micro-credit program of six Government Organizations, Non-Government Organizations and Micro Finance Institutions (MFI) on poverty alleviation in Bangladesh using a purposive sample of 406 credit receivers. Alongside respondents perceived change in poverty situation this study devised an alternative measure of poverty change based on the change in household wealth and education of a household. Two-level binary logistic regression and multinomial logistic regression analyses suggest that amount of loan, different Government Organizations, Non-Government Organizations and Micro Finance Institution, satisfaction level, taken loan before and micro-credit as main means of asset change were the determinants of change in poverty situation. Significant community level variation was found in this analysis which indicates that the respondents from different communities with same set of characteristics will exhibit different influences on the change in poverty situation.

In a study on the effect of MFIs practice on livelihoods, homes and standards of living on the poor in Nigeria, Idor (2012), used Ordinary Least Squares regression technique and found that loans and advances of microfinance banks had a significant impact on education and life expectancy index. Also, microfinance banks asset base had a negative impact on human development index and its components; while deposit liabilities of microfinance banks also had a negative impact on human development index and its components.

Kyale (2013) in the study on Impact of Microfinance Institutions on Growth &Development of SMEs in Machakos County sought to establish the practical role of perceived solutions provided by microfinance institutions and how this affects growth of SMEs. SPSS was used to analyze the collected data. The study findings indicated that microfinance institutions provision of small-scale business loans are the major product offered by Microfinance institutions as indicated by 36.36% of the respondents. The study recommended MFIs to plan for seminars and workshops to train the SMEs on financial literacy, management skills and facilitation of ICT use.

Byamuhaya and Francis (2014) conducted the study on the role microfinance in economic empowerment of the youth (a case of Mombasa County) by using both quantitative and qualitative techniques. The study results showed that MFIs have role to play in economic empowerment of the youth. The findings also confirmed that micro financing influenced economic status, decision making power and knowledge hence was effective in graduating the poor youth and the middle class to higher living standards.

Bichanga and Njage (2014) studied on the Effects of micro finance institutions on poverty reduction in Kenya. Based on the findings, the following conclusions were made: Various strategies had been put in place by MFIs to reduce poverty such as training, localizing the business through expansion of business in remote areas to reach the poor and/or entrepreneurs, offering loans at reduced interest rates.

Nakiyimba (2014) set out to examine the impact of microfinance on the livelihoods of women in Kakondo sub-county, Rakai District in Uganda. Descriptive research design was used and collected data was analyzed using SPSS. As speculated, the results from the study showed that microfinance credit does really play a key role in helping the poor cope with poverty however, as microcredit on its own does not alleviate poverty, which also brings us to the fact that these women can improve their livelihoods however sustainability on a long term perspective is doubtful.

Nyakambi (2014) sought to find out the effect of microfinance credit on poverty alleviation at household level in Nakuru County. The study employed descriptive research method. Multivariate regression model was applied to determine the relative importance of each of the six variables with respect to poverty alleviation. The study found that microfinance credit access positively contributes to alleviation of poverty at household level in Nakuru County by providing finance access to low income earners, less educated and those in the informal sector which helps in expansion of business, acquisition of better residential places, and acquisition of education, health and improved welfare.

Okibo & Makanga (2014) carried out a study on Effects of micro finance institutions on poverty reduction in Kenya, the study focused on PAWDEP located in Kiambu District a case study. It

intended to cover credit facilities provided by the MFI and client perception on income improvement and/or reduced poverty levels. The study used descriptive survey design. The target population was 9 staff and 46 clients of PAWDEP. The study employed stratified sampling technique to select staff of the selected MFIs and clients. Both qualitative and quantitative data analysis methods were used. The study established that microfinance is a strategy of poverty reduction and the way credit can reach the poor.

To sum up an evaluation of the empirical literature review showed that the conclusion about the impact of micro finance in poverty alleviation is different. Given differing findings, the assessment of microfinance programs effects on economic empowerment on entrepreneurs remain an important field for researchers, policy makers and development practitioners. In this regard, Aghion&Morduch (2005) strongly suggested that micro finance alleviates poverty but cautioned that this should not be taken as ‘a one size fits all’ kind of scenario, neither is microfinance a solution nor a magic bullet against poverty. These empirical evidences indicated that how the issue under consideration is debatable and require a further study.

2.3.A conceptual framework of the study

Based on the preceding discussion of the theoretical and empirical literatures, the following conceptual framework was proposed.

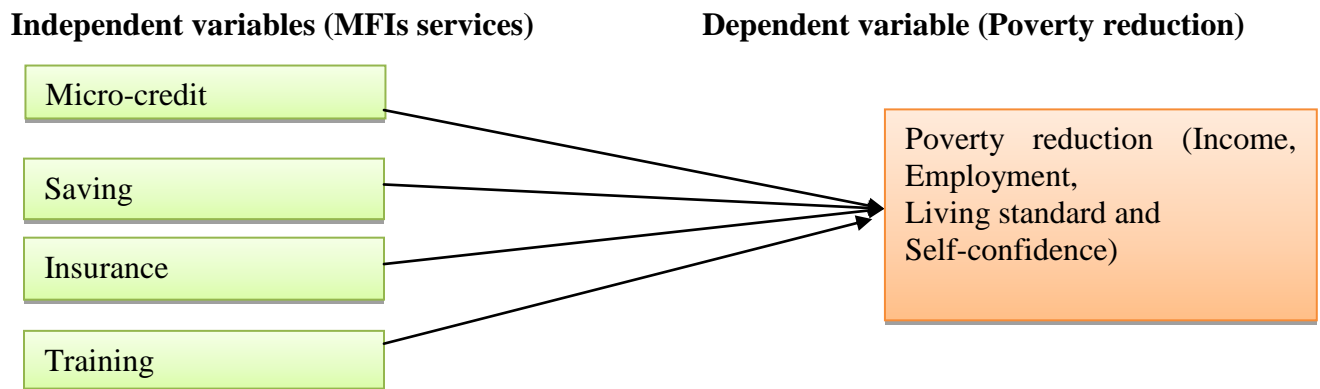


Fig.1. a Conceptual framework of the study

Source: Sen. (1999); Todaro& Smith (2003) and modified by the researcher

CHAPTER THREE

Research Methods

Introduction

This chapter was organized as Research approach and design, Sources of data and Method of data collection, Population, sample size and sampling techniques, Instruments for data collection, reliability and validity of the data collection instrument, Method of data analysis and Model specification.

3.1. Research approach and design

3.1.1. Research approach

The goal of this study was to examine the effect of micro finance institutions services (Micro-credit, Saving, Insurance and Training) on poverty reduction which was measured in terms of (income, employment, living standard and self-confidence) of clients in Jimma city administration. To achieve the stated aim of this study, a quantitative research approach was employed (Creswell, 2012).

3.1.2. Research design

Based on the aim of this study, a correlational research design was employed. A correlational research design is appropriate because it can enable the researcher to examine the relationship between variables, in this case, (MFI) services (micro-credit, savings, training& micro-insurance) and poverty reduction. In addition to this, the design can also provide information about predictability of independent variables, in this case, (micro-credit, savings, training& micro-insurance) on dependent variable (Poverty reduction) based on associations (Creswell, 2012).

3.2. Data Source and Type

In this study the researcher employed primary source. The reason behind this was the primary data source assists to obtain reliable information about the (MFI) services and poverty reduction directly by the researcher. As mentioned in the following sub section, the researcher collected a quantitative data type from participants of this study.

3.3. Population, Sample size and Sampling Technique

3.3.1. Population of the Study

The target population for this study comprised whole active clients of three MFIs such as Eshet, Harbu and Oromia Credit & Savings Share Company in Jima city administration. To mention specifically, Eshet(980), Harbu(845)and Oromia Credit & Savings Share Company(15000) were considered as a population for this study.

3.3.2. Sample size of the Study

Theoretically, the ideal sample should be large enough to serve as an adequate representation of the population about which the researcher wishes to generalize(Best &Kahn, 2006).However, small enough to be selected economically-in terms of subject availability and expense in both time and money (IBM). On the other hand, there is no fixed number or percentage of participants that determines the size of an adequate sample. It may depend on the nature of the population of interest or the data to be gathered and analyzed (Best &Kahn, 2006).Based on the design of this study and the suggestions offered by scholars through literature, the researcher decided the sample size 1/3 or33% of MFIs in the study area.

To determine the sample size of active clients of MFI, the researcher mainly considered the assumption of (Best &Kahn, 2006) ” sample size is a matter of judgment as mentioned earlier but mathematical precision formula-driven approaches make it clear.” To this end, the simplified sample size formula, $n = \frac{N}{1+N(e)^2}$, developed by Yemane (1967) mathematical formula was utilized.

Applying this simplified sample size formula, $n = \frac{N}{1+N(e)^2}$, at 95% confidence level, where, e is the level of precision=0.05, N = is the population size, n is the required sample size, and was calculated as:

$$n = \frac{N}{1+N(e)^2}, \text{ Where, } N = 15000 \text{ and } e = 0.05 \Rightarrow n = \frac{15000}{1+15000(0.05)^2} \text{----- by substitution.}$$

$$\Rightarrow n=390 \text{-----by simplification.}$$

Therefore, n=390 clients were taken as the sample size of this study.

3.3.3. Sampling Techniques

To sample participants for this study, both sampling techniques (non- probability and probability sampling techniques) were employed (Best &Kahn, 2006 and Cohen et al., 2007). Among a non-probability sampling techniques, a purposive sampling technique was utilized. Consequently, the researcher purposefully sampled Oromia Credit & Savings Share Company (OCSSCO). This was done because OCSSCO has widely accessed by clients in Jimma city and the surrounding weredas. In addition to this, OCSSCO has a relatively high number of active clients (15000) which in turn can help to conclude to other MFIs in the study area.

Among probability sampling techniques, a simple random sampling technique (lottery method) was employed to identify participants for this study. The basic reason to employ a simple random sampling technique was, it provides equal chance (free from personal bias) for participants in the study and enhances the representativeness of the large population of the study area (Best &Kahn, 2006 and Cohen et al., 2007).The whole process was displayed in Table 1 below.

Table 1: Population, Sample size and sampling techniques of the Study

Participants	Target population	Sample size	%	Sampling Techniques
MFIs	3	1	33%	Purposive
Clients	15,000	390	2.6%	Simple random

3.4.Instruments for data collection

The Instruments employed for data collection were the MFI’s services survey instrument developed by (Sen,1999; Todaro& Smith,2003) and poverty reduction indicator’s survey instrument developed and utilized by Aziza(2013).In these survey instruments both questionnaires on (Independent and Dependent variables) were contextualized and translated into Amharic and Afan Oromo languages. This was done because Amharic and Afan Oromo languages are spoken by the majority of participants in the study area as a first language. The first set of survey instrument for independent variables consists four sections :(a) micro-credit;(b) saving;(c) training; and (d) micro-insurance. In the same way the second survey instrument for dependent variables consisted again four sections :(a) income;(b) employment;(c) living standard; and (d) self-confidence. In both of these sets of survey instruments, respondents were

asked to rate the extent to which they agree to the stated items, using a five point likert scale (1=Strongly disagree;2= Disagree;3= Undecided;4=Agree;5= Strongly agree).

3.5.Validity and Reliability

As mentioned earlier, the survey instruments of this study were utilized in various researches, this fact supported the possibility that the survey instruments' reliability and validity had been already established. However due to the contextualization and translation of items into local languages, the researcher conducted a reliability (Cohen et al., 2007). To this end, before administering the questionnaire to the actual research, the researcher sampled 32 participants for a pilot test. The pilot test was conducted in Qersa wereda OCSSCO of Jimma Zone. As Jima city administration shares a number of similarities with Qersa wereda, the researcher believed that a better pilot test result could be obtained.

Consequently, reliability analyses were conducted through Cronbach's alpha for both survey instruments such as MFI's services and poverty reduction. The reliability results from the pilot test for both survey instruments were shown in Tables 2 below.

Table 2: Reliability test report of survey instruments in the study

Instruments	Cronbach's Alpha	N of variables
MFI's service	.716	4
Poverty reduction	.793	4

According to Cohen et al. (2007) Cronbach's Alpha reliability coefficient is a measure of internal consistency or it determines the degree to which all the items being measured are the same construct. On the other hand, Cohen (1988) suggested that Cronbach's alpha values close to 1.0 are strong reliability, whereas, weaker ones are closer to 0.0. As clearly displayed in Table 2 above, Cronbach's Alpha for the two survey instruments in this study were found ($\alpha=.716$) and ($\alpha=.793$), close to 1,implied that they are strongly reliable.

Regarding to the validity of the instruments, as the instruments; MFI's services (micro-credit; savings; training; & micro-insurance) and Poverty reduction measured in terms of (income,

employment, living standard & self-confidence), were standardized, the researcher believed that the instruments were already validated, so that, employed in the study with a careful translation of the instruments to local language (Amharic and Afan Oromo) in collaboration with language experts.

3.6. Method of Data analysis

For both variables (independent and dependent) data were analyzed at the institution level. To this end, both survey instruments were collected and separated numerically. The numeric code helped to identify the sets of survey questionnaires. Responses for both of survey items were converted to numerical scores for each item using a five-point Likert scale: 1=Strongly disagree; 2=Disagree; 3=Undecided; 4=Agree; 5=Strongly agree. Overall institution's totals was determined for each survey item and mean scores by item was obtained by totaling each participants' score for each survey item and dividing by the number of respondents. This was resulted in a mean score for each of the survey items.

For this purpose, the researcher employed important statistical computations using the statistical software SPSS version 20 with Excel spread sheet. Analysis of the data was reported using descriptive and inferential statistics. Descriptive statistics such as mean and standard deviation was first calculated for the four independent variables (micro-credit, saving, training & micro-insurance) and dependent variable (income, employment, living standard and self-confidence). To this end, as mentioned earlier, the independent and dependent variables were rated on five point-scales (one to five) with one being the lowest score and five being the highest. Then the mean score ($\frac{1+2+3+4+5}{5} = 3$) compared with 3 ("Undecided") was assumed as neutral. For the score that was higher than the mean (which was 3 or "Undecided"), the researcher assumed as high or positive and vice versa.

Regarding inferential statistics, a Pearson *r* correlation coefficient was computed using Cohen's (1998) guide lines. Then a linear regression analysis was conducted to find out the effects of (micro-credit, saving, training & micro-insurance) on dependent variable (poverty reduction). However, before using multiple regression, the researcher checked whether the basic parametric assumptions were satisfied (Polit, 2010). In the same way, the assumption of

homoscedastic was approximated from scatter plots whereas the assumption of multicollinearity was evaluated from linear regression diagnosis (Polit, 2010). In doing so the assumptions of normality and linearity for the variables in the study were tested by visualizing normal curve & scatter plots respectively through SPSS version 20.

3.7. Model specification

The researcher specified appropriate model for this study using statistical tools based on the specific objectives of the study.

The first and the second specific objectives of this study were, to assess the level of Micro finance institution (OCSSCO) services (micro-credit, savings, training & micro-insurance) and to investigate the perception of clients' about the contribution of OCSSCO to poverty reduction (income, employment, living standard and self-confidence) as perceived by clients in the study area. To this end, the researcher employed a descriptive statistics (Mean and standard deviation) through SPSS version 20 and Excel sheet.

The third objective of this study was to examine the association between independent variables (micro-credit, savings, training & micro-insurance) and dependent variable (poverty reduction). To this end, an inferential statistics (a Pearson γ correlation, bivariate) was employed, because it is an appropriate model to perform associations between independent and dependent variables even when the numbers of independent variables exceed one (Cohen et al., 2007).

The fourth specific objective of this study was to predict whether each of the Micro finance institution services had relative effect on poverty reduction in the study area. To achieve this specific objective, the researcher employed a multiple regression model. The basic reason behind this was a multiple regression model gives the researcher a more detailed data analysis to predict overall and the relative effect of independent variables on dependent variable at the same time (Cohen et al., 2007). The general form of the model to predict poverty reduction from micro-credit, savings, training & micro-insurance, was: Predicted poverty reduction = C (constant) + β_1 (micro-credit) + β_2 (savings) + β_3 (training) + β_4 (micro-insurance); where, C=constant, β =standardized coefficient of predictor variables.

CHAPTER FOUR

Data Presentation, Analysis & Interpretation

Introduction

In order to achieve the specific objectives of this study, the chapter was organized into two major sections. The first section provided about demographic data of the study. In this section, the demographic characteristics of participants and the returned rate of the survey instrument was presented. The second major section was totally devoted to achieve the specific objectives of the study. To this end, the collected data was analyzed and interpreted through a descriptive & inferential statistics. The first two specific objectives were tried to address using a descriptive statistics, whereas, the third and the fourth specific objectives were performed by inferential statistics separately.

4.1. Demographic data

4.1.1. Rate of Return

The participants in this study were 390 active clients of Oromia credit and saving micro finance institution in Jimma city administration. As shown in the Table 3 below, for all of 390(100%) of the participants the survey instrument was distributed. However, at the end of the day the return rate of the survey instrument was found 92.3% (360). As a result, 360 participants' respond were included in this study. The survey instrument distributed and returned rate was displayed in (Table 3) below.

Table 3: Rate of Return for survey instrument

Participants in the study	Survey Instrument		Rate of return
	Distributed	Returned	
OCSSCO's Active clients	390	360	92.3%

4.1.2. Demographic data in the study

The demographic characteristics of the participants were presented in (Table 4) below and the analysis as well as its interpretation was given in the subsequent paragraphs.

Table 4: Demographic Characteristics of participants

Characteristics of respondents		N	%
Gender	Male	211	58.6%
	Female	149	41.4%
Total		360	
Age	18-30	53	14.7%
	31-40	156	43.3%
	41-50	133	36.9%
	≥ 51	18	5%
Total		360	
Edu. Lev.	Below Diploma	277	63.1%
	Diploma	72	33.9%
	B.A/B.Sc.	10	2.8%
	M.A/M.Sc	1	0.3%
Total		360	
No. of dependents	0-3	99	27.5 %
	4- 8	212	58.9%
	9- 14	48	13.3%
	≥ 15	1	0.3%
Total		360	
Source of income	Wage	9	2.5%
	Farming	0	0%
	Private business	338	93.3%
	House rent	4	1.1%
	Other	9	2.5%
	Total	360	100%

As described in Table 4 above, regarding gender, 59% of participants them were males and about41%were females. This may signify that among the clients of Oromia credit and saving Share Company of Jimma city male clients exceed females.

Regarding age distribution, 15% of clients were between 18-30 years old, about 43% were between, 31-40 years old, 37% of respondents were between 41 and 50 years and only 5% of the respondents were age above 50years old. These may indicate that, most of the clients of OCSSCO in Jimma city are found in productive age.

As depicted in Table 4 above, regarding level of education of respondents, about 63.1% of participants in this study had below diploma, 33.9% of them had Diploma, 2.8% of them had B.A/B.Sc. degree and about 0.3% of them were M.A/MSc degree holders. To sum up, the educational level of participants of this study, as displayed in Table 4 above, the majority of them (63%) had below diploma, whereas only about (37%) of participants hold a diploma and above.

One of the demographic characters mentioned in Table 4 above was about the number of dependents on participants of this study. As described in the table above, 27.5 % of them had 0-3 dependents, 58.9% had 4-8 whereas 13.3% of them had 9-14and about a negligible (0.3%) number of participants had above 15 dependents.

Regarding source of income of the participants', about 3%of the participants' income were wage, according to the data in Table 4 above, most of the participants' about (93%)income were from private business. Among the participants of this study, only 1% and about 3% had source of income from house rent and others respectively.

4.2. The level of Micro finance institution services

The first specific research objective of this study was to describe the level of MFI's services in terms of (micro-credit, savings, training & micro-insurance) from the perception of participants in the study area. To this end, a quantitative data was collected from 360 respondents and analyzed through SPSS version 20 and Excel sheet. As a result, the aggregated descriptive statistics such as mean and Std. deviation for MFI's services were displayed in (Table 5) below.

Table 5: Descriptive statistics for independent variable (MFI's service)

MFI's service	Mean	Std. Deviation	N
Micro- credit	3.24	.477	360
Saving	2.87	.490	360
Training	2.23	.511	360
Micro-insurance	1.85	.620	360
MFI's service	2.55	.490	360

As indicated in (Table 5) above, the mean score for each of the four variables of MFI's service such as Micro- credit was high (M=3.24, SD=.477) because this score found above the average score assumed in this study. However, the other three services such as saving (M=2.87, SD=.490), training (M=2.23, SD=.511) and micro-insurance (M=1.85, SD=.620) were low because these scores rated below the average. The final row of (Table 6) above, indicated that the mean score of MFI's service was also below the average (M= 2.55, SD= .490) signifying that the level of service delivery of OCSSCO was evaluated by the respondents as low.

4.3. The perception of clients' about the contribution of MFI

The second specific research objective of this study was to summarize the perception of clients about OCSSCO's contribution on poverty reduction measured in (income, employment, living standard and self-confidence) in the study area. For this purpose, the aggregated scores, such as mean and Std. deviation for poverty reduction was analyzed through SPSS. The output descriptive statistics were shown in (Table 6) below.

Table 6: Descriptive statistics for dependent variables (Poverty reduction)

Poverty reduction	Mean	Std. Deviation	N
Income	3.63	0.335	360
Employment	3.19	0.541	360
Living standard	3.09	0.420	360
Self-confidence	3.31	0.448	360
Poverty reduction	3.31	0.347	360

As depicted in (Table 6) above, the mean score for each of the four variables that measure poverty reduction, such as income (M=3.63, SD=0.335), self-confidence (M=3.31, SD=0.448) and employment (M=3.19, SD=0.541) were rated by respondents above average. However, the mean score of living standard was rated nearly average (M=3.09, SD=0.420). In (Table 6) above, when we look at the mean score of poverty reduction (M=3.31, SD=0.347), the perception of respondents about the contribution of OCSSCO on poverty reduction is positive. This finding is similar to those results of the previous studies conducted in different regions and countries. The researchers used the same variables to measure poverty reduction in their study as with this study. They finally reported that MFI has a high contribution in relation with poverty alleviation (Ayelech 2010; Gedam, 2010; and Byamuhaya &Francis, 2014).

4.4. Association between MFI's service and poverty reduction

In order to describe the association between micro finance institution services and poverty reduction, the researcher employed a bivariate Pearson r correlation. In this study, to interpret the strength of associations between each of the independents & a dependent variable (poverty reduction), the researcher used Cohen's (1988) guidelines for interpretation purpose. Cohen's (1988) expressed strength of association by simple liner absolute values as (.1 < / r /< .3 a weak correlation, .3 < / r / < .5, a moderate correlation, and / r / > .5 a strong correlation).

The results of Pearson , bivariate correlation(r) coefficients for each of the independent variables (Micro finance credit, Savings, Training and Micro-insurance) and poverty reduction were displayed in (Table 7) below.

Table 7: A Pearson bivariate correlation coefficient for Variables in the Study

		MCR	SVG	TRG	INS	PRN	MFI's
MCR	P. Correlation	1	.512**	.183**	.380**	.446**	.682**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	360	360	360	360	360	360
SVG	P. Correlation	.512**	1	.306**	.447**	.570**	.753**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	360	360	360	360	360	360
TRG	P. Correlation	.183**	.306**	1	.493**	.171**	.679**
	Sig. (2-tailed)	.000	.000		.000	.001	.000
	N	360	360	360	360	360	360
INS	P. Correlation	.380**	.447**	.493**	1	.356**	.821**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	360	360	360	360	360	360
PRN	P. Correlation	.446**	.570**	.171**	.356**	1	.516**
	Sig. (2-tailed)	.000	.000	.001	.000		.000
	N	360	360	360	360	360	360
MFI's	P. Correlation	.682**	.753**	.679**	.821**	.516**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	360	360	360	360	360	360

** . Correlation is significant at the 0.01 level (2-tailed).

According to (Table 7) above, the association between Micro credit and poverty reduction was found, $r = .446$. Therefore based on Cohen (1988) guideline, this correlation value $r = .446$, was found in the range of a moderate correlation (i.e. $.3 < r < .5$). Moreover the table also depicted that the probability, p-value ($p = .000 < 0.01$). This calculated probability value indicated that, the occurrence of ($r = .446$) by chance is much less than the assumed probability value in this study. Therefore, in this study, Micro finance credit and poverty reduction has a significant and moderate association.

As shown in (Table 7) above, the correlation matrix revealed that the point of association between savings & poverty reduction was significant because the calculated probability value ($p=.000$) was found ($p < =0.01$). The above table also indicated the numerical value of correlation ($r=.570$). If we search this positive value in Cohen (1988) simple linear absolute values, we obtain $r=.570$, above the range or $|r| > .5$ so, assumed strong. Therefore, in this study, savings & poverty reduction had a significant and strong positive association.

According to Table 7, a correlation coefficient that associated training and poverty reduction was ($r=.171$). This numerical value revealed that the relationship between training and poverty reduction was weak positive because, $r= .171$, is found in the range of $.1 < |r| < .3$ (Cohen, 1988). As indicated in table 8 above, the calculated probability value ($p=.001$) was less than the assumed probability value ($\alpha=0.01$). Therefore, this study revealed that the association between training and poverty reduction was weak, however, statistically significant.

Based on (Table 7) above, a correlation coefficient that associated Micro-insurance and poverty reduction was ($r=.356$). This numerical value revealed that the relationship between Micro-insurance and poverty reduction was a moderate positive because, $r= .356$ was found in the range of $.3 < |r| < .5$ (Cohen, 1988). As indicated in Table 7 above, the calculated probability value ($p=.000$) was much less than the assumed probability value ($p=0.01$). Therefore the association between Micro-insurance and poverty reduction was moderate however, significant.

To sum up, as the information displayed in (Table 7) above ($r= .516, N=360$ and $p=000$) the point of association between micro finance institution's services & poverty reduction, ($r= .516$) is strong because it is found above the range ($|r| > .5$). Moreover, the correlation matrix, Table 7 above indicated that ($r=.516$) is significant because ($p=.000 < 0.01$). Therefore, this aggregated positive coefficient of correlation ($r=.516$) suggested that there exists a significant strong association between MFI's service and poverty reduction in Jimma city. The finding in this study supports the results of the previous studies conducted in various countries which revealed a strong positive correlation between MFI's service and poverty reduction (Imene, 2009; and Suzuki, 2013).

4.5.Effect of MFI's services on poverty reduction

To examine the effect the Micro finance institution services on poverty reduction, the researcher performed a multiple regression analysis through SPSS version 20. However, before analyzing and interpreting data through a multiple regression, the researcher approximated whether the basic parametric assumptions such as normality, linearity, homoscedastic and multicollinearity were satisfied for each of independent & dependent variables (MFI's services & Poverty reduction). To this end, the result of SPSS version 20 for normal curves (Fig.2&3) and scatter plot (Fig.4) for MFI's service and poverty reduction were displayed below.

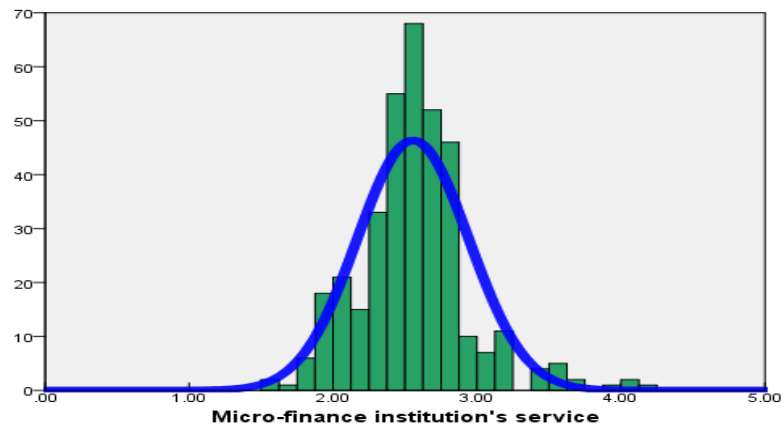


Fig.2. Normal distribution for scores on MFI's services

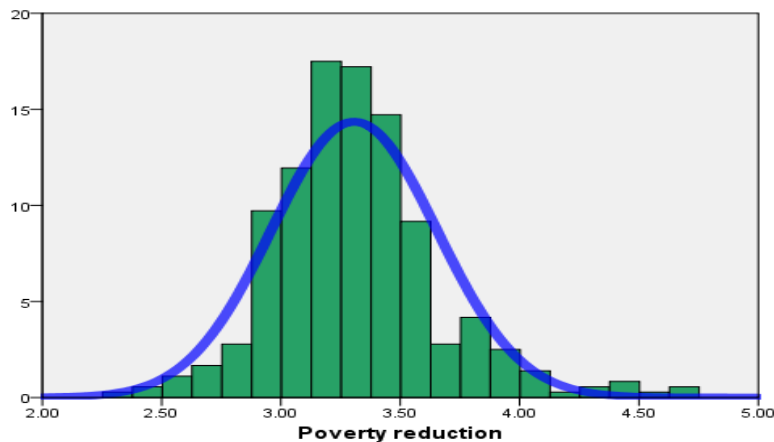


Fig.3. Normal distribution for scores on poverty reduction

As visualized in (fig.2 &3) above, it could be approximated that the assumptions of normality & linearity have not been violated because the visualized normal curves for both variables (MFI's services and poverty reduction) were not skewed. A further look at the scatter plot in fig.4 below, the shape of the residual (error) points is nearly rectangular. This proved that, the assumption of Homoscedasticity was satisfied (Polit, 2010).

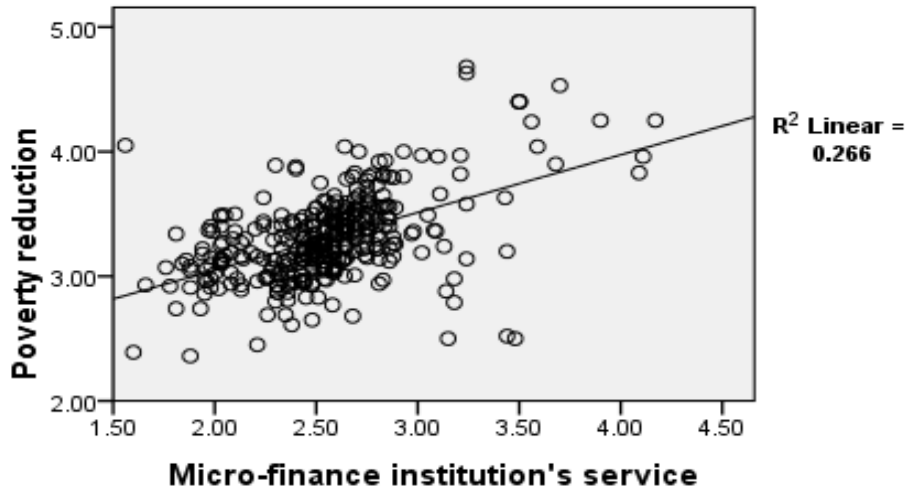


Fig.4. Scatter plot for MFI's service vs Poverty reduction

For the purpose of interpretation of the SPSS output results of a multiple regression, the researcher used the suggestion of (Dhaka, 2016). According to Dhaka(2016)the variation on dependent variable due to predictive variables need to be explained from adjusted R Square (ΔR^2), because R^2 Shows how well data points fit a regression line assuming every single variable explains the variation in the dependent variable is not true. Whereas, adjusted R^2 tells how well the data points fit a regression line showing the percentage of variation explained only by the predictive variables that actually affect the dependent variable (Dhaka, 2016). For this reason, the researcher used adjusted R Square (ΔR^2) results to explain the mean variance on dependent variable due to predictive variable in the study. To this end, the output of the results of a multiple regression analysis were summarized in tables and interpreted respectively.

Table 8: Regression Model summary for predictors in the study

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605 ^a	.365	.358	.27823
a. Predictors: (Constant), Training, Microcredit, Insurance, Saving				

The information displayed in (Table 8) above, the multiple regression model summary showed (R=.605, R Square = R^2 =.365, adjusted R Square = ΔR^2 =.358& Std. Error of the Estimate=.27823). In this case, a value of the multiple correlation coefficient (R=.605) in the model summary indicates that, the predictors variables (Micro-finance institution's service) has a strong prediction power over poverty reduction when seen as a whole. The table also indicated that, the value of (adjusted R Square = ΔR^2 =.358) tells us about 35.8% of the mean variance on poverty reduction can be explained by Micro-finance institution's service with low Std. Error of Estimate (.29787<.5). This means that about 64.2% the variance on poverty reduction explained by other variables which were not used in this study. Moreover the statistical significance of the model was tested through analysis of variance in (Table 9) below.

Table 9: Analysis of variance (ANOVA) for the regression model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.826	4	3.956	51.107	.000 ^b
	Residual	27.482	355	.077		
	Total	43.307	359			
a. Dependent Variable: Poverty reduction						
b. Predictors: (Constant), Training, Microcredit, Insurance, Saving						

As shown in ANOVA (Table 9) above, the F-ratio test (F =51.107) indicated that the overall regression model is a good fit for the data, because it is statistically significant ($p =.000 < \alpha = .05$). Therefore, micro-finance institution's service is statistically significant effect on poverty reduction in Jimma city. Some previous studies conducted in the area support this finding in that MFI's service has a significant effect on poverty reduction (Alemu, Alamirew & Bamlaku, 2006;

Ayelech, 2010; Idor, 2012; and Aziza, 2013). Other studies, reported the contradict results in such a way that MFIs has no any significant effect on reducing poverty (Schreiner, 2002; Seibel, 2003; Rajasekhar, 2004; Ebisa, 2013; and Nakiyimba, 2014).

Moreover, the statistical significance of the independent variables and their relative effects on poverty reduction were analyzed and interpreted from SPSS output of (Table 10) below. Table 10 below also confirmed that multicollinearity is not a problem in this study because, the variance inflation factor (VIF) for independent variables were ($1 < VIF < 10$). According to Polit, (2010) this value is tolerable in any research.

Table 10: Summary for coefficients of predictive variables in the study

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta(β)			VIF	
1	(Constant)	1.892	.112			.000		
	Microcredit	.137	.037	.188	.707	.000	.707	1.415
	Saving	.310	.037	.438	.653	.000	.653	1.532
	Insurance	-.037	.033	-.055	.745	.263	.745	1.342
	Training	.065	.030	.116	.633	.029	.633	1.579

a. Dependent Variable: Poverty reduction

The data displayed in (Table10) above, standardized coefficients (beta weight), displayed in the “beta” column, showed that microcredit contributes ($\beta=.188$) to predict the variance on poverty reduction and this value is statistically significance because ($p=.000 < 0.05$). This means that when microcredit increases by 1unit, poverty reduced by .188unit. Therefore, microcredit has a significant effect on poverty reduction.

The information displayed in (Table 10) above, the values ($\beta = .438$ & $P=.000$) confirmed that the observed predicting value ($\beta = .438$) of saving service of MFI’s is statistically significant, because, the probability occurrence of this value by chance is less than the probability assumed in this study ($P=.000 < \alpha = 0.05$). This indicates that whenever saving increases by 1unit, poverty reduced by .438unit. Therefore, saving has a significant effect on poverty reduction.

As shown in (Table 10) above, the calculated beta weight ($\beta = -.055$) due to micro-insurance service is not statistically significant because ($p = .263 > 0.05$). This means that the explanatory variable micro-insurance is no more useful in the model. Therefore, in this study, insurance has no significant effect on poverty reduction.

The information displayed in (Table 10) above, the values ($\beta = .116$ & $P = .000$) confirmed that the observed predicting value ($\beta = .116$) of training is statistically significant, because, the probability occurrence of this value by chance is less than the probability assumed in this study ($P = .029 < \alpha = 0.05$). This indicates that whenever training service of MFI's increases by 1 unit, poverty reduced by .116 unit. Therefore, training has statistically significant effect on poverty reduction.

To conclude this section, the researcher performed a multiple regression to predict poverty reduction, from microcredit, saving, insurance and training. As a result, the model statistically significantly predicted poverty reduction. This model can explain about 35.8% of the variance on poverty reduction. In this study, insurance service of MFI's has no any significant effect on poverty reduction in Jimma city.

However, the other three independent variables such as microcredit, saving and training have statistically significant effect on poverty reduction. This study also revealed that, saving has relatively high effect on poverty reduction followed by microcredit service of MFI. According to this study, training has relatively low, however, significant effect on poverty reduction.

CHAPTER FIVE

Summary, Conclusion and Recommendation

Introduction

This chapter was organized in to three major sections. In the first section a short summary of the major findings of this study were articulated in a couple of paragraphs. The second section was devoted to a conclusion based on these findings and in the final section of this chapter, the necessary recommendations were forwarded.

5.1.Summary of the major findings

As described in the preceding chapter four, in this study, a descriptive and inferential data analysis with interpretation was employed. Regarding descriptive data analysis and its interpretation, a quantitative data from 360 respondents were collected and calculated through SPSS version 20 and Excel sheet. The overall descriptive result from the perception of clients revealed that the level of OCSSCO's services in Jimma city is found low. However, this study revealed that the perception of clients about the OCSSCO's contribution on poverty reduction in Jimma city is positive.

In this study, the result from a Pearson r correlation analysis revealed that, the association between MFI's service and poverty reduction is found strong positive and statistically significant. A multiple regression analysis in this study revealed that the four MFI's services (Micro-credit, Savings, Training and Micro-insurance) used as predictor variables were shown to have a significant effect on poverty reduction when viewed as a whole. However, these variables generated some varied results when examined individually. To this end, saving service has relatively high effect on poverty reduction, microcredit is the next and training has relatively a low effect on poverty reduction. In this study, micro-insurance has no significant effect on poverty reduction in the study area.

5.2.Conclusion of the study

This study has tried to assess the effect of MFI's service on poverty reduction in Jima city. For this purpose, the study used standardized survey instruments to collect data on perception of

clients about MFI's service and its contribution on poverty reduction through sampling Oromia Credit and Saving Share Company (OCSSCO) in Jima city administration. Based on the results of this study, the following conclusion has been made.

The first finding of this study revealed that, the level of service delivery of Oromia Credit and Saving Share Company (OCSSCO) in Jima city is found low. This signifies that clients of MFI (OCSSCO) in Jimma city are not satisfied by the service delivery of the company. On the contrary to this, the perception of clients on the contribution of MFI (OCSSCO) on reducing poverty is high. This implies that clients have positive outlook towards OCSSCO's contribution in reducing poverty in Jimma city. This study revealed that MFI's service and poverty reduction have strong and positive correlation. Moreover, the study also indicated that MFI's service significantly affects poverty reduction. This signifies that MFIs are essential organizations to alleviate poverty if they serve properly.

To sum up, the major and unique findings in this study are; OSSCO's service delivery is low, however, its contribution to alleviate poverty is high. The other major findings of this study area MFI's service strongly relate with poverty reduction and can predict poverty reduction as well. These findings are unique for the study area and consequently implied that, if MFIs foster strong effort on their clients through providing saving, credit & training about business plan of financial activities and regular discussion on their expense, they could bring a remarkable change on living standard of their clients. In this study, no further conclusions on the effect of insurance service of MFI's on poverty reduction in Jima city can be drawn without further research.

5.3.Recommendation

From findings of this study, the researcher strongly recommends MFIs office leaders and their experts found in Jima city to conduct survey on their own service delivery, study it, and create an action plan for further improvement. Particularly, they need to gather clients' opinion in a daily base on services like savings, training & micro-insurance. To this end, they can use the

survey instruments used in this study or another. The researcher also recommends that, MFI's office leaders and experts in Jimma city should become aware of the variables that more support their poverty reduction campaign and they need to study it in a sustainable manner. They need to plan for further strategies to fight against poverty through gathering update information (data) and conduct a scientific investigation. To this end, the researcher suggests the following future research. These may include:

1. To learn more about the MFI's service delivery, particularly, insurance service, a qualitative investigation could be conducted through participating MFI's clients, MFI's office experts and their leaders in Jimma city.
2. A mixed research could be conducted to understand better about the MFI's services that aid more the reduction of poverty through participating stakeholders like MFI's clients, MFI's office experts in Jimma city administration.

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Appendices A

Jimma University

College of Business and Economics

Department Management

This questionnaire will be filled by OCSSCO Micro-finance Institute's clients of Jimma city administration. *Dear Respondents:* I am post graduate (Master) student of Jimma University. I am carrying out a study on the topic: The effect of Micro Finance Institute (OCSSCO) service on Poverty Reduction in Jimma city. Thus, the main purpose of this questionnaire is only to collect relevant data to complete this research work. Therefore, you are, kindly requested to fill the questionnaire in order to give necessary information. The success of this study directly depends upon your honest and genuine response to each question. Each data you supply will be used only for the purpose of educational purpose.

Part I: Background Information

Please provide some basic background information on yourself for items 1-6, put a tick mark (✓) or write in where necessary.

1. Gender: Female Male

2. Age: A. 18-30 B. 31-40 D. Above 50

3. Level of education: A. Below Diploma B. Diploma C. B.A/B.Sc.

D. M.A/M.Sc.

4. No. of dependents

a) 0-3 b) 4- 8 c) 9- 14 d). 15 and above

5. Source of income

a) Wage b) Farming c) Private business d) House rent e) Other

Part II: Please honestly complete the following survey items. To do so, circle the number corresponds to your level of agreement or disagreement based on the following scoring.

Strongly Agree=5, Agree=4, Undecided=3, Disagree=2, strongly disagree=1

Direction I. Survey Items on MF's services

No	Items	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree
	Micro-credit					
1	OCSSCO offer various Micro-credit services.	5	4	3	2	1
2	The loan amount provided by the microfinance is sufficient enough to run business.	5	4	3	2	1
3	I prefer OCSSCO micro-credit to bank loans.	5	4	3	2	1
4	The interest rate charged by the microfinance institution OCSSCO is fair and affordable.	5	4	3	2	1
5	The loan repayment schedules are convenient for clients of OCSSCO.	5	4	3	2	1
	Saving					
6	The amount of savings made enabled me to improve my lifestyle.	5	4	3	2	1
7	My saving in OCSSCO has been increased regularly.	5	4	3	2	1
8	The higher the savings the higher the profit.	5	4	3	2	1
9	I save more than once in a month.	5	4	3	2	1
	Insurance					
10	MFI (OCSSCO) provided various micro-insurance services.	5	4	3	2	1
11	MFI (OCSSCO) offers a pension insurance service.	5	4	3	2	1
12	MFI (OCSSCO) delivers life -insurance service.	5	4	3	2	1
13	MFI (OCSSCO) delivers health-insurance service.	5	4	3	2	1
14	MFI (OCSSCO) delivers fire -insurance service.	5	4	3	2	1
15	MFI (OCSSCO) offers home -insurance service.	5	4	3	2	1

	Training					
16	The training needs of the clients of OCSSCO are assessed in regular basis.	5	4	3	2	1
17	MFIs (OCSSCO) organize trainings after every three months/quarterly.	5	4	3	2	1
18	Training in MFIs (OCSSCO) includes non-financial services like financial literacy, social skills, management skill and general problem solving skills.	5	4	3	2	1
19	Trainings have enabled us to save (money, time & energy) more than before.	5	4	3	2	1
20	Appropriate training has been given by OCSSCO microfinance institution to start and manage our business.	5	4	3	2	1

Direction II. Survey Items on poverty reduction

No	Items	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree
	Income					
1	My income is increased as the result of my participation in the Program.	5	4	3	2	1
2	The number and type of assets I have possessed increased as the result of your participation in the program.	5	4	3	2	1
3	I have invested the loan amount in my own business any time.	5	4	3	2	1
	Living standard					
4	After joining the MFIs program, I think my housing condition is improved.	5	4	3	2	1
5	The type of food and number of meals consumed has been increased after I have participated in the microcredit program.	5	4	3	2	1
6	The status of my household nutrition currently improved after I joined to MFIs program.	5	4	3	2	1
7	The program helped me to acquire assets like TV, Radio, proper bed etc.	5	4	3	2	1
8	I am able to send all my school age children to school after I have participated in the microfinance program.	5	4	3	2	1
9	After participating in the microfinance program, I am able to get medical and health care services in clinic or hospitals	5	4	3	2	1

10	Overall progress has been observed in the general living standards of my family since I started participation in the microcredit program.	5	4	3	2	1
	Employment					
11	My employment opportunity has been increased as the result of participating in the microcredit program.	5	4	3	2	1
12	I have employed others in my business as the result of participating in the microcredit program.	5	4	3	2	1
13	I have created job opportunity due to participating in the microcredit program.	5	4	3	2	1
14	I have been trying to decrease unemployment rate.	5	4	3	2	1
15	I have tried to decrease job insecurity as the result of participating in the microcredit program.	5	4	3	2	1
	Self-confidence					
16	I feel that I am a person of worth, at least on an equal plane with others.	5	4	3	2	1
17	I take a positive attitude towards myself.	5	4	3	2	1
18	I feel I do have much to be proud due in part as the result of participating in the microcredit program.	5	4	3	2	1
19	I am able to do things as well as most other people.	5	4	3	2	1
20	I feel that I have a number of good qualities.	5	4	3	2	1
21	On the whole, I am satisfied with my business due to participating in the microcredit program.	5	4	3	2	1

Thank You for your valuable response

በጅምዩኒቨርሲቲ ቢዝነስና ኢኮኖሚክስ ፋክልቲ

ማኅጅመት ድጋፍ ትምህርት

ይህ ማጠቃለያ በጅምዩኒቨርሲቲ አስተዳደር አሰጣጥ ብድርና ቁጠባ ሽር ካምፓኒ ማይክሮ ፋይናንስ ኃላፊዎች፤ በሎን አፊሮችና በደንበኞች የሚሰጠው ድጋፍ ፡ ለሌሎች ማሻሻያ ፤ እኔ የጅምዩኒቨርሲቲ የድህረ ምረቃ / ማስተርስ ተማሪ ነኝ ፡ ፡ (The effect of Micro Finance Institution service on Poverty Reduction in Jimma city) “በጅምዩኒቨርሲቲ የማይክሮ ፋይናንስ አገልግሎት በድህነት ቅንሳ ላይ ያለው አስተዋጽኦ” ፤ በምሉእ ርዕስ ላይ የመሠረቱ ድጋፍ

ጥናት እየሠራሁ ነው፡፡ የዚህ መጠይቅ ዋና ዓላማዎቹን ጥናት ለማሳደድ የሚደረጉ ትኩረቶችን መረጃዎችን መስጠት ነው፡፡ ስለሆነም፤ እነዚህን መጠይቆች በመምላት ትኩረቶቹን መረጃ እንዲሰጡ በትህትና እጠይቃለሁኝ፡፡ የዚህ ጥናት ስኬት እርሶ ለያንዳንዱ ጥያቄ በትኩረትና በታማኝነት በመስጠት መልስ ላይ የተመሠረተ ነው፡፡ እርሶ የሚሰጡት እያንዳንዱ መረጃ ለ ትምህርትና ጥናት ዓላማብቻ የሚውል ነው፡፡

ክፍል 1. የ መሳሻ መረጃ

እባክን ስለ ራሶ ዋና ዋና መሳሻ መረጃዎችን ከተራ ቁጥር 1-5 (✓) የህን ምልክት በተሰጠው ቦታ ላይ ምልክት በማድረግ ይመልሱ፡፡

- 1. ፆታ ሴት ወንድ
- 2. ዕድሜ ሀ. 18-30 ለ. 31-40 ሐ. 41-50 መ. ከ50 በላይ
- 3. የ ትምህርት ደረጃ ሀ. ከዲፕሎማ በታች ለ. ዲፕሎማ ሐ. ቢ.ኤ /ቢ.ኤስ.ሲ
 መ. ኤም.ኤ/ኤም.ኤስ.ሲ
- 4. የ ሴተሰብ ብዛት
 ሀ) 0-3
 ለ) 4- 8
 ሐ) 9- 14
 መ). 15 እና ከዛ በላይ
- 5. የ ገቢ ምንጭ
 ሀ) ደሞዝ ለ) ግብርና ሐ) የ ግል ንግድ መ) ከቤት ክራይ ረ) ሌላ ገቢ

ክፍል 2.

እባክን ከዚህ የ ማቅጠሉ የ ጥናት ነጥቦችን በታማኝነት ይመሉ፡፡ የ መስማማትና ያለመስማማት ደረጃዎችን የሚገልጹትን ቁጥር በመሠረጥ ያክብቡ፡፡ ምርጫዎን ሲያደርጉ ከዚህ በታች ያሉትን የ መስማማት እና ያለመስማማት ደረጃዎችን ይጠቀሙ፡፡ በጣም እስማማለሁ (Strongly Agree)=5፤ እስማማለሁ (Agree)=4፤ ለመወሰን እቸገራለሁ (Undecided)=3፤ አልስማማም(Disagree)=2 ፤ በፊደም አልስማማም(Strongly disagree)=1

ማመያ 1. ከዚህ በታች ያሉት የጥናት ነጥቦች በአሮሚያ ብድርና ቁጠባ አ.ማ ኃላፊዎች፤ ለግን አፈሰሮች እና ደንቦችን የማሟላ ይሆናል፡፡

ተራቁ	የ አ.ብ.ቁ.አ.ማ የ ሚኒ ስትራቴጂ አገልግሎቶች መሠረት የደረገ ነጥቦች	በጣም እስከ ማሟላት	እስከ ማሟላት	ለመሰረት እንደሆነ	አልስከ ማሟላት	በፊደላዎች እንደሆነ ማሟላት
	ብድርን በተመለከተ					
1	አ.ብ.ቁ.አ.ማ የተለያዩ ብድር አይነቶችን ያቀርባል፡፡	5	4	3	2	1
2	በማይክሮ ፋይናንስ የ ማቅረቢያ ብድር የንግድ ሸሥራውን ለማግኘት በቂ ነው፡፡	5	4	3	2	1
3	ከባንክ ብድር አ.ብ.ቁ.አ.ማ ብድርን እመርጣለሁ፡፡	5	4	3	2	1
4	የ አ.ብ.ቁ.አ.ማ የ ወለድ ምጣኔ ማዘጋጀትና ማክፈል የማቻል ነው፡፡	5	4	3	2	1
5	የ ብድር ክፍያ ወጪዎች ሠሌዳ ለ አ.ብ.ቁ.አ.ማ ደንቦች ምቹ ነው፡፡	5	4	3	2	1
	ቁጠባ					
6	የ ማቅረቢያ ሰነድ ማሙላት የኮሎን ሁኔታ ለመቀየር ረድቶኛል፡፡	5	4	3	2	1
7	በ አ.ብ.ቁ.አ.ማ የ ለኝ ቁጠባ በመደበኛነት አድጎ አልፏል፡፡	5	4	3	2	1
8	ቁጠባ ወጪዎች ለክትርፋት ያደጋል፡፡	5	4	3	2	1
9	በወር ከአንድ ጊዜ በላይ እቆጥባለሁ፡፡	5	4	3	2	1
	እነ ሹራንስ/ ዋስትና					
10	የ አ.ብ.ቁ.አ.ማ ማይክሮ ፋይናንስ የተለያዩ የ እነ ሹራንስ/ የ ዋስትና አገልግሎቶችን ይሰጣል፡፡	5	4	3	2	1
11	የ አ.ብ.ቁ.አ.ማ ማይክሮ ፋይናንስ የ ጠረጎም ዋስትና አገልግሎት ያቀርባል፡፡	5	4	3	2	1
12	የ አ.ብ.ቁ.አ.ማ ማይክሮ ፋይናንስ የ ሕይወት ዋስትና አገልግሎት ያቀርባል፡፡	5	4	3	2	1
13	የ አ.ብ.ቁ.አ.ማ ማይክሮ ፋይናንስ የ ጠፍ ዋስትና/ እንሹራንስ ያቀርባል፡፡	5	4	3	2	1
14	የ አ.ብ.ቁ.አ.ማ ማይክሮ ፋይናንስ የ እሳት አደጋ ዋስትና አገልግሎት ያቀርባል፡፡	5	4	3	2	1
15	የ አ.ብ.ቁ.አ.ማ ማይክሮ ፋይናንስ የ ቤት ዋስትና አገልግሎት ያቀርባል፡፡	5	4	3	2	1
	ሥልጠና					
16	የ አ.ብ.ቁ.አ.ማ ማይክሮ ፋይናንስ የ ደንቦችን የ ሥልጠና ፊላሳፊት በየጊዜው በመደበኛነት ይለያል፡፡	5	4	3	2	1

17	የ አ.ብ.ቁ.አ.ሚ ማይክሮ ፋይናንስ በየሦስት ወሩ ወይም በየ መንፈቁ ያዘጋጃል፡፡	5	4	3	2	1
18	በአ.ብ.ቁ.አ.ሚ ማይክሮ ፋይናንስ ከፋይናንስ አገልግሎት ወጭዮ ሆኑ እንደ ገንዘብ አያያዝ ዕውቀት፤ መክበራዊ ችሎታ፤ አስተዳደራዊ ችሎታ እና አጠቃላይ ችግሮችን ለመፍታት የ ማይ ስችል ዕውቀት ያካትታል፡፡	5	4	3	2	1
19	ሥልጠና ዉገን ዘባችንን፤ ጊዜያችንን እና ኃይላችንን ከበፊቱ በላይ እንድንቆጥብ ረድቶናል፡፡	5	4	3	2	1
20	የንግድ ሥራችንን ለመጀመርና ለማስተዳደር የ ማይ ስችል ሥልጠና በአ.ብ.ቁ.አ.ሚ ማይክሮ ፋይናንስ ተሰጥቶናል፡፡	5	4	3	2	1

ማሳሰቢያ 2. ከዚህ በታች ያሉት የጥናት ነጥቦች በአሮሚያ ብድርና ቁጠባ አ.ሚ ደንበኞች ብቻ የማህላ ይሆናል፡፡

ተ.ቁ.	የድህነት ቅነሳን የማይመለከቱ ነጥቦች	ግሌዎች እስከ 5	ግሌዎች እስከ 4	ግሌዎች እስከ 3	ግሌዎች እስከ 2	ግሌዎች እስከ 1
	ግቢ					
1	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ ግቢዬ አድጎ አልፏል፡፡	5	4	3	2	1
2	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ ያፈራራሁት ንብረት በቁጥርም ሆነ በዓይነት ጨምሮአል፡፡	5	4	3	2	1
3	የተበደርኩትን ገንዘብ በማንኛውም ጊዜ በንግድ ድርጅቱ ላይ አወለዋለሁ፡፡	5	4	3	2	1
	የኑሮ ደረጃ					
4	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ የመኖሪያ ቤቱ ሁኔታ ተሻሽሎታል፡፡	5	4	3	2	1
5	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ የምንጠቀመው ምግብ ዓይነትና መጠንና ጨምሮአል፡፡	5	4	3	2	1
6	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ የቤተሰቦቼ የተመጣጠነ ምግብ ይዘት ጨምሮአል፡፡	5	4	3	2	1
7	ፕሮግራሙ እንደ ቲቪ፣ ራዲዮና የተሟላ አልጋ ወዘተ ንብረቶችን ለማጥፋት አስችሏኛል፡፡	5	4	3	2	1
8	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ ዕድሜቸው ለትምህርት የደረሱ ልጆችን ወደ ትምህርት ቤት መለክ ችያለሁ፡፡	5	4	3	2	1

9	በማክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ የመድኃኒትና የጠፍ አጠባበቅ አገልግሎት በክሊኒክ እና ሆስፒታል ማግኘት ችያለሁ፡፡	5	4	3	2	1
10	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ የቤተሰቤ የኑሮ ደረጃ አጠቃላይ የሆነ መሻሻል አሳይቶዋል፡፡	5	4	3	2	1
	መቅጠር (የሥራ ዕድል መፍጠር)					
11	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ የሥራ ዕድል ጨምሮልኛል፡፡	5	4	3	2	1
12	በማይክሮ ፋይናንስ ፕሮግራም መሳተፍ ከጀመርኩኝ በኋላ በድርጅቱ ወስጥ ሌሎች ሰዎችን በመቅጠር (የሥራ ዕድል መፍጠር) ችያለሁ፡፡	5	4	3	2	1
13	በማይክሮ ፋይናንስ ፕሮግራም በመስተፌ ለራሴ የሥራ ዕድል ፈጥሪያ ሆኑ፡፡	5	4	3	2	1
14	የሥራ አጥነት ምጣኔን ለመቀነስ እያጣርኩኝ ነው፡፡	5	4	3	2	1
15	በማይክሮ ፋይናንስ ፕሮግራም በመስተፌ የሥራ ዕድል ማግኘት ፈራቻዬን መቀነስ ችያለሁ፡፡	5	4	3	2	1
	በራስ መተማመን					
16	ጥቅም ያለው ሰው እና ከሌሎች ጋር ዕኩል እንደሆነ ኩይሰማኛል፡፡	5	4	3	2	1
17	ስለ ራሴ ጥሩ ስሜት ይሰማኛል፡፡	5	4	3	2	1
18	በማይክሮ ፋይናንስ ፕሮግራም በመስተፌ ኩራት ይሰማኛል፡፡	5	4	3	2	1
19	እኔም እንደሌሎቹ ሰዎች የሚልገወን ነገር መፈጸም ችያለሁ፡፡	5	4	3	2	1
20	ብዙ ጥሩ ነገሮች እንዳሉኝ ይሰማኛል፡፡	5	4	3	2	1
21	በአጠቃላይ በማይክሮ ፋይናንስ ፕሮግራም በመስተፌ በንግድ ሥራዬ እርካታ አግኝቻለሁ፡፡	5	4	3	2	1

አመሰግናለሁ፡፡

Yunivarsiitii Jimmaatti

Koleejii Biizinasii fi Ekonomiksitti

Dipaartimantii maanajimantii

Gaaffiin barreeffamaan guutamee deebi’u kun Manajaroota (ittigaafatamtoota), loon ofisaroota fi mamilltoota Waldaa Aksiyoona Liqii fi Qusannoo Oromiyaa (WALQO) tiin ta’a. Kabajamtoota hirmaattotaa; An barata maastarsii Yunivarsiitii Jimmaati yemmuun ta’u; Qorannoo ittiin ebbifamuf hojjecha jiru mata duree **“The effect of Micro Finance Institute (OCSSCO) service**

on Poverty Reduction in Jimma city” (Gahee Tjajaajilli Maykoroo Faynaansii hiyyummaa hirrisuu keessatti qabu) kan jedhu yemmuu ta’u; qorannoo kiyyaa kana keessatti bu’aa tajaajila dhaabbata Mayikiroo Faynaansiin (WALQO) Magaalaa Jimmaa keessatti hiyyummaa hirrisuu irratti qabu qorachuu dha. Kabajamtoota hirmaattotaa; Kaayyoon gaaffilee kanaas barnoota qofaf kan oolu ta’uu isaa mirkaneessaa, ragaan qorannoo kanaaf walitti qabamu fiixaan bahiinsa hojii qorannoo kanaa milkeessu keessatti gaheen isaa olaanaa dha, Walumaagalatti milkaa’inni qorannoo kanaa deebii isin haqummaan gaaffiwwan kanaaf kennitan irratti kallattiidhaan hundaa’a waan ta’eef; ragaa barbaachisaa ta’e akka guttan kabajaan isin gaafadha.

Kutaa I. Odeeffannoo waliigalaa

Odeeffannoo waliigalaa waa’ee keessanii ibsu lakkofsa 1-5 tii ibsaman mallatto ($\sqrt{\quad}$) iddoo barbachisaatti barreessuun ibsaa.

1. Saala Dubara Dhiira
2. Umrii A. 18- 30 B. 31-40 C. 41-50 D. 50 ol
3. Sadarkaa barumsaa.
 - A. Diplomaa Gadi B. Diplomaa C.A/B.Sc. D. M.A/M.Sc.
4. Bayina maatii
 - a) 0-3
 - b) 4- 8
 - c) 9- 14
 - d). 15 fi isaa ol
5. Burqaa galii keessanii a) Mindaa b) Qonnaa c) Daldala Dhunffaa
 - d) Kiraa manaa e) Kan biroo

Kutaa II: Qabxilee gosoota qu’annaa kanatti aannan haqummaan guuta. Akkaataa itti waliigaluu fi itti waliigaluu dhiisuu keessan ibsuuf qabxiilee kanaa gaditti kaa’aman hordofuun lakka filattanitti geengoo maraa. Baay’ee itti waliigala =5, Itti waliigala =4, Murteessun narakkisa = 3, Nanmorma =2 Cimsee morma =1

Direction I. Survey items to be filled by OCSSCO’s office heads and clients

Kallattii I. (Iffaa) Qabxiileen qorannoo kun itti gaafatamtoota WALQO fi Mamiltootaan klan gutamuudha.

<u>Lak.</u>	Qabxiilee tajaajila WALQOn kunnu irratti hunda'anii dhihaatan	Cimsee itti waliigala	Itti waliigala	Murtessun rakisadha	Nannorma	Cimsee Morma
	Kenna liqiitiin Walqabate					
1	WALQOn Liqii gosa adda addaa nikenna.	5	4	3	2	1
2	Liqiin Mayikiroo fayinansii kanaan kennamu hojii daldalaa gaggessuuf gahadha.	5	4	3	2	1
3	Liqii Baankii irra liqii WALQOn kennun filadha.	5	4	3	2	1
4	Dhalli liqii mayikiro fayinansiin WALQO haqa qabeessa dha.	5	4	3	2	1
5	Sagantaan kaffaltii liqii WALQO mamilaaf mijaa'aa dha.	5	4	3	2	1
	Qusannaa					
6	Hammi maallaqa qusadhu jijjiirrama haala jiruu kootii irratti fideera.	5	4	3	2	1
7	Qusannaan WALQOtti gaggeessuu yeroo gara yerootti guddataa dhufeera.	5	4	3	2	1
8	Hanguma qusannaan guddatuun bu'aanis guddata.	5	4	3	2	1
9	Ji'atti yeroo tokkoo olin qusadha.	5	4	3	2	1
	Insurance					
10	Mayikiroo faynansiin WALQO gosoota tajaajila Insuraansii adda addaa nikenna.	5	4	3	2	1
11	Mayikiroo faynansiin WALQO tajaajila inshuransii (wabii) soorama nikenna.	5	4	3	2	1
12	Mayikiroo faynansiin WALQO tajaajila inshuraansii (wabii) lubbuu nikenna.	5	4	3	2	1
13	Mayikiroo faynansiin WALQO tajaajila inshuraansii (wabii) fayyaa nikenna.	5	4	3	2	1
14	Mayikiroo faynansiin WALQO tajaajila inshuraansii (wabii) balaa ibiddaa nikenna.	5	4	3	2	1
15	Mayikiroo faynansiin WALQO tajaajila inshuraansii (wabii) manaa nikenna.	5	4	3	2	1
	Leenjii					
16	Fedhiin leenjii maamila WALQO idileedhaan adda baafama.	5	4	3	2	1
17	Mayikiroo faynansiin WALQO tajaajila lenjii ji'a sadihin ykn kurmaanani niqopheessa.	5	4	3	2	1

18	Tajaajilli leenjii Mayikiroo faynansiin WALQO tajaajila maallaqaan alaa kan akka bekumsa faynaansii, beekumsa haala hawaasaa, beekumsaa bulchiinssa fi beekumsa waliigalaa rakkoo nama qunnamu ittiin hiikanu ni hammata.	5	4	3	2	1
19	Tajaajilli leenjiin mallaqa, yeroo fi human keenya kan kanaa dura caala akka qusannu nu dandeessisa.	5	4	3	2	1
20	Leenjiin sirrii ta'e haala daldala keenya itti calqabnuu fi hoggnuu hubachisu Mayikiroo faynansiin WALQOtin nikennama.	5	4	3	2	1

Kutaa II. Qabxiilee qorannoo Maamiltoota Mayikiroo faynansiin WALQO qofaan guutamu

Lakk.	Qabxiilee mullistoota hiyyummaa hirrisaniin walqabatee dhihaatan	Cimsee itti waliigala	Itti waliigala	Murtessun rakisadha	Nannorma	Cimsee Morma
	Galii					
1	Sagantaa Mayikiroo faynansiin WALQOtti hirmachuu ergii egalee galiin koo guddateera.	5	4	3	2	1
2	Gosaa fi qabeenyi an horadhe bu'aa sagantaa Mayikiroo faynansii WALQO hirmaachuuti.	5	4	3	2	1
3	Liqii fudhu yeroo kamuu daldala dhuunfaa koo irrannoolcha.	5	4	3	2	1
	Sadarkaa Jireenya					
4	Ergan saganttaa Dhaabbata Mayikiroo Fayinansi kanatti dhufe booda, haalli qe'ee kootii akka fooyya'e natti dhagahama.	5	4	3	2	1
5	Ergan saganttaa Dhaabbata Mayikiroo Fayinansi kanatti hirmadhen booda, gostii fi baayinni nyaata fayyadamu dabaleera.	5	4	3	2	1
6	Ergan saganttaa Dhaabbata Mayikiroo Fayinansi kanatti makadhee qabiyyeen nyaata maatii kootii fooyya'eera.	5	4	3	2	1
7	Saganttaan kun qabeenya akka TV, Radiyoo, Sieree gaarii fi kan kana fakkaatan akkan horadhu na gargaareera.	5	4	3	2	1
8	Ergan saganttaa Mayikiroo fayinaansii kanatti hirmadhee ijoollee koo umriin isaanii barnootaaf qaqqabe hunda mana barnootaatti erguu dandda'eera.	5	4	3	2	1
9	Ergan saganttaa Mayikiroo faynaansii kanatti hirmaadheen	5	4	3	2	1

	booda, tajaajila yaalaa fi qorsaa kiliinikiitti yookan Hospitaalatti argachuu danda'eera.					
10	Ergan yeroo sagantaa Mayikiroo fayinansii kanatti hirmaadhee jalqabee sadarkaan jireenyaa maatii kootii foyyaa'inssa waliigalaa mulliseera.	5	4	3	2	1
	Employment / Qacaruu/Carraa hojii uummachuu					
11	Ergan saganttaa Mayikiroo faynaanssii kanatti hirmaadhe booda carraan hojii kootii guddateera.	5	4	3	2	1
12	Ergan saganttaa Mayikiroo faynaanssii kanatti hirmaadhe booda namoota kan biroo dhaabbata koo keessatti qaxareera.	5	4	3	2	1
13	Sagantaa Mayikiroo faaynaansii keessatti hirmaachuu kootiin carraa hojii uummadheera.	5	4	3	2	1
14	Carraa hojii dhabdummaa hirrisuuf yaalii godheera.	5	4	3	2	1
15	Sagantaa mayikiroo faynansii irratti hirmaachuu kiyyaan soda miira hojii dhabdummaa hirrisuuf yaaleera.	5	4	3	2	1
	ufitti amanamummaa					
16	Akka nama faayidaa qabu fi nama kaaniin walqixa ta'etti natti dhagahama,	5	4	3	2	1
17	Waa'ee kootii haala gaaritu natti dhagahama	5	4	3	2	1
18	Saganttaa Mayikiroo finansii kana hirmaachuu kootiif ittin boona.	5	4	3	2	1
19	Akkuma namoota kaanii, Anis waantan barbaadu gochuu nan danda'a.	5	4	3	2	1
20	Wantoota gaarii heddu akkan qabu natti dhagahama.	5	4	3	2	1
21	Wlumaagalatti Saganttaa Mayikiroo finansii kanatti hirmaachuu kootiin hojii kootitti itti quufinssa qaba.	5	4	3	2	1

Galatooma

Appendices B

Aggregated average data of variables in the study

	INDEPENDENT VARIABLES					DEPENDENT VARIABLES				
N	Micro-credit	Saving	Insurance	Training	MFI's Service	Income	Living standard	Employment	Self-confidence	Poverty reduction
360	3.24	2.88	1.85	2.24	2.55	3.63	3.09	3.19	3.31	3.31

Appendices C

SPSS output data

Reliability Statistics		
	Cronbach's Alpha	N of Items
MFI	.716	4
Pov.	.793	4

Descriptive Statistics for Independent variables				Descriptive Statistics for Independent variables			
	N	Mean	Std. Deviation		N	Mean	Std. Deviation
Micro-credit	360	3.2433	.47689	Income	360	3.6287	.33580
Saving	360	2.8792	.49014	Living standard	360	3.0893	.42022
Training	360	1.8523	.51115	Employment	360	3.1944	.54109
Insurance	360	2.2389	.61968	Self-confidence	360	3.3134	.44800
Micro-finance institution's service	360	2.5549	.38728	Poverty reduction	360	3.3064	.34728
Valid N (listwise)	360			Valid N (listwise)	360		

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605 ^a	.365	.358	.27823

a. Predictors: (Constant), Training, Microcredit, Insurance, Saving

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.826	4	3.956	51.107	.000 ^b
	Residual	27.482	355	.077		
	Total	43.307	359			

a. Dependent Variable: Poverty reduction

b. Predictors: (Constant), Training, Microcredit, Insurance, Saving

Summary for Coefficients of predictive variables in the study

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.892	.112		16.851	.000
	Microcredit	.137	.037	.188	3.738	.000
	Saving	.310	.037	.438	8.368	.000
	Insurance	-.037	.033	-.055	-1.121	.263
	Training	.065	.030	.116	2.191	.029

a. Dependent Variable: Poverty reduction

Correlations											
		Micro-credit	Saving	Training	Insurance	finance institution's	Income	Living standard	Employment	Self-confidence	Poverty reduction
Micro-credit	Pearson Correlation	1	.512**	.183**	.380**	.682**	.380**	.301**	.301**	.453**	.446**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
Saving	Pearson Correlation	.512**	1	.306**	.447**	.753**	.497**	.443**	.390**	.506**	.570**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
Training	Pearson Correlation	.183**	.306**	1	.493**	.679**	.253**	.132	.126	.064	.171**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.012	.017	.224	.001
	N	360	360	360	360	360	360	360	360	360	360
Insurance	Pearson Correlation	.380**	.447**	.493**	1	.821**	.315**	.238**	.274**	.316**	.356**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
Micro-finance institution's service	Pearson Correlation	.682**	.753**	.679**	.821**	1	.483**	.372**	.367**	.447**	.516**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
Income	Pearson Correlation	.380**	.497**	.253**	.315**	.483**	1	.470**	.403**	.418**	.676**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
Living standard	Pearson Correlation	.301**	.443**	.132	.238**	.372**	.470**	1	.567**	.589**	.826**
	Sig. (2-tailed)	.000	.000	.012	.000	.000	.000		.000	.000	.000
	N	360	360	360	360	360	360	360	360	360	360
Employment	Pearson Correlation	.301**	.390**	.126	.274**	.367**	.403**	.567**	1	.543**	.834**
	Sig. (2-tailed)	.000	.000	.017	.000	.000	.000	.000		.000	.000
	N	360	360	360	360	360	360	360	360	360	360
Self-confidence	Pearson Correlation	.453**	.506**	.064	.316**	.447**	.418**	.589**	.543**	1	.813**
	Sig. (2-tailed)	.000	.000	.224	.000	.000	.000	.000	.000		.000
	N	360	360	360	360	360	360	360	360	360	360
Poverty reduction	Pearson Correlation	.446**	.570**	.171**	.356**	.516**	.676**	.826**	.834**	.813**	1