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Chapter 1 : Publications - Drylands Coordination Group

5 *Proceedings of the Bi-Annual Conference on Microfinance Development in Ethiopia, (Mekelle, Tigray) Aug 5*
Proceedings of the Bi-Annual Conference on.

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timely public policy. Location map of the Abraha wa Atsebaha village in Tigray, northern Ethiopia. There was a change of government in Ethiopia in and Tigray became one of the nine autonomous regional states that constituted the Federal Democratic Republic of Ethiopia FDRE following the new federal constitution. The land also effective project in Tigray region that can serve as has to be cultivated multiple times instead of an example that is making itself sufficiency in food depending on the yearly seasonal rainfall. Even in production in the face of climate change and good seasons one production per annum would not variability. Abraha wa Atsebaha Village in Tigray Providing access to water would need physical The northeastern part of Tigray where Abreha wa investment but the kind of water source wells, Atsebaha is located Figure 1 , is one of the most micro dam, ponds, river diversion, individual vulnerable Figure 2 and prone to drought impacts surface harvesting, etc. In the village of Abraha wa Atsebaha, The experts did not come with while the progressive ones wanted high value crops predetermined production packages to impose on and vegetables that can be sold in the market. The participating farmers Initial information showed that farmers were were given choices between combinations of reluctant to borrow and invest even in the digging development packages. The program incorporated of wells. Funding for these activities was provided the adaptation of appropriate farm and water from the Safety Net Program and the farmers technologies with farmers training in horticulture contributed up to 40 days of annual free labor for and gardening. It provided bundled support water development, soil conservation and packages, including beehives, water pumps, seeds, maintenance works Nega et al. As Figure 3 fruit trees, and vegetable production as well as and Table 1 show Notably, some the total area of land in the village is used for participants initially refused to take the packages agriculture, sparse mixed land uses and dense for fear of loans, shortage of labor, and lack of mixed land uses, respectively. The extra income The key components of the intervention are access generated by selling surplus production would to water, micro-finance credit , technological allow households to fill the gap between what is packages and environmental rehabilitation. Its final objective has been to transform dug their shallow wells manually Figure 4. Initially, With the introduction of the bundled support 37 model farmers participated in the project, and packages, some farmers took full advantage of results indicate that many have tripled their these opportunities and succeeded in creating incomes. Those who implemented the packages wealth Robinson et al. Even the lowest of these earners are excelling, when compared with Table 1. Area cover of each land use land cover types the farmers outside the project. According to the in Abraha wa Atsebaha village in Tigray, northern respondent farmers and extension agent, there are Ethiopia S. Dense mixed Euclea schimperi 1 The irrigated land for their irrigation. The farmers were farmers used these to access water from ponds, able to sell vegetables and spices valued at 14 springs, the river, and wells. This is experimented with gravity-fed drip irrigation by income in addition to their traditional rain-fed filling water barrels placed on higher ground. The major constraint for even greater production remains water. Farmers hope that they Table 3. Vegetables output and price in Abraha wa Atsebaha will bring more land under irrigation once the plan village in Tigray, northern Ethiopia of REST to divert water from the nearby river is realized. The current average irrigated land per Year household is 0. A village Post- Unit committee resolves water-use disputes, and the farmers with whom we spoke had not experienced Ha 32 50 61 69 74 any shortage of water. Qnt 1 Ethiopian Currency measures include catchment area terracing, planting hedges along rivers, and protecting valley Many farmers in the village also cultivate slopes from soil erosion. The ultimate aim is to exotic fruit trees such as apple, avocado, citron, retain water and infuse it back into the land to help guava, papaya, lemon, mango, orange as well as recharge aquifers and ecological restoration coffee. Like the vegetables, the tree crops have also Environment Education Media Project, The slowly increased family revenues. As the trees dominant sources of water in the village are mature and yields increase, the households derive underground wells. The district irrigation agent reports that 3. Key Impacts of the Intervention there are some farmers with as many as fruit Initially, farmers used their new access to water to trees. Guava has become the dominant fruit tree, irrigate their traditional crops. As Table 2 shows, followed by papaya. The income from the sale of vegetables The size of irrigated land to produce traditional continuously increased between and Growth of fruit trees in

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Abraha wa Atsebha depleted by recurrent droughts. The revitalizations village in Tigray, northern Ethiopia of the forests helped the expansion of the bee industry as happened in other parts of Ethiopia Before Post Wood, Citron 30 85 31 Farmers say that they now harvest three times Coffee a year. This success is the result of the Mango 36 participation of the people at the local level, Orange 34 technical interventions, the provision of inputs, and Papaya the support and commitment from all levels of administration in the region. The access to water for irrigation and the Farmers say that in the past they defined introduced packages led the subsistence farmers to wealth in terms of land size and the number of grow diverse spices and vegetables during the dry animals a person owned; it is now determined by season. These include cabbage, mustard, potatoes, the number of wells and water pumps one owns. The than those with only one well. Due to the success of the As with all complex issues, when one experiment, most of the farmers have already constraint is solved a new one often emerges. One indicator of the Developing well-functioning markets has become success of the project is the number of homes being one such new challenge in this food security pilot newly built by the participating farmers. According to one key informant from the have also built rental houses and are earning irrigation promotion department of the Kilde- additional revenue. One year later in project include the vision that solutions for solving it was 6. In northern Ethiopia where the project is pay almost nothing for their produce but are the located creeping environmental conditions due to only means available to transport it to the big cities continuous land use for hundreds of years, where it sells at a huge profit. There is also a degradation of the environment and small land size tendency for farmers to grow food crops such as make it difficult to produce enough food for the corn on the irrigated plots, contrary to the advice of households even during a favorable rainfall season. The lesson second harvest as well as perennial sources of food of this experience is that the farmers need help in becomes very important. The best water marketing by making cooperatives so that they can infrastructure for the Abraha wa Atsebaha village transport their goods to the remote markets and was the digging of individual household wells and negotiate better prices. They also need storage and continuous basin conservation and management processing technologies. The second paradigm of the project was the lack of access to energy and they depend on the provision of inputs to the farmers but they have to direct use of biomass for fuel. This shows that to pay for it.

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Chapter 2 : Calamity - The Impact of Savings and Credit Cooperatives in Ofla Wereda Tigray Region of Ethiopia

Addis Ababa, Ethiopia paper published on AEMFI proceedings of the bi-annual conference of microfinance development in Ethiopia, Mekelle, Tigray. Krishnaswami, O. R., Kulandiswamy, V. (). Cooperation concept and theory.

The study will be conducted in the Tigray region of Northern Ethiopia. The interest in WII is because rainfall shocks such as drought adversely affect households and policy actors are considering WII as a potential intervention to mitigate the adverse effects. PSNP is a food and cash transfer programme for the rural poor, which the government and other agencies are seeking to expand and improve. This study, therefore, examines if WII can be introduced as a new form of social protection and integrated cost effectively into the existing national safety net. The research questions are: How can a fixed amount of the social protection budget be best allocated to the expansion of national safety net programmes? Should the government raise the amount of conditional cash transfers CCT or provide households with weather index insurance as a new form of social protection? What are the likely effects of the provision of weather index insurance on poor households? How do these effects compare with the effects of providing additional CCTs? Could weather index insurance complement the existing social safety net programme? Would the effects of weather index insurance be greater on agricultural production and investments and the effects of CCTs greater on current account consumption? What about long-term human capital investment? This study employs a randomized controlled trial RCT methodology and aims to construct panel data for rural households in Ethiopia consisting of three waves of data collection over a two-year period. The aim is to compare the effects and cost effectiveness of three different social protection scenarios among poor rural households in Ethiopia: Baseline, midline and endline surveys will be conducted. Additional data will be gathered through surveys with village and township leaders. The impacts of the interventions will be evaluated in terms of different social and economic outcomes in both the short- and medium-terms through econometric analysis of the panel dataset constructed. The study will provide evidence of the outcomes of agricultural weather index insurance as an additional component of the safety net programme, which policy-makers can then draw on when formulating social protection interventions. This is particularly important in the context of ongoing efforts to expand and improve the PSNP. Knowledge activities will include workshops and panel discussions with diverse policy actors. Further dissemination of the research findings will be done through the print media, journal publications, policy briefs and conference proceedings.

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Chapter 3 : Proceedings | Ethiopian Economic Association

Papers and proceedings of the 8th Biennial Conference of AEMFI: October , Hawassa, Ethiopia Notes Proceedings of the 8th Biennial Conference on Development of Microfinance in Ethiopia held in Hawassa, Ethiopia, October

Tigray is the homeland of the Tigrayan , Irob and Kunama peoples. Tigray is also known as Region 1 according to the federal constitution. Its capital and largest city is Mekelle. Tigray is the 6th largest by area, the 5th most populous, and the 5th most densely populated of the 9 Regional States. The greatest part of the population ca. Tigray is bordered by Eritrea to the north, Sudan to the west, the Afar Region to the east, and the Amhara Region to the south and southwest. There is also the historically significant town of Yeha. The government of Tigray is composed of the executive branch, led by the President; the legislative branch, which comprises the State Council; and the judicial branch, which is led by the state Supreme Court. This lasted until the rise of one of these polities during the first century BC, the Aksumite Kingdom. The ancestor of medieval and modern Eritrea and Ethiopia, Aksum was able to reunite the area. The Kingdom of Aksum was a trading empire centered in Eritrea and northern Ethiopia. The Kingdom used the name "Ethiopia" as early as the 4th century. The capital city of the empire was Aksum , now in northern Ethiopia. Today a smaller community, the city of Aksum was once a bustling metropolis, cultural and economic center. Two hills and two streams lie on the east and west expanses of the city; perhaps providing the initial impetus for settling this area. Along the hills and plain outside the city, the Aksumites had cemeteries with elaborate grave stones called stelae , or obelisks. By the reign of Endubis in the late 3rd century, it had begun minting its own currency and was named by Mani as one of the four great powers of his time along with Persia , Rome , and China. It converted to Christianity in or under King Ezana and was the first state ever to use the image of the cross on its coins. The governor of the northern province received the title Baher Neagsh Ruler of the sea , whereas the governor of the southern province was given the title of Tigray Mekonen Lord of Tigray. He also stated that Tigray-Mereb Melash was divided into twenty-four smaller political units principalities , twelve of which were located south of the Mereb and governed by the Tigray Mekonen based in Enderta. Other districts included Akkele Guzay now part of Eritrea , and the kingdom of the Bahr negus , who ruled much of what is now Eritrea and Shire district and town in Western Tigray. At the time when Tigray Mekonnen existed simultaneously with that of Bahr negus, their frontier seems to have been the Mareb River , which is currently constitutes the border between the Ethiopian province of Tigray and Eritrea. Palace of Yohannes IV. Rulers of Tigray such as Ras Wolde Selassie alternated with others, chiefly those of Begemder or Yeju, as warlords to rule in fact the Ethiopian monarchy during the Zemene Mesafint. In the midth century, the lords of Tembien and Enderta managed to create an overlordship of Tigray to their dynasty. Following his death in the Battle of Metemma , the Ethiopian throne came under the control of the king of Shewa , and the center of power shifted south and away from Tigray. The gerreb sent representatives to a central congress, called the shengo, which elected leaders and established a military command system. Although the Woyane rebellion of had shortcomings as a prototype revolution, historians, however, agree that the Woyane rebellion had involved a fairly high level of spontaneity and peasant initiative. It demonstrated considerable popular participation and reflected widely shared grievances. The uprising was unequivocally and specifically directed against the central Shoan Amhara regime of Haile Selassie I, rather than the Tigrayan imperial elite. Ethiopian Civil War After the February popular revolution, the first signal of any mass uprising was the actions of the soldiers of the 4th Brigade of the 4th Army Division in Nagelle in southern Ethiopia. In July the Derg obtained key concessions from the emperor, Haile Selassie , which included the power to arrest not only military officers but government officials at every level. Soon both former Prime Ministers Tsehafi Tazaz Akililu Habte-Wold and Endelkachew Makonnen , along with most of their cabinets, most regional governors, many senior military officers and officials of the Imperial court were imprisoned. In August, after a proposed constitution creating a constitutional monarchy was presented to the emperor, the Derg began a program of dismantling the

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imperial government in order to forestall further developments in that direction. The Derg deposed and imprisoned the emperor on September 12, In addition, the Derg in nationalized most industries and private and somewhat secure urban real-estate holdings. Instead, per capita income declined 0. Famine scholar Alex de Waal observes that while the famine that struck the country in the mids is usually ascribed to drought, "closer investigation shows that widespread drought occurred only some months after the famine was already under way. John Young, who visited the area several times in the early s, attributes this delay in part to "Budgetary restraints, structural readjustments, and lack of awareness in Addis Ababa of conditions in the province", but notes "an equally significant obstacle was posed by an entrenched, and largely Amhara dominated central bureaucracy which used its power to block even authorised funds from reaching all regions. The ruling party attempted to address these challenges in forums with its middle class critics, as well as the establishment of a number of charitable non-governmental organizations controlled by the EPRDF, which include Endowment Fund for the Rehabilitation of Tigray, Relief Society of Tigray , and Tigray Development Association. In , war erupted between Eritrea and Ethiopia over a portion of territory that had been administered at part of Tigray, which included the town of Badme. Following a United Nations decision, much of this land was awarded to Eritrea, so far however, Ethiopia has refused to implement the final and binding ruling and as a result, relation with Eritrea is very tense. From to the president of Tigray was Gebru Asrat and from to the president was Tsegay Berhe In , war erupted between Eritrea and Ethiopia over a portion of territory that had been administered at part of Tigray, which included the town of Badme. Other Tigray cities functioning as centers of Ethiopian metropolitan areas include:

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Chapter 4 : Tigray Region - WikiVisually

Proceedings of the Bi-Annual Conference on Microfinance Development in Ethiopia, Mekelle, Tigray: recent experiences of microfinance institutions in Ethiopia: growth, sustainability and empowerment Conference on Microfinance Development in Ethiopia (Mek'el'ÄÄ, Ethiopia).

This lasted until the rise of one of these polities during the first century BC, the Aksumite Kingdom. The ancestor of medieval and modern Eritrea and Ethiopia, Aksum was able to reunite the area. The Kingdom of Aksum was a trading empire centered in Eritrea and northern Ethiopia. The Kingdom used the name "Ethiopia" as early as the 4th century. The capital city of the empire was Aksum , now in northern Ethiopia. Today a smaller community, the city of Aksum was once a bustling metropolis, cultural and economic center. Two hills and two streams lie on the east and west expanses of the city; perhaps providing the initial impetus for settling this area. Along the hills and plain outside the city, the Aksumites had cemeteries with elaborate grave stones called stelae , or obelisks. By the reign of Endubis in the late 3rd century, it had begun minting its own currency and was named by Mani as one of the four great powers of his time along with Persia , Rome , and China. It converted to Christianity in or under King Ezana and was the first state ever to use the image of the cross on its coins. The governor of the northern province received the title Baher Neagsh Ruler of the sea , whereas the governor of the southern province was given the title of Tigray Mekonen Lord of Tigray. He also stated that Tigray-Mereb Melash was divided into twenty-four smaller political units principalities , twelve of which were located south of the Mereb and governed by the Tigray Mekonen based in Enderta. Other districts included Akkele Guzay now part of Eritrea , and the kingdom of the Bahr negus , who ruled much of what is now Eritrea and Shire district and town in Western Tigray. At the time when Tigray Meknonnen existed simultaneously with that of Bahr negus, their frontier seems to have been the Mareb River , which is currently constitutes the border between the Ethiopian province of Tigray and Eritrea. Palace of Yohannes IV. Rulers of Tigray such as Ras Wolde Selassie alternated with others, chiefly those of Begemder or Yejju , as warlords to rule in fact the Ethiopian monarchy during the Zemene Mesafint. In the midth century, the lords of Tembien and Enderta managed to create an overlordship of Tigray to their dynasty. Following his death in the Battle of Metemma , the Ethiopian throne came under the control of the king of Shewa , and the center of power shifted south and away from Tigray. The gerreb sent representatives to a central congress, called the shengo, which elected leaders and established a military command system. Although the Woyane rebellion of had shortcomings as a prototype revolution, historians, however, agree that the Woyane rebellion had involved a fairly high level of spontaneity and peasant initiative. It demonstrated considerable popular participation and reflected widely shared grievances. The uprising was unequivocally and specifically directed against the central Shoan Amhara regime of Haile Selassie I, rather than the Tigrayan imperial elite. Ethiopian Civil War[edit] After the February popular revolution, the first signal of any mass uprising was the actions of the soldiers of the 4th Brigade of the 4th Army Division in Nagelle in southern Ethiopia. In July the Derg obtained key concessions from the emperor, Haile Selassie , which included the power to arrest not only military officers but government officials at every level. Soon both former Prime Ministers Tsehafi Taezaz Aklilu Habte-Wold and Endelkachew Makonnen , along with most of their cabinets, most regional governors, many senior military officers and officials of the Imperial court were imprisoned. In August, after a proposed constitution creating a constitutional monarchy was presented to the emperor, the Derg began a program of dismantling the imperial government in order to forestall further developments in that direction. The Derg deposed and imprisoned the emperor on September 12, In addition, the Derg in nationalized most industries and private and somewhat secure urban real-estate holdings. Instead, per capita income declined 0. Famine scholar Alex de Waal observes that while the famine that struck the country in the mids is usually ascribed to drought, "closer investigation shows that widespread drought occurred only some months after the famine was already under way. John Young, who visited the area several times in the early s, attributes this delay in part to

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"Budgetary restraints, structural readjustments, and lack of awareness in Addis Ababa of conditions in the province", but notes "an equally significant obstacle was posed by an entrenched, and largely Amhara dominated central bureaucracy which used its power to block even authorised funds from reaching all regions. The ruling party attempted to address these challenges in forums with its middle class critics, as well as the establishment of a number of charitable non-governmental organizations controlled by the EPRDF, which include Endowment Fund for the Rehabilitation of Tigray, Relief Society of Tigray , and Tigray Development Association. In , war erupted between Eritrea and Ethiopia over a portion of territory that had been administered at part of Tigray, which included the town of Badme. Following a United Nations decision, much of this land was awarded to Eritrea, so far however, Ethiopia has refused to implement the final and binding ruling and as a result, relation with Eritrea is very tense. From to the president of Tigray was Gebru Asrat and from to the president was Tsegay Berhe In , war erupted between Eritrea and Ethiopia over a portion of territory that had been administered at part of Tigray, which included the town of Badme.

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Chapter 5 : Microfinancing and Poverty Reduction in Ethiopia | Nigist Woldeselassie - www.nxgvision.com

"Managing growth of microfinance institutions: balancing sustainability and reaching large number of clients in Ethiopia," Proceedings of the bi-annual conference on microfinance development in Ethiopia, pages , Association of Ethiopian Microfinance Institutions (AEMFI), , Ethiopia.

The loan services revealed RUSACCOs are providing effective loan services and following good credit appraisal technique, stringent credit policy and acceptable interest rate on loan. RUSACCOs are facing many challenges in facilitating rural financing such as difficulty on meeting members loan demand, poor infrastructural facilities causes high transaction costs, too much competition from other financial institutions, problem of loan able funds forces external credit cost of borrowing burden , lack of technical assistance from promotion officers, low attention from government bureau, lack of professionals in the sector and limitation on education and training for employed workers at union level and elected committees at primary level. Financial ratio analysis and interest rate setting for saving and credit cooperatives. Work shop held on July , Addis Ababa: Branch Brian and Christopher Baker. Overcoming Credit Union Governance Problems. Baseline Data and Report. Working with saving and credit cooperatives. Statistical base line report. Comparative Analysis of Savings Mobilization Strategies. Financial Systems and Development: Ghana Cooperative Susu Collectors Association. A Technical Guide to Savings Mobilization: Lessons from the Credit Union Experience. World Council of Credit Unions, Inc. The experience of Oromia credit and saving Share Company in growth management. Cooperation concept and theory. Development in saving and credit cooperatives in Ethiopia: Baseline Data and report. Sustainable finance for the poor. World Bank Schmidt, R. Journal of International Development 8 2 , pp. Providing Financial Services in Rural Areas: A Fresh Look at Financial Cooperatives. Successful Rural Finance Institutions: World Bank Discussion Paper Rural Finance for Food Security for the Poor: Implication for Research and Policy. This work is licensed under a Creative Commons Attribution 3.

Chapter 6 : Tigray Region | Revolv

The Development of the Microfinance industry in Ethiopia: performance, problems and prospects. Abstract: The delivery of financial services in Ethiopia through the MF is has increased in a brief period of time.

Empirical Multiple Regression Model This study is intended to analyze which and how much the hypothesized regressors European Journal of Business and Management 2. Ofla Wereda is selected for the study purposively because of the availability of more number of SACCOs, with documented records. The survey was conducted during the year and a total of four SACCO with members were analyzed. The study has adopted random sampling procedure for the selection of the members. The data analysis employed various statistical tools like correlation and regression. The correlation analysis reveals that the independent variables years of stay in the SACCO, savings, size of loan, and number of times loan availed have significant positive correlation with post income of the respondents. Similarly, there is significant and positive correlation between years of stay in the SACCO, size of loan, and number of times loan availed and profit from economic activities, while the variable savings has significant negative correlation with the profit. The regression analysis reveals that the independent variables such as savings and number of times loan availed have significant positive relationship with the post income, while the variables education and years of stay in the SACCO have significant negative relationship with the post income, contrary to what was expected. Non members stated that no perceived benefits, lack of information and high interest on loan were perceived as problems of SACCOs. Therefore, concerted efforts are needed to organize seminars and campaigns to create awareness about SACCO. Introduction Ethiopia has implemented various projects and programs that aim at increasing production and food self-sufficiency. For instance, at the beginning of the s, a broad spectrum of reform has been introduced among which the Agricultural Development-led Industrialization Strategy ADLI stood as the prime vehicle to address poverty and food security Yohannes However, in the context of achieving economic growth, actors of development have not been given the chance to get involved in the whole process of socioeconomic transformation for quite a long time. As a result, deteriorating economic conditions started to be observed in the country. Therefore, if economic growth is to be achieved, NGOs and private sectors should join hands Elias, ; Fitsum, ; Helmsing, and Kirkpatrick, In this regard, saving and credit cooperatives are integral part of the financial system by which communities are mobilized to engage in productive activities so as to generate income, create employment opportunities, stimulate the economy of a well-defined area and thereby improve their livelihood situation Gebeyehu, European Journal of Business and Management www. However, it is hypothesized for this study that here exist positive correlations among education , age, family size, credit, saving, number of times loan availed, land size, years of stay in the SACCO ,number of days employed per annum. Thus, this study is organized as follows: Methodology of the study is described in third section. The fourth section provides details of the results and analysis of the available data and the final section presents the main conclusions and recommendation. Review of Related Literature In Ethiopia, successive regimes, starting from the Imperial period to the EPRDF government, gave due recognition to the role of coops and made deliberate effort to promote the same. However, the principles and approaches followed were markedly different, reflecting the political thinking and ideology of the regimes. In its Five Year Development Plan, the Imperial regime envisaged an important role for coops in transforming smallholding agriculture. Thus, it set the stage by providing the first legal framework the Farmer Workers Cooperative Decree No. The legal framework was relatively comprehensive and contained most of the essential contents of the legal framework issued more than three decades later in and coops were rightly viewed as primarily voluntary undertakings. However, success was limited. The Military regime, which viewed coops as a key instrument to build a socialist economy pursued the cooperatives agenda more aggressively. Whereas number of coops and membership size were relatively large, it is not regarded as a particular success for a number of reasons for details see Partners Consultancy and Information Services,

Coops were so unpopular that following the demise of the Derg regime in most of them disappeared quickly. What is worse is that they dissolved in such a disorderly manner. In an attempt for a fresh start with promotion of cooperatives, the incumbent government issued a new legal framework Proclamation No. In addition to being comprehensive it incorporated universally accepted principles of cooperatives. SACCOs, which were only during the Derg period with membership of , , reached 5, with membership of , , currently constituting the second most common type of coops next to housing coops in the country in terms of both number and membership. As coops, SACCOs are expected to play their share in the bringing about broad based development and poverty alleviation. Based on the above review of literature, the researcher can say that there are some studies about SACCO in Ethiopia and other countries, however, there is no in depth study has ever been done in Ofla wereda because of probably lack of sufficient information, and because of their unfamiliarity with the enterprise. Like any other study, this study is also not without its limitations. Due to the resource and time constraints, the sample survey was carried out only in four RUSACCO in Ofla wereda, which of course represent Tigray region, but may not represent Ethiopia as a whole. Empirical Multiple Regression Model This study is intended to analyze which and how much the hypothesized regressors European Journal of Business and Management www. From the mathematical point of view the multiple regression model is used due to its simplicity and flexibility in the analysis of dichotomous outcome variable. Montgomery Therefore, the multiple regression model is specified as follows: This model describes a hyper plane in the k-dimensional space of the regressor variables x_j . In multiple regression problems certain tests of hypothesis about the model parameter are useful in measuring model adequacy. The test for significance of regression is a test to determine if there is a linear relationship between the response y and any of the regressor variables x_1, x_2, \dots . Separate tests of the null hypothesis that individual coefficients are zero can be computed using t-test of the multiple linear regression models Gujarati, This test can be used to see the statistical significance of each coefficient. An overall test of the null hypothesis that all the parameters associated with the explanatory variables in these models are equal to zero is an F-test based on the Ordinary Least Square OLS estimation procedure. The Chi-square tests the null hypothesis that the coefficients for all terms in the current model except the constant which is zero. The appropriate hypotheses are: However, a large value of R^2 does not necessarily imply that the regression model is a good one. Adding a regressor to the model will always increase R^2 regardless of whether or not the additional regressor contributes to the model. Thus it is possible for models that have large values of R^2 to perform poorly in prediction or estimation. That is, R is a measure of the linear association between y and x_1, x_2, \dots, x_k . The functional relationship between the probability of improvement in income and explanatory variables is specified as follows: Data Set For the purpose of the study both qualitative and quantitative data have been collected through primary and secondary sources. Ofla wereda was selected purposively for the present study because of the following reasons availability of more number of SACCOs, member credit history is relatively good, and the records are all well documented. For this study two stage simple random sampling method was used to select the SACCO and individual sample respondents. Taking in to consideration time and budget for this particular study, the survey covered six administrative tabias 2of the Wereda. The survey was conducted during the year and all the four selected RUSACCO had four or more years of functioning and more than 50 members each. A multistage sampling procedure was followed to select the non-member respondents. Descriptive Analysis In this section, impact of the SACCO on the respondent is analyzed in terms of change in income and in family living condition. The change in family condition is measured in terms of the amount of saving, education, and consumption expenditure. The sampled households constitute various socioeconomic features. Of the member respondents, 2 Tabias tabia for one are the lowest administrative ubits in the wereda. A group of tabias makeup Wereda District. European Journal of Business and Management www. The average family size is 4. The large number of dependents family size could exert pressure on household access for credit and meager for thrift, since this might lead to greater loan diversion. Loan may be diverted because household expenditures could be higher with larger family size. The average age of sample respondents is about Land is

considered as the basis of livelihood for the majority of the rural population. The average land holding of the sample respondents is 0. The minimum and maximum land holding sizes are 0 and 1 hectares, respectively. The majority of the respondents Land ownership serves as a good indicator of the initial endowment position of participating households in the savings and credit cooperatives since the household head may need to borrow loan for input purchasing like fertilizer, chemicals and improved seeds. Conversely, participation in economic activities also determines their economic status. As most of the RUSACCO members in the study area own land, their livelihood basically depends on agricultural activities like crop production and animal husbandry. It is followed by the trading activities, which engage Among the petty trading activities, most popular activities carried out by RUSACCO members are grain and cereal selling, Kiosk Small shop , cloth selling, fruits and vegetable selling and utensils trading. On the other hand, only Which include sherobet, pastry and tea, radio and tape repairing and hair cut salon. Furthermore, the service sector is going to be a key driver of growth in the near term, which is evident from the opening up of many service sector units recently. For example, in a small village towns like Hugumberda 25km from the Wereda capital, Korem , mobile repair shop, pastry and tea, and hair cut salon have come up in the same street within the last one year. Characteristics of the population Table2 in the Annex brings out the fact that the proportion of borrowers by gender and level of educational status in the study areas. Out of sample household respondents, Categories of borrowers using productive loans were mostly men Hence, it can be concluded that there are significant differences between men and women in terms of loans borrowing. This difference may be basically due to men dominated the membership. Moreover, the mean of borrowed loan of members, arebirr, the standard-deviation is birr, the minimum and the maximum value of the observations are 0 and birr respectively. Purpose for which borrowed The loans delivered to the respondents through the SACCO have been invested in variety of micro and small enterprise such as agriculture, trade and service activities. Results of the study show that The reason being in remote rural areas their livelihood depends on agricultural activities. It is further observed that On other hand, the share of loans for agriculture is higher This may be attributed to the fact that the respondents borrowed for the purchase of agricultural inputs like fertilizer, chemicals, pesticide and improved seeds. Due to the continued access to loans, members can reduce dependence on other sources of borrowing money lenders in exorbitant interest charge and as they get timely and usually a higher repeat loan; they can seize the emerging business opportunities in a better way. Table 3 in the Annex presents the number of times loan availed by the sample respondents in the study area. It is found that Where as, the percentage of respondents who availed loans for three times By availing repeated loan, the SACCO members can make investment to start new business and expansion of the existing business, which will improve the income and the living standard of the members.