

The activities, benefits, and challenges of Awada women's self-help groups in empowering women in Sidama region, southern Ethiopia

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Abstract *The aim of this contribution is to assess the activities, benefits, and challenges of Awada women self-help groups (SHGs) in empowering women in the Sidama region of southern Ethiopia. SHGs target resource-constrained women and make a tremendous contribution to concerted efforts to reduce poverty and empower women. They are important to both for women's empowerment and development, and can be found in various countries of the world – USA, UK, India, etc. In Ethiopia, SHGs were introduced in 2002. The findings of the study reveal that SHGs enable members to increase their savings and to access loans. They also serve as a platform from which group members become active participants in the affairs of their respective localities. The study also shows that SHGs contribute toward reducing women's dependence on men, building their self-confidence, enabling them to think and act independently and to value their dignity and participate in decision making at family and community levels.*

Introduction

In Ethiopia, as in many of African countries, women are the backbone of the food production system. Women have been proved to be a valuable resource and an asset for the country, with the ability to handling multiple tasks simultaneously in a way that may be not so easy for men (Afroz 2010; Chalchissa Amentie/Emnet Negash 2013). As women make up more than half of the total population in most developing countries, it is important to utilize them effectively so that the talent of the whole population is optimally used (Afroz 2010). Consequently, the sustainability of a country's economy depends on the extent to which women participate in public decision making and the inclusion of their needs and interests in policy, which ultimately helps to ensure good governance (Abebayehu Chama Didana 2019:30).

Studies on rural women in Ethiopia reveal that women account for 70 per cent of the household food production. Their share in the total agricultural labour force is considerable: about 48 per cent of the agricultural labour force derives from female

family members (Ministry of Agriculture 2011). Thus, any political, economic and social activity that does not incorporate and benefit women cannot be fruitful because it would be based on less than half of the country's labour force, half the knowledge, and half the effort that is available in the country (Abebayehu Chama Didana 2019).

Despite the contribution made by women, they are a poorer and less educated section of the Ethiopian population and are to a large extent financially dependent on their husbands or relatives (Dejene Mamo Bekana 2020). To change this scenario, the federal government of Ethiopia made an explicit commitment to the development of women, announcing the creation of a Women's Affairs Office at the Prime Minister Office in 1992 (Karunakaran/Huka 2018). This was followed by the enacting of the National Policy on Women (referred to as the Women's Policy) in 1993. Moreover, Article 25 of the 1994 Constitution guarantees all people equality before the law and prohibits any discrimination on the grounds of gender. Article 35 states the principles of equality of access to economic opportunities, including the right to equality in employment and land ownership (Schonard/Socea 2022). In addition, key government programs and strategies, including the Plan for Accelerated and Sustained Development to End Poverty (PASDEP: 2005/2010 (Federal Democratic Republic of Ethiopia 2005)) and the Growth and Transformation Plan (GTP: 2010/11-2014/15 (Growth and Transformation Program 2011)) pay special attention to women and their legitimate claim for social, economic, and political inclusion (Nigatu Regassa/Tesfaye Semela 2015).

While these developments reflect an improving broader legal and policy context for women and the poor of both sexes, at the grassroots level, barriers to economic development still remain.

For a long time, local associations such as *equbs*¹, a form of rotating savings and credit association (ROSCA), have played an important role in this regard. To be able to participate in, and benefit from, practices such as *equb* – the weekly, biweekly, or monthly pooling of money – however, requires a sustainable source of money. This means that many rural and urban poor are excluded. More recently, credit and savings cooperatives from which beneficiaries take loans to invest in different kinds of small-scale business or income generating activities have also become important sources of funds (Fekadu Negusie 2014:28). However, experience shows that women who take loans from these credit and savings associations can barely save the small

1 *Equb* is a traditional savings and credit institution with a rotating fund system of saving, whereby people form groups and pay periodically a fixed amount of money. This is collected in a common pool, so that, in rotation, each member of the group can receive one large sum (Yonas Bessir 2017). "*Equb* is an informal institution established voluntarily to collect a specific amount of money from the members on a specific date to be paid on round and lottery basis to the members. The members know each other and thus trust each other to make the *equb* function smoothly" (Kiros Habtu 2012).

profit they make. Most of them even find it hard to repay their loans at the designated time. As a result, many of them face legal measures by the credit associations. Development scholars agree that this is because the loan beneficiaries do not have a part in the process of pooling the financial resources. Since the beneficiaries do not contribute to the fund, they do not have the sense of ownership that would make them loyal to the bylaws formulated by the organizations from which such loans come.

In the context of the challenges associated with *equb* associations, self-help groups (SHGs) have emerged as an alternative source of loans for the rural and urban poor. Indeed, a number of NGOs are now encouraging a move away toward an SHG approach (Fekadu Negusie 2014:28). SHGs have some elements of *equbs*. Like *equbs*, they are based on money pooled by members. However, in the *equbs* money moves or rotates among the members on the basis of a lottery until the last member receives his/her turn; in an SHG, money moves around in the form of loan that involves interest,² albeit a nominal amount compared to the interest charged by other sources of finance, such as savings and credit associations. Membership in SHGs leads to being active in *equb* groups and vice versa. Most SHG members in our study area, after saving for some months (usually 6–12 months), got the chance to obtain a loan and begin a business, and were thereby able to join an *equb* to boost their earnings. This would eventually help change livelihoods at family and community levels. Thus, SHGs can be used as a gateway for participation in an *equb* association.

Table 1: Summary of the major differences between *equbs* and SHGs

	features	differences	
		<i>equbs</i>	SHGs
1	type	As ROSCAs, money moves or rotates among members based on the lottery system until the last member receives his/her turn.	Money moves among members in the form of a loan that involves interest, though nominal compared to other sources of finance, such as savings and credit association.
2	initiated by	Members	Usually by NGOs
3	size of members	The number of members varies, as does the amount of capital they have.	The number of members usually does not exceed 13–20.

2 In the study area, SHGs lend out money with an interest rate of only 5 per cent.

	features	differences	
		<i>equbs</i>	SHGs
4	member-ship	People with various socioeconomic statuses.	People with similar socioeconomic status, often the poor.
5	duration	It terminates after each member has received the collected /saved money pot once.	Permanent, unless it is dispersed due to various reasons.
6	loanable fund³	Not available in the hands of treasurer or in banks.	Available in the hands of the treasurer/or in the bank.
7	orientation	Often economic	Economic, social, and political
8	motive	Individual drive for financial change /growth or a mechanism for saving money.	Serve as a development strategy to empower and enable poor people.
9	interest payment	They do not charge interest on the money they distribute.	They charge interest on the money they distribute.

An SHG is an informal association of small, economically homogeneous group of people in a village or urban neighbourhood that has the principal objective of empowering poor women (and men) economically, socially, politically, institutionally, and spiritually. SHGs can serve as a development strategy to empower and enable poor people to utilize the existing assets and bring real change in their life and among the community (Yohannes Mindaye 2014). Usually, the number of members in an SHG does not exceed 20 and comprises very poor people who do not have access to formal financial institutions. SHGs act as the forum for the members to provide space and support to each other. In SHGs, the rural poor voluntarily come together to save small amounts regularly, which are deposited in a common fund to meet members' emergency needs and for establishing businesses (Pandey 2014). The SHG approach encourages poor women to lift themselves out of poverty through making regular (weekly or biweekly) savings, and giving them access to internal and external loans and intensive capacity-building training to begin and expand small business and income-generating activities. It is founded on the principle that women can realize their potential and work towards their own development. A focus on attitudinal change is central to the approach, and the outcome is material well-being along with

3 A loanable fund is the sum total of all the money people and entities in an economy have decided to save and lend out to borrowers as an investment rather than use for personal consumption.

social and political development and empowerment (Lawson-McDowall et al. 2016). Whether called saving groups (SGs) or self-help groups SHGs, these NGO-promoted organizations are ROSCAs and use similar modalities to accomplish the same goals. However, the five NGOs that work on these groups in Ethiopia (CARE, CST,⁴ Tearfund,⁵ CoSAP,⁶ and Oxfam) have slightly different philosophical approaches to their work. Those that prefer the label 'savings group' (CARE and CST) view their work in more instrumental terms and provide members with services that facilitate market access. Those that prefer the label 'self-help group' (Tearfund, CoSAP and Oxfam) take a more rights-based approach and focus on empowering their members to solve their own problems (Lawson-McDowall et al. 2016).

According to the report of Kindernothilfe,⁷ between the introduction of SHGs in Ethiopia in 2002 and 2008, about 25 local NGOs implemented more than 40 SHG-based projects. Over these six years, 2,958 SHGs were established. Some 49,910 women, with a total of 192,117 children, had actively participated in the SHGs, which had proven to be successful in changing the lives of their members and their families for the better (Kindernothilfe 2008). In 2014, the number of SHGs in Ethiopia rose to 20,000, with a total of about 400,000 members (Gebre Yntiso et al. 2014:5).

So far, the SHGs have made significant progress in creating opportunities for powerless and voiceless people, particularly women, to unleash their potential and alleviate poverty. However, the approach has not yet been given enough attention by academics, NGOs, and the government looking at development policies, strategies, and activities. There are a few NGOs (noted above) working on the approach especially in urban areas of Ethiopia (Yohannes Mindaye 2014). To list some of the few studies on the topic, Gebre Yntiso et al. (2014) conducted a rapid assessment of SHGs in Ethiopia. This study was not detailed enough to show what these groups look like at grassroots level. Bezabih Tolosa (2007) investigated the socio-economic

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- 4 CST represents the overseas development and humanitarian agencies of the Catholic Church from England and Wales (CAFOD), Scotland (SCIAF), and Ireland (Trócaire).
 - 5 Tearfund is a UK-based, Christian INGO working in over 45 of the poorest countries around the world to lift people out of poverty using local partners and churches wherever possible. The Ethiopian Kalehiwot Church (EKHC) is an implementing partner of Tearfund. Tearfund's major objective is tackling economic empowerment and social norm change, that is, the social and economic empowerment of poor and vulnerable communities to move them out of poverty (Lawson-McDowall et al. 2016).
 - 6 CoSAP is a consortium of self-help group approach promoters.
 - 7 Kindernothilfe (KNH) is a charity organization and was founded in 1959 by a group of Christians in Duisburg, Germany, in order to help needy children in India. Over time, it has become one of the largest Christian organizations in Europe for children's aid (<https://www.devex.com/organizations/kindernothilfe-40000>).

impacts of SHGs in five *kebeles*⁸ of Adama city. His study appreciates the positive contributions SHGs make to enhancing the life of members; it also points to challenges such as loose group integration and the absence of accountability on the part of office holders in such groups.

The overall aim of the current study is to assess the activities, benefits, and challenges of Awada women SHGs in empowering women of Dale *woreda*⁹ in Sidama region, southern Ethiopia. The study specifically attempts to describe what SHGs means to them and how they benefit them; to explore SHGs' roles in promoting grassroots-level participation and democratization; to examine the changes occurring in the lives of the SHG members; and to identify the challenges encountered by the groups. The study will help disseminate the positive experiences of SHG members to other rural areas in the region and beyond, and could broaden the existing literature and knowledge on women's empowerment and development through SHGs, initiating further research interest in the topic.

Our study focuses on six women's SHGs in Awada *kebele* of Dale *woreda* (which amounts to 25 per cent of the women's SHGs in the *woreda*). Dale is one of 37 *woredas* in Sidama region; it is also one of the four *woredas* (the others being Shebedino, Boricha, and Loka Abaya) in which SHGs have been established in the region. In Dale *woreda*, there are 36 rural *kebeles* and three rural towns. SHGs have been introduced in eight rural *kebeles*. The approach was introduced by the Kalehiwot Church Development Program (KHCDP) in 2002 to empower and develop the rural poor. Since then, it has been actively functioning in the *woreda*. There are 24 women's, 22 men's, and 33 mixed SHGs in these eight *kebeles*. In each *kebele*, one SHG facilitator is assigned by Kalehiwot church. The total number of members in the 79 SHGs is 1359.

In addition to the SHG members, *kebele* officials, Kalehiwot Church development program leaders, micro- and small- enterprise development agencies, and a *kebele* agricultural development agent also took part in the study. Purposive sampling was used as a technique to draw informants from the total population of the *kebele*. As this was qualitative research, ongoing thematic organization, analysis and interpretation was carried out as of the very first day of the fieldwork. To enrich the findings of primary sources and triangulate them, secondary sources were also used. The most important primary data collection instruments employed included structured observation, in-depth interviews, focus group discussions (FGD), and case studies. The SHGs' bylaws, bookkeeping, document management, small-business materials, and members' day-to-day relationships were examined through structured observation, which involved participation in their weekly meetings.

8 *Kebele* is the smallest unit of administration below *woreda*.

9 *Woreda* is an administrative unit above *kebele*.

The nexus between empowerment and SHGs

Empowerment can be defined as the process of multiplying power or creating autonomy in a social system to help an individual take charge of their efforts; it promotes the ability to act collectively to solve problems, influence important issues, and contribute to the achievement of main objectives. The fundamentals of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence (Kabeer 2001).

Empowerment is related more directly with power, as “a multidimensional and interlinked process of change in power relations” (Mayoux 2000). It helps people to realize and recognize their internal power and exercise it for the benefit of themselves and others. Two points are worth noting in this regard. First, the core of the empowerment process is the individual. Therefore, each individual must take charge of empowering herself/himself. Second, empowerment is both a process and an outcome and, hence, must be visualized in this perspective. All the tools of empowerment can be categorized into two groups: structural and process interventions. In the former we mainly include political action and policy commitment, while the latter involves social commitment and action on the part of the disempowered themselves. The SHG approach falls into the second category (Pandey 2014).

SHGs are formed in response to a particular issue, such as limited income-generating opportunities, or a common goal, based on members' felt needs. Some of the major characteristic features of SHGs include regular meetings among members, voluntary membership, regular saving, active participation, democratic decision making, rotational leadership, and having bylaws by which members' behaviour is governed.

The SHG approach promotes complex aspects of development that contribute to members' capacity and well-being, such as training programs in accounting and bookkeeping, leadership, self-realization, confidence, decision making, and dealing with banks and government officials (Nagarajan/Ponnusamy 2019). Accordingly, a SHG is a community-based finance and self-governing, domestic institution that acts as a mechanism to strengthen the community through collective action and enable women to acquire power (Quiroz-Niño/Murga-Menoyo 2017).

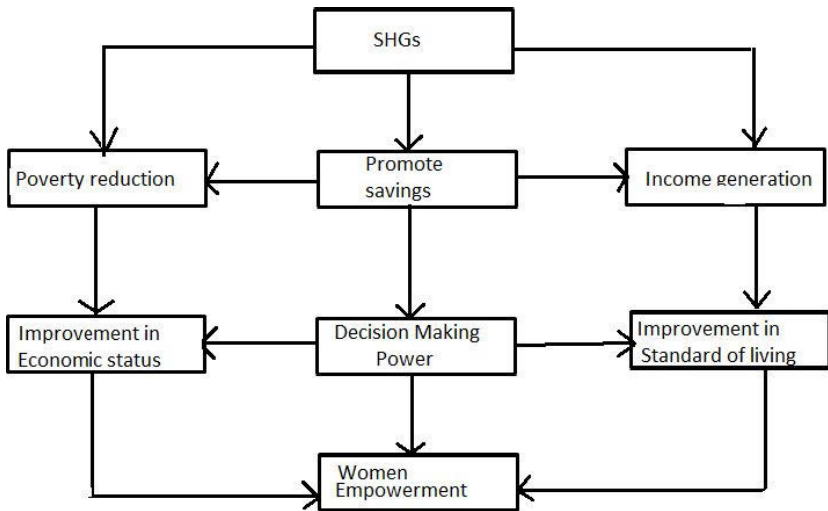
Throughout history and across nations today, men on average have greater access to power (cf. Brown 1991). The gender power model (Pratto/Walker 2004; Pratto et al. 2011) suggests that power is gendered. Specifically, relative to women, men have greater access to the use of force and have greater access to resource control. This gender inequality can be observed in several aspects of daily life, such as access to education, job opportunities, and economic resources (UNDP 2015).

SHG help bridge this gap, both meeting women's financial needs and strengthening their capacity, leading to their empowerment (Arockiasamy 2012). For exam-

ple, a survey by Rajeev et al. has shown that women participating in SHGs are aware of the non-economic benefits of the program, such as building self-confidence and improving their social status. Active participation and the rotation of responsibilities, which are compulsory under the SHG approach, result in improvements to women's ability to express their views both in the home and broader community and facilitate their mobility (Rajeev et al. 2020).

In summary, investing in building women's capabilities and empowering them to exercise their choices is valuable in itself but is also the unquestionable way to contribute to economic growth and overall development in society. Eradicating poverty and achieving sustainable development cannot be separated from achieving gender equality and the empowerment of women.

Figure 1: Conceptual framework: The relationship between SHGs and women's empowerment



Source: Reshi (2023:83)

Awada women's SHG activities, benefits, and challenges

The Ethiopian Kalehiwot Church Development Program (EKHCDP) facilitator for Awada *kebele* has stated that the participants of a SHG range from 13–20 people in Awada, and these are comprised predominantly of women from similar socio-economic backgrounds and neighbourhoods. Each of the SHGs has its own bylaws. The SHGs are funded entirely through members saving an agreed amount each week.

The EKHCDP facilitators assist in establishing SHGs and provide a range of training, on financial management, bookkeeping, environmental cleanups, and the importance of mutual support, social development, and a collective capacity to solve problems encountered by members. After a fixed period, members gain access to small loans at low interest rates from the accumulated funds and agree on the terms of repayment. Initial loans are used to set up individual and collective income-generating activities (IGA). These IGAs include selling maize flour, butter, dairy products, and purchasing, fattening, and selling livestock (e.g., sheep, goats, and bulls), and selling local drinks.

Generally, SHGs gather together a total of 15–20 individuals from the same neighborhood and the same socio-economic level, who develop their own bylaws. Some 8–12 similar SHGs operating in close proximity then establish a Cluster Level Association (CLA), which represents its members to lower levels of local government (e.g., *kebele* and *woreda*) and undertakes numerous other activities. Certain CLAs in each area form Federation Level Associations (FLAs) to represent their members to higher levels of local government (e.g., city, zone, and region). The federations have higher bargaining power and become the main supporters of the SHGs instead of the NGOs after three to five years. Federations also make the whole SHG program sustainable by linking it with banks.

Awada Womens' SHGs act as a forum for the members to provide space and support to each other. In line with this, Pandey states that the most vibrant argument for the group approach is in the form of "synergy effect". Simply stated, it refers to the phenomenon in which the whole is greater than the sum of individual parts. Mathematically it is represented as $2 + 2 > 4$. Thus, the output always exceeds the input. It has one important implication: it indicates great leverage of team effort. This leverage effect improves the performance of SHGs in every arena, whether income generation or environmental protection; community participation is better compared to the combined individual performances. This leverage effect can be further strengthened and employed as, for instance, a social commitment to produce a change in the status of women in the society. This synergy effect is of utmost importance and lies at the heart of SHG theory, which is why SHGs have the capacity to alter the lives of women and have already greatly altered the lives of millions of women in various countries of the world, including Ethiopia (Pandey 2014:92–93).

In Awada, SHGs are not only instrumental in improving the economic status of women. They also enhance the status of women as participants, decision makers, and beneficiaries in the economic, political, and social spheres of their lives. SHGs enable their members to learn to cooperate and work in a group environment. Collective wisdom and peer pressure are used to ensure proper end-use of credit and timely repayment.

In the traditional arrangement of *equbs*, the members knew each other from the village, work, or from other fields of life. This was in itself assurance enough that

everyone would get what he/she was entitled to. In fact, one advantage of these institutions has been that they help uphold the societal values of honesty and integrity. However, today's diversity of members and the amount of money held by the *equbs*, these values may not give adequate security. Although many *equbs* claim that such values still work, the courts have provided judicial recognition for *equbs* and can enforce defaulters to pay back *equb*, suggesting the need for additional security measures.

Social benefits

Most successful functioning organizations, whether at micro or macro level, reinforce the significance of the group approach to problem solving (Pandey 2014), and in SHGs this approach has huge social benefits. For example, in Awada, SHG women organized yearly environmental cleaning and sanitation campaigns within their communities. They constructed pit latrines in the compound of every member, constructed a big bridge on Woyima river (at the cost of about 8,000 birr). The bridge enabled rural people in four *kebeles* (Awada, Beramera, Wicho, and Bedeye) to access Yirgalem town.

Groups with a rotating leadership system ensured that the most capable did not dominate, leaving space for the more marginalized to develop capacity to lead. As a result, husbands began to consult their wives and allow them access to decision making; this had a cascading impact on children, who had better access to school supplies when their mothers were able to plan and save to purchase them. For example, with the bridge and their improved financial and social status, some women SHG members in Awada are now able to send their children to schools at Yirgalem by covering all the necessary expenses, which include stationary, house rents, food, and uniform. The training offered by NGOs also emerged as an important catalyst for empowerment and development (Lawson-McDowall et al. 2016).

Similarly, SHG members in Awada stated that participation in groups considerably improved their health and social well-being. They noted that groups are places where one can share experiences and learn different ways to live with individual conditions or overcome any challenges one might face. But more than that, groups are places where one can establish lasting friendships. Groups mean help, support, and safe places to talk to one another.

Case 1

TD is a young woman of 30 and mother of four who was born and grew up in Awada. TD's husband is a library attendant at Yirgalem comprehensive secondary school. His meagre income could not sustain the family. To supplement her husband's in-

come, TD joined Jiro (literally 'wealth') SHG in her *kebele* and started saving 1 birr every week. After saving for about six months, she borrowed 100 birr (about US\$2) and started a banana business. She borrowed a further 200 birr soon after returning the first loan. Then she became involved in selling butter from her home. After returning the second loan, she borrowed another 300 birr.

With the profit TD made, she sent her children to school in Yirgalem town. Apart from covering meals and clothing for her children, TD pays 250 birr monthly for house rent in Yirgalem. TD told me that, in the past, they could not afford to send their children to school in Yirgalem, but now they can.

TD also has money saved in 2 *equb* associations in Yirgalem. She pays 50 birr (with 22 women) every Monday, and 100 birr (with 21 women) every Thursday. The total sum of Monday's *equb* is 1100 birr, while Thursday's *equb* is 2,100 birr. TD put her 2,100 birr into the bank at Yirgalem when she received her turn. After some time, she withdrew 2,000 birr from the bank and repaired the hut in which she lives with her family.

Before joining the SHG, TD and her family were living in a small old hut. After receiving her *equb* money, and with a 6,300 birr loan from her business colleagues at Yirgalem market, TD recently constructed a new house with a corrugated iron roof. Lending money for house construction is a norm among TD's business friends in Yirgalem.

TD has furnished her house and bought kitchen utensils. TD said that in the past, for every 50 birr loan from village money lenders, they paid 100 per cent interest. Thanks to the SHG, they now pay only 2.5 birr interest for every 50 birr. In the past, some village moneylenders did not trust them enough to lend them money. Now they do not knock on the doors of the village moneylenders. TD has a vision to open a big shop in Yirgalem. TD confidently says that now she is a rich woman. Her family has no food problems. She has sent all her kids to school. In the past, she could not even imagine that saving one birr could have value. Now she understands that richness begins from saving a single coin. She remembers that there was a time when her family ate sugarcane for dinner and slept.

Economic benefits

Women's economic empowerment includes women's ability to participate equally in existing markets. It means giving them access to and control over productive resources, access to decent work, control over their own time, lives, and bodies, as well as greater voice, agency, and meaningful participation in economic decision making. When women are economically empowered, they participate in decision making. Saving in SHGs, in particular, has played a significant role not only in terms

of creating access to credit facilities but also in ensuring women have control over resources.

Most of the informants in Awada described how they had learned to save a small amount of money regularly and manage their expenditure. Every group reported that they had come to understand and appreciate the value of having a 'savings culture'. Informants further stated that their saving culture saved them from the unreasonable interest charged by money lenders and helped them gain economic independence, recognition by their community, and assets, and to meet their family's basic needs, which include education, health care, and social recognition.

Case 2

"My name is AB. I am 26. I have two kids of 6 years and 4 years old. My husband is a daily labourer in one of the private garages at Yirgalem. His meagre income as a temporary employee in the garage could not sufficiently sustain the livelihood of our family. Besides, my husband is an alcoholic, and he spends his income by drinking alcohol and chewing *khat* [a stimulant leaf]. One lucky morning, in the month of June some years back, I was approached by the SHG facilitator in our *kebele*, and he told me about SHGs and invited me to participate in the group. At the beginning, I rejected his invitation, due to the mere fact that I had no money to save, and squarely told him that I will not come to the meeting, which in my eyes was futile. But the facilitator insisted that I had to come to the SHG meeting whatever my position was. With so much resistance, I then accepted the invitation and attended the meeting. The SHG members told me about their group and the advantages of joining them. Besides, the community facilitator also told me what SHG meant, its benefits, and how to make savings.

As I normally dislike dependency and handouts, I immediately started saving 0.50 per week, all from the small amount of money I usually obtain from my husband for purchasing daily food items/consumer goods. After saving for over six months, I got a loan of 200 birr and started a petty business of selling butter in our village. After four months, I made enough money to repay the first loan and borrowed another 400 birr, which helped me to expand my business and get a good sum of money within a couple of years.

The *equb* I joined a year ago with 20 persons by contributing 50 birr on a weekly basis allowed me to get 1000 birr after the settlement of the previous loan. With the collected *equb* money, I bought timber wood to repair our old hut, which was about to fall down. So, encouraged by the SHG initiative and the *equb*, I have a plan to organize another new *equb*, and thereby to change our Tukul for a new corrugated iron-roofed house. In the past, I had been jobless, fully dependent on my husband's meagre income, but now I am so grateful to God for the strength he has given me. So, capacitated to assist my husband, now I cover the lion's share of our family's expenses. I have bought several household items, such as chairs, bed, and kitchen furniture, which made our house a relatively ideal

place to live. Nowadays we have no problem with food or clothes for our kids and ourselves. My problem is a lack of money to expand and diversify the business I am running and to get an area/place to run my business.” (AB, 2022: Interview)

In Awada, because of their group saving, every SHG member has the opportunity to access credit services where loan conditions are decided by themselves in a participatory way. Furthermore, the loan conditions are flexible and based on a member's ability and capacity and the purpose of the loan.

Between 2002 and 2008, the Awada women SHG members saved over 33,000 birr, which is in the hands of treasurers. As a principle, every member of an SHG in Awada saves 0.5–5 birr weekly. To maintain proper accounts and records, every SHG we visited has a ledger held by the secretary of the group, and every member of the SHGs has their own passbook. The initial challenge for most members was to accept the idea that such a small saving would become a big sum to make a difference in their lives. However, the savings steadily increased, allowing them to take loans on low interest rate (5 per cent) to cover household expenses and engage in small business. Over 90 per cent of the informants saved amounts that they had never had before.

In Awada, members of the visited SHGs borrow money to cover household expenses (e.g., consumer goods, education, construction, etc.) and their involvement in petty businesses. Over 80 per cent of members received loans from their respective SHG, and all, except one woman, returned the money. Defaulters face being ignored by fellow members and not being allowed to participate in similar social matters in their localities. Key informants in Awada disclosed that loans from SHGs have multiple benefits: as opposed to commercial banks, microfinance, and village moneylenders, SHGs lend out money with low interest rates (5 per cent), require no collateral, and do not involve bureaucratic bottlenecks. Peer pressure is the methods for enforcing repayment. Across all visited SHGs, the loan repayment period is based on negotiations, which may range from three to twelve months. Repayment is in installments, which may be weekly, fortnightly, monthly, or as agreed upon at the time of taking the loan. The SHG committee members stated that the members of the SHGs developed faithfulness. They work hard and pay loans on time.

The implementation of SHG has also generated self-employment opportunities for the rural poor. Access to credit has enabled the women (25 per cent of the women in SHGs) to undertake gainful/productive employment/activities (IGAs).

In summary, access to loan can help expand the material base available to women by enabling them to start and expand small businesses, often accompanied by market access. The women also experience ‘power within’: feelings of freedom, strength, self-identity, and increased levels of confidence and self-esteem (Pandey 2014).

Political benefits

Members in all visited SHGs are able to conduct their meetings by themselves. It is reported by the *kebele* officials that women SHG members are active participants in most *kebele*-level community matters. They attend meetings, save, and participate in all activities of their respective groups voluntarily. Each SHG develops its own bylaws through the direct involvement of its members: the group frames the rules and regulations that are required for the SHG's effective functioning. All the SHGs are impartial in nature, and the procedure of decision making is democratic. All the SHGs visited also practised rotational leadership, which provides fertile ground for the women to learn democracy and the rule of law. Women have begun to explicitly discuss their problems by themselves. Matters relating to savings, loans, interest, repayments, social issues, women's rights, etc. are deliberated democratically.

Case 3

BB and DG are in their early 20s. BB (educated to 6th grade level) and DG (educated to 9th grade) are chairperson and secretary of Beleto (*beleto* literally means 'first') SHG. BB and DG state the following:

"SHGs are places where poor women become well off. It is a place where there is no discrimination on the basis of religion, clan, ethnicity, or gender. It is a place where you can learn how to live and help each other. It is a place where members share their problems. SHGs are places where members learn democracy and the rule of law. The experience and self-esteem we develop in the SHG enable us to be active participants in every public meeting in our locality and we have developed the courage to express our ideas without any fear, which formerly had been hardly possible to us to do. Our involvement and activities in the SHG have added to our family an understanding of the value of self-determination, social life, and above all the endless love of the almighty God."

BB and DG further state that these days they no longer only have money from their husbands for household expenditure, as they are also able to contribute. They take part in making decisions on important social and economic issues of their respective families. Relationships with their husbands have improved. They disclosed that their relationships with their respective husbands are smooth, warm, and sweet, as conflicts that may arise due to critical resource shortages have been lessened. They say that their husbands are happy and have no objections to their involvement in SHGs.

Some women members of SHGs have convinced their husbands that they can make changes in their family. Thus, their husbands have started considering their

wives views whenever they make decisions on important economic, social, and political matters.

The case studies show that women were not only able to increase their income by participating in group memberships, but also developed self-confidence, self-esteem, and an optimistic outlook for the future. This development reflects a proactive engagement in the present and is consistent with Rebecca Bryant's view that our daily life and actions are influenced by our expectations for the future (Bryant 2020:16; see also introduction to this volume). These women have taken encouraging and visible steps in the direction of democratization and grassroots level women's empowerment. Similarly, Brody et al. (2017) conducted a systematic review on SHGs between 1980 and 2014 that concluded that they are positively related to economic, social, and political empowerment.

Challenges encountered

There are several challenges that the women involved in SHGs still face:

- Financial risk: In all the visited SHGs, savings are held in the hands of treasurers and are not audited. This is risky, and due attention should be given to this issue by concerned bodies.
- A lack of access to capital and a place to work: Women do not generally have property in their names to use as collateral for obtaining additional funds from external sources with which to expand their businesses or start a new one. Informants complain that they could not secure workplace/area from their *kebele* administration, even though they regularly ask for one.
- Insufficiency of funds: Informants complain that the internal savings and loans they get do not cover their needs. The money remains insufficient to meet the growing loan demands, which can only be covered through external loan provision.
- Insufficiency of training: There is no adequate training on bookkeeping, entrepreneurship, small-scale vegetable and fruit farming, a balanced diet, family planning, etc.
- Poor education: In the study area, almost all (over 95 per cent) of the women are still illiterate. Due to the lack of education, the majority of the rural women in Awada do not have an awareness of business, technology, and market knowledge. Though most of the members of the SHGs are committed and have strong ambitions to make changes in their lives, they are engaged only in one type of business: most have small businesses selling butter, and a very few sell maize flour. This will create market saturation.

- Household inequality: In Awada, it is mainly the women's duty to look after the children and other members of the family. Men play a secondary role only. Married women have to strike a fine balance between their business and family. Their total involvement in family leaves little or no energy and time to devote to business. Some non-members of SHGs in Awada state that the support and approval of their husbands seems a necessary condition for women's entry into business. In other words, if a man does not want his wife to be involved in activities that would make her work outside her home, he will simply not allow her to engaging in IGAs.

Conclusion and recommendations

The major achievements of Awada's SHGs are the economic, social, and political benefits they have brought to members. In economic terms, members of SHG have access to saving and credit facilities and receive training from the Kalehiwot Church Development program in the business skills they need to run a small business of their own. SHG members also benefit socially from increased social interactions among members and by developing self-esteem, winning respect from the surrounding community, and actively participating in community services. This can be considered an important aspect of women's social empowerment. Members of the SHG also gain a political voice, developing the skills to express their opinions in the household and at public meetings.

Joining a SHG is a transformative process that leads to women's economic, social, and political empowerment and enables them to actively shape their present and future lives. In Awada, women's empowerment is reflected in increased self-esteem, greater self-confidence, and a change in decision making within the family. Overall, SHGs are playing a significant role in empowering and developing their members in Awada *kebele* of Dale *woreda*.

However, all SHGs raised the lack of access to a workplace as a major problem. Thus, it is imperative that local-level governments respond positively to their requests, and also support them through training on such topics such as bookkeeping, entrepreneurship, small-scale vegetable and fruit farming, diet, family planning, and dispute settlement.

The existing SHGs' money is held by members/treasurers and not in a bank. This is risky, being open to both theft and wastage. Finally, internal loans alone cannot satisfy the needs of SHG members, especially those who run businesses and IGAs. This is a serious issue among Awada women, and needs a practical response in terms of increased access to financial support.

Tables

Table 1: Summary of the major differences between equbs and SHGs

Figures

Figure 1: Conceptual framework: The relationship between SHGs and women's empowerment

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