The Role of Oromia Credit and Savings Share Company (OCSSCO) in the Socio-economic Conditions of Rural Women in East Shoa zone of Oromia Regional State

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Abstract

The study aims to measure the role of OCSSCO's credit program in the socio-economic conditions of women clients found in East Shoa zone of Oromia region. The population of the study covers women households who have been using microcredit for at least one year and currently lives in East Shoa zone. Accordingly, a total of 400 OCSSCO's active clients as well as 200 incoming clients were selected using systematic sampling. The data required to meet the objectives were mainly gathered from primary source through clients' interview schedule. The data have been analyzed through various statistical tools, viz., Chi-square test, ANOVA, t-test. Thus, the results show that current clients' unveiled better household and enterprise income; acquire enterprise skills & savings habit;, more and better household diet; education for children;, and better healthcare services compared to the non-client comparison group. Though statistically not significant, current clients have better decision power with respect to the overall management of household and enterprise income compared to the non-client comparison group. Finally, considering the positive impact that micro financial services has on women headed households, it is commended that the management of OCSSCO to concoct means to further improve access to financial services to rural women households and contribute to gender equalization by facilitating their participation in socio-economic activities.

Indexing Terms: *Impact Assessment, Microfinance, Microfinance Program, Role of Microfinance, OCSSCO*

1. INTRODUCTION

In order to combat the problem of poverty and to relieve the poor of their terrible conditions, several arrangements have been introduced by the different levels of government and NGOs. One of the strategies widely accepted by many governments and donors includes the micro-credit scheme which aims at assisting the active poor to have access to credit and create job. This notion is quite in congruence with the argument that one of the challenges facing the poor is lack of access to formal sector credit to enable them take advantage of economic opportunities to increase their level of output thereby moving out of poverty (Okurut et al., 2004). This idea is based on the notion that access to microcredit can enable the economically active poor to form petty business and partake in productive economic activities, which in turn can increase disposable income and the prospect to save part of it.

Quite a number of works have viewed the capacity of micro credit in helping the active poor (See Chowdhury, 2009; Little, et al., 2003; Hulme, 2000; Binswanger and Khandker, 1995). Divergent to this assessment, numerous other research outputs claimed that micro credit cannot help poor people to come out of poverty trap. Still some other critics of microcredit have contended that poor people are bad borrowers, especially women. This clearly shows that, still the influence of microcredit in dipping poverty has been inconclusive in the literature. For example, DFID (2001) reported that micro finance is not the right tool to help the chronically poor. To successfully realize the goal of poverty alleviation, Hickson (2001) held that most MFIs have a long way to go in reaching the horribly poor segments of the society. Overall, the existing evidence on the ability of microfinance in relieving poverty in least developed countries is conflicting and inconclusive.

Ethiopia is one of the least developed economies. Its per capita income was USD 716 as at the end of 2015 (World Bank, 2016). This is very small amount of money for a person to cover his/her meal, health, education and other expenses, which have made the poor exposed to grief. The rate of unemployment in the country is very high. And, this unemployed population is increasing from time to time as the total population of the county is increasing.

Thus, to expand the provision of financial services to micro, small and medium enterprise s and with the objective of reducing the acute poverty in the country, the Government has issued Microfinance Proclamation 40/1996, and providing different directives and guidelines. After the enactment of Proclamation No. 40/1996, currently, there are about 36 licensed microfinance institutions functioning across the country. According to the AEMFI Annual Report (2013), these MFIs are serving more than 1.8 million active borrowers with an outstanding loan portfolio of 3.2 billion Birr.

2. STATEMENT OF THE PROBLEM

There have been so many attempts in the past to tackle poverty and empower women in rural Ethiopia. We have had the Agriculture Led Industrialization (ADLI) Program, Sustainable Development and Poverty Reduction Program (SDPRP) and Plan for Accelerated and Sustained Development to End Poverty (PASDEP) all aimed at taming the welfare of the people in urban and rural areas. We have also had microfinance package which aimed at the provision of small loans to micro, small and medium scale enterprises (MSMEs). We have also had so many different models which were geared towards poverty reduction and improve the lives of rural women. However, poverty in Ethiopia, like in most developing countries, is primarily a rural phenomenon. It is one of the Millennium Developments Goals (MDGs) and, therefore, Microfinance is expected to play a critical role in improving the livelihood of the economically active poor who are mostly women and live in developing countries. The success of MFIs should be measured in terms of their achievement by the influence they have on their clients, their households, and on the societies in which they live, not by the number of microcredit firms that are established in the country nor by the type of financial products they are offering.

Despite the plentiful efforts that have been made on the effect of microfinance program on poverty, the majority of them suffer from some practical limitations like inappropriate sample selection, insufficient sample size, selection and placement bias and lack of appropriate comparison group (see Borchgrevink et al., 2005; Gertler et al., 2003; Meehan, 2001; Dercon, 1999; Khandker, 1998; Morduch, 1998 and MkNelly et al., 1996). Even studies made on the impact of micro finance on poverty in most developing world remain inconclusive. For instance, Sachs (2005) stated that microfinance may not be appropriate in every condition especially as one size fit all strategy in poverty mitigation and empowerment. He indicated that the poor governance infrastructure, dispersed population in the rural areas and gender inequalities hinder the potential benefits of microfinance in Africa. Alfred (2007) also indicated that microcredit does not in itself empower women. Aguilar (2006) reported that in Malawi farmers who have access to microcredit were no better-off than those who did not have any credit access. Moreover, Wright (2000) states that much of the cynicism of MFIs stalks from the debate that microcredit projects fail to touch the poorest, largely have a partial effect on income and fail to provide additional services extremely needed by the poor.

Cognizant of this, therefore, the present study attempts to evaluate the role of OCSSCO's credit program in rural women clients' socio-economic conditions by comparing current microfinance clients with appropriate non-client comparison group and with adequate sample size. To achieve this objective, a standardized impact survey tool developed by SEEP – AIMS has been used with some adaptations. Therefore, the current state of knowledge about the role of microfinance in women clients' poverty plainly merits extra inquiries and it was against this contextual that the present study is planned to be undertaken.

3. OBJECTIVES

This study on the role of Micro credit services in the socio-economic status of rural women clients in East Shoa Zone of Oromia region assumes the following objectives:

i) To scrutinize the contribution of OCSSCO services in developing rural women's savings habit in East Shoa zone.
ii) To examine the role of OCSSCO in enhancing rural women's enterprise skills
iii) To see the role of OCSSCO in raising women's participation in household decision-making.
iv) To evaluate rural women's capacity to manage difficult conditions
v) To inspect whether OCSSCO's loan assists women clients meet their household expenditure (such as diet, health and education).

4. RESEARCH QUESTIONS

The study seeks to answer the following basic research questions:

1. Does access to microfinance services improve household and enterprise income, saving habits & enterprise skills of rural women?
2. Do OCSSCO services improve women clients' capacity to build up their asset-base to protect against and cope with such unforeseen events?
3. What role does access to microfinance has in raising women's participation in household decision?
4. In general, does OCSSCO's credit program have any contribution on the socio-economic conditions of rural women?

5. SCOPE OF THE STUDY

The study is intended to find out the role of microfinance on the socio-economic activities of women clients in East *'Shewa'* zone. The research is limited to OCSSCO's rural women clients in selected constituencies of East *'Shewa'* zone of Oromia region. There are various MFIs operating in East *'Shewa'* zone, however, the current study covers Oromia Credit and Savings Share Company (OCSSCO) and its rural women clients, because OCSSCO is the only MFI that have large client base in Oromia in general and East Showa Zone in particular; hence, the investigators decided to carry out the study in this area.

In terms of framework, the study covers: clients' savings and access to credit; rural women's household and enterprise income, clients' household welfare and their ability to participate in household decision making. Methodologically, a quasi-experimental design that employs control group has been used to rule out other potential causes for the changes by forming evenhanded link between membership in the micro credit program and improvements experienced.

6. LITERATURE REVIEW

Poverty alleviation is, no doubt, the chief objective of microfinance. Aghion and Morduch (2000) reported that microfinance program will boost incomes and widens financial markets mainly by providing credits among other services to small scale entrepreneurs. The central point that financial services are assumed as assuaging poverty is by provision of income generating loans. In the words of Mohammad Yunus a successful circle can be set up: "low income, low credit, low investment, more income, more credit, more investment, and more income" (IDSS, 1994, cited in Hulme & Mosley, 1996, p.101).

Many have witnessed that micro credit schemes are able to ease poverty by increasing individual and household income levels, as well as improving healthcare, nutrition, education, and assisting to empower women (Khandker, 2005). Nonetheless, it is widely understood that all participants do not necessarily profit from the program. Mostly, the better off people benefit from microfinance scheme more than the poorer people. For example, Gertler et al. (2003) specified the following three reasons for the low benefit of microfinance to the poorest: (i) better off people usually have more resource, both financial and in terms of knowledge and skill which they can use to develop or improve their business, (ii) strict repayment plan and short grace periods afore repayment, yet good for the MFI sustainability, can also shove clients into activities such as trading, which are swift but may not have adequate yield, and (iii) the question of marginalization of the poorest people in the community is also there. For instance, studies by Hulme (1997) and Goetz et al. (1996) claim that group members did not really welcome the poorest member of the village, as members select each other based on the individual's capacity to pay the loan.

Therefore, while participation in micro credit program is propagated as augmenting the lives of poor people, it looks as if that the diverse nature of the poor has not always been recognized as the credit has not always helped the core poor.

Microfinance and Women Empowerment

In the words of Chuston and Kuhn (2002), empowerment is the best combination of change, choice, and power. To put it differently, empowerment is getting people on the outside of a decision process into it (ibid). It is "the ability to obtain an income that enables participation in economic decision-making". In terms of gender and development, empowerment is supposed to be a progressive process instead of an end result. This process takes in change through which an individual woman and groups with little power gain the ability to make choices and decisions that affect the course of their lives (Chuston and Kuhn, 2002).

Access to finance alone may not straightaway lead women to empowerment but it is hoped that placing capital into women's hands will give them more independence and self-reliance, and hence once they financially contribute to the family's income. During the 1990s, microcredit was seen as successful amongst female clients due to their much better payment rates and savings. What's more, many NGOs and donors were engrossed by gender policies which overtly called for improved micro credit services to women, and these micro credit programs did not limits their desired impact only to poverty reduction but stretched it to achieve women's empowerment (Kabeer, 2004; Khandker, 1998). Of course, there are microfinance schemes explicitly targeting women, aim to reduce poverty of women and also empower them to have their own income and asset. Yet, there is very little empirical evidence that microfinance's have unswervingly empowered women (Zaman, 1999).

Copestake, et al. (2005) and Mosley (2001) used the case study approaches and sample survey to assess the impact of micro-loans in Bolivia and Zambia respectively. Both studies found a positive impact of loans on the clients' economic situation. Mosley also confirmed that poorer clients benefiting less because they choose low-risk and low-return investments. Asmelash (2003) conducted a study on 216 clients of DECSI's microfinance program living in the rural and urban areas of *Ganta-Afeshum Woreda* of Eastern *Tigray* and *Adigrat*. He used a cross section of two groups of respondents: frequent clients, those who have taken twice or more program loans; and a control group of a new clients, those who are in the waiting list to take loans for the first time and those who have been in the program for less than six months, were compared. The findings revealed that though statistically not significant, frequent borrowers' households have a higher mean and median income than the control group households. However, frequent rural female clients have shown significant improvements in their income level than the rural female control groups. The frequent clients group also unveiled more diversified income sources, are more likely to own their home (especially in the rural area), and to have bought key household assets. School age children enrollment and improvement of medical facilities and ability to pay for medical expenses have also reported better in the frequent borrowers group than the control groups.

Similarly, a study by Samuel (2006) with the aim of evaluating the impact of microfinance services on clients in the case of Gasha Microfinance in the capital Addis Ababa reported that poverty among clients of Gasha MFI after their participation in the programs, to some extent, is in declining trend. Even though majority of the interviewees reported not creating key assets since receiving microfinance services, they have been saving money regularly. The clients owned assets with which they make a living, like local drinks making and selling utensils, instead of the prior borrowed or shared tools. Businesses of most of the beneficiaries were expanded or improved in some ways, and their nutritional intake (amount, quality and variety) was improved. Comparison was carried out between participants and non-participants so that to reasonably associate the changes reported by the clients with the program participation. Accordingly, the significant differences in income, expenditure show that the changes in these variables were caused by participation in the microfinance program. However, the statistical test result indicates that even though there were differences in monthly savings, asset building, nutritional intake, ability to send children to school, and access to health facilities between the two groups, they were not statistically significant.

Other studies on the other hand argue that microfinance has had a positive empowerment impact on the women (Kabeer, 2001; Pitt and Khandker, 1995; Rahman, 1986). The positive impact of microcredit on women empowerment was because joint decision making was presumed as a positive impact (Pitt and Khandker, 1995; Rahman, 1986). Using additional empowerment indicators (such as productive asset ownership, political awareness), Kabeer (2001) settled that access to credit had a positive impact on women empowerment. Hashemi, et al. (1996) also discovered a favorable impact of credit on a number of empowerment indicators. They indicated that women's access to credit was an important determinant of the extent of economic contributions reported by women; of the likelihood of an increase in asset holdings in their own names; of an increase in their exercise of purchasing power; of their political and legal awareness as well as of the value of the composite empowerment index. In addition, BRAC loanees tended to report significantly higher levels of mobility and higher levels of political participation while Grameen members reported higher involvement in 'major decision-making.' The study also reported that access to credit seemed to be allied with an overall reduction of the incidence of violence against women. The regression analysis advocated that older women, women who had sons and women with education were less likely to have been beaten in the past year (Schuler et al., 1996).

Generally, the available empirical evidence clearly reveals that adequate researches have not been made in the microfinance sector in Ethiopia. Though most of the available research works centers on impact analysis, the majority of them have some practical problems like incorrect sample selections, inadequate sample size, selection and placement bias; and lack of appropriate comparison groups. Moreover, most of these studies are case study-driven in which program impacts differ from region to region in view of the differences existing in infrastructure, population density, availability of markets and production centers, etc. In addition, majority of these studies were made in the late 90s and early 20s, due to this most of them failed to put on standardized and accepted impact indicators.

7. METHODS

The nature of the research is a cross-sectional type because the researchers attempted to examine different variables at a single point of time. The study is descriptive in nature in which description of the role of microfinance credit program on the socio-economic conditions of women clients has been analyzed and presented using different descriptive techniques like frequency, percentages, means, tables, figures, etc. Besides, a quasi-experimental design that employs control group has been used to rule out other likely causes for the changes by forming sensible link between involvement in the micro credit package and improvements experienced.

The target population comprises of 61,000 microfinance women clients of Oromia Credit and Savings Share Company (OCCSCO). Out of these the investigators estimated that 15 percent or 23,100 of the clients live in the study area. The population encompasses women who have been betrothed in microcredit services for at least one year and live in East *Shoa* zone of Oromia Regional State. In addition, to serve as comparison group new clients who live and undertake enterprise activities in the study area were selected.

Three groups of clients were used: (i) established clients (*those two years and above in the program*), (ii) short-term clients (*those having only one-year experience in the credit program*); and (iii) incoming clients (*those recruited to be the next microfinance clients who serve as a comparison group and are a proxy for non-clients*) and systematic random sampling technique was employed to select study participants. Hence, 400 respondents comprising of OCSSCO's women clients in East Shoa zone have been selected from the target population. In addition, 200 new women clients have been sampled to constitute a comparison group. The sample size of OCSSCO's women clients has been determined by the following formula:

$$\mathbf{n} = \frac{\boldsymbol{N}}{[\mathbf{1}+\boldsymbol{N}\,(\boldsymbol{\alpha})\mathbf{2}]}$$

Where;
n = Sample size
N = Number of OCSSCO's Women Clients in the study area
α = Level of Confidence is 95 Percent

The data needed to undertake the study were obtained from primary source through questionnaire schedule. Questionnaire was used to tuck data about the role of OCSSCO in rural women clients' socioeconomic conditions for it provides an opportunity for getting reliable and valid information from large number of respondents. After having collected the data, the same have been checked for completeness and consistency. Then, the data have been entered into SPSS V.20.0 for Windows Software, and analyzed using descriptive statistics such as mean, standard deviations, frequency tables and percentages for the responses obtained from the current and incoming clients through the questionnaire. In addition, the data were analyzed using such statistical tools as chi-square test, mean-test and ANOVA.

8. RESULTS AND DISCUSSIONS

Demographic Characteristics of Respondents

In the section that follows the responses to the questions related to respondents' demographic information has been summarized. Questions with categorical responses such as marital status and sex were reported as percentages. Whereas questions with interval or real counting number responses such as the respondents age and school years completed were reported as Means. The numbers across the three survey sample groups (one-year clients, two-year and above clients and incoming clients) look like similar. Statistical tests have been performed to determine whether the responses were significantly different or not. Accordingly, for those questions reported percentages, a Chi-square statistical test was used to determine whether significant differences were evident between the sample groups or not. For questions reporting numerical or counting variables (such as age or income amount) Mean-test was used to perform Analysis of Variance (ANOVA) statistical test.

Table 1: Clients' Individual Demographic Information

	Two-Years & above Clients (N=200)	**One-Year Clients (N=200)**	**Incoming Clients (N=200)**
Percent Married	63.2	66.4	60.7
Percent Not Married	28.5	25.8	31.4
Percent Never Attended School	23.3	21.6	22.7
Mean Age of Clients (in Years)	36.2	34.4	32.75
Mean Years in School	3.7	5.2	6.3

Source: *Survey Data, 2016*

As it is clearly stipulated on Table 1 above, no significant differences were observed among the three client groups in any of the individual level demographic indicators. Clients across the three survey groups were quite similar. Most of the respondents were married; and their mean age was 34.45 years with no significant differences across the three sample groups. The respondents included in the study had completed 5.1 years of school on average; and 22.53 per cent of them never went to school at all.

Table 2: Household Demographic Information

	Two Year & above Clients (N=200)	One Year Clients (N=200)	Incoming Clients(N=200)
Mean number of adults (Persons > 18 years)	2.67	3.12	2.82
Mean number of children (persons < 18 years	2.55	3.23	2.61
Mean number of members in the household	5.67	5.90	5.43
Mean number of household members with regular income	1.43	1.71	1.55

Source: *Survey Data, 2016*

As can be shown on table 2 above, the respondents' household information was summarized with mean numbers. Yet again, statistical tests determined that no significant differences were found among the three sample groups in any of the household levels information. It is evident in the same table (Table 2) that one-year clients were having slightly more number of members with regular income. Yet, the differences were not statistically significant. If, for instance, established clients were found to have significantly higher number of members with regular income or higher levels of education, these demographic differences might explain an apparent difference in the results of the analysis. These systematic differences, rather than the impact of the program, might explain higher rates among two-year clients reporting increased income or greater spending on education relative to the other client groups. In this case, however, because no significant differences were found in the key demographic characteristics, the three sample groups have been assumed to be comparable.

Impact on Household and Enterprise Income

To evaluate impact on income, the responses of current (one-year, and two-year and above) clients were compared to incoming clients. As shown in the figure it is evident that the great majority of current clients (one-year, and two-year and above clients) told an increase in their household income over the last twelve months. Statistical tests also indicated that current clients (both one-year and two-year and above clients) were suggestively have reported more increase household income than incoming clients ($p<0.05$).

The primary reason for the increase in household income of established (both one-year and two-year and above) clients and incoming clients has been because of good agricultural season and/or good market. This has been confirmed by 141 (70.5 percent)of two-year and above, 123 (61.5 percent) of one-year, and 117 (58.5 percent) of incoming clients who have informed increased household income. Chi-square statistical test confirmed that two-year and above clients were having more increased income because of good agricultural season and/or good market than both one-year and incoming clients ($p<0.05$).

Regarding enterprises profit, current (one-year, and two-year and above) and incoming clients were asked whether or not they realized profit after paying all their debts and business expenses. Accordingly, a significant difference was observed between two-year and above clients and incoming clients. Particularly, two-year and above clients had the highest number of clients who had reported profit, which accounts 158 (79%) of those included in the survey. Whereas, 119(59.5%) of one-year and 97(48.5%) of the incoming clients registered profit. Chi-Square test comparing the percentage of current (one-year, and two-year and above) clients and incoming clients were done and found to be significant ($p<0.05$).

The majority of respondents in each of the three sampling groups claimed that they used at least a portion of the profit realized from their enterprise activities for re-investment or business expansion purposes. On the other hand, 108(54%) of two-year and above, 101 (50.5%) of one-year, and 92 (49%) of the incoming clients replied that at least a portion of the profit they earned had been used to cover household expenses such as school fees, health care's, clothing, etc. Other purposes in which clients in the three sampling groups used at least a portion of the profit they earned include (in order of importance); for debt settlement, for life-cycle celebration like wedding, *"mahiber", etc.* for purchase of home furniture, for purchase of food items, for birthday and funeral celebrations, for house improvement and others. Thus, it is clear that participation in OCSSCO's credit program increases clients' income. This finding is in agreement with Samuel (2006); and Asmelash (2003).

Impact on Savings

Table 3:Savings and Enterprise Skills

	Percent Two-Year & above Client (N=200)	Percent One-Year Client (N=200)	Percent Incoming Client (N=200)
Clients who have saving*	86.5	84.0	69.5
Reason for savings			
For business expansion**	45.5	36.5	34.5
For acquisition of household assets	18.5	12.0	16.5
For school fees	10.5	7.5	14.5
For house improvement.	13.0	9.5	15.5
Because it is the MFI's requirement***	12.5	34.5	19.0

**Significant difference between current (two-year &above and one-year) clients versus incoming clients (p <0.05).*
***Significant difference between two-year & above clients versus incoming clients (p <0.05).*
****Significant difference between one year versus incoming clients (p <0.05).*

Regarding savings, the three client groups were compared (See table 3 above). Accordingly, 173 (86.5%) of two-year and above, 168 (84%) of one-year, and 139(69.5%) of incoming clients reported that they have a savings account with OCSSCO. Statistical Chi-square test was done and shown that current (both one-year, and two-year and above) clients were significantly more likely to have savings than were incoming clients ($p <0.05$).Also, the majority of clients in the three sampling groups confirmed that they save with the Microfinance institution primarily for business purposes (such as for expansion of existing business, for undertaking new enterprises, for acquisition of inputs, etc.). This has been confirmed by 45.5 percent, 36.5 percent, and 34.5 percent of two-year and above, one-year, and incoming clients respectively. Chi-square test result established that two-year and above clients were more likely to have used the savings for expansion of existing business than were both one-year and incoming clients (p<0.05).

In other words, the great majority 162(81percent) of one-year, and 145(72.5 percent) of two-year and above clients did not have a habit of saving in anyone of the financial institutions including OCSSCO. However, the Chi-square test result shown that statistically no significant difference was observed between the two groups of respondents.

Improvements in Microenterprises

Table 4: Improvement of Microenterprises

During the last 12 months, did you make any of the of the following changes so that your enterprises could earn more income or be more productive	Percent Two-Year and above clients (N=200)	Percent One Year Clients (N=200)	Percent Incoming Clients (N=200)	p-value
Developed a new enterprises	3(1.5%)	5(2.5%)	5(2.5%)	0.9738
Hired more workers	51(25.5%)	17(8.5%)	13(6.5%)	0.0001*
Reduced costs by buying inputs in greater volume or at wholesale prices	68(34%)	41(20.5%)	39(19.5%)	0.0012*
Improved Quality or desirability of products	101(50.5%)	93(46.5%)	84(42%)	0.0931
Add new products	28(14.0%)	33(16.5%)	23(11.5%)	0.8769
Expand size of Enterprises	83(41.5%)	58(29%)	46(23%)	0.0000*
Sold in new market	7(3.5%)	13(6.5%)	9(4.5%)	0.7135
Reduced costs with cheaper source of credits	19(9.5%)	16(8.0%)	13(6.5%)	0.8109

***Significant difference between two-year and above clients versus first-year and incoming clients (p<0.05).*

Source: *Survey Data, 2016*

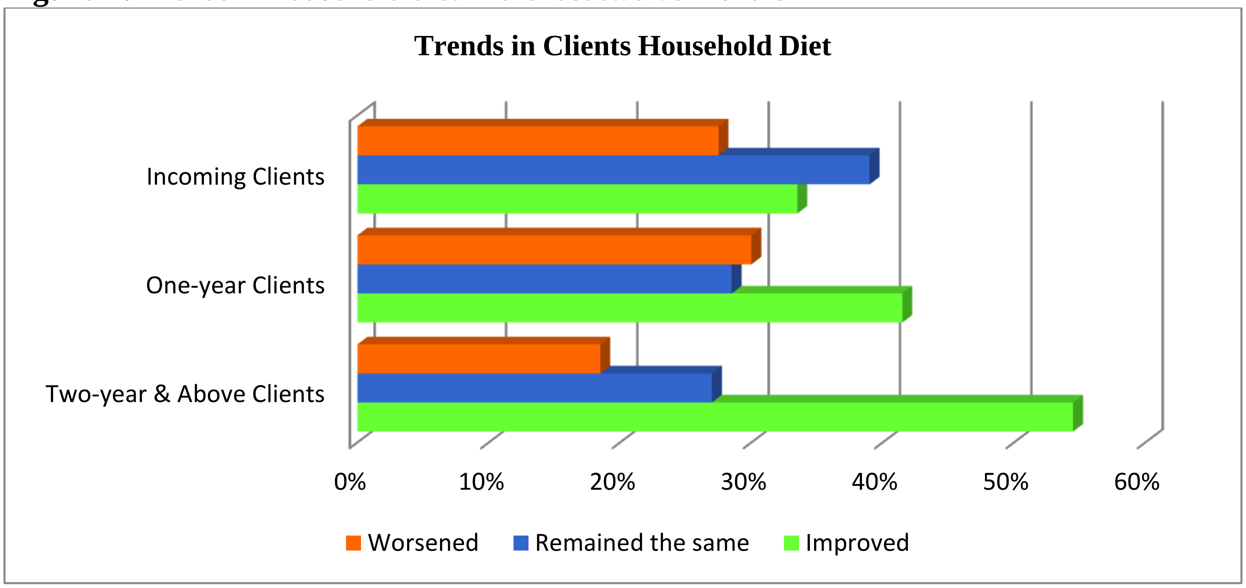
Table 4 above presents detailed results of the respondents in each of the three sampling groups who claimed that they have made various specific changes in their business enterprises over the last twelve months. Hence, the findings indicated that more number of current (one-year, and two-year and above) clients have made numerous changes and/or improvements in their enterprises than the incoming clients. Statistical Chi-square tests were conducted, first comparing the responses of current (one-year, and two-year and above) clients against that of the responses of incoming clients. If no difference was evident, the responses of two-year and above clients alone were compared to the responses of incoming clients. Therefore, the statistical test result revealed that there exist significant differences between two-year and above and incoming clients in terms of hiring more workers in their enterprises (p<0.05), in terms of reducing costs by buying inputs in greater volume (p<0.05), and in terms of expanding size of enterprises (p<0.05).

Household Economic Security

Figure 1 below illustrated the results from the three sample groups 'vis-à-vis changes in household diet in the last twelve months. Accordingly, 54.5 percent of two-year and above, 41.5 percent of one-year, and 33.5 percent of incoming clients confirmed that their household diet had been improved over the last twelve months. Conversely, 27 percent of two-year and above, 28.5 percent of one-year, and 39 percent of incoming clients confirmed that their household diet had been worsened in the last twelve months. Whereas, 18.5 percent of two-year and above, 30 percent of one-year, and 27.5 percent of incoming clients reported that the diet in their household has remained the same in the last twelve months.

Chi-square test result revealed that two year and above clients were significantly more li kely to have reported improved household diet in the last twelve months than were both one-year and incoming clients ($p<0.05$) as shown in the figure below. Inversely, a statistical test confirmed that incoming clients' household diet conditions had been worsened over the last twelve months period compared to current (both one-year, and two-year and above) clients ($p<0.05$).

Figure 1: Trends in household diet in the last twelve months



**Significant difference was observed between two-year & above clients versus both one-year and Incoming clients (p <0.05).*

Source: Survey Data, 2016

Periods of Hardship

Table 5*:* Periods of Hardship in the Last twelve months

	Percent Two-Year & Above Client (N=200)	Percent One-Year Client (N=200)	Percent Incoming Clients (N=200)
Percent experiencing period of acute food insecurity (shortage)*	21(10.5%)	19(9.5%)	41(20.5%)
Average length of hungry periods (in months)*	0.67	1.13	1.83
Percent unable to conduct a business because of lack of money*	23(11.5%)	18(9%)	47(23.5%)
Average length of enterprise disruption (in months)*	0.84	1.35	2.57

****Significant difference between two-year &above clients versus incoming clients (p<O.O5).***

The results of the percent experiencing period of acute food shortage in the last twelve months have been presented in Table 5 above. Accordingly, 10.5 percent of two-year and above, 9.5 percent of one-year, and 20.5 percent of incoming clients reported that they faced acute food shortage during the last twelve months. Chi-square statistical tests of the percentage reporting this type of hungry season showed a significant difference between current (both one-year, and two-year and above) and incoming clients ($p<0.05$). Moreover, a one way ANOVA test of comparisons of the mean value of the hungry season revealed significant difference between two-year and above clients and incoming clients.

Likewise, analysis was made for the categorical variable "percent that were unable to conduct their business for a period due to lack of money" and the interval variable "length of this disruption". Here also current (both one-year, and two-year and above) clients were less likely to have been forced out of business and as a group the occurrence of such a time was significantly shorter than from incoming clients during the last twelve months (See table 5 above).

Table 6: Coping Mechanisms for Food Shortage

What the household did to get out of this food shortage?	**Percent Two-Year & Above Client (N=21)**	**Percent One-Year Client (N=19)**	**Percent Incoming Clients (N=41)**
Borrowed money (food) from family or friends at no interest charge	8(38.1%)	6(31.6%)	17(41.5%)
Borrowed money (food) with interest charge	9(42.9%)	7(36.8%)	8(19.5%)
Sold personal property	0(0.00%)	0(0.00%)	4(9.8%)
Self or someone else in the family left area to seek employment	2(9.5%)	1(5.3%)	4(9.8%)
Self or someone else in the family got local temporary employment	2(9.5%)	5(26.3%)	8(19.5%)

Source: Survey Data, 2016

As can be seen in table 6 above, 38.1 percent of two-year and above, 31.5 percent of one-year and 41.5 percent of incoming clients have indicated that they managed to smooth their income by borrowing money or food. On the other hand, 42.9 percent of two-year and above, 36.8 percent of one-year, and 19.5 percent of incoming clients managed to escape the difficulty through borrowing money with interest charge. While 9.5 percent of two-year and above, 5.26 percent of one-year, and 9.76 percent of the incoming clients were engaged in local temporary employment to get out of food shortage. Whereas, 9.5 percent of two-year and above, 26.3 percent of one-year, and 19.51 percent of the incoming clients have left their area to seek employment. It is evident that two-year and above clients were significantly less likely to have been forced out of their area in search of jobs ($p<0.05$). Finally, none of the current OCSSCO clients and 9.76 percent of the incoming clients have managed the food shortage via selling personal properties.

Household Expenditure

Table 7: Expenditure for Education

	Two-Year & above Client(N=200)	**One-Year**	**Incoming Clients**

		Client (N=200)	(N=200)
Percent whose school expenditures for the current year have increased	79.0	71.5	73.0
Percent whose school expenditure stayed the same	13.5	19.5	21.5
Percent whose school expenditure for the current year have decreased	7.5	10.5	5.5
Percent of school aged children who are currently in school	96.0	93.5	92.0
Percent of school aged children who never went to school	3.5	7.0	8.0
Mean number of school aged children in the household	2.5*	1.95	2.1
Mean number of children currently attending school, full time or part-time.	2.41	1.81	1.93
Mean number of school-aged children never attending school.	0.09	0.14	0.17

Significant difference was observed between two-year & above, and both one-year and incoming clients (p<0.05)

Source: Survey Data, 2016

About school expenditure, as can be seen in table 7 above, 79 percent of two-year and above, 71.5 percent of one-year, and 73 percent of incoming clients responded that their households' school expenditures for the current year have increased. Nonetheless, statistically no significant difference was observed among the three survey sample groups.

Besides, two-year and above clients had more mean number of school-aged children in the household than both one-year and incoming clients. A t-test has been performed and revealed that two-year and above clients have had a statistically significant mean number of school aged children in their households ($p<0.05$) than both one-year and incoming clients. Though statistically not significant, two-year and above clients were having more mean number of children currently attending school than both one-year and incoming clients. On the other hand, current (both two-year and above, and one-year) clients were having smaller mean number of school aged children never attended school than that reported by the incoming clients. This hint at that, two-year and above clients have had relatively higher expenditures for schooling than incoming clients. The finding is consistent with Asmelash (2003).

Health Indicators

Table 8: Health Indicators

	Two-Year & Above Clients (N=200)	One-Year Clients (N=200)	Incoming Clients (N=200)
Percent who had someone in the family who needed medical attention.	39.5	42.5	36.5
Percent that used money from their enterprise (profit) to pay for medical expenses.	64.55*	54.11	50.7

Percent who had a family member in the last 12 months who was not taken for medication because the household lacked the money to pay for it.	5.5	4.0	7.5

***Significant difference between two-year & above clients versus incoming clients (p<0.05).**
Source: Survey Data, 2016

With respect to health indicator, 39.5 percent of two-year and above, 42.5 percent of one-year, and 36.5 percent of incoming clients reported that there was at least one family member in their household who needed medical attention during the last twelve months. However, the statistical test result revealed that there was no significant difference in the responses across the three client groups.

On the other hand, 64.55 percent of the two-year and above, 54.1 percent of the one-year, and 50.7 percent of incoming clients in the survey reported that they used a portion of the profit they earned from the enterprises to cover medical expenses. Statistical Chi-square test disclosed that significant number of two-year and above clients have covered their household medical expenses from the profit they realized from their respective enterprises more than those of the incoming clients ($p<0.05$). The finding is in agreement with Asmelash (2003).

Correspondingly, though statistically not significant, current (both one-year, and two-year and above) clients were having less number of family members who were not taken for medical care in the last twelve months because of lack of money than the incoming clients. In terms of the decision to take out loan, how to use the loan, what to buy for business, how the product is sold and how to use profit from business most of the current (both one-year a and two-year and above) and the newly admitted women clients confirmed that they mutually managed and equally responsible with their husbands for the loan within the household with no significant difference between the responses of current and incoming clients.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

In general, participation in micro credit program have indeed led to a number of changes and/or improvements in the enterprises which would ultimately led to increased revenue and a potential increase in profitability, particularly for two-year and above clients. Moreover, loans obtained from OCSSCO assisted current clients as a cushion for emergency needs, business risks, seasonal fluctuations and other natural calamities like drought, flood, fire, etc. Participation in the OCSSCO programs helps current clients to meet their households' medical expenditures better than the non-clients. Since access to loan provides economically active poor clients the opportunity to undertake revenue generating activities, the profits realized from these enterprises could be a good part of financing clients' household welfare (in such aspects as food, education, health, etc.).Nonetheless, partaking in the OCSSCO's credit program was found insignificant role in empowering women within the household.

Therefore, it is concluded that with the help of the financial services obtained from OCSSCO, a considerable number of current women rural clients, especially those women clients who have repeatedly used the credit services with OCSSCO for two-years and above, had able to alleviate poverty by increasing household and enterprise income levels, as well as improving healthcare services, children's education, and savings habit and enterprise skills. This implies that microfinance program impact can be achievable through repeated and long-time use of its services.

- Considering the positive impact that micro financial services has on women headed households, it is recommended that the management of OCSSCO to concoct means to further improve access to financial services to rural women households and contribute to gender equalization by facilitating their participation in socio-economic activities.
- Easing access to credit services to economically active poor households is not by itself an end. Microfinance clients, especially rural households, lack basic computing, financial management, record keeping and basic marketing skills. Accordingly, to get the most out of the credit program it is suggested that MFIs in collaboration with the concerned governmental and non-governmental organizations to offer capacity development program to rural women clients through provision of different training services.

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