

## **TOPIC**

Economic Impact of Income Generating Activity of people Living with HIV In Harar  
Dawn of Hope Association In Harari Regional state in Ethiopia.

A Thesis Submitted to Indra Gandhi National Open University /IGNOU/ For partial  
Fulfillment of the Requirements of the Degree of Masters of Social Work /MSW/

By

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## DECLARATION

I hereby declare that the dissertation entitled ECONOMIC IMPACT OF INCOME GENERATING ACTIVITY OF PEOPLE LIVING WITH HIV IN HARAR DAWN OF HOPE ASSOCIATION IN HARARI REGIONAL STATE IN ETHIOPIA Submitted by me for the partial fulfillment of the MSW to Indira Gandhi National Open University,(IGNOU) new Delhi is my own original work and has not been submitted earlier either to IGNOU or to any other institution for the fulfillment of the requirement for any other programme of study. I also declare that no chapter of this manuscript in whole or in part is lifted and incorporated in this report from any earlier work done by me or others.

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## ACRONYMS

ACP	Accion Comunitaria of Peru
ACSI	Amhara Credit and Savings Institution
AIDS	Acquired Immuno Deficiarysyndrom
AIMS	Assessing the Impact of Microenterprise Service
BDS	Business Development Service
CGAP	Consultative Group to Assist the Poorest
CSA	Central Statistical Agency of Ethiopia
DPI	Department of Public Information
FINCA	Foundation for International Community Assistance
HAPCO	HIV/AIDS Prevention and Control Office
HIV	Human Immuno Virus
HEPM	Household Economic portfolio Model
IGA	Income Generating Activity
ILO	International Labour Organization
m.a.s.l	Meters above sea level
MDGs	Millennium Development Goals
MFI	Micro Finance Institution
MOH	Ministry OF health
MSW	Masters of Social Work
GOs	Governmental Organizations
NGOs	Non-Governmental Organizations
OLS	Ordinary Least Squares
PLHIVs	People Living with HIV AIDS
SIDA	Swedish International Development Cooperation Agency

SME	Small Micro Enterprises
UNDP	United Nations Development Programme
USAID	United State Agency for International Development
WHO	World Health Organization

## **CHAPTER ONE**

### **1. INTRODUCTION**

#### **1.1 Background**

Impact assessment is the process of identifying the anticipated or actual impacts of a development intervention, on those social, economic and environmental factors, which the intervention is designed to affect or may inadvertently/ unconsciously affect. It may take place before approval of an intervention (ex ante), after completion (ex post), or at any stage in between. Ex ante assessment forecasts potential impacts as part of the planning, design and approval of an intervention, where ex post assessment identifies actual impacts during and after implementation, to enable corrective actions to be taken if necessary, and to provide information for improving the design of future interventions (Kirkpatrick et al, 1999).

Explicitly, impact assessments are promoted by both the donors and implementers of programs so that they can learn what is being achieved and improve the effectiveness and efficiency of their activities. Implicitly, impact assessments are a method by which sponsors seek to get more information about program effectiveness than is available from the routine accountability systems of implementing organizations. Impact assessments are also of significance importance to aid agencies in terms of meeting the ever increasing accountability demands of their governments and for contesting the rhetoric of the anti-aid lobby. While recipient agencies benefit from this, they are one stage removed, and many are likely to see donor-initiated impact assessment as an activity that has limited practical relevance for program activities (Ibid, 1997).

Impact assessment studies have become increasingly popular with donor agencies and, in consequence, have become an increasingly significant activity for recipient agencies. In part this reflects a cosmetic change, with the term impact assessment simply being substituted for evaluation. But it has also been associated with a greater focus on the outcomes of interventions, rather than inputs and outputs. While the goals of impact

assessment studies commonly incorporate both proving impacts and improving interventions. Sets of factors are associated with the extreme pole positions of this continuum and these underpin many of the issues that must be resolved when impact assessments are being initiated (Hulme, 1997).

HIV/AIDS is not simply a biomedical or demographic problem. It is a development issue, and so incorporates economic well being and human growth. The principal economic impacts experienced by HIV/AIDS affected households are:- loss of available income, as working adults falling ill or dying or having to stop work to look after children and /or the ill ; additional expenditure on health care and funerals (UNAIDS,2004). Other effects include depletion of household assets (due to increased health expenditure, consumption needs and labour losses).lower productivity of subsistence labor and reduced availability of food. School enrolment may also decrease, as children are forced to dedicate time to labor and care giving. In this regard Sub-Saharan Africa remains the most affected region in the global AIDS epidemic. Although just over 10% of the world's population live in these regions, more than two third (68%) adults and nearly 90% of children infected with HIV live here. More than three fourth (76%) of global deaths due to AIDS related illnesses in 2007, occurred in sub- Saharan Africa (UNAIDS, 2007).

As one of the country in Sub- Saharan Africa in 2005, the total number of PLHIV in Ethiopia was about 1.32million people; of which 55% are male and the rest 45% are female while in Harari Region about 10,000 PLHIV are estimated to live in Harari Region out of the totally population of PLHIV. (MOH, 2006).

Maintaining quality of life as the disease progresses requires income security, health care and societal support, lack of adequate income presents a considerable challenge to this segment of the society.

Furthermore the progressions of treatments for HIV disease are affected by poverty. Factors such as inadequate and overcrowded housing, unsafe drinking water, poor sanitation, under-nutrition and infectious diseases can decrease the survival time of people living with HIV/AIDS (PLHIVs). Household resources are drained by treatment and transport costs. Funerals also represent significant financial burdens. All these HIV related

hazards indicate the importance of having self-sufficient income generating activity as one of the basic component to address the needs of PLHIVs.

Generally, In order to effectively deal with the needs of PLHIVs, a completely new business oriented culture or business approach will have to be introduced and complete paradigm shift away from a “welfare”–driven culture needs to be propagated. With this approach, new Income generating Activities /IGAs/ will have to be identified by PLHIV’s associations in accordance with their specific needs. Providing access to initial funds and IGA management skill with a focus on pro-active long term planning enhances individuals ability to cope with challenges and manage crises presented by HIV disease progression. Hence, based on this fact and logic more than 102 PLHIV associations and their members in Ethiopia are undertaking Income Generating Activities, to empower themselves, which is similarly going on in Harari Region, too.

## **1.2 Statement of the problem**

Small enterprises need access to financing at various stages of their development, including seasonal or revolving lines of credit to meet short-term financing requirements, or intermediate or long-term debt for land, buildings, equipment, and permanent increases in inventory (oldsman, etal, 2002, cited by Nexus Associates, INC 2003).

One critical problem for the poor PLHIV is that they are excluded from financial services due to their sero status, A majority of them lack access to normal financial service, such as lending and saving. Without the opportunity to use these kinds of services, it is hard for them to structure their own economy, whether it concerns an individual, a family, a business or a society. But with access to lending and saving money, people can go from only trying to survive day to day, to planning and investing for the future.

PLHIVs have been underserved or ignored by development planning though they have important roles and responsibilities in the development activities due to their HIV status.

PLHIV in Harari region are not in case different in this regard. To free themselves from such predicaments and also to contribute to meet domestic expenditure requirements, a good number of PLHIVs have been engaged in income generating activities as a source of

income to enable themselves to pay their children's school fees, buy cloths and fulfill day to day household provisions for the family. While most of them are somewhat inexperienced or lack business skills, and unable to manage the little capital at their disposal. Therefore, a need to arosed to assess the impact of IGA of PLHIV and explore problems confronting these PLHIVs, which makes it impossible for them to progress in their income generation activities successfully.

### **1.3 Objectives of the study**

To assess the economic impact of PLHIVs in Harar Dawn of Hope Association engaged in IGA and identify the factors that affect their income.

### **1.4 Specific objectives of the study**

1. To assess the economic impact of PLHIVs engaged in IGA in Harar Dawn of Hope Association
2. To indentify the factors that determine income of the target PLHIVs engaged in IGA;

### **1.5 Significance of the study**

Impact assessment can be used to promote good client service and provides accountability to donors and other external stakeholders. This assessment had lead to the investigation of the extent to which the project benefited its members and factors affecting economic status of member PLHIVs. Hence, the immediate concern of the study is economic changes brought about as a result of their engagement in the IGA project and identification of factors that result in variation in PLHIV's income level over the considered periods.

In this study it was foreseen that knowing the impact of the IGA on participating PLHIVs could enable policy makers to use the project as a model or the Harari regional government, and Dawn of Hope or PLHIV Associations in their other phases modify the IGA project for possible use in other areas, in other time. That is, the results of this study revealed the exact situation of PLHIVs and may also help to correct the inconsistency and distinguish the important linkage between PLHIVs economic status and the implementation of sustainable development initiatives.

In implementing similar projects, the Dawn of Hope Association should give attention to enhancing economic status of poor member PLHIVs; this will be derived by paying attention to supervision/follow-up, group formation, group size, loan size, capacity building of the beneficiaries on new and feasible income generating economic activities, marketing services, resource management and utilization capacity and technical know-how on loan utilization, loan disbursement and loan installment/term schedules, and strengthening horizontal integration with GOs such as, MFIs, municipality of the region and others and NGOs for financial and non-financial services. The achievement of these requirements facilitates economic empowerment of PLHIV in the region and in Ethiopia as a whole.

### **1.6 The Scope and limitation of the study**

This study tries to assess the impact of IGA project on the income of the target PLHIVs and factors that determine income generation of the target PLHIVs. The study was limited to 130 PLHIVs who are found in Dawn of Hope Association in Harari Regional state. The reasons for selecting PLHIVs in Dawn of Hope are: the proximity of the target group to the researcher; the easier access to targets; and the fact that all members of the target groups found in Harar town. Next to the above mentioned issues, constraints like time, scarce budget and other resource limitations have contributed to limit the scope of the study.

## **2. CHAPTER TWO**

### **2. LITERATURE REVIEW**

#### **2.1 Theoretical studies**

It is painfully clear that HIV/AIDS is not just another infectious threat to health. HIV/AIDS is destroying the traditional social fabric of the societies and is a threat to all aspects of sustainable development. Studies on impact of HIV/AIDS on demographic aspects indicate the classic population pyramid in developing countries will be radically changed with the advent of HIV/AIDS, within the next two decades. Never before has the world experienced death rates of this magnitude, among young adults of both sexes and across all social strata. It is hard to imagine how societies will be able to cope with such dramatic changes, where the old will have to care for their children and grand children, and where the youth will have to take the responsibility for caring for family members at a much younger age than they do today. At the micro-level, economic constraints due to HIV infection are quite obvious and visible. Income losses, at the household level are on various accounts reduced work capacity, expenditure for treatment and care, reduced time to work and earn, caregivers inability to work full time, premature death of an AIDS afflicted members of the household, funeral costs and so on. (MSWE- block one – unit two- page 23)

“The truth of living with HIV is a constant reminder of the lack of acceptance and rejection found in our societies-living with HIV demands silence and secrecy, because, in the best of cases, people perceive rejection and lack of acceptance even from health care providers, including psychologists” (varasDias & Toro-Alfonso, 2007).

The intrusion of this life threatening disease in to the very fabric of our communities, force us to look more deeply in to how we live, what we value, and why? Ultimately we will succeed or fail in our attempts to control the spread of HIV/AIDS, based up on how clearly we see these connections, and how we creatively and respectfully unravel their more damaging influences on public health.

The economic impact of AIDS which often kills people in their most productive years was discussed at the 11<sup>th</sup> international conference on AIDS in June 1996. John Mecallum, chief economist for the Royal Bank of Canada, said that as of 1995, AIDS had destroyed nearly \$8 billion in Canadian human capital, including the value of education, training, skills, and lost entrepreneurial talents. The cumulative number of new AIDS cases is likely to nearly double between now and the year 2000, and again by 2010 resulting in nearly \$ 30 billion in lost human capital by 2010.

The economic and social cost of HIV/ AIDS is substantial. According to research, done in HIV life time medical costs associated with an individual case of HIV/AIDS range from \$ 105, 000 to \$ 132,000 depending on when medical treatment begins. But, the new medications may lead to a net increase in costs as people with HIV live longer and require the drugs to be used over longer spans of time. (UNAIDS, 2005)

However, another very serious issue is stigma and discrimination. People known to be living with HIV are often shunned or abused by their very own family, community members, employers and even by health workers (Professional). As well as causing much suffering. Based on recent trends of stigma, it is likely that AIDS around the world will keep getting worse for many years to come. Millions more will become infected with HIV and millions will die of AIDS. Today, 34.3 million adults and children worldwide are estimated to be living with HIV. The pandemic is most severe in Sub-Saharan Africa, which has 24.5 million people infected with HIV-1, accounting for almost 90% of the total population in the 15 to 49 years age group. (UNAIDS & WHO, 2007)

The latest UNAIDS and WHO estimates shows that there are 38.6 million people with HIV, 63.2% are in Sub-Saharan Africa, 21.4% are in Asia, 5.2% in Latin America, 4.1% in North America/Europe, 3.9% in Eastern Europe/ central Asia, and 2.2% in other parts of the world. HIV and AIDS is a deadly disease. The PLHIV need constant care and support but in most cases family members also shy away from such responsibilities. This leaves the PLHIV nowhere and all the more dejected and depressed. Stigma and discrimination are multilayered responses concerning differences among people. In the context of mental and physical illness, they shape the understanding of such conditions by those who are diagnosed, their family members and communities and the professionals attempting to meet

their needs. Many influences impact the experience and expression of stigma, ranging from the nature of the illness itself to the characteristics of those who bear it and the social and cultural contexts in which they find themselves. Political, economic, social, and religious factors add to the complexity of assigning meaning to mental and physical illness, and nowhere are these more potent than among those dealing with HIV/AIDS. HIV/AIDS stigma and discrimination appear in multiple forms within and across cultures and societies. Whether felt or enacted, tendencies to think or behave in ways that label, stigmatize, alienate, or discriminate against others are seemingly universal human traits (MSWE -001 block 4 page 17).

Stigma acted out finds expression in the following forms of discriminatory practices name-calling, scape-goating, finger-pointing teasing, ridiculing, labeling, blaming, shaming, judging, backbiting, rumour-mongering, gossiping making assumptions, neglecting, rejecting, ignoring, isolating refusal to share utensils, avoiding or staying at a distance, harassing, inflicting violence (physically) abuse etc. While the following are the consequence of stigma shame, denial, self-isolation, loneliness, neglect, loss of hope, resignation, depression, suicide, alcoholism and isolation (MSWE -001 block 4 page 19).

Edwin Cameron, a south African Judge who happened to be HIV+ has written that” stigma is perhaps the greatest dread of those who live with AIDS and HIV... stigma’s irrational force springs not only from the prejudiced, bigoted, fearful reactions others have to AIDS... it lies in the fears and self-Loathing, the self-undermining and ultimately self-destroying inner sense of self-blame that all too many people with AIDS or HIV experience themselves”(knight,2008).

UNAIDS(2007) observes that although they are pervasive challenges to public health and human rights worldwide, HIV/AIDS related stigma and discrimination” remain seriously neglected issues in most national responses to HIV”. Peter Piot, the executive director of UNAIDS states” since the beginning of the epidemic, stigma, discrimination, and gender inequality have been identified as major obstacles to effective responses to HIV.”

HIV/AIDS related stigma and discrimination, represents the “second pandemic” Associated with this global health crisis. Many people shame or blame PLHIVs, and reject or distance themselves from those they imagine might have the virus.

Stigma and discrimination because of sero-status remains pervasive and an ongoing lived reality for people living with HIV/AIDS. This stigma and discrimination is not excluded but often compounded in workplaces with little or no resource for the infected individual. Besides little or no accommodation is made to employees whose health is failing and are unable to meet their principal terms of employment. Unfortunately this has left many people living with HIV/AIDS unemployed and unable to meet their basic needs (MSWE - 001 block 4 page 14).

Acquired immune deficiency syndrome (AIDS) emerged as the most dreaded disease of the century. This is dreaded not because of the fact that death is certain, but it is also due to stigma and social ostracism that is attached to its very name. AIDS continues to be a major concern of research, which requires broad ranging structural analysis of the overall health care sectors as well as the social, political and economical forces that influence its shape and content both in the western world and in the developing countries. AIDS is just the tip of an iceberg of a host of social problems ranging from poverty, accessibility to adequate health care, disenfranchisement and discrimination. The time has come not just to say “no” to unwanted sex or unprotected sex or unwanted conception, it is time to say no to inequality, to discrimination and lack of choice (MSWE -001 block 4 page 5).

Of course, microfinance service alone cannot drive improvements in the economic lives of infected and affected people. Business development, market reform, not to mention education, and health and economic infrastructure are pieces of the puzzle that will affect any client’s ability to utilize financial services well. Unfortunately, poorly designed economic strengthening programmes seem to litter the HIV/AIDS project landscape.

In a survey to assess the successes and, challenges of IGAs of people affected by HIV/AIDS in Cambodia, most partners found the flexibility of the programme and lack of guidelines difficulty and were at times confused over what they can or cannot do with the funds of IGAs. Partners found the funds permitted per client too low for many IGAs and

that underfunding can result in early failure of the IGA. Frequently IGAs fail and follow up is difficult when clients migrate. Migration is often an indicator that the IGA is not working and the client gives up going and seeking work and income elsewhere. Selling products is often very difficult for HIV positive people and their families due to stigma and discrimination which remains high all area visited. As it was mentioned in the survey report, it is almost impossible for PLHIVs and their families to sell food. If IGA support is to meet the livelihood needs of the most vulnerable and potentially destitute it must be carefully targeted and planned. Credit products that are too strict on repayments and do not include insurance for problems, very poor clients are likely to face will not help them. PLHIV's productive, activities particularly IGAs, are considered as a major component to empower them economically and enable them to contribute more to the overall development. Representing a significant part of the society- a population of more than 1.3 million PLHIV in Ethiopia (where, about 10,000 PLHIV are the share of Harari Region according to ministry of health report, in 2006) thought to make significant contribution to the economic development of their country. PLHIVs income generating activities have been seen not only as a means for economic survival but also have social repercussions for PLHIV themselves and their social environment.

One of the reasons why PLHIVs are marginalized from income generating activities is because they have limited access to resources, limited access to information, and thus limited access to services. All these lead to vulnerability and poor standards of living. By engaging PLHIV in income generating activities, they can increase their opportunities that will lead them to take charge of their lives, is the idea/concept that is conceived as a reality.

Business development services are necessary to help those with no activity to start small businesses. Studies suggest that PLHIVs live long when they are busy doing something, but when idle, think more of their situation that make them live negatively and therefore easy to be attacked by diseases. It is in this sense that business development service should be integrated in the process to train each individual how to start, manage, and develop economic activity.

While most organizations are dealing with preventing and treatment measures, it is ideal to start focusing on the strategies to reduce the prevalence of poverty by economically empowering PLHIVs through IGA. Economic empowerment through income generating activities is about helping people do something for themselves. It is about teaching people how to fish.

## **2.2. Rationale of economic empowerment of PLHIVs through IGA**

### **2.2.1 Economic rationale of IGA of PLHIVs**

HIV /AIDS and poverty have a dual cause- effect relationship. Poverty fuel the spread of the epidemic and the epidemic, in turn, worsens the economic situation of the household, often leading to increased poverty. A similar relationship exists between HIV/AIDS and economic growth. At a macroeconomic level, while HIV/AIDS is believed to slow economic growth, growth is closely related to poverty and availability of resources, variables that, in turn, contribute to shaping the epidemic and determining a country's ability to respond to it.

HIV/AIDS is the biggest obstacle to the achievement of the development goals agreed at the UN Millennium Summit in 2000(UNDP, 2001). It works against the objectives of equity, gender equality and poverty eradication.

A survey carried out in South Africa (Oni et al, 2002) reveals that HIV/AIDS worsens poverty among households already living below the poverty line. One empirical result is that income received by affected households during the year 2000 was approximately 35 per cent lower than that received by unaffected households; per capita monthly income for the average affected household was about 31% lower than that of unaffected households.

### **2.2.2 Social Rationale of IGA of PLHIV**

Social evils like family breakdown, crime, prostitution, child Labor, physical & sexual abuse, begging and homelessness have a lot to do with income insecurity. Improvement in the income of PLHIVs through IGAs can significantly reduce the occurrence of the aforementioned social evils.

### **2.2.3 Political Rationale of IGA of PLHIV**

One of the factors that stimulate and aggravate conflicts in a country is poverty. A poverty stricken and hopeless society is more likely to engage in conflicts than economically stabilized society. One of the ways of creating a politically stabilized situation is to economically empower all the marginalized segments of the society. Including PLHIVs. While the point discussed so far emphasizes the importance of IGA in general and that of PLHIV in particular, on the other hand, Study on strengthening the IGA of PLHIVs indicated that HIV positive people lack the necessary entrepreneurship traits that are lost as a result of psychological breakdown due to stigma and discrimination. Sometimes some people have abandoned their economic activities and just stay at home waiting to die. This is the typical example of HIV positive people challenges. Due to stigma and discrimination, PLHIVs lock themselves from the outside world. This in turn leads to poor business information, poor business network and poor skill which would ultimately lead to poor performance in their income generating activities.(Renaissance consultancy April 2009 Addis Abeba).

Another study heled in Jima University on the prevalence of psychosocial distress and associated factors among people living with HIV AIDS attending ART indicated “coping with a chronic, life – threatening disease however, is not without consequence as disease progression often involves a series of psychological and physical stressors that may impair daily functioning and quality of life. These stressors may involve a variety of physical symptoms, pain, concerns over disclosure and stigma associated with HIV, and distress regarding one’s own mortality. Hence, maintaining optimal health requires strict adherence to demanding treatments that often carry serious side effects and a lifelong commitment to medical care in a rapidly changing treatment environment. Within this context, there is now a growing population of HIV- infected people who face both disease specific stressors associated with living with a chronic, highly stigmatized illness and general life stressors.

The same study conducted on stress on HIV infected indicated that HIV infected individuals had a high prevalence of distress, anxiety and depression out of which 72.3%

of the patients were above threshold on the distress thermometer scale. While a large number also tested as significantly anxious (70.3%).

In sum, the lives of HIV –infected patients are often fraught with numerous psychosocial stressors. While some are able to successfully cope with these stressors and lead productive lives after HIV diagnosis, a significant majority report difficulty in effectively coping with this chronic illness and medication. Though the studies indicated above mentioned importance of IGA of PLHIV on one hand and series of psychological and psychosocial problems of PLHIV, on the other hand comparatively, the IGA;

1. Is still underway, being taken as determinant factor of the future betterment of HIV Positive people by their Associations, funding agencies and government too.
2. Above all, it is becoming the selected area to ensure economic empowerment of HIV infected and affected people, and going to be taken as for granted of building sustainable life of PLHIVs who are under great and severe psycho-social pressure of stigmatization and the burden of the disease itself.
3. Since it is still an ongoing activity of the day, it has to be assessed before investing additional more money, man power and material resources on it in the coming years.
4. Besides getting satisfied by flow of positive reports of IGA from the actors of the programme, based only on success stories of their activity, systematic and scientific evaluation had become very necessary for timely correction or approval of the case following the result of the study.

It is interesting to know the real impact of IGA on the livelihood of the people financed. By collecting some data through a field research, it is possible to draw a statistic profile of the participants to the programme, and compare it to the client's situation before they were engaged in the programme. The comparison gives an evaluation of the benefits that IGA are taking in to the families involved.

Thus this study thoroughly investigated the situation of income generating activities of PLHIV's of Harar Dawn of Hope Association in relation to the existing psychological and

psychosocial impacts of HIV AIDS. To this, effect, an evaluation research which covers about 130 sample respondents has be conducted.

The Research design suggested to this study is evaluation research. Evaluation Research Design is chosen because it provides objective assessment of the performance. All programmes are evaluated for the results they have achieved or failed to achieve. Evaluation apart from making an analysis of the progress made and problems faced in the implementation of programme, it also indicates the corrective measures necessary. Evaluation is, thus, an indispensable tool in the organizational process of improving both activities still in progress for future programme planning and decision making.

#### **2.2.4. Concept of Economic Empowerment**

Empowerment is defined as the process by which beneficiaries take control and ownership of their lives through expansion of their choices. Thus, it is the process of acquiring the ability to make strategic life choices in a context where this ability has previously been denied. The core elements 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 (United Nations, 2001).

According to Rowlands (1995), the definition of empowerment is bringing people on the outside of a decision process into it. It is also considered as the ability to obtain an income that enables participation in economic decision making. Individuals become empowered when they obtain the right to determine choices in life and to influence the direction of change, through the ability to gain control over material and non-material resources.

Access to resources does not by itself translate into empowerment or equality unless beneficiaries acquire the ability to use the resources to meet their goals. For resources to empower beneficiaries they must be able to use them for the purposes of their choice. The effective use of resources requires agency, which is, the process of decision making, negotiation and manipulation (Kabeer, 2005).

Empowerment approaches are utilized in a variety of development initiatives in addition to micro credit programs, democratization programs and leadership training programs. However, question has to be raised as to what constitutes empowerment and when is the program empowering and when it is not. For example, increased decision-making power at individual level and greater access to economic resources of PLHIVs does not necessarily translate into greater representation on power of PLHIVs within political institutions (Cheston and Kuhn, 2002).

The promotion of empowerment also requires addressing organizational structures and processes in addition to policy frameworks. Empowerment is demonstrated by the quality of people's participation in the decisions and processes affecting their lives. For participation to promote empowerment, it needs to be more than a process of consultation over decisions already made elsewhere. Strategies to support PLHIVs empowerment should encourage PLHIVs participation at all stages of projects including evaluation (Ibid, 2002).

Economic empowerment projects usually focus on income-generating activities, which allow beneficiaries to independently acquire their income. Income-generating activities encompass a wide range of areas, such as small business promotion, cooperatives, job creation schemes, sewing circles and credit and savings groups (Albee, 1994).

One of the most popular forms of economic empowerment for PLHIVs is microfinance, which provides credit for impoverished PLHIVs who are usually excluded from formal credit institutions. Offering PLHIVs a source of credit has been believed to be a very successful strategy for alleviating poverty because it enhances the productivity of their own small enterprises and the income-generating activities in which they invest. Results include an increase in beneficiary's self-confidence and status within their families as well as income that can be used to improve their families' well-being through improved health and nutrition (Goetz and Gupta, 1996).

## **2.2.5 Conceptual Framework of Impact Assessment.**

### **2.2.5.1 Importance of Impact Assessment**

Impact assessment studies have become increasingly popular with donor agencies and, in consequence, have become an increasingly significant activity for recipient agencies. In part this reflects a cosmetic change, with the term impact assessment simply being substituted for evaluation. But it has also been associated with a greater focus on the outcomes of interventions, rather than inputs and outputs. While the goals of impact assessment studies commonly incorporate both proving impacts and improving interventions. Sets of factors are associated with the extreme pole positions of this continuum and these underpin many of the issues that must be resolved when impact assessments are being initiated (Hulme, 1997).

Explicitly, impact assessments are promoted by both the donors and implementers of programs so that they can learn what is being achieved and improve the effectiveness and efficiency of their activities. Implicitly, impact assessments are a method by which sponsors seek to get more information about program effectiveness than is available from the routine accountability systems of implementing organizations. Impact assessments are also of significance importance to aid agencies in terms of meeting the ever increasing accountability demands of their governments and for contesting the rhetoric of the anti-aid lobby. While recipient agencies benefit from this, they are one stage removed, and many are likely to see donor-initiated impact assessment as an activity that has limited practical relevance for program activities (Ibid, 1997).

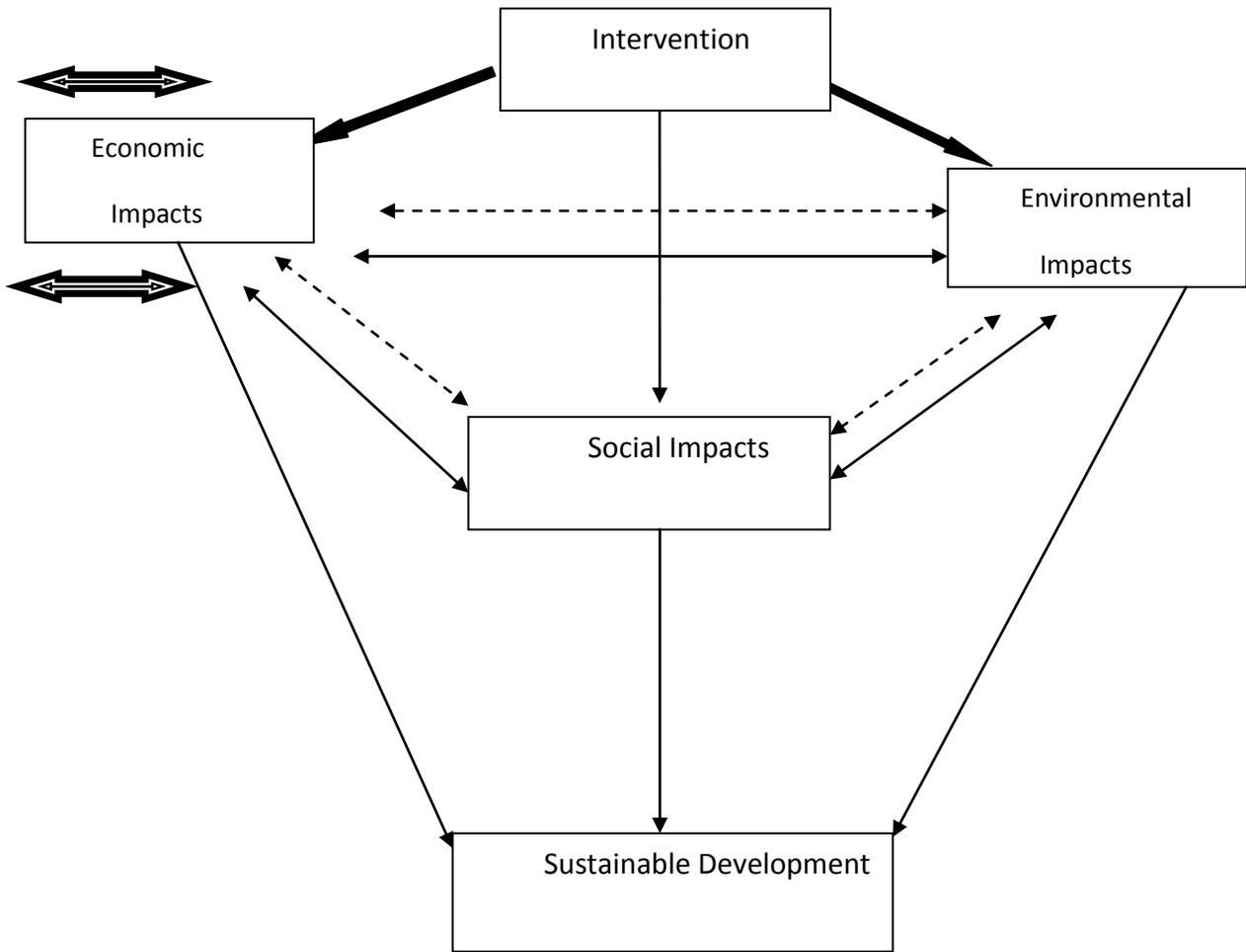
### **2.2.5.2 Indicators and Measurements of Impacts**

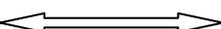
Impact assessment is the process of identifying the anticipated or actual impacts of a development intervention, on those social, economic and environmental factors, which the intervention is designed to affect or may inadvertently/ unconsciously affect. It may take place before approval of an intervention (ex ante), after completion (ex post), or at any stage in between. Ex ante assessment forecasts potential impacts as part of the planning, design and approval of an intervention, where ex post assessment identifies actual impacts

during and after implementation, to enable corrective actions to be taken if necessary, and to provide information for improving the design of future interventions (Kirkpatrick et al, 1999).

The same source stated that a fully integrated impact assessment of complex investigation of the interlinkages between social, economic and environmental impacts would require potentially important interactive effects to be identified within the scope of the assessment (Figure1). Figure 1 shows that intervention of a given project has direct impact(s) on economic, social and/or environmental aspects of the considered area of intervention.

These three aspects of area of intervention do have feedback and indirect impacts on one another. Moreover, all these result in sustainable development. In defining the scope, one has to determine which impacts should be investigated in the assessment and also identify targets for the impact to be assessed, from the planning document, or from widely accepted objectives appropriate for the type of intervention. The other point is identification of indicators, which allow each impact to be measured, in relation to its target; also methods of collection against these, and who will be responsible for collection. In assessment and quantification of impacts, determine what impacts have occurred, their direct and indirect causes, and their importance and assess impact magnitude where practicable, in relation to target groups respectively. As to corrective action, define what steps can be taken to eliminate or reduce any significant adverse impacts or to compensate for them. In policy lessons, identify lessons for the planning and design of future interventions(lbid,1999)



Direct impacts        Feedback impact  
 Regulatory impacts        indirect(secondary )impact

**Fig.1.** Types of Impact on Sustainable Development

**Source:** Kirkpatrick et al, 1999.

Reporting comprises documentation of the findings of the assessment in a manner that is clearly understandable to those who will use them, identifying uncertainties and reliability of findings, establishing means of public access to the report dissemination of findings, evaluation of findings to be disseminated amongst stakeholders in a way that contributes to learning (e.g. by workshops, meetings, circulation of report), and obtaining stakeholder agreement to the report and agree follow-up action, Kirkpatrick et al (1999), and dissemination of findings, which is distribution of the outputs of the assessment to all concerned bodies for their own consumption.

Many problems of impact assessment arise because of usually, lack of baseline data and that analysis has to be done based on a cross-sectional comparison of households for which data are available only at a certain point in time. Consequently, it is difficult to find out what changes have occurred over time to different types of households and even more what are the causes of change (Rutherford, 2000).

Impact of development project intervention in a given economy can be assessed at household, enterprise, individual, and community levels. The rationale for using household, enterprise, individual, and community as units of impact assessment is that for an organization aiming at providing financial services to alleviate poverty, its end result is fully measurable only in direct relationship to lives of human beings, who are part of the household, the society or the community in which they live. At the household level, impact may be measured by an increase in household income, asset accumulation, and labor productivity. Therefore, impacts of development projects are measured by quantitative and qualitative variables, which are reflected in the above units of impact assessment (Ibid, 2000).

### **2.2.6 Initiatives to the Development of Small Enterprises**

In the developing world, microenterprises employ a significant share of the workforce, particularly of the female workforce, and generate a significant share of household income, particularly in low-income households. Reflecting the size of the microenterprise sector but also a range of perspectives on its significance. Microenterprise development is regarded as

crucial to the achievement of such varied development objectives as poverty alleviation, employment generation, individual empowerment, and economic development. In particular, financial services to microenterprises have received increasing attention and achieved significant success since the early 1980s. Yet remarkably few rigorous and systematic studies have been undertaken to determine what the impact of microenterprise services, including financial services, has actually been (Chen, 1997).

The fact that there are surprisingly few impact studies of microenterprise projects is due, in part, to the inherent difficulties of conceptualizing and measuring impact. There is little consensus on whether or how to measure such basic quantitative indicators as income, expenditure, or assets and even less on whether or how to measure such qualitative indicators as control, bargaining power, and self-esteem. Another problem is that of fungibility: that is, whether the microenterprise service, most commonly credit, is used for a purpose other than the stated or targeted purpose. A related problem, which arises because the microenterprise service may be used for any purpose, is that the impact may not occur where it is expected and may occur where it is least expected (Ibid, 1997).

These initiatives are not mutually exclusive. Certain initiatives may combine different elements. For example, donors may support efforts of organizations to reform laws and regulations concerning the establishment of business associations. Backed by donor funding, organizations may also work directly with business associations to strengthen their capacity to provide various services to members and to advocate for needed policy reforms. All of the initiatives are intended to enhance the performance of small enterprises. However, these initiatives are not just about improving the competitiveness of small firms: they are undertaken in order to reduce poverty. This goal, for example, is reflected in the Donor Guidelines for Business Development Services. Specifically, the guidelines state that the ultimate objective of donor intervention is to improve small and micro enterprise (SME) performance in developing countries, as a means to achieve higher economic growth and employment, reduce poverty, and meet social objectives (CDASED, 2001). In keeping with these Guidelines, proposals for particular Business Development Services (BDS) programs often refer to poverty reduction as a principal goal of the intervention. This overarching goal means that BDS programs explicitly aim to reduce the proportion of

people living below a specified poverty line and/or improve the welfare of the poor by reducing the poverty gap. Many Ethiopian PLHIVs turn to micro-enterprise because they are essentially marginalized in the labor force and unable to find employment alternatives; in effect, they are driven to entrepreneurial activity out of necessity. Their lack of mobility (due to their large families and household responsibilities), coupled with their lack of ability to secure proper operating premises means they are often home-based and this prevents them from seeking out markets, information on better economic opportunities, and business assistance. In addition, these PLHIVs tend to have meager financial and human capital at their disposal. PLHIVs are largely deprived of property ownership and consequently are not able to offer the collateral required to access bank loans. Fortunately, there are some donor-driven sources of microfinance in the country and much of this is targeted towards PLHIVs as a way of reducing poverty (Stevenson and St-Onge, 2005).

### **2.3. Empirical Studies**

Knowledge of impact of financial services is undoubtedly important for it provides information to the donor/lender on the incentives available for the clients to comply. Impact of financial services is affected by a number of socioeconomic, institutional and natural factors. Some of which are believed to impact such as on income, expenditure, asset, and saving positively while others have negative impact. As an output of the studies, different recommendations and helpful comments on the limiting factors of the performances of the institutions were identified in several countries. Some of the studies are reviewed in the following paragraphs.

Studies made in Bangladesh on Grameen Bank loan participants showed a positive impact of the program in increasing household income, expenditure on basic necessities, employment, nutritional intake and other social benefits for beneficiaries. (Fiddler and Webster, 1996). Dunn (1999), made impact assessment of microcredit in Peru. The impact study in Peru was one of the three large-scale impact assessments undertaken as part of the Assessing the Impact of Microenterprise Services (AIMS) Project. The other two impact evaluations were conducted in India and Zimbabwe. All the studies shared the same conceptual framework, core hypotheses, research design, objectives, and methods.

The 1997 baseline data provided many insights into the demographic and economic characteristics of the microenterprises, households, and entrepreneurs in the study. The baseline clearly showed that the clients of Accion Comunitaria of Peru (ACP) were not confined to the poorest of the poor. While some client households were below the national poverty level, the majorities were not. The baseline showed that there had been minimal market penetration within metropolitan Lima by formal and program-based microcredit organizations as of 1997. The baseline results also validated the household economic portfolio as an appropriate conceptual framework for the impact evaluation.

The impact analysis indicates that the ACP may have provided clients with some protection from the negative economic influences around them. The analysis also showed that the clients' enterprises experienced numerous positive impacts, affecting enterprise revenues, fixed assets, and employment. The results indicated differences in the magnitude of these impacts for different subgroups, most notably for new entrants and for the poor. Along with the evidence of positive impacts, there were also indications that microcredit can have negative impacts on clients.

Matovu (2006) conducted a study on microfinance and poverty alleviation in Uganda. Income generation is one of ingredient and the majority of the beneficiaries interviewed responded positively that they had registered 77% increment in incomes while 11% noted a decrease, 7% remained the same and the 5% never answered to this question or gave another answer. The beneficiaries were asked if their incomes had increased, decreased, remained the same or any other; the majority responded that their incomes increased.

Business profits are an important income source for all groups. Those who run big businesses like dairy farming have higher incomes than for example those selling fish in the market.

The result of the study also stated that, the impact of the program has been manifested in education, health, nutrition, accommodation and in savings mobilization. One of the components of the program is a requirement to save on a regular basis. The clients were asked if they had personal savings excluding the forced loan guarantee. The figure below

reflects that the majority of the clients (87%) responded to have personal savings while 12% said they had no savings. The loan guarantee savings is 15% of the loan amount partly contributes to savings.

The same study above, assessed that, with regard to savings, the clients were asked whether their savings in the last 12 months had increased, decreased, remained the same and the response showed 66% having increased savings while 18% said it decreased and 16% said it remained constant. The loans acquired by clients are mainly short term loan and to avoid accumulated interest, the clients are encouraged to make regular savings and this partly explains the increment because they work hard. The main reason given as to why people save is to enable the client in case of severe crisis and to cope up with the shocks; savings can provide protection against risks, used to acquire another microfinance cycle and also to expand the existing economic activities. However some clients prefer to save in physical assets such as land, TV, radio, sofa set, houses and other valuables after the obligatory loan guarantee savings. A study conducted by the World Bank in collaboration with the Bangladesh Institute of Development to assess the effects of microcredit programs on poverty, used data on consumption, savings, asset ownership, and net worth; based on these measures, the researchers argue that Grameen Bank, not only reduced poverty and improved welfare of participating households, but they also enhanced the households' capacity to sustain their gains over time (Khandker, 1996).

Impact assessment studies point to asset creation as one of the main indicators, measurable by empirical data. From various documented sources, it would appear that financial services, especially microcredit, provided to self-help groups have brought about an increase in household income. Nanda's (1999) study of rural microfinance projects in Bangladesh revealed that improving client's access and control over resources can potentially alleviate their health problems and enhance their decision-making within the household. Her study indicates that participation in economic activities is more valuable for empowering a client than household income or socio-economic status.

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

#### **3.1 Description of the Study Area**

Harari Regional state is one of the nine regional states in Federal Democratic Republic of Ethiopia, having 9 woredas/districts, 36 Local/kebele administration and estimated total population of 200000 inhabitants (Central Statistical Agency of Ethiopia (CSA, 2005).

Its dwellers are from Oromo, Amhara, Harari, gurage, Tigray and Somali nations and nationalities in the country. It is the only region where the majority of its population lives in urban areas. There are four industries in the region. The occupation of its dwellers is agriculture, trade, craft, government and factory employees, and military forces. Muslim and Christianly are the major religions in the region. Harari region having small geographical size than all other federal states in Ethiopia is found in the eastern part of the country on the main trade route to Djibouti and Somalia. Harar, the capital city of Harari region is an old historic city in Eastern Africa, which was connected with port zeila of ancient Africa, has now an age over 1000years. Its old wall with five gates to be closed at night and open in the morning surrounding the city is registered by UNESCO being the world historic heritage. Thus, Harar is one of the tourist attraction towns in Ethiopia as well as in the world.

Since it/is/was serving as a corridor of trade, and military base, of the past regimes the inflow and out flow of people from all directions of the country is very high. This in turn created fertile ground for high prevalence rate of HIV/AIDS in the region compared with some other regional states in the country. Where, Harar Dawn of Hope is a membership Association of HIV positive people and orphans of AIDS established in 2001 in Harari regional state in response to HIV/AIDS epidemic and the high prevalence rate mentioned above in the region.

Currently the Association has about 1000 HIV positive members, 2069 orphans of AIDS and above 10,000 Associate members in the region. Dawn of Hope Association having good image, among local NGOs in the region, is fighting against HIV/AIDS and its impacts for the last ten years in the region. The Association is devoted to curb the prevalence of HIV and to reduce the impact of the disease. out of its main programmatic areas engaging HIV positive members in Income Generating Activity to enhance their betterment and enable them lead sustainable life in the community is the vital one.

Therefore, since Harar Dawn of Hope Association is highly indulged in IGA activity for the last ten years, a need to assess its impacts on the quality of life of PLHIVs, and to explore factors that contributed or confronted members, to make things possible or impossible to progress, in their income generating activities in relation to their HIV status has become necessary to all actors participating in the activities (Dawn of Hope Association organizational profile).

### **3.2. Study Population**

The study population for this study was all beneficiaries of IGA in Harari region.

### **3.3. Sample Population and Sampling Technique**

The sample selection used for the situational analysis was purposive sampling technique. In this sample selection strategy, first the population to be sampled was divided into six local administrative kebeles /villages/ in the town. Then from each administrative kebele /village/ 20-22 IGA beneficiaries totaled 130 women PLHIVs were selected. While selecting the sample it was not possible to give emphasis to the gender distribution of the sample, because, more than 99% of IGA beneficiary PLHIVs are women, the sample taken are all women.

### **3.4. Data Sources**

The study employed both primary and secondary sources of data and includes qualitative and quantitative methodology. The secondary sources include review of Business Development service providers in the region, country, government and civil society group

experience, proclamations and other relevant source of data. Country experience is used as benchmarks for organizing pilot IGAs for PLHIV in the region.

### **3.5. Data Collection Methods**

Primary data was collected through in depth interview, focus group discussions, case studies, field notes as well as observation were conducted.

### **3.6. Data Collection Tools**

Data collection tools were developed by the principal investigator from review of different literatures. The tools include different areas to help in assessing impact of the IGA. The questionnaire had different sections like; personal data of the respondent, household level information, monitoring and supervision, training, income/asset/wealth, expenditure information, enterprise activities, loan, saving, institutional support and coping mechanisms for shocks.

### **3.7. Method of Data Analysis**

The data analysis for quantitative data will be conducted using SPSS software for windows version 16. For the qualitative analysis part, the semi structured questions will be analyzed from the collected data under selected themes and summarized manually.

In addition to these data analysis methods, descriptive statistical tests, econometric model and tobit model will be used.

#### **3.7.1 Descriptive Statistical Analysis**

Descriptive statistics are important to have clear picture of the characteristics of the sample units. By applying descriptive statistics, one can compare and contrast different categories of the sample units with respect to the desired characteristics. The descriptive statistics used in this study include mean, standard deviation, percentages and frequency of occurrence. And using these statistical tools those quantitative variables such as age of the respondents, education of the respondents, amount saved and deposited by the respondents, household asset, household income other than Dawn of Hope, family size, group size, loan

amount, amount of group capital in cash, and amount of group capital in kind were assessed.

### **3.7.2. Advance statistical Tests**

Chi-square, t-test and Tobit models were employed.

In addition to descriptive statistics, Chi-square test was employed for dummy variables such as marital status of the respondents, training received by respondents other than IGA, utilization of the credit for the intended purpose, access to credit other than Dawn of Hope, group formation, access to sales-house, storehouse for their products, enterprise location, institutional support, severe problem of group, and frequency of supervision and follow up, to test the association is found between some of them. Besides, the technique of the Analysis of Variance (ANOVA) was used to check if the average income of the client varies from group to group.

### **3.7.3. Econometric Model**

The basic problems to be tackled in the assessment of impacts of programmes/ projects are the “fungibility” of the service. “Fungibility” of the service is the fact that the loan does not remain with the person who receives the loan but it diffuses in the household with its complicated, multi-budget and multi-objective structure, or the spillover effect, the selection of appropriate reference households with which to compare the members of a programme. From its very nature, impact assessment needs rough assumptions to be set (Briintrup, 1997 as cited by Kebede, 2003). Moreover, it is impossible to observe impact of a given programme on a household with and without or before and after programme participation simultaneously in the absence of baseline/ panel data set (Zeller et al, 2001).

In this study, there is a baseline data set indicating the economic status of the selected households before the start of the programme of IGA, and the current economic status was gathered, which enable to compare the economic status of the member at the two extremes.

The use of Tobit models to study censored and limited dependent variables has become increasingly common in applied social science research for the past two decades (Smith and Brame, 2003).

But, before the same model was employed for all 130 sample respondents, the data were tested by one way ANOVA and Chi-square tests. Those variables, which were tested by one way ANOVA are age of respondent, education of respondent, asset of the respondent, income from other than IGA, loan size, and monthly net income of the client from IGA. Likewise, variables which were tested by Chi-Square tests are activities in which a client is engaged prior to the project, activities in which a woman is engaged at the time of survey, marital status of the respondents, training received other than Dawn of Hope, type of group enterprise, access to sales-house for their produces, sever problem in the group, frequency of supervision and follow-up by Dawn of Hope facilitator, group formation, access to credit other than Dawn of Hope and group condition currently in their group business.

Apart from the above variables, those variables such as amount of initial grant money, access to credit from Dawn of Hope, frequency of loan repayment, access to store house and training given by Dawn of Hope are constant for all.

#### **3.7.4. Specification of Tobit Model**

In this study, to assess impact of IGA on economic status, in addition to the above techniques, paired sample t-test was employed.

The economic status of the target groups is reflected in their income level (Vasthoff, 1968). Existing poverty assessment tools assess poverty in relation to one or more of four economic measures of poverty: incomes, assets, expenditure and consumption. The assumption is that respondents can reliably quantify these (Mayoux, 2004).

From the financial service PLHIVs derive a benefit such as the opportunity of being self-employed or expand the existing micro-business. One of the immediate impact is on

income. This induced income may have impact on other outcomes such as expenditures (consumption, educational and medical), saving, asset, housing improvement or repair and PLHIVs empowerment. Possible benefits from the participation include induced change on the above variables. Apart from the descriptive explanation, paired-samples t-test was employed to investigate if there is any statistically significant change on the variables under the study. We use the paired t-test when there is one measurement variable and two attribute variables. One of the attribute variables has only two values. The most common design is that one attribute variable represents different individuals, while the other is "before" and "after". The paired t-test provides a hypothesis test of the difference between population means for a pair of random samples whose differences are approximately normally distributed.

### **3.8. Definition of Variables**

The economic status is affected by different factors. In this study, key factors that are expected to influence the economic status are identified. These factors are: individual characteristics of beneficiaries, household characteristics, group characteristics and IGA characteristics.

Individual characteristics of beneficiaries in a group are expressed in terms of age of the respondents, marital status of the respondents, education of the respondents, amount saved and deposited by the respondents, and training received by respondents other than IGA. Household characteristics are expressed in terms of household asset, household income other than income from IGA, utilization of the credit for the intended purpose, family size, and access to credit other than their association. Group characteristics are reflected by group size, group formation, group difference, loan amount, suitability of loan repayment period, frequency of loan repayment, access to sales-house, storehouse for their products, amount of group capital, enterprise location, type of group enterprises, and severe problem of the group. IGA characteristics are expressed in terms of supervision and follow-up, and amount of grant money.

### **3.8.1 Definition of Some Variables for Descriptive Statistical Analysis**

**Group formation:** When the group is formed on self-selection base, screening is more effective than those groups that are formed by outside agent. Hence, it is expected that the group formed by self-selection to increase the economic status.

**Supervision and follow-up:** If there is continuous follow up and supervision visit to evaluate the business activities, it is assumed that there is positive relationship with the economic status.

**Working capital:** It is measured in monetary value (Birr). It is expected that small amount of capital is a barrier to expand their enterprise and which has a negative impact on economic status.

**Group size:** The bigger the group, the more imperfect is flow of information among members in a group. Problem of asymmetric information makes monitoring and enforcement to be costly and less effective [Zeller and Sharma: 2001]. In this case the group size is expected to relate negatively with the economic improvement. So in this study it is expected that small number of group lead to high level of economic status.

**Preference of loan repayment period:** Loan term is a schedule, which fixes duration of the loan with the loanee and specific date of loan repayment, in agreement of the two parties. In most cases loan term is a function of loan size and purpose. So that institutions as well as the borrowers be able to convince one another to set terms of the loan accordingly. In this study it is expected that appropriate loan terms will have positive contribution for the success of those businesses.

**Marital Status of the Respondents:** Marriage is a social institution; it re-organizes society, leading to the formation of kinship ties and membership in descent groups. In other words, marriage leads to the creation of new and entrenchment of old social relationships. It is, therefore, an institution through which kinship ties are both established

and extended (Nukunya, 1992). It is expected that, married client have a better economic status than others because of additional income of spouse.

**Household Income Other than income from IGA:** It is a continuous variable and measured in Birr (Ethiopia currency). This variable refers to an income other than client income from IGA. These include client income other than IGA, husband or wife income, and other family members' income. If a client / beneficiary/ has different sources of income other than the income financed by the Dawn of Hope, the client capacity to repay increases. Even in case of failure in the business financed by Dawn of Hope, the availability of these income sources helps cross financing. It is assumed that income from other household members, would lead to high-level of income.

### **3.8.2 Variables in the Tobit Model**

#### **3.8.2.1 The Dependent Variable**

- The dependent variable is monthly net income of sample client from IGA.
- The monthly net income of client/ beneficiary/is the difference between the current net income and the baseline net income.

#### **3.8.2.2 Independent variables**

The independent variables to be considered are socio-economic and institutional characteristics of the PLHIVs. Based on theoretical relationship and findings of empirical studies, the following explanatory variables are hypothesized to explain the dependent variable. These are:

##### **i. Age of the Respondents**

This was measured in years completed at the time of interview. Through time PLHIVs acquire experience in formal credit or grant money use. In addition, older PLHIVs may

accumulate more wealth than younger ones (Belay, 2002). In this study, this variable is hypothesized to influence the income of clients positively.

## **ii. Education of the Respondents**

An educated client is expected to have more exposure to external environment, to be acquainted with business activities, manuals, and accumulated knowledge through training. Educated clients make better use of their time and available resources. For example, according to Manuh (1998), uneducated clients engaged in the informal sector and have very little access to official sources of credit or information. Therefore, it is expected that this variable would have positive influence on income of clients.

## **iii. Family Size**

A large household size may mean many mouths to feed which calls for more time on unpaid domestic activities, and that may retard the growth of the business, because income generated would be channel into household welfare needs at the expense of the business instead (Ibid, 2006). In this study, this variable is hypothesized to influence the income of PLHIVs negatively.

## **i v Household Assets**

It is a continuous variable and measured in Birr (Ethiopia currency). Dunn (2001) examined that, during difficult economic times, households may delay the acquisition of any non-essential items. Housing expenditures, on the other hand, represent a multipurpose investment, and can provide improved quality of life, enhanced microenterprise income, auxiliary rental income, and even retirement income. Therefore, it is expected that this variable would have positive influence on income of PLHIVs.

#### **v. Training Received by Respondents Other than IGA**

It is a dummy variable and if the respondent received training other than IGA it takes a value 1 and 0 otherwise. Training helps them acquire business skills, enhances their economic activities and the ability to meet the welfare needs. For instance, Ansoglenang (2006) states that the benefits of the training component to the clients is very helpful in the sense that, it motivates members to pay back their loan promptly. Clients were trained to appreciate what is expected of them with their loans like optimum exploitation of loan use, savings, deposits and loan repayment (Matovu, 2006). Therefore, having training other than IGA is expected to influence the income of clients positively.

#### **vi. Average Loan Size from group capital**

It is a continuous variable and measured in Birr (Ethiopia currency). Loan size is expected to emanate from purpose(s) on which the loanee is going to invest the loan. To estimate appropriate loan size(s), it is necessary to consider the purpose(s) of the loan on which the loanee is going to invest. In underdeveloped countries, where capital is scarce as compared to labor, reasonably, higher loan sizes are appreciable (Kebede, 2003). Hence, it is expected that this variable would have positive influence on income of PLHIVs.

#### **vii. Access to Credit Other than their association**

This is a dummy variable, which takes a value 1 if the PLHIVs have credit access from individuals or institutions other than Dawn of Hope and 0 otherwise. Microcredit can have positive impacts on the income and living conditions of households. In other words, credit has an impact on household welfare through its direct effects on enterprise performance. Several studies have shown that access to credit plays a significant role in enhancing income generating activities, for example, Singh et al, 1981 and Wolday, 2003. If a client has an access to credit, high-level of income is expected.

### **viii. Utilization of the Credit for the Intended purpose**

In recent times, donor communities, NGOs and government line agencies have adopted the concept of micro-credit schemes as a means of poverty reduction. Micro-credit is seen as a major tool of development; for providing poor people with credit for income generating activities can help them work their way out of poverty (Fisher et. al., 2002). A common economic activity undertaken by PLHIVs are engaged in preparing and selling of food items, in petty trading or retailing, and breeding of goats and poultry. But some times, clients are found to divert the loan to other purpose(s) from the intended one may be due to incompatibility of loan size, unexpected price change, unavailability of that/those purpose(s), immediate social obligations etc. In this study, this variable is hypothesized to influence the income of PLHIVs positively.

### **ix. Amount Saved and Deposited by the Respondents**

According to Cohen (2001) savings can help households deal with income shocks; it provides a basic indicator of household security. Savings can also serve as startup capital for enterprises or as the basis for other productive investments. Therefore, it is expected that this variable would have positive influence on income of PLHIVs.

### **x. Access to sales-house for their products**

Sales-house refers to a house to sell their product. These may capture other factors affecting business activities such as access to marketing place or business location, low cost in terms of house rent etc. Therefore, in this study, having a sales-house from government or other organization is expected to influence the income of beneficiary positively.

## **CHAPTER FOUR**

### **4. RESULTS AND DISCUSSION**

This chapter outlines the main findings of the study. The section below discusses the descriptive statistics and t-test results of the study. The second section discusses the results of the econometric models used in the study.

#### **4.1 Descriptive Statistical Analysis**

This section is mainly concerned with the descriptive analysis results of the survey data and interpretation of the analytical findings. Inferential statistics were employed to households and group characteristics.

##### **4.1.1 Test of Homogeneity among the Sample Groups**

The ANOVA results indicated that there is homogeneity of mean in age of respondent, asset of the respondent, income from other household member/s, income of beneficiary from IGA, and loan size i.e. they are insignificant at 5%. However, there is heterogeneity in education of respondent at 5% (Appendix Table 7.1).

Likewise, Chi-Square tests indicated that there is homogeneity (insignificant at 5%) in activities where client engaged prior to the project, activities where client engaged on the time of survey, marital status of the respondents; training received other than IGA, and access to credit other than their Association. However, there is heterogeneity at 5% in type of group enterprise (some are engaged in preparing and selling of food items and others are in petty trading or retailing), access to sales-house for their enterprises, sever problem in the group, frequency of supervision and follow up by Dawn of Hope facilitator, group formation, and group condition currently in their group business (Appendix Table 7.2).

Hence, due to insignificant difference among the sample groups in income of beneficiary from IGA and the overall results of the sample groups could be analyzed in one model and because of this, a variable called group's difference is not included in the model.

**Table 4.1: Distribution of Respondent by Individual Business Activities in Harari Region , 2012.**

Intended purpose	Number	Percent	Loan used for intended purpose	
			Number	Percent
Petty trading or retailing	41	31.5	22	28.9
Preparing and selling food items	12	9.2	6	7.9
Cereal and pulse trading	6	4.6	25	32.9
Small kiosk	40	30.8	3	3.9
Preparing and selling of handicraft	6	4.6	4	5.3
Preparing and selling of local drink	6	4.6	4	5.3
Baking and selling of 'injera'	6	4.6	4	5.3
Mini restaurant or tea shop	3	2.3	2	2.6
Fuel wood and charcoal selling	7	5.4	5	6.6
Vegetables trading	3	2.3	1	1.3
Total	130	100	76	100

In this study, the survey result indicated that though beneficiaries took the loan to carry out 10 different types of businesses, high concentration of beneficiaries trader was observed in 3 types of activities i.e., petty trading or retailing, small kiosk and preparing and selling of food items. From the sampled beneficiaries, those who engaged in the above activities mentioned account 31.5%, 30.8% and 9.2% respectively. In connection with this, 58.5% of the respondent used the loan for the intended purpose (Table 4.1).

#### 4.1.2 Individual Based Comparisons

**Education Level:** According to Ansoglenang (2006) study, 40 percent of respondents / have no formal education, 25 percent had non-formal education and 17.5 percent have education up to the primary school level. 7.5 percent and 10 percent of them had education up to middle school and junior secondary /secondary/college/vocational training respectively.

**Table 4.2: Education Level of the Sample beneficiaries, Harari Region, 2012.**

Attributes	beneficiaries with group IGA		beneficiaries with individual IGA		Total	
	Number	Percent	Number	Percent	Number	Percent
Illiterate	7	7.5	11	29.7	18	14
1-4 (first cycle)	38	40.9	17	45.9	55	42
5-8 (second cycle)	32	34.4	8	21.6	40	31
9-12 (third cycle)	16	17.2	1	2.7	17	13
Total	93	100	37	100	130	100
X <sup>2</sup> value	15.249***					

\*\*\* Is significant at 1% level Source:

In this study, Table 4.2 shows that 7.5% of beneficiaries with common business members and about 30% of beneficiaries with not common business members, at survey year, are illiterate. Similarly, the study showed that 51.6% of the beneficiaries with common business were grade 5-8 (second cycle) and grade 9-12 (third cycle) while 24.3% were beneficiaries with not common business. The remaining proportion of the beneficiaries with common business and beneficiaries with not common business were within the categories of attending 1-4 (first cycle), sharing nearly 41 and 46 percent respectively. The difference

between the two sample groups with regard to education was found to be statistically significant at less than 1 percent of Chi-square value.

**Marital Status:** in this study, Table 4.3 showed that nearly 84 percent of the women's group with common business and 81.1% of the clients group with not common business were married while 4.3 % of the clients group with common business and 5.4% of the client's group with not common business were single. Ansoglenang (2006) in his study of Rural Women and Micro-credit Schemes in Ghana revealed that 10 percent of women were never married and 70 percent were married and still with their husbands. Meanwhile, 15 percent of them were widows and the remaining 5 percent have been divorced by their husbands. The Chi-square value indicated that there is no difference between the two sample groups with regard to marital status. below.

**Table 4.3: Marital Status of Sample beneficiaries, Harari Region, 2012.**

Attributes	Beneficiaries of group IGA		Beneficiaries of individual IGA		Total	
	Number	Percent	Number	Percent	Number	Percent
Married	78	83.9	30	81.1	108	83.1
Single	4	4.3	2	5.4	6	4.6
Divorced	5	5.4	4	10.8	9	6.9
Widowed	6	6.5	1	2.7	7	5.4
Total	93	100	37	100	130	100
X <sup>2</sup> - value	1.915					

**Frequency of Supervision and Follow-up:** As it was reported on table 4.4, almost 50% of the beneficiaries with common business were visited by project facilitators weekly and nearly 76 percent of beneficiaries with not common business were visited on monthly interval. And the survey showed that 36.6% and 24.3 % of the beneficiaries with common business and beneficiaries with not common business have reported that they have been visited by project facilitator bi-weekly, respectively. In other words, on average, the rate of visiting for beneficiaries with common business was larger than that of beneficiaries with not common business. The Chi-square value also indicated that there is a significant difference between the two sample units at 1 percent level.

**Table 4.4: Frequency of Supervision and Follow-up of Sample client Groups, Harari Region, 2012.**

Attributes	beneficiaries of group IGA		beneficiaries of individual IGA		Total	
	Number	Percent	Number	Percent	Number	Percent
Frequency of supervision and follow up						
Weekly	46	49.5	0	0	46	35.4
Bi-weekly	34	36.6	9	24.3	43	33.1
Monthly	13	14	28	75.7	41	31.5
Total	93	100	37	100	130	100
X <sup>2</sup> value			51.446***			

\*\*\* Is significant at 1% level source:

**Access to Sales-House for their products:** Table 4.5 showed that 75.3 % and 16.2% of the group with common business and group with not common business have access to sales-house for their product, respectively. While 24.7% and 83.8% of the clients' group with common business and group with not common business reported that they didn't have access to sales-house, respectively. The Chi-square value indicated that

there is a difference between the two sample groups, which was found to be statistically significant at 1 percent level.

**Table 4.5: Sample beneficiary Groups by access to Sales-House for their products, Harari Region, 2012.**

Attributes	Group with common business		group with individual business		Total	
	Number	Percent	Number	Percent	Number	Percent
Access to Sales-house						
Have access	70	75.3	6	16.2	76	58.5
Don't have access	23	24.7	31	83.8	54	41.5
Total	93	100	37	100	130	100
<i>X<sup>2</sup>-value</i>		38.010	***			

\*\*\* is significance at 1% level

**Working Capital:** Regarding the mean comparison of the working capital of the group with common business and group with individual business, the results showed that there is significant difference between the two sample groups. The t-test showed that the difference was significant at 1 percent probability level. According to this study, most beneficiaries with individual business reported that they invested large amount of money on construction of sales-house and rent fee to sale their product.

Lack of capital makes it difficult for many poor people to undertake productive employment generating activities. In response to missing credit markets for the rural poor, microfinance institutions (MFIs) have attempted to bridge the gap by extending small loans for income generating purposes (Matovu, 2006).

## **4.2 Assessing the Impact of IGA on the Economic Status of PLHIV**

In this study, the approach adapted to assess impact of IGA is the before-after intervention approach. Basically, impact can be reflected in quantitative and/or qualitative socioeconomic variables, which are measure of impacts.

At the household level, impact may be measured by an increase in household income, asset accumulation, and labor productivity. Therefore, impacts of development projects are measured by quantitative and qualitative variables, which are reflected in the above units of impact assessment (Rutherford, 2000). The fact that there are surprisingly few impact studies of microenterprise projects is due, in part, to the inherent difficulties of conceptualizing and measuring impact. There is little consensus on whether or how to measure such basic quantitative indicators as income, expenditure, or assets and even less on whether or how to measure such qualitative indicators as control, bargaining power, and self-esteem (Chen, 1997).

IGA helps to gain income through group businesses and makes credit to be accessible to the poorest part of the society, PLHIVs. From IGA PLHIVs, derive a benefit such as the opportunity of being self-employed or expand the existing micro-enterprises. Basically household income, savings, assets, household expenditure and housing condition are believed to indicate impacts of the IGA programme.

**PLHIVs Income Before and After the Project:** In this study, the direct effect of IGA programme of Dawn of Hope Association is creating employment opportunity, hence income. The mean income before and after were compared using a t-test and the result indicated that income was higher after the IGA programme at a significance level of 1% . Similarly, Matovu (2006) in his study of Microfinance and Poverty Alleviation in Uganda conducted that the generation of income is another ingredient and the majority of clients interviewed responded positively that they had registered 77% increment in incomes while 11% noted a decrease, 7% remained the same and the 5% never answered to this question or gave another answer

**PLHIVs saving before and After the Project:** In this study, beneficiaries were asked if they had a saving account before the intervention and 21.5% reported that they had saving account while 78.5% said they did not have saving account. After the intervention, those with voluntary saving account reached 58.5% while 41.5% remained without a voluntary saving account. High expenditure covered by the beneficiaries was the main reason indicated by the beneficiaries for not have voluntary saving.

On average, the amount of real saving account was 6.19 Birr/ month before the project and 15.31 Birr/ month after the project. The mean saving account before and after were compared using a t-test and the result indicated that saving account was higher after the IGA programme at a significance level of 1%.

Saving is another variable assessed to evaluate the impact of IGA on beneficiaries. Two types of saving (voluntary<sup>1</sup> and compulsory<sup>2</sup>) were considered in this study. One of the components of the program made by Matovu (2006) was a requirement to save on a regular basis and the majority of the clients (87%) responded to have personal savings while 12% said they had no savings. Compulsory saving is very helpful to beneficiaries, because it is given back to them after sometime to enable them buy certain valuable assets (Ansoglenang, 2006).

**Respondent's Consumption Expenditure and Diet Before and After the Project:**

In this study, the other impact of IGA is on consumption. The direct and immediate impact of IGA is expected to have impact on consumption expenditure. Respondents were asked about the reasons for increase in consumption expenditure. More than 84% reported that rise in income was the cause of increased consumption expenditure. In India, microcredit studies done on groups dealing with dairy farming have noted positive profit levels and short payback periods for loans. Earnings generated from such undertakings have been instrumental in increasing the physical well-being of the household, often through better nutrition and sanitation (Lalitha and Nagarajan, 2002). Table 4.6 summarizes their response.

From Table 4.6, one can see that 84.6% of the total sample beneficiaries, 85.5% enjoyed increase in consumption expenditure arise from increase in income of the business financed by income from IGA. The remaining 14.5% respondents reported that the increase in consumption expenditure was due to increased family size and a relatively higher price of consumer items.

**Table 4.6: Distribution of Respondent with Reasons to Increase of Consumption Expenditure, Harari Region, 2012**

Reasons to increase of consumption		
<u>expenditure</u>	<u>Number</u>	<u>Percent</u>
Rise in income	94	85.5
Rise in family size	11	10
A relatively higher price of consumer items	5	4.5
Total	110	100

**Respondent’s Asset Before and After the Project:** The other impact indicator of the program on beneficiaries is the value of asset owned by beneficiaries. Assets are the basic building blocks upon which individuals/households are able to undertake production, engage in labor market, and participate in reciprocal exchanges with other individuals/households. These may be described as stocks of capital that are able to generate the means of survival of the individual/household when used either directly or indirectly (Ellis, 2000). The household’s asset base has been enhanced by the addition of jewellery (a portable asset), improved housing and land purchase in some cases (Lalitha and Nagarajan, 2002).

This study showed that 88.4% of the beneficiaries acquired additional assets due to the program intervention. This implies as PLHIVs empowered economically they tend to benefit the household by building up household asset.

On average asset owned by beneficiary were 300.69 Birr/ year before the project and 746.04 Birr/ year after the project. The mean asset owned by beneficiary before and after was compared using a t-test and the result indicated that asset owned by beneficiaries was higher after the IGA project at a significance level of 1%.

**Respondent’s Improvement of Housing or Repair Before and After the Project:**

The other variable assessed to study the effect of IGA on economic status of beneficiaries is effect on improvement of housing or repair. Of the total respondents 66.9% improved/ repaired house and from this 73.6% and 26.4% were living in their owned and 'kebele' house respectively. And respondents asked if they made any improvement on housing or repair and their reply witnesses improvement made by them.

From Table 4.7 we can read that the major type of improvement made by beneficiaries is housing repair 56.3% and housing expansion 28.7% of the 66.9% of the total respondents.

**Table 4.7: Distribution of Respondent by type of Housing Improvement/Repairs, Harari Region, 2012.**

Improvement / repair	Number	Percent
Housing repair	49	56.3
Housing expansion	25	28.7
Install electricity	7	8
Improvement in sanitation	6	6.9
Total	87	100

**Respondent's Economic Empowerment Before and After the Project:** In this study, PLHIVs participation in the project contributes to improvement in income. The increment in income of PLHIVs in turn enables them to provide needs of the families or even become sole bearers of household expenditure thereby improving their relative position in the household. PLHIVs participation also enables them to gain ownership over asset they bought from the IGA project proceed. In this study, we have seen that 88.4% enjoyed in acquisition of additional assets. so IGA project plays a role to improve ownership position of PLHIVs. Contribution of IGA to saving is the other area of PLHIVs economic empowerment. As indicated above, IGA project enabled 58.5% of the beneficiaries to have a saving account voluntarily. Saving helps PLHIVs to cope temporary difficulties or crisis. This in turn can build confidence for these PLHIVs.

Economic empowerment projects usually focus on income-generating activities, which allow beneficiaries to independently acquire their income. Income-generating activities encompass a wide range of areas, such as small business promotion, cooperatives, job creation schemes, sewing circles and credit and saving groups (Albee, 1994).

#### **4.3. Determinants of Income Level and Amount of Income**

The estimated results of the Tobit model and the marginal effects were seen in the study. A total of 10 explanatory variables were considered in the econometric model. Eight variables were found to significantly influence the income level probability and amount of income for business activities among individual PLHIVs. These were education of the respondents, family size, household assets, loan size from group capital, access to credit other than Dawn of Hope, utilization of the credit for the intended purpose, amount saved and deposited by the respondents and access to sales-house for their products. The remaining two (age of the respondents and training received by respondents other than the IGA project) were found to have insignificant effect on the dependent variable (monthly net income of PLHIVs from IGA project).

The result revealed that level of education positively influenced the probability of income gain at 1% significance level. As a client's grade level of education increases by one, the probability of income gain increases by 3.85%. This implies that as the client's ability/skill increases through formal education, a client can easily gain income.

As hypothesized, family size was negatively related with the dependent variable (significant at 1%). As family size increases by one person, the probability of income gain decreases by 5.2%.

As expected, a household asset was another important economic factor, which was positively associated with PLHIV/ income (significance at 5% level). PLHIV/ assets increase by one Birr, the probability of gain of income increases by 0.05%.

Average loan size from group capital is another factor, which was positively related to the dependent variable (significant at 10% level). As loan size increases by one Birr, the probability of gain of income increases by 0.04%. Kebede (2003) similarly found that increase in loan size enables the clientele to generate more income at 5%. The implication is that as loan size increases, PLHIVs could enlarge or diversify their business and earned high income. Availability of large loan size minimizes liquidity constraint and thereby enhances the probability of income gain.

As hypothesized, access to credit other than their association positively influenced income of PLHIVs at 5% significance level. Access to credit other than their Association facilities increase, the probability of income gain increases by 0.04%. This implies that as credit other than the Association increase; PLHIVs would be highly motivated and enlarged or diversify their business activities. This is because availability of credit is a base for business activities. But here, the study revealed that access to credit other than their Association was only from individuals or friends not from other institutions like MFIs.

As hypothesized, utilization of the credit for the intended purpose has a positive impact on income of PLHIVs at 5% significance level. As utilization of the credit for the intended purpose increase, the probability of gain income increases by 10.5%,

which implies that when beneficiaries utilize the credit for the intended purpose, their income become high.

Amount saved and deposited by the respondents is another important economic factor, which was positively related to the dependent variable. The coefficient of saving was positive and significantly related with the dependent variable (at 1% level). Thus, saving increases by one Birr, the probability of income gain increases by 0.24%.

As hypothesized, access to sales-house for their product was one of the factors and that positively influenced the dependent variable. The coefficient of sales-house for their products was positively and significantly affected the dependent variable at 1% significance level. Thus, having a sales-house increases, the probability of income from the project increases by 23%. This implies, having a sales-house increases; beneficiaries expenditure like house rent to sale their product decreases and their income increases.

#### **4.4. Effects of Changes in the Explanatory Variables on the Amount of Income**

The result of the marginal changes in significant explanatory variables on the amount of income per month of beneficiaries is discussed below.

An increase in the formal education of beneficiaries by one grade level would increase the amount of income per month by 9.31Birr among the entire sample and by 8.38 Birr among beneficiaries who have positive income. On the contrary, increasing the family size by one person, the amount of income per month decreases by 12.56 Birr among the entire sample and by 11.31 Birr among respondents who have positive income gain. This study showed that the amount of income of respondents is positively related

to the household assets and thus, an increase in the household assets by 1 Birr, the amount of income per month increases by 0.012 Birr among the entire sample and by 0.011 Birr among beneficiaries who have positive income. The study also confirmed that loan size is positively related to income of PLHIVs and hence, an increase in loan size by 1 Birr, the amount of income gain per month increases by 0.094 Birr among the entire sample and by 0.085 Birr among PLHIVs who have positive income. Beneficiaries that have access to credit other than their Association were better in income than those who have not. Thus, having an access to credit other than their Association, the amount of income per month increases by 26.36 Birr among the entire sample and by 23.73 Birr among beneficiaries who have positive income. And also, as the credit utilizes for the intended purpose, the amount of income per month increases by 25.39 Birr among the entire sample and by 22.85 Birr among beneficiaries who have positive income. Similarly, amount saved and deposited increases by 1 Birr, the amount of income per month increases by 0.58 Birr among the entire sample and by 0.52 Birr among beneficiaries who have positive income. And having an access to sales-house for their product increases, the amount of income per month increases by 55.71 Birr among the entire sample and by 50.14 Birr among beneficiaries who have positive income.

## CHAPTER FIVE

### 5. CONCLUSION AND RECOMMENDATIONS

#### 5.1. Main findings, Conclusion and summary

In this study, factors that determine income of the target groups, impact of IGA project on the economic status of the target groups and common business based comparison and analysis of respondent's with common business to the respondent's with not common business were made. Both descriptive and econometric analyses were used for analytical purposes.

Intervention of project in income generating activities or micro credit program is currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and PLHIVs empowerment. Credit enables to address various aspects of poverty and inequality that PLHIVs experienced. The immediate impact of project, in income generating activities or credit program reflects on employment and consequently increases in income. The induced income and employment affect other outcome such as consumption, education, asset acquisition, and household net worth and so on. Accordingly, the most effective tool for assessing the benefit of these programs is its impact on poor, is in its impact on employment, income, consumption, asset and children's schooling. More than half percent of the beneficiaries involved in the IGA project were engaged in petty trading and selling of food items and it helps those who were engaged in different income generating activities to enjoy an increment in income. This induced impact affects other variables such as consumption, expenditure, asset ownership, and net worth (improvement of housing/repair). Of the total sample beneficiaries, 84.6% experienced increment in consumption expenditure and of these 85.5% confirm the increment in their consumption expenditure arising from increment in income.

The increment in income of beneficiaries in turn, enables them to provide for the needs

of the families or even become sole bearer of their household expenditures thereby improving their relative position in the household. PLHIVs participation also enables them to gain ownership over asset they bought from the IGA project proceeds. In this study, we have seen that 88.4% enjoyed an acquisition of additional assets. Thus, IGA project is observed to play a role to improve ownership positions of PLHIVs. Contribution of IGA project to saving is the other area of increased respondent's economic status. As indicated above, IGA project enabled 58.5% of the beneficiaries to have a saving account voluntarily. Saving helps beneficiaries to cope temporary difficulties or crisis. It enables them either to meet economic uncertainty or in reinvestment. This, in turn, can build confidence in these PLHIVs.

A Tobit model was estimated to identify factors that determine income of the target groups and amount of income. The Tobit model was chosen because; it has an advantage over other discrete decision models in revealing both the probability of income gain and the amount of income per month.

The results showed that the probability of income gain and amount of income per month are significantly and positively influenced by the level of education, household assets, loan size from group capital, access to credit other than their Association, utilization of the credit for the intended purpose, amount saved and deposited by the respondents and access to sales-house for their products. The influence of family size was found to be negative and significant. The other variables such as age of the respondents, and training received by respondents other than IGA were not significantly related to the dependent variable.

PLHIVs in the study were engaged mostly in income generating activities that they used to carry out before the intervention. This is due to the multiple responsibilities that beneficiaries must meet on one hand and lack of market, skill and business idea on the other hand. Much effort is expected from government, donors and financial institutions like Microfinance Institutions (MFIs) in this area.

## **5.2. Recommendations**

Based on this study, the following recommendations are suggested so as to be considered in the future intervention strategies which are aimed at the promotion of PLHIVs economic status. As the result,

- Financial institutions or donors have to work with other organizations (governmental or non-governmental) for reaching PLHIVs with appropriate non-financial support.
- The regional government should give attention to poor PLHIVs by delivering sales-house on popular marketing place.
- Formal education is one of the factors that affect income of beneficiaries. There is therefore the need for policy makers to put in measures in order to improve on the education of PLHIVs in the country.
- The promotion of female enrolment in vocational/technical education in order to broaden their economic opportunities is an issue policy makers should consider very strictly.
- Credit should be made more accessible to poor PLHIVs through the establishment of credit schemes/ MFIs.
- Financial institutions like MFIs should devise mechanisms that will enable them to render the services efficiently.
- Effective implementation of family planning since large number of household to micro and macroeconomic instability with the resultant distortion in family and the country's economy.

***To ensure the sustainability of the PLHIVs, certain recommendations are drawn.***

- Facilitation for the provision of credit and saving services to help members engage in other income generating activities by establishing a revolving fund is needed.
- The capacity of the group should be strengthened by providing additional amount of credit and establishing links to financial institutions.

- Finally facilitate and help the group solve the long standing problems of business premise (an immediate alternative would be sales-house/container shop to be placed in a suitable place accessible to the market).

### **5.3 Summary**

The objective of this study was to assess the impacts of Income Generating Activity of Harar Dawn Of Hope Association on the economic status of its beneficiary (PLHIVs) and indentify the factors that affect their economic status. Of the total 323 PLHIVs engaged in IGA in the Association 130 respondent PLHIVs were selected and used in this study. To achieve its objectives, descriptive analysis t-test, chi- square test and Tobit model were applied in the study.

The study found out that, in general terms, the beneficiaries of the IGA have gained improvements in their economic status, which can be reflected in their monthly income. The study also revealed that there were some PLHIVs whose economic status were not improved. The study estimated a Tobit model to identify factors affecting income of the target PLHIVs and amount of income. The results showed that the probability of income gain and amount on income are significantly and positively influenced by Level of education, household assets, size of the startup capital, access to additional resources other than the Association, utilization of the grant for intended purpose, amount saved and deposited by the respondents and access to sales- house to sell their products. The influence of their family size was found to be negative and significant. The study recommends the importance of paying attention to access to credit other than the startup capital of the IGA from the Association, amount saved and deposited by the respondents as well as the grant, capacity building of the PLHIVs on new and feasible income generating economic activities, provision of sales-place for their products, and utilization capacity and technical know-how on grant utilization, and strengthening horizontal integration with government organizations and non-government organizations for financial and non-financial services.

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## 7. APPENDICES

### 7.1 APPENDIX I: Tables

**Table 7.1: ANOVA Tests**

Indicators	Analysis of Variance	
	F-calculated	Probability
Age of respondent	0.885	0.634
Education of respondent	4.577	0.000
Asset of the respondent	1.197	0.311
Income from other than WDIP	0.904	0.66
Loan size	2.969	0.087
Monthly net income of woman from WDIP	0.883	0.686

Source: own computation

**Table 7.2: Chi-Square Tests**

	$\chi^2$ value	Probability
Activities where woman engaged prior to the	24.64	0.994
Activities where woman engaged on the time of survey	1170	0.421
Marital status of the respondents	32.631	0.915
Training received other than WDIP	12.788	0.619
Type of group enterprise	130	0.000
Access to sales-house for their enterprise	130	0.000
Sever problem in the group	260	0.000
Frequency of supervision and follow up by WDIP facilitator	260	0.000
Group formation	130	0.000
Access to credit other than WDIP	6.632	0.967
Group condition currently in their group business	130	0.000

Source: own computation

### 7.3 APPENDIX II: Survey Questionnaire

Date \_\_\_\_\_

Code No \_\_\_\_\_

**Introduction of the study:** Poverty is the most critical problem in the economic and socio-cultural life of women in Ethiopia. Although there are attempts both by the governmental and by non-governmental organizations to address women's issues in general, and gender inequalities in particular, the problem remains serious. Hence, it is essential to search for new ways to ensure that poor women benefit from economic status. Improving the status of women requires more commitment and serious interventions to narrow gender disparities, specifically economic disparities. One of such intervention is the Women's Development Initiative Project (WDIP), which deals with women's economic independence at grassroots level.

To this end, the Harari region WDIP coordinating unit has been providing financial and technical support to 28 women's groups in the region (the project period in the Harari region was December 2002 to November 2007). Group establishes its own regarding amount of loan and interest rates. Some groups included interest due while others principal only since the project is a learning and innovative credit scheme. Amount of loan extended to each woman varies from group to group i.e. depends on their cash in hand. From 28 women's groups 19 were women's group with common business and 9 were women's group with not common business. At the beginning of the project, all 28 women's groups formed a common group business or enterprise through Harari region WDIP coordinating unit. However, at the time of survey, some of them closed their common group business and totally they were using the group capital for credit and saving purpose while others were continuing their common group business and at the same time using the group capital for credit and saving purpose.

**Objectives of the Study:** to identify the factors that determine income of the target groups; to assess the economic impact of Women Development Initiative Project on the income gain of the target groups; and to compare women's group with common business to women's group with not common business with respect to some selected factors.



**Section 2 Households level: Basic information**

**2.1 Household Membership**

No	Name	Relation to HH	Sex	Age	Occupation	Part-time	Education level

2.2 Who is the head of the household?

- 1. Myself
- 2. Husband
- 3. Male relative
- 4. Female relative
- 5. Decision making shared between husband and me

2.3 Is/are any person/s who could not work because of disability or health problem?

- 1. Yes
- 0. No

2.4 What is your status of accommodation?

- 1. Owned house
- 2. Rented
- 3. Sharing
- 4. Other (specify) \_\_\_\_\_

2.5 If you have/ built your own house when did you built it?

- 1. Before joined the IGA project
- 2. After joined the IGA project

2.6 For the above question,

House type made	Number of rooms	Number of rent room/s if there is.	Rent amount(birr)/month
1. roof _____			
2. floor _____			
3. The whole _____			

2.7 If you renting/sharing, how much your cost/ month? In

Birr

- 1. Renting \_\_\_\_\_
- 2. Sharing \_\_\_\_\_

### Section 3 Monitoring and supervision

3.1 Was there screening among you to be a beneficiary of the Project? .                    1. Yes                    0. No

3.2 If yes, what are the criteria? \_\_\_\_\_

3.3 Who took the institution in the group formation?    1. Ourselves                    0. Others

3.4 If Dawn of Hope and/ or 'Kebele' staffs handled the group formation, how easy was it for you to join a group?

1. Very easy                    2. Easy                    3. Relatively easy                    4. Relatively difficult

5. Difficult                    6. Very difficult

3.5 How frequently does your group normally meet?

1. Weekly                    2. Bi-weekly                    3. Monthly                    4. No formal meeting  
5. No meeting at all    6. Other /specify \_\_\_\_\_

3.6 If no formal meeting, for what condition you meet?

1. Only to give or collect money                    2. Only when we face a problem

3. Other/specify \_\_\_\_\_

3.7 Do you think it is necessary and appropriate to meet so frequently? 1.                    1. Yes 0. No

3.8 If yes, why? \_\_\_\_\_

3.9 If no, why not? \_\_\_\_\_

3.10 Do You find the group meeting useful?                    1. Yes                    0. No

3.11 If yes, what are the main advantages you get? \_\_\_\_\_

3.12 How regularly do you attend the meeting?

1. Always                    2. Mostly                    3. Frequently

4. Sometimes                    5. Seldom                    6. Never

3.13 How regularly do the Association staffs supervise your business enterprise?

1. Weekly                    2. Bi-weekly                    3. Monthly                    4. Bi-monthly

5. Semi-annually                    6. Annually                    7. Other /specify

3.14 Do you think supervision of the business enterprise /IGA is useful? 1. Yes 0. No

3.15 In your opinion, the supervision of business enterprise/ IGA by the Association staff satisfactory?

1. Yes 0. No

#### Section 4 Training

4.1. Have you been given training by Dawn of Hope/Association? 1. Yes 0. No

4.1. Have you been given any kind of training before you joined the IGA project?

1. Yes 0. No

4.2 If yes, specify the kind of training given to you?

1. Business and marketing training
2. Saving and credit training
3. Book-keeping and record training
4. Other/specify \_\_\_\_\_

4.3 Do you think that the training given by Your Association/ Dawn of Hope /has helped to increase your income?

1. Yes 0. No

#### Section 5 Income, Asset and Wealth

5.1 Did you have any source of income for your family before you joined the IGA project?

1. Yes 0. No

5.2 If yes, state the source/s and level of income you get per month.

No	Income of the respondent/	Husband/wife income	Other family income	Level of income in birr
1				
2				
3				
<b>Total</b>				

5.3 Do you have income, last 12 months in the group business? 1. Yes 0. No

5.4 If yes, would you tell me your income for each month for the last 12 months?

Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.

5.5 Do you have other source of income after you joined the IGA project?

1. Yes

0. No

5.6 If yes, specify the source/s and level of income monthly?

No	Income of beneficiary from IGA/ loan of group capital	Income of beneficiary other than the IGA	Husband /wife income	Other family income	Level of income in birr
1					
2					
3					
<b>Total</b>					

5.7 In what type of business/ activities you are involving other than group business/IGA?

---

5.8 Did you have any asset before you joined the IGA project?

1.Yes

0.No

5.9 If yes, specify the estimated value of your assets?

No	Item	Amount owned	Average value in birr
1			
2			
3			
<b>Total</b>			

5.10 Did you have any asset after you joined the IGA project? 1. Yes 0.No

5.11 If yes, what are the estimated values of your asset after you joined the IGA project?

No	Item	Additional Amount owned	Average value in birr
1			
2			
3			
4			
<b>Total</b>			



5.22 How much money does your household spend per month for food consumption purpose after you joined the IGA project? \_\_\_\_\_

5.23 Who covers food consumption expenditure after you joined the IGA project?

- 1. Myself
- 2. Other family members
- 3. Myself and other family members
- 4. Relatives other/specify

5.24 For the above question if you are bearer, how much is your contribution in birr? \_\_\_\_\_

5.25 If there is increase in food consumption expenditure after you joined the IGA project, associated with what?

- 1. Rise income
- 2. Rise family size
- 3. Rise of price of food items
- 4. Other/specify

5.26 If an increase of consumption expenditure associated with the IGA project, do you think that the nutritional status of your family has improved?

- 1. Yes
- 0. No

5.27 How many times your family feed per day? \_\_\_\_\_

### Section 6 Information on education and medical expenditure

6.1. Are there household members at school?

- 1. Yes
- 0. No

6.2 If yes,

School private/public	Who pay the fee	Monthly pay	Annual pay
<b>Total</b>			

6.3 How much is your annual household expenditure on education before joined the IGA project in Birr? \_\_\_\_\_

6.4 For the above question, if you were also paid, how much was your contribution in Birr? \_\_\_\_\_



6.14 If yes,

Who?	Type of illness	How many times visited Health centers	Type of health services		Annual cost (Birr)	
			private	public	Before the IGA project	After the IGA project
1. child						
2. adult (other than me)						
3. myself						
4. others						
<b>Total</b>						

6.15 For the above question who covered before intervention?

1. Myself member      2. Other family member      3. Myself and other family member  
 4. Free of charge      5. Myself and free of charge

6.16 And who covered after intervention?

1. Myself      2. Other family member      3. Myself and other family member  
 4. Free of charge      5. Myself and free of charge

### Section 7 Enterprise Activities

7.1 How long your activities on group business

1. Full day      2. By Shift      3. No Schedule      4. Other (specify) \_\_\_\_\_

7.2 How much you lost from other activities because of you spent full day in group business activities?      1. \_\_\_\_\_ birr      99. Don't know

7.3 What is/are current problem/s in the group enterprise/ IGA? Please rank them from the most severe problem to the least severe problem. Give 1 for the most severe problem and continue in the same procedure.

No	Problems	Rank
1	no sales-house for selling our products	
2	no storehouse for our product	
3	High transportation cost to supply our product to the market	
4	lack of inputs for enterprise /IGA activities	
5	lack of capital	
6	lack of harmony	
7	lack of credit	
8	other (specify)	

7.4 What is/are your reason/s for the above question?

Reasons	Estimated value (in Birr)/thick
1. we extracted money from initial capital and invested for the construction enterprise house	
2. we extracted money from initial capital and invested for asset of the project	
3. no institutional support	
4. no credit service in the region	
5. other (specify)	

7.5 Do you want to continue in the group business activities? 1. Yes 0. No

7.6 If no, what is/are your suggestion/s?

1. Change the type of business.
2. By adding additional capital, expand the project.
3. Share the capital and work individually.
4. Totally convert group enterprise to credit and savings.
5. Concerned body should give us another working place.
6. Other (specify) \_\_\_\_\_

7.7 How is the group situation currently?

1. It is active with group business
2. Not active but totally converted to credit and saving

7.8 If not active, which is/are the reason/s?

- |                                     |  |
|-------------------------------------|--|
| 1. Small amount of initial capital  | 2. Lack of mutual assistance           |
| 3. The enterprise is not profitable | 4. Lack of credit                      |
| 5. Lack of work place expensive     | 6. Rent of work place is/was expensive |
| 7. Group size is large              | 8. other (specify) _____               |

7.9 How much cash you have now in group enterprise?

1. \_\_\_\_\_ Birr 99. Don't know

7.10 How much asset you have now in group enterprise/IGA? 1. \_\_\_\_\_ Birr

99. Don't know

7.11 Is the group capital adequate? 1. Yes 0. No

7.12 Do you have marketing place for your group enterprise? 1. Yes 0. No

7.13 If yes, how you obtained?

Source	Cost (in Birr)/month
1.by renting from individuals	
2.from kebele, Edir or other organization	
3.other (specify)	

7.14 Do the group members help each other? 1. Yes 0. No

7.15 If yes, in what?

1. Sharing of experience, exchange business idea/information
2. Make credit to be accessible
3. Help each other financially/morally
4. Other/ specify \_\_\_\_\_

7.16 If no, why? \_\_\_\_\_

7.17 Do you think the group requirement is really necessary? 1. Yes 0. No

7.18 If yes, explain why? \_\_\_\_\_

7.19. If no, explain why not? \_\_\_\_\_

### Section 8 Loan

8.1 Do you have access to credit other than your Association? 1. Yes 0. No

8.2. If yes, from where?

1. Microfinance institution
2. individuals
3. Other (specify) \_\_\_\_\_

8.3 Do you have access to credit from your Association? 1. Yes 0. No

8.4 How much is the loan size from group capital?

1. \_\_\_\_ Birr
99. Don't know

8.5 Is the loan size adequate for the intended purpose? 1. Yes 0. No

8.6 If no, what do you suggest?

1. It should be increased to \_\_\_\_\_ Birr
99. Don't know

8.7 For what purposes did you requested the loan?

1. Other activities (petty trade, handcrafts others)
2. To pay house rent
3. Home consumption
4. Others, specify \_\_\_\_\_

8.8 Have you utilized the loan for the purpose you have requested? 1. Yes 0.No

8.9 Did the group capital provide you with the loan amount as you requested?

1. Yes                      0. No

8.10 Is the set loan term appropriate schedule? 1. Yes                      0. No

8.11. If no, what do you suggest?

1. It should be increased to \_\_\_\_ month(s)
2. It should be decreased to \_\_\_\_ month (s)

8.12 Do you usually pay back the credit obtained?

1. Yes    0. No

8.13 If yes, how often?

1. Daily                      2. Weekly
4. Yearly                      5. other (specify) \_\_\_\_\_

8.14 How much you repay \_\_\_\_ Birr/ \_\_\_\_ month

8.15 Do you pay interest?                      1. Yes                      0. No

8.16 If yes, how much is the cost of credit per month?

1. \_\_\_\_\_ Birr    99. Don't know

8.17 Have you had any problems repaying your last loan?

1. Yes                      0. No

8.18 If yes, what caused your repayment problems?

- 1 Business activity was not profitable
- 2I or others in my family had been sick
- 3Used some of the loan money for household items
- 4Other (specify) \_\_\_\_\_

**Section 9 Information on Saving**

9.1 Did you have a saving account before you joined the IGA project? 1. Yes 0. No

9.2 If yes, what was your estimated monthly saving? \_\_\_\_\_ Birr

9.3 Do you have a saving account after you joined the IGA project? 1. Yes 0. No

9.4 If yes, specify the type and amount of saving

No	Type of saving	Amount own saving in birr/month
1	Compulsory	
2	Voluntary	
<b>Total</b>		

9.5 Do you think the compulsory saving requirement is useful? 1. Yes 0. No

9.6 If yes, explain why? \_\_\_\_\_

9.7 If no, explain why not? \_\_\_\_\_

9.8 If you don't have voluntary saving, what is the reason/s? \_\_\_\_\_

**Section 10 Institutional supports**

10.1 Do you have institutional support other than your Association /Dawn of Hope /?

1. Yes 0. No

10.2 If yes, what kind of assistance?

1. Provided sales-house
2. Provided marketing place
3. To sale our product/services to other enterprises
4. Constructed our marketing place
5. Other, specify \_\_\_\_\_

10.3 Does the group formed co-operative? 1. Yes 0. No

10.4 Have you involved in other social organization(s) or Community based organizations? 1. Yes 0. No

10.5 If yes, was it Edir? Amount paid for Edir per month (Birr) \_\_\_\_\_

Or Equb? Amount paid for Equb per month (Birr) \_\_\_\_\_

**Section 11 Coping with shocks**

11.1 Is there any of your property under liability? 1. Yes 0. No

11.2 If yes, what? \_\_\_\_\_ Under what agreement? \_\_\_\_\_

11.3 Was/were there any social obligations that forced you to sell your asset?  
1. Yes 0. No

11.4 If yes, what are social obligations that forced you to sell your asset?  
1. House rent 2. Food 3. Clothing 4. Others, specify \_\_\_\_\_

11.5 Have you had any major unexpected event within your household in the last 12 months that leads to an increased financial burden for your household?  
1. Yes 0. No

11.6 How long did this period last? 1. No. of months \_\_\_\_\_ 99. Don't know

11.7 How did you respond to the shocks?

No	Actions	Estimated value (in Birr)
1	Used my savings	
2	Sold my household assets	
3	Being engaged in daily laborers	
4	Borrowed	
5	Reduced my expenditure	
6	Other (specify)	
<b>Total</b>		

Thank you very much

Collected by

Name \_\_\_\_\_ signature \_\_\_\_\_ Date \_\_\_\_\_