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Economic Empowerment of Rural Women through Micro-credit Intervention: The Case of Kedida Gamela District, Southern Region, Ethiopia

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Abstract
A study was set out to investigate the extent of rural women's economic empowerment through credit services in Kedida Gamela, District Southern region of Ethiopia. A cross-sectional survey design was used for this specific study. Household surveys, Key Informant Interviews, and Focus Group discussions were used to gather data. The data were analyzed using SPSS version 25 by using multiple linear regression models and descriptive statistics. The economic empowerment of women was significantly affected by demographic, socio-economic, cultural and institutional reasons in the study area. Specifically, multiple linear regressions analysis revealed experience in income-generating activities, the age difference between wife and husband, participation in extension and amount of cumulated loan received as the significant factors determining the economic empowerment of women. The results obtained from focused group discussants and key informants interview also confirmed that women who are credit users are better empowered than non-credit users. Inadequate finance was the prime constraint that limits women's economic empowerment. The study concludes that the problem associated with women's economic empowerment is pertaining to the issue in the study area. To overcome such problems, effective initiatives should be undertaken by the concerned agencies in improving women`s education, skill acquisition training and access to adequate finance. also, concerted efforts like extension work, the introduction of labor and time-saving technologies along with adequate loan supervision could enhance women's economic empowerment in order to achieve gender equality and development at all levels in the study area.
Keywords: Empowerment, Women empowerment, women economic empowerment and microcredit intervention
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1. INTRODUCTION

1.1. Background of the Study

Women's economic authorization is widely known by governments, international development establishments, and businesses globally as essential for human progress, thriving economies, and business success. this can be why gender equality and women's economic authorization is one among key priorities within the 2030 property Development Agenda (BSR, 2017).

The Inter-American Development Bank (2010) outlined women's management in terms of ''expanding the rights, resources, and capability of girls to create choices and act severally in social, economic, and political spheres'' (IDB, 2018). The UN characterized women's strengthening regarding five parts:"women's sense of self-worth; their right to own and confirm choices; their right to own access to opportunities and resources; their right to own the ability to manage their own lives, each inside and out of doors the home; and their ability to influence the direction of social amendment to form a additional simply social and economic order, across the country and internationally" (UN, 2011).

When the African Union declared the rang between 2010 and 2020 because the "African Women's Decade," several leaders recognized that progress on gender equality and women's strengthening in a continent has been abundant too slow. On average, girls in SSA deliver the goods eighty-seven percent of male human development outcomes, because of fewer viable economic opportunities, lower quality of health, and lower education attainment (UNDP, 2016).

In Ethiopia, several rural women prompt that lack of credit, embarrassed them from beginning businesses (Kidistet al., 2012). The institutions of rural community organizations that permit poor girls to access credit have so developed to fill this gap. The government intended the native communities to arrange themselves under microcredit services to resolve their acute monetary shortage through those establishments.

The Omo microfinance institution is operating in the 18 rural villages of Kedida Gamela District by providing microcredit services to female clients. District Omo microfinance institution has 3855 female saving clients and also it has 4603 female loan clients and allows women to access the credit facility to meet their basic needs effectively. Women that account 35% engaged in various income-generating activities like fattening of sheep and goat, sheep and goat rearing, poultry farming, trading agricultural products, etc. Some of them are making businesses in petty trade activities in KedidaGamela District (Omo report, 2018).

1.2. Statement of the Problem

Lack of credit support and micro-finance facilities for rural women were one of the most important problems which affect their economic empowerment. The rural poor women lack collateral to get a loan from formal financial institutions. This is one of the problems which hinder their level of empowerment in the global African and Ethiopian context IEO*,2019 and Merrey & Lefore, 2018)*.

Women are particularly disadvantaged as they are frequently not the land or house owner, unlikely to be in paid employment and cannot, therefore, offer collateral on their own behalf. Often their only source of credit is local money lenders who will charge high-interest rates. Several research works also indicate that a lack of access to credit is one of the factors affecting the performance of rural women (Tahir & Inuwa, 2019).

Currently, to the researcher, there is no sufficient knowledge available to explain the factors affecting women's economic empowerment in KedidaGamelaDistrict and in the country at large. Thus the main motivation of this study is to fill this gap, i.e, previous studies in Ethiopia that have been carried out on women's economic empowerment through microcredit intervention have not focused on individual women's economic empowerment, they have not used recommended measurements to identify the factors affecting women's economic empowerment and contribution of microcredit to women empowerment in parameters like individual characteristics ,finally backgrounds and microfinance institute measures using proper statistical tools.

Therefore, the main inspiration of this study is to assess rural women's economic empowerment through microcredit intervention and to identify the factors affecting rural women's economic empowerment in the study area.

1.3. Objectives of the study

1.3.1. General objective

The general objective of this study is to assess the economic empowerment of rural women through microcredit intervention.

In specific terms, the Study Aimed to:

- To assess the level of rural women's economic empowerment.
- To Identify factors affecting rural women's economic empowerment in the study area.

1.4. Research Question

- What is the extent/level of rural women's economic empowerment?
- What are the factors affecting rural women's economic empowerment?

1.5. Scope of the Study

This study focused on the rural women's economic empowerment towards improving their means of lives in randomly selected kebeles of Kedida District. The research was conducted mainly based on the demography, socio-cultural, economic and institutional information of the sample women that were collected by employing in advance prepared and pretested survey questionnaires.

1.6. Significance of the Study

Women's economic empowerment has the potential to be the main means of achieving adequate economic wellbeing, particularly for the poor, female-headed household. hence currently catches the attention of policy-makers in many countries. Thus the output of this study will be used as input for the policymakers. Also, a study would be important to all concerned governmental, nongovernmental and development program initiators to plan future intervention effects that are going to implement projects which are related to rural women's economic empowerment.

1.7. Limitation of the Study

Even if this study has numerous advantages, it has its own limitations. This study was limited in scope due to limited resources in terms of budget and time. Moreover, one of the limitations of the study lies in its research design. The study used a cross-sectional survey design which gathered data at one period. Finally, the information gathered from sample respondents may not be free from error as it depends on respondents' power (willingness) to recall. Therefore, the study was undertaken to meet its objectives within the limitations mentioned.

2. RESEARCH METHODOLOGY

2.1. Study Area

This study was conducted in Kedida GamelaDistrict located about 350kms southwest of the capital city, Addis Ababa. Found between 70 11'N to 70 19'N and 37050' 30"E to 380 4' 30"E . The altitude of the study district ranges from 1501m to 3028m a.s.l.

2.2. Research Design

In order to examine the research questions and the practical reality in the study area, the researcher has used the cross-sectional research design.

2.3. Sampling Procedure and Sample Size Determination

Purposive sampling was used to select the study District and Aze Dobo, Abonsa and Kerchicho sample village was selected by using a simple random sampling method. From these three sample villages, a total of 183 respondents were selected using systematic random sampling techniques. Yemane (1967) provides an easy method to calculate sample sizes at a 95% level of a confidence interval, with a 0.05 level of precision. The sample size was determined as follows.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{1760}{1 + 1760\ (0.07)^2}$$

$$n = \frac{1760}{1 + 1760\ (0.0049)}$$

$$n \approx 183$$

Where: n=Sample size
N=total population
e=Sampling Error

2.4. Data Type and Sources

The study conducts two main sources of data namely, secondary and primary data as well as mixing qualitative and quantitative data types. Primary data was assembled directly from respondents. Secondary data collection was carried out by collecting information from various sources of documents and electronically stored information. The qualitative method involves subjective assessment that opinions and behavior of respondents whereas the quantitative method are concerned with the gathering of data in numeral form.

2.5. Method of Data Collection Procedures

Survey Questionnaire: - A structured survey questionnaire was equipped prior to conduct the study so as to collect important data on the demographic, socio-cultural, economic and institutional characteristics of sample households.

Focus Group Discussion (FGD): - a checklist to collect helpful information was set and used.

Key Informant's Interview (KII):- individuals who are knowledgeable about the locally existing determinants or challenges were contacted and discussion was held with them.

Variables used in the study

- **The response variable**

The response variable of this study is women's economic empowerment measured in index. According to this study, woman economic empowerment is defined as a women's capacity to participate in economic activity and generate independent incomes and savings, acquire assets and control over her own and family incomes including other household resources. This variable is measured at the individual level by developing a Cumulative Economic Empowerment Index (CEEI) on the basis of the six most important indicators of women's economic empowerment identified from a review of the literature.

- **Explanatory variables**

The independent variables are variables that affect the expected dependent variables (in this study women's economic empowerment). These are the age of respondent, Age difference with Husband, Marital Status, Household Size, Dependency Ratio, educational level, Participation in Extension, Cumulated loan received, Experience in income-generating activities and Time spent on household work.

3. RESULTS AND DISCUSSION

3.1. Level of Women's Economic Empowerment

Table 1:- Cumulative economic empowerment index score of credit users and non-credit users

Empowerment	Cumulative economic empowerment index score Total(N=183)				
	N	Mean	SD	F value	p value
Low(1-12)	71	10.8	1.8		
Medium(13-26	72	19.6	3.7		
High(27-39)	40	31.1	3.0	593.452	0.000
Total	183	18.9326	8.2		
M membership status	CEEI SCORE(n=183)				
	N	Mean	SD	t value	p value
Non-members	150	17.2	7.4		
Members	33	25.5	8.0	5.768	0 .000

Source: own computation, 2018

On the basis of the CEEI score range (0-39), a composite level of women's economic empowerment was assessed by dividing it into three equal parts using SPSS software application and categorized into three mutually exclusive groups such as low (score 1-12), medium (score 13-26) and high (score 27-39). Table 1 revealed that an overwhelming majority of respondents (77.5%) are concentrated in low to the medium tail of empowerment distribution. Another study conducted in Bangladesh, Parveen and Leonhaeuser (2008) found the economic empowerment of rural women was limited to the low to a medium level only. Also, this table signifies that there is a large difference in cumulative economic empowerment index scores between credit users and non-credit users.

3.2. Factors affecting Women's Economic Empowerment

Table 2.continious Explanatory variables description

Explanatory variable status	respondents (N=183)				
Age	N	Mean	SD	t value	p value
Credit users	33	38.4	6.6		
Non-credit users	150	34.9	6.0	3.602	.000
Total	183				
Age difference with Husband					
Credit users	33	4.4	2.7		
Non-credit users	150	7.3	3.5	11.355	.000
Total	183				
Household size					
Credit users	33	7.3	1.69910		
Non-credit users	150	6.0	1.75577	5.385	.000
Total	183				
Dependency ratio					
Credit users	33	.0428	.12324		
Non-credit users	150	.1969	.21433	-5.223	.000
Total	183				
Cumulated loan					
Credit user	33	12713.3	6755.9		
Non-credit user	150	.00000	.000000	19.580	.000
Total	183				
participation in IGA					
Credit users	33	1.57333	.497924		
Non-credit users	150	1.00000	.000000	22.827***	.000
Total	183				
Workload					
Credit users	33	5.5600	2.02845		
Non-credit users	150	11.5278	3.23663	-14.148***	.000
Total	183				

Source; Own computation, 2018

Table2 results reveal that the majority (90.4%) are within the age range of 23 to 40. That is more women are at the middle age, which is at their younger ages, with a strong desire to work and with an optimist future. Finding

of Heaton *et al*. (2005) and Mostafa *et al.* (2008) found that women's empowerment increased with women's age. The result from the t-test also shows that the mean years of age for member respondents are significantly higher than that of non-member respondents below accordingly.

Table 2 shows that age difference with a husband has an impact on women's economic empowerment; the age difference ranges from 5 to 20 years. In contrast, little age differences are reported in the medium and high level of empowerment which implies the bigger the husband-wife age gap the more likely it is the low empowerment status of women. Rahman *et al*. (2008) stated that communication between husband and wife facilitates them to understand their joint responsibilities and to develop an equitable environment within a family.

Table 2 result indicates that Credit users had relatively a large number of household sizes than non- users respondents. Also, table 2 point out A household relatively having a large number of the inactive labor force (below 15 and above 64 years) shows a high dependency ratio. If the household is dominated by a high dependency ratio, then women were more engaged in household responsibility. The mean dependency ratio for members and non-members was 0.0428and 0.1969 respectively with a standard deviation of .12324 and .21433. According to the survey (Table 2), the mean and standard deviation of credit users taken cumulated loan study area was 12713(6755.9) and non-user are .00000(.000000). The data on table 2 indicates that among the sampled respondents the majority,164(84.9%) have experiences in income-generating activities. The data also shows that the rest 29(15.1%)respondents who had no experience in IGA. According to Table 2 result, the average number of working hours spent per day was 10.3371 with standard deviation3.17989. The mean time spent on household chores per day for members and non-members was 5.5600 and 11.5278 hours respectively with a standard deviation of 2.02845 and 3.23663 the difference between means was also found significant through t-test at less than 5% probability level.

Table 3.Marital status of respondents and their economic empowerment category

Marital status	Empowerment category							
	Low		Medium		High		Total	
	N	N %	N	N%	N	N %	N	N %
Single	13	37.14	14	40	8	22.86	35	100
Married	58	40	58	40	32	20	148	100
Total	71	77.14	72	80	40	44.5		183

Source: own computation, 2018

Table 3 meaning that the probable explanation of this result was that single women are better economic empowered than married women. May it from single women is the decision-maker of their household and they had more exposure to the external environments to participate in economic activities and improve their livelihood status, and have more freedom and self-esteem in controlling the resources that enhance their empowerment. Conversely, most married women have very low power to share their ideas with their husbands. This might be due to the socio-cultural background of the study area.

Table 4:dummy variable description

Empowerment category	contact in extension agent					
	Yes		No		R^2	P-value
	Frequency	%	Frequency	%		
Low	42	23	29	15.8		
Medium	42	23	30	16.4		
High	28	15	12	6.6		
Total	112	61	71	39	1.679	.432

Source: own computation, 2018

Results of the study in Table 4 show that out of the total 183 sampled respondents, 112(61%) of them had contact with extension agents. But the rest 71(39%) of the respondents have no contact with extension agents.

Table **5.** The educational level of respondents with economic empowerment category

Membership status	Educational level of respondents N=183				
	N	Mean	SD	t value	p value
Credit users	33	8.47	1.201		
Non-credit users	150	3.84	3.273	11.692	.000
Total	183				
Empowerment category	N	Mean	SD	F value	p-value
Low	71	4.5	3.4		
Medium	72	6.0	3.6		
High	40	7.4	2.7	9.488	.000
Total	183	5.7	3.5		

Source: own computation, 2018

Table 5 signifies that educational attainment respondents were divided into two groups according to their educational backgrounds that have no formal education and have formal education/can read and write. The findings indicate that the majority of sampled respondents 79.7% (n=149) have no formal education and the rest 20.3% have formal education /can read and write or above. It indicates that there is a significant mean difference in educational attainment among the three empowerment categories at a 5% probability level with a highly significant mean difference between members and non-members. In other words, results indicated that women's economic empowerment increases with the increase in educational attainment levels.

Table 6. statistics relationship of women empowerment with explanatory variables

SN	Variables		Empowerment category							
			Low		Medium		High		F value	P-value
1	Age	Mean	35.21		35.85		38.33		3.184	.044
2	AGEDIF	Mean	7.3182		6.1111		4.3750		9.519	.000
3	DEPRATIO	Mean	.1723		.1307		.0706		3.504	.032
4	HHSIZE	Mean	6.1549		6.8194		6.9250		3.548	.031
5	EDUCATION	Mean	4.53		6.01		7.35		9.488	.000
6	EXPIGA	Mean	.16901		.69444		1.4000		39.569	.000
7	COMLOAN	Mean	1845.07		5180.55		11237.50		24.551	.000
8	TIMEHH	Mean	10.1268		9.3611		6.7250		10.191	.000
9	Participation in extension		71		72		40		X^2	P value
		F	%	F	%	F	%			
	Yes	34	47.88	43	59.72	35	87.5		.9227	.000
	No	37	52.11	29	40.27	5	12.5			
10	Marital status	F	%	F	%	F	%			
	Single	13	37	14	40	8	22.9			
	Married	58	40	58	40	32	17.4		.027	.973

***Significant at 5 % level and NS= Not significant

Source: Own survey, 2018

Table 6 identifies the major demographic, economic and institutional factors influencing women's economic empowerment. The one-way analysis of variance (ANOVA) in Table 6 showed that eight independent variables are significant at a 5% percent probability level, whereas the remaining variable marital status is found to be significant at less than 1 percent level of significance. In a comparison of the independent variables and Cumulative Economic Empowerment Index (CEEI) between the credit and non-credit user women, the result from an independent t-test showed that credit user women were significantly ahead than CEEI score as compared to the non-credit user women.

Table 7. Result of multiple linear regression analysis

Dependent variable: cumulative women economic empowerment Index(WEEI)				
Variables	Beta	Std error	t value	Sig
Constant)	9.300	5.001	3.859	0.000
Age	0.068	0.085	-0.799	0.425
Age difference with husband	-2.711	0.483	-5.616	0.000
Educational level	0.056	0.196	-0.286	0.775
Marital status	2.378	1.586	1.499	0.136
Time spent in routine work	-0.115	0.183	0.627	0.531
Household size	0.108	0.319	0.340	0.734
Dependency ratio	-0.472	2.862	-0.165	0.869
Participation in extension	0.291	0.090	3.225	0.002
Cumulated loan received	0.432	0 .189	2.283	0.024
Experience in IGAs	1.636	0.777	2.107	0.037

N=183, R=.645 ,R^2=.416, Adjusted R^2=.381, Sig F change=.000 Durbin-Watson=1.629 F=11.905(000) =significant at 5% level of probability, ***Source:-****Survey result 2018*

among the 10 explanatory variables entered in the model, four variables had a significant influence on women's economic empowerment at a 5 % probability level. These are age difference with husband, experience in income-generating activities, participation in extension and a cumulated loan received. Whereas, the rest six variables such as 'age of respondent', 'household size, dependency ratio, time spent on routine household work, educational level and marital status were found to be a non-significant influence on women's empowerment. In the line with this study, similar studies like (Jones *et al.*, (2010), Mayoux, (2000), Cheston and Kulkarni, (2011)) experience in IGAS and participation in extension/contact with extension workers were the key determining factors

for women economic empowerment.

4. CONCLUSION AND RECOMMENDATIONS

The purpose of this study was to provide empirical evidence on the economic empowerment of rural women through microcredit intervention. This study showed that helping women to utilize their loans properly for productive purposes has the ability to contribute financially to the household and consequently increased self-confidence and economic empowerment. This capacity helped them to be empowered. For the study, three sample villages were selected using a simple random method and from the three sample villages, a total of 183 sample women were selected using a systematic random sampling technique. Also, 10key informants and three focus group discussions were selected to collect data. Household surveys, key informant interviews, and focus group interviews were used to gather data.

According to this study analysis, the overall level of women empowerment in the study area was not satisfactory as the majority (77.52%) of the studied women belonged to low to medium level of economic empowerment. However, significant differences were found between credit users and non-credit user women in their levels of economic empowerment. This study also exposed that demography, socio-economic and institutional factors are hinder women's economic empowerment. The result of the multiple linear regression model also showed that age difference with husband, experience in income-generating activities, participation in extension and a cumulated loan received were significant at 5%probability levels.

Based on the result of this study, the following recommendations are given:

- The income and finance source of women in the study area is low. So this study recommends that every concerned body should be given or focus on income generation options and finance sources.
- Expand services (not just saving and credit, but also extension, like agricultural extension services) to increase awareness of rural women to cope with different social and economic challenges.
- Beyond financial support, the contribution of credit services to women's economic empowerment should be enhanced through a combination of more effective motivation support activities. These include exposure visit with other successful saving and credit organizations which allow first-hand experiences to be passed from one beneficiary to another.

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