

The Role of Microfinance Institutions in Poverty Reduction and Women's Empowerment in Ethiopia: The Case of Dedibit Credit and Saving Institution

Gosa Setu Tafese

Department of Civics and Ethics, College of Law and Governance, Mekelle University, Ethiopia

Abstract

This paper assesses the role of Dedibit Microfinance in poverty alleviation and women's empowerment in Mekelle city. Data from primary sources were collected through closed ended questionnaire and semi-structured interview. Questionnaire was distributed and collected from 122 clients of seven branches and three sub-branches of Dedibit Microfinance, which located in and around Mekelle city. In addition, one official from head office of the institution was contacted through interview along participant observation. Supplementary to primary data, secondary data from different sources were also collected. It is found that Dedibit microfinance is providing financial services to unemployed and low income individuals or groups who would have no access to formal banking services. It has positive impact on the living standard of the poor people in particular and alleviating poverty in their household in general. It is not only undermining poverty in the city, but also empowering women through surviving and making their life prosperous with dignity and self reliance.

Keywords: Dedibit, Micro finance, Poverty reduction.

I. INTRODUCTION

Micro-finance institutions is expanding credit to rural and urban entrepreneurs, as well as, in achieving food for both rural and urban poor section of the people and thereby it has irreplaceable role to reduce poverty in developing countries. Moreover, it characterized by rapid growth, an aggressive drive to achieve scale, a broad geographic coverage, a dominance of government backed Microfinance Institutions (MFIs), an emphasis on rural households, the promotion of both credit and savings products, a strong focus on sustainability and by the fact that the sector is Ethiopian owned and driven (Ebisa, Getachew and Fikadu, 2013).

Formally microfinance in Ethiopia started in 1994/5, particularly; the licensing and supervision of microfinance institution proclamation of 40/1996 encouraged the spread of microfinance institution in both rural and urban areas. In addition to this, there are also different government policies, laws, and directives in Ethiopia, which affect directly or indirectly the development of the microfinance industry (Getaneh, 2005). These mainly include proclamation No. 83/1994, 84/1994, and 40/1996. Moreover, the seventeen directives issued by the National Bank of Ethiopia, constitute the major legal and regulatory framework which is used to regulate and supervise the microfinance industry (ibid).

In recent years, several micro financial institutions are found in Ethiopia. They are thirty one registered micro-finance institutions were established with their considerable variations in geographical distribution, capital and customer size (Gowri, 2011). Of these, eleven Micro finance institutions (MFIs) (about 41%) are located in Addis Ababa and thirteen MFIs (about 48%) are located in Oromia region, with 21.1% and 18.2% of the shares in total capital of all the MFIs, respectively. Moreover, about 81.3% of total capital of all MFIs in the country are belonging to only four of them i.e Amhara (25.6%), Dedebit (24.3%), Addis (16.3%) and Oromia (14.7%). Within a region, the existing branches of MFIs have not fully covered all districts. The total amount of capital in MFIs in Ethiopia was amounted to \$94.27 million (1.2%of GDP), of which \$88.84 million (1.1% of GDP) was mobilized through saving and the rest from donors and shareholders, where as it extended a total credit of about \$230.71 million to about 1.5 million borrowers throughout the country (ibid).

Amhara Credit & Savings Institution S.C, Dedebit Credit & Savings Institution S.C and Oromia Credit & Savings Institution S.C though their major share goes to the Associations and NGOs, the Regional Governments control quarter of the total ownership. The Ethiopian microfinance market is dominated by a few large MFIs, all of which are linked to regional state government ownership. The three largest institutions account for 65% of the market share in terms of borrowing clients, and 74% by loan provision (Ebisa, Getachew and Fikadu ,2013). The total number of active borrowing clients of the microfinance institutions in Ethiopia reached over 2.4 million customers in 2011 whereas the total credit extended by all microfinance institutions amounted to Birr 6.9 billion. Of the total credit granted, the share of the three largest Microfinance institutions is Birr 5.1 billion (Ibid).

The market shares based on the number of borrowing clients are 28.1, 16.1 and 20.4% for Amhara Credit and Saving Inst (ACSI), Dedebit Credit and Savings Institution (DECSI) and Oromia Credit and Savings (OCSSCO), respectively. The market share in terms of the total loan provision for Amhara Credit and Saving Inst (ACSI) is 28.2%, for Dedebit Credit and Savings Inst (DECSI) and Oromia Credit and Savings (OCSSCO), the

market shares are 26.9 and 18.6%, respectively (Ibid).

According to the research conducted 1993 on the socio-economic status of poor section of the peoples in certain woredas of Tigray regional state shows that absence of financial institution as one of the obstacles that hindered to undertaking of rehabilitation and development activities. The other research commissioned by the Relief Society of Tigray (REST) reveals that the significance of the establishing of this institution seen as solution. Hence, rural credit scheme of Tigray as one development wing of REST was established in 1994. This was later called as Dedebit Credit and Saving Institution (DECSI), which is equally named as Dedit Microfinance (AEMFI, 2000). After three years of its operation, Dedebit Credit and Saving Institution was registered in the form of Shareholding Company as a legal entity in 1997 following the proclamation of the National Bank of Ethiopia. In the same year, following an extensive internal evaluation process, the organization was reshaped into its present structure of head quarters, branch offices and sub-branch offices (Asmelash, 2003).

When the institution commenced operation in 1994, DECSI had branches in 8 woredas of the region with only 31 employees while this institution is providing financial services in 12 branches and 109 sub-branches with 727 employees in 2003. Today, it provides services from 143 functionally decentralized offices located all over Tigray Regional State as well as in Addis Ababa and Gondar (interview with Ato Yisak). The current number of the staff has reached 2500. It was established in accordance with the requirements of National Bank of Ethiopia. The owners/shareholders are; the Relief Society of Tigray (REST), Women's Association of Tigray, Farmer's Association of Tigray and Youth Association of Tigray. DECSI has various mechanisms of screening of clients. These include; clients should be dedicated to using the loan properly and repaying it on time, clients with clean track record, above 18 years of age and productivity, have good credit discipline and no mental problems, be permanent residents of their respective areas; projects financed should be feasible and marketable. There are eleven types of loans/products in Dedebit microfinance. The size and loan period varies depending on the type of loan. Loan is provided either in group guarantee, individually with third-party guarantee or through collateral (ibid).

As per the microfinance law, the MFI is owned by shareholders that have the ultimate authority to decide on any significant issues that affect the institution. The board of directors composed of individuals representing the share owning organizations and individuals nominated by the shareholders' general assembly administer the company. The general manager and department heads at the head office at Mekelle manage the day-to-day operations of the company. The branches directly control and supervise the activities of the sub branches. The sub branches are fully autonomous to approve and disburse loans, and to collect repayments and savings. The sub branches act as mobile banking because the staff often travels to the clients in remote Kebeles (Tesfay, 2003: 51). Basically, DECSI provides major financial services including, regular or general and agricultural input loans, savings mobilization from loan clients and the community, and pension payment services to retired civil and military personnel (Ibid:52). It had 202,000 savers with a saving capital of Birr 76,000,000 as of June 1999. Moreover, 43 per cent of clients of DECSI are women. The primary objective of DECSI is to help the poor, particularly women, help themselves by creating access to microfinance services (Wolday, 2000). It had 1.4 million borrowers in 2000 (Copestake and William 2011).

Dedebit Credit and Saving Institution has 380,356, and 362,361 active borrowers in end of June 2013 and 2012, respectively while it has 701,783 and 566,480 active savers in end of June 2013 and 2012, respectively. It has totally 1,082,139 and 928,841 active clients in end of June 2013 and 2012, respectively. Dedebit Credit and Saving Institution has many branches in Tigray Regional National State. Even in Mekelle city administration, it has seven branches and three sub-branches. These branches include *Kuwa, Mayi Anbassa, Elala, Ayinalem, Adha, Mekelle* branch number two and three. There are 13,959 and 9, 314 male and women, respectively beneficiary from DECSI in Mekelle city administration (interview with Mr. Yisak, 2013).

Regular, civil servant, businesses, urban and rural packages are types of loans giving by DCSI.

II. REVIEW OF THE LITERATURE

THE NATURE AND SCOPE OF MICROFINANCE

Micro finance institution is defined differently in various literatures. For instance, micro finance is the process of lending small amount of money without collateral to help poor people to become entrepreneurs (Gebrehiwot, 2001, Bamlaku, 2004). In addition to this, it provides small scale financial services to the rural and urban poor people for self employment and small business (Shete, 1999). It is possible to argue that micro finance institutions are institutions that provide financial services to meet the need of low income sections of the population.

MICROFINANCE INSTITUTIONS AND POVERTY REDUCTION

The poor section of peoples has low income, which leads to low investment and which in turn leads to low productivity. Microfinance institutions, saving and credit cooperatives should be designed to responds to the

failure of the commercial and development banks to meet the financial needs of poor and small producers (Adebayo, 2009, Fiona, 1999). Microfinance institutions directly affect household income by encouraging productivity. It also increases diversity of production and productivity, as well as, maximize the utilization of available resources and to exploit their comparative advantage within market places. Furthermore, it encourages the socio-economic development of the concerned society (AEMFI, 2000, Ahmed et al, 2011). It helps farmers to invest in large agriculture technology, such as high yielding seeds and mineral fertilizer that increase income. Thus, it is possible to argue that micro finance is the most strategies that should be employed to eradicate poverty. It is coined as the financial service rendered to the deprived group of the people and small entrepreneurs to help them in developing self-employment opportunities and various income generating activities (Ebimobowei et al 2012: 41).

Microfinance is the provision of financial services to poor and low income households without access to formal financial institutions. Besides it is a strategy for providing to the poor in rural and urban areas, especially women with savings and credit facilities to set up or expand business, and increase household security (Wolday, 2002). This implies that it involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector.

Commentators such as Littlefield, Murdoch and Hashemi (2003), Simanowitz and Brody (2004) and International Monetary Fund (2005) have commented on the relevance of microfinance in achieving the Millennium Development Goals of eradication of poverty and hunger, achieve universal education, promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and develop a global partnership for development(Ebimobowei, et al 2012: 42).Poverty has been described by scholars and experts depending on its nature, and place. According to United Nations Development Program, more than 2.7 billion people are considered to be living in poverty (World Bank, 2000).

There are different types of poverty such as income poverty, absolute poverty, and relative poverty and consistent poverty (Ebimobowei, et al 2012: 43). Income poverty is type of poverty that is a result of lack of money or limited income while absolute poverty is a type of poverty where people are starved, living without proper housing, clothing or medical care- people who struggle to stay alive. Relative poverty is a type of poverty where people are considered to be living substantially less than the general standard of living in the society. Consistent poverty is a type of poverty that is the combination of income poverty and deprivation (Ibok, 2009, Khandker, 2003, Momoh, 2005). Consequently, microfinance has proved to be a powerful instrument for poverty reduction that enables the poor to build assets, increase incomes and reduce their vulnerability to economic stress (Ebimobowei, et al 2012: 45).

Khandker (2003) states that it is clear that what microfinance can do for the poor depends on the poor's ability to utilize what microfinance offers them (ibid). It is possible to argue that microfinance provides a window of opportunity for the poor to access a borrowing and saving facility. In other countries, these facilities also provide organizational help, training, safety nets, empowerment, and financial and other help during crises. Some literature states that microfinance is playing insignificant role in addressing economic problems of poor section of the people in particular and alleviating poverty in general. Among others, research funding of Hulume and Mosley show that microfinance is unable to generating incomes for poor section of the people (Chowdhury, 2009:1). But, this study argues that microfinance has positive impacts towards poverty reduction and thereby there is gap of literature. Thus, this study attempted to fill this gap.

III. IMPORTANCE OF THE STUDY

The study shall provide basic information on the impact of micro finance program in improving the life of urban section of the people. The results of the study are important in providing insight for policy makers and microfinance institutions found at different levels. The most beneficiary from the output of this study are among the others, policy makers due to the fact that findings of this study confirm how microfinance services can be played a great role in addressing the needs of the poor section of the people. Finally, it will be used as central and initial point for further research.

IV. STATEMENT OF THE PROBLEM

There are controversial issues in literatures regarding to the impacts of micro finance on poor section of the people. In some of these literatures, microfinance has brought positive impact to the life of clients, boost the ability of poor individuals to improve their conditions and have taken advantage of increased earnings to improve their consumption level, health and build assets (Murdoch and Haley, 2001; D'Souza, Gangopadhyay, , Gokarn, Mohanty, and Shah, 2007). However, other studies have shown that microfinance is said to play insignificant role towards poverty reduction. Regarding this, some argue that microcredit may not be the most useful financial service for the majority of the poor people (Chowdhury, 2009: 1). Regarding this, the findings of

David Hulme and Paul Mosley (1996) show that poor households do not benefit from microfinance; it is only non-poor borrowers (with incomes above poverty lines) who can do well with microfinance and enjoy sizable positive impacts (Chowdhury, 2009: 1). This due to the fact that vast majority of those with starting incomes below the poverty line actually ended up with less incremental income after getting micro-loans.

Most poor people do not have the basic education or experience to understand and manage even low level business activities. Aneel Karnani (2007: 37) stated that “most people do not have the skills, vision, creativity, and persistence to be entrepreneurial (as cited in Chowdhury, 2009). Robert Pollin (2007: 2) has also a similar view, and puts it in the following words: “micro enterprises run by poor people cannot be broadly successful simply because they have increased opportunities to borrow money along interest rates charged by microfinance institutions, which are undermining the benefits of borrowers(*ibid*). The credit policy for the poor involves many practical difficulties arising from operation followed by financial institutions and the economic characteristics and financing needs of low-income households (Shastri 2009). However, to the best of our knowledge and information, there are several significant roles of microfinance in meeting the needs of the poor section of the people.

Access to credit can contribute to a long-lasting income and an improvement of the social and economic situation of women (Sarumathi and Mohan, 2011: 2). Even though there are ample literatures on microfinance as an antipoverty tool in Ethiopia, no studies have been endeavored so far to identify the role of Deditbit microfinance in reducing poverty and empowering women. In other words, no major assessment has been made on the impact of Deditbit microfinance services in the region, particularly on the life of poor women who are the primary victims of poverty and drought. Thus, there are gaps in literatures and knowledge regarding to the issue under discussion.

V. GENERAL OBJECTIVES

The overall objective of this study is to assess the role of Deditbit Microfinance in reducing poverty and empowering women in the Mekelle city.

SPECIFIC OBJECTIVES

More specifically, the objective of this study is:

- ❖ To assess the role of Deditbit microfinance in improving socio-economic conditions of the people in Mekelle city;
- ❖ To examine the impact of Deditbit microfinance on empowerment of women in the selected area;
- ❖ To identify the economic sectors that has getting more attention by Deditbit microfinance

VI. RESEARCH METHODOLOGY

The study based on both qualitative and quantitative approach.

TOOLS OF DATA COLLECTION

The study employed both primary and secondary sources of data. But it mainly on based on secondary data from the annual financial reports of MFIs, data from books, journal articles, proclamation, and government reports in order to explain the role of microfinance institutions in poverty reduction in Mekelle city. To increase the reliability and creditability of data, primary sources are collected through participant observation, structured questionnaires and semi-structured interview. Purposively, key informant from Planning and Programming Division Head of DECSI is involved in the study.

SAMPLING TECHNIQUE AND SAMPLE SIZE

Both probability and non-probability sampling techniques used to collect data at different stages. First purposive sampling used to select the region due to a region accessible to the researcher.

With regard to the sample size, the research applied a simplified formula provided by Yamane (1967) as cited by Yilma Muluken to determine the minimum required sample size at 95% confidence level, degree of variability= 0.5 and level of precision (e) = 9%.

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

Where n is sample size, N is the total number of study population, 23, 273

Where e is the level of precision

This sample size (n) distributed to studied branch and sub-branch of Deditbit Credit and Saving Institution and this distributed to sample respondents selected based on simple random sampling technique (Lottery Method). Structured questionnaire is prepared for randomly selected of 122 beneficiaries of Deditbit

Credit and saving institution of Mekelle branches. Out of 122 selected sample respondents, 61 were women so as to ask questions pertinent to the impacts of DECSI on their socio-economic and psychology. These target population are accessed from archive of Dedibit Credit and saving institution of Mekelle branches. The questionnaires were prepared in English and for clarity and convenience purpose, they were translated into Tigrigna. The questionnaires were filled in the residence and work areas of the clients.

DATA ANALYSIS AND INTERPRETATION

The various data gathered by both quantitative and qualitative methods were analyzed using descriptive statistical tools such as tables and percentages due to its clarity to draw conclusion. Triangulation applied for cross checking and verification of the information collected from different sources. The data collected through in-depth interview analyzed in critical and analytical manner. The results of these data would be presented using tables and charts.

VII. RESULTS AND DISCUSSIONS

This section has four parts. The first part focuses on general demographic characteristics of respondents' mainly marital and educational status of respondents. The second part deals with the contribution of Dedebit credit and saving institution in alleviating poverty and women's empowerment. The third part also deals with type of activities/businesses clients of Dedebit credit and saving institution involve on. A descriptive analysis method were used in the process of reducing the raw data into a form that would make them easy to understand, interpret, and manipulate the data to provide descriptive information. Hence; tables, charts, and percentages were widely employed. 122 respondents to structured questionnaires were found eligible for analysis.

GENERAL DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

The demographic characteristics of the respondents such as their marital status and educational level have direct or indirect relations with the way one can attempt to reduce poverty and empowering women.

Concerning marital status of the respondents, table one shows that 55 (45.82%) of respondents were single while 47 (38.52%) and 20 (16.4%) were married and divorced, respectively. From the above mentioned table one can understand that regardless of marital status, there are many peoples who are fighting poverty by taking loan from Dedibit saving and credit institution.

The result of the study in table two shows that 85.25% of the respondents are literate while 14.75% are illiterate. This implies that education plays a great role in reducing poverty. The one who attend school is trying to fight poverty than not attending school and in turn improving their socio-economic questions and interests. Schooling is one of the key variables that may cultivate the activities and competence of people because it improves their skills and makes them more creative and innovative. Literacy may have positive impact on the way the clients use the financial services that they receive. Literate clients may influence the impact of the microfinance services through increased savings, repeat loans, amount of loan taken and thereby contribute to the success of their business (Tsfay, 2003).

Table 1: Marital status of Respondents

Marital status	Male	Female	Total	Percent (%)
Single	20	35	55	45.082
Married	30	17	47	38.52
Divorced	11	9	20	16.4
Total	61	61	122	100

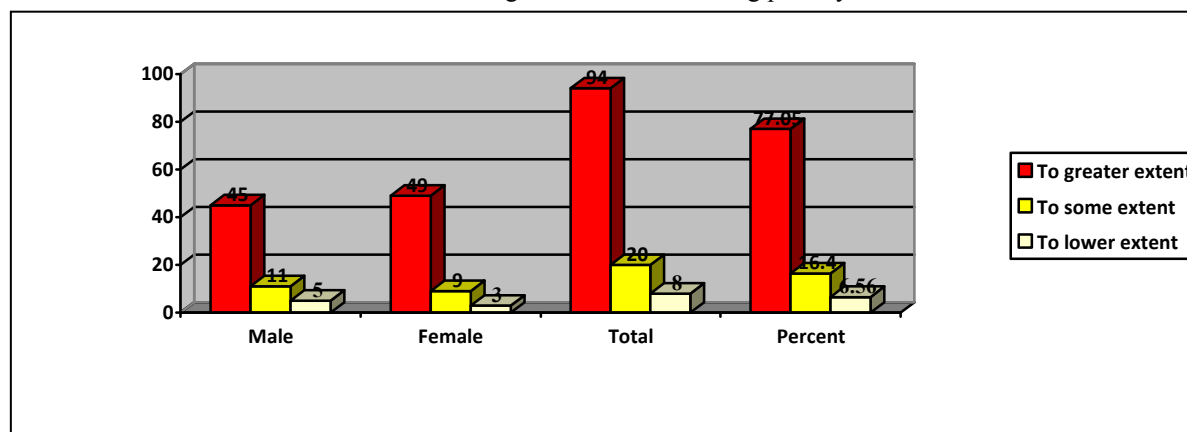
Source: Survey result, 2013

Table 2: Educational Qualification of Respondents

Educational status	Male	Female	Total	Percent (%)
Blow primary	10	8	18	14.75
Primary	17	20	37	30.33
Secondary	14	18	32	26.23
Above higher secondary	20	15	35	28.69
Total	61	61	122	100

Source: Survey result, 2013

Table 3: The Role of Dedebit credit and saving institution in reducing poverty



Are you self employed?		Male	Female	Total	Percent (%)
Before loan	Yes	7	10	17	13.94
	No	54	51	105	86.06
	Total	61	61	122	100
After loan	Yes	56	58	114	93.44
	No	5	3	8	6.56
	Total	61	61	122	100

Source: Survey result, 2013

Table 5: The Culture and Trend of Saving of Respondents

Do you use saving?	Before loan				After loan			
	Male	Female	Total	Percent (%)	Male	Female	total	Percent (%)
Yes	7	1	8	6.56	49	57	106	86.89
No	54	60	114	93.44	12	4	16	13.11
Total	61	61	122	100	61	61	122	100

Source: Survey result, 2013

Table 6: Type of activities/businesses clients of Dedebit credit and saving institution are involved

In what type of activities/businesses are you engaging?	Male	Female	Total	Percent (%)
Metal works	20	5	25	20.49
Wood works	17	4	21	17.21
Computer centers	6	19	25	20.49
Heavy machineries	4	6	10	8.19
Beauty salon	0	24	24	19.68
Barberry	14	3	17	13.93
Total	61	61	122	100

Source: Survey result, 2013

Table 7: Empowerment of women

If you go to the market, can you decide to purchase something at the market without consulting your husband?	Female	Percent (%)
Yes	40	65.57
No	21	34.43
Total	61	100

Source: Survey result, 2013

Table three confirmed that 94% of the respondents stated that microfinance has reduced their poverty level to a greater extent. This implies that Dedibit microfinance plays a significant role in contributing to poverty reduction by providing loans and mobilizing savings from the low income groups (NBE, 2006/07:33). It is improving the lives of the poor in terms of economic and social. From table 3 one can recognize that Dedibit microfinance is promoting indicators of well-being of poor people in one hand and encouraging sustainable development in Mekelle city in other hand.

The result of the study in table four shows that 86.06% of the respondents argue that they were not employed in anywhere else before received loan from Dedibit microfinance. In other hand, 93.44% of respondents' responses were evidenced the performance of Dedibit microfinance. These respondents stated that they were self employed after they received loan from Dedibit microfinance. This implies that Dedibit microfinance is creating job opportunity for the unemployed section of the society through offering efficient financial services. It is possible to argue that one would reduce poverty via creating wide opportunity for many section of population regardless of their sexes and marriage status. One can understand from table four is that Dedibit microfinance is changing the living conditions and diet of the poor section of the people.

Table five demonstrates that 106 (86.89%) of respondents strongly argue that Dedibit microfinance is significantly developing culture of their saving. This implies that Dedibit microfinance has positive impact on its clients in the sense that it is beyond 'hand to mouth'. It is increasing standard of the family unit, quality of food consumption and others. This means Dedibit microfinance is appreciating culture of saving of its clients and in turn its clients are increasing the amount of their income and businesses.

The result of the study in table six depicts that 20.49%, 17.21 %, 20.49%, 8.19%, 19.68,% and 13.93% of the respondents stated that metal works, wood works, computer centers, beauty salon, barberry, respectively, are sectors that Dedibit microfinance are financing. This means it is economic sectors which cultivating by Dedibit microfinance and it also considered as a source of their income.

Table seven illustrates that about 40 (61.48%) of the respondents argue that they can decide to purchase something at the market without consulting with their husbands. In contrary to this 21 (38.52%) stated that they are not purchasing something at market without consulting with her husband. Consequently, women loan led to a feeling of being more competent of handling money and making economic /business decisions without influence of their husbands. Again it is possible to argue that they are confident enough to participate in any program of Dedibit microfinance so as to exploit the services it gives to them. The result of the study in table seven depicts that Dedibit microfinance has the potential to make a significant contribution to promote sustainable livelihood and better working condition for women. Moreover, it is contributing to psychological empowerment of women in the sense that it is increasing self-esteem, self-efficacy and psychological well-being of the women. In other hand, it would increase social position of women and their ability to earn income and contributing to an increase their autonomy and decision making power at household and community levels.

VIII. FINDING

It is noticed that most of the respondents and informant agreed that Dedibit credit and saving institution has improved the life styles of the poor section of the people. They argue that it has boosted economic development directly and indirectly and enhanced happiness in the household. Dedibit microfinance plays a significant role in contributing to poverty reduction by providing loans and mobilizing savings. It is also creating job opportunity for the unemployed section of the society through offering efficient financial services. Besides, it is developing saving culture of its clients. It is also cultivating and prioritizing many economic sectors. Among others, these include metal works, wood works, computer centers, heavy machineries, beauty salon and barberry. Moreover, it increases social position of women and decision making power at household and community levels.

VIII. CONCLUSION AND RECOMMENDATION

Based on the analysis and reflections made in entire paper the following conclusions are made on the role of Dedibit Credit and Saving Institution in poverty reduction and women's empowerment in Mekelle city. From public service point of view, Dedibit microfinance institution is doing well in terms of providing loans to micro entrepreneurs. In this respect Dedibit microfinance institution is successful and promising in helping poor people out of poverty in Mekelle city. It significantly increases its clients and it is possible to argue that it is reducing the migration of the people to overseas countries. Accessing loans at reasonable interest rates provide poor people an opportunity to locate up their own business. Poor households are using Dedibit microfinance to move from hand to mouth survival to planning for the future in the sense that it invests in better nutrition, housing, health, and education. Dedibit Microfinance helps to promote economic growth and development.

As women access is still insufficient, women's access to credit has to be supported. Dedibit microfinance should further create job opportunity. As the interest amount is additional burden to the clients thereby Dedibit microfinance would be sustainable when it would be decreased its interest rates more. It is better when Dedibit microfinance would be more diversified its services to poor categories of the society. Priority

should be given to the poor section of the society because poverty alleviation efforts should be transformed to development efforts through microenterprise development. Finally, critical studies and impact assessments should be conducted to identify problems and limitations of Dedibit microfinance in alleviating poverty more.

REFERENCES

- Adebayo, A. A. (2009). "Theoretical Perspectives on Poverty Reduction: Challenges for Policy in Nigeria". *International Journal of Economics and Development Issues*. Vol. 8 No. 2 pp. 34-43.
- AEMFI (Association of Ethiopia micro finance Institutions) (2000). "Microfinance and Poverty Eradication". *Working paper*. Addis Ababa.
- Ahmad, Shafiq, Durrani, Muhammad Kashif Khan, Malik, Muhammad Imran, Usman, Abid (2011). "Role of Micro Finance in Reducing Poverty: A Look at Social and Economic Factors". *International Journal of Business and Social Science*. Vol. 2 No. 21.
- Asmelash Haile(2003). "Regional and Local Development Studies. The Impact of Microfinance In Ethiopia: The Case of DECSI In Ganta Afeshum Woreda of Eastern Tigray": *A Thesis Submitted to The School of Graduate Studies Addis Ababa University in Partial Fulfillment of The Requirements for The Degree of Masters of Arts in Regional and Local Development Studies*. Addis Ababa.
- Bamlaku Alamirew Alemu (2004). "Microfinance and Improvement in Living Standards: A Pathway Out of Poverty: The Case of Enemay Woreda, Eastern Gojjam, Amhara Regional State". *Working Paper*.
- Chowdhury, Anis (2009). "Microfinance as a Poverty Reduction Tool: A Critical Assessment" *DESA Working Paper* No. 89.
- Copstake, James and William, Richard (2011). "What is the Impact of Microfinance, and what does this imply for micro finance policy and for future impact studies"?
- D'Souza, Errol, Gangopadhyay, Shubhashis, Gokarn, Subir, Mohanty, Praveen and Shah, Ajay (2007). "Impact of Microfinance: A Critical Survey".
- Ebimobowei, Appah, Sophia, John Wisdom, Soreh (2012). "An Analysis of Microfinance and Poverty Reduction in Bayelsa State of Nigeria". *Kuwait Chapter of Arabian Journal of Business and Management Review*. Vol. 1. No.7.
- Ebisa Deribie, Getachew Nigussie and Fikadu Mitiku (2013). "Filling the breach: Microfinance". *Journal of Business and Economic Management*. Vol. 1. No.1. Available at <http://www.academiapublishing.org/jbem>.
- Fiona, Meehan (1999). "Impact of Micro Credit at household level Case study of Dedibit Credit and Saving Institutions". *Working Paper*.
- Gebrehiwot Ageba (2001). "Microfinance Institutions in Ethiopia: Issues of Portfolio Risk, Institutional Arrangement and Governance". *Unpublished Paper Presented at Conference on Development of Microfinance in Ethiopia*. Addis Ababa.
- Getaneh G (2005). "Regulating Microfinance in Ethiopia: Making it more Effective. Amhara Credit and Savings Institution (ACSI)".
- Gowri, C. Mangala and Ramanaiah, M. Venkata(2011). "A review of Ethiopian institutions and their role in poverty reduction: A case study of Amhara Credit and Saving Institution". *African Journal of Business Management*. Vol. 5 No.20.
- Ibok, E.E. and Mboho, S.K. (2009). "Women Organisations and Poverty Alliviation in Rural Communities in Nigeria: A Study of Akwa Ibom State". *International Journal of Labour and Organisational Psychology*, Vol.3 No.1 & 2. pp.198-208.
- Khandker, S.R. (2003). "Microfinance and Poverty: Evidence Using Panel Data from Bangladesh". Retrieved on 11/03/2014 from <http://econ.worldbank.org>.
- Momoh, J. (2005). "The Role of Microfinance in Rural Poverty Reduction in Developing Countries". Retrieved on 11/03/2014 from <http://www.wi.hswismar.discussion paper>
- Morduch, Jonathan, Haley, Barbara (2001). "Analysis of the Effects of Microfinance on Poverty Reduction". *Working Paper Series*.
- NBE (National Bank of Ethiopia) (2006/07). "Annual Report of the National Bank of Ethiopia".
- Samuel Urkato Kurke, and Zaid Negash,(2010). "Microfinance Impact on Poor Rural Women Empowerment: A Household-Level Bargaining Analysis".
- Sarumathi and Mohan (2011). "Role of Micro Finance in Women's Empowerment: An Empirical study in Pondicherry region rural SHG's". *Journal of Management and Science*. Vol.1 No.1.
- Shastri, R. K. (2009). "Microfinance and Poverty Reduction in India: A Comparative Study with Asian Countries". *African Journal of Business Management*. Vol. 3 No. 4 pp. 136-140. Retrieved on 11/03/2014 from <http://www.academicjournals.org/AJBM>
- Shete, N.B (1999). "Alternative Models of Microfinance: Experiences of India Commercial Banks, Saving and Development".
- Temesgen Keno(2007). "Outreach Frontiers of Microfinance Service Development in Rural Ethiopia: A Case of

Shinile District in Somali National Regional State”. *Journal of Economics and Sustainable Development*. Vol.3 No.7.

Tesfay Aregawi (2003). “The Impact of Microfinance on Poor Women: A case study of Dedebit Credit and Saving Institution (DECSI) in the Eastern Zone of Tigray”. *A thesis submitted to the School of Graduate Studies of Addis Ababa University in partial fulfillment of the requirements for the Degree of Master of Arts in Regional and Local Development Studies*.

Wolday Amha (2000). “ Review of Microfinance Industry in Ethiopia, Regulatory Framework and Performance”. *Occasional Paper No. 2*, Addis Ababa.

Wolday Amha (2002). “ The Development of Microfinance Industry in Ethiopia: Performance, Challenges and Role on Poverty Reduction”. *A paper submitted to the Annual Meetings of African Development Bank ADB/OCMU/AMINA*.

World Bank (2000). “World Bank Estimates”. World Bank, Washington DC. Retrieved on 11/03/2014 from <http://web.worldbank.org/>

Interview with Mr.Yisak Abay(Dec. 2013). Planning and Programming Division Head of Dedebit Credit and Saving Institution.

Author

Gosa Setu Tafese, MA in International Relations at Addis Ababa University, Ethiopia. He is senior Lecturer in International Relations, Political Economic Relations and Civics and Ethical Studies in Mekelle University.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

