



Building financial independence and alternative livelihoods

Ethiopia Case Study **August 2017**



Okminta Self-Help Group in matching dresses, bought with income from their group weeding service. Photo Credit and Case Study Credit Kim Morasse. Edits David Mudachi.

Stories of women's empowerment

As part of the global Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) programme, Christian Aid is leading the consortium through its Climate Information and Assets for Resilience in Ethiopia (CIARE) project. CIARE, aims to help communities in Ethiopia become more resilient to climate extremes.

CIARE works with a range of partners to gather and disseminate climatic information. From the National Meteorological Agency (NMA) who gather weather forecast information, to the UK Met office, who help build the capacity of the NMA, ensuring they gather accurate information. All the same time working with the BBC Media Action to disseminate climatic information in the local language.

Many communities in remote Ethiopia are highly vulnerable to climate extremes. Such communities include the Benatsama community in remote Ethiopia benefitting from the CIARE project which provides a strong

component on building financial resilience.

Research shows that a household's ability to cope with climate extremes is dependent on a number of factors, such as their income, savings capability and access to water and livestock feed. People's ability and capacity to make timely decisions in times of stress can also make a significant difference.

Women's primary responsibility in these communities is to take care of the household. As a result, they are often at the forefront when disaster strikes, yet they are excluded from discussions and decision-making, which hinders their ability to quickly adapt.

Christian Aid, in partnership with Women Support Association (WSA), has supported 68 self-help groups each made up of 20 women to increase the capacity of women to absorb the effects and adapt to climate extremes.

Entsha Women's Group

Before Entsha Self-Help Group was established in 2015, most of its members did not have their own income. If they did, it was very little. Most women earned a living from selling Moringa, vegetables or firewood, or doing odd jobs. Married women received support from their husbands. Because of the support they received from Christian Aid partner WSA, the members are now demonstrating how saving and new business practices can address the livelihood challenges caused by climate extremes.

Having 2500 Birr (£83) saved so far, members have been able to take out loans to invest in the buying and selling of poultry and goats, coffee, wheat flour, tea and eggs. Previously, eggs were a home business, but now they are bought wholesale using credit. The women save their profits of around 20 birr (60p) a week. New bread and tea selling businesses contribute about 50-60 birr (up to £2) a week profit, before savings are accounted for. All these new opportunities bring increased profit and greater income for group members.

Amerella Bosh Maya, a member of the group, said: 'As a group we have learned the benefits of saving. Any of the members can now take loans and engage in business. This has given us the opportunity to access loans amongst ourselves rather than searching for other sources, which are costly. We use the loans for buying poultry, goats and coffee husk. Initially, there was no culture of saving, but the problem of drought has taught us much.'

Literacy challenges

While members of these self-help groups are experiencing increased income, profit, and an improvement in the situations within their households, literacy remains a key challenge. FAL has helped women to enhance their literacy and numeracy skills to enable them to run their businesses and exchange ideas through written messages.

That said, the existing drought and the workload at home has made it difficult for some women to attend. If self-help group members are not literate, they are unable to understand all the information and tools they are presented with and translate this into action.

Literacy challenges are particularly apparent within the Entsha Self-Help Group. Members of the group not able to understand training around the savings and loan schemes doubt their own capacity to achieve anything by saving small amounts of money.

Rebka Gunzar Bukar, a member of Entsha group, said: 'Learning helped me take care of my health and understand my ability to do good. It has also helped improve my record keeping for the business.' Her literacy level is now at 7th Grade level.

Lessons learned

Homogenous groups
Okminta Self-Help Group has saved almost twice as much as the Entsha Group, and has a stronger support system. A reason for this may be that Okminta members share a more similar livelihood, allowing them to better understand and support one another. This is shown by the way they were able to change a single woman's weeding job into a twenty-person group business, increasing their productivity.

Their social bond and sense of community (which translates into empowerment and mental wellbeing) is stronger as they find it easier to identify with one another.

Self-help groups have brought increased productivity and savings, which in turn improves livelihoods.

More emphasis could be placed on this when developing future self-help groups, as a motivation for members of the communities to be actively involved.

Size of loans

Members of the saving groups have recognised that their initial savings are not sufficient to meet the loan requirements and as such, have had to gradually increase their contributions. Yet, the amount of money available in their funds is not enough to meet the loan demands of every member.

The revolving loan capital made available by WSA through cluster level associations (associations formed by several women's saving groups) is one of the mechanisms to meet increasing needs for micro-credit. However, factors related to proximity of the service, simplicity, and additional procedures required to be met to access loans might require special attention.

Decision making

Due to cultural dynamics, women have had to solely rely on their husbands for support. When WSA first invited these women to come together to learn how to save, it was difficult for them to get their husbands on board. Some husbands prohibited their wives from attending these meetings. However, men too had previously suffered from being unprepared during extreme climate situations and eventually also realised the need to build resilience.

Rebka Gunzar Bukar, from Entsha group, explained how the project supported her: 'I share the benefits of the group meeting with my husband. He now understands this. We have learned a lot from the past droughts and how unpreparedness and lack of food affected us. This business is helpful in addressing those challenges.'



Hirut's story

Hirut Kebede Jamo (above) is the youngest in Okminta Self-Help group and also one of the most literate (Grade 7). Due to her literacy level she has taken on the role of cashier in the savings and loans scheme.

With the support of Christian Aid and WSA's saving and loaning schemes, Hirut was able to take out a loan to start a new egg selling business. She currently makes a total of 20 birr (70p) a week in sales.

Additionally, she runs a coffee husk business with total sales of 20 birr per week. After saving 5 birr each week, her weekly income is now 35 birr (£1.15). She spends this income on household and other expenses, in addition to keeping some by as a contingency.

These savings have also allowed Hirut to buy improved seeds in an effort to diversify natural resources and create alternative livelihoods to reduce risks associated with weather extremes.

'WSA did not provide us with external money or material, but taught us how to change for ourselves. From saving, I took out a loan and bought a cock and three hens, sold the eggs and saved the money, I now have three hens. One gives me five eggs. Five eggs is 10 birr a week.'

'I spend my income on household expenditures, and save the rest as a contingency in case something happens. We also spend it on the grain mill and other expenditures.'

Through this project, Hirut increased her financial independence and capacity to supply for her and her family.

