# Gara Godo site-specific topic: Micro-credit for women

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## Household 1 Old female participant

### Respondent information

Age: 45

Sex: F

Family size: 9

Education: grade 6

Marital status: married

Religion: Muluwengel Protestant church.

### Knowledge of credit access

Lending by individuals, informals, relatives, neighbours and microfinance institutions (Omo and Wisdom) is available in the community. She prefers Omo microfinance institution. It lends to groups. A group can be 5-49 persons. Individuals in the group can borrow up to 5000 birr. Most of the community members also prefer Omo to Wisdom microfinance institution, because Omo unlike Wisdom does not have compound interest. The procedures are simple (easy and short). She borrowed from other sources 10 years ago. The interest rates charged by individuals and informal lending were high. Lending by relatives and neighbours has lower interest rates, and as a result of this they do not want to lend.

### Participation in the credit programme

Adults, farmers and petty trade group are the main participants in the credit programme. The demand for credit is increasing; there were people who bought milk cows, sent their son or daughter to private college, started a business or built a new house. There were also some people who borrowed for consumption, to eat meat or to buy clothes. Adult farmers and petty trade groups are strong and have better skill in work, furthermore they have assets: house, land, cattle etc. This develops trust between lender and borrower. Younger women, youth, vulnerable people, poorer people and crafts men suffer from lack of credit. They do not have assets for collateral and do not fulfil the criteria of credit programmes. Elderly people also suffer from lack of credit because they are not productive. Farmers suffer from debt burden because their farm do not give high yield.

### Consequences for credit users

Adults and petty trade groups have benefited from micro credit participation. Before participation they were exposed to high interest rates from individuals and they did not get enough money to start ox fattening or petty shop trades which are their activities. They built new houses with tin roofs. They were able to send their son or daughter to college. Some farmers have been harmed. They bought fertilizer and improved seed to apply on their farm. Due to the bad weather they lost their production. They sold cattle or other assets to repay the credit.

### Perceptions of different kinds of borrowers

All participants prefer to participate in Omo Finance Institution, because its interest rate is less compared with others. It provides relatively enough money and better service. Women participants are effective because they are strong in saving. Elderly people are the least effective, because they borrow for consumption, not for productive activities. Youth participants may spend the money on clothes or bad habits.

### Impact of micro-credit participation

Household consumption, saving, fixed asset building and clothing expenses have increased. The expenditure on child education and during festivals also increased. The changes are due to access to credit.

## Household 2 Adult female participant

### Respondent information

Age: 35

Sex: female

Family size: 7

Education: grade 3

Marital status: married

Religion: Kalehiwot protestant church

### Knowledge of credit access

Credit is available in the community from individuals, neighbours, and Omo and Wisdom microfinance institutions. Omo microfinance institution lends to groups. She does not know how Wisdom microfinance institution works. Most of the community prefers Omo microfinance institution, but she does know why it is preferred. A person borrowing from neighbours repays without interest.

### Participation in the credit programme

Adult women are participating in the credit programmes. They improve the livelihood of their family. They also have better records of credit repayment. Vulnerable people and poorer households are suffering from lack of credit because they do not fulfil the criteria of microfinance institutions for their lending and they do not trust them.

### Perceptions of different kinds of borrowers

Adults and farmers have benefited from microcredit participation. Adult women buy and sell butter, coffee and crops. Farmers buy oxen for fattening. She does not know which category of the community have been harmed by micro credit participation.

All participants prefer to borrow from Omo microfinance institution. Women and men participants are effective groups, because they are engaged in different types of business like tea houses, small restaurants, and maize and teff retailing.

### Impact of micro-credit participation

Household saving, clothing expenses and consumption have increased. After borrowing, participants engage in different businesses to diversify their sources of income.

## Household 3 Young female participant

### Respondent information

Age: 22

Sex: female

Family size: 2

Education: grade 8

Marital status: married

Religion: Muluwengel protestant church

### Knowledge of credit access

Omo and Wisdom microfinance institutions are available to provide micro credit services to the community. Omo lends to groups. A group can include up to 49 persons. Omo microfinance institution gives a longer time for repayment, one year. It has 5 birr saving per month. The Omo microfinance institution interest rate is about 10%. The repayment time of Wisdom is 3 months. The number of beneficiaries of micro finance institutions has increased.

### Participation in the credit programme

Adult farmers, youths (who have assets) and petty trade groups are participating in the credit programmes. They have house, land, and livestock. These assets are used as collateral. They borrow to start new businesses or to develop existing activities. A women who has no husband, a man who has no wife, poorer people who has no assets and persons who have no trading skills do not get credit from Omo microfinance institution. The individuals are identified by kebele officials. A person who borrowed once wants to continue borrowing in the future.

### Consequences for credit users

Young woman and men, rich households and farmers have benefited from micro credit participation. They may have no sheep, goats, beehives or ox, before participation. They buy goats, sheep, and ox for fattening and trade crops and coffee. They have built new houses and have better shoes and clothes. They are also able to send their sons or daughters to higher education. Most of them are successful. A young man who engaged in crop trading has opened a petty trade shop. A woman also has opened a restaurant. A youth borrowed 4500 birr and began crop trading, but it was unsuccessful. He lost it and was unable to repay the debt. As a result of this he disappeared from the kebele.

### Perceptions of different kinds of borrowers

Women and men participants prefer Omo microfinance institution because it lends only one time to a person annually. They are also effective in groups. They have better skills in different business activities. Buying something at a lower price and selling it at a higher price is their common activity.

Household fixed asset building, clothing expenses and purchasing improved agricultural inputs have increased. The changes are due to their diversified income improvement. They have engaged in different business activities by borrowing from Omo microfinance institutions or elsewhere.

## Household 4 Old female non-participant

### Respondent information

Age: 47

Sex: female

Family size: 7

Education: illiterate

Marital status: married

Religion: Orthodox

### Knowledge of credit access

She knows about lending by individuals, relatives and neighbours. She does not know about Omo or Wisdom microfinance institution. She borrowed from neighbours for flour trading.

### Participation in the credit programme

She does not know which categories of the community are participating in the credit programmes. If a women borrows from an individual for trading, she repays debt from the profit.

### Consequences for credit users

She does not know which categories of the community have benefited or have been harmed by the micro credit.

### Perceptions of different kinds of borrowers

All participants prefer to participate in lending from neighbours and relatives. She does not know which participants are effective.

Household consumption and clothing expenses increased. Expenditures on children’s education also increased. These changes are due to the improvement of her income. She is trading flour at the market as her income source. She began the trade by borrowing from her neighbour.

## Household 5 Adult female non-participant

### Respondent information

Age: 35

Sex: female

Family size: 6

Education: 3

Marital status: married

Religion: orthodox

### Knowledge of credit access

Lending from individuals, informal lending and lending from relatives are available in the community. She borrows from them. She prefers relatives because they charge no interest or less interest. She does not know how to borrow from microfinance institutions.

### Participation in the credit programme

Farmers and adults are participants in credit programmes, because farmers have land and they can pay credit from agricultural production. Adult women also can pay credit by selling butter and flour. They are able to buy oxen, milk cows, goats, and sheep and to build new houses. Poorer households and vulnerable people suffer from lack of credit.

### Those with no current access to irrigation

Adult women have benefited from microcredit participation. They have milk cows. Vulnerable people and poorer households are suffering from lack of credit. The creditors do not trust them and they have no assets for collateral.

### Perceptions of different kinds of borrowers

If all participants fulfil the criteria, they prefer Omo Microfinance. Women and men participants are effective because they can invest in milk cows, better trade, and petty trade.

### Impact of micro-credit participation

Household consumption, fixed asset building and clothing expenditure has increased, and expenditure on children’s education. Expenditures on agricultural inputs and during festivals have increased.

## Household 6 Young female non-participant

### Respondent information

Age: 22

Sex: female

Family size: 2

Education: grade 4

Marital status: married

Religion: orthodox

### Knowledge of credit access

The community borrows from individuals, neighbours and relatives. These are the only types of micro credit access that she knows. She prefers lending from neighbours. She borrows from neighbours to sell potatoes in the market. She shares the profit with the lending neighbours.

### Participation in the credit programme

She does not know which categories of the community are participating in the credit programmes, but she knows that the poor who can work and are able to repay the debt can borrow from neighbours and start businesses and share the profit with the lenders. Youth, poorer households, elderly and vulnerable people are suffering from lack of credit, because they do not know about the availability of microcredit services.

### Consequences for credit users

She does not know which categories of the community have benefited from or been harmed by microcredit participation.

### Perceptions of different kinds of borrowers

Women and men participants prefer lending by neighbours. She does not know the effective groups. Youth and elderly people have no access to microcredit.

Household consumption has increased, because she can get additional income from potato selling. She borrowed 200 birr and bought 100 kg potatoes. She sold it for 230 birr. The profit was 30 birr, but it was shared equally with the lender. She took her share, 15 birr, and spent it on household consumption.