



BIRRITU

NO 125 ተር 2010 JANUARY 2018



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DEPLOYED BANK SUPERVISION
APPLICATION (BSA) VERSION 3.0

FINANCIAL INCLUSION IN ETHIOPIA: OVERVIEW

2I

INTERNAL AND EXTERNAL FACTORS THAT DETERMINE CAPITAL STRUCTURE OF INSURANCE COMPANIES: THE CASE OF ETHIOPIA

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BANK AND INSURANCE INSTITUTION OPERATING IN ETHIOPIA

የኢትዮጵያ ብሄራዊ ባንክ

National Bank of Ethiopia

ማዕከላዊ ባንክ

Central Bank

ስልክ ቁጥር

Telephone

0111517430

ፋክስ

Fax

0115-5-514588

የባንኮች ሥም ዝርዝርና አድራሻ

Banks Name & Address

የኢትዮጵያ ንግድ ባንክ Commercial Bank Ethiopia	Tel	0115511271
	Fax	0115514522
የኢትዮጵያ ልማት ባንክ Development Bank of Ethiopia	Tel	0115518171
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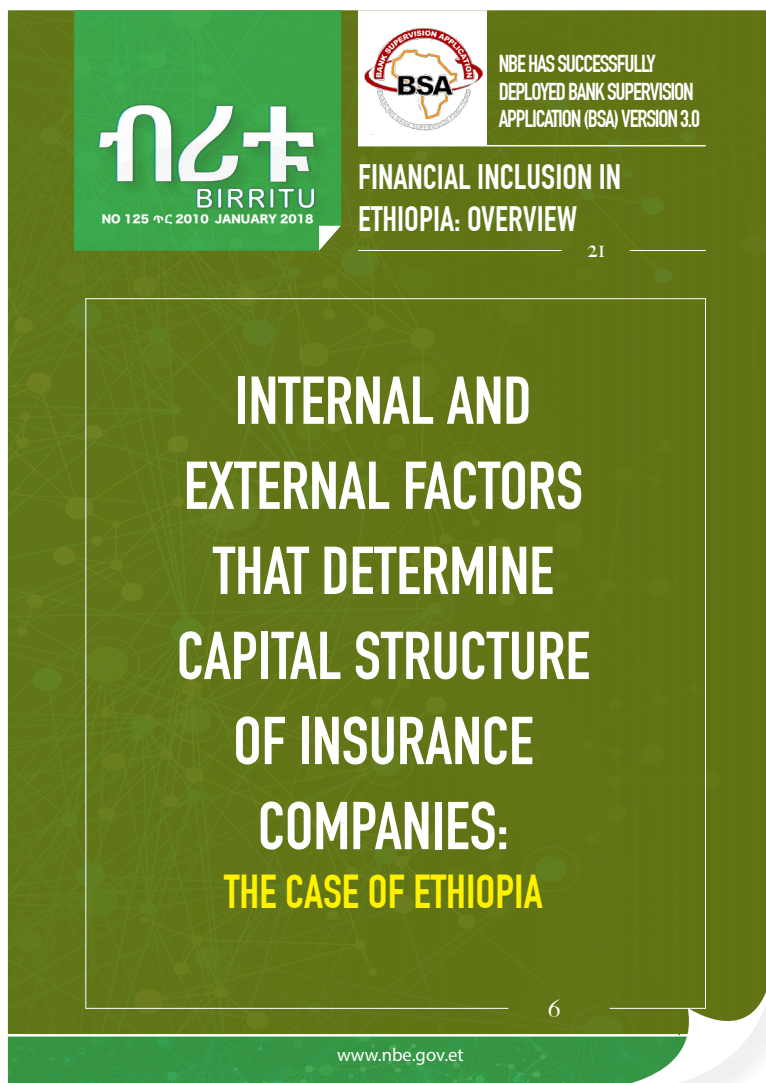
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Insurance companies Name & address

የኢትዮጵያ መድን ድርጅት Ethiopian Insurance Corporation	Tel	011-5-51 24 00
	Fax	011-5-51 74 99
ብሔራዊ የኢትዮጵያ ኢንሹራንስ ኩባንያ አ.ማ National Insurance Company of Ethiopia S.C.	Tel	011-4-66 11 29
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ቡና ኢንሹራንስ ኩባንያ አ.ማ Bunna Insurance S.C.	Tel	011-1-57 60 54
		011-1-11 96 35
	Fax	011-1-115207



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National Bank of Ethiopia



Designed & Printed by

☎ አራት ኪሎ : +251 111 557 788 ገርጂ : +251 116 298 777
✉ 31362 አዲስ አበባ ኢትዮጵያ

www.masterprintaddis.com

Birritu No.125

Birritu is a quarterly magazine published by the National Bank of Ethiopia. It presents in-depth articles, researches and news on Banking, Insurance & Microfinance

Address:

Birritu Editorial Office

Tel

+251 115 17 51 07

+251 115 53 00 40

P.O.Box

5550

www.nbe.gov.et

Addis Ababa , Ethiopia

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INTERNAL AND EXTERNAL FACTORS THAT DETERMINE CAPITAL STRUCTURE OF INSURANCE COMPANIES: THE CASE OF ETHIOPIA

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NBE has successfully deployed Bank Supervision Application (BSA) version 3.0

- Addis Ababa. Ethiopia has embarked on automation of supervision functions and submission of regulatory returns / information from banks and microfinance institutions.

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- Birritu talked to Financial Inclusion Secretariat (FIS) at the National Bank of Ethiopia about the concept of financial inclusion, its importance, the current status of financial inclusion in Ethiopia and others. Here are the questions and answers.

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Dear esteemed readers, we are happy to meet you with the 125th issue of Birritu which consists of relevant and timely topics.

In the News and Information section, there is a news which deals with NBE's successful deployment of Bank Supervision Application (BSA) version 3.0.

The Topics selected for Research Articles are "INTERNAL AND EXTERNAL FACTORS THAT DETERMINE CAPITAL STRUCTURE OF INSURANCE COMPANIES: THE CASE OF ETHIOPIA"

The Educational and Informative Article contains two interviews, about Financial Inclusion and Inflation. There is also the Miscellany section that contains short fiction and Various Quotes.

Dear readers, your feedbacks and comments are invaluable for enriching the next issue of Birritu. Please keep forwarding your comments and suggestions.

Birritu Editorial Office
Tel +251 115 175107
+251 115 530040
P.O.BOX 5550
www.nbe.gov.et
Addis Ababa, Ethiopia

NBE HAS SUCCESSFULLY DEPLOYED BANK SUPERVISION APPLICATION (BSA) VERSION 3.0



Ato Woubeshet Fola, Principal Bank Examiner



Ato Frezer Ayalew, Director Micro Finance Institution Supervision

by Abel Solomon

Ethiopia has embarked on automation of supervision functions and submission of regulatory returns/information from banks and microfinance institutions.

With the objective of modernizing its bank and microfinance institutions supervisory functions and enhance the effectiveness and efficiency of its supervisory system, the National Bank of Ethiopia (NBE) implemented a system called Bank Supervision Application (BSA).

BSA is a system designed to automate banking supervision functions, in line with Basel Principles. It is a web based solution responsible for securing submission of financial information, validation and analysis and report generation.

Ato Wubshet Fola, Principal Bank Examiner at NBE told Birritu that the system integrates three main



**BSA IS A WEB BASED
SOLUTION RESPONSIBLE
FOR SECURING
SUBMISSION OF FINANCIAL
INFORMATION, VALIDATION
AND ANALYSIS AND REPORT
GENERATION.**



functionalities namely workflow management, data management and data transmission into one platform. He added that, the functionalities enable prudential and behavioral supervision of banks and microfinance institutions in a manner that supports ensuring of safety and soundness of the sector.

According to Ato Wubshet, the BSA has various modules; i.e., the Institutional Information Submission System (IISS), Risk Analysis Automated System (RAAS) and Banking Supervision System (BSS) are among others. The IISS module is designed to secure submission of returns from financial institutions; the RAAS is responsible for automating financial analysis and processing of statistical returns from financial institutions and BSS module enables licensing of new institution, on/off-site investigations, enforcement actions, workflow progress and alerts...etc .

The Application platform is fully customizable solution to cope with the supervision requirements of the National Bank of Ethiopia (NBE).

Ato Wubshet added that the system has also a number of security features which is intended to keep the financial information secured.

According to Ato Frezer Ayalew, Director of Microfinance Institutions Supervision at NBE,

the newly automated system is used for not only for Banking Supervision activities, but also applied to Microfinance Institutions Supervision. The system is expected to overcome the existing challenges associated with lengthy manual report submission process by financial institutions and address data quality issues through application of stringent data validation rules.

Moreover, Ato Frezer said, the new system will enable the regulator to automatically generate various supervisory data's and information that could be used for report generation and policy making decisions purpose.

The system was initiated some 20 years ago by Southern African Development Community (SADC) countries, Central Bank of Kenya and Bank of Uganda. It was designed by SADC Central Banks IT Forum, with the purpose of supporting and harmonizing the functions of Central Banks and financial authorities in respective countries. Accordingly, BSA is widely used in African Central Banks and Financial Services Regulatory Authorities, for the supervision of Banks and Non-Banks Financial Services Providers (Insurance Companies, Insurance Brokers, Retirement Funds, Investment Managers, Savings and Credit Providers and other Non-Bank Financial Service Providers) to ensure the safety and soundness of the banking sector.

Since its inception, the system has undergone three major upgrades and currently it is running on BSA Version 3.0 which the NBE has successfully deployed and it has been in the "Pilot Period until December 31, 2017.

NBE commenced deployment of the system following the signing of the agreement, i.e., BSA deployment charter, between Ato Tiruneh Mitafa, Vice Governor, Financial Institutions Supervision of the National Bank and Ms. Paula Libombo, Head of BSO of Bank of Mozambique on October 2, 2017.

INTERNAL AND EXTERNAL FACTORS THAT DETERMINE CAPITAL STRUCTURE OF INSURANCE COMPANIES: THE CASE OF ETHIOPIA



Tesfa Bezuayehu

Principal Insurance Examiner



...firm specific variables of size, asset tangibility, growth and liquidity and macroeconomic variable of GDP and inflation were significantly related to leverage. Therefore, managers of the insurance companies should consider the impact of these significant variables in determining their financing needs so as to maximize the value of the company and meet the shareholders return to the extent that gives value for their invested money....

ABSTRACT

This study empirically examines the determinants of capital structure of insurance companies in Ethiopia. The study tried to identify the specific firm and macroeconomic factors that managers should consider when deciding their optimal capital structure. The study employed fixed effect panel regression model in examining the capital structure of insurance companies in Ethiopia with financial statements of 9 insurance companies covering the period of eleven years, 2005-2015. The model (fixed effect panel regression model) fitness was tested using normality, multicollinearity, Heteroskedasticity, autocorrelation and redundant fixed effects tests on the data used for the model. The results show that pecking order theory is prominently important in explaining the capital structure of insurance companies in Ethiopia. Firm specific factors such as asset tangibility, growth, liquidity and size of the firm were found to be significant in relation to leverage. Though insignificant, the negative relationship between profitability and leverage is an indication that profitable insurance companies prefer internal sources of finance to external sources, hence less debt in their capital structure. Macroeconomic factors used in this study, GDP and inflation were positively related with leverage at significant level of 1%. The study indicated that the independent firm specific variables of size, asset tangibility, growth and liquidity and macroeconomic variable of GDP and inflation were significantly related to leverage. Therefore, managers of the insurance companies should consider the impact of these significant variables in determining their financing needs so as to maximize the value of the company and meet the shareholders return to the extent that gives value for their invested money.

1. INTRODUCTION

1.1 Background of the Study

Capital structure is the mix of the long-term sources of funds used by a firm. It is made up of debt and equity securities and refers to permanent financing of a firm. An optimum capital structure is a critical decision for any business organization. The decision is important not only because of the need to maximize returns to the shareholders, but it is also important because of the impact of such decision on an organization's ability to deal with its competitive environment (Simerly and Li, 2002). The last number of decades has witnessed a continuous development of new theories and empirical findings on the determinants of capital structure of a firm to maximize its value. These theories suggest that firms select capital structure depending on attributes that determine the various costs and benefits associated with debt and equity financing. The first milestone on the issue was set by Modigliani and Miller (1958), whose model argued on the Irrelevance of the capital structure in determining firms' value and future performance.

In terms of financial theory, insurers are no different from other sector in the economy with respect to the general factors that determine the capital structure and the market value of the firm except that insurer's debt as more closely corresponding to policy claims than to conventional debt, then insurer debt is contingent and indeterminate, (Dionne, 2013).

As per the researcher's access and knowledge, the researchers conducted on determinants of capital structure so far in the Ethiopian insurance sector include: Regassa, (2014), Abate, (2012), Kinde, (2011), and Getahun, (2014). Though, their contributions are important and worth mentioning, most of these studies focused on limited dataset that covered less than ten years attributed to firm specific factors. Moreover, these researchers used only internal firm specific factors for their analysis. The impact of macroeconomic variables and other external factors such as GDP growth rate and

inflation rate were not considered. Therefore, the aim of this study was to assess the influence of firm specific and macroeconomic factors on capital structure decision made by Ethiopian insurance firms.

The objective of this study is to empirically test the influence of firm specific characteristics and macroeconomic variables on capital structure of insurance companies in financing their operations

The importance of this study has been initiated from the fact that insurance sector plays a valuable role in support of the growth of the country's economy, and providing cover for properties and services exposed for different insurable risks to the public who are exposed for these risks. In this context, this research work examined the main firm specific and macroeconomic factors that determine capital structure decision of companies that enable them achieve their objectives of supporting the economy in general, the specific needs of its stakeholders in particular. Given limited domestic studies exclusively on insurance capital structure determinants, especially taking in to consideration of the minimum regulatory capital requirement, the study was conducted to bridge the gap in this regard.

1.2 Statement of the problem

An insurance company is in the business of transferring risk. It does this by accepting premium from policyholders and paying claims. It can happen that the premium collected is less than the total amount paid for claims. If this is the case, the insurer is expected to pay for the claims from the capital of the insurance company. It is for this reason that the insurance regulator has a prime concern in the capital that the insurer has maintained. The regulator concern is to maintain the safety and soundness of insurance companies so that they can fulfill their obligations to the policyholders. Whereas, the owners (or investors) of the insurance company are concerned with the return and the safety of their investment.

Recently the National Bank of Ethiopia has issued a directive that requires insurance companies to have a minimum paid-up capital of 60million Birr for general insurance and 15million Birr for Life insurance effective April 2013. Following this increment, some of the insurance officials argue that increasing paid up capital reduces expected returns to shareholders, as equity financing is more expensive than debt and cannot be raised easily from the public market. One of the issues of their argument is that many of the companies' return on equity has been declining since the past two or three operating years as this declining was attributed to the massive increase in paid-up capital (Fortune,2014).

From regulatory perspective, insurers need to estimate the capital they need, and then effectively manage their capital to maximize the company's value and shareholder returns considering the minimum required regulatory capital. On the other hand considerable debate is happening among the industry officials regarding the level of capital required to support their business operation and maximize return to the shareholders. Their argument goes with the tradeoff postulates that increasing of profitability is possible when the proportion of debt to equity is increased and when Companies get more leveraged.

The analysis of factors that determine the capital structure of the Ethiopian insurance companies in context with the above discussion points had not been adequately dealt to the author's best knowledge. The studies made in Ethiopian insurance sector so far did not consider testing the effect of macroeconomic variables (such as GDP and inflation) which are expected to have significant effect on the capital structure of Ethiopian insurers. Hence this study is made to independently identify the influence of firm specific factors and macroeconomic variables so as to fill the above stated gap by analyzing their impact on financing decision of insurance companies in Ethiopia by utilizing the most recent dataset, covering the years 2005-2015.

2. LITERATURE REVIEW

2.1 Theoretical Framework of Capital Structure

Capital structure theories have evolved since the publication of Modigliani and Millar in 1958 and 1963. Their preposition was that, capital structure does not influence the value of the firm and that there is no need to be pre-occupied with the mix of debt and equity or whether the firm is financed by only debt as opposed to only equity.

Some researchers, however, disapproved the main assumptions of the publication by Modigliani and Millar. In view of that, researchers, across the globe, have developed theories to back the assertion that capital structure influences the value of the firm. So firms should strive to attain an optimal capital structure. Some of these theories are the agency theory, the pecking order theory, the dynamic trade off and the market timing theory.

Jensen and Meckling (1976) developed the agency theory which is now considered by finance literature as a very significant factor in determining capital structure of firms. The theory postulates that there is a nexus of principal – agent relationship among all stakeholders, most especially among the providers of funds of the organization which will result in an agency problem if the concerns of each debt provider are not addressed. The agency problem presupposes that firm's managers don't work to maximize shareholder wealth, but they work to maximize their own benefits. As a result, to effectively reduce agency problems, there is a need to change the capital structure of the firm. Harris & Raviv (1991) supported the idea and thus indicated that managers have an incentive to continue a firm's current operations even if shareholders prefer liquidation.

The Pecking Order Theory on the other hand, suggests that the firm should follow a specific hierarchy to finance its assets: the firm should always opt for internally generated funds from retained earnings first, then debt before equity capital (Najjar & Petrov, 2011).

Furthermore, the dynamic Trade-off Theory according to Naveed et al (2010) suggests that accomplishing an optimal capital structure requires the balance between the benefits and costs of debt. Najjar, et al (2011) stated that the main benefit of debt is the tax shield, while the main cost of debt is the risk of financial distress, which includes bankruptcy costs and various non-bankruptcy costs, such as staff leaving, suppliers demanding disadvantageous payment terms, bondholder-stockholder infighting etc".

For insurance companies, the trade-off and pecking order theory can be applied in case of financing decisions of insurance operations. As has been already discussed earlier, premiums received for services of insurance covers are the main source of finance for insurance companies, with the outstanding claims and unearned premiums as the corresponding liabilities. In lines with capital structure, insurance policies take some characteristics with debt instruments such as bonds. The customer of insurance company pays a certain amount to the insurer, either at once or periodically, in exchange for the promise that a sum of money will be paid out as compensation in accordance with the terms of the policy agreement which can be considered that the insurer borrows money from the policyholders, Staking & Babbel, (1995). That means the policyholders act as the lenders, the insurer acts as the borrowing entity, the premiums paid constitute the amount lend by the policyholders and the claim payments are comparable to the refund of the principal plus the coupon interest payments

2.2. Empirical evidence on the determinants of capital structure

Asset Tangibility

The past literature has evidenced the importance of the type of assets owned by a firm as it affects the firm's capital structure choice. If a company has more tangible assets in their composition of total assets, it has higher capacity to raise debt on the collateral agreement. Most of the empirical studies evidenced

a positive influence of asset tangibility on leverage. Booth et al. (2001) state: "The more tangible the firm's assets, the greater its ability to issue secured debt and the less information revealed about future profits." Thus, a positive relation between tangibility and leverage is predicted.

Liquidity

Liquidity was referred to as the ratio of current assets over current liabilities. In the recent studies, liquidity is also considered significantly affecting the capital structure choice of firms. Tradeoff and Pecking order theory have two contrasting views about the relationship between liquidity and debt ratio (leverage ratio). According to Tradeoff theory, the more liquid firm would use external financing due to their ability of paying back liabilities and to get benefit of tax-shields, resulting in positive relationship between liquidity and leverage. Pecking Order theory, on the other hand, assumes that the more liquid firm would use first its internal funds and would decrease level of external financing, resulting in negative relation between liquidity and leverage

Empirical evidence confirmed both negative and positive relationship between liquidity and leverage; for example, Ahmed et al. (2011) found negative relationship between leverage and liquidity. On the reverse, Kinde (2011) found a significant positive relationship between liquidity and leverage in Ethiopian Insurance companies' capital structure.

Profitability

Empirical studies depicted a negative relationship between leverage and profitability, for example Harris and Raviv (1991), Rajan and Zingales, (1995), Huang and Song, (2002), Booth et al., (2001), Titman and Wessels, (1988). Ashenafi (2005) also found the inverse relationship between leverage and profitability.

Firm Size

Trade off theory predicts a positive relationship

between company size and their level of leverage. It has been found to be an important factor in determining capital structure decision of companies ever since the famous debt studies conducted by Gupta (1969) on US firms. Thereafter, many studies of capital structure choices have included firm size in their model (Booth et al., 2001).

Growth Opportunity

In line with the tradeoff theory, Jensen and Meckling (1976), show that firms with high growth opportunities were more likely to have higher agency costs due to higher debt prices. When managers plan to invest in more risky projects, creditors will take chance to increase the amount of interest and these will lead to shift of corporate control to creditors. Consequently, most of the cash flow generated can't be utilized for good investments as cash flow gets committed to the interest payment. As a result, the firms with good growth opportunities would maintain a lower leverage in order to minimize the constraints imposed by the creditors and maximize the potential gains. Hence, a negative relationship was seen between growth opportunities and leverage.

On the other hand, the empirical findings show positive relationship between growth opportunity and leverage of the firm. For instance, in Ethiopia Kinde (2011) and Amanuel (2011) empirically found significant positive relationship between the growth opportunity and the level of leverage.

GDP Growth

Gross Domestic Product (GDP) was one of the macroeconomic variables tested by very few studies (Booth et al., 2001 and Muhammad, 1999). As noted in Frank and Goyal (2011), trade off theory predicts a positive impact of GDP growth rate of a country on leverage of firms operate within that country. This positive prediction implies that firms will have more debt level in the period of higher economic growth than they have in lower economic growth. Results of empirical studies of Balla and Mateus (2004) confirmed positive relationship between GDP growth rate and leverage.

Inflation Rate

Gulati (1997) developed a general case model to identify the effect of inflation on capital structure. In his study, the inflation was represented by the percentage increase in product prices and production costs and was "adjusted" accordingly to get the effect of inflation. The result indicated that inflation is significantly affecting leverage. In another study, Frank and Goyal (2007), confirmed such a positive relation of inflation rate and debt level. Empirical studies made in Ethiopia by Tesfaye and Minga (2012) also found a positive relation of inflation rate and debt level

3. Research Methodology and Model specification

While the target population for this study was assumed to consider all the insurance companies operating currently in the country, a sample of 9 insurance companies was taken from the total population of 17 insurers that jointly accounted for more than 70% (NBE, 2015) of market share (in terms of premium, asset and capital) that covers 11 years period (from 2005 to 2015). The sample size was decided based on the availability of data as companies that are out of sample size were late entrants for less than ten years. Information related to Ethiopian insurance companies capital structure and firm characteristics was collected from the NBE where data on macroeconomic variables (GDP and inflation) were collected from MoFED and the NBE web site

In this study, to assess determinants of capital structure in Ethiopian insurance companies, quantitative research approach has been employed and panel data used to analyze the resulting estimates so that stated objectives and hypothesis are addressed accordingly.

For this study, the dependent variable used to measure determinants of capital structure is the leverage ratio which is measured by the ratio of total debt to total assets. Independent variables supposed to explain the leverage (the dependent

variable), include: profitability which is measured as a ratio of earnings before interest and tax (EBIT) to equity, growth opportunity of the firm measured by the annual growth rate of total assets, size (measured by natural logarithm of total assets of the company), ratio of total fixed assets to total assets is used as a proxy for tangibility of asset, liquidity which is measured as a ratio of total current asset to short term liability, GDP growth rate and annual rate of inflation

3.1. Hypothesis of the study

H1. There is negative relationship between profitability of the insurance companies and its leverage ratio

H2. The insurance companies with high growth opportunity have high leverage ratio

H3. There is a significant positive relationship between the firm size and the debt level of the Ethiopian insurance companies

H4. A firm with higher percentage of fixed assets will have higher leverage ratio

H5. There is negative relationship between Liquidity and leverage of the firm

H6. GDP growth rate has a positive impact on leverage of insurance companies in Ethiopia

H7. There exists a significant positive relationship between inflation rate and insurance firms' leverage in Ethiopia

3.2 Model Estimation

The study used a panel data which combines the features of both time-series and cross-sectional data. In order to achieve the objectives of this research study, the panel data regression model is used to identify the relationship between the leverage of insurance companies and explanatory variables: liquidity, size of the Company, tangibility of asset, return on equity, premium growth, and inflation and growth rate of GDP. Prior studies; Gatsi and Gatzo (2013) used this model to identify

the determinant of insurance companies' capital structure. The collected panel data was analyzed using descriptive statistics, correlations, multiple linear regression analysis and inferential statistics. Mean values and standard deviations are used to analyze the general trends of the data from 2005 to 2015 based on the sector sample of 9 insurance companies and a correlation matrix was also used to examine the relationship between the dependent variable and explanatory variables. In addition, ordinary least square (OLS) is conducted using Eviews 7 software to determine the most significant explanatory variables affecting the capital structure of the insurance companies. Model diagnosis and robustness check that assumes classical linear regression model (CLRM) namely the error have zero mean, Heteroskedasticity, autocorrelation, normality and multi-colinearity are made and all are not violated

In light of the above, to investigate the effect of insurance-specific and macroeconomic determinants of capital structure, the following general multiple regression model was adopted from different studies conducted on the same sector.

$$LEV_{it} = \beta_0 + \beta_1 (ISD)_{xt} + \beta_2 (MED)_{yt} + e_{it}$$

Where;

LEV_{it} is a dependent variable for insurance i at time t ; β_0 , β_1 and, β_2 represent estimated coefficients including the intercept; $(ISD)_{xt}$ represent the x -th insurance specific determinants at time t ; $(MED)_{yt}$ represent the y -th macroeconomic determinants at time t ; e_{it} is the error term.

The equation that account for individual explanatory variables which are specified for this particular study is given as follows.

$$LEV_{it} = \beta_0 + \beta_1 ROE_{i,t} + \beta_2 LQ_{i,t} + \beta_3 SZ_{i,t} + \beta_4 GPI_{i,t} + \beta_5 TANG_{i,t} + \beta_6 GDP_{i,t} + \beta_7 INF_{i,t}$$

Source: developed by researcher taking into account the previous empirical works. Where:

LEV= the dependent variable which is Leverage;

ROE = Return on equity;

LQ = Liquidity ;(ratio of C. assets to C liabilities)

GDP = Real growth rate of GDP;

SZ = Size of the Company; (Nlog of Total assets)

INF = inflation; annual inflation rate

GP= Growth rate of Premium expressed annual % change

TANG = Tangibility of asset of the company expressed as ratio of fixed assets to total assets

ϵ =is the error component for company i at time t β_0 = Constant

$\beta = 1, 2, 3 \dots 7$ are coefficient of parameters to be estimate;

i = Insurance company $i = 1 \dots 9$; and t = the index of time periods and $t = 1 \dots 11$

3.3 Model Specification Test (Fixed effect versus Random effect)

There are broadly two classes of panel estimator approaches that can be employed in financial research: fixed effects models

(FEM) and random effects models (REM) (Brooks, 2008). As noted in Gujarati (2003) if the number of time series data is large and the number of cross-sectional units is small, there is likely to be little difference in the values of the parameters estimated by fixed effect model and random effect model. Hence, the choice here is based on computational convenience. On this score, fixed effect model may be preferable than random effect model (Gujarati, 2003). Since the number of time series (i.e. 11 year) is greater than the number of cross-sectional units (i.e.9 insurance companies), selecting fixed effect model is preferable.

4. Results and Discussion

4.1. Regression result

The regression result, as shown on Table 4.1 below, ascertained that the estimated result of multiple regression analysis was at a satisfactory level where R-squared is 81% and Adjusted R-squared value is 77%. The value of Adjusted R-squared revealed that there are strong relationships between dependent and independent variables where all independent variables can explain about 77% of the leverage of insurance companies in Ethiopia. While the remaining 23% of the change in leverage regression model is explained by other factors, which are not included in the regression line, both R-squared and Adjusted R-squared values in this study are found to be higher (has more explanatory power) than the previous results found in Ethiopia

Table 4.1 Regression results for the determinants of Capital structure

Dependent Variable: LEV
 Method: Panel Least Squares
 Date: 04/27/16 Time: 16:14
 Sample: 2005 2015
 Periods included: 11
 Cross-sections included: 9
 Total panel (balanced) observations: 99

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.981922	0.319090	-3.077262	0.0028
GDP	4.188418	1.117953	3.746506	0.0003
INF	0.371269	0.078694	4.717895	0.0000
LQ	-0.150369	0.026471	-5.680587	0.0000
ROE	-0.005023	0.035828	-0.140193	0.8888
SZ	0.068059	0.011533	5.901446	0.0000
TANG	-0.121532	0.054533	-2.228574	0.0285
GP	0.053907	0.029709	1.814499	0.0732
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.811425	Mean dependent var	0.671161	
Adjusted R-squared	0.777346	S.D. dependent var	0.099953	
S.E. of regression	0.047164	Akaike info criterion	-3.123409	
Sum squared resid	0.184631	Schwarz criterion	-2.703995	
Log likelihood	170.6087	Hannan-Quinn criter.	-2.953713	
F-statistic	23.80962	Durbin-Watson stat	1.990548	
Prob(F-statistic)	0.000000			

Source: Eviews out put

The reliability and validity of the model was further enhanced by the Probability of (F-statistic) value (0.000) which indicated a strong statistical significance. Thus the null hypothesis of the overall test of significance that all coefficients are equal to zero was rejected as the p-value was significantly low (less than 0.05).

The following section demonstrates the impact of each explanatory variables on determination of capital structure

Profitability

In this study, the regression result shows that there is a negative relationship between profitability of the Ethiopian insurance companies and their

level of leverage. Though it is insignificant, the negative result shows that as the profitability of the insurance companies increased, they minimize their reliance on debt financing. The negative effect of profitability to capital structure decision indicates a tendency to the pecking order theory of capital structure. This shows that insurance companies in Ethiopia would prefer to use their internal reserves or retained profits first, followed by debt and equity as the choice of corporate financing. This result is consistent with the hypothesis of the study. Most empirical studies support this negative relationship between leverage and profitability, for example Harris and Raviv (1991), Rajan and Zingales, (1995), Huang and Song, (2002), and Mohamedamin (2014)

Growth Opportunity

Consistent with Pecking Order Theory, in this study, it is found that there is a statistically significant positive relationship between growth opportunity and leverage ratio of insurance. The panel fixed effect estimation regression result shows a significant positive relationship between growth opportunity of the insurance companies and their leverage ratio at 10% significant level. In general, these finding of significant (at 10% significant level) positive relationship between growth opportunity and leverage ratio is consistent with what pecking order theory suggested in which companies with relatively high growth need more debt financing. Companies with growth potential can also find it easier to get debt financing. Besides the result was consistent with findings of previous studies Paulo & Zelia (2007), Kinde (2011).

Size

The Statistical results show that there is insufficient evidence to reject the explanatory power and the positive impact of size on leverage ratios of insurance companies. As depicted in table 4.1 above, the result of the coefficient of size variable was positive and strongly significant at 1% level with p-value of 0.0000, as expected and hypothesized. This result is the same as with the findings of Gropp and Heider (2007) and Octavia and Brown (2008). From this result it can be inferred that big size insurance Companies can easily attract more risk transfers from individuals and business firms which ultimately raise their level of leverage holdings.

Tangibility of Assets

As shown in table 4.1 above, the regression result of asset tangibility was negative and significant at 5% contrary to the expected positive relationship. This means the relationship is significant at less than 5% implying that tangibility is one of the major determinates of the leverage of insurance companies in Ethiopia such that as this variable

decrease, the leverage of insurance companies increase. The results seem to be consistent with Najjar & Petrov (2011), Gatsi (2013) and Dhanasekaran et al (2012) who researched the capital structure of the insurance companies in Bahrain, Ghana and India respectively. Previous studies made on Ethiopian insurance companies also found same significant effect of tangibility on capital structure that resulted in a negative relationship with leverage, Beshir (2015) and Kindie (2011).

Liquidity

Consistent with pecking order theory and the hypothesis of this study, the liquidity ratio of Ethiopian insurance companies was inversely related with their leverage ratio. The result shows that there is a statistically significant negative relationship at 1% significant level. Liquid firms are in possession of more internal funds, which can be used as a source of finance. Therefore more liquid firms are far less leveraged than less liquid firms. Consistent with the result of this study, a number of prior empirical studies found a negative significant relationship between liquidity and leverage; Among the empirical evidences reviewed by the researcher including, Najjar & Petrov (2011), Gatsi (2013) and Dhanasekaran et al (2012), Beshir (2015), and Mohamedamin (2014) found a negative relation of firm's liquidity and its leverage.

GDP Growth Rate

The macroeconomic variable, which is the real GDP growth rate, was expected to have a significant and positive relationship with leverage of insurance companies. As expected, the regression result in table 4.1 above shows that the GDP growth has a direct significant and positive relation to the leverage of insurance companies. The coefficient of GDP was positive as expected and found statistically significant to explain the dependent variable measured as total leverage, with p-value of 0.0003 at 1%. In empirical perspective, this finding is consistent with Muthama et al. (2013), Cekrezi (2013) and Bas et al. (2009).

Inflation

In this study, inflation was predicted to have a positive correlation to leverage of the insurance companies. The result indicated that the hypothesis which states that inflation has a significant positive relation with the leverage of the insurance companies resulted in a p value of (0.0000) at 1%. This can be explained from the results that the increase in the inflation rate actually increases the value of insurable properties which ultimately increase the premium of insurance companies which is a significant source of debt financing to companies. It also affects the value of claim costs that resultantly increase the debts of the insurance companies as stated by Ahlgrim and D'Arcy (2012).

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

In this study, both firm specific and macroeconomic explanatory variables were considered. These include profitability, liquidity, size of the company, growth opportunity measured by premium growth, tangibility of assets, real GDP growth rate and inflation were considered as independent variables while leverage measured by total assets to total liabilities was considered as dependent variables. The empirical findings on the determinants of capital structure of the insurance companies in Ethiopia for the sample suggested the following conclusions

- The profitability level of the insurance companies affects their leverage ratio negatively though insignificant, which supports the pecking order theory and the hypothesis formulated for the study. Thus, from the result it can be concluded that highly profitable insurance companies are more likely relied on internally generated funds and equity capital than debt capital as the source of financing.
- Consistent with the argument of Pecking Order Theory, and the hypothesis made for this

study, the result is found a significant positive relationship between growth opportunity and leverage ratio of the insurance companies. Insurance companies with relatively high growth opportunity needs more debt financing than less for growing companies. Because internal fund is not sufficient to meet their requirement, and therefore they go for external financing by way of issuing more underwriting policies and thereby collect more premium to finance their operations

- Regarding to the effect of tangibility on the capital structure of insurers in this study, the regression result of asset tangibility was negative and significant at 5% contrary to the expected positive relationship, but it is in line with the pecking order theory. This means the relationship is significant at less than 5% implying that tangibility is one of the major determinates of the leverage of insurance companies in Ethiopia such that as this variable decrease, the leverage of insurance companies increase.
- Besides, the results of the study indicated that insurer's size had significant positive relationship with leverage, which was consistent with trade-off theory. This result indicates that large sized insurance companies, needs more debt financing than small sized insurance companies. Big size insurance Companies can more easily attract more risk transfers from individuals and business firms thereby increasing the leverage of the companies by premium financing
- Consistent with pecking order theory and the hypothesis of this study, the liquidity ratio of Ethiopian insurance companies was inversely related with their leverage ratio. The result shows that there is a statistically significant relationship at 1% significant level. The negative relationship shows that more liquid firms will tend to use less debt in their capital structure. Liquid firms are in possession of more

internal funds, which can be used as a source of finance. Therefore more liquid firms are far less leveraged than less liquid firms.

- The regression result shows a positive impact of GDP growth rate on the leverage of insurance companies and is consistent with the research hypothesis that GDP has a positive relationship with leverage of insurers. This is due to, the fact that increase in GDP growth raises overall income level and business performance which ultimately increases insurable properties that ultimately raises the volume of premium income and hence high leverage of the insurer.
- Inflation was predicted to have a positive correlation to leverage of the insurance companies. The result indicated that inflation has a significant positive relation with the leverage of the insurance companies resulted in a p value of (0.0000) at 1%. Results of this study are consistent with empirical studies conducted by Mohammedamin (2014) which implies inflation affects leverage of the firm. This can be explained from the results that the increase in the inflation rate actually increases the value of insurable properties which ultimately increase the premium of insurance companies which is a significant source of debt financing to companies. It also affects the value of claim costs that resultantly increase the debts of the insurance companies as stated by Ahlgrim and D'Arcy (2012).
- In general, the finding of the study suggests that, growth opportunity, size, tangibility of assets, liquidity and macroeconomic factors: GDP and inflation were important variables that influence insurance companies' capital structure. Moreover, though the result of profitability was insignificant, it shows that there is a negative relationship between debt and profitability which has impact on the financial decision of the insurance companies. The overall results also, confirms that pecking order theory was pertinent theory in Ethiopian

insurance industry, while there were little evidence to support trade-off theory

5.2 Recommendations;

On the basis of the findings of this study, the researcher has drawn the following recommendations

- The analyses indicated that the independent firm specific variables of size, asset tangibility, growth and liquidity and macroeconomic variable of GDP and inflation were significantly related to leverage. Therefore, managers of the insurance companies should consider the impact of these significant variables in determining their financing needs so as to maximize the value of the company and meet the shareholders return to the extent that gives value for their invested money.
- The regression result of the variables applied in this study indicated that the pecking order theory exceedingly appears to exert influence on the insurance company's capital structure. It is, therefore, important for managers of this sector to formulate a policy that promote the need to enhance the equity capital and the internal growth and to use for future financing needs of the company.
- In view of the current growth opportunity and the overall macroeconomic situations, the values of insurable properties and all forms of trading activities is expected to steadily continue growing and in return the demand for insurance coverage will increase. So the managers of insurers should manage level of leverage that comes in the form of premium financing. The insurers should reduce the impact of high claim costs that likely increase from the volume of premium written through techniques like product selections, increase claims handling practice and gathering sufficient information or detail about subject matter of insurance. This is because, as this study has concluded, the financing behavior

of Ethiopian insurance companies is in support of the pecking order theory that the debts that comes in the form of premium financing needs to be carefully managed. Otherwise, it may lead to insolvency if the proportion of debt to equity is more on these companies.

- Regarding tangibility of assets, the statistical result shows that the percentage of fixed assets to total assets was 20% and a negative sign which implies that insurance companies might not have enough tangible assets so as to use collateral for debt financing and increase the leverage. The reason for holding less fixed assets by the companies is a statutory requirement with expected benefit of holding a large amount of liquid assets is that it can offset any unexpected and large claims costs without reverting to asset sales or emergency funding. If assets have to be sold at short notice, insurers may not obtain a fair market value. It is more prudent to anticipate unexpected losses and keep liquid assets to meet the demand. On the other hand, liquid assets provide lower yields, that the opportunity cost for holding a large amount of liquid assets is high. So it needs relaxing the required level of liquid assets

to optimum level that balances the tradeoff between the opportunity cost of holding too much liquid assets versus expected benefit of holding these assets and allow companies to improve holding of their fixed assets in proportion of the total assets they hold thereby manage their capital structure to hedge these assets as security for loan that could be acquired from the bank market used as an alternative way of debt financing.

- The significant part of the debt composition of the insurance companies is claim reserves which is a short term liabilities payable to policyholders. The companies do not hold long-term debt because of the absence of long-term financing entities as long term debt is the major issue for any firm for the expansion of its business. This type of debt financing can be facilitated from bond markets. The decision to develop a market-based system seems to be of a priority. Therefore, the government should consider the establishment of capital market in Ethiopia as this greatly contributes to the development of the economy in general and to the insurance sector in particular to access their financing needs.

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FINANCIAL INCLUSION IN ETHIOPIA: OVERVIEW

- *Birritu talked to Financial Inclusion Secretariat (FIS) at the National Bank of Ethiopia about the concept of financial inclusion, its importance, the current status of financial inclusion in Ethiopia and others. Here are the questions and answers.*

Birritu: What does the concept financial inclusion imply? Why is it important?

FIS: Conceptually, financial inclusion is destined to promoting access and usage of suitable (quality and affordable) financial products and services through addressing barriers and challenges to financial inclusion, particularly pertaining to marginalized (unbanked, underserved, poor people and low income) people and enterprises. As global practice indicates, financial inclusion is achieved through formulating and implementing a national financial inclusion strategy. In this process, engagement of key stakeholders and coordination of their efforts are critical to deal with a number of cross cutting issues that have been causing and contributing to financial exclusion.

Financial inclusion in general terms is hoped to unlock the social and economic potentials and also expected to bring relative economic power, primarily to the low income and poor people through promoting investment in micro, small and medium enterprises (MSMEs) and agriculture sector that consequently promotes employment opportunities, rise in income and lead to healthy and responsible financial life. These eventually would help to alleviate poverty, improve living standard and welfare of the society. Moreover, financial inclusion supports and contributes its part towards achieving sustainable development goals (SDGs). In the case of Ethiopia, 11 out of 17 SDG would be directly supported if financial inclusion strategy is implemented as planned.

Birritu: What is the historical background of financial inclusion, in brief?

FIS: Financial inclusion has its root connected to poverty alleviation programs. The idea from the outset was to providing quality and affordable credit in particular to the poor with the view to promoting micro and small investment and creating employment opportunity that consequently would contribute to rise in income. To achieve this goal, credit was offered through credit cooperatives that were established for the purpose. Eventually, it was discovered that most members of the cooperatives failed to service the loan that caused frustration on the cooperatives and their members. Under this format, therefore, poverty alleviation endeavor was challenged and confined only to limited number of people, members of the credit cooperatives, and was unable to progress as intended.

As demand for credit was increasing over time, the need to overcome the emerging problems associated with credit cooperatives was attracting much and priority attention. As a solution, members of the credit cooperatives were required to have certain level of saving as a precondition to take certain amount of credit. This led to the emergence of saving and credit cooperatives (SACCOs). As time goes on, this scheme, though helped to minimize the challenges of servicing the loan, still kept on serving members of the cooperatives only that in actual fact limited widespread access and usage of financial products and services.

To expand the narrow credit boundary, caused by credit cooperatives and SACCOs, financial products and services proposed to be delivered through institutions and hence Microfinance Institutions (MFIs) were established. MFIs started offering credit and other financial services to the public, primarily targeting the micro sector. In this format, as demand for credit was increasing over time, most MFIs run short of fund. Although MFIs are easily accessible having considerable branches outlet, meeting the rising demand and bringing the usage to the full satisfaction of their credit customers remained a serious challenge. Financial inclusion, therefore, emerged to bridge this gap through ensuring universal access and usage of financial products and services and builds upon the schemes preceding to it i.e., Credit Cooperatives, SACCOs and MFIs and is working and interacting together to achieve the common goal of poverty alleviation.

Birritu: What are the major indicators for financial inclusion?

FIS: Financial inclusion measures may be different from country to country depending on their contexts. In general terms, however, the measurement carried out in terms of access points, usage and quality of products and services. Initially, access to finance was measured by the number and close proximity of financial institutions branches to customers. With the advent of digital financial services (DFS), however, the measure has been expanding to include access points of digital financial services such as ATM and POS. Moreover, banking agents would cover extended geographical areas through networked operations. Besides the expansion and increase in the number of access points (supply side measure), percent of people within 5 kms from access points (demand side measure) is commonly applied as specific measures.

Actual usage of products and services are measured in terms of frequency and regularity (active accounts) of use. In this respect, increase in the number of saving accounts, credit accounts, insurance policies and others per 100 adults are commonly applied

measures. Value of transactions is also used to measure the level of financial penetration. The use of digital financial transaction per 100 adults is also among the critical measures for financial inclusion. Payment services are also measured using digital transactions through Automatic Teller Machine (ATM), point of sale (POS), card banking and mobile phone and internet banking transactions.

Access and usage are the necessary pre conditions for financial inclusion. However, they are not alone enough to measure full-grown financial inclusion. Products and services should meet certain quality i.e., need to be tailored and segmented to satisfy the needs of clients such as MSMEs and agricultural sector. The measurement, therefore, extends to include the percentage share of credit to agriculture sector and MSMEs as well.

Birritu: Based on the indicator(s), how do you measure the current status of financial inclusion in Ethiopia?

FIS: There are a number of specific and detail measures that link to the headline targets of the financial inclusion. This can be stipulated as increase in the number of transaction (saving) accounts.

There are two ways of measuring the headline target i.e., demand side and supply side. The former is purely based on national survey. According to Central Statistics Agency (CSA) survey of 2016, 22% of adults are reported to have accounts with regulated financial institutions. The National Financial Inclusion Strategy (NFIS) therefore, has targeted to increase the level to 60% by 2020.

The supply side measures are carried out using secondary information gathered from financial institutions. The growth in all indicators, particularly in the recent past few years, are showing increasing trend. For example, In June 2017, the number of saving accounts (banks and MFIs) reached 43.8 million from what it was 32.9 million in June 2016. This has resulted in 86 accounts per 100 adults (Adult population as at June 2017 is estimated to be 51 million).

Birritu: In view of enhancing financial inclusion in Ethiopia, what are the roles to be played by key stakeholders?

FIS: The National Financial Inclusion Strategy (NFIS) has a vision to promoting universal access and usage of quality and affordable products and services through the execution of four (4) strategic pillars, namely: a) Financial and Other Infrastructures, b) Financial Products and Services, c) Financial Capability and d) Financial Consumers Protection. Moreover, the Strategy has clearly defined governance structure and identified key stakeholders and stipulated their roles and responsibilities. Each of these key stakeholders is expected to bring their perspectives into the financial inclusion agenda and hence will take certain actions to be performed as assorted under the four strategic pillars of the NFIS.

In general terms, stakeholders are expected to promote financial inclusion through enhancing access points such as branches, agents, ATMS, POS, internet banking, card banking, mobile banking, etc. As access alone is not enough to bring universal inclusion, usage of quality and affordable products and services such as saving, credit, payment, insurance and transfer have to be ensured. These would be supported by enhancing the financial capability (Knowledge and skill) of the actual and potential customers. Even if services delivery points are well accessible, products and services have to be tailored to be suitable and affordable and potential customers have to acquire the necessary knowledge and skill to deal with. Moreover, promoting full-fledged financial inclusion requires trust and confidence of the general public on the overall financial system. If not, consumers will become suspicious and reluctant to exercise the opportunities. Therefore, building trust and confidence of the general public on the financial institutions is critically essential and has to be done abreast all other strategic pillars as well. Consequently, consumers protection is one of the strategic agenda of financial inclusion to be performed by stakeholders in the process of promoting universal access and usage of financial

products and services.

In this process, particularly the finance sector needs to take a deep look at and shape its system in terms of financial infrastructure development, enhancing and segmenting products and services, building consumers' capability and ensuring consumer interest protection. Besides, supervision Directorates of the NBE (Bank, Insurance, Microfinance and payment & settlement systems Directorates), MCIT/Ethio-telecom, Electric Power Office and other similar institutions have indispensable and key roles and responsibilities in the implementation process of the NFIS. The National Bank of Ethiopia, through Financial Inclusion Secretariat (Office) will coordinate, monitor and evaluate the overall implementation process of the NFIS.

Birritu: Researches indicate that the application of technology and innovation in financial services are key to financial inclusion in Ethiopia. Could you comment on that with existing metaphor?

FIS: Digital Financial Services (DFSs) brings efficiency, easy access, affordable products and services, facilitate traceability of transactions (to ensure healthy financial transactions of consumers) and hence attracts demand for it from both supply and demand side.

Innovation is not only about technology. Products and services should also be innovative to fit into the technology ecosystem. There should also be innovative ways of disseminating knowledge and skill of the financial products and services to the actual and potential customers. At present, digital financial services (DFSs) are proved to be the most efficient and effective way of promoting financial inclusion. This is due to the fact that products and services are becoming easily accessible, usable and affordable. As DFSs avoids or minimizes the human intervention, consumers, particularly low income and poor people feel comfortable to transact through digital means and also avoids long distance travel to get the service as it can be supported by mobile phones.

DFS is just emerging in Ethiopia. Banks, MFIs and Insurers have started offering products and

services through digital means. Given the scale and potential the country endowed with, particularly in mobile money, DFSs is expected to boom in the near future. Mobile phones, beyond information exchange, can be used for financial transaction purposes. In this respect, the current and future potential for the development of ICT is expected to bring considerable growth and expansion in financial transactions. Banks, MFIs and Insurers, therefore, need to closely work with MCIT/Ethio-telcome to enhance, shift and transform their products and services to DFSs inline with best international practices and trends.

The emergence and use of such alternative digital financial services schemes would allow easy access to products and services and highly contribute to the reduction of cost of financial transactions per unit, in aggregate terms and at the national level. Besides, DFSs support and encourage service providers to offer competitive, quality and affordable financial products and services. Therefore, the use of different and alternative access points to financial services particularly that are supported by DFS would definitely promote financial inclusion.

DFS though it has its own advantage, it is not also free from risk. To minimize the risk (technological, dependency, operational, crime and others) stakeholders should come together and work on it. Operationally, it requires no or least network interruption of telecom services and power outage. To minimize actual and potential risks, to ensure sustainability, efficiency and stability, the oversight of DFSs should and need to be strong and effective.

Birritu: Could you highlight financial inclusion experiences of some African countries? For Example, Sub-saharan Africa countries

FIS: Statistics indicates that almost all developed countries have financial inclusion penetration of more than 90% (90% adults reported financial transactions with regulated financial institutions). While the status in developing countries, with few exceptions, is at a very low stage of development, the level in BRICS countries stands in between.

According to Findex Global Survey of 2014, Kenya is leading Sub-Saharan African countries having more than 75% inclusion level that has mainly been supported by the high mobile phone penetration and usage for financial transactions. Rwanda, Tanzania and Zambia are in the line, having 42%, 40% and 36% respectively. The average inclusion level of Sub-Saharan Africa (SSA) stood at 34%. Ethiopia is lagging behind its peers and even below the average having only 22% inclusion.

Birritu: What can we look forward regarding financial inclusion in Ethiopia?

FIS: The National Financial Inclusion Strategy (NFIS) has been formulated and ratified by the Council of Ministers in January and launched in October 2017. It has clear vision of "Achieving universal access to and use of range of affordable and high-quality financial products and services in Ethiopia by 2025." Head line targets have also been set for both supply and demand side measures i.e., 90 transaction accounts per 100 adults (18+) and 60% of adults (18+) report owning transaction account by 2020 respectively.

The monitoring and coordination structures have also been formulated. The role and responsibilities of key stakeholders have been defined. The coordination, monitoring and evaluation of the implementation of the strategy will be carried out by Financial Inclusion Secretariat (FIS), housed in the National Bank of Ethiopia. The National Council for Financial Inclusion (NCFI), an apex policy body, has the role to lead and monitor the overall implementation status of the strategy, assisted by the National Financial Inclusion Steering Committee (NFISC).

FIS is now translating the high level actions of the NFIS into workable action plan and full implementation of the strategy has been started. Through the concerted and coordinated efforts of all key stakeholders, as defined in the strategy, NBE/ FIS is determined to achieve the vision and targets of the strategy and is devoted to contribute to the poverty alleviation program of the country.

INFLATION: ESSENCE, CAUSES AND MECHANISMS TO CURB

- *Birritu talked to Monetary and Financial Analysis Directorate (MFAD) at the National Bank of Ethiopia about the essence of Inflation, its cause, its impact on Ethiopian Economy and others. Here are the questions and answers.*

Birritu: What is inflation all about?

MFAD: Inflation is the rate of increase in prices over a given period of time. Inflation is typically a broad measure, such as the overall increase in prices or the increase in the cost of living in a country. The term inflation refers to the depreciation in purchasing power of a fiat currency, often resulting in the appearance of rising prices when you attempt to buy essentials. To put the same differently, inflation is a situation in which you find that it takes more units of Ethiopian Birr to buy goods and services than it took you yesterday or last year to buy the same goods and services. In the Ethiopian case, we use change in consumer price index (CPI) as a measure of inflation.

Birritu: Can you tell us the basic causes of inflation in general?

MFAD: Inflation can come from both demand and supply-side of the economy. Inflation can be either demand-pull or cost-push depending on the source of the price rise. Demand-pull inflation occurs when aggregate demand grows at unsustainable rate and resulting in creation of excess demand. When there is excess demand producers can raise their prices and achieve bigger profit. On the other hand, cost-push inflation occurs when firms responding to rising costs by increasing their prices so as to protect their profit margins.

Expectations also play a key role in determining inflation. If people or firms anticipate higher prices, they build these expectations into wage negotiations or contractual price adjustments (such as automatic rent increases). This behavior partly determines future inflation; once the contracts are exercised and wages or prices rise as agreed, expectations have become self-fulfilling. And to

the extent that people base their expectations on the recent past, inflation will follow similar patterns over time, resulting in, what is known as, inflation inertia.

Birritu: What are the mechanisms to curb inflation?

MFAD: There are many methods used to control inflation, including wage and price controls.

From the perspective of the central bank, the popular method of controlling inflation is through demand management, i.e. through tightening monetary policy. The goal of a tightening monetary policy is to reduce the money supply within an economy by using a mix of or different monetary policy instruments. For instance, four of these measures could be mentioned here. The first and most widely used policy instrument is the interest rate. Central banks increase their policy rate to reduce the amount of credit extended to the economy via commercial banks, thereby reduce the rate of inflation. This helps to reduce spending because when there is less money to go around, those who have money want to keep and save it, instead of spending.

The second policy instrument is to increase reserve requirements, i.e. the ratio of the amount of money banks maintain with central bank to their deposit liabilities. By law commercial banks have to keep a certain proportion of their deposits at central banks. This is called reserve requirement ratio (RRR). To contract credit availability central banks can raise this ratio while to expand credit availability they could do the opposite. Currently, in Ethiopia RRR is set at 5 percent.

The third policy instrument is open market operations. In this case central banks directly involve

themselves in the sale or purchase of securities to affect the quantity of liquidity in the economy.

The fourth method is to directly or indirectly reduce the money supply by enacting policies that encourage reduction of the money supply, such as credit capping.

Birritu: What is the impact of inflation for countries like Ethiopia which have rapid growing economy?

MFAD: Inflation at a decent pace helps the growth of the economy. Therefore, countries always try to maintain a certain level of inflation in order to achieve economic growth. The National Bank of Ethiopia (NBE) in its mission states controlling inflation in single digit is one of its core targets.

However, a persistent high inflation can have damaging economic and social consequences. One risk of higher inflation is that it has a regressive effect on lower-income (fixed-income) families and pensioners as inflation reduces the purchasing power of income. At the same time, high inflation discourages mobilization of domestic resources.

With regard to the external sector, if one country has a much higher rate of inflation than its trading partners for a considerable period of time, this will make its exports less price competitive in world markets. Eventually this may result in reduced export orders, lower profits and fewer jobs, and also in a worsening of a country's trade balance. A fall in exports can trigger further negative multiplier and accelerator effects on national income and employment.

High and volatile inflation is not also good for business confidence partly because they cannot be sure of what their costs and prices are likely to be. This uncertainty might lead to a lower level of capital investment spending. Overall, in the long-run a high and sustained inflation will have adverse effect on economic growth.

Birritu: Can you say that the current inflation is healthy for the economic growth of the country? If yes what are the premises for that?

MFAD: It is NBE's firm belief that single digit inflation, ideally an annual inflation rate of 7 – 8 percent, is

important for the economic growth of the country. This rate of inflation brings the real deposit interest rate close to zero and this encourages domestic savings without hurting investment. This form of financing helps in reducing dependence on foreign savings and thereby promoting effective use of domestic resources.

Birritu: Recently we are observing slight re-rise in inflations in a country what are the specific causes for this and what is NBE going to do?

MFAD: Ethiopia has maintained stable single digit inflation rates since March 2013. The different measures taken by NBE and government have kept the inflation rate at single digit so far but inflation has gone beyond single digit since August 2017. The recent marginal rise in annual inflation is mainly attributed to food inflation.

Cognizant of this development and the potential impact of recent exchange rate measures, NBE has introduced measures to tighten domestic liquidity. These measures included raising the interest rate and placing caps on the amount of credit banks could extend. NBE anticipates these measures would bring inflation down to target.

Birritu: Artificial inflation which is created due to hoarding of items has been core problem of the country? As a research directorate what is your suggestion to overcome this problem?

MFAD: Traders may have a tendency to hoard goods especially when they expect the monetary value of goods might be more tomorrow than it is today. Hoarding might cause immediate shortages in food and household goods, and it can create artificial inflation.

The ultimate solution for such problem is eliminating their incentives to hoard. This could be achieved both from the supply and demand sides. From the supply side, it is important to increase production. In this case, consumers will be able to get whatever items they are looking for from the market. So, traders will rather lose their market if they try to hoard. On the demand side, the current credit cap and higher interest rates help reduce traders' incentives to hoard by pushing up the opportunity cost of doing so.

“ኢያዋን”

አጭር ልብወለድ

አሳምነው ባረጋ (አዲስ አበባ)

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«ዛሬም አምሽታለች፤» ሲሉ አሰቡ አባትዋው፡፡ ጩንቋቸዋል፡፡ «ሰሞኑን ልጄ የወትሮዋን አይደለችም፤» አሉ፤ አሁንም እንደተጨነቁ፡፡

ከምሽቱ ሦስት ሰዓት ሆኗል፡፡ በልማዷ ከአንድ ሰዓት በላይ አምሽታ አታውቅም፡፡ እንዲያውም ስታረፍድ እንኳ አስቀድማ ለአባቷ አስውቃ ነው - በሃያ አምስት ዓመቷ፡፡

«ምን ሆናቸው ይሆን?» አባቷ ሳሉን የሚወዱት ሶፋ ላይ ተቀምጠው ድምፅ ሳያወጡ መጨነቃቸውን ቀጠሉ፡፡

ሶፋኒት አንድ ልጃቸው ናት፡፡ አባት ከልጃቸው ጋር ከሕፃንነቷ ጀምሮ እንደ ባልጀራዋ ናቸው፡፡ እናቷ እስኪቀኑ ድረስ፡፡

የአየር ኃይል አብራሪ ነበሩና፤ ያማረ ቁመናና መልክ አላቸው፡፡ ስለዚህ፤ አድጋም ከርሳቸው ጋር መውጣትና መግባት ከሁሉም በላይ ደስ ያሰኛት ነበር፡፡ ግዳጅ ላይ ካልሆኑ፡፡

ከውትድርና ዓለም ተለያይተው በአየር መንገድ የአብራሪዎች ማሰልጠኛ ሲቀጠሩም፤ ጓደኝነታቸውም፤ አባትና ልጅነታቸውም ይበልጥ ሥር እየሰደደ ሄደ፡፡

ከአዲስ አበባ ዩኒቨርሲቲ ከስድስት ዓመት በፊት በከፍተኛ ማዕረግ በኢኮኖሚክስ ዲግሪዋን ወሰደች፡፡ ከተመረቀች፤ ከስድስት ወር በኋላ በአባቷ ርዳታ ለሁለተኛ ዲግሪዋ አሜሪካ ተመልሳለች፡፡

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ሕይወት ጥሩ እየሆነ መጣ፡፡ ከተባበሩት መንግሥታት ጋር የሚዛመድ ድርጅት ውስጥ ከበቂ በላይ በሆነ ደሞዝ ተቀጠረች፡፡ ታነብባለች፡፡ ትጽፋለች፡፡ ዕድሜዋ ወደ ሃያ ሦስቱ ሲጠጋ፤ ከብዙ ወንዶች የሚቀርቡ የጋብቻ ማመልከቻዎችን ማገላበጥ ጀመረች፡፡

ዕውቀት፤ ውበት፤ ቁመት፤... ከሰው ሁሉ በላይ ለታደላት ልጅ ምርጫው ቀላል አልነበረም፡፡ የብዙዎቹ ወንዶች ማመልከቻ “under Qualified” የሚል የራስን ማህተም እያረፈበት ማህደር ውስጥ ከመታሰር ያለፈ ውጤት ሊያስገኝ አልቻለም፡፡

ይበልጥ ያምርባት ጀመር፡፡

ዓለም ለእሷ አንድ ረጅም ፈገግታ ማለት...

አንድ ረቡዕ ማታ፡፡ የዛሬ ሁለት ዓመት ገደማ፡፡ ኮሎኔል ከሥራ ሲመለሱ ባለቤታቸው ከደጅ ተቀበሏቸው፤ «ሶፋኒቱን አምብኛል፤» አሉ ዕንባቸው በወፍራሙ ዓይናቸው ላይ አቅርሮ፡፡ የሶፋኒት እናት እጅግ ሆድ-ቡቡ ሴት ናቸው፡፡ ከሦስት ቀን አንዴ ምርር ያለ ለቅሶ ለማልቀስ ሰበብ አያጡም፡፡

ለዚህ ኮሎኔል ምንም አልመሰረታቸውም፡፡ ተጣጥበውና ደረቅ ነጭ ሱሪ ከቀላል ካናቴራ ጋር ከለበሱ በኋላ በቀስታ የመኝታ ቤቷን በር አንኳኩ፡፡

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ጨለማ ነበር፡፡ ግን አባቷ እንደሆኑ አውቃለች፡፡ መብራቱን አበሩት፡፡ ፊቷ ላይ በቃል ሊገለፅ የማይችል የቁጭት እና የመበለጥ ስሜት አዩ፡፡ ምን ቆጭት፤ ማን በለጣት?

እልከኛ ነች፡፡ ክፉ እና፤ ዝምተኛ እልህ አላት፡፡ ከእርሳቸው ስለተወለደች ይሆናል፡፡ ወይም ከእርሳቸው ጋር ስለደገች፡፡

አልጋዋ ጠርዝ ላይ ቁጭ ብለው ለስላሳ እና ቆንጆ ፊቷን በሁለት ትልልቅ መዳፎቻቸው መሀከል አስገብተው ተመለከቷት...

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ነገረቻቸው፡፡ ሳታለቅስ፡፡ ምንም ሳታለቅስ፡፡ ፊቷ ላይ የተሳለው እልህ እና ቁጭት ለአመል እንኳ ንግግሯ መሀል አልተንፀባረቀም፡፡

ስትጩርስ ብቻ በትንሹ እንደ ማፈር ብላ “Daddy, I thought I was smart” አለቻቸው፡፡

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እርር ቢሉም እንኳ፤ ቢያዝኑባትም እንኳ፤ መቀየማቸውን እንድታውቅ አልፈለጉም፡፡ እንዲያውም ሲያስቡት « በእንዲህ ያለ ሰዓት...፤ አሁንም ጠንካራ፤ አሁንም ኩፋ፤ አሁንም ውብ ... ሆኖ መቀጠል የቻለች የኔ ልጅ ብቻ ናት፤» አሉ፡፡

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ዕውነታቸውን ሳይሆን አልቀረም፡፡ ጠንካራ ሆኖ ዕለት ተዕለት ታስገርማቸው ነበር፡፡

አባቷ ለቅርብ ቤተሰብ ወሬውን ለመንገር ቢፈልጉም በፍፁም ፈቃደኛ አልሆነችም፡፡

«አባጄ ...፣ ብዙ ጆሮዎች ባለቤታቸውን ብቻ አይደለም የሚያገለግሉት?» አለች፡፡

« ኸረ ... ሰፊ ! እሺ ለእናትሽ እንኳ?»

« ለእሷማ... ጭራሽ አይሆንም እንኳን እንዲህ ያለ ነገር ሰምታ በ TV commercial የምታለቅስ...፣» አብረው ይስቃሉ፡፡

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ማታ ኮሌጅ ማስተማር ጀመረች፡፡ ወላጆቿ በበሽታ የሞቱባትና ከድሆች ዘመዶቿ ጋር የምትኖር አንዲት የሠስት ዓመት ልጅ በጉዲፈቻ ወሰደች፡፡ ሕጻኗ ልጅ አሳዳጊ አልነበራትም፣ ራሷን እያሳደገች ነበር፡፡ ብዙ አዋቂዎች ዕድሜ ልካቸውን ካዩት መከራ እሷ በሠስት ዓመቷ ያጋጠማት ብዙ እጥፍ ጊዜ ይበልጣል፡፡ ብርድ ልብስ እንኳን ኮሌጅ ቤት ነበር ያየችው፡፡

ሶፋኒት እናት ሆነች፡፡

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ከአባቷ ጋር ያላቸው ቅርበት ቁርኝት ሆነ፡፡

ያወራሉ፣ «ልጄ፣ የእውነት ደስ ብሎሽል እኮ!» ይሏታል ዓይኖቿን በስስትና በመገረም እያዩ፡፡

«አባ... እኔ ... ፣ እያንዳንዷን ቀን እንደ መጨረሻ ቀን እየቆጠርኩ፣ ሰስቼ ነው የምኖራት፡፡ ብዙ ሰዎች እንዲህ ያልማሉ...፣ እንጂ ኮ... እንዲህ ለመኖር አልታደሉም...»

« ጥሩ አሳድጋያታለሁ፣» አሉ ለራሳቸው፤ « ... ሌላውን ምንም ማድረግ አይቻልም፤ ግን እኔ ... ፣ ጥሩ አሳድጋያታለሁ፣» አሉ ኩራት እየተሰማቸው፡፡

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ወንዶቹ ባሰባቸው፡፡

የሷ ከጨዋታው መውጣት የወንዱን ፍላጎት ዕጥፍ ያደርገው ጀመር፡፡

እነሱን መመለስ እና ማምለጥ ራሱን የቻለ ችግር ሆነ፡፡
: በገሐድ የማንም አለመሆኗ፣ በሐሳብ የሁሉም አደረጋት፡፡
: የማታውቀው ሰው፣ እንደ ባላገር ... አንድ እሁድ ቤቷ ሽማግሌ የላከ ዕለት ግን ከአባቷ ጋር ሆነው ሆዳቸውን እያሹ ይስቁ ጀመር፡፡

ሕይወት አሁንም እንደ ረጅም ፈገግታ እንደሆነች ቀጥላለች ...

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ልጅቷ ተጨማሪ የደስታ ምንጭ ሆናታለች፡፡ አሁን አምስት ዓመት ሞላት፡፡ ትምህርት ቤት መሄድ፣ አስቂኝ ጥያቄዎችን መጠየቅ ጀምራለች፡፡

«መታቀብ ማለት ምን ማለት ነው እማማ?» ትላለች፣ መታቀብ አስቸጋሪ ቢሆንም መሆን እንዳለበት የምትከራከረውን ነርስ በቴሌቭዥን እያየች፡፡

የሶፋኒት እናት በመጠኑ እያፈሩ የተቻላቸውን ያህል መግለጫ ለሕፃኗ ሰጡ፡፡ ሕፃኗም ጥቂት ካሳለሰለች በኋላ «ታዲያ እሱ ምን ያስቸግራል? እኔ ለአምስት ዓመት ታቅቤ የለ? አለች፡፡ አዋቂዎቹ ተያይዘው ይስቁ ጀመር ...

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ኮሌጅ ትርፍ ጊዜያቸውን ሁሉ ከእሷ ጋር ብቻ ነው የሚያሳልፉት፡፡ ሲኒማ ይገባሉ፡፡ ሽርሽር ይሄዳሉ፡፡ የምትወደውን ልብስ ይገዛሉ፡፡

እጅግ ታምራለች፡፡

በጥንካሬዋ ከመገረማቸው የተነሳ አፍ አውጥተው ምን እንደሚሰማት ይጠይቁት ጀምረዋል፣ «አንቺ ልጅ ...፣ አሁንማ ... ያ ቁጭቱም ... ትቶሻልከ!» ይሏታል፡፡

«እንዴ ... አባጄ! ለምን ይቆጫኛል! ለመያዝ እኮ አስፈላጊውን ተግባር ሁሉ በሚገባ አከናውኛለሁ፣» ትላቸዋለች ቅጭም ካለ የተንኮል ፈገግታ ጋር፡፡

ኮሌጅ ስቀው እንደማያውቁ ይስቁ ጀመር...

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አሁን ግን፣ በቅርብ ግን ... ተለውጣለች፡፡ ከርሳቸው ጋር ብዙ ጊዜ አታሳልፍም፡፡ ቤት ስትሆንም ቶሎ ወደ መኝታዋ ነው የምትሄደው፡፡ ዛሬም፣ ይኸው አምሽታለች፡፡

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የዛሬ ሁለት ወር ገደማ ነው ሶፋኒት መለወጥ የጀመረችው፡፡ በጠዋት ደስ ብሏት ነበረ ከቤት የወጣችው፡፡ ልጇን ትምህርት ቤት ከጣለች በኋላ ቢሮዋ ገባች፡፡

ፀሀፊዋ ሶፋኒትን ያለ ልክ ትወዳታለች፡፡

«ዛሬ ደግሞ ልዩ ነው» አለችት እንደሁልጊዜዋ የሶፋኒትን አለባበስ እያደነቀች፡፡ ሶፋኒት አለባበስ ማሳመር ታውቅበታለች፡፡ የሚያምር ቀይ ፣ ስስ ቀሚስ ለብሳለች፡፡ ቀሚሱ ... በጣምም ሳያጥር፣ በጣምም ሳይጠብብ፣ ግን ... ሁሉንም የአካሏትን ቆንጆ እጥፋቶች አጉልቶላታል፡፡

«አባይነህ መጥቶ ነበር፣» አለችት ፀሐፊዋ ከኋላ ተከትላት ወደ አለቃዋ ቢሮ እየገባች፡፡ አባይነህ ዕድሜው ገፋ ያለ ወንድላጤ ሲሆን እዚያው መ/ቤት ነው የሚሠራው፤ «አዲሱን ቤቴን መቼ ነው የምታይልኝ? ብሎሽል፣»

«ያቺን ሚጢጢ ቤቱን ነው!? ስንዱ ነግራኛለችከ። ገና የፊት በሩን ገባ እንዳልሸ የጀርባው አጥር ይገጭሻል ... አሉ።» አለች ሶፋኒት እየሳቀች፤ «ግን አደራሽን ... እንዳትነግረው! ወንዶች ሞባይል ሲሆን ብቻ ነው «ትንሽ ነው ያላችሁ።» ሲባሉ ደስ የሚላቸው።»

ፀሐፊዋ ተመልሳ እየወጣች፤ « ... ወይኔ ሰፊ ምን ይሻልሻል? ማን ይሆን ደስ የሚልሽ?»

«ማንም። እኔ የክርስቶስ ሙሽራ ነኝ!» አለች ሶፋኒት፤ ራሷም ከት ብላ እየሳቀች።

ፀሐፊዋ ተመልሳ እየወጣች፤ « ... እኔስ ባገኘው አለቀውም ነበር፤» አለች።

«ዋ ... ። በዚህ ዘመን! ... እግሮችሽ እንደተጣመሩ ቢያድሩ ነው የሚበጅሽ።» ፀሐፊዋ እየሳቀች ወደ ወንበሯ ተመለሰች።

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ከዚያ፤ አራት ሰዓት ገደማ ላይ ሙሴ ሕይወቷ ውስጥ ገባ።

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ሙሴ፤ አንድ ሶፋኒት የምትመራው ፕሮጀክት ላይ የውጪ አማካሪ ሆኖ ተመድቦ ነበር ወደ እሷ የተላከው። ሐሳቡን እሷው አመንጭታ አለቆቿ ግን በጥርጣሬ የተቀበሉት ፕሮጀክት ነበር። እንዲሳካ አጥብቃ የምትጥርለት። ከደቂቃዎች ውይይት በኋላ ሙሴ ለፕሮጀክቱ ከሷ በላይ አስፈላጊ እንደሚሆን ተረድታለች።

ሥራቸውን ጀመሩ ...

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ፕሮጀክቱ... ሶፋኒትን የማታውቀው ዓለም ውስጥ ነበር የጨመራት። እሷ ሁልጊዜ ትርፍ ነገር ነበር የምታውቀው። ትርፍ ሙብል...፤ ትርፍ ልብስ ...፤ ትርፍ ክፍል ...፤ ትርፍ ፍቅር።

እዚህ፤ አንድ ትልቅ ፋብሪካ ዙሪያ ተነባብረው በተከመሩ የተጎሳቆሉ ቤቶች ውስጥ በሚኖሩ ድሆች አኗኗር ላይ ያተኮረው ፕሮጀክት ግን እንግዳ እና አስፈሪ ትዕይንት አሳያት። እዚህ ...፤ ወጣትነትና ውበት እጅግ አጭር ቆይታ አላቸው። እዚህ ...፤ በሃያ ሰባት ዓመታቸው አያት የሆኑ ፈት ቤት ልጆች አየች። እዚህ ...፤ የተሰበረ ልብ ማለት ምሳሌያዊ አነጋገር አልነበረም ...።

« ... አንዳንዶች ሐቁ ከልብ - ወለድም ይከፋል፤» ትላለች ለራሷ፤ የጥናቱን ሪፖርት እያነበበች።

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አብረው ሲሠሩ የሙሴን ብልሕነት አስተዋለች።

እሷ፤ በአንዲት ትንሽ ክፍል ቤት ውስጥ ራስ በራስ

ከተወለዱ እና ሁሌ ማታ ሲተኙ የጠዋት ቁርሳቸው ሃሳብ ከሚያስጨንቃቸው አሥራ አንድ ልጆቻቸው ጋር የሚኖሩ ባልና ሚስትን ሁኔታ ተስፋ አስቆራጭነት ታስባለች። እሱ ደግሞ፤ እዚህ የመጨረሻው ድሀ በሆነ ቤተሰብ ውስጥ በጣም ኢምንት የሆነ እንኳ በጎ ሥራ ምን ያህል ለውጥ እንደሚያመጣ ነው የሚያስበው።

እዚያው ተወልደው፤ እዚያ አድገው ፤ እዚያ ጎረቤት ካለ ጎረምሳ አርግዘው፤ እዚያው በራቸው ላይ ጉልት ቸርቸረው የሚኖሩትን ቤቶች ታይና « ... ይሄ እኮ ...፤ አጥርና ጠባቂ የሌለው ...፤ ሰፊ እስር ቤት ማለት ነው። ሠፈር አይደለም፤» ትለዋለች ሙሴን።

«...፤ ግን ድፍረታቸው እና ፅናታቸው አይደንቅሽም?!» ይላታል፤ « ...፤ አንዳንዶች ትምህርት፤ ወገን፤ ሀብት ...፤ እንኳ ኖሮት ሕይወት የሚያሸንፈው አለ። ያቺን ቤት ደግሞ ... ተመልከቻት! ሕይወትን ያህል ነገር፤ ጥቂት ራስ ሽንኩርትና አምስት ፍሬ ድንች ደርድራ ስትጋፈጠው!!!»

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ሙሴ ፊቱ የማይፈታ ዝምተኛ ነው። ሠርቶ የማይጠግብ። ግጥም ያለ ሉጫ ዲም ፊቱን ሸፍኖታል። ረዥም ሲሆን፤ ባለሠፋፊ አጥንት ነው። ሰውን አተኩሮ የመመልከት ልምድ አለው። መልኩ ለወንድ ትንሽ ይበዛል።

ከአሥራ አምስት ቀናት የቅርበት ሥራ በኋላ ለእሷ ይከፈት ጀመር። ቀድሞ ከሥራ ውጪ ለማውራት አፋቸው ይተሳሰር የነበረ፤ አሁን ግን ከቁጥጥራቸው ውጪ መለፍለፍ ጀምረዋል።

ሶፋኒት መንታ መንገድ መሐል ቆመች።

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ሙሴ ግራ ገብቶታል። እንደምትወደው አውቋል። ግን ምንድን ነው የያዘት?! ይወዳታል። ማንንም፤ ምንም ወይ እንደማያውቅ!! ደግሞም፤ ነግሯታል። በአፋም፤ በዓይኑም፤ ... በሁለመናው ጭምር።

ቆንጆ ናት። ብልህ ናት። ቅን ናት። ከሁሉ በላይ ደግሞ፤ ሆዷን ያመልከዋል። የብዙ ቆንጆ ቤት ሀበሾች ደዌ የሆነው ሚጢጢ፤ ፈጣጣ በርጭ የላትም። የሷ ሆድ...፤ እንደ ተለሰለሰ ነጭ እብነ በረድ ለጥ ያለ ሲሆን፤ እንደዚያም የጠበቀ ነው። አንደበቷ ይጣፍጣል። ሳትሰስት ትስቃለች። «ጆሮዎቿ ጀርባ የተሸሸጉት አጭጭር፤ ለስላሳ ብናኝ ፀጉሮች ውበት ብቻውን ትንፋሽ ቀጥ ያደርጋል።

አትቸኩልም።

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ሰሞኑን ደግሞ ጭራሽ ታርቀው ጀምራለች። ቀድሞ የሰጠቸውን መልካም ምልክቶች ሁሉ ሰወረቻቸው። ታዝን

ጀመር። ያዝን ገባ። የት ጋ...፤ ምን እንዳጠፋ እያሰበ በዝምታ ይጨነቃል።

የፕሮጀክቱ ማለቂያ እየቀረበ መጥቷል...

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« ማታ እራት እንቆይ? » አላት እየፈራ።

« እግዚአ ...! » አላች ለራሷ፤ እንባዋ ሆይ ውስጥ እየፈሰሰ፤ እሺ ማለት እየፈለገች፤ « ሕይወት ... ስትፈልግ ጨካኝ መሆኑን ስታውቅበት!! »

ዝም አለችው። « አይመቸኝም » የምትልበት አዲስ ምክንያት እየፈለገች ነበር።

« ሶፊ ...፤ እባክሽ? » ይለምናታል፤ በሚያሳዝን የልመና ቅላፄ። « ሰበብ አትፈልግ፤ መንገድ ፈላጊ፤ » አላት እንቢ ብትለው ምን ያህል እንደሚያዝን በዓይኖቹ እየነገራት።

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እራት ጥሩ አልነበረም። ለሁሉም ጥያቄዎቹ ምንም ልትመልስለት አልቻለችም። “አንድ የመጨረሻ ጥያቄ ብጠይቅሽ ቅር ይልሻል?” አላት። « መልሱ ቅር ካለሰኝህ፤ » አላችው ለመኮሳተር እየሞከረች።

በጣም ከፍቶት ነበር፤ ሲለያት።

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አምሽታ ቤት ስትደርስ አባቷ ሳሎን የሚወዱት ሶፋ ላይ ተቀምጠው ነበር።

« አባ ...፤ ልተኛ ደክሞኛል፤ » አላች ጉንጫቸውን ስማ ወደ መኝታ ቤቷ እያለፈች...

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ጥቂት ዘግይተው የመኝታ ቤቷን በር በቀስታ አንኳኩ። ጨለማ ነበር። መብራቱን አበሩት።

ፊቷ ላይ በቃል ሊገለፅ የማይችል ... መሸነፍ እና የማጣት ስሜት አዩ።

አልጋዋ ጠርዝ ላይ ቁጭ ብለው ለስላሳ እና ቆንጆ ፊቷን በሁለት ትልልቅ መዳፎቻቸው መሐከል አስገብተው ተመለከቷት።

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ነገረቻቸው። እያለቀሰች።

« አባዬ ...፤ » አላች ትረካዋን ስትጨርስ፤ « አባዬ...፤ እንዴት

እንደሚያምር ብታይ!!! እንዴት እንደሚያወራ ብትሰማ!! ምን ላድርገው?! » ቅጥል ያለ፤ ስቅስቃሪ ያለ፤ ባለ-ድምፅ ለቅሶ ጀመረች። « ... አባይዬ! » አንገታቸውን ጥምጥም ፣ ጥብቅ አድርጋ አቅፋለች።

አባትም ከልጃቸው ጋር ያለቀሱ ጀመር። ሕፃን ልጁን ችግር ውስጥ እንደ ገባች ባወቀ፤... ግን ደግሞ ...፤ ምንም ሊረዳት ባልቻለ አባት ቅስም ... ከሷ ጋር አለቀሱ።

ይኸው ... ሃያ አምስት ዓመት ሆነ አባቷን ስታውቃቸው። ገና ዛሬ አለቀሱ።

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ኮሌኔል በፍጥነት ነው ውሳኔ የወሰዱት። በማግስቱ፤ በሶፋኒት ፀሐፊ በኩል ሙሴን አገኙና ከልጃቸው እንዲርቅ መከሩት። እውነቱን ነገሩት።

ለሳምንት ያህል ከሶፋኒትም ከሥራውም ጠፍቶ ቆየ።

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በሳምንቱ ቢሮዋ አቀርቅራ እየሠራች ሳለ አንኳኩቶ ገባ። ዝም ነው ያለችው። ቁጭ አለ።

ዝም አሉ። ለረዥም ጊዜ የክፍሉ ፀጥታ አደንቋሪ ነበር።

« ሶፊ፤ » አለ በዝምታው መሐከል፤ « ሶፊ አሁንም የምልሽን እመኚኝ! » አላት « ... ከልቤ ነው። ሕይወትን ከአንቺ ውጪ ማሰብ አልቻልኩም...። ዕድሜዬ ትንሽ አይደለም። ሰላሳ አምስት አመቴ ነው። ብዙ ሴቶች አውቃለሁ። ከእነሱ ከአንዳቸውም ጋር ዘላለም ከምኖር...፤ ከአንቺ ጋር አንድ ቀን ...፤ ሶፊ...፤ አንድ ቀን! » ድምፁ በዕንባው ውስጥ ጠፋ።

እንባው በዝምታ እና በብዛት እየሆነ ዲሞቹ ውስጥ ይሰርጋል፡

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የሰውን ልጅ አካል መዳኛ በሌለው አኳኋን የሚሰብር ኃይል ሊመጣ፤ ሊሄድ ይችላል። ነገር ግን፤ የሰውን ልጅ መንፈስ፤ በተለይም፤ የፍቅርን ምስጢራዊ ኃይል ሊሰብር የሚችል ነገር ሊኖር፤ ከቶም ቢሆን... ሊመጣ አይችልም።

መቼም!!

መቼም... ቢሆን!!!

ምንጭ፡ ብረቱ መጽኔት ህዳር-ጥር 1996

Quotes on Money and Saving

Every day is a bank account, and time is our currency. No one is rich, no one is poor, we've got 24 hours each.

Christopher Rice

Money is a guarantee that we may have what we want in the future. Though we need nothing at the moment it insures the possibility of satisfying a new desire when it arises.

Aristotle

I will tell you the secret to getting rich on Wall Street. You try to be greedy when others are fearful. And you try to be fearful when others are greedy.

Warren Buffett

Many people take no care of their money till they come nearly to the end of it, and others do just the same with their time.

Johann Wolfgang von Goethe

Beware of little expenses; a small leak will sink a great ship.

Benjamin Franklin

Never spend your money before you have earned it.”

Thomas Jefferson

Don't tell me where your priorities are. Show me where you spend your money and I'll tell you what they are.

James W. Frick

If you would be wealthy, think of saving as well as getting.

Benjamin Franklin

It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for.

Robert Kiyosaki

The habit of saving is itself an education; it fosters every virtue, teaches self-denial, cultivates the sense of order, trains to forethought, and so broadens the mind.

T.T. Munger

Money is multiplied in practical value depending on the number of W's you control in your life: what you do, when you do it, where you do it, and with whom you do it.

Timothy Ferriss

The quickest way to double your money is to fold it in half and put it in your back pocket.”

Will Rogers

Source: The Forbes eBook Of Motivational Quotes

CAPITAL GOODS FINANCE COMPANIES

No	Name Of Company	Address	Phone	Fax
1	Waliya Capital Goods Finance Business S.Co	Bahirdar	058-2206780	
2	Oromia Capital Goods Finance Business S.Co	Addis Ababa	0115-571159	251-0115571152
3	Addis Capital Goods Finance Business S.Co	Addis Ababa	0111-567026	251-0111573124
4	Debub Capital Goods Finance Business S.Co	Hawasa	0462208091	251-0462202052
5	Kaza Capital Goods Finance Business S.Co	Mekelle	0344409306	251-0344406099

Capital Goods Finance Bussiness Licensing and Supervision Team

Information on Micro Finance Institutions

NBE MFI No.	Name of Institutions	Telephone No.	Fax No.
001	Amhara Credit and Saving Institution S. Co.	058-2201652 / 0918340256	251-058 – 2201733
002	Dedebit Credit and Saving Institution S.C.	034-4409306 / 0914702214	251-034-4406099 251-034-2400208
003	Oromia Credit and Saving Institution S.Co.	0115571158/18/33/ 0911771023 (GM)	251- 011- 1571152
004	Omo Micro Finance Institution S. Co.	096619611 GM 046-2202053/ 0462207384	251-046 – 220-20-52
005	Gasha Micro Financing S. Co.	0118952389/90/91 0911240437	
006	Vision Fund Microfinance Institution S. Co.	0116463569 0911211823 (GM)	251-011 – 6293346
007	Sidama Micro Finance Institution S.Co.	046-2200850 / 0462206151 0916836687 (GM)	251-046 – 2204704
008	Africa Village Financial Services S. Co.	0116532052 / 0113204732 0911296401 (GM) 0913113446	
009	Buusaa Gonofaa Micro Financing S. Co.	0114162491 0911223679 (GM) / 0912017087 (FM))	251-011 – 4162501
010	Poverty Eradication & Community Empowerment Micro Financing Institution S. Co.	0116678059 / 0911219506 (GM)	251-011 - 4654088
011	Addis Credit and Saving Institution S. Co.	0111572720 0111111512/13 0911406174 (GM)	251-011 – 1573124
012	Meklit Micro Finance Institution S. Co.	0113484152 / 0113482183 0911318625 (GM)	251-011 – 5504941
013	ESHET Micro Finance Institution S.Co.	0113206451/52 0911677434 GM)	251-011 – 3206452
014	Wasasa Micro Finance Institution S.Co.	0911-67-38-22 / 0113384133	251-0113679024
015	Benishangul-Gumuz Micro Financing S.Co.	057-7750666 / 057-7752042 0911951484 Gm	251-057 – 7751734 251-057 - 7750060
016	Kendil Micro Finance Institution S. Co.	046 1105952 / 3831 / 5663	251-046-11015
017	Metemamen Micro Financing Institution S. Co.	6615398/6635801/0913460432(GM)	251-011 – 6186140
018	Dire Micro Finance Institution S. Co.	0251129702/1127072/1119246/47 0911353890 (GM)	251-025 – 1120246
019	Aggar Micro Finance S.Co.	6183382/3104 0911689457 (GM)	251-011 - 6183383
020	Letta Micro Finance Institution S. Co.	0911658497 (GM) / 0911169263 (Finance GM) 0911418280 (Aster)	
021	Harbu Micro Financing Institution S. Co.	0116185510 / 0911512633 (GM)	251-011 - 6630294
022	Digaf Micro Credit Provider S. Co.	0112787390/2782252/0910-27-52-34 0911936785 (GM)	
023	Harar Micro Microfinance Institution S. Co.	025-6663745/025-6664078/0912401911	251-025 - 6661628
024	Lefayeda Credit and Saving S.Co.	0116296976 / 0118237179	
025	Tesfa Micro Finance Institution S. Co.	0115526205 / 0911831882	251-011 - 5512763
026	Gambella Micro Financing S. Co.	0475511250/0475512252 / 0917823153	0475511271 / 0475512390
027	Dynamic Micro Finance S. Co. (Approved 23/03/09)	01155491585540390 / 0915766908(GM)	
028	Somali Micro finance Institution S.Co.	0257752122257-756976/77 0915768505 (GM)	0257780462
029	Specialized Financial and Promotional Institution S. Co.	0116622780 0911625576	251-011 - 6614804
030	Lideta Micro Finance Institution S.C.	0914788554 0344450064/32	0344452829 /0344450383
031	Nisir Micro Finance Institution S.Co.	0115500700/701 /0912364092 0911059722 / 0911875165	305/1250
032	Adaday Micro finance Institution S.Co.	0342405095/69 /0914749064	0342405217
033	Rays Micro Finance Institution S.Co.	0913386180	496/1110
034	Afar Microfinance Institution	0913399644	0336660748
035	Kershi Micro Finance Institution S.Co.	0118 721106/02	
036	Debo Micro Finance Institution S.Co.	0911758872	



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