African Journal of Economics and Business Research (AJEBR) - Volume 3 Number 1, 2024

Review Article

Review on Determinants of Rural Youth to Access Formal Credit and their Perception Towards Credit Provision in Ethiopia

Moges Girmay Phogella[1], Workie Sahlu Anbaw[2]

Abstract

Microcredit becomes so important tool in recent years that has a great role in the fight against poverty. It has been adopted as one of the sustainable development strategies at the international level. The provision of credit can help the youth to make own economic decisions and escape from poverty by engaging in income generation activities. This study was aimed to review youth perception, constraints of credit use and determinants of credit use among youth in Ethiopia. The review was based on reviewing secondary data from journal articles, books, published and unpublished reports of national and international organizations based on their relevance to the topic. According to many literatures, variables such as sex, perception of the application procedure for loan, prior saving requirement, loan size and distance from the lending institution were more likely to negatively influence formal credit access by rural youth. Therefore, the government and other policy makers need to enhance enrolment of formal education, appreciation of saving habit, expansion of road, improving of financial infrastructures, provision of awareness creation training towards the benefit of credit, and improving of lending system in order to improving youth livelihoods.

Keywords: Access, Determinants, Formal credit, Rural youth, Perception

[1]**Corresponding author,** of Rural Development and Agricultural Extension, College of Agriculture and Natural Resources, Mekdela Amba university, P O Box: 32, Tuluawlia, Ethiopia. *Email:* mogesgirmay0@gmail.com

[2] Department of Rural Development and Agricultural Extension, College of Agriculture and Natural Resources, Mekdela Amba university, P O Box: 32, Tuluawlia, Ethiopia.

Date Received: 9 November 2023 *Date Accepted: 10 November 2023*

1. Introduction

1.1 Background of the study

Ethiopia is one of the poorest nations in the world and second most populous countries in Africa, with a population of 108.383 million and growing rate of 2.85% per year (UNFPA, 2013). Until now, agriculture is the backbone of the Ethiopian economy. This particular sector determines the growth of all other sectors and consequently the whole national economy. It constitutes over 50% of the gross domestic product (GDP), accounts for over 85% of the labor force and earns over 90% of the foreign exchange.

Ethiopia is characterized by a young population with 33.8% of its population being in the age range of 10-24 years. In the country, the youth accounts for the major productive force in economic activity. They accounted for 39.7 percent of the total labor force; out of which 80.4 and 19.6 percent were rural and urban youth respectively (CSA, 2014). The youth engagement in productive activities has positive consequences in both social and economic dimensions. However, the intensity of youth unemployment is quite prevalent and widespread in Ethiopia. Large numbers of youth especially those in rural areas are living in poor economic conditions (Deribie et al., 2013). As of 2014, national estimates of unemployment rates for youth aged 15-29 was 26.7 percent that constitutes 30 percent for female youth and 22 percent for men youth (Zeru, 2018).

One of the major constraints that significantly affect the growth of agricultural production and productivity in developing countries, including Ethiopia, is limited use of modern inputs and technologies. Among others, one cause for this is lack of finance for the rural farm households (Martha Welday, 2014). Thus, developing rural financial markets is considered as one of the important tools for enhancing adoption of new and improved agricultural technology, rural income generation and poverty alleviation (Getaw Tadesse, 2018)

Ethiopian government has been working to eradicate the country's major enemy, poverty. One of the powerful tools that help to reduce poverty from households and a nation is provision of credit which has increasingly been regarded as an important tool for raising the incomes of rural populations, mainly by mobilizing recourses for more productive uses. Access to formal credit enhances the economic activity of youth in several ways especially in the choice of technology, markets and essential resources for production. In developing countries, like Ethiopia, credit is an important input for continuous development and it is an essential tool that youth need to start an enterprise and increase business productivity (Bekele & Worku, 2008).

Recent evidence shows that in March 2016, there were only 35 MFIs providing financial services in Ethiopia. Despite significant efforts, their penetration ratio is still low. For instance, eleven MFIs (about 41%) are located in the Addis Ababa and thirteen MFIs (about 48%) are located in Oromia region, with 21.1% and 18.2% of the shares in total capital of all the MFIs, respectively. Moreover, about 81.3% of total capital of all MFIs in the country are belonging to only four of them i.e Amhara (25.6%), Dedebit (24.3%), Addis (16.3%) and Oromia (14.7%) (Gosa Tafese, 2014). Moreover, around 15% of the rural poor have access to savings and credit services. Similarly, saving and credit cooperatives, which are voluntary associations with a purpose to save and lend money to its members, remain small by international standards and their coverage is insignificant compared to the size of the unbanked population (IMF, 2015).

Empirical researches have indicated that access to formal credit can be served as a base for self-employment and income generation as well as promote healthy living (Dereje, 2017). However, in Ethiopia, lack of access to credit is one of the fundamental problems impeding the production, productivity, and income of rural people including rural youth(Kiros, 2012). The majority of the population do not accessed credit particularly the rural youth proportion of access to formal credit is low in Ethiopia (Wolday, 2015). Youth constitutes a smaller proportion of overall clientele in the formal financial institution than their overall population demographics would suggest. There are few efforts done to achieve and improve the availability of formal credit to youth in rural areas of Ethiopia (FAO, 2014)

The rural youth may face a great challenge to access formal credit from lender institutions. The challenges that rural youth face could be related to high rates of interest, lack of the collateral, the high transaction cost of accessing credit, lack of prior saving capital and other demographic characteristics that may affect rural youth from accessing formal credit (Dalla, 2012).

This study aims to review the perceptions of rural youth towards formal credit delivery methods and to review determinants of formal credit access by rural youth.

2. Review of literatures

2.1. Definitions and Concepts of Microfinance and Credit Services

The definition of microfinance institutions proposed by some authors and organizations are seemingly different from one another. However, the essence of the definition is usually the same in which microfinance refers to the provision of financial services primarily savings and credit to the poor and low-income households, attempt to improve access to small deposits and small loans for poor households neglected and did not have access to commercial banks (Alemayehu & Fenet, 2016). Therefore, microfinance involves the provision of credit service such as savings, micro loans and insurance to poor people, unemployed, poor entrepreneurs and to others living in poverty that is not bankable. These individuals live in both urban and rural settings who are unable to obtain such services from the formal financial sector. Because of lack of collateral, steady employment and a verifiable credit history and cannot meet even the most minimum qualifications to gain access to traditional credit (Asante-Addo et al., 2011)

In the literature, the terms microcredit and microfinance are often used interchangeably, but it is important to highlight the difference between them because both terms are often confused. (Kiros Habtu, 2012), states "microcredit refer to small loans, whereas microfinance is appropriate where NGOs and MFIs supplement the loans with other financial services (savings, insurance, etc.). Microcredit is, therefore, a component of microfinance in that it involves providing credit to the poor, but microfinance also involves additional noncredit financial services such as savings, insurance, pensions and payment services (Negussie & Catherine, 2017). Credit provision is creating access to credit service (money) to borrowers either in long-term or short-term basis whereby the borrower is required to repay the principal and the interest. Also, most MFIs clients business is seasonal particularly those engaged in agricultural activities earn income in some particular periods of a year and need credit when their agricultural activities is about to start to purchase farm inputs (Endrias& Tilahun, 2017)

2.1.1 Rural Youth

Rural youth refers to individuals whose age is reached the defined age for youth and live out of cities and towns in a given country. The youth are the middlemen between the young and old generations. They are agents of change, carriers of information and values which need to be transferred from the passing generation to the new generation. Classifications of youth into a particular age range vary depending on geography, culture, institutional conventions and agencies. The UN considers individuals between the age group of 15-24 as youths, in Uganda youth is between 12-30 years and in Nigeria, it is between 18 and 35 years (ILO, 2005).

In the Ethiopian context, youth are the individuals whose age is between 15-29 years (EMYS, 2004). For this study, the youth are those who attained the age group of 15 to 29 years that was articulated by the Ethiopian ministry of youth and sport.

2.2 Theoretical Literature Review

2.2.1. Reasons for Needs of MFIs to Expand into Rural Areas

The provision of credit is an important aspect of local development because it helps to achieve sustainable growth of agriculture. Local credit acts as a catalyst for agricultural production as it covers for deficit in individual savings. Local credit enables farmers to afford expensive agricultural technologies which boost agricultural production. The financing of agricultural activities requires liquid cash which, in most cases small-scale farmers lack. As a result, the expansion of local credit amounts is efficient in increasing agricultural productivity (Nigusie, 2019).

Access to finance is critical for the growth of the agriculture sector. The shift from subsistence to commercial agricultural production requires funds. At low levels of income, the accumulation of savings may be difficult. Under such circumstances, access to loans can help poor farmers to undertake investment and increase productivity (Dereje, 2017). Credit gives small-scale farmers the ability to invest in methods of improving their lands as well as exploit agricultural technologies to improve their farming. Poverty reduction and household food security is highly dependent on peasant's access to credit. Some significant policies and research questions on the credit markets in developing countries are always framed with regards to how the availability of credit benefits a family's agricultural output, food security and other developmental aspects.

In Ethiopia, access to finance is primarily arranged through the banking sector and MFIs. However, most of them are located in Addis Ababa, the rural areas (with almost 80 percent of the population) still lack good access to financial services. Despite rapid growth and efforts, in March 2015, there were only 35 MFIs providing financial services. Their penetration ratio is still low, with less than four percent of the population being served.

Studies undertaken in Ethiopia shows that, credit provision to poor farmers created same improvement yet the productive inputs are not available on the farm and some farmers are not able to purchase them due to their insufficient resources. Moreover, most of the commercial inputs are expensive and hence smallholder farmers cannot afford to buy them from their own cash earnings (Zemen Ayalew, 2014). Hence, as a poverty reduction strategy, access to credit services is an important way to increase productivity, advance personal incomes and motivates farmer enable to afford technologies and other essential inputs for their production. Additionally, it facilitates the process of commercialization in the rural economy (Gashaw, et al., 2016). Therefore, rural credit service is crucial to be eligible agricultural inputs and labor which requires liquid cash that often is not readily available to the farmers and it is essential to expand at large to progress productivity (Getaw, 2018).

2.2.2 Rural financial service in Ethiopia

The government of Ethiopia has made marked progress in agriculture over the past decade. However, the sector continues to face a set of constraints: markets are underdeveloped, federal and regional governments lack capacities to implement, safety nets account for a large proportion of agricultural spending, irrigation is below its potential, shortages of improved inputs hinder growth, and key areas of the enabling environments require improvement (Auma, 2014). In the same source, from the financial sector's point of view, agriculture is considered a less attractive field of business than other sectors of the economy such as construction, tourism and other activities. This is because of the sector's outlook as risk-return profile.

Rural households in Ethiopia tend to spend more of their income on food and the recent increase in food prices has meant that poor rural and urban households are finding it more difficult to secure adequate food supplies, particularly as food prices increase faster than the prices of non-food items. In addition to high food prices, the price of agricultural commodities such as fertilizer has more than doubled over the past year. Such high prices are likely to reduce the application of fertilizers with potentially adverse effects on future food production and on agricultural and economic growth (Melesse, 2019).

In Ethiopia, where the agricultural sector greatly influences the rate of economic growth, about 11.7 million smallholder farmers account for approximately 95 percent of agricultural GDP and 85 percent of the population. With a total area of about 51.3 million hectares of arable land, Ethiopia has tremendous potential for agricultural development. However, only about 12.6 million hectares of land are currently being cultivated, just over 21 percent of the total arable land. Apparently, one of the most serious impediments to sustainable poverty reduction in rural Ethiopia is the strong nexus between land degradation, low agricultural productivity and rural poverty (Assifaw & Gemechu, 2016).

2.2.3 Role of access to formal credit in developing youth owned SME

Aliero & Ibrahim (2013) stated that formal credit is recognized as a prerequisite to growth and poverty reduction. Improving the access to credit service for poor people will help to reduce poverty and improve income equality while lack of credit can retard economic growth and increase poverty and income inequality. He argued that strong economic growth cannot be achieved without having well-focused programs of increasing access to factors of production like credit. They revealed that the capacity of the youth would be significantly enhanced through the provision of credit which can increase employment opportunities and enhance income thereby lead to the youth welfare and poverty reduction.

According to (Mano et al., 2012) transforming youth job-seekers into job-makers are considered to be an important strategy to prevent or alleviate poverty. As indicated by (Temesgen, 2019) youth owned micro and small enterprises (MSEs) are widely recognized as a major source of employment and income in developing countries. If they grow in size, they contribute to economic growth and poverty reduction among the youth.

Access to affordable credit empowers and equips the youth to make their own choices and build their way out of poverty in a sustained way (Page, 2012).

Studies undertaken in Ethiopia shows that, credit provision to poor farmers created same improvement yet the productive inputs are not available on the farm and some farmers are not able to purchase them due to their insufficient resources. Moreover, most of the commercial inputs are expensive and hence smallholder farmers cannot afford to buy them from their own cash earnings (Zemen 2014). Hence, as a poverty reduction strategy, access to credit services is an important way to increase productivity, advance personal incomes and motivates farmer enable to afford technologies and other essential inputs for their production. Additionally, it facilitates the process of commercialization in the rural economy (ADBG (African Development Bank Group), 2005); (Getaw, 2018). Therefore, rural credit service is crucial to be eligible agricultural inputs and labor which requires liquid cash that often is not readily available to the farmers and it is essential to expand at large to progress productivity (Getaw, 2018).

Looking at empirical studies in the world indicate that access to formal credit have emerged various SME and that play a vital role in the economies of those countries. During 2013/14, some 200,319 new micro and small enterprises were established and employed 2.5 million people in the country (Mackie, 2015)

2.3 Empirical Literature Reviews

2.3.1 Perceptions towards institutional methods of formal credit provision

According to (Wendmagegn Assefa, 2019) the reason why people approach formal financial institution is that they perceive the formal financial institutions could meet their additional financial requirements for various purposes such as for agricultural production, professional purposes, constructing homes, trade purposes, etc. He also argued that among the issues that influence access to credit is the perceptions, behavior and attitudes of the people towards institutional methods of formal credit provision. (Asmamaw, 2014) stated that micro finance institutions have various product designs or methodologies which target specific clients. It uses different models to provide formal credit to the poor. He found three main methods of lending: Group, Individuals, and Village Banking Models.

Group based lending is one of the most novel methods of lending small amounts of money to a large number of clients who cannot offer collateral. Group members are jointly accountable for the repayment of each other’s loans. To ensure repayment, peer pressure and joint liability works very well (Aschenaki, 2016). The empirical evidence by Sisay (2008) revealed that clients perceived group lending as convenient to them that solves the problem of the collateral requirement by lending institutions, controls misuse of borrowed funds and minimizes the risk of default, while strongly criticizing the isolation of very poor from the group formation.

Loan size is the amount advanced to the client. It can be small, medium or big (Abreu, 2021) argues that efficient loan sizes should fit the borrower's capacity and stimulate economic empowerment. Therefore, for a loan to be useful it should be adequate to allow production. He also stated that for a loan to have an intended effect and to be repaid, it should be adequate enough. Moreover, the author point out that loans that are too small to their productive use or repayment should be avoided. Because the loan smaller than the amount required may also encourage clients to divert funds to other purposes.

Farmers' loan attitude and formal credit perceptions are crucial factors that affect their farm production, investment and management decisions. Risk adverse farmers are less willing to take on activities and investments that have high expected outcomes, but carry with them risks of failure. This research is an attempt to quantify farmers' perceptions of catastrophic risks, their risk attitude and to assess the effect of farm and farm household characteristics, farmers' access to information and credit sources on their risk perceptions and risk attitude (Martha, 2014). Youth who secure funds from such institutions spend the bulk of their returns from investment in paying the cost of capital, thus leaving them with none or little savings for reinvestment. As a result, the majority of youth are not interested to apply for credit in microfinance institutions.

2.4. Empirical Studies on Determinants of Credit Access to Youth

Access to formal credit can also be affected by household characteristics. As stated by Hussien (2007) the probability of choosing the formal credit sector was positively affected by gender, educational level, household labor and farm size. He further explained that education, credit information and extension visit are more likely to increase the information base and decision-making abilities of the farm households including the ability to compare pros and cons of choosing appropriate credit and production technology.

It is also worth mentioning here that the majority of determinants of household access to credit are conducted more in other developing countries which differ in many aspects from Ethiopia (the geography, culture, religion, governance, institutions and others) and limited research is done on the Ethiopian financial markets especially microfinance. This study, on the determinants of credit demand and access by rural households in Ethiopia- Alamata woreda, can thus contribute to the existing literature on demand for and access to credit in the Ethiopian context.

Education is one of the important variables that determine households' access to credit. In most developing countries illiteracy rate is higher especially in rural areas. Poorly educated households find it increasingly difficult to assess the credit risk and profitability of loans and savings. Moreover, education level also positively related to credit use. Education was underscored as a tool that helps farmers make important and right decisions during credit utilization (Zemen, 2014).

Yuna (2016) conducted a study that entitled on the determinants of household level access to formal financial services‖ in Hawasa, Sidama zone. In his study binary logistic regression model was used. The result of the study showed that demographic factors (age, sex and education), institutional factors (participation of households in extension package program, lending procedure, family labor), socioeconomic factors (size of farm land, livestock ownership, experience in credit use), and communication factors (distance from lending institutions and extension contact) are the most important determinants of access to formal credit.

The interest rate determines access to formal credit by rural youth. Whenever the interest rate rises, the investment will eventually fall. This is because with a higher interest rate the possibility of making a profit out of an investment is very low. Therefore, youth like to borrow from financial institutions at a lower interest rate (Aliero & Ibrahim, 2013). Most financial institutions demand collateral as one of the requirements for access to credit facilities. One way in which a financier can reduce the risk of losing his/her/its money due to uncertainty is by requiring collateral. Collateral reduces the problem of uncertainty since the lender can recover some or all of his/her loan in the event of no- repayment. Unfortunately, most youths in developing countries are living in poverty and they do not own assets that are acceptable as collateral for loans. This becomes a constraint among youths access to credit because most of them do not have capital assets to present as security against the loans (Martha, 2014).

Bureaucratic lending procedures have been a major constraint to access formal credit by youth from formal financial institutions. In the formal financial institutions, business registration procedures and costs can be a major obstacle for youth people lengthening the process of acquisition of financial services and products. In developing countries particularly these procedures are often associated with bureaucracy, corruption and lack of transparency or accountability. In this context, youths get easily tied and lose their enthusiasm for formal credit (Selamawit, 2014).

In contrast to previous empirical results in other countries, in which the older are less constrained (because lenders perceived them to have a smaller default risk), the relationship between the probability of being constrained and age follows u-shaped pattern with a minimum age of around 47. This implies that older individuals in a country may face higher uncertainty in their income or may have accumulated fewer liquid assets than their peers in the advanced countries and are therefore more prone to default risks (Kiros, 2012).

This implies that operations of formal institutions are limited to address credit need in rural areas. Findings confirmed that more than half of the respondents faced problems of walking long distances to reach financial institutions.

Selamawit, 2(014) had assessed the major determinants of access to credit. The result of her study revealed that age, educational level, possession of the asset, lending procedure and loan repayment period are significant factors that affect access to credit.

Mesfin & Regasa (2015) found that the main reason for not seeking credit was lack of required security and being pessimistic on their ability to repay the credit.

Sisay Yehuala (2008) analyzed the determinants of smallholder farmers‟ access to formal credit in Ethiopia, using a binary logit. The results showed that the probability of accessing formal credit was positively and significantly affected by participation in extension package programs, cultivated land size, experience in credit use from the formal sources and membership of households in multipurpose cooperatives. However, farmers‟ perceptions of group lending and number of livestock in Tropical Livestock Unit (TLU) negatively and significantly affect access to credit from formal source. The study also noted that the status of women and different wealth groups‟ affect access to formal and informal credit sources.

Conclusions

In Ethiopia, credit is one of the tools to reduce unemployment and poverty among the youth by which the youth can engage in income generation activity to improve their living conditions. Like that of access to land and other economic factors, access to credit is very important to start income generation activity. The youth need credit to cover the costs of activity as well as to expand their business in an improved way.

The empirical evidence of this review indicates that determinants influence credit use are Education levels, landholding size, extension frequency, saving habit, perception of the application procedure for loan, prior saving requirement, loan size and distance from the lending institution. Therefore, the government and microfinance institutions are recommended to take appropriate measurements for those factors which inhibit formal credit access by the rural youth.

Finally, this review paper's data comes from previously published studies and datasets that have been cited. The author declares no conflicts of interest related to this paper.

References

Abreu Yirdaw. (2021). *Determinants of Access to Formal Credit for Small Land Holder Farmers: A Case in Bahir Dar Zuria Woreda*.

ADBG (African Development Bank Group). (2005). Ethiopia (Federal Democratic Republic of Ethiopia). *Handbook of Federal Countries, 2005*, *April 2011*, 136–148.

Alemayehu Oljira, and Fenet Belay. (2016). Performance of Formal Rural Financial Institutions in Ethiopia : Country Review. *Journal of Poverty, Investment and Development*, *27*, 12–24.

Aliero, H. M. & Ibrahim, S. (2013). The Challenges of Youth Empowerment through Access to Credit in the Rural Areas of Nigeria. *European Journal of Sustainable Development*, *2*(3), 25–34. https://doi.org/10.14207/ejsd.2013.v2n3p25

Aschenaki Gebreab. (2016). *The Role of Omo Microfinance Institution in Expanding Economic Opportunity in Ethiopia: A Case of Alle District Omo Micro Finance Sub Branch*. MBA Thesis, Addis Ababa University. Available oneline: http://repository.smuc.edu.et/bitstream/123456789/3064/1/Aschenaki%20%20thesis%20pdf.pdf

Asmamaw Chirkos, Y. (2014). The Role of Microfinance Institutions in the Development of Small and Medium Size Businesses in Ethiopia, A Case Study in Amhara Credit and Saving Institutions. *Journal of Business Administration and Management Sciences Research*, *5*(13), 106–120. http://apexjournal.org/jbamsr/archive/2014/June/fulltext/Chirkos.pdf

Assifaw Lemessa, & Gemechu, A. (2016). Analysis of Factors Affecting Smallholder Farmers ' Access to Formal Credit in Jibat District , West Shoa Zone, Ethiopia. *International Journal of African and Asian Studies*, *25*(2016), 43–53. Available Online: Ahttps://www.iiste.org/Journals/index.php/JAAS/article/view/32990%0Awww.iiste.org

Bekele, E., & Worku, Z. (2008). Women entrepreneurship in micro, small and medium enterprises: The case of Ethiopia. *Journal of International Women's Studies*, 10(2), 3–19.

Collins Asante-Addo, Jonathan Mockshell, Khalid Siddig (2011). Determines farmers' participation and credit rationing? *Journal of Gender, Agriculture and Food Security*, 1(3), 1–22.

Dalla Vala. (2012). *Exploring opportunities and constraints for young agro entrepreneurs in Africa*. 27. Available Online: http://www.fao.org/fsnforum/west-africa/sites/west-africa/files/files/ResourcesWA/Exploring_opportunities_constraints_young_agro.pdf

Dereje Getachew. (2017). *the Effect of Micro Finance on Poverty Reduction : College of Business and Economics*.

Deribie, E., Nigussie, G., & Mitiku, F. (2013). Filling the breach : Microfinance. *Journal of Business and Economic Management*, 1 (January), 10–17.

Doreen Auma, P. A. (2014). *Determinants of credit access and demand among small-holder farmers in Tigray region, Ethiopia*.

EMYS. (2004). *Ethiopia_2004_National_Youth_Policy.pdf*.

Endrias Geta, & Tilahun Hamiso. (2017). *Access to Microcredit and its Effect on Crop Productivity and Household Income in Hawassa Zuria District of Sidama Zone Southern Ethiopia*. *5*(3), 128–134.

FAO. (2014). Youth and Agriculture. In *The Food and Agriculture Organization of the United Nations (FAO) in collaboration with the Technical Centre for Agricultural and Rural Cooperation (CTA) and the International Fund for Agricultural Development (IFAD* (Issue 17).

Gashaw Abate, T., Rashid, S., Borzaga, C., & Getnet, K. (2016). Rural Finance and Agricultural Technology Adoption in Ethiopia: Does the Institutional Design of Lending Organizations Matter? *World Development*, *84*(March), 235–253. Available Online: https://doi.org/10.1016/j.worlddev.2016.03.003

Getaw Tadesse, T. Z. (2018). *Grants vs. credits for improving the livelihoods of ultra-poor: evidence from Ethiopia Abstract*. 0–20.

Gosa Tafese, S. (2014). The Role of Microfinance Institutions in Poverty Reduction and Women's Empowerment in Ethiopia: The Case of Dedibit Credit and Saving Institution. *Public Policy and Administration Research*, *4*(8), 83–91. Available Online: https://iiste.org/Journals/index.php/ppar/article/view/14916

Hussien. (2007). Farm Household Economic Behaviour in Imperfect Financial Markets. In *Evidence And Policy*.

ILO. (2005). *Youth: Pathways to decent work*. Available Online: http://www.ilo.org/youthmakingithappen/Resources/01.html%5Cnpapers2://publication/uuid/CC56FB32-F1EE-47AF-BF14-72722C4E6008

IMF. (2015). Federal Democratic Republic of Ethiopia: Selected Issues. *IMF Staff Country Reports*, *15*(326), 1. Available Online: https://doi.org/10.5089/9781513547725.002

John Page. (2012). Youth, Jobs, and Structural Change: Confronting Africa 's "Employment Problem." *African Development Bank Working Paper*, *155*(October), 1–35. Available Online: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Working Papers Series 155 - Youth Jobs and Structural Change.pdf

Kiros Habtu. (2012). *Determinants of Rural Households Demand for and Access to Credit in Microfinance Institutions Chair group : Development Economics*.

Mackie, P. et al. (2015). *Geography and Planning Microfinance and Poverty Alleviation in Ethiopia*. *June*, 31.

Mano, Y., Iddrisu, A., Yoshino, Y., & Sonobe, T. (2012). How Can Micro and Small Enterprises in Sub-Saharan Africa Become More Productive? The Impacts of Experimental Basic Managerial Training. *World Development*, *40*(3), 458–468. Available Online: https://doi.org/10.1016/j.worlddev.2011.09.013

Martha Welday. (2014). *The Contribution of Micro-Finance Institution to the Livelihood of Micro Credit Beneficiaries : The Case of Lideta Micro-Finance Institution , Adigrat Town , Tigr unpablished*.

Melesse Semaw Henock. (2019). Financial sustainability and outreach performance of saving and credit cooperatives: The case of Eastern Ethiopia. *Asia Pacific Management Review*, *24*(1), 1–9. https://doi.org/10.1016/j.apmrv.2018.08.001

Mesfin Tebeje, & Regasa, B. G. G. (2015). *Analysis of Credit Service Utilization by Rural Households : The*. *15*, 127–134.

Negussie Gurmessa, & Catherine, N. (2017). Smallholders' Access to a nd Demand for Credit and Influencing Factors: Policy and Research Implications for Ethiopia. *Journal of Business & Economic Policy*, 4(3), 48–60. Available oneline: www.jbepnet.com

Nigusie Misrach. (2019). *Factors affecting formal credit service utilization by smallholder farmers: the case of uraga woreda, guji zone, oromia regional state, ethiopia* (issue october).

Selamawit Niguse. (2014). *Determinants of Micro and Small Enterprises' Access to Finance*. *4*(21), 90–104.

Sisay Yehuala. (2008). *Determinants of smallholder farmers access to formal credit: the case of metema* *woreda, north gondar, ethiopia*.

Temesgen Desta. (2019). *Formal credit access by rural youth and its role in income generation activities: the case of misrak badawacho woreda, hadiya zone, southern ethiopia*. *November*.

UNFPA. (2013). United Nations Population Fund (UNFPA). *Health Care Policy and Politics A to Z*, 2018–2021. Available Online: https://doi.org/10.4135/9781452240121.n401

Wendmagegn Assefa. (2019). *Determinants of credit utilization among smallholder farmers in misha district of hadiya zone, snnpr state, ethiopia: the case of omo microfinance institution*.

Wolday Amha. (2015). Growth of Youth-owned MSEs in Ethiopia : *Ethiopian Journal of Economics*.

Yuna, M. (2016). *Determinants of Household Level Access to Formal Financial Services in Aleta Chuko Woreda, Sidama Zone, Ethiopia*.

Zemen Ayalew. (2014). *The impact of saving and credit cooperatives on food security in the West Amhara Region of Ethiopia*. Available Online: http://hdl.handle.net/10468/2019

Zeru Fantaw Desta, A. B. (2018). *USAID/Ethiopia Cross-Sectoral Youth Assessment Situational Analysis*. *1*, 1–88.