

WOMEN, CREDIT AND RURAL BANKING: GUIDELINES FOR ACTION

INTRODUCTION

A few statistics tell the story: rural women in the developing countries grow 70% of the food, manage about 80% of small village enterprises, but receive no more than 5% of the financing dispersed through multilateral banks. Yet it is these women, who are generally the poorest of the poor, who are most in need of funds to survive and to feed and clothe their families.

The seriousness of the situation is not in dispute. Over the years, development workers have consistently reported that it is women's income which is usually used for food and education; men's earnings are generally spent on supplies and equipment for larger, profit-making activities. In a bad year, faltering short-term prospects are the main problem for men; for women, when incomes are severely restricted or even non-existent, the well-being of future generations is at risk. And credit to help increase income, or even just to plug the temporary gap, is almost impossible to obtain.

Ironically, it is the very nature of their domestic activity that has perpetuated the restrictions on women's access to credit. Both law and tradition have made men the owners of property and primary providers of family income. In contrast, women's unpaid work in the home and on the family farm is not valued and any supplemental income from the informal sector -from marketing handicrafts, for example- is considered too small or too inefficient to be credit-worthy.

In recent years, the problem of women's access to credit has been aggravated by the often adverse effects of national economic austerity programmes, so-called structural adjustment policies, which have caused severe dislocations among the poorest segments of the population as government spending falls and credit tightens still further.

In an attempt to reverse the negative impact of these new developments as well as more traditional constraints, international organizations, governments and no-governmental organizations (NGOs) have been trying to develop innovative banking techniques to improve women's access to credit, particularly in rural areas where the situation appears to be worst. The short-term objectives are to increase financial and technical assistance programmes geared specifically to women; the long-term goal is more ambitious: to enable rural women to enter the economic mainstream and be equal participants in their nations' economic and social development.

It was to exchange ideas and experiences, and train development officials, bankers and credit union officers from both the public and private sectors in new practices that a seminar was convened in Nicosia, Cyprus, in November 1990, under the auspices of the International Fund for Agricultural Development (IFAD), the Mediterranean Institute of Management (MIM) and the International Research and Training Institute for the Advancement of Women (INSTRAW). What follows is a summary of the suggestions and recommendations for action which emerged from two weeks of discussions and workshops.

***For women, when incomes are severely restricted
or even non-existent,
the well-being of future generations
is at risk.***