

## Review

# Empowering women through credit facilities for sustainable development in the developing countries

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**This paper is set out to examine the empowerment for women through credit facilities in the developing countries. Too much are often expected from women both at the monogamy and polygamy setting. Some women are the bread winners of their family, why some supplement the efforts of their husbands. Many find it difficult to make two ends meet, thereby resulting in junk food vendors or petty trading. Access to credit facility will afford them the opportunity of having stable economic and overall development for themselves, families and the nation in general.**

**Key words:** Women, empowerment, credit, money-making venture, junk food, entrepreneurship, sustainable.

## INTRODUCTION

Women, especially the illiterate and rural women in the developing countries, tend to be seriously affected by the waves of ignorance and poverty. In some communities in the world, women are regarded as home keepers alone. The Christian religion classified women as help-mate to their husbands in all areas of life. This implies that women are to contribute their quota to social development. Because of the traditional practices of polygamy, the women had to fend for themselves and their children. Polygamous household usually consist of children; where women were compelled to supplement the provisions from their husbands in order to provide quality care of their children. Development of small scale enterprises has been identified as one of the ways of alleviating poverty in the developing countries. Participation in income-generating activities is of vital interest to women throughout the developing world. Women often participate in those activities which they feel bring increased income, which they could use to supplement whatever is available or brought in by their spouses. In some cases however, the woman are the bread winners of the family. Women also contribute greatly to the economies of any countries through food and crop production. In Tanzania for example, women are the backbone of rural-communities. They work in the fields and maintain the homes, but receive scant rewards. Women, who occupy more than half of the countries population of about 30 million people, find the first hurdle to setting up a business is access to credit. Getting a loan from a commercial bank is a night mere of form-filling and

intrusive questioning.

Experience has shown that rural women's involvement in income-generating activities is pervasive throughout the "third world". Throughout Asia, Africa and Latin America, women in rural areas are the traders and merchants. Women need loans to be able to conduct and/or participate in income-generating activities; this credit facility will afford them the opportunity of starting and expanding their business.

### Problem of the study

It has been observed over the years, that men were considered to be the sole provider for the family up-keep. This notion seems to have led to the neglect or marginalization of women in obtaining credit to start or expand their businesses. In addition to this, is the danger of hunger faced by rural women whose only source of livelihood is peasant farming. The perception of the policy makers in the developing countries differs from one another about the accessibility of women to credit facilities.

### Purpose of the study

The purpose of this paper is to educate the masses, the academician and various policy makers about the need of granting credit facilities to the women and to open eyes of the masses to another way through which women can

come out of poverty syndrome. This paper made use of the secondary paper retrieval model to provide solution to the aforementioned problem.

### **Concept of women's empowerment**

Karl (1995) remarks that long before the world became popular; women were speaking about gaining control over their lives, and participating in decisions that affected them in the home and community, government and international development policies. The word (women empowerment) has entered the vocabulary of development agencies, and other "international organizations". In defining the term empowerment, Karl (1995) explains what the power connotes as:

- i) Having control or gaining further control;
- ii) Having a say and being listened to;
- iii) Being able to define and create from a woman's perspective;
- iv) Being able to influence social choices and decisions affecting the whole society, and;
- v) Being recognized and respected as equal citizens and human beings with a contribution to make.

Women's empowerment could briefly be explained as the process of improving the human capital among women for effective participation in sustainable development activities. This will make women become makers of development and history not just receivers or objects of it. Given that women were almost more than half of the world's population, their capacity building is crucial for holistic development. Women's empowerment could also be said to compromise building their capacity or making the best of the lives of women for governance and socio-economic advancement. It is obvious that access to functional literacy, information, credit facility, natural resources, productive skills and capital facilities constitute women empowerment.

### **Entrepreneurship training and business for the women**

There is a dire need for women to be taught on how to make use of the credit facilities procured for their businesses. This can be done through "adult literacy functional education", in the area of technical entrepreneurial and managerial skill. Technical, managerial and entrepreneurial skills are the three components essential for successful operation of an enterprise. Technical skills are specific to a particular occupation and include knowledge of the particular business one is planning to establish or be involved in possession of technical skills that can facilitate entry into self-employment. Lack of management competency has been found to be a major contributing factor on small enterprise failure managerial skills are needed to keep a business running. These can

be taught in the functional literacy classes organized for women development and vocational training centre. Good management, especially the basics of book-keeping, product costing and organization of work, is essential to a well-functioning enterprise. Entrepreneurship has been defined as the ability to combine factors of production in order to initiate an economic change, that is, the creative and innovative response to the environment in order to create wealth. The entrepreneurship ability of the women is a determinant for sustainable development of their community.

Increasing the supply of entrepreneurship among the women is of great importance to economic development of the developing countries. Training for development of entrepreneurial attributes is different from training for managerial skills, although the two may overlap. The former involves changing the attitudes and perceptions of an individual, while the latter involves imparting a particular skill to that individual. The type of training given to the women before granting them credit facilities; will cause a change in their attitude and imparts an enterprise culture in them. It will make them to realize that hard-work will enable them to succeed in business and that they can take control of their own affairs. Adult women are better-off learning through action. The idea of learning by practicing, means taking the women out of the artificial learning location (of the classroom), so that they acquire experience in everyday situations.

### **Money-making venture for the women**

Money-making venture can be seen as some form of employment which enables women to engage in the activities that will increase their income. Money-making activities include any self-supporting project where benefits accrue to women from sales of items for money, or from increased produce. The type of venture available for the women varies from country to country in the developing countries. For example, venture may involve planting of trees for one reason or the other, thereby improving production in the gardens and fields. In Nigeria, quite a number of women groups are involved in activities such as sewing, dyeing, weaving, gardening and the manufacture of candles, soaps, cloth softeners, vaseline, beads making, poultry, etc. Whatever the case, women still need the assistance of men in seeing to the success of the business.

### **Characteristics of gender relations in the developing countries that call for credit advancement for women empowerment**

The wife is traditionally responsible for all domestic duties, including not only cooking, but also production of subsistence food, such as vegetables, groundnuts, chickens and cassava. The husband, who may be

polygamous, produces food from hunting, fishing and in some cases a cash income from trading. The husband is also responsible for selling any cash crop, even though his wife and children too might have contributed in producing the cash crop. The husband is the head of the household; therefore he is the person responsible for economic decision in the household. Any surplus sold for cash is in the possession of the husband. If the husband goes to the nearby town market to sell meat or cassava, it is his decision that prevails on how to spend the money. He may buy agricultural implements, might even waste the money on beer and additional wife. Women therefore are much subjugated in most developing countries, sexually, socially, and economically, although she has a degree of economic independence within the household. She is in charge of the domestic subsistence economy, and also responsible for feeding the family. A wife's pot is her sphere of influence. Where a husband has several wives, each with her homestead and little farm, each polygamous wife especially the senior wife, may achieve a higher degree of independence. These characteristics call for empowering women through credit facilities, so that she can control an aspect of economic activities for sustainable development.

One of the main reasons is to increase the family's income through expanded production. Women need credit to increase their productivity and income just as rural development schemes need to improve women's productivity.

### **Access to credit facility**

Women do participate in both formal and informal markets in the developing countries. Some are involved in formal loans. However, not many women borrow or invest in modern banking systems. Two major factors restrict women's access to formal credit more than men, particularly in most developing countries. A major hurdle for the women is collateral, when it is required. Collateral includes houses, land, and other properties. The problem is that most of these properties are in the name of the husband, who is the head of the household. The second major obstacle is that many lending institutions do not have programmes that address the type of works done by women. These problems have led women to find other means of borrowing money. These include indigenous borrowing systems, whereby women obtain informal credit from relatives, money lenders, local group money collectors, etc. The self-initiated rotating credit association is one of the most interesting schemes. In this case, a group of people who agree to make regular contributions to a fund are involved. The fund realized becomes the property of each contributor in rotation. In Tanzania for example, a non-profit making organization known as the International Co-operative Alliance (ICA) is assisting women in accessing loans. The organization

was formed with the aim of uniting, representing and serving co-operatives in the world. About 30,000 women in Tanzania's northern region of Kilimanjaro are being helped by the ICA to set up savings and credit associations to raise capital for their businesses. Another example is operating in Swaziland. There are some organizations offering loans to women. One of such is a "women's finance trust". It is a membership organization which provides practical services to meet women's needs for financial assistance.

The organization is open to all women residing in Swaziland. Members will have to deposit some amount of savings account, which will afford them to apply for loans, after about 3 month's regular deposit. The amount interested charged is often lower than the Bank rate. The same trend is witnessed in Nigeria, government do make loan available for women affairs, either at "federal, state and local government levels". This is often complemented with various co-operative associations, for women at the grass-root level. In Ekiti state of Nigeria, the "micro credit family" makes provision for women to obtain soft-loan for small scale business, which will be repaid through a guarantor after a year.

### **Junk food selling centers and the hazardous effect that calls for credit facility for the women**

There are different types of junk food selling centers, in both rural and urban centers of developing countries. These centers are often owned and managed by women. In Nigeria for example, these junks centers include among others; well constructed solid structures, prefab buildings, make shift "cut and nail" structures and kiosks. Junk foods vendors roast their yams on top of make shift stores which, underneath flows dirty and stanching gutters. Some junk foods are solid food displayed in partially covered basins, wheel barrows or trays, others are not covered at all and are exposed to the environmental conditions for example rice, beans, bean cake (akara), puff-puff, buns and Kulikuli. It is a common feature to find a junk food seller selling the food near refuse heaps and in the dirty, offensive environment. Very few food sellers keep their foods warm in food warmers. Some snack sellers do not display their snacks in "show glass" or enclosures, neither do they keep them warm, rather, they sell them in open containers at the present atmospheric temperatures. Results from a study carried out by Uwhe et al. (1993) showed that all food samples (cooked white rice, vegetable stew, fried bean paste (akara), steamed bean pudding (moinmoin) etc.) were contaminated with some bacteria species.

These findings suggest that most of the "ready to eat" foods hawked in local markets may constitute sources of food poisoning and consequently public health hazards. All these call for credit facilities for women so that they can improve hygienically, and expand their business.

## CONCLUSION AND RECOMMENDATION

Women need to be given opportunity to have access to loan from both formal and informal means, so as to better the economic development of the developing countries. The type of vocational literacy given should afford the women ample opportunity to manage the resources for sustainable development. The Government and Non-governmental organizations, as the case may be should make the loan accessible to women, based on the following seven conditions:

1. Loans should be made available for short-term working capital;
2. Loans should be made available in small amounts;
3. Loans repayment schedules should be well spelt out for the women, so that others can benefit from the scheme;
4. Signature of the spouse may not be necessary;
5. Loans collection process should be quick without rigorous steps;
6. Loans should be given to home based or ambulant business;
7. Women should be able to get the information needed without any difficulty and that the officials should be able to assist the women in filling the necessary documents.

The type of the functional literacy education given to rural women should be in line with the work of justice development and peace commission (JDPC), which gives rural women the opportunities to be trained, not on how to read and write alone, but in different income generating skills, such as soap making, dyeing, tying and cassava processing. They should also be introduced to rewarding loan scheme and co-operative societies.

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