



*Africa-Canada Parliamentary Strengthening Program
Gender Equality Network (WWGG)*

WORKSHOP REPORT

THE ECONOMIC EMPOWERMENT OF WOMEN THROUGH MICRO-FINANCE Bamako, Mali; March 3-5, 2004

1. BACKGROUND

The WWGG's decision at its first inaugural meeting to hold workshops based on priority issues as identified by the regional group members, is the rationale for the Mali workshop. The West Africa region resolved to focus on economic empowerment of women through micro-finance. The choice of Mali was made by the WWGG. The workshop was designed to analyze the strengths and weaknesses of Micro-finance as a strategy for economic empowerment of women and for Parliamentarians to define their role in that approach. Participants were drawn primarily from West African countries though there was representation from Uganda, which was mainly for exposure to the activities of the WWGG. Because of the Gender network's interest in programs that are aimed at correcting the gender imbalance, the Parliamentary Centre was the major sponsor of the workshop, which also received a significant contribution from the National Assembly of Mali.

2. WORKSHOP PARTICIPANTS

The workshop was attended by 40 participants, 21 from the host country, 3 from Benin, 3 from Burkina Faso, 2 from Senegal, 2 from Niger, 2 from Nigeria, 1 from Ghana and 1 from Uganda. A senator from Nigeria and an MP from Kenya who had been invited were unable to attend. Of the 40 participants, 8 were men mostly from the host country, Niger and Burkina Faso.

3. WORKSHOP DETAILS

3.1 Workshop Format

The workshop opened with statements by the Chair and representatives of the major participating organizations. The official opening was followed by the main presentation on micro-finance, which was supported by a project visit and discussion. There was a tour of the national Assembly prior to the breakout session. Presentations on legal issues relating to economic empowerment of women and one on the relevant phase of micro-finance preceded the drawing up of the action plan. The workshop was officially closed with remarks from a Parliamentary Centre representative, the Chair, first Vice President of the National Assembly and the Minister for Gender.

3.1.1 Opening Statements

As Chair of the workshop, Hon. Dicko Cissé welcomed participants and outlined the workshop objectives. The Parliamentary Centre representative gave a background to the workshop, including a brief history of the WWGG and its activities. An open invitation was also extended to workshop participants to join the gender network. The Canadian Ambassador to Mali, Her Excellency Louise Ouimet talked about the strong relations between Canada and Mali and also about the importance that Canada attaches to gender equality. The First Vice President of the National Assembly of Mali, Hon. Mountaga Tall officially opened the workshop by welcoming participants and giving assurance of Mali's support for economic empowerment of women.

3.1.2 Presentation on Micro-Finance Schemes

The presenter, Mme Oumou Sidibe who is the Executive Director of a non-governmental network of savings and loans organizations called Nyesigiso (House of Confidence), introduced the presentation by giving an overview of the poverty situation among women in Mali and by explaining the rationale for Micro-finance. Like most women in Africa, Mali women are producers of 80% of the family's food requirements, but they neither own nor control the means of production. Commercial financial sources require collateral in order to access credit, but lack of ownership of resources makes credit inaccessible to women. Nyesigiso's objective is to alleviate poverty among women through financial schemes aimed at filling the resource gap. The presentation was on two schemes, one based on collective savings and deposits into a village bank and the other, based on group borrowing. While the savings scheme was financed from private sources and the members' contributions, the group-borrowing scheme was financed from private sources and government. Both schemes are based on group membership, which is voluntary. The decision on the appropriate scheme for each group was dependent on a group's needs and circumstances.

3.1.3 Strengths and Weaknesses of Micro-finance

The conclusion of Nyesigiso's assessment was that micro-finance has raised the standard of living of women through income generating activities. Women involved in small businesses have become economically independent and have also contributed to employment creation. However, there are challenges that pose a threat to the sustainability of both micro-finance schemes. As the number of women accessing micro-finance increases, Nyesigiso is under pressure to increase the level of resources that can be made available. Some of the challenges relate to low population density areas where the number of women to form a viable group is inadequate. The situation is exacerbated by the unequal distribution of the family resources, which makes it difficult for women to raise the necessary savings and participate in a group.

Nyesigiso is experiencing repayment problems with the scheme that is partly government funded. Some women access credit, but only to pass it on to others who are not directly accountable and consequently, disappear with the funds. In some cases women are reluctant to borrow because the husband will demand and utilize the money, leaving her with the loan repayment burden. The repayment period of one year for some products was identified as one of the reasons for the default in repayments. Examples of such failure make other women reluctant to borrow. Because of society's perception of a woman's place being in the home, some women are not aware of the existence of sources of finance.

3.1.4 Strategies for Sustainable Micro-finance

There are more poor people in Mali and in Africa as whole, than the rich. It is logically not possible for governments to provide sufficient funds for micro-finance. In order to access more funds, Nyesigiso has established a partnership with organizations such as Développement International Desjardins (the international arm of the Canadian network of savings and loans institutions). Instead of providing uniform products and conditions, Nyesigiso invests in studying the needs and circumstances of the different groups to minimize the rate of default by selecting the most suitable credit facility. In low population density areas, men are also encouraged to join the groups to ensure the viability of the relevant scheme. Micro-finance managers are trained to train women in basic financial management and they also disseminate information regarding available products and conditions. Women are encouraged to form groups on the basis of their knowledge of each other, in order to reduce the potential for defaulting. In some cases when people know about government's contribution to the credit scheme, they deliberately make no effort to repay and hence Nyesigiso does not disclose government's involvement in the program.

3.1.5 Project Visit

The second day of the workshop commenced with a visit to projects representing the two micro-finance schemes. The first visit was to a village bank where the managers explained the operations of the savings scheme, the conditions for borrowing, the accounting system and the training given to women to manage their own accounts. The issue of interest rates, which ranged from 20 to 28 per cent (depending on the activity), provoked a lot of discussion among MPs who questioned the viability of the financed projects. The visit then progressed to a group of women on the savings scheme who explained about the voluntary nature of the group membership and how savings are collected on a weekly basis and banked. The group is then able to access credit and engages in self-supervision for repayment, which is equally on a group basis. Women in this group are occupied in income generating activities such as buying goods at a discount and selling at a higher price. Despite the high interest rates, the women's perception was that they were engaged in profitable ventures.

The visit to the group-borrowing scheme revealed a sharp contrast from the savings scheme in terms of the standard of living. This group is engaged in small businesses such as supply of sand for construction of buildings and therefore requires larger amounts, which individuals cannot afford, but are equally too small to attract the attention of formal financial institutions. While they borrow as a group, each member is responsible for servicing her loan. Although this particular group was successful (which was attributed to their greater knowledge of each other), it was the group borrowing scheme which generally had repayment problems.

3.1.6 Comments on Presentation and Projects Visit

The MP from Nigeria Mrs. Saudati Sani commented on the presentation's exclusive focus on Mali, to the exclusion of activities in other countries in the region. She informed participants and circulated a brochure about "Better Life Program", an initiative of the former Nigeria's first lady, Her Excellency Dr. Maryam Babangida. The program among other things provides women with access to credit facilities for establishing cottage industries and processing of farm produce. The program also involves organizing trade fairs in order to create marketing opportunities for women.

Mrs. Adika Daibiri, MP from Nigeria, observed that the loan repayment rate was generally high among women and wondered if there was a specific reason for the situation being different in Mali. Mme Viera Soglo (MP, Benin) questioned the reality of women's economic independence without equal rights. Mme. Viviane Compaore (MP, Burkina Faso) added the dimension of women who are at times used by their husbands to access credit on their behalf and emphasized the need for an education program for men. There was also an enquiry regarding Nyesigiso's strategy for educating men to share the workload in the home with women, since women in both projects worked long hours without assistance from their spouses. Some Mali MPs sought clarification on why the finance schemes were not available in other parts of the country. One of the Mali men MPs expressed disappointment with the discussion's impression of antagonism between men and women instead of promoting a partnership.

3.1.7 Response to Comments

Although there were responses to some questions, the crucial issue of the workshop reflecting a regional perspective was not addressed. The absence of the credit schemes in some parts of the country was attributed to a combination of low population density and a level of poverty, which made it difficult for women to raise the minimum savings. Credit was only accessible to group members and hence, unavailable in areas where such solidarity was not feasible. As articulated in the presentation, the repayment problem was due to reluctance resulting from clients knowing that the funds were from government.

4. PRESENTATION ON LEGAL ASPECTS

The presentation by Mme. Soyata Maiga (lawyer) focused on equal rights as they affect women's access to and control over resources and was also a challenge to MPs with respect to their role. Despite women being the major participants in agriculture, they are denied land rights. Because of society's discrimination against women, they are excluded from the planning process and do not fully benefit from the education and training programs on micro-finance. Without equal rights, poverty reduction among women would remain an unattainable goal.

The presenter's view of the role of MPs was the need to be conversant with conventions dealing with gender equality such as CEDAW and the Beijing Platform for Action, to effectively exercise their oversight role. It was important for MPs to be knowledgeable about the constitution and laws affecting women's rights. In cases where the constitution was ambiguous, the various conventions referred to earlier serve as a source of reference. MPs had a responsibility to review laws and propose amendments or new laws; and a partnership with women lawyers' association was deemed essential for technical assistance with drafting of bills. The high illiteracy rate among women required MPs to be proactive in organizing forums for educating women about their rights and for debating gender equality issues. For women to benefit from micro-finance schemes, MPs had to ensure the production of information in local languages.

5. PHASES OF MICRO-FINANCE

In her presentation, the MP from Uganda, Ms. Mary Amajo, warned against the perception of micro-finance as a panacea for economic empowerment. She emphasised the need for MPs to be

informed about developments on global issues. The changing of donor focus towards HIV/AIDS and the environment implied a reduction in resources available for micro-finance, resulting in interest in micro-finance shifting from the poor to the more capable small business operators. The profit-oriented small businesses were subsequently attracting the attention of central bank regulations designed to safeguard clients' savings. Funds received by governments at lower interest rates were being lent at higher rates, rendering the small businesses unprofitable. Given this scenario, it was imperative for MPs to be well versed in the different levels of micro-finance.

In addition to MPs. being confident about the phase of micro-finance they were advocating for, research into legislation with a real positive impact on women's lives was an important role. Since human rights were about economic, social and political rights, security issues were also an integral part of economic empowerment and hence MPs had a duty to advocate for conflict prevention and resolution initiatives. Effective intervention by MPs was dependent up on involvement at the budget formulation stage and Uganda's example of a law enabling MPs. to participate in budget preparatory meetings, could be adopted by other countries.

6. BREAKOUT SESSION

6.1 Discussion Questions

Participants were divided into three groups to discuss the four questions presented:

- Based on the presentation and on your experience as it relates to the obstacles faced by women in accessing financial services, what solution do you propose?
- What roles must Parliamentarians play in the promotion of micro-finance and how must they do so?
- How can we improve representation of women in management positions of micro-finance institutions?
- And what impact can this have on participation of women in decision-making in society at large?

7. DISCUSSION SUMMARY

7.1 Obstacles and Solutions

There was consensus about the problem of collateral in view of the women's citizenship status in society, which denies them property ownership rights. Group borrowing was concluded to be the best option to overcome this obstacle. According to Mali's experience, spontaneous groups were more effective because participants have intimate knowledge of each other and thus, were able to assist other members with repayments when necessary. However, there was risk of failure due to groups being formed without a project in mind. The need for education as a pre-requisite for women to benefit from training in project identification and financial management was a critical condition for the success of micro-projects.

While some shared the perception that micro-finance has a positive impact among credit recipients, others expressed concern about interest rates which they considered too high. The question of education was again raised within the context of training the women in basic financial analysis, in order to ascertain the existence of real profit. Instead of advancing cash, it was perceived more prudent for credit suppliers to provide a line of credit for purchase of equipment and payment of related costs.

7.2 The Role of MPs in Promoting Micro-Finance

It was unanimously agreed that the budget was the most important mechanism for ensuring gender equality and hence MPs had to be conversant with the budget cycle process in order to effectively exercise their oversight role. MPs were therefore expected to be involved in:

- Gender based budget analysis to ensure the allocation of sufficient funds to ministries and departments involved in programs and projects addressing gender equality issues.
- Soliciting funds from donors interested in gender equality issues.
- Monitoring governments' implementation of the various international conventions on gender equality and lobbying for a quota system for appointments to senior positions including micro-finance institutions.
- Monitoring the performance of institutions dealing with micro-finance to ensure that the funds reach the intended recipients.
- Verifying the credibility of micro-finance institutions to ensure the sustainability of micro-finance.
- Lobbying governments to give long-term loans with a longer repayment period and at lower interest rates.
- Seeking technical support in drafting of bills.
- Examining tax laws with a view to recommending amendments or the introduction of new laws that are gender sensitive.
- Dissemination of information on sources of micro-finance and training opportunities.
- Encouraging women to form groups in order to overcome the problem of raising collateral on an individual basis.
- Educating themselves on the different micro-finance products available and advising women on the most appropriate products for their situations.
- Conducting research into gender equality issues and organizing forums for debating gender related issues.
- Educating men to share the family responsibilities.

8. OBSERVATION AND COMMENT

8.1 The workshop was well attended and the highlight was the impressive commitment demonstrated by all the men MPs who remained quite engaged throughout the workshop. It was encouraging to note the interventions by men MPs that mostly advocated for a partnership between men and women.

8.2 Despite the difficulties Anglophone participants experienced with translation, some of the contributions expanded the scope of discussions on micro-finance to establish the interesting relationship between economic empowerment and the issue of security.

9. CONCLUSION

- The workshop attendance was a success since almost 90% of the invited participants were present. The quality of participation and level of commitment by participants were high. This first concrete activity of the Gender Network was thus successful.
- Although the presentation on micro-finance schemes did not discuss the situation in the region as a whole, contributions by participants from other countries provided the relevant information. The objective of sharing information on policy and legislation was achieved through the circulation of a brochure on the Nigerian project and on the Ugandan law on budget intervention. It is hoped that the circulation of the workshop report will elicit reactions from participants, which can be shared among the Network.
- The participants drew up an action plan which specifies follow up activities some of which have a potential for further strengthening relations among MPs. Though the Gender Network can provide support, the responsibility is now on the participants to determine what follow-up action can be taken in their respective parliaments and constituencies. Participants are invited to share their experiences with the Network.
- Even though there was no specified need for capacity building among MPs, the workshop indicated the need for gender budget analysis to enable MPs to monitor the effectiveness of micro-finance.

*Parliamentary Centre
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