

Assessing Relationship between micro-credit and empowerment of rural women

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Abstract: rural woman helps to prepare farm , then she plows , harvests , does weeding and transplants , does milking and also acts as shepherd , weaves carpet , tries to make tools and handicrafts , bakes bread , cooks , does housekeeping duties , fetches water from water sources and from distances , fetches firewood , cares children , spins wool and makes curd , buttermilk , yogurt , butter and oil . In addition to all these, she is mother and family supervisor too. In spite of that rural women in developing countries are producer of about 80% of foods and responsible of supervising of about 30% of rural families, but their activities wasn't considered as economic activity and simply are removed from agriculture and rural development programs. Base on formal existing statistics, women form about 31% of agriculture active workforce in developing countries. While, informal and local statistics, estimate number of working women at agriculture part more than formal statistics. In Egypt, base on formal statistic, rural women's activity has been reported about 36 % . While local statistic represents between 35 to 50%. Base on formal statistic at many African countries (e.g. Congo) women's share at preparing labor workforce at agriculture part is 60% but base on informal statistics, above share is reported 80%. This statistical difference exists at most developing countries. In addition to aforementioned substances, it is possible to mention women's share of active force at agriculture part as follow.

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Introduction:

Rural women constitute about half of the world's population and in the world production supply they have energetic communion and constitute a great part of agriculture workforce. They constitute% 50 of the workforce and they participate in the production of half of the foods in the agriculture section. As an example the rural women constitute about 70 to% 80 of agriculture workforce in sub-Saharan Africa, %65 in Asia, %45 in Latin American & Caribbean, %80 in Nigeria & Tunisia and %80 in India, but their role in production system is the men's supplements roles and this causes a big responsibility inside their mother & wife duties and it takes a great time and energy of them. Studies in this field show that women spend about two thirds of their time for production, management & organize of their house as the men spend only one third of their time for such things. (Varzegar & Azizi 1367).

In the development countries, rural societies which are poverty for geographic reasons such as being far from urban societies or because of mountainous of zone and also as the roads are impassable and some other reason, they became deprived of many human

development programs. Unfortunately these societies are suffering of mortality because of poverty but what is clear here is that we can't attribute such privation to geography and nature of the zone. Every country is trying to solve such critical conditions by applying depoverity policies. (Bakhshoodeh and Salami, 2005)

Poverty spreading in village is a global issue. According to the Fao finding about % 75 of world's poor people that are more than 1 milliard people are living in rural zone and more than % 70 of this poverty people are women. As the most of the people who are poor are living in village and are women is the reason for insufficiency of rural development programs.

One of the other basic barriers in development of rural women is their independent inaccessibility to get credits for investment in their job. Although their illiteracy is the big barrier to use of bank credits, but this view that women are dependent people that their husband should decide about their financial decisions is the other reason that rural women couldn't access to official credits. Maybe these barriers are the reason why rural women are happy about applying micro-credit thought in village. (Najafi, 2007).

Economic effects of rural women's financial self-reliance:

it is possible that rural women's financial self-reliance made some crudities (malformations) in the family for a short time, for example, rural women became proud after financial independency and find the independence & Excellency sense in themselves but such problems will be small and for a short time.

The rural women's self-reliance has positive effects which is useful for women and their family and also will help their economic improvement that we will mention some of them. (Chowdhury, 2005).

3-1- Self-reliance and financial independency:

The income of the rural women makes them financially independent. The financial independency will let them to spend their wage in the ways that they like. Of course their dependency to their family won't let them to spend their wage out of their family needs. Because of this, their financial independency will let them and their family to be self-reliance. (Ghaffari, 2000).

3-2- Change economic behavior:

Although we are familiar with the rural women's role in the village and family's economic, but they direct & indirectly start a new economic relation, with finding modern jobs & financial independency. Catching loan from financial organizations has forced them to have economic schematization for loan reimbursement and to have intellectual economic behaviors. So after that rural women become active in economic activities. In rural traditional economic, women only have productive role and they don't have any role in economic planning, providence and they don't pay any attention to profits and losses. But in this new condition, for managing affairs in best way, the women have to be active in all of the affairs from production to dispense and also in others economic aspects. In other words, women will not be a productive only; they will contribute in managing of economic activities and will find various economic behaviors. . (Araghzadeh, 2002).

3-3- Independency:

The rural women will not dependent economically to their father or husband because of financial independency, this independency is very important to women who have children or they have lost their husband, because the financial problems have forced the rural women to have marriage which is not suitable for their children & themselves. Although the women can solve their financial problems with this kind of marriage but they will have many cultural, social & mental problems. If these women could manage their life with having a job, they can improve their family & kinship's relation.

The rural men & women should notice that their financial independency is not the meaning of an independency in their family, social & cultural affairs and making consensus between financial & economic

affairs is necessary for family's consistency. (Fiona Steele et al, 2008).

3-4- Help to economic growth

The rural women's financial self-reliance will increase their motivation for finding a good job. As a result our rural & urban society will develop by working of women. And it will help direct & indirectly to our society's economic development. As the women constitute about half of the rural & urban's population, so by increasing their production, our society will develop economically. (Jameela, 2010).

Importance of women's participation:

It's not possible to reach rural development goals without understanding the present situation of society and its groups. Meanwhile identifying the groups with critical roles in the rural area development program will be of importance. Women, as a rural group, due to numerous reasons have always received the least attention while their activities in non-monetary sector play a certain role in rural household economy. As most men leave the village to work in town, women provide much of the agriculture force in the area. In recent years the situation has been more considerable as rural migration to town is getting more. In most Iranian villages women's population is more than men. According to FAO's reports, in some African regions, for 60% of families, women are responsible for supervising family. Even for cases that men are the direct responsible of production affairs, women's role in family economy can't be denied just because they don't get paid. Although these efforts appear to register in none of official statistics, they easily replace some other activities with significant financial value.

Studies by FAO show that more than half of the world's crops are collected by women. According to estimates, 1.3 billion of world's poor are women, thus the slogan "poverty has a feminine face" is spread worldwide.

Given that in many parts of the world, the production potential of women is not used properly, a cost-benefit study by the World Bank shows that investing on women in developing countries will be more profitable than any other investment. In addition to financial benefits of this huge force, its ancillary results will also be useful. The ancillary benefits of women's employment include: lower population growth and children mortality rates (Navab Akbar, 1997).

Rural women are a big part of productive force and in developing countries third to half of them are supervising households; as a result they face numerous problems, such as:

- Lack of access to social and health facilities
- Various daily chores inside and outside the home
- Men's skill and increase of women's responsibility
- Lack of professional to educate women

Around the world and in Iran, the issue related to female employment, especially in rural areas (which is

a manifestation of participation), is not unemployment but unpaid employment; because all the unpaid work done by women at home, such as cleaning, washing, nursing, social affairs, agriculture and livestock,... are encountered as non-economical activities; While visible economic sector cannot continue to exist without this invisible sector's goods and services. On the other hand, rise of industrial system and expansion of factory job all over the world, attracted men to these economic systems and this has given men an objective vision; Whereas, the majority of women, due to working alone at home have got a subjective vision. Now, as women enter labor market and start to participate, they'll become objectified; because the work system will encourage them to think like men. Being more around the house and their local area will help both men and women in terms of subjectivity and objectivity (Arab-Mazar and Jamshidi, 2005).

Thus the issue of women's participation has important effects, including:

- Acceleration of plans implementation
- Realization of people's every day needs with cooperation and consultation
- Increasing efficiency and reducing functional expanses of projects
- Creating opportunities for talent realization and scientific activities
- Creating sense of solidarity and cooperation
- Increase social and personal awareness
- Women, sharing ideas in decision-making and determining their own destiny
- Participation of women as an important factor and a major power to achieve development

Therefore, according to preceding discussions and importance of women's participation in future plans, it's of great importance to study and recognize the factors affecting their participation in social activities of rural area (Fakhraee, 2002).

Micro-credits:

One of the raised strategy , in order to accelerate investment process and reinforcing financial foundations , and saving , at deprived and rural areas , has been empowering and eradicating poverty of rural societies through efficiency with emphasize on applying micro-credits (Shahnaj and Sajedur, 2009).

Micro-loans as useful tool to fight against poverty and starvation, has proven its capabilities and values to develop these areas. These tools have ability to change and improve human's life, especially poor peoples. Micro loans , saving accounts , and giving various bank services , cause this belief in low income and poor family that , by accessing to these services , their income will increase ,so they can protect themselves against barriers of unexpected problems and their current level of life and also invest on nutrition ,

housing and their children's education.(Varzgar and azizi, 2001)

Accessing to these conditions is among main goals of third millennium program (i.e. eradicating absolute poverty of human societies).

Nowadays micro-credits and supplying micro financial resources, has changed human's life and cause to revive different societies at poorest and richest countries of world, so that we can see growth in human's power to access to common financial services. By accessing to wide range of financial tools, families according to their priorities, invest on cases such as costs of education, healthcare, healthy and good nutrition or housing.

Applicants for Microfinance resources mostly involved family supervisor women, pensioners, homeless people, frugal workers, small farmers and micro entrepreneurs. These people are divided into four groups: Poor, very poor, relatively poor and vulnerable poor.

Whenever repayment afford , bond terms and accessing to data , in this classification will change , in order to supply sustainable financial needs of various clients , procedures and operation structures will be develop .(Fami, 2001)

Generally, in most countries, micro finance sources are considered for poor women. By women's access possibility to finance services, they committed to loan and ensure its repayment and preserve their saving accounts and also enjoy insurance cover. Supplying programs for micro financial resources have strong message for families and societies. Most of qualitative and quantitative studies and researches have proven that accessing to financial services; will improve women's conditions in family and society. Women's confidence has increased and they are aware of their abilities. (Banihashem, 1999)

Thus, it has proven that supplying financial services for poor peoples is powerful tool to decrease poverty so that make them able to establish finance, increase income and decrease vulnerability against economic pressures.

In micro-credits programs other than offering and distributing micro loans, there are also small savings and deposits so that they are designed as form of saving-credit programs. The existing term in phrase "micro-credits" points to two basic concepts that is due to dominant perspective on this approach. First term (i.e. credits) points to rural areas and lack of access for many villagers to formal resources that are one of their major problems. And at system of micro-credits, are tried to decrease poor families' access barriers to credit sources and also to increase effectiveness of these markets. Second term (i.e. micro) emphasize on deficiency of development, according to classic economist's method.

Emphasizing on concept of “micro” means revising recommendations of market economy at rural society's development.

Generally, goals of micro-credits programs are: (Moazami 2005)

- a- increasing access coefficient of low income rural women to credit facilities
- b- considering and focus on low income rural women groups
- c- empowering rural women to enjoy needed job skills
- d- empowering rural women to deal with group works and cooperative activity
- e- equipping non-productive villager's saving (women) to effective and productive investment
- f- planning in order to perform projects that are based on capacities and facilities of that area
- g- breaking poverty cycle and saving rural family
- h- Developing employment and stabilizing jobs which faced financial crisis

Micro-credit characteristics:

1- Empowerment

Empowerment is one of the major goals of micro-credit and it's considered as a proper index to evaluate it. Creating self-reliance and self-confidence in people, empowerment is one of the important factors to deal with poverty. It also creates social capacity.

Empowerment plans include:

1. Forming financial groups and creating social capacity
2. Education as a supplementary factor of credit-saving
3. Assigning management of credit plans to members

2- Stability

Stability is a fundamental characteristic for a comprehensive development program and leads to continuance of the program and makes credit-saving plans different from others.

Stability indicators:

- reduce dependence on external financial resources
- reduce trading expenses
- cut the loan subsidies (Banihashem, 1999)

3- creating and expanding income generating activities

A study conducted by World Bank about micro financial institutions highlights three most frequent goals:

1. Creating employment opportunities for members
2. Increasing vulnerable groups' income and productivities
3. Reduce family's dependence on agriculture in droughts' prone areas

Rural women are among those major groups at society who previously were considered less by planners, due to specific reasons in the past. And this problem is more observable at developing countries. While, by looking at women's history of economic and social life, we can find that this great group, continuously have played basic role in forming economic condition of country. This great group consistent with men have had active role at areas of social-economic activities and always have had major part on economic production of society. Nowadays, supporting family supervisor women is adopted by universal society, as politic, economic a social concern and nearly all countries applied related approaches, and however these efforts have resulted in failure, in so many cases (Banihashem, 1999). paying part of cost of life by government or charities , establishing forums to analyze family supervisor women's problems , supplying necessary facilities to grow and improve child's life quality and paying facilities to provide sustainable employment , are among most important approaches to support family supervisor women . Paying credit facilities to access sustainable employment with easy terms at limited time, is one of the most important approaches to support family supervisor women. Because alongside supplying their continues needs, their esteem wouldn't be marred. Currently, this approach is used at many countries and positive results have emerged. (Ghaffari, 2000).

Empowering rural women:

Empowerment is capacity that woman can obtain in cultural and social environment, for economic independency and self reliance, by controlling over emotional decision making and far from violation. Empowering means, evolution and developing activities through non governmental organizations (NGOS) that lead empowerment to improve economic dimensions. (Amiri, 2000)

Enabling is process that, during it, people of society do activities to overcome barriers of advancement that finally cause their domination to determine their own density. The term “enabling” means overcoming fundamental inequalities. So it is different from self-reliance. (UNICEF, 1997)

Enabling, enables individual to overcome any problematic condition and consider barriers and problems as part of life and positive campaign. Finally, enabling provides energy to overcome most intellectual barriers and external problems at private life.

Thus, among all what have been said, it is possible to present suitable definition of enabling women, as follows:

“Process of explaining women about themselves (and also men about them) for instances that they must or want to do, and growth of their willingness and courage until they reach to needed competency “(management of rural and tribal women).

it should be noted here , that major factor which should be considered about women’s ability , is eliminating individual and social barriers , and finally preparing field of economic and social participation for women at all fields . purpose of women’s participation , is because of their dominance on all affairs of village including decision making process , organizations , forums , enterprising posts and ... that involve , participation at all social and economic dimensions .

Discussion and conclusion:

Woroniuk و Schalkwyk (1998) at their conducted research believe that now, micro credits, micro finance sources and small business unites are most effective mechanism to decrease poverty.

Plitt and others, conducted research as they called it “do credits programs, can empower women “? Results showed that corporation at credits programs helps empowering women.

Goetz و Sengupta (2003), presented negative image of credits effects on empowering women. They concluded that most women have minimum control on their loans. And when repayment period is short, this shortage of control has devastating effects on women welfare.

Hashemi and others (2004) found that joining to Gramin Bank, has meaningful positive affects on controlling women, and helps to family income.

In researches that conducted by Nanda (2004) became clear that women participation in credits programs had positive affects on their demand about health care.

Fiona Steele and etal (2008) in researches that conducted as called “ influences of credits programs on empowering women at Bangladesh , found that women who joined to credits programs , have participated in more educational programs and have married with more educated men and also they have saved more and they had more cash .

Ellen and her colleagues (2009) used approach called it “credits and education at Bolivia, Ghana,

Honduras, Mali and Thailand”. This approach looks for empowering women through financial services with education. In this approach, women get familiar with importance of credits through education and extension and also familiar with ways to access it through establishing different groups.

Shahnaj and chaudhury(2009) in research as “credits and its role on empowering women “ concluded that there is meaningful relation between attending in credits programs and empowering women , at economical dimensions .

Ruhal amin and others (2010) found that those who joined credit funds had more ability rather than those who didn’t.

Jameela (2010) presented that credit programs has shown lot of affects on empowering women so that has increased their social, politic and economic ability.

Thus it is obvious that credits programs and its educational and empowering programs can be affective on social, humane and economic development or rural society, if it be associated with proper and gradual practices and base on reciprocal communications principles and apply opinion of local society.

Maybe the main challenges that threaten credits associations , is lack of necessary emphasizes on social dimensions and on reinforcing their basics , that practically cause that this social foundations lose its efficiency soon and practically changed to unsuccessful institution .

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