Rural women: employment and micro finance plans

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Abstract

One of the fundamental development debates is correct and improved utilization of human resources capabilities and talents. Rural women position as a half of rural community's work force has particular importance and requisite which up to date has not received its deserved attention in managerial and legal systems.

The default belief is that rural women play outstanding community roles in spite of their not fully understood economical, social and cultural status and their high participation rate in many economical, production- and service-based activities. They also play an important role in production of various products such as agricultural, horticultural, live stock, hand craft and transformational industries. Their presence in other activities such as decision making, management, ownership, employment and income making, however, is challenging and unfortunately less than their deserved attention is devoted by officials and planners of rural development field due to variety of reasons. One of the approaches to help rural women and to lessen their poverty is taking advantages from their work force in small businesses and micro economical operations. This policy needs financial resources to be spent in developing such occupations.

Key words: rural women, micro finance plans, women employment

Introduction

The "Work Principles and Programs" declaration of Land Reform and Development International Conference, July 1979, declares that "women must equally participate in socio-economical and political processes of rural development efforts and play their full roles in improving rural dwellers' life environment" (Women Affairs Bureau of the Presidential, 1997).

One of the most effective practical approaches in the field is designing and implementing micro finance program focusing on women efficient presence and participation with the aim of poverty reduction; this approach is able to resolve most of the social, economical and cultural barriers and problems which are appeared in the course of achievement to develop objectives especially rural development and in determination of rural and tribal women activities (Rahmani Andebili, 1993).

The situation dominated on the Iran’s villages is such that it promotes rural poverty especially for rural women due to various reasons including small agricultural farms and production units i.e. agricultural and live stock units, water shortage and drought, unavailability of protection facilities such as cool rooms, improper rural roads, lack of transportation infrastructures, high load of sponsorship among rural families, low price of agricultural products and limited governmental investments in rural areas, lack of public investment from other sectors in the agriculture sector and low level of capital and savings in rural areas (Asefira, 2002).

In spite of global attempts to bring up rural women into developmental endeavors, lots of countries are facing with various difficulties for involving rural women in development processes including economical development. These difficulties are mainly limiting with respect to single parent families. The other challenge
for rural women is unavailability of financial institutes' services particularly credit banks. In most parts of the world countries, credit payments are based on farm size, so rural women are mostly deprived of such rights due to their small sized farms or even because of ownership problems (Harighi, 2002).

Micro finance is one of the most effective tools against poverty which most of the countries in five continents of the world have accepted such provisions. Based on available statistics, micro finance plans have succeeded to include 8 million of poorest people in developing countries under their support (World Bank, 1999).

Rural women and employment

Most of the rural women especially their poorest one are working in economical production sectors along with their house keeping responsibilities. It is obvious that in most of the societies, women's work and activity levels are higher than men but their roles are ignored in economical calculations and national auditing and the problem is more serious in rural communities of developing economics.

The ignorance of women work importance has caused some deprivations from their own real rights so they mostly receive very little share from planning, credit distribution and income. Women with their exhausting works and responsibilities receive very little credit and more importantly, their work's formality is mostly disregarded (Lahsaeizadeh, 1990).

For a rural woman, involvement in planting, cultivation and harvest activities beside other family members is seen as one of her house keeping responsibilities and not as a separate job or occupation. Neglectfully, house keeping is not included as a job in census reports so it has caused a large portion of rural economical activities to be considered as an inactive area. Based on economic view, it is unreasonable to pay credits to unemployed communities. This careless account of reality thus has resulted in a large population of producers to be excluded from bank credit programs (Women Research Group, 1995).

Various statistics reveal that our country's rural women have a wide involvement rate in economical activities. They are involved in 70% of rice planting, up to 90% of carpet knitting in some areas, 90% of vegetable planting and also silkworm rearing in Mazandaran Province (Naseri, 1996).

With respect to rural women population which includes 20% of total country's population, on the average they are engaged in 40% of agricultural activities, the value does not include their house keeping activities. According to estimates, women are active in 70% of rice planting, 90% of vegetable and cash crops production, 50% of cotton and oil seed crops production and 30% of horticultural activities of the country. The other heavy duty activity of rural women is rural hand craft in which women's share is 80% of the community (First Advisor Research Group, 1996).

Rural women and micro finance

The nature of "micro finance" is based on human beings requirements and capabilities and it origins from the fact that no one knows poverty except poor persons and it is necessary to provide them with desired environment and needed working tools. Totally speaking, micro finance programs aim at increasing poor person's income through self-employment and providing training services to improve resources utilization (Rasouloff, 2002).

Micro finance plans play an important role in poor people access to social primary services. According to planning for micro finance granting, it was estimated that 100 million of poorest families all around the world would be under the cover of micro finances until 2005 and women in such families received especial attention in the program. Based on experience, women income has tremendous impact on improvement of family welfare especially for children and girls. Moreover, this class of women will find their appropriate status (International Affairs Office of Agriculture Bank, 1999).

An interesting point here is the level of credits repayment. Based on statistics of the World Bank, micro finances repayment rate has been very successful and mostly 98% of loans have been repaid by loan receivers. Poor families have demonstrated that although they have not any security for safekeeping the micro finances, but they are bank-friendly and try to increase their savings as well as in time repayments (Ledgerwood, 1999).

In views of classic economists, the word "micro" indicates development inefficiency. In the classic economic view, human beings as consumers try to maximize their satisfaction and as producers, their efforts are
focused on minimizing production costs. In the production field, average cost will be decreased by higher production rate and higher capacity for a product is associated with higher exclusive profit and pricing possibilities (Rahimi, 1999).

Finances and finance programs

In order to create technical changes in production activity, credits are needed from one hand and proper application of such credits with desired output requires appropriate training and technology on the other hand. Thus, credits beside technology and production technical skills are depended on each other. Predetermined condition for effectiveness of injected credit in production activities and its acceptable output is providing proper technology based on rural areas' social and economical environment. This shows why in development viewpoint credit is considered alongside with "credit planning". The credit plan is not only dealt with giving and receiving money but also has various steps during which all training, marketing services, product entry, input supplying and loan services are considered simultaneously (Rahimi Andebili, 1993). The objectives of micro finance plans can be cited as:

- Increasing low-income rural woman accessibility to credit facilities
- Paying attention and focusing on low income rural women
- Raising women income level through small projects
- Empowering rural women with needed job skills (training)
- Empowering rural women with group work and participation
- Equipping unproductive savings of rural women with productive and efficient investments
- Planning of projects based on regional capacity, facilities and environment
- Breaking the poverty cycle and relieving rural families from poverty
- Developing employment and stabilization of jobs in financial crisis events (Moazzami, 1999).

The necessity of micro finances for rural woman

Regarding what was presented at the beginning of present paper with respect to rural woman positions and roles, and based on the nature and objectives of micro finance programs, these credits and programs have some important and necessary aspects in service and production activities for rural woman which briefly are as follows:

- The role of rural woman as productive work force in agricultural and rural development
- Unavailability of credit resources for rural woman
- Satisfactory investment output at micro and small scales
- Importance and role of rural families' income increase with respect to family economic statute
- The role of rural woman financial power in improving all of the family development indexes and consequently in rural community as a while (for example, researches show that environmental movements in most part of the world are created or leaded by women (Momsen, 1991)).
- Limitation of formal (governmental) credit resources and its bureaucratic barriers

Rural woman self-reliance, as a main outcome of the micro finance plans, has several individual (psychological), economical, social and collective impacts. The individual impacts of rural woman self-reliance are women self-esteem, equality of men and women and authorizing women. The most economical ones are self-sufficiency and financial independency, changing economical behavior, autonomy, improving economical growth and job creation among families. Social impacts can also be mentioned as improving women social base and role, family strengthening, changing family relations, weakening patriarchy thinking and population regulation. Finally, the collective impacts of rural woman self-reliance are also:

- Application of financial capabilities in improvement of social, economical and cultural conditions of villages;
- Struggling and fighting with contamination, rural poverty as well as rural environment protection;
- Utilization of available resources for environmental development.
Conclusion

If the micro finances are provided in the form of coherent and comprehensive programs based on women and rural families economical and social conditions and with respect to their capabilities and skill levels, it will be possible to achieve the predetermined objectives and to provide them with production technology and needed activities as well as necessary credit. In this manner, the injected credit will have satisfactory output and also operational and production productivity will be increased. This systematic and comprehensive view is able to rescue rural families and women from null cycle of poverty and indigence.

If such credits are granted without due attention to individuals’ skill requirements, it will be failed to achieve such objectives. Some results of credit granting cases without coherent and regular programs are: failing to achieve the satisfactory level of production productivity by the credit receivers, inability to repay in due times, instability of activities and spending much of the credit out of production activity cycle due to failure and lack of necessary skills. But if the credit has a planning framework, its receivers will improve their technical and job related skills and will spend it timely in their activities and production operations and so they will achieve improved production, income and life style.

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