

The role of micro-credit in improving financial situation of rural women

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Abstract: Rural women are considered as a noticeable potential in the community either directly (crops production, livestock, handicrafts, cottage industries) or indirectly by helping the agricultural sector (as labor). About 5.6 million women are involved in agricultural production, and activities related to planting... harvesting, preparation of animal food, and taking care of livestock and poultry and some certain activities related to trading and marketing are all different fields of rural women's role and participation. Based on current statistics, women in rural area participate about 50% in conversion industries, 22% in producing crops and livestock, 75% in handicrafts and in areas related to planting...harvesting, respectively, 25, 24 and 4.26. And also in activities related to livestock, they handle 23% of livestock grazing, 42% of animal care and 100 percent of total poultry in the village. Therefore their role in achieving food security is undeniable. But, like most developing countries, this crucial role in society and in process of rural development, is not obvious. In Iranian rural community, about 80% of women work, but they are mostly considered as housewives, unpaid employment, domestic workers, family workers, or independent employers. The statistics often do not take into account seasonal, part-time, unpaid employment, and housekeeping activities. In economics and social sciences, those of women's activities that have emerged out of house and affected national economy, are the ones to be noticed. In most research and statistics men are known as the heads of household and they are also the owners of lands and fields. That only 1% of the rural lands are belonging to women does confirm such matter.

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Introduction:

For an active participation of women in development, first we need to give a definition for their role in development and then barriers related to their role will be discussed. Although apparently there is no difference of gender in development programs but reality is that women are less considered in participatory programs and most of these plans are planned for men. Finally, planner's optimistic look toward women's participation will be greatly helpful improve rural family budget and will increase the difference between urban and rural families. If, by credit, loans and other financial facilities, rural families are able to build up their own business and make a living through the income and become financially self-reliance or independent, no doubt we will witness some social, economic and cultural changes in villages (Varzgar and Azizi, 2001).

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. (Varzgar & 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).

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.

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.

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).

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).

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).

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).

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).

Discussion and results:

Although in recent years rural women have participated more in villages' management, social and cultural organizations, and cooperative institutions' management; but having a lower level of literacy, education, income and social status than urban women they still have the smaller share of administrative and official jobs. Some barriers to women's participation which can be categorized in 3 groups of personal, familial, and social include: low literacy level, large volume of work both inside and outside of home for many reasons including seasonal migration of men and the great diversity of rural women's activities (nursing, housekeeping, agriculture, handicrafts, livestock,...), malnutrition, low health indicator, Patriarchal structure of society, father or husbands disagreement with a woman's participation in social and economic activities for various reasons like cultural reasons or unwilling to lose the labor force at home, negative attitudes towards women's abilities, gender discrimination, family's poverty, superstitious beliefs, misleading customs like fatalism, low access of women to credit and facilities, inaccessibility of extension services, men-orientated social activities and participation plans, deficiency of professionals needed to educate rural women, problems of access to health services and social facilities, low income of rural women compared with men, lack of non-governmental organizations dealing with rural women's problems, few women managers in rural area. (Rahimi, 2001)

Nowadays, micro-credit and micro-financing have changed people's lives; it has brought back life to poorest and richest communities of the world. So we can easily observe a great increase in people's access to general financial services. Facilitating the access of families to financial services, they begin to invest on educational expenses, healthcare, healthy nourishment, trading, and housing based on their priorities. Overall in many countries financial plans mostly focus on women. Women, provided with financial facilities, will receive a loan, guarantee to

pay it back, keep their saving account and also they'll have insurance coverage. Micro-financial plans have an important message for families and communities. Many studies have proven that women's access to mentioned facilities may improve their conditions in family and society; it also helps them feel more self-confident and makes them aware of their own abilities. Thus providing micro-credit services for the poor in society is a powerful tool to reduce poverty and so that they are able to create assets, earn more money and become less vulnerable against the economic pressure. Of about 1.3 billion poor in the world there are 900 million poor women, this obviously shows that poverty has a feminine face. According to UN's development fund, 10% of world's income and less than 10% of world's assets belongs to women. While a majority of them never possess the capital needed for their activities, women still play an important role in the economic development of country. Therefore women draw the micro-credit policy maker's attention more than others. Choosing women as the main target of micro-credit plans is an effective strategy to eradicate poverty; because their income will upgrade the family welfare; furthermore earning money improves their social status. In some countries this choice is influenced by society's attitude and culture (Araghzadeh, 2002).

For instance founder of Grumman Bank of Bangladesh, Mohammad Yunes, has stated that: "women have plans for themselves, their children, and their family life; they always have an overlook while men just look for fun" to explain why 94% of their clients are women.

Women's access to micro-credits have shown that their income benefit to improve their family and provide livelihood. In addition to all these another reason of women being the target of micro-credit plans is that women have higher loan recovery rates. Totally, expanding women's access to micro-credits may lead to many useful results which in economy is mentioned as "virtuous spiral"; because their access to micro-credits results in family welfare and in a broader point it'll improve community's welfare and shall be increased welfare this process is repeated.

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.

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.

A study conducted by Chabokru et al (1384) shows the crucial importance of micro-credits for farmers who do not possess physical financial assets (land, building, livestock, well...) and work in agricultural sector because of environmental conditions (such as living in a village) or because it's their ancestral occupation.

So today, women's participation in sustainable economic, social, and cultural development in rural areas is not optional but an essential matter. Those communities that have not seriously considered the necessity of participation faced failures and delayed community's development, welfare and security process. In any community, village, or social group, broad participation of every women in decision-making and any other matter related to national or local development programs, is a key variable in social sciences and in the last few decades, it has interested many scholars of socio-economic and especially cultural issues, and is considered as one of the most fundamental democratic rights of women in a society.

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