



RURAL FINANCE AND MARKETING SERVICES

Rural women are producers of food, traders, and family caretakers. They play important roles in their communities as well as in national economies. Their efforts to initiate or expand income-generating activities, however, are constrained by their limited access to credit and other financial services such as savings and deposits. Access to these services would ensure sustainable financial intermediation and discourage dependence on external sources.

Financial services must be made available if small farmers are to improve their agricultural productivity and enhance their household income and food supplies. They need short-term credit to purchase agricultural inputs such as improved seeds, fertilizers, insecticides and herbicides, or to hire paid labour. They need long-term credit to purchase appropriate technology such as labour-saving tools and implements, or to establish small-scale dairy or poultry enterprises. In most developing countries, however, women receive only a minor share of the total agricultural credit—even in countries where they play a predominant role in food production.

Women's lack of access to credit is part of a larger problem of inadequate credit availability for small farmers. Women, however, face additional obstacles in obtaining credit. This problem has become more acute as women become increasingly responsible for overall farm management, especially in circumstances of male migration. Although women may be better credit risks than men (generally higher rates of repayment), banks and other formal lending institutions are reluctant to extend credit to them since the loans are usually small and women tend to be inexperienced borrowers often unable to meet collateral requirements such as land title or cattle. Many factors limit women's access to credit: they are usually not involved in development projects; extension programmes are oriented mainly to men; and they are often incapable of following application procedures due to lack of knowledge of institutional credit and widespread illiteracy. Women's limited participation in farmers' associations and cooperatives also restricts their access to credit since membership in such organizations provides both loans and credit information.

Facing restricted access to formal credit, women have relied heavily on informal sources of credit from family, friends and traditional moneylenders. Rotating savings and credit associations (traditional financial institutions established largely by women, and for women, such as "tontines" in West Africa,

STRATEGIES AND ACTIONS TO BE TAKEN



FAO will act as a catalyst in the collection and dissemination of data and information on women's roles in farm production and post-production activities. It will also assist women to overcome their constraints to receiving appropriate support services.

Rural Finance and Marketing Services

- Prepare training materials and programmes on savings, credit, and the management of economic activities in order to improve the capacity of rural

women to negotiate with formal rural finance structures.

- Publish a study of key gender issues in marketing to be used as a training manual for project designers, planners and executing officers.



Women all over the world are highly active as traders, hawkers, street vendors and marketers (Swaziland).

“*arisan*” in Indonesia, and “*panderos*” or “*juntas*” in Peru) fulfill economic as well as social purposes. These informal credit institutions are not always dependable; they often have a high cost and offer limited capital. Many do not offer a secure place to save money or earn a return on savings. **Participation in these institutions does not link women to the mainstream financial system and perpetuates the marginalization of their economic activities.** As a result, women’s businesses tend to be smaller and grow more slowly than men’s. They are more likely to be home-based and to be in sectors that are technologically unsophisticated and overcrowded to the point of market saturation.

Women’s limited access to marketing facilities and services inhibits their efforts to expand the volume of their income-generating activities. Women all over the world are highly active as traders, hawkers, street vendors and marketers. In West Africa, women traders handle 60 to 90 per cent of domestic produce from farm to consumer. They have a similar role in many Caribbean countries and in the Andean region of Latin America.

Although women play a predominant role in marketing in many countries, little has been done to assist their activities through improved transportation or better market facilities. Even in countries where they traditionally have important roles in the wholesale trading of certain goods, illiteracy or restrictions on women’s independent legal capacity prevent them from meeting the procedural requirements of formal service institutions. Only in a few instances have women had access to training in marketing, accounting and management.

Women, as well as men, need increased access to appropriate financial services such as savings, deposits and credit. They also need a greater capacity to negotiate with formal rural finance structures. Effective policy-making and planning requires more data and information on the roles and constraints of women in marketing.

[RURAL GROUPS AND ORGANIZATIONS]

COOPERATIVES AND FARMERS’ ORGANIZATIONS. Agricultural cooperatives and farmers’ organizations serve many purposes: they permit economies of scale for their members to access services; provide an institutional means for integrating the smallholder sector into the national economy; enable the increased exchange of goods and services between traditional and other sectors of the economy; and they allow members to benefit from technology transfer. In their ideal form they adapt to many economic activities. They often operate at the grassroots level among people who know each other and for this reason they are well suited to providing financial services to rural people.

In many countries, however, women have limited access to such groups and organizations. While there may not be laws prohibiting women from becoming members, **they are generally excluded because membership is based on land ownership or ‘head of household’ criterion.** Even in countries where membership is open to all, women do not always benefit to the same extent as men nor are they able to participate equally in decision-making and policy directions. The lack of services to reduce domestic work and childcare leaves little free time for women to participate. Under present circumstances, women who decide to join these organizations take on responsibilities that may expand their working day.



TRADE UNIONS. The role of trade unions was established by legal and institutional frameworks governing labour and employment at national and international levels. This gives them an important advantage in organizing workers, in bargaining with employers over terms and conditions of employment, and in mediating between workers and the State. However, women's participation in trade unions has been historically low. At the international level trade unions have been a major advocate of workers' rights, but at the national level they have not sufficiently addressed the differentiated needs of working women.

Issues such as childcare, sexual harassment, lack of access to capital, and the social discrimination of women are rarely central to the concerns of most trade unions. **The strategies of traditional trade unions are not appropriate for the great majority of women workers** who are engaged in agricultural and informal sector activities. Conventional trade union strategies are directed to workers in the formal, large-scale sector where employee-employer relations are defined and regular, and where workers are generally confined in one workplace. But women workers are concentrated (and scattered) in micro- and subsistence-scale activities in the informal sector and in domestic services. Increasing numbers of women work under casual, temporary or flexible arrangements. Many are self-employed or have no clear employer-employee relations such as homeworkers under subcontracting arrangements.

WOMEN'S ORGANIZATIONS. The number of women's groups and organizations promoting women's participation in agricultural development has increased significantly over the past decade. These groups have played an important role in increasing rural women's visibility at local and international levels; representing and safeguarding women's traditional and legal rights (e.g., access to land or participation in the decision-making process at village level); improving women's ability to control their earned income; facilitating women's access to agricultural resources and services (e.g., extension, training, inputs, credit and technology, etc.); and influencing policy-making and legislation at the national level.

Sustainable development requires social change on the part of both women and men. For this reason, the creation of women's groups is not always an effective solution. Mixed organizations, however, are more likely to put priority on the issues of concern to the majority of members, often men, and on men's economic activities, which are traditionally considered crucial for household welfare. Mixed organizations usually treat women's constraints and needs as secondary to the general problems of workers and the poor. Because women have lower educational levels, less experience in public affairs, and fewer communication skills than men, they tend to be passive members of mixed organizations.

Decision-making is traditionally seen as a man's role, and men hesitate giving women this responsibility. In addition, women often require more training and experience to build their self-confidence and leadership capacities. Mixed organizations normally do not have the time or resources to give women these opportunities. **Women's groups, on the other hand, can be effective in building their organizational and negotiating capacity, in establishing their power base and in focusing attention on their most pressing concerns which often differ from those of men.**



Women's groups play an important role in increasing rural women's visibility (Senegal).



AGRICULTURAL RESEARCH AND TECHNOLOGY DEVELOPMENT

Technological innovations can be turned into opportunities to boost women's production potential and improve their quality of life and that of their families. In Burkina Faso, for example, the introduction of small dams for irrigation led to other improvements for women such as the planting of trees for fruit and firewood, and the installation of a convenient domestic water supply. After studying the gender dynamics of each situation, a training package was developed to accompany the introduction of the new technologies. The package included technical training, and training in organizational skills, credit, input supply and marketing. This enabled the technology to benefit all members of the community or household in an equitable and sustainable manner.

The ultimate goal of agricultural research is to benefit farmers. Research activities are conducted by international agricultural organizations, national agricultural research systems, and commodity-focused groups at universities, research stations, as well as that conducted at the farm and household levels. Properly designed research can have a high payoff in terms of improving food availability, providing employment opportunities, enhancing resource management, and reducing environmental degradation.

Agricultural technology development has largely ignored the needs and priorities of women and only recently has it shown any concern for the environment. Although rural women are knowledgeable about and use traditional technology, they have little access to modern technology that could benefit them in their productive and reproductive activities. This is due to their lack of participation in setting research priorities or in

enhancing and disseminating conventional technologies and local knowledge. As a result, **women are often subjected to the unintended side-effects of modern technologies** introduced for the benefit of others. This can have a devastating impact on their access to resources, income-generating activities, and on their control over their own labour.

Scientific research and technology development needs to be far more gender sensitive if it is to benefit women and benefit from them, especially in areas of crop production and biodiversity.

STRATEGIES AND ACTIONS TO BE TAKEN



From Words to Action...

Agricultural Research and Technology Development

- Develop a database on national research and technology development institutions that incorporate gender-disaggregated data.
- Develop gender-sensitive guidelines on better ways to address the technological needs and priorities of rural women farmers and on the role of local knowledge systems in technology development policy.
- Carry out field studies on gender issues in agricultural engineering.
- Undertake research on the role of women in post-harvest systems and on the design of food processing equipment appropriate for women.
- Develop studies on the role, experience and knowledge of women in management of genetic resources and biodiversity.
- Upgrade and broaden information on different aspects of women in agriculture