

MICRO LENDING SCHEMES AND SUSTAINABLE WOMEN EMPOWERMENT IN NIGERIA

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Abstract: This paper examines Micro lending schemes and sustainable women empowerment in Nigeria. It argued that, the marginalization of women in Nigeria is a result of their low level of literacy, which men have over the years and time used women to achieved their political and economic ambitions leaving the women behind for child bearing and keeping of home and as such women are upon as second class citizen (Ekong 1991). Based on this women are considered representing the poorest section of the word population (Kaseer 1994, Rankin 2001, Izugbara 2004). Therefore, women empowerment, Mbaweve (1991) is a process where by women become able to organized themselves, to increase their own self reliance to acquire independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination. It is also a dynamic process which will help them have access to political and economic power, where by they can jointly developed the nation with their men counter part.

Keywords: Empowerment, Women, Micro lending, Marginalization, Education, Awareness, Political, Economic, Organizations, Income, Constraints, Community, Literacy, Nigeria, Non-Governmental Organizations (NGOs).

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INTRODUCTION

Background of Women Marginalization

The issue of women domination by men is as old as the history of man. Thus, socially, culturally, politically and economically women have been treated and regard as second class citizens (Ekong, 1991). Traditionally, women are not expected to participate in decision-making of any sort, be involved in active politics or viable economic ventures without the man bending over her to supervise and direct the trend of events. This development is not just because of their poor economic status. Thus, men have over time, used women to achieve their political and economic ambitions leaving the women far behind in almost al endeavors of life except child bearing and keeping the home. In the world today, and especially in African and Asian countries, census figures indicate that there are more women than men. Even at that, there is abounding evidence that women are disproportionately represented among the poorest sections of the world's population (Kabeer, 1994; Rankin 2001; Izugbara 2004).

The Need for Women Empowerment

The marginalization of women put together brought about the current interest in women empowerment all over the world. According to Keller and Mbawewe (1991) Women empowerment is a process whereby women are able to organize themselves, to increase their own self reliance, to acquire independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination. It is therefore a dynamic process which will enables women have access to political and economic power; acquire concretization and awareness to achieve economic and political emancipation. It will also enable them to direct their actions towards being achievement oriented based on equity (CEDPA, 1997).

Thus, this organization (CEDPA) which has for long championed the cause of women from all social classes in Nigeria, views women empowerment as a dynamic process with four major stages namely, Access, Concretization, Action and Equity. It believes that as an individual women passes through each stage, she comes closer to reaching full empowerment in the various aspects of life where she has been subjugated in the society such as political, economic and vocational development.

Need for Economic Up-liftment of Nigerian Women

Nearly 60 million Nigerian women live below the poverty line and possess little or no education, capital base or institutional connections to extricate themselves from the claws of poverty emanating from economic and political domination. The realization of this fact compelled the military and civilian administration in Nigeria to take firm steps in the last two decades toward due reorganization of women with respect to political participation and enhancement of the rights of women socially and economically (Izugbara 2004).

One of the ways women empowerment is being pursued in Nigeria is through the provision of gender-specific micro-credit programmes. Currently, many organizations in Nigeria have stated a commitment to using the micro-credit strategy to empower women. These organization include government ministries, international development agencies, development NGO's, thrift groups and co-operative societies.

In the light of these, the present paper intends to discuss:

- The types, organizational structure and mode of operation of the micro credit schemes.
- Micro-lending organizations and women empowerment
- The constraints faced by this empowerment strategy and suggestions on how to address them.

TYPES, ORGANIZATIONAL STRUCTURE AND MODE OF OPERATION OF MICRO-LENDING SCHEMES IN NIGERIA

Types of Micro-credit Programmes

The most patronized micro-credit lending schemes in Nigeria are those organized by the Non-governmental organizations (NGOs). These appear to be more approachable since the target of clients is women and artisan at the lower segment of private sector.

Two micro-credit schemes that are specifically concerned with the economic empowerment of women in southern Nigeria are exemplified by:

- i. The Gender Lift Foundation Project (GFP) and
- ii. The Rural Women's Economic Aid. (RUWEAP)
- iii. UNDP (Nigeria) south-south office-funded project.

These organizations have, as at 2004 about 81 to 200 rural women benefiting from their Micro-credit programmes. Some other note worthy NGOs which from available records have more women benefiting from their programme includes:

- i. The Nsukka Amalgamated Livestock Traders Micro-credit Organization (NALT-NUNSHO) based in the South East.
- ii. The Development Exchange Centre (DEC) – based in the North Central part of the country.
- iii. Lift Above Poverty Organization (LAPO) which is based in Benin, Nigeria.

In addition to these well known micro-credit organization. There are quite a number of thrift society's co-operative societies that embark on small scale lending for the benefit of the general public regardless of gender. Most of this organization began in the 1980's as a result of increasing poverty levels of common Nigerians. Thus, the micro-credit schemes and small scale lending societies came up as a result of the performance of financial institution in Nigeria which does not pay any attention to the livelihood realities of the teeming poor most of whom are women.

Organizational Structure

These micro-credit organizations are mostly NGO'S the make-up of the executives of the GFP and RUWEAP are basically women while others UNDP, NALT NUNSHO, DEC and LAPO are men and women (Agbo, 2005). The executive are mostly made up of the president or chairperson, the secretary general, the financial controller who must hold a degree in accountancy or is presently working as one and a treasurer who also must hold a degree in finance or accountancy. These are also Board of Trustees nominated from among members of the organization as well as responsible members of the public. The micro-credit organizations have offices which are manned on daily basis by staff employed by them.

According to Ngwu (1992) the NGOs involved in micro-credit schemes are organizations of people with special interest in a particular aspect of social or community life of the people such as poverty alteration at the grass-roots. Membership is often made up of people who are convinced about certain ills of the society and are determined to contribute their quota towards solving these problems. Thus; membership must be drawn from people who subscribe to the ideals and goals of the organizations.

Mode of Operation of Women Micro-credit Organization

The women micro-credit organizations are usually non-profit organizations. The absence of share-holding removes the practice of absolute power of control. Funds or income used in micro-lending are obtained from series offered of interests from loans, goods produced, rent on houses, fees for consultancy services and workshops (Herbet 2001).

In the women-controlled micro-credit lending organizations money is usually loaned to women groups preferably or individuals sponsored/recommended by recognized women groups. This is usually the case with GFP and RUWEAP and this principle is strictly adhered to by the organizations.

Application forms are usually available in the offices of these organizations for women applicants when application forms are received, they are processed by a special committee made up of the executives and members of the Board of Trustees before the loans are made available to deserving applicants. The loan given to an individual is usually between ₦5,000 and ₦15,000,00 in most cases.

In the multipurpose micro-credit organization, the facility is made available to men and women. However, available records show that women are better patronizes of these micro-lending organizations because they respond better to the agreed refund schedules.

Funds provided by the women micro-credit organizations are for trading, storage of agricultural produce, small scale farming enterprises such as crops a livestock production. The lending organizations must have proof that the loan will be used for productive ventures release of fund is approved (Agbo, 2005).

MICRO-LENDING SCHEMES AND WOMEN EMPOWERMENT

Available evidence in literature indicates that participation of women in micro-credit schemes enhance women's economic independence and livelihood conditions (Izugbara, 2004). This author carried out a research in which benefiting women make a net monthly income of ₦ 11,000 while non-benefiting women made a net monthly income of ₦6, 000. The benefiting women reported that being involved in micro-credit schemes had enabled them to expand their business in terms of expanding farm sizes, have access to improved agro-inputs, employ more labour, increasing the size of goods and merchandize, lay and rear more livestock and poultry, rent stalls in local markets, build their own stalls and begin their own trade.

In contrast, the non-beneficiaries indicated that the loans are helpful because many women who have benefited from the schemes are richer and better off than those who have not benefited.

The Trickle Down Effect of Women Economic Empowerment

According to this research report, beneficiaries and non-beneficiaries alike indicated that the economic gains of the loans also trickle down to others in their communities. This is so because as beneficiaries expand the sizes of their farms and livestock, diversified into agro-business and improved agro-inputs, need was created for more labour with the effect that real rises in rural incomes were reported for farmlands, labourers, relatives of beneficiaries and many other categories of people.

There are also evidence that being in micro-credits has tended to influence women's freedom of association, involvement in household decision making, self-worth and esteem. Women who have benefited from the micro-credit scheme appear to have more capability to be involved in community affairs and their husbands and male members of their community accorded them more say in decisions concerning development. These add up to enhanced sense of freedom in women which was not there before and which is very necessary for social networking.

In addition, participation in micro-credit schemes appeared to be were effective in making women less vulnerable to domestic violence as they now command more respect from their husbands due to their rising economic status, income potentials and self-reliance.

CONSTRAINTS ON MICRO-CREDITS AND SUGGESTED SOLUTIONS

Constraints

The following constraints may jeopardize the good intentions of the micro-credit schemes towards women empowerment:

- i. It may lead to a vigorous pursuit of gender equality by women. Some women may view empowerment to mean challenging men or fighting for equality with their husbands or other men in their community.
- ii. Women tend to be more careful than men with respect to financial control. Thus, their liquidity and method of involvement in funding of family projects may turn out to be on the high side thereby understanding completely the effectiveness of the males living with them. This may usher in suspicion on the side of males and consequent scramble for economic power in homes. In the end these may be disaffection and determination by men to frustrate the source of income of the women.
- iii. In most micro-credit programmes, the main feature is helping the women achieve economic self-reliance; none of the schemes include literacy or numeracy training

component which makes the empowerment rather incomplete. According to Izugbara (2000), the absence of literacy and numeracy in the schemes for instance often resulted among other things in the reliance of benefiting women on their husbands to keep the accounts which are most likely to perpetuate rather than abate women's subordination.

Suggested Solutions

The following suggestions are made with respect to the above constrains:

- i. The micro-lending schemes should hold seminars for their clients most of whom are rural women to enlighten them on the goals of the scheme towards making women economically self-reliant and not for vigorous pursuit of gender equality.
- ii. They should be careful in handling their male partners to ensure that their source of income and zeal to assist in family projects are not misunderstood.
- iii. The micro-credit schemes should diversity their objectives to include functional literacy and numeracy. These will help the participating women to achieve sustainable empowerment.

CONCLUSION

In conclusion therefore, I feel that the micro-credit scheme is a mostly step towards women empowerment. However, the planners of the scheme should not pay attention only to economic empowerment but to political and literacy empowerment so that they can successfully challenge male consistency in asking for their rights.

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