



Population, Women, & Finance

Care for the natural environment, improvements in women's status, and slower population growth are not likely to take place in conditions of extreme poverty. The choices that people make about family size, consumption habits, and ultimately, about the use of natural resources, depend heavily on economic stability. One of the most effective ways to ensure a healthy planet is by giving families the means to make informed choices about their reproductive lives, the health and education of their children, and the quality of their environment. Alleviating poverty is an essential step in allowing people to exercise these choices, and programs that focus on empowering women are central to poverty alleviation efforts.

Extreme poverty has been linked to large families, poor health status, and low levels of education. Combine these factors with institutional and cultural gender biases, and development efforts will have little chance for success. As a result, environmental quality suffers, pushing us further out of balance with nature. In recognition of the need to combat poverty in order to effect change in these other arenas, the international community has placed priority on poverty alleviation.

Traditional financial institutions, such as banks and credit unions, often have lending criteria that exclude poor borrowers. Thus they deny many working families opportunities to improve their

economic status. As a result, alternative financing mechanisms like microcredit programs have gained popularity over the past 25 years.

What is Microcredit?

Microcredit is a tool for assisting the working poor to attain loans to improve and grow their small businesses. Small-scale producers such as bakers and artisans, who either want to improve or start a small business, often cannot get credit or face loans with exorbitant interest rates that put them further into debt and keep them in a state of absolute poverty. Microcredit allows these producers to break through barriers presented by standard lending institutions.

One of the most famous and successful examples of microcredit is the Grameen Bank, which started in Bangladesh. Grameen provides loans to poor, landless people who have no collateral and therefore no access to traditional credit. A loan of \$150, for example, can be sufficient for a small producer to buy supplies for income-generating activities such as pottery making and garment sewing, or business enhancements such as storage, marketing, and transport services. These small loans help move the poor out of the cycle of poverty and into economic self-reliance. Today, Grameen has over 2.3 million borrowers in over 40,000 villages. More than 9 out of 10 have repaid their loans.¹ The success of this program has greatly

impacted the traditional thinking of international donors with regard to providing financial access to the poorest of the poor. There are now over 7,000 microfinance institutions worldwide.²

In the U.S., microcredit institutions help communities prosper by reaching people that are unable

make decisions about these matters since they lack control over the family income. For this reason, many microcredit programs target their loans to women entrepreneurs. Women account for more than 90 percent of the borrowers from Grameen Bank.

The economic contribution that

The Status of Women (1997)⁵

- Women make up almost 70 percent of the world's 1.3 billion poor people.
- In the majority of the world's countries, women spend about twice as much time as men doing unpaid work.
- Approximately 25% of households worldwide are headed by women.
 - Two-thirds of all illiterate people worldwide are women.
 - Two-thirds of all children not attending school are girls.

to access loans from conventional lenders. For example, "Self Help" is a community development lender that has helped women, minorities, rural residents, and low-income families buy homes and start small businesses.³

Why Women?

In many poor families around the world, it is women who manage the household expenditures with regard to food, education, and healthcare for their families. But any official family income, such as loans or wages, most often goes directly to husbands, who dole it out in tiny allowances to their wives. While women usually take responsibility for ensuring the health and education of their children, women are at a disadvantage in their ability to

women make to their families and their communities is undervalued in many societies. The fact is, though, that the majority of the world's women are significant actors in the global economy. Their work as farmers, traders, informal sector entrepreneurs, and small-scale producers, not to mention caretakers, wood and water collectors, and food producers, makes their role vital to the success of the family and larger community. But constraints such as illiteracy, lack of access to family planning services, and lack of the right to own land or other forms of collateral keep many women in very small businesses with no chance to grow. What



CASE STUDY:

Protecting the Cameroon Rainforest: An Innovative, Women-Centered Approach

The forested area surrounding Mount Cameroon in the West African country of Cameroon has been logged extensively for fuel wood and agriculture. The region's many endemic species, unique vegetation, high amounts of rainfall, and volcanic activity make it a biodiversity hotspot. At the same time, this forest and its fertile volcanic soils have high economic value to the surrounding villages.⁶

Increasing human pressure in this area, however, has made it difficult for women to meet their daily fuel needs for cooking, heating, and drying food. Human pressures, which have led to

deforestation, include population growth, poverty, and poorly defined property rights. Deforestation has not only had a negative impact on soil quality and the watershed, but it has also taken a toll on the local wildlife whose habitat has been destroyed by unsustainable logging practices.⁷ For example, the endangered Red-capped Mangabey - a medium sized African monkey - depends on dense forests. Habitat loss due to increasing deforestation, resulting in a loss of the fruiting trees they need for food, is one of the greatest threats to their survival.⁸

In response to this challenge, "Catalyst Grant" recipient Gwendoline Burnley started a project that combines natural resource conservation with income generation to improve the lives of women in Cameroon. The Catalyst Fund, sponsored by the Rainforest Alliance, provides grants to local organizations and community members in tropical regions to help them improve quality of life through protection of natural resources and culturally appropriate economic activities. Gwendoline has begun a wood nursery project that provides educational workshops for women on how to plant

and care for tree seedlings, and how to create sustainable nurseries that serve as alternative sources of fuel wood. While women in this region do not have land tenure, this conservation effort helps them gain income through the distribution of seedlings and forest byproducts like soap from palm oil, palm kernels, and fruits. This project not only provides educational and health benefits for women and their children through the added income, but it also helps to preserve the precious coastal rainforest upon which the people of the region, as well as wildlife, depend.⁹

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this means is that while most of the world's women are economically productive, their undervalued contributions translate into a lack of access to finances, information, and markets. It is for these reasons that microcredit institutions began investing in women.⁴

And their efforts have paid off. Experience shows that women are much better credit risks than men, and that poor, small-scale business owners have a significantly higher repayment rate than

clients of large lending institutions. Furthermore, women tend to invest their earnings in their children in the form of food, medicine, and schooling. All of this results in better long term educational and economic opportunities for women and children, increased use of family planning and reproductive health services, smaller and healthier families, and ultimately, a more sustainable impact on natural resources and wildlife habitat.

What Can I Do?

- Contact your legislator to ask that they vote in support of increased and unrestricted funding for international voluntary family planning assistance.
- Visit the web site of the Social Investment Forum—a non-profit group that promotes socially responsible investments—by visiting www.socialinvest.org.
- Support a microcredit or microenterprise institution. Check out the FINCA (the Foundation for International Community Assistance) at www.villagebanking.org; The Peoples' Fund at www.peoplesfund.org; and ACCION International at www.accion.org. For a list of additional resources, visit www.pbs.org/toourcredit/resources_one.htm.
- For more information about global efforts related to women and microcredit, visit www.usaid.gov/in/special/features/womensday.htm; www.cgap.org; www.microcreditsummit.org; www.usaid.gov/wid/; and www.swwb.org/English/1000/.
- Educate your family, friends, and colleagues.
- Get involved! You can become an activist of the National Wildlife Federation's Population & Environment Program by joining the Fast Action Network. Visit our web site at www.nwf.org/population.

¹ www.grameen-info.org

² Kurlantzick, Joshua. "10 Muhammad Yunus," *U.S. News & World Report* leased line via NewsEdge Corporation, 8/20/01

³ <http://www.self-help.org/>

⁴ Women's World Banking, 1995 – UN Expert Group on Women and Finance

⁵ United Nations Department of Public Information, 1997 - <http://www.un.org/ecosocdev/geninfo/women/women96.htm>

⁶ <http://www.erdas.co.uk/applications/cameroon.htm>

⁷ <http://www.rainforest-alliance.org/news/canopy/can12-99.html> and <http://www.wrm.org.uy/deforestation/Africa/Cameroon.html>

⁸ <http://www.letus.org/bmatters/animals/mangabey.html>

⁹ <http://www.rainforest-alliance.org/news/canopy/can12-99.html>