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Credit, Market Women and Food Security in Mali

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federation, or the creation of a bank for the poor, such as Grameen Bank in Bangladesh.

There are many options for improving women's access to financial facilities, and thereby enabling them to improve the quality of the lives of their families and their contribution to economic development. SCF will continue to play a leading role in sharing its experience, resources and influence with others in order to realise these goals.

Credit, Market Women & Food Security in Mali: The Attara “Association des Femmes”

The Attara women’s Grameen Bank is part of SCF’s food security project in Mali. The project was tested when staff realised that women were largely excluded from the village level management committees associated with the project’s other credit activities. The project has not only found that women are better creditors, but that they use a larger portion of their earnings for the purchase of food and other essential family items. This article reviews how the food security project began working more directly with women, what has been learned from these experiences and where the project is headed in its work with women.

Background and Aims of the Food Security Project

SCF’s Local Village Food Security Project, or “Suivi Alimentaire Delta Seno (SADS)”, started working in the Mopti region of Mali in 1987 and began a small credit and training programme in 1991. The credit programme aims to test and develop activities that improve access to food among the rural populace. The project’s loans have supported cereal banks, village stores, fish farming, and agriculture.

Village level management committees were set up. These were structured in a more or less traditional fashion, and so excluded women. This was partly due to a cultural tendency in Mali for men and women to meet and discuss issues separately, and for men to make any decisions that concern the entire village.

SADS realised that given cultural norms, the best way to involve women in management decisions was probably to work with women’s groups. In late 1992, a group of women in Attara approached the project for assistance. Attara is a market town of about 700 people situated on the Niger river in central Mali. The women’s association had 64 members and was ethnically very diverse (Fulani, Rimaibe, Singhay and Bellah). When initial discussions with the group revealed that the women were very involved in local commerce, SCF began to consider the possibilities of a Grameen Bank type scheme.

The Grameen Bank was first tested and developed in Bangladesh. The system was designed to respond to the credit needs of women who are largely excluded from a formal banking system that is biased against small loans, activities in the informal sector and illiterate clients. The Grameen Bank system can be characterised by: small credits (€12 to €60) per year; weekly reimbursements; the use of social pressure to ensure repayment; and flexibility regarding the use of loans.

Loans are chiefly given for small economic activities. For the women in Attara these included the sale of rice, peanuts, mats, sauce ingredients, milk, sweet potatoes, flour, shea nuts, fish and prepared meals. For the distribution and repayment of credit the women’s group is organized into cells of five women each. With the SADS project, the women of each group were generally involved in the same type of economic activity. Loans are initially given to the first member of each five member cell. Repayments then begin on a weekly basis until the loan plus 4% interest is completely repaid after one year’s time. At the beginning of this
process the women also put 5% of their loan into a group fund to be used to cover potential loan defaults. This initial 5% deposit as well as the 4% interest rate make for a cumulative interest rate of 9%. If the first women of each group successfully make repayments over one month’s time, the second women of the cell become eligible for a loan. The process continues until all five women have received loans.

A female field agent from SADS explained the design of the credit scheme, facilitated the organization of the women and made weekly visits to the village to monitor progress and collect reimbursements. She also spent 45 days in a village leading a local language, functional literacy course for the women. Literacy skills were later used by the women to keep records of their accounts. In addition to the individual commercial activities financed by the Grameen Bank, the association collectively engaged in the sale of soap. The profits from this activity as well as member contributions were used to build a storehouse for a cereal bank.

Policy Lessons

The Attara women have just completed their first 16 months with the scheme in which they repaid their loans with interest. An internal review of the scheme was conducted just after the first batch of women had finished repaying their 12 month loans, participatory rural appraisal techniques (PRA) were used to determine the impact of the credit.

The project has generally been considered a success because the repayment rate was 100% and half the women were able to pay off their loan and maintain the size of their capital for future market activities.

Poorer women spent a larger proportion of their additional income on food for the family than did wealthier women, and their expenses for soap and clothes also tended to increase significantly. Wealthier women generally increased their spending on medicines, food, clothes and investments (either animal or additional commerce).

The women of Attara attribute the success of their project to a number of factors, including: a wise choice of commercial activities, the local weekly market, commercial opportunities outside the weekly market, the permission and support of their husbands, a high level of cohesion among members of the group and small weekly reimbursements. Staff also believe that the women’s previous involvement in petty commerce contributed to the project’s success. The mixed ethnic composition of the group did not appear to create any problems with the functioning of the credit scheme.

Problems Encountered

SADS has had to work hard to disprove a common notion in Mali that women are difficult to organize and not capable of managing money. This problem has been encountered among civil servants with whom SCF collaborates as well as among its own staff. The project’s success in Attara has slowly begun to change this attitude but there is still considerable progress to be made. An overwhelmingly male civil service and SADS staff has not helped the situation.

The Future

SADS has decided to give the women of Attara another one year loan for commercial activities, hoping that this will allow all the women to increase their capital enough to continue their market activities at a sustained higher level. The Attara women will also receive a small loan from the SADS for a cereal bank - the first for SADS that is entirely run by women.

SADS has used its experience from Attara to identify another women’s group for a similar credit scheme. The project also hopes to begin testing a savings and credit scheme. This system may be more sustainable than the Grameen model as it mobilizes local resources (by providing a secure savings opportunity with a modest interest rate) for credit purposes as opposed to depending on outside financing. Finally, SADS is in the process of hiring another female field agent to further test and develop its women’s activities in other districts.