

IMPACT OF WMI LOANS ON GENDER RELATIONS



Introduction

The Women's Microfinance Initiative is a Bethesda, MD based non-profit that provides small loans to extremely impoverished, rural women in east Africa so that they can start businesses. The loan program includes monthly visits to borrowers' businesses by trained Local Coordinators who live in the village and who are also borrowers. The Local Coordinators review the borrowers' book keeping, inquire about business activities and family welfare, and prepare monthly Local Coordinator Reports (LCRs). The information gathered through the LCRs over the past 2 years provides additional insight into the ways the loan program is changing the lives of borrowers and the ways it is transforming the local communities where it operates.

Relationships in Household

The local coordinator reports (LCRs) reveal that many of the women report that since joining the WMI loan program their relationships with their families have improved, in particular, their relationships with their husbands. Numerous women living in different villages have consistently reported similar information over a two year period.

These reports suggest that the economic independence of women improves spousal relations. Findings in *Pathways Out of Poverty*, which takes an in-depth look at the effects of microfinance on the lives of women, suggest that, “...the bulk of the evidence and experiences thus far seems to point to the conclusion that participation in microfinance strengthens and improves family relationships rather than destroying them. Poverty, scarcity, and feelings of helplessness take an undeniable toll on personal relationships... Many practitioners have found that family relationships can be strengthened when the home becomes a more comfortable place to be...” (Daley – Harris 185).

The LCRs support these findings. Many of the women attest to the fact that having their own source of income has greatly relieved the economic pressure on their spouses.

Husbands are alleviated of some of the financial burdens of caring for a family because now wives have the ability to help out with household expenses. Marital relations improve because there are increased financial resources. Stress is reduced, improving the household environment.

- **March 2009 – Annett (Cloths):** *“The husband is happy for the work WMI has done for them. He says the woman is now very busy and she contributes much to the family.”*
- **March 2010 – Madina (Bogoya):** *“She buys from farmers and sells in Kit gum, when they are ripe. But due to the rainy season, the demand is low. The son helps her to carry to the road side, purchase and sell. Records are well done and she thanks WMI for the loan because she no longer depends on the husband for survival”.*
- **July 2010 Edisa (Bogoya - Ripes):** *“The business is growing and the family is happy, because even herself is growing fat. She says that she has managed to solve most of her domestic problems. Her goods are best quality and she has ready market for them. Her records are okay, but she had skipped some days and I advised her to clear that.”*

in addition to creating a better living environment, this kind of economic independence can foster gender equality. Now, both the husband and the wife are very visible providers for the family, instead of just the husband. They both work in an income producing capacity to ensure the family has food, clothing and shelter. They become income partners, each making equally important financial contributions; neither is dependant solely on the other. Many comments recorded in the LCRs suggest that the income equally made possible by the microloans positively impacts the relationship between the women and their husbands:

- **March 2009 – Falidah (Retail shop):** *“Falidah and husband very okey living happily. The husband is grateful for WMI Program because the wife can also plan for the family.”*
- **Feb 2010 - Donata (Second Hand Cloths):** *“She sells the clothes daily at home, and even takes to market on market days. The family members help to clean and wash the clothes. The husband is happy because the loan has enabled them make profits which contribute to school fees, and wishes WMI a long live.”*

Additional indicators such as increased land ownership among women, their ability to pay for food and clothing on their own, and husbands contributing to household chores depict how WMI borrowers are starting to bridge the gender equality gap.

The LCRs reflect that the womens’ improving financial status has increased respect husbands have for their wives:

- **June 2009 - Joy (Bogoya):** *“The business is running smoothly, she goes to market twice in a week (Wednesday and Saturday.) Family health is good and involved in business husband helps in transportation. Loan programme has helped Joy to improve on the feeding of the family and she is being respected by her husband. Record keeping and loan repay has no problem”.*
- **June 2010 - Beatrice (Carpentry):** *“The business is doing well. Family health is also good. Family is involved in the business. The children carry the timber to the workshop with*

Beatrice herself and the husband respects her so much for she has been the root cause of the good standards of living in the family and at least he has acquired more skills in carpentry. Book keeping, savings and loan repay are good.”

Overall, LCRs reflect that husbands are grateful for the women’s participation in the loan program. Incidences where the wife’s income helped protect the family from financial emergencies can deepen the husband’s gratitude.

- **Everlyn (Fresh Foods):** *“Business is doing well being a dry season, they buy passion fruits in plenty, and this enabled her get good medical care when she fell sick and admitted. The husband was very great full to WMI, because what they had saved helped them in the hospital. Records are okay.”*

Divisions of Labor between Spouses

The LCRs reflect a very high incidence of husbands helping their wives with their businesses. Sometimes this is direct assistance with business operations:

- **June 2009 Mary (Drug Shop):** *“The drug shop is doing well for the customers are now in big numbers. Family health is good and the husband is involved in the business, he’s the one in most cases looking for purchases. Book keeping and savings is good including loan repay.”*
- **July 2009 – Catherine (2nd Hand Clothing):** *“The husband helps in business even when she is away to the market. He helps by ironing and marketing some clothes left behind with him. The records are okay and the family is healthy.”*
- **July 2009 – Mary (Fish):** *“The business has expanded, because she can purchase more fish than before. God bless WMI for this program. The husband helps to purchase and sell.”*
- **February 2010 Faridah (Shop):** *“She increased her stock and this has enabled her to have more customers. The husband helps her in the shop and thanks MWI for the loan because it has brought development in their home. The family is happy; the loan has been repaid and fees as well. The records are properly done.”*
- **June 2010 - Agali (New Clothes):** *“There is low demand at the market, but she appreciates for the new loan which has enabled her buy more business materials and is on demand her husband helps in purchasing and bargaining and transporting to markets, using his bicycle and this has reduced transport costs, which was a problem. Records, are also okay, since I gave her guidance.”*
- **March 2010 - Nakibi (Weighing Scale):** *“She buys and repairs weighing scales with her husband and they later sell to other traders. They can make profits which repay the loan,*



cater for the family, and pays fees. The family is healthy and they thank WMI for the loan program."

- **January 2010 - Edisa (Hardware/Milk):** *"The husband operates the shop as she buys and sells milk. That has helped her improve on her home buy buying some stencils from the profits. The family is healthy, records are well done and they thank WMI so much for the loan which has brought development."*

Alternatively, some husbands provide capital for the business:

- **February 2010 - Atika (Hardware):** *"The business is doing well, but operating on less capital than required. The husband supports her with some money in order to enlarge the business. She can make some profits which can repay the loan, and cater for the family. Record keeping is well done."*

Husbands also provide emotional support for the wife's business operations:

- **Lonah (Bogoya):** *"The business is doing well the family is healthy and involved in business. The husband is involved in transportation and encouraging her in business. The records are okay and Lonah appreciates the loan, because she has managed to save some money for her self."*

Typically, a married woman is expected to maintain the household with whatever money is provided by her spouse. If he does not provided sufficient funds, she is expected to find ways to make small amounts of money to supplement whatever he provides. If there is not enough food or medicine, the wife is typically the first family member to do without. Any income earned by the woman is expected to go toward household expenses. Women in the WMI loan program are reporting a change in this dynamic. Husbands are also help by providing money for the family when the wife's income is not sufficient.

- **July 2010 - Susan (Bugoya):** *"The business is doing well and there's cooperation in the family. Out of her profits, she bought sit covers and table clothes to improve upon her house. The husband supports her with money to cater for the family, since during this season the profits are very low."*

Husbands also provide assistance by picking up some of the responsibilities traditionally proscribed to women. In a culture where men rarely pitch in with traditional household chores like minding children, cooking, tending the garden and cleaning, this domestic assistance provides women with more time and energy to focus on their businesses:

- **March 2010 – Jamilla (Bogoya):** *"She has just come back from lira and she delayed their due to transport means. And this caused her bogoya to ripen from the way before she reached and this brought her a loss of 15000. The husband and children help her to do home work and gardening as well. Record keeping is a problem to her, but she managed to expand the business out of the profits she made."*



- **January 2010 - Amina (Bogoya):** *“She buys from the village and sells to markets. She can make profits which can pay the loan, pay fees, and cater for the family. The children at times help to carry to the road side. The husband helps to write records and other home responsibilities, and the home is happy because the great changes brought about by the loan.”*
- **March 2010 - Aisati (Bogoya):** *“Buys from farmers and sells in markets. She can make enough profits to repay the loan, and cater for the family. The husband helps her to make records and garden work during her absence. There’s development in the home and she thanks WMI for the loan.”*

What makes this high incidence of husbands helping in the household even more remarkable is that it is not reflected as a trend on the general population. According to the Uganda Participatory Poverty Assessment Project II (UPPAP 2), a government funded study, *“... findings indicate that in both rural and urban areas, women are doing more income generating work outside the home (other than agricultural work), than in the past and yet men are not taking on responsibilities that are traditionally ascribed to women”* (UPPAP 2).

The women involved in the WMI program are reporting a different division of labor progression than the general population. The men are taking up some of the responsibilities that are generally proscribed to women, thus allowing the women to work in their business outside the home, and become successful. These accounts of husbands participating in household chores suggest that they realize that their wives’ businesses generate more money for the entire family and improve overall household welfare. The opportunity for the family’s financial advancement seems to be encouraging an evolution in historical gender roles.

The LCRs also indicate that there is a tacit acknowledgment from many men that these are the women’s businesses – they are owned and primarily operated by the women. Although husbands help, LCR comments indicate they are primarily supporting agents. Often they help when wives are away, carrying out duties the wife assigns through her management of the business. Previously unemployed men have also found work in helping their wives with their business.

- **August 2009 - Annett (Shop):** *“Family health is good and husband is involved in business. He helps in shop keeping when Annet is busy or away.”*
- **August 2009 - Betty (Shop):** *“Husband help in purchasing sometimes and mostly in transportation. Betty is happy and appreciative for the loan program together with her husband. She says the loan has helped her meet basic need without stress and her husband is busy helping her and not given to alcohol like formally when he did not have what to do.”*

Land Ownership

In Uganda women are legally allowed to own land, but few do. Only 7% of all registered land in Uganda is held by women (Gender Inequality in Uganda: The status, causes and effects). However, “women provide about 70% of the agricultural labor force and are responsible for 70-80% of production of food crops and virtually for all the food processing. They also provide an estimated 60% of the labor in cash crop production of coffee, cotton, and sesame.” (<http://www.fiuc.org/iaup/esap/publications/umu/umusca/Genpov.pdf>). Although providing the overwhelming majority of the labor, women own a very small percentage of the land they work.

With the introduction of the WMI loan program, women report that they are beginning to purchase land and houses. They are typically buying their own land in order to expand their businesses. One woman who runs a small road-side food stand reports she is buying land to grow her own produce to use in cooking the meals served at her business. Another reports buying land to grow trees. Yet another reports buying land to farm produce. Not only is the loan program empowering women to become financially self-sufficient, but they are also securing additional assets, such as land and houses, which can be a resource that helps secure their future.

- **March 2010 - Allen (Carpentry):** *“She changed from bogoya to carpentry. She is helped by the husband who purchases timber and makes furniture like chairs, tables beds and desks which are sold in their workshop. The children help to carry some timber purchased to reduce on the labour costs. She can’t write but her elder son can help on writing. She is able to cater for the family, and bought a piece of land.”*
- **March 2010 - Oliver (Bogoya):** *“All is doing well since the loan has enabled her develop rapidly. She was able to buy a piece of land, utensils, furniture, cater for the family and pay fees. The husband helps to graze, and garden supervision. The records are well done and she thanks WMI for the loan.”*
- **August 2010 - Beatrice (Fresh and Tomatoes):** *“The business is improving and the family is involved in the business as well. The family is healthy and she is happy because she managed to acquire a house out of her profits and she is living comfortably. She can cater for the family and repay the loan as well. She appreciates WMI.”*

Social Network

Control of capital and land ownership is just the beginning; there are many other barriers that keep women subordinate to men. Women, particularly rural women, face an “old-boys” network that disenfranchises them from access to important social relationships, information and communications networks. WMI not only provides women with capital to start a business, but it also provides them with a social network of other women to support and help them. Each borrower is required to be a part of a loan support group. The groups meet at least once a week to discuss the loans, their businesses, and their lives in general. This further builds the community of women working together to bring about positive change in their lives. In addition, these group meetings allow them to share and exchange information about their businesses and their lives.

Status in Community

WMI loans have led to a change in the status of women in the village. Successful business operations and disposable income have generated new respect for the women in the community. As a consequence of the loans, the women are becoming more visible community leaders. Women have started their own community service projects: a 1,000 volume children's library, an after-school English tutoring program, and tutoring for primary school children during the long holidays.

They women are gaining the respect of the local community. Their Member of Parliament, along with 500 well-wishers, attended the WMI graduation ceremony in January 2010 to honor the first women transitioning to bank loans. The region's women's representative to Parliament also addressed the gathering. Olive Wolimbwa, a borrower, former schoolteacher, and the director of the WMI loan program in Uganda, has become a prominent member of the village community. The women look up to her, and the men respect her. She operates the program with a staff of 10 assistants. She is on equal negotiating terms with the local bank manager servicing WMI member accounts. They confer as colleagues on administration of the WMI transition to independence program. Ms. Wolimbwa and three skilled trainers from Buyobo now travel to other villages as far away as central Kenya to mentor other rural women's groups in launching a WMI loan program.

Conclusion

The WMI loan program has transformed the lives of participating rural women, both economically and socially. They are able to start businesses, accumulate capital, improve their households, feed and clothe their children, and pay school fees. Entire families frequently pitch in to help with the business. Working to run a successful business gives the family a goal and seems to contribute to general household harmony. In addition, the program has empowered these women to exercise more decision-making control over their lives and to seek more economic freedom. This independence has led to increased gender equality, especially between spouses, and has improved spousal relationships. This new outlook on gender roles will hopefully provide a model that influences future generations and will lead to a gradual improvement in how women are treated in rural society.

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