

Micro-Financing: Enhancing the Role of Women's Group for Poverty Alleviation in Rural Gambia

¹Saikou E. Sanyang and ²Wen-Chi Huang

¹Department of Tropical Agriculture and International Cooperation,
²Graduate Institute of Agribusiness Management,
National Pingtung University of Science and Technology, Taiwan 912

Abstract: In Gambia, women groups are the core of developmental activities. The role of women in micro financing for poverty alleviation has long been recognized as vital approach to household welfare. Micro-finance generally refers to the provision of financial services (e.g. savings, credit, insurance) to the poor especially women who normally do not have easy access to formal financial institutions. In Gambia, donor agencies and NGOs are promoting micro-finance through women's groups. When linked to other interventions such as training in technical and simple business skills, microfinance can be instrumental in establishing successful enterprises development. In the case of on farm activities where women are engaged, may require securing rights and access to productive assets. Access to credit has often proven to be the first step out of poverty alleviation because it gives rural community window of opportunity to operate small enterprise at profit orientation. Therefore, the objective of this study is to establish the need to empower and support women's group in poverty alleviation through micro-finance approach by implementing policies and strategies in rural Gambia.

Key words: Micro • Finance, Women's group • Poverty alleviation • Rural Gambia

INTRODUCTION

The Gambia is a West African country that, straddles the Gambia River 450 km eastwards from the Atlantic Ocean. It is surrounded by Senegal to the North, East and south, the total land area is 11,000 sq. kilometers consists of riverside areas, swamps and tidal creeks, although over 54% is of good quality arable land. The population is 1.4 million according to 2003 population census and the annual growth rate is 2.8% and the density per square kilometer is 128, one of the highest in Africa. Three quarters of the population is rural and women constitute 51 per cent of the population and half of the people living in rural areas are poor. Such factors as ethnicity or village size seem to be irrelevant to poverty, which is substantially uniform throughout the country, although pockets of deep poverty exist. More than 69 per cent of the population lives less than US\$ 1 a day and 70 per cent depend on agriculture for their livelihood [1]. Every year poor farmers in rural areas face the so-called hungry season, a two-to-four-month period at the peak of

the rainy season between July and September, when household food stocks are low. Poor households depend on income generated by groundnuts or other cash crops to cover the cost of school fees and medicines [2]. Therefore, soaring market prices mean that households have less money to meet basic needs of life.

The majorities of Gambian women live in rural areas and are engaged in agricultural production. In agriculture, women are generally involved in food production, horticultural production and also rear and manage most of the small ruminants and rural poultry [1,2]. Women are also engaged in fisheries as fish off-loaders and fish processors. In forestry, women are engaged in planting seedlings, bee keeping and woodlots. The Gambia government commitment to fight against poverty draws attention from the fact that it is one of the poorest countries in the world with a per capita of about US\$ 350. Thus poverty is on the increase rather than declining. The condition of women in the Gambia is worse than their male counterpart, as they lag behind in all spheres of development. For instance, against the human

development index of 0.350 for the whole country, the gender related development index is 0.277 [1]. At the global level, the World Bank devoted the “World Development report 2001: Attacking Poverty” to the subject based on new evidences and a deeper understanding of the meaning and causes of poverty. The report argued that major reductions in world poverty are indeed possible. It shows that economic development continues to be central to success in reducing poverty, but poverty is also an outcome of economic, social and political processes that interact with and reinforce each other in ways that can ease or exacerbate the state of deprivation in which poor inhabitants live [3]. Consequently, the report concluded that to alleviate poverty requires actions at the local, national and global levels to expand poor rural women opportunities, empower them and increase their security. In the Gambia, an increasing number of microfinance institutions prefer women’s group as they believe that they are better and more reliable borrowers thereby contributing to their financial viability for household up keep. This paper emphasized that indeed micro- finance is a strategy of poverty reduction looking at the conceptual framework, micro-finance providers in the Gambia, rural poverty approaches, policies and strategies in the Gambia.

CONCEPTUAL FRAMEWORK

Understanding how to alleviate poverty is a central concern of development economies. According to Bruno *et al.* [4] there are enough evidences that policies designed to foster economic growth significantly reduce poverty, but that policies aimed specifically at alleviating poverty are also important. For example, programs that provide credit and build human capital try to eliminate the causes of poverty and such programs can have a short-term or long- term effect. He took a short term effect on programs design for alleviating poverty, assuming that income-earning abilities are fixed. He took two disparate approaches to program design, which he called the technocratic and the institutional framework. The technocratic approach usually associated with economists, focusing on targeting, exploring the theoretical and empirical implications of trying to direct limited resources to pro-poor with the greatest need. These efforts emphasize of identifying women as target groups and use creative approaches to program design that would substitute for detailed information required to achieve first- best results. Central to such explorations are the incentive effect of program design, which underscore

the need to know key behavioral parameters, such as labor supply responses, in order to formulate policy. The institutional approach is more common among non-economists. For them the question of why program for the poor do or do not work has much more to do with social institutions than with policy design. In his opinion Besley and Stephen [5] indicate that anti poverty policies fail because the poor lack political power or poor governance or corruption keep governments from delivering services. Thus improving the lives of the poor especially women requires developing institutions, improving government performance and changing political structures and attitudes towards the poor [5,6]. The gulf among these two perspectives is evident in their views of the role of non-governmental organizations (NGOs), in poverty alleviation programs. The technocratic approach rarely refers to NGOs, while the institutional approach considers them vital to the attack on poverty in developing countries. The increasing concern with better targeting in poverty alleviation program stems from governments’ desire to minimize the cost of achieving poverty alleviation objectives [7,8].

The Gambia’s rural poor community: who, where and why?: Groundnut farmers in upland areas are among the poorest people in the country. At least half of the country’s poor people include farmers and agricultural workers [1]. The incidence of poverty is highest in rural groundnut producing areas. In the North Bank, Upper River and Lower River divisions, about 65 per cent of the population is poor. Poverty is further complicated by the fact that the probability of a person being poor is related to their sex. Compared to men, women have a higher incidence, vulnerable and severity of poverty [9]. In a traditional point of view they do not own or control land or involve in the pattern of decision making, but they bear a disproportionately heavy burden of labor and other domestic activities. They lack access to credit for income-generating activities and they generally have no voice in decision making process that affects their lives. Poverty in the Gambia has its roots in slow economic growth and uneven income distribution. Rural poverty, in particular, is the result of a poor natural resource base and farmers’ dependence on agriculture as their principal source of income [4].

The primary causes of rural poverty in the Gambia are:

- Low and decreasing soil fertility
- Low agricultural and labor productivity

- Poor access to productive assets such as land and water
- Poorly functions of input and output markets
- Low prices on world markets for products such as groundnuts and certain types of rice
- Poorly functions of rural institutions, including credit institutions and lack of basic social services
- Irregular rains that frequently cause crop losses and yields that fluctuates as much as 40 per cent from one harvest season to the next season.

Rural poor women generally produce for home consumption and sell any surpluses at disappointing prices. Poor women farmers are caught in a vicious circle of risk aversion, limited use of inputs, low productivity and low income [1].

Women and the Economy: An analysis of the women's socio-economic position must be viewed against the backdrop of the countries overall development and economic status. The country's economy is mainly agrarian with over 70% of the population engaged in agricultural activity. Although women are active participants of the agricultural sector, the products of their agricultural activities mostly go towards feeding the family and sales in the local markets for cash [10]. However, women groups play vital roles in diversifying the economy being involved in petty trading, fisheries, crop and animal production. The implications of poor export performance, inflation, structural adjustments and financial austerity measures and male dominated sectors are evident in Gambia. It is the women who subsidize main crop failure in many households in the rural economy and high unemployment in urban areas by supporting families with the limited income they received from casual farm labor, gardening, petty trading and other activities [3]. The Government of Gambia has recognized the role women play in the socio-economic development particularly at the micro level. About 75% of the agricultural labor force is provided by women since agriculture contributes about 27% of GDP and the role of women at the macro-economic level is of great importance. The present policies focus on empowering women in terms of resource opportunities or mobilization such as land, credit, training, decision making, politics and technology. Income generating activities are being promoted through various skills and enterprise development schemes/projects or micro-finance institutions such as the National Association of Cooperative Credit Unions of the Gambia (NACCUG),

Social Development Fund (SDF), Village Savings and Credit Associations (VISACA), Gambia Women Finance Association (GAWFA) the Community Skills Improvement Project (CSIP), Rural Finance and Community Initiatives Project (RECIP), the Fight Against Social Exclusion Project (FASE) and many others. These are all rural development projects targeting the women groups with the overall objective of sustaining and improving the standard of living of the rural wellbeing. Rural development and poverty alleviation is only possible when we redress problems at rural areas and involving the rural farmers in decision making, since they know problems affecting their livelihood [11].

Vegetable Production: Women have continued to be the principal producers of vegetables for the home and local markets. Women in this industry can be categorized into individual and communal producers. The group or communal approach was introduced by the Department of Agriculture to easily reach many women groups with extension advice, using common gardens in which each woman has a number of beds to grow preferred vegetables. According to literature, 87,000 women operate in communal gardens and producer categories experienced water shortages thus reducing yields. Although many donor agencies and NGOs have intervened in this area, it is still considered a major constraint for the industry [1]. The communal gardens have mostly good fences and production is generally conducted in line with recommended technologies. The production systems vary between individual and communal gardens. Through extension advice, women have increased their knowledge on various production techniques. Generally, individual gardens are characterized by poor fencing and locally dug shallow wells and mixed cropping. Since such holdings have less access to extension advice, production is normally based on traditional practices. Through donor assistance, communal market gardens have been established with high capital investments and operational costs [1,2]. As a result, the women have found it difficult to sustain the production system. As eluded earlier, although vegetable production has increased significantly over the last decade, the income gain by women does not commiserate with yield gains. Marketing has been regarded as a major problem of the industry. This problem is compounded by the increasing participation of large-scale growers who make it difficult for the women to access the hotel and export market. Over production has had substantial impact on the economic gains of women in the sector.

Consequently, the women earn low prices from their products and experience wastage due to poor storage facilities. Although the department of agriculture had introduced simple processing techniques, the adoption of most of these has not been sustained due to socio-economic factors. A survey conducted in 1994 revealed that 35% of vegetable farmers cultivate in borrowed land most of whom live in the area.

Livestock Production: Women in Gambia have always been active in the production of small ruminants, poultry and the processing of milk. They are mainly responsible for the management, feeding and health care of these species. In the 1990s, there was a deliberate shift of emphasis from cattle to the production of short cycle livestock species where women are more prominent. In line with this change, Government and NGOs initiated several programs and micro-financing projects specifically targeting women farmers. The Sheep fattening programs was prominent among these women's groups. The women livestock farmers have taken the enterprise as an economic activity. Women participate in national and regional livestock shows making millions of Dalasi of sales from small ruminants. However, women are still faced with production constraints in both poultry and small ruminants such as frequent diseases, inadequate access to drugs and other production inputs, marketing and theft in the rural communities [1]. In spite of all these problems, there is an increase in the livestock production over the last two decades. According to the 2002/2003 National Agricultural Sample Survey (NASS) report given women an added advantage of ownership both sheep and goats as 52 and 70 percent respectively. The local NGOs and Taiwan International Cooperation Development (ICDF) are giving maximum support to women's group through the micro-financing approach at a low interest rate of loan re-payment. The issue of women's group is gaining momentum both in the developed and developing nations, therefore if women groups are maximum support in the areas of training, communications skills and knowledge and information dissemination would go a long way in poverty alleviation especially the developing countries [12]

The Micro-finance Providers in Gambia: The Micro-finance industry in Gambia is mainly driven by the promotion and development of micro and small enterprises as well as entrepreneurs both in the formal and informal sectors. Current statistics from some None Bank Financial Institutions (NBFIs) in (especially those with

rural outreach) report an informal sector clientele of up to 65% and which is further growing with the increased demand for value added products both within the country and in the region. Therefore, the development of the microfinance industry is directly linked to poverty reduction through the growth of micro and small enterprises in the country [13].

1-Wholesale Microfinance Intermediaries: The biggest wholesale microfinance intermediary in the country is Social Development (SDF) which hosts the microfinance schemes from three ADB projects and one from the Taiwan Government. The other major intermediary is the International Fund of Agricultural Development (IFAD) supported Rural Finance Community Initiative Project (RFCIP) which put in place a network of Village Savings and Credit Associations (VISACAs) and provided them with funds on-lending as well as capacity building to run their operations successfully. Although the RFCIP project has currently been completed, the fund is continuing to rotate under the guardianship of Department of State for Agriculture (DOSA).

2-Retailer - non bank financial institutions: Currently there are about twenty microfinance retailers who make loans and provide savings mobilization to various women's group. The three largest Non Bank Financial Institutions (NBFIs) is Gambia Women Farmers Association (GAWFA) as the longest serving micro-financing institution and targets only women groups. Another typical example is Gambia national association of cooperative credit union of (NACCUG) as professional organization of credit cooperative. The informal microfinance providers consist of money lenders, revolving savings and credit associations. The money lenders may charge interest rates between 100 and 120 percent per annum. Rotating Savings and Credit Associations (ROSACAS) are informal organizations where members periodically save a certain amount of money and the total amount is then loaned to members in turn [14,15].

3-Projects in support of rural/micro- finance in Gambia: Projects in Support of rural/micro finance are African Development Bank (AfDB) and International Fund for Agricultural Development (IFAD) is the main donors supporting the microfinance sector in The Gambia. International Fund for Agricultural Development (IFAD) launched Rural Finance Community Initiative project (RFCIP) focusing on the provision and strengthening of

financial services, AfDB has supported the Community Skills Improvement Project (CSIP), the Peri-Urban Smallholder Improvement Project (PSIP) and the Artisan Fisheries Development Project (AFDP), using microfinance as a tool to achieve their overall development objectives and poverty alleviation strategy in Gambia. The microfinance component of the IFAD funded RFCIP concentrated in Lower River Region (LRR) and Central River Region (CRR). The project is reported to have promoted 80 VISACAs under the project, reaching an estimated of 100,000 'clients', including 45% women's groups. The village savings and credit association is another important tool that can be used to fight poverty in the rural communities particularly the developing countries [16]. In Ghana and Gambia, the most successful micro credit programs are women finance association and programs were reported to have high rate of loan repayment [17]. From Gambia's experience, the program rewarded depositors at above market rate of interest which was 20-50 per cent in 1999. The highest interest rate was not fixed by the formal institution but the village development committee. The village development committee meets to decide on the composition and responsibilities of credit committees, the interest rate and the types of savings instruments. Although, in the case of Ghana and Gambian programmers operate as an informal credit model, the quality of service could be compared to the financial market.

4-Asusu (teegoo): Asusu is a revolving loan scheme in Gambia and out reaching in most West African countries operating as an informal micro-credit program. The women's groups formed to function as revolving schemes are voluntarily were members make fixed contributions of money at regular intervals of weekly, fortnightly or monthly. At each interval, one member collects the entire contributions from all the registered members and each member takes a share until the cycle is completed and then it re-starts again. The Asusu are very strong program that have assisted the target group (women) to alleviate poverty, particularly among market women in rural/urban markets [18]. These Women's groups are registered groups with their own constitution and bye-laws and normally headed by president who is in charge of collecting monies from the respective members on a stipulated time frame. The Asusu are often used as an approach or savings mechanism whereby donor agencies and NGOs are trying to push as an innovation among women entrepreneurs mostly in the rural communities [19].

5-Commercial Banks (formal sector): The formal micro-finance model is built around formal financial institutions such as the commercial banks. Most of the formal institutions that pave credit to the poor had not been successful. The reasons adduced for their failure had been limited knowledge of the poor and no closer relationship between the formal institutions and the informal institution. The Grammen experience is an example of that approach that has been able to transform from informal to formal model of purveying micro-credit to the poor. The credit need of the poor has been found to be very small compared to what the formal model can possibly attend to and also the reoccurring problem of no collateral [7,8]. The formal micro credit operators found that per-client costs are usually high and expensive to reach women groups of client physically in rural areas because of poorly developed infrastructure increases the expense of delivering services of basic needs. Moreover, recently two commercial banks have entered the microfinance industry, Arab Gambian Islamic Bank (AGIB), with its wholesale concessionary credit to the National Youth Service Scheme (NYSS); and Standard Chartered Bank (Gambia Limited) with a line of credit to Gambia Women Farmers Association (GAWFA). The schemes they offer are limited to the urban areas and focus on formal sector entrepreneurs and businesses and are unsuitable for the emerging entrepreneurs of micro-enterprises. This is mainly due to the fact that these commercial banks are not motivated to increase their outreach in the absence of a clear and transparent micro finance policy environment. According to [5] mentioned that, lack of coordination and monitoring mechanisms which makes the rural based entrepreneur riskier than those in the urban setting. In addition, most programs offering micro-finance services have a small capital base and do not have access to the level of financing that would be required for significant scaling up.

Rural Poverty Approaches, Policies and Strategies in Gambia: In the mid-1980s the government has been implementing economic policies favoring macroeconomic stability, market liberalization and private sector development. In 1998 the government adopted a long-term strategy; Gambia incorporated Vision 2020, a blueprint for accelerated and sustainable development, which aims at transforming the nation into a middle-income country. The Gambia's medium-term strategy is outlined in the second strategy for poverty alleviation (SPA-II), prepared between 2000 and 2002, which is the country's poverty reduction strategy paper [1,2]. The strategy highlights a

dual approach to undertake actions in the three key sectors of agriculture, health and education that would foster macroeconomic growth to support those actions to enhance sustainable agricultural and rural development programs. This aims to empower rural communities especially the women's groups to respond to their own development needs and take up their own decisions relating to enterprise development. The government's strategic approach is consistent with IFAD's poverty reduction strategy in the region. Agricultural diversification to decrease dependence on groundnuts is a cornerstone of the government's strategy to reduce rural poverty and improve food security [1]. There are numerous options for women farmers, to cultivate vegetables and fruits, raising small livestock such as sheep fattening programs, poultry management and to produce other niche items such as rabbits, honey and dairy products. Diversification of income generating activities is an ideal approach to increase the internal rate of return of women's groups, reducing poverty and would help to attain self sufficient in household food security [10].

Moreover, all these options were tailored towards poverty alleviation through the micro-financing approach with low interest rates for the women groups in rural Gambia. International Fund for Agricultural Development (IFAD) projects in Gambia have become more demand-driven, increasingly developing rural communities' participation in planning and implementation of programs. For the purpose of accumulating know-how and reducing the risk of failure, IFAD-assisted projects in Gambia providing premise initiative pilot operations with the potential of scaling up to reduce poverty. The outstanding features of pilot activity include the village-based savings and credit association (VISACA) concept and community-initiated self-help groups. Furthermore, donor agencies and other related rural development NGOs are strongly supporting microfinance programs in rural Gambia as a corollary to support sustainable agricultural and rural development for poverty reduction. Expansion of the Village Savings and Credit Associations (VISACA) system has led to a more professional microfinance sector and led to the creation of microfinance department at the Central Bank to oversee the policy and regulatory aspects of micro-finance programs in Gambia. The donors continue their activities to strengthened women's groups and community-based organizations by investing in programs and projects in Gambia. They provide leadership and attract co-financing, forming strategic partnerships with donors, the government, NGOs and civil society

organizations. Through new loans, the organization helps consolidate and continue activities such as rural financial services, community-initiated self-help. Monitoring the future of micro finance development in the Gambia, new innovative approaches can be tested as pilot projects and then scaled up to support more effective and efficient allocation of resources. Diversification of on- and off-farm income-generating activities can reduce poverty related to low market prices [17,14]. In the act of strengthening institutions, communities and developing services such as credit, donor funded programs and NGOs can reinforce rural community efforts especially the women's group to overcome poverty in a long term. In the process of continuing the work of women's groups and to strengthen institutions and to give maximum support of participation at the grass-roots level, donor agencies should rely on NGOs, community groups and organizations, farmers' associations and financial institutions with village-level experience for future rural development programs [13].

1-Creating women's groups: Organizations or groups that have the spectrum of potentials is to give the best ideal to the farmers are those owned and organized by the community themselves. Women's organizations is one of such form of collective organizations been successful but may have encounter some constraints in Gambia. Furthermore, there is a need to experiment with more institutional forms of women's groups. It is only donor agency and NGOs who are facilitators and in a better position to build on women's capacity and work with them for more informed choices of their developmental goals [16]. The most pertaining issue worthy of discussion is how to bring about poverty reduction and women's empowerment through micro financing aimed at women's small enterprise management. There are successful women's groups in Gambia in the sector of horticulture, livestock such as sheep fattening and poultry management and off farm activities. The ideal approach to reduce poverty in the rural settings is to create strong and cohesive women's groups and build their capacity, decision making and allow them to manage their own organizations in a fairly, equitably, socially and economically in a resounding sustainable approach [7,8]. Furthermore, the support of women empowerment can be possible if they are well organized and own their institutions, as they have the greatest potentials to meet the needs of the poor women appropriately and effectively and to manage their own resources.

2-Material benefits of micro-finance: Micro-finance initiatives can play an effective role in addressing material poverty, the physical deprivation of goods, services and the income to attain them. MFIs can help people become more economically secure. This, in turn, has a multiplier effect on people's standard of living, enhancing basic household welfare, such as food security, nutrition, shelter, sanitation, health and education services [1]. MFIs can help prevent and extricate people from debt and most of the times, they liberate low-income households from moneylenders with outrageous interest rates that often reach 100% annually [4,10]. Savings and credit services help women's groups in Gambia to start or revamp their own small businesses, providing income generation and employment for themselves and their families. Credit can be used as working capital so that clients' efforts become more productive; for example, clients can buy rice or grains in bulk at wholesale prices and resell it at retail prices or buy a refrigerator to keep fresh produces in order to prolong the shelf life [12]. As clients become more productive, their income increases and they are able to accumulate savings for other investments and emergencies. Savings serve as reserves for important household expenditures (such as school fees and funeral costs) and as insurance against sudden crises (such as illness, natural disaster, or theft) that can otherwise result in destitution for people already living at the poverty line [14]. In Gambia, women's groups are enjoying the benefits of savings at commercial banks as this will provide dividends to the groups. The advice given to these women's groups is not to make heavy withdrawal from their savings but to encourage them to pump more money into their bank accounts. When the women groups start to make more withdrawal it will have some negative effect on their interest. In many cases low income women farmers' would always want to save, but have been saving in a variety of local methods, ranging from kinship networks to Revolving Savings and Credit Associations (ROSCAs). This is due to lack of appropriate saving facilities that offer a combination of security funds, liquidity, positive real return and convenience. MFIs can build upon Africa's traditional savings ethic to enhance outreach and quality of services. It is important to keep in mind that for any financial service to have a lasting impact on poverty eradication, it must be flexible and innovative to adapt to their needs of its clients [11].

3-Non-Material Benefits of Micro- Financing: Micro-finance initiatives offer more than just material benefits;

they can also address issues associated with "non-material" poverty, which includes social and psychological effects that prevent people from realizing their potential [6,9]. Micro-finance initiatives individually and collectively empower women's groups. A steady income, a savings account, training and the discipline to honor loan repayments usually raise the self-esteem and status of clients, in societies where they are often treated as second-class citizens [21]. In Gambia, NGOs and donor agencies target the women groups in micro-financing programs, because these groups honor the timely repayment of loans. MFIs often utilize microfinance groups to provide training in financial management, legal rights, business management, as well as other support services. Principles of collective organization and solidarity empowered women to bargain for higher wages, better work conditions, health services, child-care and common forms of insurance to protect their lives and livelihoods [2,3]. MFI participants, especially women, are often empowered to speak out more, assume leadership roles and address issues beyond their workplace, such as domestic violence. For many women, the group is the first opportunity to meet formally with other women to discuss problems and develop joint action. The groups serve as a channel of information dissemination, for example, members may tell each other about counseling services that have been established for women victims of violence, drug and alcohol addicts. Many women participants experience a change in their household and community status. Some experience an increase in financial responsibilities when their husbands noticed that they are involved in lucrative activities. In Gambia, women are a better credit-risk taker than men and more responsible managers of meager resources. Furthermore, they are more committed to using their loans for the benefit of their household rather than self-gratifying consumption (as common among men). The most compelling reason for micro financing to prioritize women is to assist the poorest, who are disproportionately women [14].

DISCUSSION

In the Gambia, there is greater participation of women's groups for poverty alleviation and rural development programs, is highly improving their living conditions and creating responsible positions in the households and wider community. The approach of alleviating poverty through micro - financing focused on women's development in general and their participation in

income generating activities while it deserves a special attention in national development. Women's economic empowerment is recognized as a tool for reducing poverty and vibrant economic growth. Women groups are playing a significant role in African economies as in the case of Gambia and are highly represented in the micro- financing and small enterprises sub-sectors. The majority of the women are engaged in small income generating and self employment in agriculture and non-agricultural activities with low prospect for growth. Since women's economic well being is linked to the development of the sectors and sub-sectors in which they operate, the following part of the paper is devoted to examining women's role in micro-financing and assessing the opportunities for promoting women's economic empowerment through developing micro financing initiatives in rural Gambia.

Furthermore, there is a need to bring the rural women in the development streamline of the country; as a result the government of Gambia, donor agencies and rural development NGOs deem it necessary to provide ample opportunities to promote entrepreneurial skill among women's groups. The potential opportunities are income-generating activities, credit facilities, skill training and market outlets all would pave a way for poverty reduction in the rural community of Gambia especially the women and youths who are more vulnerable. In the Gambia, the government, donor agencies and NGOs target women's groups is because lending to women's groups can be more effective in meeting social objectives. A growing literature in sociology and economics documents both the over representation of women amongst the poorest of the poor and the greater probability that money in the hands of women is spent on children's health and education relative to money in the hands of their husbands [2,3]. Micro lenders such as ProMujer in Latin America have thus turned to microfinance as a way to further their goal of empowering poor women and spreading knowledge on good health, nutrition and hygiene practices [17,1]. According to literature reviewed microfinance alone does not improve roads, housing, water supply, education and health services; it can also play an important role in making these indicators and other sustainable contributions to the community. As micro-finance becomes more widely accepted and moves into the mainstream, the supply of services to the poor women may likewise increase, improving efficiency and outreach, while lowering costs. This, in turn, can have a multiplier impact on people's standard of living especially the women's groups [15]. Perhaps the greatest contribution of micro- financing in Gambia, is that, it empowers

women's groups providing them with confidence, self-esteem and the financial means to play a larger role in their development. The potential of micro-finance far exceeds the micro-level, scaling-up to address macro-problems associated with poverty reduction. Presently Gambia government in its poverty reduction strategy program has given more consideration to women empowerment in terms of training, skills and knowledge, micro-credit and business skill development. In addition, micro-financing activities in Gambia, yields income for the women farmers, which may be useful for rural development work and can lead to development approaches towards financial self-sustenance, providing a needed input to the women's groups. Moreover, the government, international donor agencies and NGOs must ensure that the final clients' i.e. poor women, who are members of micro- financing programs, understand both positive and negative implications of dealing with banks as opposed to dealing with MFIs. Equally important is the need for the government, international donor agencies and NGOs to comprehend implications of alternate institutional forms because if they do not, it may be result to the end of such programs. The achievement of high money turn-over, high repayment rates, coverage costs and large number of low income clients does not necessarily imply that poverty reduction is achieved [13]

CONCLUSION

Micro and small enterprises provide employment to the women's groups with little or other means of getting income. Women's groups fully participate in self-employment and operate small income generating activities. The government, donor agencies and NGOs are significant in terms of reducing the household vulnerability to poverty in Gambia and trying to reach their growth potential all over the country. Many of the constraints women micro and small enterprises encountered cannot be addressed with one single

intervention or one single sector for that matter. The micro and small enterprises, although their importance for poverty reduction is recognized, there is more confidence among policy makers about their ability to contribute to the growth of the economy. Therefore, greater attention needs to be paid to the development of the sector in general to promote and support women owned micro and small enterprises in the country. This will ensure women's economic empowerment as a way to reduce poverty and promote vibrant economic growth. As mentioned, poverty is deep in the Gambia and education has been shown in the poverty assessment study to be negatively related to poverty. Training should not be restricted to reading and writing but more importantly to skills acquisition for those who had attended primary education and apprenticeships for some vocational jobs. The ultimate goal of this study is to empower and support women to fight against poverty in rural communities through the help all of stakeholders in a holistic approach. In conclusion the government, donor agencies, NGOs and other financial institutions should give maximum support to women's groups both financially and human resources to alleviate poverty through micro-financing approach. This paper emphasized that indeed micro-finance is a strategy of poverty reduction and forging ahead to the future of micro-finance programs in Gambia.

ACKNOWLEDGEMENT

I would like to acknowledge my lovely wife (Kumba Jayfang) and son (Omar Sanyang) for being patient with me while doing my academic career. I would also like to acknowledge my beloved mother for her encouragement.

REFERENCES

1. UNDP, 2008. Human Development Reports. <http://www.undp.org/2007/faq.html>
2. World Bank, 1996. The Informal Sector and Microfinance Institutions in West Africa edited by Leila Webster, Perter Fidler.
3. World Bank, 2001. World Development Report "Attacking Poverty".
4. Bruno, C., L.S. Michael and R. Martin, 1995. "Equity and Growth in Developing Countries Old and New Perspectives" Policy Research working paper 1563. World Bank Washington D.C.
5. Besley, T. and C. Stephen, 1995. 'Group lending, repayment incentives and social collateral', *Journal of Development Economics*, pp: 46.
6. Besley, T., 1996. "Political Economy of Alleviating poverty: Theory and Institutions", in Bruno, M and Pleskovic, B (Ed) Annual World Bank Conference, on Development Economics 1996. The World Bank, Washington D.C.
7. Anderson, S. and M.B. Jean, 2002, 'The economics of ROSCAs and intra-household allocation', *Quarterly Journal of Economics*, August: 983-95.
8. Acharya, B. and S. Premchander, 1999. Evaluation of training program on strategic business planning: a review report. Ahmedabad: Friends of Women's World Banking.
9. Boserup, E., 1989. Women's role in economic development. London: Earthscan Publication Ltd.
10. Daley, H.S., 2003. The State of the Micro credit Summit Campaign 2003. Washington, DC: Micro credit Summit.
11. Ghatak, M., 2000. 'Joint liability credit contracts and the peer selection effect', *Economic Journal*, July.
12. Hirschland, M., 2003. 'Serving small depositors: overcoming the obstacles, recognizing the tradeoffs,' *Micro banking Bulletin*, 9(July): 3-8.
13. Johnson, S. and B. Rogaly, 1997. Micro-finance and poverty reduction. Oxford: OXFAM and ACTIONAID.
14. Khandker, S., 1998. Fighting Poverty with Micro credit, Washington, DC: World Bank
15. Matin, I., 1996. 'Group credit arrangements with joint liability: Some thoughts and puzzles', *Grassroots Volume (20)*: 44-8.
16. Rai, A. and S. Tomas, 2004. 'Is Grameen lending efficient? Repayment incentives and insurance in village economies', *Review of Economic Studies*, January 2004. 71(1): 217-34.
17. Karmakar, K.G., 1999. Rural credit and self groups: Micro-finance needs and concept in India. New Delhi: Surge Publications.
18. Riddell, R.C. and M. Robinson, 1995. Non-governmental organizations and rural poverty alleviation. Overseas Development Institute.
19. Sender, J. and C. Ova, 2008. Divorced, Separated and Widowed Female Workers in Rural Mozambique. *Feminist Economics*.
20. Swain, R.B. and F. Yang Wallentin, 2007. Does Microfinance Empower Women? Evidence from Self Help Groups in India. Uppsala Universitet, Dept. of Economics Working Paper.
21. Hossain, M., 1988. Credit for alleviation of rural poverty: The Grameen Bank of Bangladesh, Washington, DC: International Food Policy Research Institute Research Report 65, February.