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Center for Udviklingsforskning
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Abstract

Focusing on special credit schemes for women in Tanzania this paper explores the relationship between policy making and practise in development aid. Through a detailed study of the ILO RYTEP credit scheme for rural women and youth in Kilimanjaro, Northeastern Tanzania it raises the question whether present models of credit schemes represent a viable strategy for empowerment of women. By examining in detail the implementation strategy of the ILO scheme the analysis points to features of current soft loans credit schemes which correspond very badly to policies of empowerment and which reflect a critical disparity between policy making and practise. These features are a top-down implementation approach, too little emphasis on participatory processes, too little weight on business training, predominant attitudes to women among implementers, and neglect of the legal aspects in soft loans. The paper concludes that unless these issues are tackled satisfactorily credit schemes for women may actually work to impoverish women instead of improving their economic capabilities and spirit of self-reliance.

Introduction 1

In the development discourse, policies and rhetoric about women have changed significantly during the past two decades. The rhetoric has moved from a welfare-oriented approach, perceiving women as passive recipients of aid and focusing on their reproductive role; to economic-oriented approaches emphasising women's role as producers and active participants in the development process; and lately to an empowerment approach. However, planning instruments and methodologies have undergone remarkably little alterations to accommodate these new approaches. Basically, the rational comprehensive planning methodology developed in the 1950s continues to be used in modified forms by institutional structures as diverse as governments, donor agencies and NGOs (Moser 1993:85).

Based on a study of women's groups and special credit schemes to women in Tanzania we shall here demonstrate how this disparity between development rhetoric and approaches on the one hand and actual planning and implementation procedures on the other has had devastating effects on women. By examining in detail the ILO-financed RYTEP credit scheme extending credit to women and youth on so-called soft loans conditions, we will point at some pressing issues that need special attention in order that credit schemes may actually enable women to gain experience and develop viable projects. We have chosen to look at credit schemes because they, more than any other aid activity, currently are seen by policy makers and planners as a crucial tool to improve women's economic activities and give them greater self-reliance.

Material for this study was collected during March to July 1993 as part of a one-year fieldwork focusing on women's groups in Kilimanjaro, Northern

Tanzania.[1] Our entrance to the topic was not through an initial focus on credit but rather emerged through our investigations of a selected number of women's groups, which happened to be involved with credit schemes. Hence, our observations are not drawn from a representative sample of women's credit schemes, but stem from an intimate knowledge of selected women's groups and their socio-economic environment. The issues that we deal with are not specific to the credit scheme we present but common to many if not most credit schemes.

Development Rhetoric Towards Women 2

In the 1970s development planners and practitioners began to recognise women's productive role and their active participation in development as a prerequisite for achieving economic growth and alleviating poverty. Policies included attempt to increase women's access to productive resources through income-generating projects usually organised by nongovernmental organizations (NGOs) and financed through grants from international and bilateral agencies. Such projects usually remained small in scale and scope, and their capacity to assist low-income women to generate income was generally insignificant (Moser 1989:1812).

Since the 1980s the emphasis in development policy has switched to women's active role in production as an efficient means to obtain development (Women in Development approach - WID, especially prevalent in structural adjustment policies) and lately also to an approach of women's empowerment through women organising for greater self-reliance (Moser 1989,1993; Young 1993). The major difference is a stress on women as active partners in development instead of being passive recipients of aid. Participation means that women must actively engage themselves in economic activities; they must organise themselves, formulate their practical and strategic needs and make demands on the state and on society itself, which will eventually result in structural transformations (Elson 1991; Jackson 1992; Moser 1989, 1993; Young 1993). This change in rhetoric and approach coincides with similar changes in mainstream development thinking which focuses on grassroot organisations, NGOs and popular participation as prerequisites for development and growth.

However, past and present approaches by no means preclude each other. In an operational development environment, rhetoric tends to change with the audience (Jackson 1992:91). And more importantly, there is a tendency for planners and policy-makers to hang on to a perception of women as mothers and carers of the family and to resist changes which may result in a more equitable sharing of power and resources in society (Young 1993).

1 Fieldwork was undertaken together with Mathew L.N. Diyamett, Head of the Department of Post Graduate Studies and Short Courses, Cooperative College Moshi. However, we alone are responsible for the views expressed here.

Many studies of women's entrepreneurship in Africa have demonstrated that generally women face more serious constraints than men regarding the establishment or expansion of their economic activities. These obstacles include women's lack of access to financial services through formal lending institutions, their lack of entrepreneurship and market knowledge, low management and technical skills, women's lack of time due to household responsibilities, and their generally low levels of livelihood affecting their ability to accumulate capital for investment in business (Berger 1989; Kane et al. 1991; Koda & Omari 1991; Malkamäki 1991; Mboma 1989; Mitullah 1989; Virji & Meghji 1987; Watts 1984).[2]

Hence, the factors prejudicing women's ability to succeed as business women are many, and their interrelationship extremely complex. However, here we will not discuss the business environment as such. Rather, we will restrict ourselves to a discussion of credit schemes for women seen as a typical example of development practice within this decade's economic-oriented policies.

With the change in development policies, policies as to the enhancement of women's economic role have also changed. Economic assistance to women in the form of grants is no longer seen as a satisfactory or sufficient tool for improving the living conditions of women and their families. Instead, focus is now put on financial assistance to women through the establishment of special credit schemes. Where grants tended to keep women in a passive recipient role, credit, it is often argued, has the potential of enabling women to operate under business conditions and link women with the formal banking sector thereby integrating women in mainstream development.

Development aid has conventionally dealt with credit. And in relation to the more economic-oriented approaches to women, credit has carried great appeal to development agencies as well as to NGOs. By offering women credit, a structural problem may be overcome or at least alleviated without having to address directly issues of gender inequality. Women's lack of capital is transformed into a technical problem, which outsiders can identify with and engage in without committing themselves too much to deeper structural transformations they claim to support. Consequently, credit projects for women and other resource-poor people have exploded in number during recent years. Credit schemes' design may differ in specific aspects like government and donor substitution of credit programmes, extent of training and technical assistance included in the credit package, and channels for extending credit to women (Berger 1989; Malkamäki 1991).

Loan conditions within special credit schemes differ from one scheme to the other but generally they are characterised by 'softer' conditions than are usual for commercial loans through formal lending institutions. Most importantly,

2 To these constraints we must add problems relating to a highly competitive market, 'scarcity' of new ideas leading to 'oversupply', poorly developed transportation and communication infrastructures, cultural barriers for women engaging in certain types of male-controlled activities, government regulations and policies towards the informal sector and relating to this, women's lack of strong associations to advocate their interests (Kerner 1988; Kopp 1993; Mitullah 1989; Watts 1984).

surety is not asked for in the form of immovable property like land and permanent constructions but may be in the form of movables like crops, vehicles, machinery and jewels (Due et al. 1990; Virgi & Meghi 1987). In this way women's lack of rights to fixed property can be overcome. In some credit schemes, no collateral may be asked for at all, but a guarantee must be produced either by the loanee's husband, or the local government or by the loanee's women's group (Malkamäki 1991; Sauti ya Siti 1991).

To obtain a loan, in many cases one must be a member of a group or a cooperative. An increasing number of donor agencies and banks prefer to deal with such groups instead of with individuals. Loans are generally small in size and to reduce administration and training costs, credit is channelled to individuals through the group. Groups must be registered or at least recognised in some way by the local authorities. Generally, the group as a collectivity bears responsibility for all loans received by its members. It acts as surety where there is no or little collateral. The rationale behind this model is that group formation serves to make sure that unviable projects are not started and that group pressure works as a guarantee that loans are repaid on time. Besides, recognised groups are seen as a necessity in these types of credit schemes where there is little or no collateral to act as surety. Where suitable groups do not exist, potential clients are urged to form groups, if necessary assisted by extension staff.

So far, the general experience with credit schemes has been negative. Credit schemes tend to suffer from poor repayment rates with a few exceptional cases like the Grameen Bank in Bangladesh. Furthermore, efficiency rates are low; and administration costs extremely high. There are problems of reaching the poor and of being able to deal with only very small numbers of loan takers (FAO 1988; Kobb 1993; Malkamäki 1991). On the part of the lenders, this has resulted in a growing concern with credit schemes' ability to become sustainable, efficient and cost-effective placing new demands on women's ability to operate according to market forces.

Special Credit Schemes for Women in Tanzania 4

In Tanzania a wide number of special loan schemes for women have been established by banks, donor agencies and NGOs since the early 1980s (Development News 1991; Due et al.1990; SIDO 1989; Virji & Meghi 1987). More prominent credit schemes launched in the years 1989 to 1991 are the ones run by the Cooperative and Rural Development Bank/ CRDB (Special bank Loan Scheme for Poor Rural Women) and the National Bank of Commerce/NBC (WID Loan Programme, NBC-WID Revolving Fund and the Rural Youth Training and Employment Programme/RYTEP). These are national schemes, covering the whole of Tanzania or several regions in the country. In our study we have focused specifically on the RYTEP scheme.

RYTEP is an ILO programme using funds from UNDP and being administered by the Ministry of Community Development, Women and Children. Established in 1989, the programme now operates in six regions: Kilimanjaro, Tanga, Morogoro, Coast, Dodoma and Mbeya. It aims at creating employment for young people, that is men and women aged between 14 and 35 years. Lack of finance is seen as a major obstacle confronting the young who want to start their own business. Hence the programme has a credit component administered by NBC, which is to function as a revolving fund.

The programme stipulates that the money should be extended to the young people as commercial credit rather than as a grant in order to 1) "commit the youths to work for the income generating projects so as to make them successful" and 2) "to discourage dependency on the government and encourage the spirit of self reliance" (ILO Project Document,n.d.:1). Hence, this programme falls within the category of economic-oriented development approaches that aim to empower underprivileged people.

In line with this policy, the ILO programme has a training component as part of the credit scheme. It is a prerequisite for obtaining loans that borrowers participate in a training course of two weeks duration organised by the Folk Development College (FDC), where Community Development Officers (CDOs) are also trained. Training covers three areas: 1) technical training relating to the specific projects chosen, e.g. dairy, piggeries or tailoring, 2) business management and basic book-keeping and 3) how to run a group. In addition, NBC has trained its own staff how to handle schemes of this kind. Together with community development extension workers, bank staff appraise all applications and make follow-up studies at the clients' projects.

Regarding loan conditions, loans are only subsidized to a small extent. Interest rates are just below commercial rates, 23% compared to commercial rates of 24% - 31% (July 1993). Half the interest covers the bank's administration costs and the other half enters into a revolving fund. Credit is channelled to individuals through groups but each individual has his or her own bank account. The group as such is not responsible for members' loans. No collateral is required, but surety is in the form of a guarantee from the village government or the district council (Interview with project and government staff, April-July 1993). Loans range in size from 90,000 to 330,000 Tsh per loan. Repayment periods are between one and three years, depending on the size of loan and type of project. Projects established by women and men under this scheme include projects like piggery, dairy, tailoring, gardening and other small-scale businesses.

Like most other credit schemes in Tanzania, this programme has faced problems of high administration costs and low repayment rates (less than 60% July 1993). In addition, although RYTEP aims at assisting unemployed young men and women, the programme has had difficulties identifying young unemployed people. More women than men have obtained loans. Out of 58 loans, 42 went to women and only 15 to men (Interview with CDO, June 1993). Furthermore, the average age for loan takers is around 40 years of age, (i.e. over the stipulated age). This bias in terms of age and gender is probably due to the fact that the programme has turned to existing income-generating groups to identify suitable clients.[3] Group members tend to be middle-aged, married women. In addition, not all clients qualify as unemployed.

In the following sections we will specifically look at how the programme has been implemented in practice. In particular, we point at how local implementers' perceptions of women's role in development affect the way projects are carried out and may work to counteract newly adopted donor policies, in this case ILO policies towards unemployed youth.

Playing the Role of the Passive Recipient 5

Despite the programme's policy of encouraging a spirit of self-reliance amongst youth, the programme itself has been designed in such a way as to prevent this process. Youth plays only an insignificant role in the whole set-up. Everything is planned for and carried out on their behalf but without their participation. Consequently, there is little room for them to experience what it means to be self-reliant, take responsibility or make decisions.

Following the comprehensive planning methodology, the programme consists of the usual phases of appraisal, follow-up, monitoring and evaluation. In the ILO programme document (n.d.) it is specified what role the different parties involved in the credit scheme should play within this framework. ILO staff, village or district development committee *identify* project ideas. ILO undertakes the *feasibility* analysis of the proposed projects, and "youth willing to participate in the suggested projects apply by filling forms" (ibid:3). Next, after approval by the village committee, the project is submitted to the credit committee consisting of the FDC principal, senior district staff and the bank manager for *appraisal* and submission to the bank. After approval by the bank, loans are disbursed to the applicants. According to the document, the borrowers are required to contribute either cash or kind or both towards the establishment of the projects. *Monitoring* of projects and loan repayments is the responsibility of the bank, assisted by FDC tutors and Community Development Officers (CDOs). After participation in a training programme at FDC, the client can now establish his/her project. In sum, apart from participating in training and some unspecified contribution in cash or kind, the clients' involvement in the whole process is reduced to that of, as it says in the project document, showing enthusiasm and willingness towards the programme and the project (ibid:2). In our case this has meant that the participants of the ILO RYTEP programme, women and youth, have had very little or no influence on the design of their own projects. They have been left out of feasibility studies and have had no say regarding loan size and repayment conditions.

The procedure has been as follows. Women's groups within the area were approached and asked if they would participate in the programme. At the first

3 The ILO programme did also approach a few income-generating groups for young men. They were not included in our sample, but according to district staff their history within the programme is no different from that of the women's groups (interview with community development officer, Moshi District, June 1993).

meeting, the women were informed that they could choose between a number of economic activities, and that funds for the projects would be in the form of loans to individuals to be repaid within three years. Later, it turned out that the staff had already chosen the types of projects particular women's groups could start, and in the case of dairy projects it was the staff again who selected the cows. Later this procedure was changed but only after the women had insisted that they select their own cows with the assistance of a veterinary officer. By that time some group members had run into serious problems because the first delivered cows turned out to be either sick or barren. Their situation was aggravated by the fact that they had to continue paying their loan instalments even though they had no produce to market.

When loans were disbursed to the programme participants it turned out that loan agreements were drawn up in English, a completely foreign language to most participants. The contents were translated into Swahili in a summarised form by district and bank staff who also gave a brief but insufficient explanation regarding payment of interest.[4] Consequently, most women only had a vague idea about what commercial loan-taking implies and that it involves a substantial element of risk. To make things worse, loans tended to be oversized. A comparison of project proposals and loan applications leaves one with the impression that the advisory staff has aimed at securing their clients the largest loans possible regardless whether the clients' projects could make use of or recover such large loans within the stipulated loan period. Likewise, feasibility studies and hence also the loan agreements made no mentioning of contributions in kind or cash by the clients themselves.

After the loan period's first year, some participants had made no repayments at all on their loans, others had made only irregular payments, and a few had performed satisfactorily according to the loan conditions. The former were programme participants whose projects had failed in the course of the first year or been non-viable from the very start, e.g. those who had received sick or barren cows. Borrowers with irregular payments were typically people whose projects were running quite satisfactorily but realising less surplus than stated in the feasibility study. Or they were people who did not need all the money in the loan for their project but who had decided to spend the extra money on consumption items. They were unaware of the fact that by spending all or by failing to pay the instalments exactly as stated in the document they actually increased their loan because of interest's interest being added to the original loan figures. They were highly astonished when the bank reported to the programme that they did not perform satisfactorily. The latter group of women were those who needed less than the original loan for their project and who were wise enough to save the extra money in their bank account. This money was then later drawn by the bank to cover interests. So, although they did not understand the loan conditions these women had enough money in the bank during the year of operation to pay their instalments regardless whether their projects produced a surplus or not.

4 Later NBC has arranged for a translation of loan agreements into Swahili, the official language of Tanzania. Swahili is spoken by all Chagga as first or second language.

Reactions on the part of bank and donor staff were to threaten those programme participants who did not follow the scheduled repayments that they would be taken to court. They justified this procedure by claiming that certain borrowers within the programme pretended to know nothing of commercial loans hoping that their loans eventually would be released. However, the majority of borrowers did not have any former experience with commercial loans. Despite this the programme neglected the issue both in its training programme and in the concrete situation where the borrowers signed their loan agreements.

Empowerment or Welfare? 6

Apart from its top-down approach, the ILO programme suffers another defect which it shares with many other credit schemes in Africa and elsewhere (Berger 1989; FAO 1988; Holm Andersen 1992). These types of programmes are typically implemented through local institutions like department of community development and district development office whose staff is trained as planners and mobilisers of self-help community projects and obviously cannot be expected to be experts in business management and enterprising. But why are such institutional structures chosen for a programme like the ILO credit scheme?

In Tanzania with its former history of state economy and a market economy still in its early phases part of the answer lies in the fact that the ILO credit scheme has had little other choice. However, another reason is that two crucial aspects of the programme, that of doing business on market conditions and that of empowering women and youth, have not been given ample consideration by planners and implementers. The ILO RYTEP documents contain all the right elements of business training, credit committee and participants' independence and self-reliance. But the question how to support in practise such a process is left pretty much unanswered.

Regarding the issue of empowerment, the fact that international and national development policies on women and the poor have taken completely new directions has not apparently fostered similar alterations regarding implementation strategies and procedures at the ground level. There seems to exist a certain gap, both in time and space, between policy formulation and implementation which can, of course, be explained with sluggishness within the aid system itself. However, a more important factor is that this gap or disparity mirrors differences in political interests at both international and national level and at local level. At the international level, development aid rhetoric of women's empowerment may well function to legitimize development aid intervention in the South to tax payers in the North while the same rhetoric by local planners and policy makers may be viewed as expressing 'cognitive imperialism' (Rosander 1992).At the local level, participatory and empowerment approaches imply a more equitable sharing of power and resources between men and women, between rich and poor. This inevitably meets with resistance, passive as well as active, from local power holders (Young 1993). One very effective way of resisting this kind of change is to make no alterations and to continue former well-fare oriented aid practices.

In local perceptions women's role in development is that of mother, nurturer of the family and dependent wife. Women's productive and enterprising activities are looked upon as secondary to men's and generally less significant in scale. Clearly, the ILO programme's policies of supporting youth independence and self-reliance collides with these perceptions but the programme avoids the issue. Instead, like most other credit schemes, it sets up an implementation strategy that does not differ significantly from former times well-fare oriented approaches to women's groups projects financed through grants. On top of this, in order to cater for the business aspect the programme adds a training component and a credit committee.

The training course for programme participants at Folk Development College (FDC) has not been sufficiently integrated in the programme and not directed specifically to the objectives of enabling inexperienced women and youth to develop self-reliance and a capacity to run viable business enterprises under commercial conditions. Although borrowers were taught business management and simple book-keeping, the teaching remained theoretical and little useful in practise. For example, the curriculum did not include a study of individual loan agreements, including the specific repayment conditions of these soft loans; borrowers were not, initially at least, involved in the process of selecting cows; the training course' topic on group dynamics had no practical role to play within the programme set-up. Hence, an important aspect of the programme itself was missed out, viz. that of learning by doing. Every single step of the programme offers situations where borrowers through participation and dialogue could gain new and valuable knowledge and experience (Jakobsen 1995).

Likewise, FDC's two-weeks training course for district staff clearly was not enough to make them capable of handling this type of market-oriented programme. And neither the locally appointed donor staff nor the NBC staff were able to give sufficient assistance here. The bank operates usually in urban areas and has relatively little experience with rural-based projects. Hence, feasibility studies prepared by donor and district staff turned out to be based on unrealistic production figures and inadequate market studies. Especially borrowers with piggery and dairy projects have faced serious problems: fodder and transport costs were too high for local pigs to compete with free-grazed pigs imported from a neighbouring region; milk production figures were overestimated and did not mirror seasonal fluctuations. On top of this, sick or barren cows meant that milk production never got started or that incomes from milk sales never materialised or were highly irregular. Those with piggeries were hit by pest among their own pigs and later in the market place, which made it almost impossible for them to sell their pigs, at all.

None of these conditions were taken into account by the feasibility studies with serious consequences for the borrowers and their capability to repay their loans according to the agreed schedules. Under the present economic situation in Tanzania market conditions change quickly due to high inflation rates, an extremely competitive market and a tendency for everybody to enter the same kind of businesses (Kobb 1993; Mboma 1989:9). That which was good business last year or last month, is not good business this year or this month. To set up small-scale income-generating projects on the basis of bank loans under such conditions warrants that even greater precaution is taken in feasibility studies before projects are recommended to programme participants and the bank. In this situation oversized loans have worked to increase any negative effects that the feasibility studies may have caused.

Trapped between well-fare and empowerment, the ILO programme has built up an overly bureaucratic structure of control. Apart from approval by village committees and village authorities all project proposals are sent through a credit committee. This committee consists of senior bank and district staff and other influential people. However, with the exception of the bank manager few of these people can be expected to have much experience with small-scale enterprises in general not to mention the present situation of the business environment. Credit committees are a common feature of many credit schemes, and their raison d'être is to control the way that credit schemes are administered. But instead of ensuring that loans are extended to healthy viable projects, they may actually work to hinder this process. The whole procedure becomes very bureaucratic; it slows down the approval procedure; it centralises decisions in a body which bears no final responsibility; and it makes the distance between borrower and lending institution much greater than in ordinary commercial loans (Holm Andersen 1992).

Furthermore, with a credit committee to guarantee all loan applications the bank will tend to accept any forwarded project proposal without much scrutiny. There is little incentive for the bank to invest many resources in these types of petty loans (Berger 1989). The same may apply to the donor whose administrative costs have a tendency to take up a disproportionate part of project expenses compared to the amount allocated to beneficiaries.

With the present programme set-up, a lot of people are involved to decide on relatively petty commercial loans while the very group of people who are supposed to run the projects and who bear responsibility for the loans in the final instance are left with least influence - hardly a satisfactory situation to be placed in and hardly leading to much self-reliance on their part.

Borrower-Lender Relationship 7

This leads us to another crucial issue prevalent of many if not most credit schemes for women. The issue of who takes responsibility for loans taken within soft loan schemes where there is no collateral as surety but usually some form of guarantee from the borrower's husband or relatives, the women's group, the local village government or district authorities. It is unclear how such a guarantee is meant to work in practice if loans are not repaid in time. In our concrete case, this issue was left unmentioned in the ILO programme document, and clearly, programme and district staff have not been sure what legal steps to take in case of default on the part of the borrowers. In some cases they have felt compelled to harass unnecessarily the borrowers or to use threats of taking the defaulters to court.[5] This has created a sort of a patron/ client relationship between district and bank staff on the one hand and women and youth on the other. The latter depend fully on the good-will of the bank and district staff. The former on their side tend to have little patience with the borrowers and to treat them with little respect (Berger 1989).

In fact, the relationship between the different parties involved in the programme appear to have been much less clear than specified in the document. For example, women's group leaders and participants' husbands and fathers have not been adequately informed about their role in the programme, and village committees seem never to have been established. In particular, husbands' situation has been very biased. On paper they function as guarantors of their wives' bank loans. In practise they have been turned away whenever they went to the bank on behalf of their wives presumably out of fear that they might take over the projects (Interviews with NBC staff, borrowers and ILO project staff, April to July 1993).[6]

By establishing soft loan conditions without addressing properly what it implies in legal aspects, the programme has caused a situation of great confusion, especially affecting the women borrowers in negative ways. Women and youth (up to the age of 40 or more) are treated as dependents of their husbands, fathers, local authorities, etc.,etc.. They sign commercial bank loans but it is not clear who bears the legal responsibility for these loans. This has in some households resulted in serious quarrels between spouses. One husband has threatened his wife that if she does not repay the loan he will throw her out of the house. Husbands fear that they may loose their property on account of their wives' bank loans. Therefore, many men in the area are sceptical or directly opposing that their wives take up bank loans. One of their standing jokes was that "if you want to get rid of your house and your farm, (which is the only proper place for a man to be buried), you just go ahead and allow your wife to take a loan". And all along, the women's groups and the participants themselves continue to see the loans as "a gift from Heaven" because they still cannot really believe that the money is given to them on commercial loan conditions and not as the usual grant or gift from their friends in the North (Interviews with borrowers and women's groups, April- July 1993, October 1994).

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5 In April 1994, borrowers who were behind schedule with their payments received a letter from the bank stating that if they had not settled their debts by the end of that month a court case would be initiated against them. The women got very scared and those who could raise money did so. For example, one woman sold the cow she had received through the programme to a neighbour at a very low price in order to pay her debts. The cow was with calf and shortly afterwards gave birth to a heifer. Another woman agreed with her husband that they use all the surplus from his chicken project to pay her interests. By October 1994 the bank had taken no further steps to establish a court case. Although the women have now paid the outstanding amount of money for 1993, some of them are even worse off now than before.

6 The bank's reaction towards the borrowers' husbands should also be seen in the light of the numerous examples where men let their wives sign a loan only to take hold of the money as soon as it enters the wife's bank account.

Concluding Remarks 8

Despite policies that aim at strengthening women's productive and entrepreneurial capabilities through access to credit, project designs and implementation strategies in credit schemes tend to replicate former welfare-oriented policies and practices without addressing sufficiently the issues of empowerment and business. Credit schemes for women follow a typical top-down strategy with an insignificant involvement of the women. The ILO RYTEP programme objective is that women and youth may become independent of government assistance and self-reliant. But in practise, it has failed to develop the tools necessary to support this process. In addition, the programme has initiated projects which were poorly designed and which often could not bear the extra cost of a commercial loan. Hence, instead of overcoming the marginalisation of women and their economic activities, this credit scheme has in effect reinforced it, unintentionally.

Besides, using a planning methodology which conceives of change as the outcome of a series of rational logical steps in a planned sequence means that elements like popular participation and empowerment are easily seen as disturbing factors rather than as necessary elements of the development process. Planners and policy makers say empowerment and popular participation, but they do not allow it to take place in practice. On the contrary, there is a tendency to expand the control apparatus as soon as participation increases. Credit schemes for women are an example of this.

Finally, there is a tendency at the level of policy making to see development as a linear process where new policies replace old ones as soon as the latter have proved to be inefficient. Hence, economic-oriented approaches have replaced well-fare oriented approaches on the international scene of development aid. Suddenly, women as a group are no longer seen as mothers, housewives and family farm labourers but as active and enterprising business women. In real life, things are much more complex. Poor women's income-generating projects are often of a nature and a scale that they cannot qualify as business but should be seen as survival activities fulfilling basic needs within the family (Berger 1989). Therefore, it is necessary from the very beginning to make a distinction between on the one hand, types of projects which are of a scale and a nature that they can operate on commercial conditions and then on the other hand, economic projects which cannot produce any significant surplus and hence should be based on indigenous or other forms of rotational credit systems which involve no or only a minimal input on the part of donor agencies. As it is now, special credit schemes to women are caught in a peculiar position between approaches and practices which point in opposite directions.

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