

BUSINESS

In the private sector

AusAID is promoting female entrepreneurship and eliminating gender inequality across the Pacific.

Gender equality and women's empowerment reduces poverty and stimulates economic growth. A recent World Bank study suggests that a developing country can gain as much as 2 percentage points of gross domestic product each year by eliminating gender inequality.

AusAID's 'Pacific Women in Private Sector Development' program is building a positive approach to women's economic empowerment by removing the barriers that block women from getting ahead.

Initial studies suggest that would-be female entrepreneurs often lack the bargaining skills, social status and

access to the resources required to negotiate in business. Many women simply don't have the knowledge or experience to develop products, price competitively and market for export.

AusAID's assistance will include increasing women's access to finance, training and business support services.

When there are more women in the labour force earning a reasonable income, benefits flow to their children in improved standards of wellbeing and educational attainment. AusAID is adopting a 'smart economics' approach to development by promoting female entrepreneurship across the Pacific.

Giving women economic options steps up progress towards the Millennium Development Goals to eradicate poverty and hunger and to improve the status of women by 2015.



ABOVE: Vanuatu, outskirts of Port Vila. Enid Stevens, head of a women's savings and loan group takes a deposit from one of the members. In a recent AusAID commissioned survey women said access to microfinance services enabled them to start or grow their own businesses and be self employed. Photo: Rob Walker

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Working women

Given the resources, women jump at the chance to realise their economic potential.



Where they have the capacity, the opportunity and the skills to earn an income, women raise not only the quality of their own lives but also the lives of those around them. The ripple effect goes beyond the immediate family into the community. This is especially so when women have an equal say with their male partners about how to spend the family income.

Furthermore, women are liberated economically when they are able to own property, take out loans and build up assets. Suddenly they have the means – and the power – to break the poverty cycle. And they know it. It's why women work so hard to get ahead. They're driven to free their families from a hand to mouth existence, and to

When women receive education, training and have access to finance their lives can be turned around in the most encouraging and exciting ways.

ABOVE: East Timor: Women pull together to make the family business work. Rosa (front) and her daughters make rice parcels for their restaurant in Loes. Photo: Penny Tweedie

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put something aside for emergencies.

It's also why government policies supporting the efforts of women make sound economic sense. In Vietnam recent legislation allows the names of both men and women to appear on land tenure certificates, which means women are able to use their land titles to secure credit.

Micro-enterprise and microfinance activities, supported by donor countries including Australia, give women the training and start-up funds to establish successful small businesses. In some cases these entrepreneurial women become employers themselves.

Ma Ying is a good example. She was one of millions of workers laid off from unprofitable state enterprises in the 1990s as China moved rapidly to a market-economy. In 2002, she attended the Tianjin Women's Business Incubation Centre which receives funding from AusAID and

the United Nations Development Programme. The centre gave her training in such areas as business creation and marketing, and helped her to secure a microfinance loan.

Today Ma Ying's company is a top grade catering enterprise in Tianjin supplying 6,000 snacks in lunchboxes for seven schools and employing more than 40 laid-off workers. Ma Ying's success clearly demonstrates what women can achieve given opportunity, training and business support.

ABOVE LEFT: Vietnam. Ly Thi Du with one of her healthy pigs. More women are stepping forward to learn about new agricultural practices and animal husbandry through a rural development program jointly funded by AusAID and the Government of Vietnam. Women are as eager as their husbands to make their family farms more efficient and to help generate higher incomes. Photo: Elizabeth James/AusAID



Some 85 per cent of the population live in rural areas with little or no access to basic financial services – either because there are no conventional banks in these areas or people are denied access to them because they are too poor.

Fun in saving

SOLOMON ISLANDS: Young students in Kilusakwalo Village, Malaita Province, are watching their money grow.

Timothy Rongoad is a primary school teacher in the village of Kilusakwalo. With fellow teacher, Beverlyn Dau, he's started a club. Not a sports club or a gardening club, as anyone might expect, but a savings club.

'Understanding money and making it work for you is one of those lessons we all must learn and the earlier the better,' says Rongoad whose idea to start the savings club at school came from a visit to the local microfinance rural resource centre.

Teaching any child to save money is quite a challenge but imagine teaching the idea to children who are underprivileged and have nothing.

Yet, remarkably, the savings club is a great success. After just a year,

students have collectively saved the equivalent of over \$650 – an impressive feat considering that the average annual family income in Kilusakwalo is about \$1,507.

'We're very pleased with our progress,' says Rongoad. 'It's wonderful to see the students paying in their contributions and taking the project so seriously. Each child carefully checks the procedure so that there are no mistakes!'

Rongoad and Dau are both delighted and surprised the students are getting such a kick from watching their money grow.

ABOVE AND RIGHT: Children and teachers (Beverlyn Dau and Timothy Rongoad) of Kilusakwalo Primary School. Photos: Paula Jops

What is a credit union?

A credit union is a cooperative financial institution that is owned and controlled by its members.

Credit unions enable people to pool their financial resources to help themselves and each other. By bringing people together with similar needs financial services can be kept to a minimum and be offered at low cost. Credit unions are non-profit making. Interest generated from loans is used to cover administrative costs. Any surplus is returned to the members as services and discounted products.

There's usually a common bond between credit union members that establishes mutual accountability and minimises the risk of default on loans. This encourages active support and a responsible attitude from members.

For the rural poor, credit unions provide loans for almost anything, and because local management committees run them, they are able to offer regional and culturally specific products. Credit unions offer financial services to poor rural communities who are, by and large, denied access to established banks.



Kilusakwalo Microfinance Rural Resource Centre

The idea for the school savings club came from the Kilusakwalo Microfinance Rural Resource Centre, which is like a one-stop village shop. It's a place where locals can get information on a range of financial products that are specifically tailored to their community.

'We offer all sorts of advice and services – on credit unions, insurance, budgeting, as well as emergency or poverty relief schemes,' says David Maefunu, manager of the centre. 'Savings clubs are particularly popular because they're inexpensive to register and easy to operate, and membership is restricted to those who are geographically close to one another. More often than not, members are part of the same tight-knit community.'



Benefits in borrowing

SOLOMON ISLANDS: In Malaita Province they're enjoying the benefits of well-managed responsible loans.

Just down the road from the Kilusakwalo Microfinance Rural Resource Centre stands the Central Malaita Credit Union. It has around 3,000 members who use it to save money or to borrow at low rates of interest.

George has been a credit union member for nearly five years and has been saving regularly. Two years ago he sought a loan to set up a new market stall. Because he had a good savings record the credit union was able to lend him the equivalent of about \$60. 'Before the credit union I never had a savings account and didn't know how to get money for my business. Now I have a good business.'

The common bond between the members of the Central Malaita Credit Union is based on community and an increasingly strong desire to develop fisheries and agriculture in their area. As Philip D. Akote'e from the credit union's management committee says, 'The people of Central Malaita are tired of being spectators to their country's development. They see others benefiting while they are left behind. It's time we joined in.'

Last year the committee established the Central Malaita Development Trust – an umbrella organisation that encourages self-reliance in the community. By helping members to

The credit union provides loans and a safe place to store savings while the development trust provides opportunities for investment and the means to make money.

tap into the province's abundant natural resources – crops, livestock and fisheries – the trust is laying the foundation stones for economic growth. In many cases it's the first time local people have had a chance to improve their ability to earn a regular income.

The credit union provides loans and a safe place to store savings while the development trust provides opportunities for investment and the means to make money. For example, the trust has established a much needed storefront (cooperative) to sell goods such as rice, seeds and packaged sweets. It's also providing training facilities to produce copra and cocoa products.

The members of the Central Malaita Credit Union are finally having the chance to 'join in' their country's development. At the same time, they are improving the quality of their lives, their families' and that of the whole community.

CUFA (Credit Union Foundation Australia) supports over 300 credit unions and savings clubs in Solomon Islands through funding and technical assistance. In addition, it has supported the establishment of six microfinance rural resource centres in the provinces of Malaita and Isabel.

AusAID supports CUFA through the AusAID NGO Cooperation Program for its work in Cambodia and Solomon Islands.

ABOVE: Solomon Islands. Market day. Photo: Rob Maccoll