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Assessment of the Impact of Providing Microfinance on Women Farmers in South Kordofan, Sudan

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Abstract: ***Women's poverty is directly related to the absence of economic opportunities and lack of access to economic resources, including credit and land ownership. Also lack of access to education and support services and their minimal participation in the decision making process. This paper's aim is to develop a detailed description of socio economic characteristics, farming system and agricultural processes for women farmers. It also aims to assess the effect of microfinance program in South Kordofan on improving the production and standard of living of women farmers. To achieve the objectives of this paper South Kordofan was selected as the location of the study and "South Kordofan Rural Development Program" was used as case study. The paper used primary data collected through questionnaires, and secondary data from reviewing the literature and other available data from various resources. The study was based on a survey carried out during the period October-November 2007 covering 120 respondents. Women farmers in South Kordofan produce very little in spite of their hard work and tough agricultural activities. The cultivation and amount of production are affected by the availability of fund. Women farmers lack access to financial services especially credit, which leads to low productivity and reflect on the poor standard of their living. The study found that the access to finance increase the total production of women farmers, and improve their families, nutrition, education, sanitation and standard of living. Women farmers also prove that they are good clients in repaying loans on time.***

1. Introduction

Poor people, especially poor women, commonly have limited access to financial services (credit) so donors and national governments have invested substantially in developing financial services for the poor. Rural women, who are involved in agriculture, commonly need credit in the cropping season. In sub-Sahara Africa (SSA) women are responsible for about 70 percent of the stable food production.

Credit by itself cannot generate income, without adequate incentive markets and infrastructure; credit is likely to remain a debt as borrowers have limited options to make profitable investments. Public funds may be better invested ensuring that the poor have access to basic infrastructure, such as roads and irrigation and basic services, such as agricultural extension and market information (Holt &Ribe, 1991).

In Sudan microfinance is recognized as one of the priority sectors for credit policy in the mid 1990's. Hence it is promotion is important to mitigate poverty and is mainly reflected in the national comprehensive strategy in 1992-2002. One major objective of the strategy is to encourage microfinance as a tool to combat poverty. A number of institutions have been involved with microfinance in Sudan, and can be broadly classified into three categories, banks, NGO's and social funds (Zehle, 2004).

Historically, poverty was viewed mostly as a problem of the poor who earn little income, consequently consumes too little attain a socially acceptable standard of living and possess too few assets to protect themselves against unforeseen problems. Poverty alleviation strategies therefore, included employment creation, skills development, and occasionally redistribution of assets from rich to the poor (Meyer, 2001).

Provision of small loans to the poor represent an important and basic element in most of developing countries to enhance the development program there, because the lack of financial resources represent major hindrance for the break of the vicious circle of poverty, which is so called "poverty trap" which indicates the in ability of a person to obtain income for saving and investment in an economic environment of low employment opportunities. For these reasons the microfinance is considered as a major means for poverty alleviation and improves the economic condition of the poor groups (Hamid, 2003).

Microfinance is being attributed with positive effects on issues such as household income, savings, children's education, health and nutrition and women empowerment (Sebstad& Gregory, 1996).

Jazairy et al, (1992) pointed out that development strategies for alleviating rural poverty take into account the role of women in production, consumption, savings, investment and childbearing. The status of poor rural women has to be assessed, economically, socially and culturally. Leaving aside regional differences, the common threat is that socio-economic and political power is unequally distributed between the sexes. It is necessary to place women's participation within the context of family and social economy so that rural development projects can be accurately designed to respond to the needs of development process and key contribution properly and of assuring that donors and governments recognize that women are part of the development mainstream.

In agriculture women commonly need credit in planting season. Women are also heavily concentrated in dairy and livestock production in regions such as South Asia. A time allocation study of villagers Gujarat, India, found that 19 percent of women's workday was spent in household dairy production (Holt&Ribe, 1991).

According to the Ministry of Agriculture, Animal Wealth and Irrigation, Khartoum State (2005), in the Sudan, women's role in agriculture is increasingly being recognized. More than seventy percent of women are engaged in agricultural activities. Women's role in food production and food security ranges between (87-90%).

The agricultural bank of Sudan (ABS) finances women's cooperatives with the objective of extending credit to women farmers to produce sesame, millet and rosette (Karkade). ABS also provides credit for special projects in some regions of the country. For example, the branch of ABS in El Dalang began providing loans to purchase machinery and production inputs in 1988/1989 for the Nuba Mountain Rural Development project, and the majority of beneficiaries were women. In El Nuhood Cooperative Credit Project, ABS and the Agricultural Extension and Cooperative Department extended credit to women farmers in agricultural societies for sesame and Gum Arabic production (FAO, 2000).

Although theoretically women have equal access to formal credit from banks e.g. the agricultural banks particularly, this is not true. Women need a male guarantee as a condition for having credit. Moreover women lack awareness of availability of credit facilities, and because of illiteracy women are unable to follow the procedures needed for having credit (Ahmed, 1992).
Women farmers in south Kordofan produce very little in spite of their hard and tough agricultural activities. The cultivation and the amount of production are affected by the availability of fund.Women farmers lack access to financial services especially credit, which lead to low productivity reflect on the poor standard of their living.

In order to overcome the low productivity of Women farmers in South Kordofan, IFAD, with coordination with Agricultural Bank of Sudan (ABS) provided credit to women farmers' to raise their productivity and improve their living standard.

2. Methodology

2.1 Area of the Study

Southern Kordofan State lies between (10-12.45) longitude and (26.5-32) latitude. It extends from semi desert to savannah borders. Its area is about 800000 kilometres square. The population is 1.15 million according to the central statistical office in 2001 (Maki, 2001). 79% of them live in rural areas, 17% of them live in towns and 4% are nomads. People in Southern Kordofan are on the move because of the war and other influences.

South Kordofan State has two climatic regions:

1) Southern Sudanese Central Region, which is characterized with thorny trees. Rainfall seasonal level ranges from 68-96 mm a day, annual rainfall is about 350-501 mm a year.
2) Southern Savannah Region of small trees, woodlands and forest. Rainfall ranges from 96-140 mm a day. Annual rainfall is about 501-800 mm a year (Balal, 2004).

In fact Southern Kordofan State has various climatic characteristics. Also there are ample natural resources that extend from south to north, where there are varieties of crop and animal production. Studies indicate that 18 million Fadden are good for agriculture, 50 million Fadden are pasturelands and 14.4 million Fadden are woodlands. This State is rich with animal resources that amount to 4.8 million head of cows, camels, goats and horses too (Balal, 2004).

The main economic activities are agriculture and animal production. 70% of people are farmers, 30% of them are cattle owners who have 80% of the animal resources. The state depends on agricultural production, animal and plant production. It is considered the biggest producer for sorghum (dura) and rain fed cotton production in addition to other important crops such as groundnuts, gum Arabic, maize, sesame, millet, karkade, and other crops (such as okra).

South Kordofan Rural Development program was approved and was given loan by IFAD with collaboration with the Ministry of Agriculture, Animal wealth and irrigation. The selection of the localities for the introduction of the complete package of program intervention was by the Program Management Unit (PMU) and the State authorities in such a way as to ensure the greatest successful achievement opportunities for the target groups, and safeguard the assets. Priority between these localities is on the basic of greatest need.

South Kordofan Rural Development Program has been implemented by IFAD. The program has covered five localities: Kadugali, Dulang, Rashad, Abu Gebihaa, and Talodi.

2.2 Data Collection

This study used both secondary and primary data. The secondary data was collected from papers, reports, technical documents, and previous researches. The primary data of this study was collected through a structured questionnaire. The field survey was carried out during the period from October –November 2007 in South Kordofan.

2.3 Sampling technique and Sample Size

A sample of 120 women farmers who constitute 30% of those covered by the program were selected from four villages Kororo, Kadaber, Kalinda and Tajmala. In order to use simple random sampling, it is necessary to obtain listing of the population. The blind draw simple random sampling was used to select women farmers from every village. The name of every woman farmer in the list of the IFAD microfinance project was written in a piece of paper, then all of these papers were taken and put inside a container. Then the container was shaken to ensure that names were

thoroughly mixed. Then somebody was asked to draw 30 papers from every village containers as a sample.

2.4 Analytical techniques

Descriptive analysis and correlation co-efficient were used to analyze the data of the study. Tabular and simple statistical tools were used to analyze the socio-economic characteristics, production, marketing and financing of women farmers in South Kordofan.

The correlation is an index number, constrained to fall between the range of -1 to +1, which communicates both the strength and the direction between two variables.

Pearson correlation measures the liner relationship between two intervals and/or ratio scaled variables.

Linear correlation coefficient indicates not only the degree of association but the direction as well.

The sign indicates the direction of the association. Negative correlation coefficients reveal that the relationship is opposite; as one variable increases the other will decrease. Positive correlation coefficients reveal that the relationship is increasing; that is larger quantities of one variable are associated with larger quantities of another variable (Burns and Bush, 1995).

3. Results and Discussion

- The result of the study showed that (5.8%) of the women farmers were below 20 years old, (33.3%) were between 21-30 years old, (35%) were between 31-40 years old, (15%) were between 41-50 years old and (10.8%) were more than 50 years old.
- According to the findings (47.5%) of the women farmers were illiterate, only (5%) had no informal education (khalwa) which is Quranic School before the primary level, (32.5%) had primary education, (7.5%) had intermediate education and (7.5%) had secondary education.
- The results showed that (65.8%) of the farmers women were married, (15%) were single, (10.8%) were widowed and only (8.3%) were divorced, (19.1%) of women farmers headed household in South Kordofan which increased their responsibility.
- Agriculture was the main occupation for the majority of the women farmers in South Kordofan(89.2%), while (0.8%) were housewives only, (5.8%) were employee, (3.3%) were students and only (0.8%) had other occupations mostly workers.
- The result also showed that (60%) of women farmers in the area of the study had a number of children ranging from 4-12 and the rest of them had less than 4 children.
- The area cultivated by women farmers in South Kordofan were small in size, almost all the women farmers (98.3%) cultivated 6 Fadden and less, while only(1.7%) of them cultivated more than 6 Fadden.
- There was no clear difference in the farm size of women in both educational level groups (Primary and less; Intermediate and more). Most of them cultivated small size of land, but there was tendency in the group who had less education to cultivate more size of land.
- The correlation test showed that there was a significant weak and negative correlation (-0.426**) between age and educational level. When the age increased the educational level decreased, eldest women farmers had less education than younger ones.
- Also the correlation test showed that there was a significant weak and positive correlation (0.237**) between farm size and age. As the age of women farmers increased the farm size increased, eldest women farmers cultivated bigger farm size comparing with young women farmers.
- The correlation test revealed that there was a significant weak positive correlation (0.257**) between age and working hours, when the age increased the working hours increased, eldest women farmers cultivated more land and worked more hours.
- The correlation test showed that there was a significant weak and positive correlation (0.210*) between age and the amount of cash microfinance. As women farmers' age increased the amount of borrowed loan increased, eldest women farmers borrowed more amount of cash than younger women farmers because they cultivated more land size.
- The correlation test showed that there was a significant weak and negative correlation (-0.257**) between educational level and working hours, when the educational level increased the working hours decreased and vice versa. Women farmers with more education work less hours in the field than other women; they often had another work beside the agriculture.
- Also the correlation test showed that there was a significant weak and positive correlation (0.239*) between farm size and groundnut production. When the farm size increased the groundnut production increased.
- The correlation test revealed that there was a significant weak and positive correlation (0.239*) between farm size and sorghum production, when farm size increased the sorghum production increased.
- Also correlation test showed that there was a significant weak and positive correlation (0.241**) between farmer size and working hours. As the farm size increased, the working hours increased.
- Women farmers practiced the various farm operations such as land clearance, sowing, weeding, harvesting and post harvesting. (73.9%) of the women farmers prepared their land, (95.8) cultivated the crop by themselves, (97.5%) cleaned their lands from weeds, (96.6%) harvested their crops, (94.1) did all the post harvest processes.
- There was not clear difference between the production of different crops in the two age groups (40 years and less and 41 years and more), but there was tendency in the age group 40 years and less to produce more quantity of crops such as groundnut and sorghum. The majority of women farmers in both age groups used to produce fewer amounts of sesame and rosette.
- The correlation test showed that there was a significant moderate and positive correlation (0.600**) between sorghum production and sesame production. When

sorghum production increased the sesame production increased.

- Also there was a significant weak and negative correlation (-0.436*) between total production after finance and rosette production, as total production after finance increased the rosette production decreased.
- The correlation test showed that there was a significant weak and positive correlation (0.209*) between working hours and groundnuts production, when working hours increased the groundnut increased, because women farmers spent more hours in groundnut production.
- The result of the study showed that the majority of women farmers (92.5%) mentioned that IFAD project provided their villages with credit and agricultural extension services, (3.3%) mentioned that IFAD project provided them agricultural extension only and (4.2%) mentioned that the project provided them with credit only.
- The results revealed that women farmers in the study area tend to borrow small amounts of money, this according to their small farm size. (89.6%) of the women farmers borrowed less than 500 SDG, (9.6%) of them borrowed from 500-1500 SDG and only (0.8%) borrowed from 1500-2500SDG.
- From the findings (58.3%) women farmers complained that the finance was not adequate, while (41.7%) of the mentioned that the amount of finance was adequate.
- The result showed that (78.3%) of women farmers mentioned that the finance affected their level of production positively, while the rest of them (21.7%) said that the credit did not increase their total production, they attributed that to the low productivity in the year after the financial support by IFAD project.
- The result showed that the majority of the women farmers who borrowed the credit (78.3%) repaid the loan in the time, while (21.7%) couldn't repay the loan in time. From the above result, it is clear that women farmers in South Kordofan were good clients of microfinance.
- The borrowed credit increased the income of(78.3%) of women farmers and their families, while (21.7%) of them said that borrowed credit didn't increase their family income. And in response to the question of the effect of finance on improvement of family status, all the women farmers stated that finance improved their nutritional and sanitation level, while (77.8%) mentioned that finance improved educational level of their children, and (98.9%) of women farmers said that finance improved their families' standard of living. The Finance from IFAD project raised the income of women farmers and improved their nutrition, children education, sanitation and their standard of living.

4. Conclusion

- Women farmers in South Kordofan produce very little in spite of their hard work and tough agricultural activities. The cultivation and amount of production are affected by the availability of fund. Women farmers lack access to financial services especially credit, which leads to low productivity and reflect on the poor standard of their living.
- Most of women farmers in South Kordofan were illiterate or had a primary education as maximum level.
- Agriculture was the main occupation for the majority of women farmers in South Kordofan.
- Old women farmers had less educational level and relatively big farms compared to young women farmers.
- Women farmers with more school years worked less hours in farm than women farmers with less years of education.
- Women farmers practiced the various farm operations such as land clearance, sowing, weeding, harvesting and post harvesting.
- Regarding the crop production, women farmers in South Kordofan cultivated various types of crops such as groundnut, sesame, rosette, sorghum, millet and okra.
- Groundnut was an important cash crop in South Kordofan and women farmers deepened on it in earning their income with or without financial aids.
- Age and educational level had not a clear effect on the total production of the various crops.
- Women farmers who cultivated big farms produced more amount of groundnut and fewer amounts of other crops.
- Almost all of the women farmers in South Kordofan were poor, subsistence farmers and they did not borrow a lot of money because they couldn't repay it.
- The access to finance increased the total production of women farmers in South Kordofan.
- Women farmers in South Kordofan were good client in repaying loans in time.
- The finance from IFAD project raised the income of women farmers and improved their nutrition, sanitation, children education and their standard of living.

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