

Problems facing women to get benefit from micro finance Projects in Khartoum state, Sudan

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المشاكل التي تواجه المرأة في الاستفادة من مشروعات التمويل الأصغر في ولاية الخرطوم – السودان

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Abstract:

This study examined the problems facing women to get benefit from microfinance projects in Khartoum state- Sudan. A simple random sample was taken from beneficiaries of microfinance services project (117) beneficial to represent the research community. The study is based on the preliminary information that was gathered by the questionnaire (administered by the researcher himself). The other secondary information was collected from scientific research works, books, internet and the relevant institutions. Statistical packages for social sciences (SPSS) were used to display and interpret the data; descriptive statistic was used to describe the sample (e.g. percentage and frequency distribution). The study has established some results focused on the Lack of awareness of banking policies, private loans and repayment, moreover a Lack of experience in project management. Furthermore, the study has proposed a number of recommendations, concentrated on the creation of an environment favorable to the development and growth of microfinance institutions in support of women's funding and Increase the chances of continuous training while reducing costs, and the capacity building of human capital in the field of microfinance, as well as the Intensify training and awareness programs for women in the field of project preparation and banking transactions.

Keywords: microfinance projects, financial system, Microcredit, women entrepreneurs.

(JEL) Classification : J19, J49.M13.

ملخص:

تناول هذا البحث دراسة المشاكل التي تواجه المرأة في الاستفادة من مشروعات التمويل الأصغر في ولاية الخرطوم. تم أخذ عينة بسيطة عشوائية من المستفيدات من خدمات مشروعات التمويل الأصغر واللائي بلغ عددهن (117) مستفيدة لتمثيل مجتمع البحث. اعتمدت الدراسة على المعلومات الأولية التي تم جمعها بواسطة الاستبيان عن طريق الباحث، أما المعلومات الثانوية فقد تم جمعها من البحوث العلمية، الكتب، والانترنت والمؤسسات ذات الصلة. تم استخدام الحزم الإحصائية للعلوم الاجتماعية لعرض وتفسير البيانات كما استخدم الإحصاء الوصفي لوصف العينات (النسب المئوية والتوزيعات التكرارية). وقد توصلت الدراسة لعدة نتائج تتمثل في قلة الوعي بالسياسات المصرفية، والقروض الخاصة والسداد، وكذلك قلة الخبرة في إدارة المشاريع. وقد اقترحت الدراسة مجموعة من التوصيات تتمحور حول تهيئة بيئة مواتية لتطور ونمو مؤسسات التمويل الأصغر في دعم تمويل المرأة، وزيادة فرص التدريب المستمر وتخفيض التكاليف، وبناء قدرات رأس المال البشري في مجال التمويل الأصغر، إضافة الى تكثيف برامج التدريب والتوعية في مجال إدارة المشاريع والمعاملات المصرفية.

الكلمات المفتاحية: مشروعات التمويل الأصغر، الأنظمة المالية، القروض المصغرة، سيدات الاعمال.

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1. INTRODUCTION

One factor inhibiting the attainment of development goals in less developed countries is the populace's general inability to access factors of production, especially finance. This limits the entrepreneurial ability of the people, especially the poor. Consequently, potential employment opportunities and household prospects for creating wealth and improving income are lost. Microcredit has been one framework adopted to address this problem. Its evolution reflects acknowledgement of credit market failures especially in the formal financial sector. There has been, therefore, a shift from the formal financial sector to microfinance which incorporates both savings and credit. This suggests that saving services, and not simply loans, can help to improve the welfare of the poor in general and women in particular (Vonderlack and Schreiner 2001).

Microfinance has received most significant recognition of its importance in the 2005 World Summit. The Summit Outcome Document recognized the need for access to financial services, in particular for the poor, including through microfinance and microcredit. Support for microfinance was also strongly implied in the endorsement by the Summit of the 2002 Monterrey Consensus, which states: "Microfinance and credit for small and medium-sized enterprises, including in rural areas, particularly for women are important for enhancing the social and economic impact of the financial sector. Microfinance received further recognition as the year of 2005 has been declared the International Year of Micro-credit (Khartoun report, 2009). Thus, microfinance institutions (MFIs) have emerged in many countries as a response to address the failure of the state-led and mainstream formal financial system to reach the poor who were not seen as bankable clients due to information asymmetry and risk perceptions. It is widely accepted that MFI programs can compensate for some of the weaknesses in developing capital markets and can help low-income entrepreneurs to improve their enterprises and raise their standards of living. Of particular interest is the possibility that microfinance support programs can promote the success of women entrepreneurs who may lack access to other forms of assistance (AIMS 1997).

In Sudan, microfinance activities are rooted in the culture of the people and come in various forms. Nongovernmental organizations' activities in micro financing have also emerged. In 2005, a Microfinance Policy, which provides a regulatory and supervisory framework, was initiated by the Sudanese government (Central Bank of Sudan 2005). One of the targets of the policy is to eliminate gender disparity in access to financial services. In spite of this initiative, access to finance by women entrepreneur still remain a daunting task despite the pivotal role of women in the economy. It is interesting to note however that women constitute almost half, 49.8 percent of the total population in Sudan and 40.9 percent of the labour force in 2002 (World Bank, 2004). Women still suffer vulnerability to deprivation, intimidation, and extreme suffering the numerical strength notwithstanding (Nkamnebe, 2009).

Women as micro and small entrepreneurs have increasingly become a key target group for micro-finance programmes. Providing access to micro-finance is considered a precondition for poverty alleviation, but also for women's empowerment. As poor women are increasingly recognized to be better borrowers, they are starting to become of interest also to regular financial institutions. But despite the proven positive impact of providing microfinance services to female entrepreneurs, there is still great barrier in accessing microfinance by women entrepreneurs. This study therefore sets out to identify and analyze the problems that constraints women to get benefit from microfinance programmes in Khartoum State- Sudan.

2. LITERATURE REVIEW

2.1 Gender-Specific problems

The norms and rules defining social relationships among different groups in society, which place some in positions of dominance over others and differentiate the choices available to them — including in relation to access to and control over resources—have been termed “structures of constraint” (Folbre, 1994). Gender specific structures of constraint refer to the social norms, values and practices which define inequalities between women and men in societies, generally allocating different roles and responsibilities and assigning a lower value to those aptitudes, capabilities and activities conventionally associated with women. Gender-specific norms typically include the assignment of responsibility for reproductive work within the family to women and the primary wage-earning responsibility to men. Women's concerns and gender-related constraints tend to negatively affect equal participation of both sexes at the local, institutional and policy levels. Hence, this may lead to a failure to utilize the full potential of human resources for wealth creation, as one section of the population, which forms the majority, is left out or only allowed limited opportunities. Disabled women entrepreneurs face bigger barriers than other women entrepreneurs in general, in the form of limited mobility, discrimination, myths/negative cultural attitudes, overprotection, marginalization and lack of specific funding that takes into consideration their conditions

2.2 Financial and credit availability and accessibility:

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth. In a study of NGOs and women small-scale entrepreneurs in the garment manufacturing sector, the factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women. A loan approved for the woman applicant by the Joint Loan Scheme at the Ministry, failed to materialize because her husband refused to pledge the family's land title deeds as collateral. Owning title deeds as collateral to finance expansion is still a hurdle for most women entrepreneurs, given that property is not usually registered in their names (Karanja, 1996). The Government is, however, moving towards solving this problem through the Sessional Paper No. 2 of 2005 and the Micro-Finance Bill of 2005. The latter became an Act of Parliament in December 2006. Accessibility to initial capital, even when available, is also a major hurdle for women entrepreneurs. Microfinance institutions (MFIs) and commercial banks choose where they locate, thus excluding entrepreneurs in remote regions, leading to regional disparities. Credit conditions when forming a group, paying membership fees, group registration fees and joining saving plans, result in delays in accessing initial capital, thereby worsening the women's household financial burden (Stevenson and St-Onge, 2005; Alila 2002). However, this is no longer the key barrier and constraint, but a lack of creativity, innovativeness and responsiveness (on the part of capital suppliers) that now hampers women's entrepreneurship in Sudan. Whereas many MFIs emerged to provide initial and working capital, relevance and cost-effectiveness is often inappropriate in satisfying the particular needs of potential and operating women entrepreneurs.

3. MATERIAL AND METHODS

3.1 Methods of data collection:

Different methods were used to collect the related data. These include a questionnaire as a primary data, secondary data was collected from reports, books, related to the field of the study, also collected from relevant departments and ministries which included Research centers, World health organization (WHO), Ph. D, M. Sc, thesis.

3.2 Sampling Procedure and Sample Size:

The considerations on light of which we choose the samples differ according to different natures of the sample, environment conditions and the aims of the research study, in addition to the methodological considerations that represent the original community. Equal chances of selection were given to the sectors of the original community. A methodological sample selection criterion was adopted according to the following two styles:

(1) A distinctive sample based on special conditions:

On the light of the above the researcher intended to choose a distinctive special sample that comprised two models: sample consisting of (117) individual to determine the integration of social diversity in microfinance projects (KHARTOUM – Sudan).

(2) Simple random sampling:

The researcher had used a class random sample in order to increase the degree of precision in the sample. A simple random stratified sample was taken from beneficiaries of microfinance institutions and banks in Khartoum state and who numbered (120) to represent the research community. The selection was based on the possibility of easy access to the research areas.

The sample size was determined according to the level of precision and the availability of resources in terms of cost, time and other relevant facilities.

The study population of respondents surveyed to determine the integration of social diversity in microfinance projects (KHARTOUM – Sudan), was reached (120) form, study tool distributed (questionnaire) after verification of the sincerity of the sample above and answered them (117) individual, excluded (3) questionnaire for not returned and the number of valid questionnaires for analysis (117) accounted questionnaire (97.5%) of the original community of the study.

Random sampling method was followed in selecting the respondents due to observed homogeneity of socioeconomic characteristic of the microfinance. Because the population is highly homogenous, thus even the smallest sample will be representative to the population that why we chose the sample size $(n) = 120$.

3.3 Methods of Data Analysis:

To achieve the objectives of the survey, various and flexible data and analytical techniques were used in each stage according to requirements needed.

Different statistical procedure was used in the analysis of data in this study, using the computerized statistical package for social science (SPSS) data analysis and management.

Descriptive statistic was used to describe the sample and background variables of the study (e.g. percentage and frequency distribution).

4. RESULTS

4. Constraints of microfinance services that limit women's employment:

Table (4-1) Complexity of administrative procedures

Complexity of adm. Procedures	Frequency	Percent
I agree	41	35.0
I agree some extent	45	38.5
I do not agree	31	26.5
Total	117	100%

Source: study field survey (2012).

Table (4-1) showed that 34.0% of respondents agree that there is a complexity of administrative procedures, 38.5% of respondents agree some extent, and 26.5% of respondents not agree.

Table (4-2) Lack of project marketing:

Lack of project marketing	Frequency	Percent
I agree	23	19.7
I agree some extent	70	59.8
I do not agree	24	20.5
Total	117	100%

Source: study field survey (2012).

Table (4-2) showed that 19.7% of respondents agree that there is Lack of project marketing, 59.8% of respondents agree some extent, and 20.5% of respondents not agree.

Table: (4-3) Difficulty of preparing the feasibility study:

Difficulty of feasibility study	Frequency	Percent
I agree	38	32.5
I agree some extent	36	30.8
I do not agree	43	36.8
Total	117	100%

Source: study field survey (2012).

Table (4-3) showed that 32.5% of respondents agree that there is Difficulty of preparing the feasibility study, 30.8% of respondents agree some extent, and 36.8%% of respondents not agree. This shows that more than 50% of the respondents there have difficulties in the preparation of feasibility studies.

Table (4-4) lower profit margin:

Lower profit margin	Frequency	Percent
I agree	43	36.8
I agree some extent	57	48.7
I do not agree	17	14.5
Total	117	100%

Source: study field survey (2012).

Table (4-4) showed that 36.8% of respondents agree that there lower profit margin, 48.7% of respondents agree some extent, and 14.5%% of respondents not agree. This shows that the majority of respondents have lower profit margin from microfinance projects.

Table (4-5) the role of financial corporation:

the role of financial corporation	Frequency	Percent
I agree	32	27.4
I agree some extent	65	55.6
I do not agree	20	17.1
Total	117	100%

Source: study field survey (2012).

Table (4-5) showed that 27.4% of respondents agree about the financial corporation role, 55.6% of respondents agree some extent, and 17.1% of respondents not agree.

Table (4-6) Lack of investment awareness:

Lack of investment awareness	Frequency	Percent
I agree	24	20.5
I agree some extent	79	67.5
I do not agree	14	12.0
Total	117	100%

Source: study field survey (2012).

Table (4-6) showed that 20.5% of respondents agree that there is Lack of investment awareness, 67.5% of respondents agree some extent, and 12.0% of respondents not agree. This shows that the majority of respondents have Lack of investment awareness.

Table (4-7) Funding for the project is inadequate:

Funding for the project	Frequency	Percent
I agree	58	49.6
I agree some extent	40	34.2
I do not agree	19	16.2
Total	117	100%

Source: study field survey (2012).

Table (4-7) showed that 49.6% of respondents agree that the Funding for the project is inadequate, 34.2% of respondents agree some extent, and 12.0% of respondents not agree. This shows that the majority of respondents have Lack of investment awareness.

Table (4-8) Guarantees problem for women:

Guarantees problem for women	Frequency	Percent
I agree	18	15.4
I agree some extent	15	12.8
I do not agree	84	71.8
Total	117	100%

Source: study field survey (2012).

Table (4-8) showed that 15.4% of respondents agree that there is Guarantees problem for women, 12.8% of respondents agree some extent, and 71.8% of respondents not agree. This shows that there is no Guarantees problem for women.

Table (4-9) Weakness of work experience:

Weakness of work experience	Frequency	Percent
I agree	21	17.9
I agree some extent	72	61.5
I do not agree	24	20.5
Total	117	100%

Source: study field survey (2012).

Table (4-9) showed that 17.9% of respondents agree that there is Weakness of work experience, 61.5% of respondents agree some extent, and 20.5% of respondents not agree. This shows that there is Weakness of work experience in the majority of respondents.

Table (4-10) Suitable payment period:

Point of view	Frequency	Percent
I agree	24	20.5
I agree some extent	52	44.4
I do not agree	41	35.0
Total	117	100%

Source: study field survey (2012).

Table (4-10) showed that 20.5% of respondents agree that there is Suitable payment period, 44.4% of respondents agree some extent, and 35.0% of respondents not agree.

Table (4-11) Problems obtaining funding of gender:

Funding at the right time	Frequency	Percent
I agree	37	31.6
I agree some extent	61	52.1
I do not agree	19	16.2
Total	117	100%

Source: study field survey (2012).

Table (4-11) showed that 31.6% of respondents agree that there is Problems obtaining funding of gender, 52.1% of respondents agree some extent, and 16.2% of respondents not agree.

5. CONCLUSION

The study of problems facing women to get benefit from microfinance projects in Khartoum state-Sudan is very timely. Given the impact microfinance has made in other economies of the world like the Bangladesh, and the recent drive by the Sudan government towards using the small and medium scale industries as vehicles for economic development, microcredit scheme become a major plank in federal government policy for accelerated growth of the economy. The program has dual intent; poverty reduction and economic growth. The result showed those women entrepreneurs in Khartoum-State with some constraints in accessing microfinance services, such constraints include:

- 1- Technical, management, economic, and social constraints in accessing microfinance services.
- 2- The problem of marketing the products of women and restrict them in a certain range of the distribution of funding makes it more dangerous.
- 3- Lack of experience of banking transactions.

- 4- Lack of training.
- 5- Lack of human element factor in the field of microfinance, which makes it difficult to follow-up the arrival of funding for the categories of the real target.
- 6- Lack of awareness of banking policies, private loans and repayment.
- 7- Lack of experience in project management.

6. RECOMMENDATIONS

Based on the above-mentioned results, the study recommended the followings:

- 1- The creation of an environment favorable to the development and growth of microfinance institutions in support of women's funding.
- 2- Intensify training and awareness programs for women in the field of project preparation and banking transactions.
- 3- Adopting sweeteners for technical support programs with the participation of target groups to enable them to manage their investments and assume responsibility through hone their individual skills, behavioral and technical administrative.
- 4- Increase the chances of continuous training while reducing costs, and capacity building of human capital in the field of microfinance.

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