

WOMEN'S SOCIAL AND ECONOMIC DEVELOPMENT PROGRAMME, [WOSED]

1. Introduction

WOSED's mission is to **promote the sustainable social social and economic development of disadvantaged women in Fiji**, through the provision of microfinance services to facilitate income generating activities and the related education and support of self-help women's groups.

WOSED was facilitated by the (then) Department of Women and Culture (DWC) in April 1993 with a pilot programme encompassing six groups (27 women) in three locations. WOSED has now reached 500 women with a total loan of \$157,714.66 (including the up-front interest and compulsory group saving charges). 79% of this total (\$128,256.34) has already been fully repaid.

WOSED is a modification of the Grameen Bank of Bangladesh. The major premise of the programme, is that micro-credit is the catalyst to achieve family financial security, which in turn can lead to the improvement in all quality of life indicators - good health, education (ability to pay school fees, buy uniforms and essential school materials), living condition.

2. Linkage between WOSED and National Policies / Commitments

WOSED is more than just a micro-finance scheme. It supports the national policy of involving women as equal partners in the national political, economic and social development the country and targets one of the 5 priority areas in which the Fiji Government made a commitment to support at the 1995 Fourth World Conference on Women in Beijing - namely:

To allocate additional resources to develop women's micro-enterprises and to encourage financial institutions to review lending policies to disadvantaged women and young women who lack traditional sources of collateral.

The key finding in a review commissioned in 1997 under the New Zealand ODA programme¹ was that ***WOSED should be judged on its social and educational achievements, as a development programme, not simply as a Micro Finance scheme and that with further controlled expansion, WOSED has the potential to provide such a programme at an affordable price.***

The review noted : *Observation during field trips, workshops and informal discussions indicate that WOSED is successfully targetting grass-roots women, and providing them with the means to achieve economic security.*

¹ (*by Dr P Fairbairn-Dunlop and W J Struthers)

3. WOS ED Objectives

- Create self employment or support those wishing to be self-employed but are presently unemployed or under-employed.
- Extend assistance to support women's income generation activities.
- Promote savings
- Improve the participant's standard of living and thereby contribute to the social development of the community.
- Inculcate a sense of independence, dignity and confidence in dealing with one's needs and problems.
- Prepare women to integration into the commercial banking system so that they can access larger financial resources.

4. WOS ED Programme

4.1 Economic Development

- The Economic Development Component Comprises the provision of :
 - Income generating planning and feasibility studies
 - Basic business skills training
 - Loan funds - (no cash contribution or collateral required)
 - Problem solving and support through weekly / fortnightly group meetings
 - Individual savings scheme
 - Centre fund saving scheme
 - Regular weekly / fortnightly meetings and repayments

4.2 Social Development

- The Social Development Component Comprises :
 - Group development
 - Personal goal setting
 - Values clarification
 - Family / household budgeting
 - Identification of individual and household needs
 - Addressing social and family / household issues
 - Developing self esteem

4.3 Target Groups

- WOSED targets women from low income households under the following criteria :
 - Per capita income of not more than \$3,000 per year
 - Total marketable assets not more than \$4,000
 - Not in regular employment
 - Aged between 18-55 years and in good health

4.4 Membership Criteria

- Prospective members should :
 - Have a need for financial assistance
 - Be willing to organise themselves into groups of five women from the same area who share like goals
 - Be prepared to attend the compulsory group training of not less than 32 hours
 - Be prepared to attend the group weekly / fortnightly meetings
 - Agree to the requirements of WOSED

4.5 Types of Projects funded

A wide variety of projects are funded including retail stores, fishing, farming, vegetable farming, sewing, screen printing, quilting and embroidery, poultry, mat weaving, among others. About 70% of all activities funded is agricultural based.

5. Micro-Finance Operations

5.1 Loan Facilities

First Loan	Up to \$200
Second Loan	Up to \$300
Third Loan	Up to \$500

- Loan Terms are for six months. Interest rate is 15% over the six months period.
- Loans are given to individuals within a group. Borrowers organise themselves into groups of around five to seven members.
- Loans are provided to two groups members first, then the other three.

5.2 Savings

Centre Fund

- All borrowers must contribute to the Centre Fund through a 5% surcharge on the amount borrowed. In addition borrowers are expected to pay 50c per week to the Centre Fund. The Centre Fund remains as group funds, available to the group members, at the discretion of the

members, for emergency or dire need.

- The balance of Centre Fund contributions as at July 1999 was \$10,400.67.

Individual Savings

- WOSED provides for individual savings, and encourages savings of \$1 per week. Members who use the savings facilities have commented that WOSED enables them to put aside small amounts for later use, something which they have never been able to do before. The current balance in July 1999 was \$10,557.77.

6. WOSED's Achievements

6.1 Fiji WOSED Loan Status Report

WOSED District	No. Loans	Total Loan & Int.	Total Loan Repaid	Total Loan Balance	Centre Fund	Individual Savings
Cakaudrove	79	\$26,983.78	\$22,050.66	\$4,454.02	\$1,598.16	\$956.57
Bua	9	\$2,604.99	\$1,923.86	\$681.13	\$117.16	\$587.84
Macuata	23	\$12,164.00	\$11,066.00	\$1,097.76	\$444.08	\$71.74
Suva Area One	52	\$19,435.34	\$16,781.00	\$2,653.83	\$812.45	\$1,300.10
Navua	41	\$20,518.98	\$10,838.53	\$9,680.45	\$883.57	\$446.81
Naitasiri	41	\$16,249.96	\$12,935.47	\$3,309.49	\$863.55	\$854.74
Korovou	17	\$6,189.64	\$4,605.45	\$1,584.19	\$309.82	\$175.10
Nausori	10	\$2,865.05	\$1,757.77	\$1,107.28	\$141.91	\$192.06
Ba	69	\$15,057.54	\$14,481.57	\$575.40	\$1,613.53	\$1,805.15
Ra	15	\$4,326.57	\$3,905.25	\$445.26	\$184.08	\$166.32
Lautoka	68	\$13,693.19	\$11,995.06	\$1,698.09	\$1,616.18	\$1,519.91
Tavua	25	\$6,959.24	\$6,182.48	\$782.77	\$625.77	\$858.50
Nadi	5	\$1,092.01	\$1,092.01	\$0.00	\$76.78	\$995.56
Sigatoka	5	\$1,635.17	\$1,638.34	\$0.00	\$227.38	\$163.61
Levuka	5	\$2,410.89	\$2,360.21	\$50.68	\$119.32	\$195.62
Rotuma	15	\$3,361.25	\$3,164.48	\$200.85	\$510.86	\$151.83
Suva Area Two	21	\$6,013.69	\$1,478.20	\$2,387.50	\$256.07	\$184.31
Grand Total	500	\$161,561.29	\$128,256.34	\$30,708.70	\$10,400.67	\$10,557.77

7.0 WOSD as an NGO

WOSD will require finance to establish itself as an NGO, to increase its capital for lending and to cover a portion of its operating costs for the foreseeable future. Its sustainability is therefore dependent on its ability to provide social, educational and economic results at an affordable price. This it has the ability to do.

Programme Components

WOSD encompasses both social and economic aspects of development such as : IGA skills training, loan/credit assistance, repayment, savings, goal setting, identifying of household needs, improved sanitation, safe water supply, proper housing, family nutrition and developing self-esteem etc.

Methodology of Lending

Loans are given to individuals within a group. Borrowers organise themselves into groups of around five to seven members. All receive their loans at the same time. Loans are only for income-generating activity.

Types of Projects

A wide variety of projects are funded including retail stores, fishing, farming, vegetable farming, sewing, screen printing, quilting and embroidery, poultry, mat weaving, among others. About 70% of all activities funded is agricultural based.

Number of Borrowers

As of December 1997, there were 342 borrowers in the programme who had taken 373 loans. Of the 373 loans, there are 342 first loans, 30 second loans and one third loan.

Size of Loans

Ceiling for first loans is \$F500; second loans is \$1000. Average loans is about \$F350. The interest charged is 8% annually. Repayment period is 18 months.

Targeting

The programme is targeted at low income households. Prospective clients contact the WIAs who then visit them to determine their eligibility.

Training of Staff and Borrowers

Prospective borrowers must undergo compulsory training before being permitted to take loans. The minimum training period is 32 hours spread over two to three consecutive weeks. At the conclusion of the training, income-generating activity plans are produced.

All WIAs are trained to implement WOSED. They also receive on-the-job training from the SBA, especially in the area of accounting and computerisation.

Group Savings

Each member contributes 5% of her loan to Group Savings. This fund can be borrowed by the members but only with the group's approval.

Individual Savings

Members are also required to save \$F1.00 per week, starting from when they receive their loan.

They may also make additional voluntary savings but are not allowed to withdraw their compulsory savings, until they have repaid their loan. Voluntary savings may be withdrawn at any time.

Repayment Rates

As of 31 December 1997, total loans was \$121,733.13. Repayment was 58%. Of the balance of 41%, arrears in repayment was 37%. Of the \$13,876.77 loan interest charged, \$4,808.64 had been collected.

Socio-economic benefits

This programme aims to involve women not only as beneficiaries of development but also as change agents. It recognises that the role of women as welfare providers is the key to affecting change in society. Because women are the providers of basic education, health, and food, direct investment in this area will provide a dual return: it will increase her income-earning capacity and therefore contribute to the economic security of her household; it will also bring about social development by inculcating new attitudes and by improving living standards. Developed as a strategy for empowerment, its basic premise is that credit and / or savings is the catalyst that will enable the woman to develop resources available to her to affect change and thereby contribute to the fulfillment of her goals. As such, the programme is an integrated approach that combines the injection of resources into the community and the development of the innate abilities of women.

The social benefits to the family and the community are enormous as is evident in the

improvements that have been made by those who have assisted.

* **Upgrading of housing condition**

Members have been able to build extensions to their houses and buy household items such as furniture to improve and upgrade their living conditions.

* **Assisting in meeting the cost of essential household needs**

They contribute financially towards meeting the cost of essential household needs such as payment of bills, buying of food and clothes, paying for the children's school fees and other education costs, hospital charges and other such necessities.

* **Employment generation**

Some are employing others to assist in their IGA eg. pounding of yaqona; clearing land for cultivation etc. In this way, women are contributing, albeit on a small side, to the paid employment sector of the economy.

Problems Faced

- i. Arrears in loan payments.
- ii. Failure in IGA operation.
- iii. Debtors do not pay for product.
- iv. Competing priorities

Changes that will be introduced in 1998 include :

- * loans will be reduced to \$200 for 1st loans; \$300 for 2nd loans; not > \$F500 for 3rd loans;
- * period of repayment will be 6 months;
- * centres of 3-4 groups (15-20 women) to be formed;;
- * 5% contribution to Centre Fund and 50c compulsory weekly contribution to Centre fund;
- * \$F1.00 compulsory individual savings;
- * compulsory weekly repayment;
- * 2:3 disbursement of loans;

Governance

The project is facilitated by the Department of Women and Culture. It is intended to transform the programme into an independent NGO by around 2000 to 2003. The NGO would be managed by a Board of Directors.

It is also intended to establish within the next year mechanisms for greater involvement by borrowers. It is proposed to establish district WOSD committee, and possibly a national WOSD committee, to enable borrowers to input into the decision-making process. Eventually, it is proposed to have a borrowers' representative on the Board of Directors. These measures are designed to encourage ownership of the programme and ensure that it meets the needs of borrowers.