

Funding Strategies for Commercially Viable Women Initiated Micro Projects in Rural Nigeria

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Abstract

The main thrust of this paper is to identify the strategic options for funding commercially viable women initiated micro projects in rural Nigeria. The paper has discussed the nature of rural Nigeria and the various myths surrounding women in business. Women in rural areas were widely considered in the past as people to be seen and not heard. Their major role was limited to managing the homes (family) but because of increasing needs to raise the standard of living of the family members, women have consistently made incursions into the business world. They have been so supported by all levels of government through the development of the necessary rural infrastructures and evolvement of various funding schemes. Women have also received support from the non-governmental organizations (NGOs) through the establishment of appropriate training programmes in skills acquisition. These have combined to improve the quality of life of an average rural family.

Keywords: Women, Microprojects, Poverty, Funding, Commercialization.

1. Introduction

Nigeria is a developing country with a population of about 200million people and a landmass of about 923,766 square kilometers. However, a major percentage of the population lives in the rural areas. According to the World Bank (2007), 51% (fifty one percent) of the national population lives in the rural areas with an annual growth rate of 1% (one percent) and a population density per square kilometer of 237.7 of the arable land. The so called urban and semi-urban areas have the semblance of rural areas in terms of infrastructure and demographic features. An overwhelming majority of those who live in the rural areas are economically active poor. Efforts have been made by the various levels of government and non-governmental organizations (NGOs) to upgrade the living standards of the poor. Such efforts include attempts to provide rural infrastructures, assisting farmers to increase production and training of women to undertake viable economic projects which could be commercialized for the benefits of the rural economy.

The main problem of commercializing rural micro projects is inducing the women to undertake such projects and appropriately fund them. The major reason is that most rural areas in Nigeria are unbanked and they equally lack the services of the NGOs, thus, although the women are given adequate training on enterprises like soap, cake, meat-pie production, etc, they are incapacitated by lack of funds to initiate and commercialize the production of goods and services based on the training they have received and more so, the traditional myths surrounding women in business.

This paper has the objectives of identifying the micro projects which have the potentials of commercial viability, evolving strategies for funding such projects, techniques of commercializing the production of such products and management to enhance continuous viability. In order to achieve the above objectives, the paper is divided into six (6) sections as follows: the first section is an introductory note on the subject-matter and section two considers the nature of rural areas in the south-south region of Nigeria as well as viable micro projects that could be identified. The third section assesses the myths surrounding women in business especially in the rural areas, the fourth discusses the funding strategies available for women in business, and the fifth considers commercialization of the products of micro projects to promote economic viability while the sixth section is the conclusion.

2. The Nature of Rural Areas

Rural Nigeria especially, in the south-south is made up of elderly men, women and very young children. However, because of rural-urban migration which is known to government and in short everybody, the rural population is highly depleted of most able-bodied men and women. One could, therefore, be bold to say that the rural population is made up of mostly elderly women and children. However, one can still find some men and women who are economically active but poor in the rural areas.

These people, apart from farming activities, are also involved in non farming activities such as shoe repairs, bicycle repairs, tailoring services, building of mud and wattle houses, carpentry, etc. (Mbat, 1982). These are jobs under the preserve of men. However, the current events in the economy demands that households should not be funded by men only thus, women have also contributed their own quota in funding the economic needs of the families and they cannot do this if they do not have any means of livelihood.

Women are therefore required to expand the scope of economic activities in which they are involved in the rural areas based on the training they have received from both the government and the NGOs. This tends to go a long way to improve the standard of living of the average household, create greater employment opportunities in the rural areas, improve rural income and assist in curtailing the rural-urban migration.

The projects that women could establish for which they have received both formal and informal training are bakery for the production of (bread, cakes, cookies, etc.), dress making, hair dressing, poultry farming, snail farming, fish farming, piggery, mushroom multiplication projects, etc. These have developed to become micro projects in rural areas and have so far created employment opportunities and raised the standard of living in rural areas especially in south-south Nigeria. In doing these, women have more and more been receiving funding from the World Bank (fish pond and other micro enterprise projects), local funding agencies such as government and NGOs), etc. (Khandker, 1998). In brief, women are fast becoming micro project entrepreneurs. What women are doing now are more or less considered as having great value to the society as opposed to what used to happen before. For example, most of the work women did before were considered as valueless by their respective families because they were relegated to the background since the main preoccupation of women was seen in childbearing (Amina, Mama, P.5).

It is important to note that most household products are not normally considered in calculating the Gross Domestic Product (GDP) in rural areas. These household products are made by women. But now, since the household products are the products of micro enterprises (formal organizations), they are likely to be captured in calculating the GDP.

3. Myths Surrounding Women in Business

It became a long term tradition that women should be seen and not heard especially in the rural areas. They were seen to be good managers of homes – take care of children, cook for the family, etc. (Awe, 1990). Women who departed from traditional norms were considered as those exhibiting bad habits. Venturing into other areas such as business meant that such women would come in contact with many men and so they were seen as wayward. The increasing responsibilities of women in their respective families have made them to be involved in agricultural production. This does not give them any chance of going outside the vicinity of the family since they would be engaged in bush clearing, planting of crops, weeding, etc., all of which are time consuming.

However, in situations where women are the main breadwinners in their respective families, they expand their economic activities to cover farm product distribution (buying and selling of farm products (Olawoye, 1985). This situation has made women to work under stress in order to contribute effectively to family and community development (Ezeigbo, 1991).

Thus, over 90% (ninety percent) of women are involved in food production and trading and few are involved in housing development (Agbola, 1990) making their workload to increase on daily basis. The global awareness that women should contribute to the development of human resources, the well being of the family members and country development as well as national economic development has been broken down the various myths surrounding women in development. Thus, women have offered different contributions to enhance family income as well as improve their status and economic well being (Ukpore, 2009).

Women in the rural areas are no more expected to be seen and not heard. They have embraced the realities of life and at times more than their men folks. In some families, women bear the burden of paying school fees for their children, providing clothes and shelter, etc. while the men folk lazy about abdicating their responsibilities of meeting the family needs to women. The increasing financial responsibilities has made women to be involved in micro projects such as oil palm processing mills, palm kernel processing mills, fish pond, poultry farming, piggery farming, snail farming, mushroom farming, bakeries, hairdressing and barbing salons, ownership of crèche, nursery and primary schools, involved in owning and management of local distilleries (where palm wine is distilled into local dry gin known in the local language as 'khaikai'). Women involvement in micro enterprise establishment and enhanced access to credit tend to give them opportunities to take part in decision making process in their respective families (Johnstone and Morduch, 2007).

4. Options for Funding Women's Micro Projects

Adequate funding of women's micro projects especially in the rural areas seems to be an intractable problem in spite of various governments' interventions in recent times. The different types of intervention by the government and the private sector organizations are:

1. Direct agricultural credit made by the Ministry of Agriculture;
2. Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) making credits to small scale business operators;
3. Niger Delta Development Commission (NDDC) which provide infrastructural facilities to promote project development and reduce project funding requirements;
4. NGOs which provide micro credit especially, to women involved in agricultural processing example, garri processing, rice processing, maize processing and marketing of agricultural products;
5. Cooperative societies which make credit available to members only who are involved in small business ventures;
6. Cycle-savings scheme which provide credit to members only based on actual or potential savings. Such credits are almost always used by the beneficiaries to enhance their economic status in their various localities (Marten, 1996);
7. Small and medium enterprises investment scheme (SMEIS) managed by the Central Bank of Nigeria (CBN) has a large pool of funds which could be made available to banks to fund well conceptualized projects which are technically, economically and commercially viable.
8. In the early 1990s, the CBN introduced the establishment of community banks to be established and owned by local communities. The main objective among others was the mobilization of grassroots' savings and effective allocation of such savings to the operators of viable economic projects (Khanker, 1998).

The community banks were intuitively to operate in the rural areas to complement the efforts of the people's bank which had earlier been established and by orientation was operating mostly in the urban areas to accommodate urban poor. The people's bank has since been abolished and their operations tactically merged with those of the NACRDB. Community banks have since been converted to microfinance banks even though they operate predominantly in the urban areas and they still serve economic operators (women and men) in the rural areas. These various sources of funds are open to both male and female entrepreneurs who may want to key in if they meet the conditions required.

The major reason these schemes have been evolved is based on the fact that when credit is made to the poor especially the rural poor, human capital is concurrently built up and poverty would be alleviated (Bruno, Michael and Martin, 1995).

5. Rural Microproject Product Commercialisation

Rural microproject product commercialization is what can enhance project viability and stability as well as create more opportunities for rural women empowerment. In most rural areas, there are certain infrastructural facilities that are absent and therefore product commercialization is inhibited. These facilities are inadequate rural road, network, lack of bridges to enhance transportation from one community to the next, lack of electricity to power some of the installed plants, lack clean water, poor transportation system for transporting the products of the microprojects from one point of sales to another. All these problems inhibit the ability of rural microproject entrepreneurs from enhancing the commercial inability of their products including agricultural products. The end result is that most of these products are subsequently produced at subsistence level.

The federal government of Nigeria has through the Niger Delta Development Commission (NDDC) exerted some positive impact in the development of rural network. However, what is still lacking is the provision of adequate transportation system in the rural areas. The private sector is found wanting in this area because of the non-viability of the rural transport. A system that would enhance the transportation of rural foods and services will certainly also enhance the viability of rural micro projects.

A second factor which impedes the non-viability of the products of microprojects is to convince rural consumers to add the processed food to natural food in their consumer preference list. This is because rural consumers still prefer the basic agricultural products to the processed ones.

Most rural consumers still prefer fufu to garri, or prefer garri which they know better to semolina etc. It will take the evolvement of rural marketing strategies to appropriately market processed agricultural production in the rural areas. It is no exaggeration that fresh fish or smoked fish is still being preferred by rural consumers to processed fish. Sachet water or toilet paper may not be easily commercialized in the rural areas. It is important that a conducive atmosphere should be created to enhance the commercialization of the products of rural microprojects. This should be done by government and the producers. The marketers should develop an appropriate marketing skill to convince rural consumers about embracing products of factories which are of high quality.

6. Conclusion

Commercially viable women initiated microprojects abound in rural areas especially in south-south region of Nigeria. The existence of these microprojects are facilitated by the resolve of government to stem the tide of rural-urban migration. Government has done this through the evolvement of policies that would help to develop the rural areas through the provision of good rural network of roads and bridges, rural electrification policy and provision of pipeborne water. However, these facilities are grossly inadequate in that they do not cover a greater part of rural communities. Microprojects established in rural areas where those facilities are provided are costly in terms of amount of financial outlay required to float such microprojects. Secondly, the commercialization of the products of such microprojects may not be appropriately attained because of cultural factors and low rate of literacy among the rural population. Thus, both the government and private sector should do more to enhance effective development in the rural areas.

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