

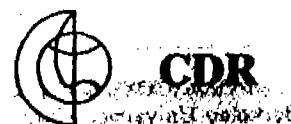
Copenhagen, August 1996

Financing empowerment or impoverishment?

**Credit schemes for women
in Kilimanjaro, Tanzania**

Dorthe von Bülow

Center for Development Research



Centre for Development Research

FINANCING EMPOWERMENT OR IMPOVERISHMENT? CREDIT SCHEMES FOR WOMEN IN KILIMANJARO, TANZANIA.¹

1. Introduction

Special credit schemes for women have become very popular during the past two decades as a result of shifts in donor policies away from more welfare-oriented approaches towards economic-oriented and empowerment approaches. Women's lack of access to loans from formal lending institutions is widely seen by researchers and policy makers as a main barrier to their establishment or expansion of production and other economic activities beyond a bare subsistence minimum (Ahenkora et.al. 1995; Blackden & Morris-Hughes 1993; Malkamäki et.al.1991; FAO n.d.). Hence, through special credit schemes, loans are offered on soft conditions, which means that there is no demand for collateral in fixed property and that interest rates are subsidized. In addition, it is foreseen that through participation in donor-supported credit schemes women will become acquainted with the formal lending system enhancing their ability to acquire regular loans through the bank afterwards, should they wish to do so.

Apart from assisting women in their economic activities, credit schemes are also seen by many donor agencies and governments as a crucial step towards empowering women: that is, strengthening women's autonomy through control over material resources and increasing their spirit of self-reliance. Furthermore, it is often implicitly assumed that women's economic independence will in turn increase their bargaining power within the household and widen their political room of manoeuvre within the local community (COWIconult 1994). Hence, economic independence is seen by donors as the prime factor leading more or less automatically to social and political empowerment. This partly explains why many donors presently stress economic-oriented policies and programmes including special credit schemes for women at the expense of other more politically-oriented policies.

Following the prevalent planning methodologies within development aid, it is furthermore assumed that empowerment of women is a process which can be planned, monitored and evaluated by outsiders, as the case usually is, and more or less read off from observable and measurable facts, typically in terms of increases in women's production, numbers of women holding resources independently of men or numbers of women in local and regional decision-making bodies. However, such assumptions build on notions of development that see social processes as essentially linear in nature and following rational and logical, straightforward and systematic patterns towards a particular shared goal (Long 1992, Nuijten 1992). Although some projects confirm such expectations this should not lure us into drawing hasty conclusions about social transformation and the relationships between economic and political empowerment.

¹ This is a revised version of a paper I presented at the Spring 1996 Lecture Series at Center for African Studies, Berkeley University, California, April 3, 1996.

In this paper I will use the example of an ILO credit scheme to demonstrate that women's autonomy and economic capabilities are not necessarily enhanced through or the simple outcome of empowerment policies imposed from above. Such policies may actually have the opposite effect (for a critical review of credit schemes for women see Berger 1995). The picture that I am going to draw is far from straightforward and simple. Rather, the social processes involved are both complex and contradictory in nature. Conceptualizing the social processes involved as a social interface between women's groups and development aid (Long 1989; Stølen 1991) I will demonstrate how within hierarchies of power and authority different actors' conflicting interests and world views interact and sometimes clash, producing outcomes that are not easily simply labelled women empowerment or maybe the opposite, women suppression.

In addition, I will argue that there are no simple straightforward links between economic empowerment and political empowerment, the latter following more or less automatically from the first. Indeed, the ILO case presented here reveals a paradoxical and confusing situation. On the one hand, instead of achieving an improvement in their economic ability and control over resources, the women found themselves in a worse economic situation after their involvement with the ILO credit scheme than before. In some cases, the programme has resulted in downright impoverishment of borrowers and their families. On the other hand, the women's involvement with the ILO credit programme also meant that the women managed to prove themselves capable of attracting donor funds and of directing development initiatives to their families and the village, increasing their prestige and political influence within the local community and wider society. Therefore, an indirect effect of the programme has been to increase women's political empowerment despite their immediate economic impoverishment.

The ILO credit scheme in question is called RYTEP: Rural Youth Training and Employment Programme. It operates in six different regions within Tanzania, one of the regions being Kilimanjaro region in Northeastern Tanzania. The discussion builds on fieldwork material from a one year fieldwork 1992-1993, a short revisit in October 1994 and a two months study carried out July - August 1996.² The research was a study of Tanzanian women's organisations and associations in Tanzania carried out among the predominantly Christian Chagga, covering a number of 15 women's groups throughout the region in both rural and urban areas. Here, reference is mainly made to one women's group in Moshi Rural District whose members became involved with the ILO credit scheme November 1991.

In the following I will first present the ILO credit programme and its aims of achieving economic independence and self-reliance for the target group. Secondly, I will describe the interaction between the various actors involved, their differing interests, resources and

² This study was carried out with the assistance of my two research associates, Librarian Rose Maro and Head of Women's Section Esther Damball, Cooperative College Moshi.

struggles and finally, discuss the effects on the participants and their families, both the direct and the more indirect ones.

2. The ILO Credit Scheme in Tanzania

Like many other Third World countries Tanzania has experienced a marked increase in special loan schemes for women since the mid-1980s. Several international donor agencies, national NGOs and most recently also government agencies have launched credit schemes for women, in most cases channelling funds through the two national banks Cooperative Rural Development Bank (CRDB) and National Bank of Commerce (NBC). The ILO RYTEP programme offers credit to rural unemployed youth for various types of small-scale projects like dairy, piggery, tailoring, trade and gardening. The aim is 1) to increase employment and 2) to strengthen youth's spirit of self-reliance and their independence of government support (ILO n.d.). The programme is implemented by the national ILO office in Dar es Salaam in collaboration with district development authorities and community development officers. Funds are channelled through one of the national banks, that also takes responsibility for feasibility studies and loan applications.

As in other soft loan credit schemes, the bank does not ask for collateral in the form of fixed property. Instead, the village government and district authorities provide some kind of guarantee. Loans range from between 90,000-300,000 Tsh. (equivalent to 180-600 US\$, 1993 exchange rate), which is a substantial amount of money when compared to minimum monthly salaries of about 9,000-12,000 Tsh. The loans have to be repaid over a period of four years with monthly instalments. Interest rate is 23%, while the official market rate ranges between 24-31%.³ Apart from loan facilities, the programme also runs a training programme of two weeks where participants are introduced to business management, banking and technical skills required to run the projects. (For a fuller discussion of the ILO RYTEP credit programme see Bülow et.al. 1995).

In Kilimanjaro region, 58 persons received loans, and 75% of these were women. As borrowers were identified through existing women's groups, few actually qualified as young and unemployed persons between 14-35 years of age; instead, the majority are about 30-40 years. They come from relatively well-off families with farms producing coffee, bananas and maize, a few goats and maybe a cow or two. Most husbands are employed in town or engaged in business. Therefore, the majority of the identified borrowers cannot qualify as belonging to the poorer and unemployed sections of people that the programme intends to assist. Generally, poor women only make up a small percentage of members in women's groups. They are often barred from membership because of membership fees, lack of time and a sense of not belonging in this type of women's groups.

³ Special credit schemes for women launched during the early 1990s typically had interest rates of only 10-12%. Later, donor agencies' demands that loan schemes should be sustainable resulted in interest rates closer to the market rate.

3. Rural women's empowerment strategies

Modern income-generating women's groups are popular among the more affluent women in Kilimanjaro because membership means access to funds, information, knowledge and imported goods like tractors and maize mills. For women in particular, there are few other avenues to these types of resources (refer also to Kiondo 1995). In some cases women's access to extension service may also be bound up with their involvement with international aid, because this relation makes them more visible to local authorities as well. Equally important to the women is the prestige and influence that follow in the wake of foreign donor aid. In this way they show themselves to be development-minded, to actively involve themselves with development for their families and the local community, and to follow suit when government and donor agencies urge women to organise for economic growth and nation-building. Finally, it is easier for women to legitimize economic activities that are organised within the framework of women's group, because these activities are seen to be for the benefit of the community rather than to express individual striving for economic autonomy and independence of men. If a woman pursues individual autonomy too eagerly most men will expect that she is preparing to divorce her husband or that she has a lover who supports her secretly. Through women's groups women instead manage to increase their room of manoeuvre without directly challenging their husbands' authority within the household.

Many women's groups have been formed with the specific aim of attracting a donor. There are 189 registered women's groups in Kilimanjaro, covering approximately 2-5% of all women in the age group of 15-65 years (Kilimanjaro Regional Development & Tanzania Food and Nutrition Centre 1990, Kiondo 1995, Semiono et al. 1993). Of these groups some 20-30% have managed to attract a donor. Since the mid-1980s international donor agencies and Northern NGOs have virtually flocked to Kilimanjaro to seek out women's groups and other community groups to support. Kiondo's 1993 survey of NGOs and community development groups in nine different districts in Tanzania revealed that Hai District in Kilimanjaro region distinguished itself by being the most endowed district concerning international donor organisations and NGOs (Kiondo 1995). This phenomenon can partly be explained by the fact that Kilimanjaro region is within easy reach for foreign donor agencies in more than one sense. Kilimanjaro international airport lies just 60 km away, the region has a good infrastructure, a good climate, a long history of European settlement, and long-standing links between Western mission organisations and local Christian church organisations. Both the Evangelical Lutheran Church and the Roman Catholic Church sponsor a large percentage of community development activities in the region. Another explanation lies in the fact that many influential politicians and bureaucrats originate from Kilimanjaro. Through their international networks they are able to bring donor agencies to their home area (ibid).

The organisational structure of the women's groups is more or less uniform, following the archetypal Western hierarchical model where members select a chairperson, a secretary, a treasurer and a committee to run the group's affairs on a daily basis. However, the internal dynamics of these groups differ immensely depending on factors like leadership, members'

former organisational experience, their sentiments of solidarity and common interests and whether the group has been initiated by the women themselves or by outsiders like church and government officials or donor agencies. Leaders of women's groups are usually well-estimated women of the area married to economically and politically influential men (see also Kiondo 1995). Frequently they have more than average formal education and they often work as civil servants in the government administration. In addition, they have organisational experience from membership in the national party CCM and the national women's movement UWT or from leadership positions within the church. Their educational and social background, their experience and networks mean that they have easier access to information, resources and important people within the government system and donor agencies than other women. Hence, they play a dominant role in the women's groups, whose internal developments and dynamics to a very large extent depend on their leaders' leadership capabilities, their trustworthiness and commitment towards the group and its members. Consequently, some women's groups act merely as 'shadow groups' for individual women who want to obtain donor funds for their private enterprises. Others function more as a showpiece for politically ambitious women leaders who want to increase their personal prestige and influence, while the group itself has little internal dynamics. However, the majority of women's groups are operating as local initiatives established by a group of women from the same community supported by church leaders and local political leaders. They usually engage in community welfare activities together with various forms of small-scale income generating projects.

Among these groups we find some of the most successful economic group enterprises in the country. Most famous are the four large dairy projects in Hai District producing milk, yogurt and cheese destined for the urban market, the timber project in Romeo District and a women's group running a bus in Moshe Rural District. These women's groups are famous not only in Kilimanjaro but all over the country. They receive visitors constantly, also from abroad, and their projects act as national showpieces. These groups also serve as a model for other women's groups in the region, exemplifying what all women would like to achieve. Those who have not yet succeeded in attracting some kind of donor support feel that they are "blocked in their development", that they can only reach a certain level of development, and that they can only transcend this level with some kind of external donor support (own research 1992-94).

4. Interface between women's groups and development aid

The women's group that I am discussing here, became involved with the ILO RYTEP Programme in 1991. The women first organised in the late seventies under UWT and the district community development office. Under influence from the national Ujamaa villagization movement, they initiated a cooperative shop and a cooperative field. However, with market liberalization in the late 1980s cooperative shops, including this group's shop, gradually had to close down because of competition from private businessmen. Instead, urged by the local church, the women reorganised their group in 1989 with the aim of starting a development

project of some kind. Through all these years the group kept the same leadership and the members have largely remained the same. Some members have died and new ones have joined, but basically the women share a very long experience of organising and collaborating around common purposes. After the last reorganisation of the group nothing much happened for some years until 1991 when the community development officer one day brought them a visitor from Dar, a national ILO representative. The ILO representative asked them if they had any problems. She could offer them loans on very favourable conditions for individual income-generating projects like dairy, gardening and tailoring. Some of the women in the group managed to receive loans and felt that they had been extremely lucky. They thought of these loans as "money sent from Heaven" (own research, April 1993). They knew that they had been chosen among a large number of women's groups in the region, assisted by their contacts to UWT and local women's leaders within the district.

It soon turned out, however, that the women had to pay a high price for their luck. Despite the programme's policies and rhetorics of empowerment and self-reliance, the borrowers were left to play a minimal role in the development of the programme, a feature which is not specific to this credit scheme but a common feature of many programmes designed to develop women's small-scale enterprises (van der Wees & Romijn 1995). Apart from a two-week training course, the borrowers were only required to show enthusiasm towards the programme (ILO n.d.). Hence, the main actors in the programme were the national ILO representatives from Dar es Salaam, the local district authorities and the bank. In a typical top-down fashion these people together decided, organised and carried out all aspects of the programme ranging from feasibility studies to designs of projects, the setting up of loan applications and procurement of project inputs, in this case notably also including selection of the improved dairy cows leaving the borrowers out of choosing their own cows. Hence, the expertise and specific interests of the different categories of staff involved in the implementation of the programme became determining for the course of events, while the women were left to play the role of the passive recipients, which they, however, resisted in their own creative manners.

A year after the loans had been disbursed, the programme management faced serious problems. Hardly any of the participants had followed their loan agreements. Repayment rates were less than 50%. Some had paid virtually nothing; others had made only irregular payments; and a few had performed somehow satisfactorily. The bank together with the district authorities did everything to pressure the borrowers into paying their debts. Loan-takers were called to meetings at the district headquarters and in the bank. They were threatened with court cases if they did not pay on time. Months later they received letters saying when their case would be handed over to the court. In this same period some borrowers had their cows removed from their homes, again with threats that the cows would only be returned if they paid. During meetings held in the village, district authorities together with bank and ILO representatives accused the participants of consciously dragging out their repayments, husbands and fathers of not supervising their own folk sufficiently, and village leaders and the women's group leaders of being behind all this.

We can see these meetings as social interface situations where different interests, cultural interpretations, knowledge and power intersect and are negotiated by specific social actors (Long 1989; Stølen 1991). Notably power struggles and conflicts arose out of the fact that the legal conditions of the ILO credit programme were from the start very unclear. As mentioned earlier loans were given under soft conditions, however, these conditions were never specified. According to the programme documents village government and district authorities guarantee for the loans, but it is not clear how this should be interpreted (ILO n.d.). Consequently, both the bank staff and the district authorities could not be sure what the consequences would be for them personally if the borrowers failed to repay their loans (own research 1994; Maro 1996). As a consequence they adopted a very harsh course against the borrowers and their families in order to compel them to pay the loans.

In addition, both bank and district staff stood to loose face in relation to the international donor representatives if they could not show satisfactory repayment rates at the next review due in 1994. Similar considerations clearly also influenced the national Dar-based ILO representatives' attitudes and reactions towards the borrowers. Prior to the arrival of the review mission one of the ILO representatives the women borrowers, urging them to repay their loans. She appealed to their feelings of solidarity and guilt, emphasising that she was one of theirs being both a woman (by contrast to most district staff who are men) and from the same area as they. She told them that by refusing to repay the loans they had brought shame on a her, their fellow clan woman who had worked hard for them - only to be let down by them in the final instance.

The rural women on their part did what they could to operate the situation in their own interests and to manoeuvre and manipulate the aid system's intricate structures of power and authority, clearly differentiating between district, national and international levels. In the first instance they defended themselves against the accusations made at the meetings and were here backed by the women's group leader and the church representatives headed by the pastor. Later, during the ILO review mission's visit to the village, the women's group presented a letter of complaint to the international ILO representative read by the women's group leader. Despite the presence of the bank director they decided to read the letter aloud. It was a complaint that the loan conditions had not been explained properly, especially not the issue of interest. The international ILO representative was concerned and promised to look into the matter. This was a first small and important victory for the women; they had been heard and felt that they now had an ally in the international representative from Geneva. The bank director on her side felt threatened by the women's act. After the meeting she remarked to the women's group leader: "Just you wait", which in the local context is a modern version of an indigenous curse (own research, Oct 1994). The borrowers' husbands tried to assist their wives in their dealings with the bank and the district authorities but were sent away with the message that these loans were for women not for men, so it was none of their business. They feared that if their wives' cases were brought to court demands would be made in their property although they had never signed any papers. In at least one known case the husband reacted very strongly threatening his wife that if she did not manage to repay the loan he

would send her away. It has become a standing joke among men in this area that if you want to get rid of your property you should just allow your wife to sign a soft loan (own research 1993, Oct 1994).

In the course of the programme implementation period interface situations between the women borrowers and the programme implementers changed in character. Gradually, the well-meaning donor, who in the beginning asked the target group about their problems and offered them loans on favourable conditions, became a controlling and punishing authority.

District authorities and bank staff did not exactly see themselves as the benevolent representative of the international donor agency, which was the role that they were somehow supposed to play in this development programme. Instead, they had their own interpretations of the programme and their own interests to pursue which not always corresponded with those of the international donor. In their view rural women and youth were nothing but irresponsible and ignorant persons who needed to be tightly supervised by male adults - fathers, husbands and village authorities. Therefore, the relationship between the rural dwellers and the urban bureaucrats changed into a patron-client relationship where bank staff and district authorities exhibited freely their patronising and unsympathetic attitudes towards the women borrowers (Berger 1989; van der Wees & Romijn 1995).

5. Economic consequences for the borrowers

Power struggles were not the only critical facet of this ILO programme. Although the programme deals with credit, which most women and youth in Kilimanjaro have not experienced before, programme training and teaching did not take this sufficiently into account. Rural credit has almost always been channelled to men and not to women, because men are seen as farm managers and heads of households. Women's access to funds has usually been through women's groups projects where money and equipment have been given as grants and not as credit. And unlike other parts of Tanzania, women in Kilimanjaro have no experience with rotating savings and credit associations that are otherwise quite common in Tanzania, especially along the coast and in urban centres. One female regional leader commented: "Sustain ability (of women's economic activities) makes no sense to the women. For years they have only received money and material goods as gifts" (own research, October 1994). Informal loans are given on very differing conditions depending on personal relations and the concrete context. Hence, calculations about feasibility and Sustain ability of economic projects based on formal loans are a completely new thing to them.

On top of this, loan documents were drawn up in English which most Tanzanians neither speak nor read, since Swahili is the national language. So the district authorities translated the loan documents into Swahili on the spot before the borrowers signed the documents. Consequently, the borrowers were very unclear about what they had actually signed, and they never really understood what interest and interest's interest mean to a loan. Apparently, this confusion was shared by district and national ILO staff, who all gave different explanations

when asked about loan repayment conditions. Even the bank was not clear on this as loan documents for identical projects cited different repayment sums (own research 1993; Maro 1996).

However, for most borrowers it was not simply a matter of willingness to pay or ability to understand the repayment conditions. They were facing a situation where their projects could not finance loans of 300,000 TSH. Feasibility studies seem to have overestimated production figures and apparently calculated with even incomes throughout the calendar year in projects like dairy and piggery, where incomes typically fluctuate. However, worse off were those projects where the programme had delivered cows that were either sick and/or barren despite the borrowers protests. The borrowers had no say in the selection of their cows which were simply brought to their door step without any further notice. These borrowers had daily expenses for fodder and extra expenses for medical treatment, but no or very delayed production outputs. Nevertheless, their loans still counted from the day of disbursement.

The massive pressure from bank, district and ILO staff almost made the borrowers panic. They were frightened of the consequences of a court case. They sought the advice of the district staff, who told them to repay their loans by all means - even if it meant selling their cows. Those who had other sources of income first sold their produce in order to pay their outstanding debts. A case in point is young Mary, in fact one of the few young and unemployed borrowers in the programme.⁴ She is newly married with a baby. She and her husband decided to use the money from his business venture as a down-payment on her loan. Following this the husband was left with no extra money to reinvest in his business, and he had to take up casual work for a period. Unlike her older fellow women in the women's group, she and her husband do not have their own farm, only a small plot where they have built their house, a new cow shed and have a garden for vegetables. In the ILO programme, it was calculated that people with dairy projects should cultivate special fodder crops for their cows in order to be self-sustaining with fodder. However, in the case of youth this does not work because most young people seldom control land of their own. Therefore, Mary had problems feeding the cow properly. The fact that she has to buy all fodder means that her dairy project is even less profitable than the other women's projects. However, her project cannot muster a surplus big enough to pay the debts. According to donor policies women's and youth's lack of control over land is exactly what makes them qualify for soft loans. Ironically, in this case ILO promotes projects that are designed in a way that they presuppose such control.

Other borrowers saw no other recourse than to sell their ILO dairy cow or its offspring. Unfortunately, at that particular time the market was very bad because the maize harvest had failed that year; everybody wanted to sell and nobody had money to buy. Therefore, the women had to sell their cows and calves at less than half the ordinary market price for

⁴ Names of interviewees have been changed, and their backgrounds and family conditions have been mixed to secure them anonymity.

improved dairy cows. This is what happened to Elisabeth, 40 years of age, married to a man who works as a plumber in town, and with four children attending primary and secondary school. They have a relatively big farm with coffee and bananas, another plot with maize and grass and a cow of native breed. She manages the farm and has no other sources of income than sale of milk and bananas. When she received her ILO dairy cow, it turned out that the cow had a skin disease and was barren. She complained to the bank and the district staff, who at first rejected her complaints. But with the help of the district veterinary officer she managed to return the cow to the programme, receive money instead and buy herself a new and healthy dairy cow. All this took half a year and in the meantime her loan accumulated interest and interest's interest. She could not make any payments and had no income - only extra expenses on fodder and veterinary treatment of the sick cow. When the bank and the district authorities threatened to take her to court she decided to sell her ILO cow. She knew that the cow was with calf, meaning that a few months later she would have been able to pay her debts through the sale of the cow's calf. To make things worse, her native cow died shortly afterwards. Now, she was left with no cows, no dairy project, but a loan only partly repaid. With two children in secondary school, family expenses were very high. School fees alone amounted to 44,000 Tsh. that year. Her husband's monthly salary of 12,000 Tsh. plus some income from farming was hardly enough to meet the family's most basic requirements. Before, with both cows producing milk she had been able to earn up to 18,000 Tsh. a month from milk sales alone.

6. Financing impoverishment or empowerment

At policy level, the ILO credit programme stands for a progressive line of thinking. However, in its implementation the programme created a lot of economic problems and a general feeling of frustration and uneasiness among the borrowers and their families. In addition, the women have experienced an increased dependency on husbands and fathers as well as on local authorities and power rulers. When explaining their experiences with the ILO programme the women themselves say that: "Now we have seen what town is like" (own research, Oct. 1994). By this expression they refer to all the difficulties they have faced in their dealings with the formal lending system and the district authorities, *town* itself standing for something which is unfamiliar, dangerous and strange (Setel 1995) and beyond their usual spheres of operation and control. The women borrowers continue to consider themselves very lucky to have received the loans from ILO, in the first place. At first, they were simply lucky because of the 'money sent from Heaven'. Now they have realised that they have benefitted in a wider sense despite all the problems entailed in the ILO programme. In their dealings with the programme *in town* they have learnt some very important lessons which they may use at a later time. Furthermore, in the course of their involvement with the programme they have experienced that their prestige and influence in the village and parts of the wider society have increased. In particular, the male village and church leaders and the female leaders at local and regional levels have backed them in their conflicts with the district and the bank.

Hence, these women have become more visible in the local and regional political landscape both as women and as a women's group. They can today count themselves among the privileged women's groups in the region who have succeeded in attracting donor agencies, which they see as a crucial step towards achieving development for themselves, their families and their community. During this whole process they have found a major strength in their women's group and its highly committed and trustworthy leadership. Throughout the group has been guided by a common spirit of solidarity among its members grounded in more than fifteen years of collaboration. Subsequently, as a group they have demonstrated that they are capable of organising, networking, and of manoeuvring a very complex aid system consisting of both local, national and international levels. They have pulled their own strings and demonstrated that they are capable of mastering what Dahl and Hjort (1985) have termed the 'development language' required to operate within the international donor system. This has had the immediate effect that they have been targeted by other donors for other types of development projects. For example, they have been selected among the first women's groups in the area to receive heifers for dairy production from the Heifer Project International (HPI), that operates through the evangelical and catholic churches in Tanzania. In the words of the village chairlady these women have achieved that:

"... people have trust and faith in this (women's) group organised under the church and the women members are regarded as empowered women. These are women who managed to organise themselves into groups and the first to get the ILO loan and now the HPI cow which is a step of achievement for the whole village. The men and male leaders look (upon) the group as front runners in the village development. In fact both men and women are working together after they discovered that they signed together the forms for HPI cows. ... The men and male leaders regard the women groups as partners in development" (Maro, August 1996).

By analysing interface situations between women's groups and development aid it becomes possible to discern how these women's group members through their actions and activities have aimed to maximize their room of manoeuvre, their prestige and political influence and control over resources at the same time as they have vividly contested the images held by local and national authorities. They have demonstrated that they as rural women are neither stupid, ignorant nor deficient in agency. They may be in a subordinate position to programme and district authorities, but they are neither passive nor completely powerless. Therefore, the immediate picture emanating from this case, showing women as victims of a failed credit programme, becomes replaced by the picture of women demonstrating themselves to be capable of strategizing around common long-term objectives. In the longer perspective these women may well stand to profit, also economically, from their involvement with the ILO credit scheme, although the immediate effect has been one of economic impoverishment. Who knows? Maybe the next donor will favour them with the tractor or the maize mill that they plan to acquire next.

7. Epilogue

By August 1996 only 5 % of the borrowers have repaid their loans completely. The rest are still in default of sizable amounts. As events have developed none of the borrowers have been taken to court. Instead, during 1995 they have been called to the district office and asked to sign a letter where they should state when they expected to repay the loan. Some stated that they would finish the loan by 1998, others in 1999. Although they have avoided being taken to court this time and now have better repayment conditions the borrowers continue to worry about the loans. The legal issue of liability for the loans has been postponed to a later time. In the meantime, the bank apparently attempts to place the responsibility with the district authorities by asserting that the bank only acts as an agent for ILO and that it is the district authorities who are the guarantees of the loans, since they are the ones dealing directly with the borrowers. The bank staff has no mandate to do so, according to the bank director, irrespectively of the bank's role in feasibility studies and follow-up and the district authorities' role as facilitators. In his view:

"if worse comes to worse the district authorities will be responsible to repay even if it means to deduct the money from their salaries. They should find means and ways of recovering the money. Until the bank recovers the loans, all the ILO programmes have been stopped in Kilimanjaro Region" (Maro, August 1996).

It is difficult to foresee what will happen by 1998. How far will ILO stand on the repayments of the loans, and what strategies will the programme adopt to achieve this? Or rather, will it be in the interest of all parties to see these loans transformed into grants to avoid any further problems that could harm not only the borrowers but also the reputation of the donor, the bank and the district authorities?

Since 1994, the women's group has collected 300.000 Tsh from its members and deposited the money in their bank account. They intend to acquire their own pick-up for transport of fodder for their cows if they can obtain assistance from a donor.

Copenhagen, August 1996.

REFERENCES

Ahenkora, Salome et.al. 1995.

Gender and the implementation of structural adjustment in Africa: examining the micro-meso-macro linkages. The Ghana study. A research study under the SAGA initiative, draft report.

Berger, Marguerite. 1995.

Key issues on women's access to and use of credit in the micro- and small-scale enterprise sector. In *Women in micro- and small-scale enterprise development*, eds Louise Dignard & José Havet. San Francisco: Westview Press.

- 1989.

Giving women credit: The strengths and limitations of credit as a tool for alleviating poverty. *World Development* vol.17.no.7: 1017-1032.

Blackden, C. Mark & Elizabeth Morris Hughes. 1993.

Paradigm postponed: Gender and economic adjustment in Sub-Saharan Africa. AFTHR, Technical Note no. 13, Human Resources and Poverty Division.

Bülow, Dorthe, Esther Damball & Rose Maro. 1995.

Supporting women groups in Tanzania through credit: is this a strategy for empowerment? CDR Working Paper 95.10, Centre for Development Research, Copenhagen.

COWIconult. 1994

Evaluation of selected WID projects. Mbeya maize mill project. Credit scheme for productive activities of women in Tanzania. Evaluation report, vol III, draft report.

Dahl, Gudrun & Anders Hjort. 1985.

Development as message and meaning. *Ethnos* vol.49, no. III - IV: 165-185.

FAO. n.d.

Analysis of credit schemes benefitting rural women in selected African countries. Report.

ILO. n.d.

The credit mechanism. Rural Youth Training and Employment. The structure and working of the credit element of the project. Dar es Salaam: ILO. (ILO RYTEP Project Document.

Kilimanjaro Regional Development & Tanzania Food and Nutrition Centre. 1990.

Kilimanjaro Regional Nutrition Programme. Report on situation analysis of food and nutrition problems facing women and children. Director's Office, Moshi, Kilimanjaro.

Kiondo, Andrew S. Z. 1995.

When the state withdraws: Local development, politics and liberalisation in Tanzania. In *Liberalised development in Tanzania*, ed Peter Gibbon. Uppsala: Nordiska Afrikainstitutet.

Long, Norman. 1992.

Research endeavours and actor struggles. In *Battlefields of knowledge. The interlocking of theory and practise in social research and development*, eds Norman Long & Ann Long. London: Routledge.

- (ed) 1989.

Encounters at the interface. A perspective on social discontinuities in rural development. Wageningen: Agricultural University Wageningen.

Maro, Rose. 1996.

Women's organisations and associations in Tanzania. Research report submitted to Centre for Development Research, Copenhagen August 1996.

Nuijten, Monique. 1992.

Local organization as organizing practices. Rethinking rural institutions. In *Battlefields of knowledge. The interlocking of theory and practise in social research and development*, eds Norman Long & Ann Long. London: Routledge.

Semiono, John P., Salha Hamdani, Esther Damball & PAuline A. Chale. 1993.

Gender assessment study. Final report, vol.I. Co-operative College, Moshi.

Setel, Philip. 1995.

Bo'n-Town life: the social context of AIDS education among young men in Northern Kilimanjaro. In *Young people at risk: fighting AIDS in Northern Tanzania*, eds Knut-Inge Klepp, Paul M. Biswalo & Aud Talle. Oslo: Scandinavian University Press.

Stølen, Kristi Anne. 1991.

Introduction: Women, gender and social change. In *Gender and Change in developing countries*, eds Kristi Anne Stølen & Mariken Vaa. Oslo: Norwegian University Press.

Wees, Catherine van der & Henny Romijn. 1995.

Entrepreneurship and small- and microenterprise development for women: a problematic in search of answers, a policy in search of programs. In *Women in micro-*

and small-scale enterprise development, eds. Louise Dignard & José Havet. Boulder: Westview Press, London: IT Publications.