

Penyampai : DATIN SERI DR. SITI HASMAH BINTI HAJI MOHD. ALI
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1. Alhamdulillah, thanks to the Almighty Allah, I am greatly honoured to be with you here this morning on such a meaningful occasion to discuss and exchange ideas, as well as to learn from each other on issues and intervention programmes that can improve the lives of the rural and island women, particularly women in the Asia Pacific region.

2. I would like to take this opportunity, as Chairperson to the Regional Steering Committee for Asia Pacific on the Advancement of Rural and Island Women, to thank Her Excellency Mrs. Effat Hashemi Rafsanjani and the Government of the Islamic Republic of Iran for organising the Seminar on Micro Credit for the Eradication of Poverty, and also for hosting the Second Meeting of Personal Representatives of members of the Regional Steering Committee - Asia Pacific (the RSC-AP).

3. You and your government have given strong support to the RSC-AP movement and activities particularly in improving the lives and well-being of the poor rural women and their families. I am deeply touched by your interest and commitment to our goals as defined in the Geneva Declaration for the Rural Poor Women in 1992 and in implementing the Beijing Declaration of 1995. Your Excellency's support for the RSC-AP movement has set path for our continued commitment and solidarity among the RSC- AP members, as we strive to work towards the betterment of the lives of our sisters in the rural areas.

4. The theme of today's seminar 'Micro Credit for the Eradication of Poverty' is most appropriate and relevant, especially given that the focus of the RSC - Asia Pacific is on the eradication of an increasing and persistent feminisation of poverty, particularly among the poorest of the poor -- the rural women. To date, statistics have shown that out of 1.3 billion absolute poor living on less than US\$1.00 a day, over half a billion are living in Asia. World-wide, over 900 million of the absolute poor are women.

5. From the United Nation's statistics, we are informed that poor women and children are the vulnerable groups, whose lives have been devastated as they become victims of the scourge of poverty. Thirty percent of the world's population is at risk from nutritional deficiencies.

Fourteen million children die each year of avoidable diseases. Over 100 million people have emigrated globally, forced from homelands in search of better living conditions. Women and girls account for 70 percent of the deprived populations and two thirds of the world's billion illiterates. While in poor households research findings have shown that women work long hours, performing low paid menial jobs. Yet in such households, they are the ones who 'eat last and eat less'.

6. Against such bleak picture of poor women and their powerlessness, there emerge success stories of another set of poor women, who have worked their way out of poverty, and have improved the quality of lives of their families. These women have shown that with a small amount of loan made available to them, they become creative in using their skills to earn income, to be self-employed and self reliant. Research and practice have shown that income in the hands of women is more likely to be used to meet the immediate needs for food, health, clothing and other needs of their children and family members. According to IFAD, credit as small as US\$20.00, when given to a woman in less developed country, does not only directly meet the needs of the family, but also enables her to move the family out of the powerful grip of poverty.

7. The Micro Credit Summit in Washington, held in February this year, calls for recognition of micro credit as an instrument to end poverty. The pioneer - founder of the Grameen Bank model of micro credit, Professor Mohamed Yunus of Bangladesh, further acknowledges the vital role played by women when he pointed out that women do not need subsidy, but rather, they need credit as working capital to be self employed and self reliant.

The Summit also recognises the pivotal role played by women who made the programme successful - women have proven they are good paymasters, bankable and credit worthy.

8. Micro credit comes in different forms and models, and it is but one of a much larger effort and strategies to reduce poverty. In Asia, where the bulk of poverty exists, we have creative, well-known success stories of poverty eradication programmes through a variety of micro credit approaches. There are successful co-operatives and institutions that cater to the objectives of providing credit for income generation activities, such as the Khomeiny Relief Fund in Iran, Credit and Training for Economic Development (CATER) of Sri Lanka, to name a few. We also have well known institutions such as the Self Employed Women Association (SEWA) of India, Grameen bank of Bangladesh, Bangladesh Rural Advancement Community (BRAC) and replications of Grameen Bank approach or model, such as CASHPOR (Cash and Savings for the Hardcore Poor), AMANAH IKHTIAR MALAYSIA, Bank Rakyat Indonesia (BRI) and YAYASAN USAHA MAJU of Indonesia.

Institutions that follow the principles which Professor David Gibbons called 'The Grameen Essentials' specially target poor women as their clients, utilising the groups - dynamic support approach, which is a unique instrument that meets the psychological needs for support between and among women borrowers. Such 'ingredients' ensure the inclusion of women as borrowers and beneficiaries. RSC- AP member countries can certainly benefit from the experiences of these institutions, as we join in the call for outreach and scaling up of the micro credit programmes in our countries.

9. Although there is no one 'right' model for micro credit, the Grameen Bank approach has proven to be one of the most successful micro credit systems that reach out to two million women in Bangladesh, while replications of the Grameen Bank approach such as CASHPOR, AIM, BRAC, Yayasan Usaha Maju of Indonesia, among others, have reached and served between 10 to 12 million of the poorest of the poor in the Asia Pacific Region. In response to the Micro Credit Summit's goal for Asia Pacific region, the target set by participants to the Bank Poor 1996 Workshop in Kuala Lumpur was to reach 70 million of the poorest of the poor, by the year 2005. I believe that through effective outreach and scaling-up programmes, with added emphasis on new and attractive financial services to serve the clients, institutions can move away from delivering micro credit to micro finance.

It is my great hope that the workshop could produce plans for RSC-AP members to undertake as part of our contribution towards the achievement of that goal.

10. What impresses me most with micro credit system is the profound impact it produces on the borrowers and their families. Micro credit is more than lending poor women what they need to invest for self-employment. It means giving them a feeling of achievement, increased self confidence, self esteem, respect and elevation in their status as well as the ability to make decisions apart from conferring on them the added skills in micro business and financial management. There emerge feelings of hope - - feelings that contribute to empowerment as borrowers learned to be self-reliant. With continued support and training to increase knowledge and essential skills in the area of self and family development, poverty reduction and an improved quality of life for the poor families can certainly be achieved, insya-Allah.

11. I felt greatly honoured and privileged, as President of the ISC, to be invited earlier this year to deliver a plenary address at the recent Micro Credit Summit in Washington D.C.. I consider the occasion as a historical landmark for me and for ISC and its affiliates, the Regional Steering Committees. It was a recognition and an acknowledgement given by the international development communities on the work done by the First Ladies and Wives of Heads of Governments, who are members of the ISC and the Regional Steering Committees. It is also an acknowledgement of the important and strategic role that these First Ladies could play as catalysts and as advocates to improve the lives of the poverty stricken rural women and their families. As such, at the Micro Credit Summit, the ISC endorsed the Plan of Action to reach 100 million of the world's poorest families, especially the rural women, by the year 2005. The ISC'S commitment will be realised through activities of the members of the Regional Steering Committees, globally and regionally. Today, the RSC-Asia Pacific has taken the first move in fulfilling our own programme of action, in support of the Micro Credit Summit's goals. As an advocacy group, we join in the campaign to reach the poorest of the poor, in the Asia Pacific region. It is my hope that the RSC

Asia Pacific members will continue to advocate for the implementation of micro credit programmes at the national and regional levels.

12. At this juncture, I would like to announce that the Government of Malaysia, in collaboration with RSC Asia Pacific, Amanah Ikhtiar Malaysia, CASHPOR and the Asia Pacific Development Centre (APDC), is organising a micro credit workshop for senior government officials, micro credit practitioners and potential NGO implementers who are highly motivated to embark on micro finance programmes. The purpose of the workshop, entitled 'Micro Finance Management Workshop' is to help RSC-AP member countries to foster the establishment of the programme; and if already in existence, to help in strengthening and expanding the programme in their respective countries.

The workshop will be held in August 1997. This will be the first of a series of micro finance workshops that RSC- AP will undertake to facilitate continuous technical support and mobilise resources to the needy. I would like to propose that RSC-AP institutionalise such training programme as we continue to share, network, support and mobilise technical and monetary resources between and among member countries. Our commitment to poverty reduction in support of the Micro Credit Summit will become much more meaningful and effective.

13. In conclusion, I would like to take this opportunity to call upon everyone present here today to assist the RSC-Asia Pacific to become a vehicle for mobilising resources as we embark on our mission to help reduce poverty especially among the poorest of the poor, which include the rural women through effective micro finance programmes.