

Preface

A. BACKGROUND

The Africa Bureau of A.I.D. has developed A Strategic Framework for Promoting Agricultural Marketing and Agribusiness Development in Sub-Saharan Africa. As part of its effort to guide country missions in the design of successful agribusiness programs and projects, the Bureau entered into a Memorandum of Understanding (MOU) with The Ohio State University through the Financial Resources Management (FIRM) cooperative agreement to conduct research on finance in Africa. The research activities are meant to build upon and extend current knowledge about the relationship between sound financial markets and services and the development of agricultural marketing activities and agribusiness ventures. One of the tasks specified in the MOU was an annotated bibliography on financial markets and agribusiness development. This selected bibliography was prepared as part of that task. It contains approximately 250 entries. Most of the publications included were written in the 1980s and 1990s so they benefit from the accumulated experience of the large amount of research conducted on finance in Sub-Saharan Africa during the past couple of decades. The complete annotated bibliography with approximately 1,200 entries was also prepared. Both are intended to be used by researchers, policy makers, and project officers interested in agribusiness development. Finally, a paper based on an analysis of the literature was prepared with the title "A Review of the Literature on Financial Markets and Agribusiness Development in Sub-Saharan Africa: Lessons Learned and Suggestions for an Analytical Agenda."

B. APPROACHES USED IN THE LITERATURE REVIEW

A fundamental task for the Africa Bureau is to develop a strategy, policies and programs concerning financial markets as they relate to agriculture and rural development in general, and specifically for agricultural marketing and agribusiness development. Since the relationship between finance and economic enterprises is complex, for this bibliographic review it was necessary to adopt a broad view of the literature to be searched. This section briefly discusses the issues leading to the adoption of this broad approach.

The general approach to the literature involved: 1) defining the scope of the financial sector to be studied; 2) searching the literature in the U.S. and abroad for information on the types of participants and clients of the financial systems in Sub-Saharan Africa; 3) reviewing the literature and writing the abstracts; and 4) preparing the bibliography.

- **DEFINITION OF THE FINANCIAL SECTOR.** The financial sector of Sub-Saharan African countries is made up of several formal and informal arrangements and institutional forms. Both formal and informal arrangements may be important sources of financial services in any given country. Furthermore, understanding the factors that determine the success of informal finance may provide insights into ways to improve formal finance. For these two reasons, the literature search covered all types of financial arrangements and institutional forms, whether spontaneous or specifically designed and assisted. It includes literature related to formal, semi-formal, and informal financial systems.
- **PARTICIPANTS IN THE FINANCIAL SYSTEM.** The participants or clients of any financial system include a wide variety of individuals, households, firms, businesses, and organizations. Many studies do not specifically identify or describe the participants of the financial institution or arrangement being studied. It may be possible to learn, for example, that a credit union in Cameroon has many rural members, but there may be little information on the types of economic activity (enterprise or business) that may benefit from the financial services provided by the credit

union. Therefore, the literature review included all materials that might have relevance, directly or indirectly, to rural and urban agribusinesses.

- **AGRIBUSINESS DEFINED.** The term agribusiness has been defined in several ways. We chose to adopt a broad definition in which agribusinesses engage in a wide variety of agriculturally related activities. Some involve on-farm production activities typically thought of as farming. Others involve a complex set of activities undertaken on or off the farm. This includes the typical backward linkages of input supply and distribution for rural and urban enterprises. They also include a variety of forward linkages that involve transporting, storing, and transforming products produced on the farm and/or related to agricultural products. Agribusinesses range from small backyard processing activities to large scale multilateral companies. Some employ the most traditional technology, while others are tied into international markets and employ modern international technology. Although relatively little of the literature reviewed actually uses the term agribusiness, in fact much of the economic activity found in Sub-Saharan Africa is directly or indirectly related to agribusinesses. (See A Strategic Framework for Promoting Agricultural Marketing in Sub-Saharan Africa, Office of Technical Resources for Africa, Publication Series No. 91-1, USAID, 1991, for a more comprehensive discussion of this point.)
- **ECONOMIC ACTIVITY OF HOUSEHOLDS AND FIRMS, AND THE FUNGIBILITY OF FINANCE.** Many individuals, households, and firms in Africa engage in multiple economic activities. Some farmers, for example, produce commodities, but also engage in processing, transportation, and marketing activities which are often associated with agribusinesses. Likewise, a large urban firm may export both agricultural and mineral products. Because of this heterogeneity and the fungibility of finance, it is impossible, therefore, to identify studies and reports that analyze policies, projects, and institutions that benefit just one type of economic activity.
- **SAVINGS AND CREDIT.** African policymakers and donors share a concern for improving agribusiness access to formal finance, so they typically concentrate their interventions, policies and programs on lending and on public sector institutions because they can more effectively influence them. Many households and firms, however, find that deposit and savings services are even more important to them than loans, and the long term sustainability of formal financial institutions is crucially dependent on their ability to mobilize savings. For this reason, the literature review included materials that discuss both the lending and savings mobilization aspects of financial intermediation.
- **SOURCES OF LITERATURE.** The most relevant finance literature for this task is found in the U.S. Because many bilateral donors and foreign researchers have been involved in finance, the literature search included not only the U.S., but also England, France, Germany, Italy, and Portugal, and donor archives such as the World Bank and FAO. Computer data bases were consulted, library collections were searched, and contacts were made with specific organizations that had access to relevant literature. The search included academic literature, consultant reports, NGO/PVO publications, and design and evaluation reports. Several publications identified in other annotated bibliographies were obtained and reviewed. A bibliography prepared by Mooney (1985) reviewed 220 A.I.D. agribusiness projects in Africa from 1970-1986. Several of these projects had credit components. The annotated bibliography by de Treville (1986) on contract farming in Africa also included some interesting publications dealing with finance. The WID bibliography by Townsend (1988) produced some relevant gender related material not found elsewhere. Since there have been many developments reported in the literature in the last decade that have changed earlier beliefs and recommendations, priority in coverage and analysis was given throughout the literature search to items produced in the 1980s and 1990s.

C. ORGANIZATION OF THE BIBLIOGRAPHY

The bibliography is organized by 14 key lessons learned as presented in the summary paper referred to in the first paragraph. It also includes two additional sections that list some agribusiness publications and bibliographies of general interest. Each section is preceded by a short statement describing the central ideas or topics found in the publications which were included in that section. In all cases, the publications are alphabetized by senior author's last name. A consolidated senior author list and key word list are included as appendices.

Key words for each abstract are presented in four groups. The first group refers to principal subject of the publication such as agriculture, enterprises, women, or general. The second refers to geographic region. The third refers to country or countries (which is deleted when the publication is regional), and the fourth includes an indication of specific topics covered in the publication such as credit, savings, informal finance, development banks, credit unions, etc.

The number in brackets [] refers to our internal reference system at OSU; GER in the brackets indicates that the abstract was prepared in Germany and we did not receive a copy of the document. The standard library abbreviations are used where u.k. means unknown and n.d. means no date.

D. MISSING ITEMS

Although our literature search was comprehensive, we know there are important items that have been missed. We will appreciate receiving copies of these publications or complete citations so we can search for them.

Richard L. Meyer
Project Leader

ACKNOWLEDGEMENTS

We were fortunate to be assisted in this project by many persons. We acknowledge with great appreciation the literature searches conducted by Jill Burnett, Rachel Meghir, Gertrud Schrieder, and Laura Viganó who collected materials in England, France, Germany, and Italy; to Mayada Baydas, Rheneé Blanco, Koro Ouattara, and Curtis Slover who searched the U.S. literature, prepared and reviewed abstracts and helped synthesize the results; to Geetha Nagarajan for research assistance; to Sandy Krulikowski-Walden for supervision and wordprocessing of this Bibliography; and to Lori Karn and Barbara Lee for their assistance in obtaining publications and general office support. We are particularly appreciative of the assistance provided by Thomas J. Herlehey, A.I.D. Africa Bureau, who conceptualized this project and guided us so effectively and professionally in all phases of the work. We also thank Melissa Brinkerhoff, A.I.D. Research and Development Bureau for her assistance with the project.

List of Acronyms

AAEA - American Agricultural Economics Association
Acat - Africa Co-operative Action Trust
ACCOSCA - African Confederation of Cooperative Savings & Credit Associations
ACOSCA - African Co-Operative Savings and Credit Association
ACDI - Agricultural Cooperative Development International
AFC - Agricultural Finance Corporation
AFRACA - African Regional Agricultural Credit Association
APP - Association Pour la Productivité
ARIES - Assistance to Resource Institutions for Enterprise Support
ARP - Agricultural Reconstruction Program
BCEAO - Banque Centrale des Etats de l'Afrique de l'Ouest
BDM - Development Bank of Mali
BEAC - Banque de Etats de l'Afrique Centrale
BMZ - Federal Ministry for Economic Cooperation (German)
BMZ - Forschungsberichte des Bundesministeriums für Wirtschaftliche Zusammenarbeit
BNDA - Banque Nationale de Développement Agricole
CamCCUL - Cameroon Cooperative Credit Union League, Ltd.
CBN - Central Bank of Nigeria
CBS - Central Bank of Somalia
CCCE - Caisse Centrale de Coopération Économique
CDR - Center for Development Research
CEAO - Communauté Economique de l'Afrique de l'Ouest
CFA - Communauté Financière Africaine
CFNPP - Cornell Food and Nutrition Policy Program
CICA - Confederation Internationale de Crédit Agricole
CIDR - Centre International de Développement et de Recherche
CILSS - Comité Permanent Inter-Etats de Lutte Contre la Sécheresse dans le Sahel
CIRAD - Centre de Coopération Internationale en Recherche Agronomiques pour le Développement (France)
CNCA - Caisse Nationale de Crédit Agricole (France)
CNCA-B - Caisse Nationale Agricole du Burkina-Faso
CPCS - Cooperative Production Credit Scheme
CREP - Caisse Rurale d'Épargne et de Prêt
CUA - Credit Union Association (Ghana)
CUNA - Credit Union National Alliance
CUs - Credit Unions
DAI - Development Alternatives, Inc.
DEMATT - Development of Malawian Traders Trust
DFI - Development Finance Institution
DIE - German Development Institute
DSE - German Foundation for International Development
EACACT - East African Centre for Agricultural Credit Training
EDI - Economic Development Institute
EDC - Enterprise Development Centers
ERP - Government Economic Recovery Program
FAO - Food and Agriculture Organization of the United Nations
FIs - Financial Institutions
FITC - Financial Institutions Training Centre

FONGS - Federation des Organisations Non Gouvernementales du Sénégal
FRG - Federal Republic of Germany
FUCEC - Federation des Coopératives d'Epargne et de Crédit
GEMINI - Growth and Equity through Microenterprise Investments and Institutions
GTZ - Deutsche Gesellschaft für Technische Zusammenarbeit (Germany)
HIID - Harvard Institute for International Development
IADP - Integrated Agricultural Development Program
IBRD - International Bank for Reconstruction and Development
IDA - Institute for Development Anthropology
IDA - International Development Association
IDB - Inter-American Development Bank
IFAD - International Fund for Agricultural Development
IFG - Informal Financial Group
IFI - Informal Financial Institution
IFPRI - International Food Policy Research Institute
IGAs - income generating activities
ILO - International Labour Organization
IMF - International Monetary Fund
IPC - Interdisziplinäre Projekt Consult GmbH
IREC - Innovations et Réseaux pour le Développement
ISAA - Institut Senegalais de Recherches Agricoles
ISBI - International Savings Bank Institute
KDA - KwaZulu Department of Agriculture
KfW - Kreditanstalt für Wiederaufbau
KIE - Kenya Industrial Estates
KWFT - Kenya Women Finance Trust
LADB - Lesotho Agricultural Development Bank
LCCUL - Lesotho Co-operative Credit Union League
LISP - Local Initiatives Support Project
LSLP - Liquidity Specified Linear Programming
LTC - Land Tenure Center
MADIA - Managing Agricultural Development in Africa
MMF - Malawi Mudzi Fund
MSU - Michigan State University
MUSCCO - the Malawi Union of Savings and Credit Cooperatives
NCSB - National Savings and Credit Bank
NGO - Non-Governmental Organization
OECD - Organization for Economic Cooperation and Development
ONCAD - Office National du Crédit Agricole
PfP - Partnership for Productivity
PIDAC - Projet Intégré de Développement Agricole de la Basse Casamance
PPR - The Policy, Planning, and Research Complex
PVO - Private Voluntary Organization
READI - Malawi Rural Enterprise and Agribusiness Development Institutions
REDSO/WA - Regional Economic Development Services Office/West Africa
RFS - Rural Farmers' Scheme
ROSCA - Rotating Savings and Credit Association
SAP - Structural Adjustment Programme
SCAs - Savings & Credit Associations
SCIP - Smallholder Coffee Improvement Program
SEAG - Services d'Echanges et d'Appui à la Gestion
SHO - Self Help Organization

SMEs - Small and Medium Enterprises
SOFIDE - Société Financière de Développement
SSA - Sub-Saharan African Countries
SSBA - Swedish Savings Banks Association
UCECB - l'Union des Coopératives d'Épargne et de Crédit Burkinabé
UNDP - United Nations Development Program
UNIFEM - United Nations Development Fund for Women
UREF - Université des Réseaux d'Expression Française, Paris France
USAID - United States Agency for International Development
VITA - Volunteers in Technical Assistance
WACACT - West African Centre for Agricultural Credit Training
WID - Women In Development
WOCCU - World Council of Credit Unions
WPS - Working Paper Series (World Bank)

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Section 1

MACROECONOMIC AND FINANCIAL POLICIES

Many Sub-Saharan African countries have tried to develop their financial systems during periods in which their macroeconomic and financial policies were not supportive or conducive to such development. The publications selected for this section include items that review some of these problems and the reforms that are needed and/or are being attempted. Some of the items in Section 2 may also be useful reading because they cover some of the problems of the agricultural sector which influence the performance of rural financial markets and institutions.

1. African Studies Center, Rural Africana, Numbers 19-20, Spring-Fall, 1984, Michigan State University, 1984, 183 p.

This special double issue of Rural Africana is devoted to exploring the causes behind, and possible programmatic remedies for, Africa's current severe economic crisis. It focuses on the issues raised in the World Bank's Report Accelerated Development in Sub-Saharan Africa: An Agenda for Action. It reports on a two-day Colloquium held at Michigan State in 1983 to discuss issues raised by the Report. Participants included World Bank officials, African policymakers, private consultants, academics, and others interested in African economic development. Eleven papers are included in this volume grouped into three sets. The first set presents an overview of issues raised by the Report, the second examines the Bank's proposals for the rehabilitation of African agriculture, and the third focuses on the role of African states and the dilemmas policymakers face in developing effective strategies and policies to respond to the economic crisis. A number of positive impacts were associated with the Report. For example, it clearly and forcefully stated several issues that needed reform and promoted debate on how this might best be done; it assigned primary responsibility with the African governments; it broke the pattern of past reports that focused on external constraints and downplayed the culpability of African governments; and it helped African technicians by making it legitimate to openly voice need for change. Critics suggest that the Report is too optimistic about the possibility of export-led growth, that it understates the effect of external factors, that it generalizes, that the recommendations are too narrowly cast, and that too little attention is paid to political issues and constraints and serious problems in implementing reforms. There is disagreement with the emphasis of policy reform over research, education and extension, and some participants felt there is little prospect of adoption of the recommendations unless they are accompanied by the palliative of assistance for the politically attractive basic needs type of project. It is also expected that efforts are needed to improve economic performance, especially of public organizations, but the Report provides little guidance other than economic rationality. Innovative management technologies are needed which are appropriate to the conditions of work in Africa. [Agricultural Library, The Ohio State University, HC501R82]

Key Words: General; Africa; Finance;

2. Ajayi, S. Ibi, "An Economic Analysis of Capital Flight from Nigeria," Working Paper Series No. 993, Western Africa Department, The World Bank, Washington, D.C., October 1992, 76 p.

Estimates the capital flight from Nigeria in the 1970s and conducts an econometric analysis of the explanatory factors. Concludes that domestic macroeconomic policy "errors" such as inflation, exchange rate misalignment, fiscal deficits and unfavorable investment climate in the domestic economy are responsible. Recommends adoption of and consistency in reforms. [5565]

Key Words: General; Costal and Central West Africa; Nigeria; Finance; Macroeconomic policy;

3. Bhatia, Rattan J., "The West African Monetary Union: An Analytical Review," Occasional Paper No. 35, IMF, Washington, D.C., May 1985, 59 p.

Until 1984, the West African Monetary Union (WAMU) consisted of the six West African countries of Benin, Burkina Faso, Ivory Coast, Niger, Senegal, and Togo. For nearly two decades these countries have had a freely circulating common currency issued by the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO). The CFA franc has remained pegged at 50 to the French franc

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since 1948. This study analyzes the implementation of WAMU monetary policy. The study reviews the theory of optimum currency areas and the structure and function of BCEAO from 1962-74, summarizes the money supply process, and reports several financial ratios for the six countries. One section discusses the BCEAO reforms made in 1974 including a new tool for controlling credit expansion, domestic and international interest rates were harmonized, an interbank money market was established, and limits were set on the amount of assets that banks could hold outside the Union. Credit policy and other developments are then discussed for 1974-82. This study makes no definitive analysis of WAMU but identifies some of the constraints member countries have in dealing with their unique problems. For example, interest rate and exchange rate policies cannot be tailored to meet the situations found in each country. [4667]

Key Words: General; Africa; Benin; Burkina Faso; Ivory Coast; Côte d'Ivoire; Niger; Senegal; Togo; Finance; Monetary policy;

4. Callier, Philippe, "Financial Systems and Development in Africa: Collected papers from an EDI Policy Seminar held in Nairobi, Kenya, from January 29 to February 1, 1990," Papers presented at Senior Policy Seminar on Financial Systems and Development in Africa, January 29 to February 1, 1990, Nairobi, Kenya, EDI Seminar Series, Economic Development Institute, The World Bank, Washington, D.C., May 1991, 279 p.

This collection of papers deals with several aspects of the financial system that are relevant to developing countries in general and to Africa in particular. The range of topics covered include: the causes and consequences of financial distress; prerequisites for, and content of, successful financial sector reform; the reform of the mechanisms of monetary control; the role of development finance institutions; the role of informal financial markets; and the development of money and capital markets. [4029]

Key Words: General; Africa; Finance;

5. Chhibber, Ajay, and Stanley Fischer (eds.), Economic Reform in Sub-Saharan Africa: A World Bank Symposium, Washington, D.C.: The World Bank, 1991, 334 p.

The papers are divided into various economic reform areas in Africa: Exchange Rate Policy, Parallel Markets, Fiscal Deficits and Expenditure Policy, Financial Sector Policy, Trade Policy, Regional Integration, Human Capital and Entrepreneurship, and Growth Oriented Adjustment. The Financial Sector Policy papers deal with the limitations of financial market liberalization in revitalizing economies such as those found in Africa (Machiko Nissanke, "Mobilizing Domestic Resources for African Development and Diversification: Structural Impediments to Financial Intermediation"); the internal workings of the informal financial sector and its substantial presence in Sub-Saharan Africa (Ernest Aryeetey and Mukwanason Hyuha, "The Informal Financial Sector and Markets in Africa: An Empirical Study"; and the prospects of membership in a monetary union as a means of circumventing the constraints of small size of the economy (Patrick Honohan, "Monetary Cooperation in the CFA Zone"). [5287]

Key Words: General; Africa; Finance; Monetary policy; informal finance; Savings mobilization;

6. **Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), "Cameroon Agricultural Sector Review: Rural Finance," GTZ, Bonn, West Germany, 1988, 64 p.**

This paper presents a description of the various formal and informal financial intermediaries of the rural financial market in Cameroon. Argues that Cameroon's formal financial institutions recently ran into liquidity problems, after they had expanded significantly. Main reason for this development was the bad overall economic situation in the country. This applies to commercial banks, to FONADER (the National Development Fund) and to credit unions. It was also found that the informal financial sector in Cameroon still was the most important source for the rural poor. The review concludes with recommendations on how to improve the performance of the rural finance system of the country. [4162]

Key Words: Agriculture; Coastal and Central West Africa; Cameroon; Finance;

7. **Duesenberry, James S., and Malcolm F. McPherson, "Monetary Management in Sub-Saharan Africa: A Comparative Analysis," Development Discussion Paper No. 395 EPS, HIID, Harvard University, Cambridge, Massachusetts, September 1991, 149 p.**

This paper is a comparative review presenting findings of studies done in Malawi, Ghana, Nigeria, Senegal, and The Gambia examining the measures Sub-Saharan African (SSA) countries need for a successful transition to a system of indirect monetary control. The authors report that the successful operation of an indirect control system requires the completion of a number of financial reforms, training of staff, cooperation between the Central Bank and the ministry of finance and a government committed to sound money and credit programs. The authors conclude that although SSA countries have continued to rely on credit ceilings for macroeconomic reform, most of the changes required for indirect control are desirable even with a ceiling system. [4733]

Key Words: General; Africa; Malawi; Ghana; Nigeria; Senegal; The Gambia; Finance; Macroeconomics; Central bank; Government policy and programs; Credit; Policy reform;

8. **Elbadawi, Ibrahim A., Dhaneshwar Ghura, and Gilbert Uwujaren, "Why Structural Adjustment Has Not Succeeded in Sub-Saharan Africa," Working Paper Series No. 1000, Country Economics Department, The World Bank, Washington D. C., October 1992, 34 p. + tables and graphs.**

Authors investigate the factors influencing WB adjustment lending in Sub-Saharan Africa and all other low income countries, and provide estimates of the contribution of these adjustment programs to economic performance. They report that the marginal contribution of bank-supported adjustment programs to export performance had been positive and significant, and that political stability had a critical role in influencing adoption, implementation and sustainability. [5567]

Key Words: General; Africa; Finance; Macroeconomic policy;

9. **Gulhati, Ravi, "Malawi: Promising Reforms, Bad Luck," Analytical Case Studies No. 3, EDI Development Policy Case Series, Economic Development Institute of the World Bank, Washington, D.C., 1989, 84 p.**

Reviews the experience of Malawi with economic policy change adopted during 1980-86, including those aimed at restructuring public finance, agriculture, manufacturing, and institutional development. Discusses the exogenous shocks that occurred (deterioration of terms of trade,

Increase in international interest rates, drought that affected maize output, and constriction of imports due to disruption of customary commodity transport routes) and the policies that prevailed prior to reforms. Concludes that the reforms were fairly demanding from the political and administrative standpoint, wiped out the pricing biases against smallholders, reduced fertilizer subsidies, and the entry of the private sector in smallholder produce marketing, but failed to stabilize the budget and the balance of payments due to political resistance, administrative weaknesses, and the lack of political will. Criticizes the approach to policy implementation as too simplistic, citing the severe land, technological, and credit constraints that undermined the supply-side efforts to "get the prices right" for smallholders. [4089]

Key Words: Agriculture; Southern Africa; Malawi; Credit;

10. Gulhati, Ravi, The Political Economy of Reform in Sub-Saharan Africa, EDI Policy Seminar Report No. 8, Report of the Workshops on the Political Economy of Structural Adjustment and Sustainability of Reform, Halifax, Canada, November 20-22, 1986 and Washington, D. C., December 3-5, 1986, Washington, D.C.: Economic Development Institute, The World Bank, 1988, 49 p.

Identifies three issues in the Sub-Saharan African agenda: (1) economic decline and its impact on political stability; (2) the factors that brought about large shifts in African economic policies (rapid growth of public expenditures, large numbers of parastatals and massive expansion of administrative interventions throughout the economy) in the 1970s; and (3) the proper assessment of economic reforms in the 1980s, including how appropriately such reform was reflected in IMF standbys and WB policy-based lending. Found no satisfactory answer regarding the role of economic decline in the post-independence political turbulence. Notes an alternative perspective of the peasantry that views them to be operating in a network of support, communication and interaction based on blood, kin or other affinities and are thus remote and independent of government economic policies. Identifying the driving force behind policy frameworks is important in forming expectations on the future conduct of reform. Assessment of reforms is hampered by the absence of a coherent political economy framework, at the same time that doubts have been raised regarding the capability of current regimes to engineer and sustain meaningful reforms. Future work includes domestic issues related to a society's capacity to undertake reforms: the character of its leaders, the capacity of its bureaucracy and the quality of the interaction between leaders, bureaucrats, and external actors. [5200]

Key Words: General; Africa; Finance; International donors; Political economy;

11. Jaeger, William, "The Impact of Policy in African Agriculture: An Empirical Investigation," Working Paper Series No. 640, Technical Department, Africa Regional Office, The World Bank, March 1991, 77 p.

The author examines the relationship between government policy and agricultural performance in Sub-Saharan Africa between 1970 and 1987. The study assesses the impact of policy distortions on productivity over time and across countries. Exchange rate policies, high taxes on agriculture, and government control of export marketing are associated with the deterioration in agricultural export performance in 1970-87. Policy reforms of the late 1980's (where sustained and effective) are linked with increased agricultural productivity. [0861]

Key Words: Agricultural; Africa; Finance;

12. **Lane, Christopher E., and Sheila Page, "Differences in Economic Performance Between Franc Zone and Other Sub-Saharan African Countries," Working Paper No. 43, Overseas Development Institute, London, United Kingdom, March 1991, 44 p.**

Authors use cross-country comparisons of all sub-Saharan African countries during the period 1975-1988 to assess the importance to members of the CFA franc zone of not being able to change the exchange rate as a policy tool. Direct benefits from membership in the CFA franc zone are noted, such as lower rates of inflation, lower rates of growth of monetary aggregates and lower real exchange rate volatility compared to non-franc zone countries. For real economic variables, the authors conclude that there was better performance in the franc zone of Africa, cautioning that recent reversals indicate that permanently fixed exchange rates are not a guarantee of relative economic success. They identify a shift in the level of the currency peg as the most likely option, and outline the consequences in terms of gains from a devaluation to be realized by domestic debtors, and bank restructuring in light of extensive non-performing loans in commercial bank portfolios of Benin, Senegal and Cameroon. [4798]

Key Words: General; Africa; Benin; Senegal; Cameroon; Formal finance; Policy reform; Banks;

13. **Lieberson, Joseph M., Dianne Blane, Michael Fuchs-Carsch, David Hess, and Jane Seifert, "The AID Economic Policy Reform Program in Cameroon," AID Impact Evaluation Report No. 78, USAID, Washington, D. C., June 1991, 26 p. + bibliography.**

Midterm evaluation of the AID-supported Fertilizer Subsector Reform Program in Cameroon consisting of economic liberalization and privatization elements. Lists bureaucratic resistance to the program, an economic crisis facing Cameroon, and increasingly limited purchasing power in the rural areas among the factors that threaten the sustainability of the program. Concludes that sustainability also rests on the Government's commitment to its structural adjustment efforts. [5330]

Key Words: Agriculture; Coastal and Central West Africa; Cameroon; Finance; Input marketing;

14. **Loutfi, Martha, "Development issues and State Policies in Sub-Saharan Africa," International Labour Review, Vol. 128, No. 2, 1989, pp. 137-154.**

Evaluates the problems of Sub-Saharan Africa in light of state policies and practices, emphasizing that poor, often misleading, data render it difficult to understand and recommend prescriptions for the "crisis in Africa." Expectations of what individual governments can do about the situation have been exaggerated. A government's ability to control events and guide development is determined by the extent of financial resources at its disposal. Further argues that foreign exchange is the greatest constraint, citing evidence that the net transfer of resources has been low in recent years, with official development assistance representing an increasing share of inflows to low income countries of the region. Cites the replacement of bank lending for the bond market and direct investment as sources of development finance in the 1970s which made it easier to lend for development but restricted the options of the borrowers. [5159]

Key Words: General; Africa; Finance; International donors; Development;

15. MacFarland, Earl L., Jr. (ed.), Successful Development in Africa: Case Studies of Projects, Programs and Policies, Analytical Case Studies No. 1, EDI Development Policy Case Series, Washington, D.C.: Economic Development Institute of the World Bank, 1989. 216 p.

Collection of case studies of successful development projects, programs, or policy actions undertaken in Africa where success is defined in terms of having achieved their intended objectives and economic benefits having outweighed the costs. These include four development projects and programs (Burkina Faso - project for controlling the runoff of rainfall in semi-arid areas; Malawi - program to organize gravity-fed piped rural village water systems; Kenya- program to develop horticultural commodity exports; and Western Africa - multicountry program to control onchocerciasis, or river blindness) and three macroeconomic programs or policies (Mauritius - creation of an export processing zone; Ghana- balance of payments and structural adjustment program; and Botswana- macroeconomic management of commodity booms). Editor concludes that valuable lessons learned from these case studies are in learning from experience, the importance of government concentration on tasks that it can do best, the power of economic incentives and getting the prices right for producer response, the adoption of appropriate technology and consulting with beneficiaries, the supportive role of external assistance - including helping governments bear the short-run political and economic costs of reform programs. [4090]

Key Words: Agriculture; Africa; Burkina Faso; Malawi; Kenya; Mauritius; Ghana; Botswana; Finance; international donors; Policy reform;

16. Marsden, Keith, and Thérèse Bélot, "Private Enterprise in Africa: Creating a Better Environment," World Bank Discussion Paper No. 17, The World Bank, Washington, D. C., July 1987, 66 p.

Examines the main constraints to private enterprise and competitive markets in Africa and the question of how foreign donors can assist governments in the removal of such constraints and the fostering of the development of an efficient private sector. Issues discussed in relation to financial constraints include financial market regulation, lack of equity funds, foreign exchange allocation systems and crowding out by public sector borrowing. Concludes that donors can help promote private enterprise development in Africa through helping stress the development of competitive markets, the easing of regulatory controls and closer collaboration with the private sector at all stages of the foreign aid financed activities. [Business Library, The Ohio State University, HC800M3531987]

Key Words: Enterprises; Africa; Finance; International donors; Financial repression;

17. Masini, Mario, "Africa Credit Study: Final Report," Finafrica, Milan, Italy, December 1989, 28 p.

This final report points out relevant issues to be analyzed and discussed in connection with the experience described in the country reports that cover Ghana, Lesotho, Tanzania, Cameroon, Rwanda and Senegal. The author discusses the current role of financial intermediaries dealing with the rural sector. Commercial banks are found to maintain their limited contribution to rural finance. Agricultural development banks often experience a reduction, and sometimes the extinction, of their intermediation capacity. The credit components of rural development projects that are difficult to track maintain their relevance. In most cases, cooperatives have lost their credibility as an effective agent in financial intermediation. Credit unions have increased their operations, although not always adhering to the standards that are adopted by official financial institutions. Informal markets continue

to prosper. A number of measures are recommended within the overall financial restructuring of the economy. [1551]

Key Words: General; Africa; Finance; Banks; Development bank; Cooperatives; Credit unions; Informal finance; Intermediation;

18. Masini, Mario (ed.), Rural Finance Profiles in African Countries, Vol. 2, The Credit Markets of Africa Series No. 20, Milan, Italy: FINAFRICA-CARIPOLO, 1989, 462 p.

Document is part of a series of country profiles meant to assist in the assessment of the different types of efforts involving institutional finance in rural development in Africa. Volume includes Burkina Faso, Cameroon, Togo, Zambia and Zimbabwe for which the main features of the economy, monetary policy and financial development, financial institution performance, rural credit and development infrastructures, and agricultural pricing policies, key financial institutions and overview of rural finance are presented. The Preface discusses some conclusions, with one on project design and rural financial institution performance suggesting that a financial institution be viewed as an intrinsically useful device, organized in the form of a business firm and specifically adapted to resource allocation activities. Editor recommends: shifting of all activities and functions involving unilateral wealth transfers away from rural finance institutions to fiscal agencies; starting with relatively small financial institutions whose projected growth path takes into account the availability of technical and managerial skills needed for an efficient banking institution; and add emphasizing skills needed for general management for organizational survival in addition to the ability to negotiate with customers, assess risk, build portfolios. [0021B]

Key Words: General; Africa; Burkina Faso; Cameroon; Togo; Zambia; Zimbabwe; Finance; Credit unions; Savings & credit cooperatives; Development banks;

19. Masini, Mario (ed.), Rural Finance Profiles in African Countries, Vol. 1, The Credit Markets of Africa Series No. 19, Milan, Italy: FINAFRICA-CARIPOLO, 1987, 278 p.

Part of a series of country profiles prepared in cooperation between FAO and FINAFRICA, with the aim of providing an assessment of the various styles of involvement of institutional finance in rural development, in order to serve as a basis for effective action at the policy assessment and formulation level and for technical assistance. The countries cover a variety of situations and those included in this first volume are: Kenya, Mali, Niger, Somalia and Zaire. Another set of countries will be covered in a second volume. The analysis is drawn as far as possible according to a common conceptual scheme covering: main features of the economy; monetary policy and financial development; performance of financial institutions; rural credit outside financial institutions; infrastructure for rural development and agricultural pricing policies; key financial institution(s) and overview of rural finance. [0021A]

Key Words: General; Africa; Kenya; Mali; Niger; Somalia; Zaire; Finance; Formal finance; Informal finance; Rural finance;

20. **Matin, Kazi M., and Bernard Wasow, "Adjustment and Private Investment in Kenya", Working Paper Series No. 878, Country Economics Department, The World Bank, Washington, D. C., March 1992, 45 p.**

Studies the determinants of private investment in Kenya during the 1980s and finds that declining availability of credit to the private sector, falling stock of public infrastructure capital and the relatively lower level of import allocations relative to the 1970s are the main factors behind the decline in the rate of private investments. Finds that Kenya's inability to implement adjustment policies contributed to this decline, and suggests that efficient fiscal adjustment and more liberal imports will be critical to increasing private investment. [5346]

Key Words: General; East Africa; Kenya; Finance;

21. **Mock, Chrisopher, Bahman Azarm, Ted Black, Maxime Laisage, Graham Owen, and David Van Dyke, "Evaluation of the Senegal Agricultural Production Support (APS) Project," Report to USAID/Dakar, DEVRES, Inc., Bethesda Maryland, October 5, 1990, 50 p. + annexes.**

Analyzes the validity of the underlying concepts and design of this bilateral project (AID and Government of Senegal) for increasing national cereal production in Senegal through the privatization of the cereal sector. One component is \$9 million in credit for cereal seed production, input distribution, and crop storage, marketing and processing to be extended through commercial banks with small and medium scale entrepreneurs and rural organizations as target beneficiaries. Mid-term evaluation finds no credit has been extended, and concludes that the designated delivery mechanism is appropriate for the intended beneficiaries. Project suspension and redesign is recommended; one principal lesson learned is that pressures to accelerate project design and approval without verifying critical underlying assumptions should be strongly resisted. [4219]

Key Words: Micro and small enterprise; Sahel West Africa; Senegal; Banks; Input marketing; Cooperatives; International donors;

22. **Okorie, Aja, "The Role of Commercial Banks in Funding Agriculture in Nigeria, (1960-1984)," African Review of Money Finance and Banking, supplementary issue of Savings and Development, No. 1, 1988, pp. 17-36.**

This paper examines the role of commercial banks in financing agricultural production credit in the past 25 years since independence (1960-1984). The commercial banks' lending to agriculture has been on the increase since independence; however, the greatest proportion of this has been channelled to financing of agricultural exports. The setting up of the Agricultural Credit Guarantee Scheme has resulted in increased channelling of funds to agricultural production by the commercial banks, although more than 60 percent of this has been concentrated on livestock. Major problems encountered by commercial banks in financing agricultural production credit are the high rate of loan delinquency by farmers, high administrative cost resulting from small sizes of loans farmers demand, non-competitive interest rate prescribed for the agricultural sector by monetary authorities, lack of adequate and relevantly trained manpower to handle agricultural loans in commercial banks, and other problems arising from government policy instability. Improving the farmers' attitude and

repayment ability and banking environment, as well as formulating more consistent government policies on agricultural development, will enhance the flow of funds from the commercial banks to agriculture. [4982]

Key Words: Agriculture; Coastal and Central West Africa; Nigeria; Finance; Banks; Credit; Loan guarantee; Agribusiness; Livestock;

23. Omoruyi, S. E., "The Financial Sector in Africa: Overview and Reforms in Economic Adjustment Programs," Paper presented at the Regional Symposium on Savings and Credit for Development in Africa, Abidjan, Côte d'Ivoire, April 27-30, 1992, Organized by the International Programme on Savings and Credit for Development, United Nations Department of Economic and Social Development, Central Bank of Nigeria, Lagos, Nigeria, December 1991, 24 p.

Presents an overview of the Sub-Saharan African financial sector which describes the financial institutions, instruments and factors associated with the current state of distress in most economies. Inhibitive policy environment (interest rate ceilings, inadequate prudential regulation and supervision), capital inadequacy, widespread incidence of nonperforming loans, inadequate legislation for dealing with insolvent banks, and inflation are cited as responsible factors. Argues in conclusion that the structural reform experience so far indicates the need for financial sector reforms and other steps for a smooth functioning of markets, before indirect control of credit can be undertaken by central banks. [5212]

Key Words: General; Africa; Formal finance; Financial repression; Prudential supervision; Policy reform; Central bank;

24. Pohlmeier, Lorenz, and S. Thillairajah, "Review of Rural Financial Services in Sub-Saharan Africa," Agriculture Division, Africa Technical Department, The World Bank, Washington, D.C., June 30, 1989, 45 p.

Review of the financial structure of Sub-Saharan African (SSAs) countries, focusing on rural financial markets. This is part of a series of studies that are the foundation of World Bank efforts to promote the restructuring of rapidly deteriorating financial systems. Reviews the "state of the art" in rural finance and recommends a systematic approach to financial reform: an approach integrating macroeconomic factors, financial sector policies, banking and other financial institutions, and micro level enterprises. Suggests financial restructuring programs in SSAs be carried out as a part of structural adjustment programs, as in the recent case of Ghana. Detailed case studies of Cameroon, Ghana, and Zambia were prepared to illustrate the recommendations. [1256]

Key Words: General; Africa; Cameroon; Ghana; Zambia; Finance;

25. Roe, Alan, "Financial Systems and Development in Africa," Report of an Economic Development Institute Seminar, Nairobi, Kenya, January 29 - February 1, 1990, Economic Development Institute of the World Bank, Washington, D. C., 1990, 42 p.

This report synthesizes the presentations made at the Senior Policy Seminar on Financial Systems and Development in Africa, and also discusses the problems and possibilities associated with development banks, informal financial institutions, and money and capital markets. While variations in country experiences were noted, the overall agenda for Sub-Saharan Africa emphasizes the need

for building successful financial institutions that consider commercial viability of undertakings in order to serve development goals as well. [5282]

Key Words: General; Africa; Finance; Development bank; Informal finance;

26. Sirleaf, Ellen Johnson, and Francis Nyirjesy, "The Outlook for Commercial Bank Lending to Sub-Saharan Africa," Policy, Research, and External Affairs Working Papers Series No. 720, International Economics Department, The World Bank, Washington, D.C., 1991, 46 p.

The purpose of this paper is to identify and examine key issues involved in the future of long-term commercial bank lending to Africa. Chapter one and the statistical annex present the historical record and review the nature of commercial bank lending and the changing profile of foreign commercial bank presences in the region. Chapter two examines the constraints to and opportunities for increased commercial bank lending as perceived by a representative sampling of commercial banks in the United States, Europe and Japan. Chapter three presents a scope for action, a pulling together of ideas that could help remove constraints to lending to a select number of Sub-Saharan African markets in the short term, with a view to stimulation of lending to the entire region in the long-term. [4126]

Key Words: General; Africa; Finance; Banks;

27. Stryker, J. Dirck, "Ghana," in The Political Economy of Agricultural Pricing Policy, Volume III: Africa and the Mediterranean, Anne O. Krueger, Maurice Schiff, and Alberto Valdés, (eds.), A World Bank Comparative Study, Baltimore, Maryland: The Johns Hopkins University Press, pp. 79-121.

Analyzes Ghana's political and economic history between the early 1950s and the mid-1980s and assesses the impact of government intervention in agricultural prices on the allocation of resources and the welfare of producers and consumers. Concludes that feedback effects did not work in the political process shaping government intervention, too much time and energy were devoted to enhancement of patron-client relationships at the expense of productive endeavor, until withdrawal from the formal sector of the economy became the more net beneficial option. [4900]

Key Words: Agriculture; Coastal and Central West Africa; Ghana; Finance; Political economy; Policy reform; Government policy and programs; Prices;

28. United States Agency for International Development (USAID), "A.I.D. Economic Policy Reform Programs in Africa: A Synthesis of Findings from Six Evaluations," AID Program and Operations Assessment Report No. 1, Office of Evaluation, Center for Development Information and Evaluation, USAID, Washington, D. C., December 1991, 33 p.

Reports the findings of an evaluation of AID-supported reform programs in six African countries: Cameroon and Malawi (fertilizer market liberalization); Mali (policy shift from centralized statist economic approach to a less regulated economy); Senegal (increased competitiveness of the private industrial sector, and improved efficiency and equity of the tax system); The Gambia (greater private sector involvement in agricultural marketing and investment, while sharply reducing government regulation of agricultural and financial markets); and Uganda (reform of the foreign

exchange system and promotion of private sector nontraditional exports). Concludes that once controls were lifted the benefits were clear, but noted the general inability of the respective private sectors to make longer term investments. [5510]

Key Words: Agriculture; Africa; Cameroon; Malawi; Mali; Senegal; The Gambia; Uganda; Finance

29. Wharton Econometrics and Development Economics Group of Louis Berger International, Inc., "The Role of the African Financial Sector in Development," Report submitted to USAID, Wharton Econometrics and Development Economics Group of Louis Berger International, Bala Cynwyd, Pennsylvania, July 31, 1987, 366 p.

This is an eleven-country (Guinea, Kenya, Malawi, Mali, Niger, Rwanda, Senegal, Somalia, Sudan, Zaire and Zambia) evaluation and assessment of the need and prospects for financial sector reform in Sub-Saharan Africa. From the individual country studies, a ranking scheme was derived relating to (a) macroeconomic criteria -- the perceived stability and auspiciousness for financial sector reform in the particular country; and (b) financial sector criteria -- the perceived strength of the financial sector. A three-pronged approach to financial sector reform is recommended: (1) reforms aimed at strengthening and reforming existing financial institutions; (2) liberalizing reforms following current account liberalization; and (3) reforms aimed at financial sector revitalization through increased competition. Study argues that the models using the McKinnon-Shaw financial development thesis are too narrow for empirical investigations of Sub-Saharan African countries. Macroeconomic issues that affect savings and investment behavior should also be considered, along with the importance of sequencing reforms. [3846]

Key Words: General; Africa; Guinea; Kenya; Malawi; Mali; Niger; Rwanda; Sudan; Zaire; Zambia; Senegal; Somalia; Finance; Policy reform;

30. World Bank, "Review of Rural Financial Services in Sub-Saharan Africa," Agriculture Division, Africa Technical Department, The World Bank, Washington, D.C., June 30, 1989, 45 p.

Review of the financial structure of Sub-Saharan African (SSAs) countries, focusing on rural financial markets. This is part of a series of studies that are the foundation of World Bank efforts to promote the restructuring of rapidly deteriorating financial systems. Reviews the "state of the art" in rural finance and recommends a systematic approach to financial reform: an approach integrating macroeconomic factors, financial sector policies, banking and other financial institutions, and micro level enterprises. Suggests financial restructuring programs in SSAs be carried out as a part of structural adjustment programs, as in the recent case of Ghana. Detailed case studies of Cameroon, Ghana, and Zambia were prepared to illustrate the recommendations. [3893]

Key Words: General; Africa; Cameroon; Ghana; Zambia; Finance; Macroeconomics;

31. Zulu, Justin B., and Saleh M. Nsouli, "Adjustment Programs in Africa: The Recent Experience," Occasional Paper No. 34, IMF, Washington, D.C., April 1985, 37 p.

This study examined the design and implementation of adjustment programs supported by IMF resources in Africa during 1980-81. These programs emphasized both supply and demand-oriented policies. The pursuit of an independent credit policy was constrained by budgetary policies that dictated credit to the government sector. The implementation of programs showed mixed results.

Only about one fifth of the countries reached the targeted level of economic growth; nearly half reached their inflation targets, and about a third attained targets related to the current account balance. Slippages in implementation involved primarily the emergence of unforeseen developments, an inability to mobilize sufficient political support to implement the requisite adjustment measures, limitations in the administrative infrastructure, overly optimistic targets, and delays or shortfalls in net inflows of development assistance. Case studies were presented of Somalia and Mali to show that differences in design of the programs and the adoption of policies to changing and unforeseen circumstances were critical to the progress made during the period of adjustment. [4668]

Key Words: General; Africa; Somalia; Mali; Finance;

Section 2

AGRICULTURAL PRODUCTIVITY, RISKS AND INFRASTRUCTURE

Many countries have attempted to develop their rural financial systems without dealing with the fundamental problems that affect agriculture. Problems of low agricultural productivity, high production risks, and poor or nonexistent infrastructure reduce the potential for agribusiness development and retard the development of financial markets to serve agribusinesses. The publications selected for this section discuss some of these problems and relate them to the performance of financial markets.

32. Adera, Abebe, "Agricultural Credit and the Mobilization of Resources in Rural Africa," Fiscal, Monetary and Financial Policy and Institution Section, Social Economic Research and Planning Division, Economic Commission for Africa, United Nations, Addis Ababa, Ethiopia, May 1986, 49 p.

The original intent of the author was to investigate the effects of current institutional credit policy on agricultural production and progress. He believes, however, that he has found that agricultural credit, in the absence of correct policies, has little impact on rural development. An enquiry into agricultural credit must, therefore, consider the policies credit seeks to further. It has emerged during this study that the effectiveness of credit policy is largely determined by the land tenure, price, interest rate, marketing, extension, taxation and savings policies applied with it. [3408]

Key Words: Agriculture; Africa; Credit; International donors;

33. Barrett, Vincent, Gregory Lassiter, David Wilcock, Doyle Banker, and Eric Crawford, "Animal Traction in Eastern Upper Volta: A Technical, Economic, and Institutional Analysis," MSU International Development Paper No. 4, Michigan State University, East Lansing, Michigan, 1982.

This paper reports on the EORD ANTRAC (Animal Traction) program that is associated with a ten-fold increase in animal traction from 1974 to 1979 when there were approximately 1,800 donkey and oxen units. Several weaknesses were identified. Evaluation of debt-carrying capacity of farmers must be strengthened because the collection ratio averaged only 47 percent over the 1976-79 period. Substantial problems exist in the provision of equipment and spare parts. Veterinary services are inadequate to help protect the farmers' investment in draft animals. Draft animal use is associated with an expansion in acreage in crops but there seems to have been little impact on cropping mix, yields, and farmer net income. Recommendations included the development of a range of improved technical packages through farming systems research, restructuring and strengthening extension, tightening the granting and administration of loans, adjusting loan repayment to the life cycle of expected returns, promotion of marketing activities to improve farm returns, train blacksmiths for equipment repair, and improvement of livestock extension and veterinary services. [Agricultural Library, The Ohio State University, XAG16829739]

Key Words: General; Sahel West Africa; Upper Volta; Burkina Faso; Investment; Marketing; Agribusiness; Livestock;

34. Binswanger, Hans P., and John McIntire, "Behavioral and Material Determinants of Production Relations in Land-abundant Tropical Agriculture," Economic Development and Cultural Change, Vol. 36, No. 1, October 1987, pp. 73-99.

Among the institutions that the paper aims to explain in the context of production relations and conditions still found in many parts of Sub-Saharan Africa (land abundance, simple technology, and high transport costs) are: (1) the minimal nature of credit markets and the absence of professional moneylenders, (2) the importance of livestock wealth as an insurance substitute in semiarid zones, and (3) the insurance function performed by extended families. It predicts that with induced innovations and investment, the responses to increases in population density include the development of a land market. This sharply increases credit supply as land acquires collateral value and a class of moneylenders emerges. [5123]

Key Words: Agriculture; Sahel West Africa; Burkina Faso; Informal finance; Collateral; Insurance;

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35. **Blarel, Benoit, Peter Hazell, Frank Place, and John Quiggin, "The Economics of Farm Fragmentation: Evidence from Ghana and Rwanda," The World Bank Economic Review, Vol. 6, No. 2, The World Bank, Washington, D. C., May 1992, pp. 233-254.**

Uses household data from Ghana and Rwanda to analyze the incidence and causes of farm fragmentation (the phenomenon commonly observed in Sub-Saharan Africa whereby a household operates more than one separate parcel of land) and test the relation between fragmentation and land productivity and risk reduction. Conclude that consolidation programs are unlikely to increase land productivity, and may actually make farmers worse off. Recommend that governments focus instead on the root causes of fragmentation, namely inefficiencies in the land, labor, credit and food markets. [5358]

Key Words: Agriculture; Africa; Finance;

36. **Christensen, Gary Niel, "Determinants of Private Investment in Rural Burkina Faso," Unpublished Ph.D. dissertation, Cornell University, Ithaca, New York, May 1989, 130 p.**

This dissertation describes and explains the demand for investment among farmers in Burkina Faso, using the flexible-accelerator model of investment demand. The author uses switching regression and censored Tobit procedures to capture the underlying behavioral relationship. As a measure of investment, the discrete investment expenditure is preferred to the aggregate capital stock because asset portfolios are dominated by cereal and livestock inventories. The results of empirical analysis show: a) the probability of an investment occurring was determined by regional factors which support the proposition that agro-climatic conditions determine investment opportunities; b) wealth and access to credit had a greater influence on the probability of an investment than rates of investment; c) non-farm income is more important for financing consumption than investment; d) the internal liquidity variables have negative signs which support the "timing effect" of liquidity on investment due to the lumpiness of investments and/or the extreme variability of farm income. [0139]

Key Words: General; Sahel West Africa; Burkina Faso; Investment; Rural finance; Livestock;

37. **Cleaver, Kevin M., "The Impact of Price and Exchange Rate Policies on Agriculture in Sub-Saharan Africa," Staff Working Paper No. 728, The World Bank, Washington, D.C., April 1985, 30 p.**

This paper reviews the available literature on the impact of price and exchange rate policies on agriculture in Sub-Saharan Africa. The empirical analysis uses data for 31 Sub-Saharan African countries to test several hypotheses concerning policy impacts. The countries analyzed are: Chad, Ethiopia, Mali, Malawi, Zaire, Uganda, Burundi, Upper Volta, Rwanda, Somalia, Tanzania, Guinea, Benin, Central African Republic, Sierra Leone, Madagascar, Niger, Sudan, Togo, Ghana, Kenya, Senegal, Lesotho, Liberia, Zambia, Nigeria, Zimbabwe, Cameroon, Botswana, Congo, and Ivory Coast. A regression equation with agricultural growth rates as a function of the nominal protection coefficient was statistically significant but with a low R^2 . Other independent variables were investigated including fertilizer use per hectare, changes in the barter terms of trade, population growth rate, degree of concentration of export earnings, adult literacy, share of public consumption in GDP and the degree of government intervention in farm input supply. Reductions in farm level price discrimination (nominal protection), share of government consumption in GDP, and population growth rates were positively related to agricultural growth rates, while the degree of government involvement in the farm input supply industry was negatively related. The findings tend to confirm the view that inappropriate price and exchange rate policies have a negative impact on agricultural

production. Other factors such as government involvement in farm input supply, population growth, and government's ability to operate and maintain its agricultural investments are also important. Appropriate price and exchange rate policies would have a relatively small impact on agricultural growth so the policy package to remedy problems caused by poor price and exchange rate policy must be adapted to each country. [Agricultural Library, The Ohio State University, HC597W63 No. 728]

Key Words: Agriculture; Africa; Chad; Ethiopia; Mali; Malawi; Zaïre; Uganda; Burundi; Burkina Faso; Upper Volta; Rwanda; Somalia; Tanzania; Guinea; Benin; Central African Republic; Sierra Leone; Madagascar; Niger; Sudan; Togo; Ghana; Kenya; Senegal; Lesotho; Liberia; Zambia; Nigeria; Zimbabwe; Cameroon; Botswana; Congo; Ivory Coast; Côte d'Ivoire; Finance; Interest rates; Policy reform; Prices;

38. Duncan, Alex, and John Howell (eds.), Structural Adjustment and the African Farmer, London, United Kingdom: James Currey, Ltd., 1992, 213 p.

This book focusses on the impact of structural adjustment measures on income and welfare of small farmers and farm laborers in Ghana, Kenya, Madagascar, Malawi and Niger. The responses of product and factor markets and economic and social infrastructure that establish micro-macro economic linkages are examined. The authors found that public marketing institutions, rural infrastructure, and the level of private sector development significantly influence the impact of reforms. In capital markets, the informal lenders that charged high interest rates were the primary sources of small farmer credit and the impact of reforms was negligible on informal credit markets. The authors argue for price incentives and infrastructure development to be accompanied by better links between product, labor, and formal and informal capital markets, and for more project specific approaches to small farmer development. [5572]

Key Words: Agriculture; Africa; Ghana; Kenya; Madagascar; Malawi; Niger; Macroeconomics; Marketing; Policy reform; Capital markets; Linkages; Informal finance; Formal finance; Credit;

39. Eicher, Carl K., "Agricultural Research for African Development: Problems and Priorities for 1985-2000," Paper presented at a World Bank Conference on Research Priorities for Sub-Saharan Africa, Bellagio, February 25-March 1, 1985, Department of Agricultural Economics, Michigan State University, East Lansing, Michigan, 1985, 58 p.

This paper reviews previous conferences and reports on agricultural research priorities, the nature of the agrarian crisis in Africa and donor response, the evolution of agriculture following independence, and implications for a research agenda. The suggestions for research are divided into six major problem areas: applied research on sectoral/project design issues; agricultural research policy; agricultural production constraints; human capital; rural savings, agricultural credit and capital formation in agriculture; and the political economy of food security and agricultural policy. Eicher concludes that the stock of on-shelf, farmer-tested, food crop technology is meager; that donors have stressed applied research at the expense of the basic sciences; that technical problems of African agriculture have been underestimated; that few systematic, long-term studies of production constraints have been conducted; that there has been a serious underinvestment in human capital to work in agriculture; that research on rural savings, credit and rural financial institutions is one of the most underdeveloped research areas in African agriculture; and that much more needs to be known about food security. He recommends that a key financial issue to be

studied is the expansion of the rural tax base to help overcome the recurrent cost problem and provide financing for local investments. [5198]

Key Words: Agriculture; Africa; Finance; Agricultural credit;

40. Eicher, Carl K., and Doyle C. Baker, "Research on Agricultural Development in Sub-Saharan Africa: A Critical Survey," MSU International Development Papers, Department of Agricultural Economics, Michigan State University, East Lansing, Michigan, 1982, 335 p.

In their survey of literature on credit in Sub-Saharan Africa, the authors acknowledge that rural financial markets in that part of the world are dominated by informal lenders. A major reason rural people rely heavily on informal rather than formal sources of credit is that many loans are used for consumption purposes (ceremonial obligations and school fees). Informal lenders, although charging exorbitant interest rates, remain the major credit suppliers compared to government credit institutions, usually national agricultural banks that experience difficulties. The authors agree with former studies that suggest that interest rates not be subsidized. The recommendation is that credit be extended within area and regional rural development programs. Finally, research on credit should be on the total farming system including formal and informal credit, consumption and production credit, and rural savings. [0807]

Key Words: Agriculture; Africa; Credit; Informal finance;

41. Faure, G., G. Nouleau, and D. Diallo, "Vers une Plus Grande Responsabilité des Exploitations Motorisées de l'Ouest du Burkina Faso dans la gestion de leurs Crédits," Paper presented at the International Seminar on Finance and Rural Development in West Africa, Ouagadougou, Burkina Faso, 21-25 October 1991, Cosponsored by the Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, and CIRAD, Montpellier, France, October 1991, 18 p.

The introduction of new technology (motorized tractors) in Western Burkina Faso has required a complex credit system with the involvement of diverse organisms such as CNCA. A rather satisfactory evolution of the situation has arisen with the local villagers, some of whom have become mechanics, gaining greater control and participating actively in the credit distribution program. The authors are, nevertheless, skeptical about the long term success of such an operation to modernize agriculture by principally increasing working capital. [4463]

Key Words: General; Sahel West Africa; Burkina Faso; Credit;

42. Islam, Nurul, "Horticultural Exports of Developing Countries: Past Performance, Future Prospects and Policy Issues," Research Report No. 80, IFPRI, Washington, D.C., April 1990, 121 p.

Analyzes world trade in fruits and vegetables. Finds that developed countries account for 83% of the world's horticultural product imports in 1983-85, and product composition has shifted to fruits with a few countries dominating as top exporters. Only African exporters experienced a large decline during the period, which author attributes to the slow growth of the European market to which they mainly directed their produce, and the loss of competitive position resulting in the loss of market share. [5148]

Key Words: Marketing; Africa; Finance; Trade;

43. Koester, Ulrich, Hartwig Schafer, and Alberto Valdés, "Demand-Side Constraints and Structural Adjustment in Sub-Saharan African Countries," International Food Policy Research Institute (IFPRI), Washington, D.C., July 1990, 90 p.

Investigate the demand-side implications of structural adjustment programs being implemented in the Sub-Saharan countries focusing on the expansion of production of a small number of agricultural tradeables in the region as a consequence of outward-oriented trade strategies that form a major part of such programs. Reports that the short-run prospects for cocoa and coffee exports are bleak if these countries succeed at export promotion while their competitors only marginally reduce their supply in the world market, in view of negative marginal revenue results. Conclude also that additional assistance from donors, including technical assistance, policy analysis, and managerial assistance are needed to help cushion the adverse short-term effects of structural adjustment policies. [5149]

Key Words: Marketing; Africa; Finance;

44. Koopman Henn, Jeanne, "Feeding the Cities and Feeding the Peasants: What Role for Africa's Women Farmers?" World Development, Vol. 11, No. 12, 1983, pp. 1043-1055.

Arguing that increased attention to the problems of women farmers in Africa can help solve both urban and rural food supply problems, this paper builds its case on a close examination of the extensive farming system of the Beti peoples of southern Cameroon and the intensive farming practices of the Haya of northwestern Tanzania. The first part of the paper addresses technological and socio-economic problems constraining the expansion of food production and marketing; the second describes two situations in which the removal of specific constraints allowed women farmers to demonstrate their capacity and willingness to expand their output and improve their welfare. [5178]

Key Words: Agriculture; Coastal and Central West Africa; Cameroon; Tanzania; Women; Output marketing;

45. Krause, M. A., R. R. Deuson, T. G. Baker, P. V. Preckel, J. Lowenberg-DeBoer, K. C. Reddy, and K. Maliki, "Risk-Sharing versus Low-Cost Credit for International Development," American Journal of Agricultural Economics, Vol. 72, No. 4, November 1990, pp. 911-922.

Agronomic and socioeconomic data in south-central Niger are used in a mathematical programming model to analyze the problems of financing and risk-bearing for new technologies in a developing country. Authors conclude that the failure to achieve technology-adoption goals in credit programs can be attributed to the inability of poor farmers to bear the combined business and financial risks posed by adopting new technologies, suggesting the alternative of offering credit in conjunction with risk-sharing arrangements with input suppliers. [5365]

Key Words: Agriculture; Sahel West Africa; Niger; Formal finance;

46. Kristjanson, Patricia, Mark D. Newman, Cheryl Christensen, and Martin Abel, "Export Crop Competitiveness: Strategies for Sub-Saharan Africa" Final Report of the African Cash Crop Competitiveness Strategy Study, APAP Technical Report No. 109, Bureau for Africa, Office of Development Planning, Policy Analysis and Research Division, USAID, Washington, D.C., July 1990, 313 p.

Examines the competitiveness of traditional export crops in Sub-Saharan Africa using cost and returns studies for cotton, coffee and groundnuts (peanuts), and country-based evidence from Cameroon, Kenya, Senegal, Tanzania, The Gambia, and Zimbabwe. Conclusions regarding the combined impact of the microeconomics of production, policies and international market forecasts indicate that countries which have been most successful in staying competitive in world markets are the ones which adhered the closest to basic marketing principles. Suggests further attention to the consequences of exchange rate policy on the competitiveness of exports, along with continued donor assistance in the development of price and institutional policies and the definition of appropriate roles for private business and government. [5181]

Key Words: Agriculture; Africa; Cameroon; Kenya; Senegal; Tanzania; The Gambia; Zimbabwe; Finance; Output marketing; Exchange rates;

47. Krueger, Anne O., Maurice Schiff, and Alberto Valdés, "Agricultural Incentives in Developing Countries: Measuring the Effect of Sectoral and Economywide Policies," The World Bank Economic Review, Vol. 2, No. 3, September 1988, pp. 255-271.

Estimates the sector-specific (direct) and economywide (indirect) impact of agricultural price policies for eighteen developing countries (that include Côte d'Ivoire, Ghana and Zambia) during 1975-84. Concludes that systematic and sizeable discrimination against agricultural producers is a dominant pattern. [1146]

Key Words: Agriculture; Africa; Côte d'Ivoire; Ghana; Zambia; Finance; Prices;

48. Lallement, Jacques, "Importance de l'Assurance en Agriculture: Possibilités de Développement dans les Pays Africains," Paper presented at "Réunion d'Etude du Comité Central de la CICA," Yamoussoukro, 3-5 December, 1990, CICA, Yamoussoukro, December 1990, 46 p.

The paper explores the possibilities of making crop insurance part of the agricultural development in Africa. The author recognizes that insurance companies are faced with problems inherent to the economic status of developing countries as well as problems specific to tropical agriculture. Based on these facts, the author recommends that the insurance industry take advantage of the existing traditional savings group models. The government should also play a stimulating role with subventions and tax policies to benefit insurance companies. [4385]

Key Words: Agriculture; Africa; Finance; Insurance; Government policy and programs;

49. Lele, Uma J., "Managing Agricultural Development in Africa: Three Articles on Lessons from Experience," MADIA Discussion Paper No. 2, Managing Agricultural Development in Africa, The World Bank, Washington, D. C., 1989, 40 p.

This summary of government and donor experience with agricultural development in Kenya, Malawi, Tanzania, Cameroon, Nigeria and Senegal concludes that the key issues are: (1) the links between

the nature of resource endowments, the substance of development strategy and the content of technology policy need to be strengthened; (2) better and more consistent assistance in the development of indigenous capacity for development planning and implementation to maintain the gains made under structural adjustment; (3) further research on export crops to revive traditional and export crop production in which African countries have comparative advantage; and (4) the government role in providing the preconditions for successful privatization and for smallholder agricultural growth. Another article describes the agricultural growth patterns in Kenya, Malawi and Tanzania and suggests that government action at the sectoral level (land policy, smallholders' access to inputs, and agricultural research) needs to be combined with macroeconomic reforms to achieve sustained and broadbased agricultural growth. [4085]

Key Words: Agriculture; Africa; Kenya; Malawi; Tanzania; Cameroon; Nigeria; Senegal; Finance; International donors; Technical assistance; Policy reform;

50. McPherson, Malcolm F., and Joshua L. Posner, "Structural Adjustment and Agriculture in Sub-Saharan Africa: Lessons from The Gambia," Paper prepared for the 11th Annual Symposium of the Association for Farming Systems Research-Extension, Michigan State University, East Lansing, Michigan, October 5-10th, 1991, Michigan State University, East Lansing, Michiga, October 1991, 44 p.

This paper examines the reasons why Gambian farmers responded positively but tentatively to the introduction of the Economic Recovery Program (ERP) initiated in 1985 to arrest the economy's decline and lay the foundations for sustained growth. The authors report that the Gambian officials' view of credit as an "input" which has to be allocated to farmers through the GCU (Gambian Cooperatives Union) over the last two decades, has ruined the rural credit system. The authors feel that Gambian farmers who use a variety of formal and informal financial arrangements cannot get credit because they are unproductive, and not the reverse. Additional access to credit or subsidized credit will, therefore, not solve their productivity problem. [4727]

Key Words: Agriculture; Sahel West Africa; The Gambia; Finance; Credit; Agricultural credit;

51. Raymond, Georges, "Production Cotonnière et Economie Paysanne dans la Zone Franc d'Afrique de l'Ouest et du Centre," Paper presented at the International Seminar on Finance and Rural Development in West Africa, Ougadougou, 21-25 October 1991, Cosponsored by the Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, and CIRAD, Montpellier, France, October 1991, 15 p.

The author discusses cotton production and the rural economies of the Western and Central Francophone Africa. The paper reveals that the inputs for cotton production that were largely subsidized in the early 80s, are now bought on credit in the majority of the countries. This credit source represents about 30% of the revenues of cotton production. The revenues have been steadily decreasing, in absolute values, for the past ten years. The situation is frightening for the future of many countries because cotton represents the principal source of monetary revenue for a number of them. [4298]

Key Words: General; Africa; Credit; Input marketing; Agribusiness;

Section 3

LOAN TARGETING AND SUBSIDIES

Many credit programs have involved the subsidization and targeting of credit for specific target groups. These programs have failed to resolve the real problems faced by the target groups, but they have had a negative impact on the viability of financial institutions. Furthermore, they have even reduced, rather than increased, financial services to small, low-income producers. The publications listed in this section review some of the problems encountered in credit programs. Issues concerning interest rates and transaction costs are included in Section 4.

52. Adams, Dale W, Douglas H. Graham, and J. D. Von Pischke (eds.), Undermining Rural Development with Cheap Credit, Boulder, Colorado: Westview Press, 1984, 318 p.

This book is organized in four parts: problems in rural finance, interest rate policies, politics and finance, and new directions for rural financial markets. In the past several decades, large amounts of money have gone into agricultural credit programs in low-income countries. The results of these efforts have often been disappointing; serious loan-recovery problems persist, the rich get most of the cheap loans, low interest rates discourage local savings deposits, political intrusions are common, and many financial institutions in low-income countries are floundering. The authors summarize in five points the major arguments presented in the papers. First, the view that credit is an input is criticized. Second, traditional assumptions about agricultural credit are challenged. Third, cheap-credit policies are pinpointed as the most important factor causing poor performance in agricultural credit programs. Fourth, it is argued that political considerations often block rural financial reform. And fifth, it is concluded that the results of recent research and evaluation can contribute to the improvement of rural financial market performance. The authors suggest learning from the informal lender, stressing savings-deposit services, downgrading the importance of agricultural credit, opening rural financial markets to non-farm rural firms, creating a more healthy environment in rural areas for financial innovation, and making major adjustments in the way external donors relate to these markets. [Agricultural Library, The Ohio State University, HD1440D44U531984]

Key Words: General; Africa; Rural finance; Development; Credit;

53. Adera, Abebe, "A Critical Evaluation of Sources of Funds for Bank Lending in Rural Africa," Paper presented at the Fifth Technical Consultation on the Scheme for Agricultural Development (SACRED), April 16-18, 1991, Rome, Italy, FAO, Rome, Italy, April 1991, 9 p.

In this summary, the author makes the point that the absence of a well-coordinated strategy for rural development has adversely affected not only the rate of growth of food and agricultural production, but also the rate of savings and capital formation in the rural sector. Cheap and abundant credit cannot offset low incomes or low returns on investment in agriculture. A development strategy that opts for the provision of agricultural credit without a prior removal of obstacles in other sectors that adversely influence its outcome, e.g. land tenure, input supply, output marketing, will not achieve its objectives. The author also notes that informal private lending is a far more important source of funds for farmers. Although interest rates may be abnormally high, informal funds will remain the most important source of funds for African farmers for some time to come. [4065]

Key Words: Agriculture; Africa; Credit;

54. Agrovets, Ltd., "The Potential of Agribusiness in Ghana's Agricultural and Economic Development," A report for USAID/Ghana, Agrovets, Ltd., Accra, Ghana, February 1991, 251 p. + annexes.

Examines the Ghanaian agribusiness sector and concludes that there exists a large number of potentially profitable private investment opportunities in both the input and output sub-sectors. Recommends continued AID support to Ghana's macroeconomic policy reforms; serious consideration to providing financial and technical assistance to the divestiture and privatization programs; more direct assistance to private agribusinesses; and for Ghanaian commercial banks

to design financial packages following the "integrated funding approach" to financing agribusiness activities, from production to marketing. [5511]

Key Words: Agribusiness; Coastal and Central West Africa; Ghana; Formal finance;

55. Aku, P. S., "Problems in Financing Agriculture through the Agricultural Credit Guarantee Scheme Fund (ACGSF) in Kaduna State, Nigeria," Agricultural Administration, Vol. 12, No. 1, 1993, pp. 21-26.

Uses sample survey data of 42 farmer participants in 1990 to evaluate the performance of the ACGSF in providing finance to small farmers in Kaduna State, Nigeria. Concludes that the scheme does not reach a majority of the small farmers, and that implementation problems (farmers' inability to meet banks' collateral requirements, delays in loan disbursement, remoteness of banks and illiteracy of farmers) prevent the provision of adequate credit. Recommends the formation of cooperative groups. [5067]

Key Words: Agriculture; Coastal and Central West Africa; Nigeria; Formal finance; Loan guarantee;

56. Behrens, Burt, and Rufus Long, "Agricultural Credit Bank Project: Liberia (Final Evaluation)," USAID, Washington, D.C., October 15, 1982, 68 p.

Reports the findings and recommendations of an end-of-project evaluation of the Agricultural Credit Bank Project, including a review of the proposed seed capital funding for the Agricultural and Cooperative Development Bank. Authors find that the Bank has not designed credit programs for, and has not lent to small farmers; it has, however, provided savings deposit facilities to them. Failure of the planned technical assistance inputs and funds committed by the host government to materialize compounded loan delinquency problems. Moreover, despite the failure to develop a cooperative system to provide the linkage between the bank and the small farmer, no alternative delivery mechanism was developed. [4149]

Key Words: Agriculture; Coastal and Central West Africa; Liberia; Banks; Cooperatives; Deposit mobilization;

57. Besley, Timothy, "How Do Market Failures Justify Interventions in Rural Credit Markets?," Paper prepared for the AGRAP Division of the World Bank, Woodrow Wilson School Research Program in Development Studies, Princeton University, New Jersey, July 1992, 31 p.

Reviews the arguments underlying intervention policies in rural credit markets of developing economies, citing Nigeria among the examples of failed government attempts to intervene on behalf of the rural sector. Concludes that arguments in favor of subsidized rural credit are weak, suggesting further empirical work on the question of when credit market intervention is justified. [5412]

Key Words: General; Coastal and Central West Africa; Nigeria; Formal finance;

58. de Wilde, John C., " Senegal," in Agriculture, Marketing, and Pricing in Sub-Saharan Africa, Los Angeles, California: African Studies Center and African Studies Association, University of California, 1984, pp. 105-116.

This chapter focuses on the role of parastatal organizations in Senegal and their impact on the price of agricultural products. All the marketing and input requirements of the selected agricultural products reviewed (groundnuts, cotton, and rice) are under the monopoly of parastatal organizations, leaving the private sector with little role to play. Heavy subsidies have encouraged the uneconomic use of purchased inputs. Non payment of farm credit and cancellation of some farm debts have added to the subsidy burden of the state. [4367]

Key Words: Marketing; Sahel West Africa; Senegal; Finance;

59. Deschamps, Jean-Jacques, "Credit for the Rural Poor: The Experience in Six African Countries, Synthesis Report," DAI and IDA, Washington, D.C., February 1989, 78 p.

This report synthesizes the findings of five field evaluations and two desk studies of AID supported rural credit projects. The field evaluations are of the Cameroon Cooperative Credit Union League, Kenya Agricultural Sector Loan Project, Liberia Upper Lopa County Rural Development Project, Lesotho Credit Union League Development Project, and Malawi Union of Savings and Credit Cooperatives. The Burkina Faso, Oncho-Freed Areas Village Development Fund, and Kenya Union of Savings and Credit Cooperatives are reviewed in the desk study. The paper reaches several broad conclusions: a) Credit may be an effective tool to promote the adoption of improved agricultural technologies and the achievement of higher yields by small holders. b) There is no evidence that in-kind credit produces higher economic returns than cash credit. c) Justification for below-market interest rates is weak. d) The targeted credit schemes more often than not fail to achieve stated objectives. e) Credit unions can be models for the provision of financial services to the rural poor. [3773]

Key Words: General; Africa; Cameroon; Kenya; Liberia; Lesotho; Malawi; Burkina Faso; Credit; Rural finance; Credit unions;

60. Deschamps, Jean-Jacques, Peter Castro, Michael Caughlin, Peg Clement, and Dick Howes, "Impact Evaluation of the Kenya Agriculture Sector Loan I Project," Report prepared for USAID, DAI and IDA, Washington, D.C., February 1989, 23 p. + appendices.

Analysis of the institutional and financial markets project impacts, social analysis, case studies on gender and cooperative training issues and an economic analysis were conducted to evaluate this \$13.5 million multi-sector (AID, Nordic Group, IBRD and DANIDA) loan to agriculture. Large farmers benefitted most from the project component channelled through the Kenya Farmers Association, while smallholder credit was plagued by serious institutional weaknesses in two of the implementing financial institutions (Agricultural Finance Corporation and the Cooperative Bank of Kenya). It concludes that institutional capacity and performance at the time of project design is important, and recommends that undue expectations be avoided in the future regarding the ability of weak institutions to handle large amounts of donor funds. [4227]

Key Words: Agriculture; East Africa; Kenya; Formal finance; Cooperatives; Gender; Women; Technical assistance;

61. Ghatpande, S. M., "The Role of the (Nigerian) Agricultural Credit Guarantee Scheme Fund in Agricultural Finance," Indian Journal of Agricultural Economics, Vol. 39, No. 2, 1984, pp. 259-268.

The success of the Agricultural Credit Guarantee Scheme Fund, established in Nigeria in 1977 with the intention of encouraging banks to undertake the risk of financing agriculture by assuring them of repayment in the event of a default on the part of the farmer is assessed. The paper first discusses the main provisions of the ACG Scheme Fund Decree and then makes a critical appraisal of the scheme. It concludes that the role of the ACG Scheme Fund in agricultural finance is not likely to be a dominant one, at least for some time. [5388]

Key Words: Agriculture; Coastal and Central West Africa; Nigeria; Credit; Loan guarantee; Agricultural credit;

62. Grosh, Barbara, Public Enterprise in Kenya: What Works, What Doesn't, and Why, Boulder, Colorado: Lynne Rienner Publishers, 1991, 223 p.

Examines the public enterprise system in Kenya and shows that on average, performance (in terms of profitability, efficiency, prices paid to suppliers, and prices charged consumers) conformed to conventional expectations of state enterprises, i.e., had been poor. Many, however, have performed well for long periods --- including 3 depository institutions credited with expanding financial services into the rural areas and 3 manufacturing-oriented development finance institutions that apparently serve fairly competitive firms at well-managed costs. Author notes the ability to successfully resist pressures to extend loans to politically well-connected individuals as one of the success factors, and the mandated financing of bankrupt parastatals as a weak spot of the stronger institutions. Concludes that neither privatization nor measures to tighten control of firms and their managers are likely to solve the problems, and recommends focusing on the small number of firms that constitute the bulk of the problems, and a review of the pricing and financial policies that render them financially vulnerable. [Business Library, The Ohio State University, HD4346.5G761991]

Key Words: Agriculture; East Africa; Kenya; Development banks;

63. Johnson, O. E. G., "Direct Credit Controls in a Development Context: The Case of African Countries," in Government Credit Allocation, Rochester, New York: Center for Research in Government Policy and Business, Graduate School of Management, University of Rochester, November 1975, pp. 151-180.

Paper argues that direct credit controls in African countries have been inefficient in contributing to economic development. Author goes on to argue that inflationary and credit controls discourage the use of money and distort relative prices. Further, credit controls discourage development of most important financial institutions in these countries, reduce the rate of growth of capital, output, and employment, encourage black-marketing, and increase uncertainty for decision-makers. [Agricultural Library, The Ohio State University, HG3729U5G63]

Key Words: General; Africa; Finance; Monetary policy;

64. Le Breton, Philippe, "Les Banques Agricoles en Afrique de l'Ouest. Etude Comparative," Notes et Etudes No. 24, Caisse Centrale de Coopération Economique, Division des Etudes Générales, Paris, France, May 1989, 55 p.

The author sees most West African agricultural banks in trouble. They have all failed in their objective to provide credit to the agricultural sector because of lack of true institutional decentralization and credit diversification. Most loans go to parastatal agricultural firms and end up unpaid. The author recommends the creation of new types of organizations which would broaden their scope to rural credit rather than agricultural credit only. [0937]

Key Words: Agriculture; Africa; Credit; Agricultural credit;

65. Malley, Raymond C., Colette Claude, Alice Morton, Josette Murphy, Warren Wolff, Thomas Timberg, Peter Maxson, Jacques Merlo, and Ndrissa Toure, "Assisting Small Business in Francophone Africa: The ENTENTE Fund African Enterprises Program," Project Impact Evaluation No. 40, USAID, Washington, D.C., December 1982, 191 p.

Authors evaluate small business assistance by the African enterprise program of which, in terms of number of loans, 20% financed nutrition related enterprises (e.g., poultry farms, food processing, bakeries). A significant volume of funds was channeled to large firms in industry and commerce but development banks were not effective in assisting small companies. Small subloans suffered high delinquency rates and guarantee funds were ineffective. Emphasis on higher quality subloans, careful monitoring, reasonable financial contribution by the borrower and provision of technical assistance along with credit are suggested. [3712]

Key Words: Micro and small enterprise; Africa; Credit; Development banks; Loan guarantee; Technical assistance;

66. Olomola, A. S., "Credit Control Policies for Improved Agricultural Financing in Nigeria: Panacea, Placebo, or Structural Bottleneck?," African Review of Money, Finance and Banking, supplementary issue of Savings and Development, No. 1, 1991, pp. 23-38.

Examines the credit control mechanisms adopted in Nigeria to target loans for agricultural financing. Argues that the persistent pursuit of such controls (loan portfolio requirements, interest ceilings, bank branching regulations) does not genuinely promote small farmer access to credit and gives rise to bottlenecks impeding financial service delivery to the sector. [5023]

Key Words: Agriculture; Coastal and Central West Africa; Nigeria; Formal finance; Supervised credit;

67. United States Agency for International Development (USAID), "A Synthesis of AID Experience: Small-Farmer Credit, 1973-1985," AID Evaluation Special Study No. 41, USAID, Washington, D. C., October 1985, 48 p. + appendices.

Over 150 evaluations of AID credit projects were analyzed to see if small farmer credit programs are working better a decade after the 1973 Spring Review. Credit projects in Sub-Saharan Africa mainly utilized a "full service approach", entailing a large institutional development component usually for developing a financial institution and a major agricultural extension effort. Conclusions in this regard are that in the absence of the supporting structure, credit programs will fail; and that credit projects

should recognize the need for an extensive and possibly long-term institutional development effort.
[3188]

Key Words: Agriculture; Africa; Credit

Section 4

INTEREST RATES AND TRANSACTION COSTS

Interest rates have often been controlled in Sub-Saharan African countries. The **limited research available** suggests that this tends to increase borrower transaction costs, as has been more widely documented in other regions. The publications in this section discuss interest rate and transaction cost issues. Several publications listed in Section 3 discuss the impact of interest rates on the performance of financial institutions and markets.

68. Agu, Cletus C., "Interest Rate Policy in Nigeria and Its Attendant Distortions," Savings and Development, Vol. XII, No. 1, 1988, pp. 19-33.

Argues that very low interest rate policies in Nigeria have reduced allocative efficiency, savings and investment growth rates, encouraged the growth of informal money markets and endangered the financial viability of institutional lenders. Recommends a discretionary but dynamic and flexible interest rate policy in view of the absence of a competitive financial market. [4972]

Key Words: General; Coastal and Central West Africa; Nigeria; Formal finance; Monetary policy;

69. Ahmed, Ahmed Humeida, and Dale W Adams, "Transactions Costs in Sudan's Rural Financial Markets," African Review of Money, Finance and Banking, supplementary issue of Savings and Development, No. 2, 1991, pp. 115-128.

Authors use data from two Sudanese regions to illustrate their arguments that transaction costs are high because rural financial markets are performing poorly, and that carefully measured transaction costs are a barometer of the overall efficiency of the financial system. [4986]

Key Words: Agriculture; Northeastern Africa; Sudan; Finance; Transaction costs;

70. Cuevas, Carlos E., "Institutional Credit in Rural Niger: Low Performance and High Costs," Economics and Sociology Occasional Paper No. 1351, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, 1987, 15 p.

Transaction costs of credit are defined as all non-interest costs associated with loan transactions. The paper documents their nature and magnitude in the rural credit network of Niger, providing a conceptual framework for the analysis of these costs, and outlining the special features of the Nigerian credit system. Presents and discusses the roles performed, and the costs incurred by different participants in the system. [4354]

Key Words: General; Sahel West Africa; Niger; Credit; Banks; Rural finance;

71. Fakiyesi, Tayo, "Asset and Liability Management of Commercial Banking Firms in the Process of Monetary and Financial Policy Making in Nigeria," African Review of Money, Finance and Banking, supplementary issue of Savings and Development, No. 1, 1988, pp. 105-125.

Examines the effects of bank portfolio management activities on macro-policy in Nigeria using the utility-of-wealth maximization framework. Concludes that interest rates were less important than other variables in banks' portfolio behavior, risk aversion predominates over speculative behavior among banks, and banks are more responsive in applying funds to their excess reserve portfolio than to the less liquid portfolio. [4994]

Key Words: General; Coastal and Central West Africa; Nigeria; Banks;

72. Leite, Sergio Pereira, "Interest Rate Policies in West Africa," International Monetary Fund Staff Papers, Vol. 29, No. 1, March 1982, pp. 48-76.

This paper considers criteria for the determination of appropriate interest rate levels in ten selected West African countries. The countries are Ivory Coast and Senegal, The Gambia, Ghana, and Sierra Leone, Guinea and Mali, Cape Verde and Guinea Bissau, and Liberia. Although definitive conclusions must await a specific study of that country, there are strong indications from the foregoing general overview of a sample of ten countries that the prevailing policies of low and stable interest rates have resulted in an inappropriate structure of interest rates. In market and centrally-planned economies, it is extremely important to avoid distortions of relative prices. For this, interest rate reforms will have to constitute an important component of policy measures aimed at improving economic performance. Interest rates will have to be managed to reduce the spread between borrowing and lending rates to "normal" levels while producing positive real interest rates. Finally, external shocks affect the conditions. This is particularly true in agricultural countries, where climatic factors are the main determinant of economic activity. Under those circumstances, and given that foreign interest ranges also fluctuate considerably, it is desirable that interest rate management techniques be kept flexible. [5142]

Key Words: General; Africa; Côte d'Ivoire; Senegal; The Gambia; Ghana; Sierra Leone; Guinea; Mali; Cape Verde; Guinea-Bissau; Liberia; Formal finance; Liberalization; Monetary policy; Interest rates;

73. Leite, Sérgio Pereira, and V. Sundararajan, "Issues in Interest Rate Management and Liberalization," IMF Staff Papers, Vol. 37, No. 4, December 1990, pp. 735-752.

Discusses the transition strategy from administratively set interest rates to market interest rates, suggests some useful indicators to assess the adequacy of interest rate levels and identifies factors that contribute to a smooth liberalization process. Concludes that interest rate liberalization is not synonymous with laissez-faire policies; rather, it involves the replacement of administratively set rates by indirect management techniques that operate through the market. [5183]

Key Words: General; Africa; Banks; Deregulation;

74. Obben, James, "Evaluating and Modelling the Rural Banks of Ghana," Unpublished dissertation, University of New England, Armidale, Australia, September 1990, 270 p.

This research tackles some of the viability issues of the Ghanaian rural banks. The dissertation addresses three main areas of study on banks: bank performance, bank costs and bank modelling. It was found that (a) positive real rates of interest are necessary to reverse the decline in growth and debt collection; (b) increased lending is conducive to capital formation but increases in reserve ratios are negatively correlated with capital formation; (c) aging of rural banks is shown to be positively associated with capital formation, debt collection performance and accumulation of excess reserves; and (d) increases in the proportion of 'trading loans' in the loan portfolios are associated with reduced profitability. Economies of scale and scope may be achieved through gains from expansion or consolidation. Moreover, the results indicate that the credit controls unduly restrict the representative rural banks. [1631]

Key Words: General; Coastal and Central West Africa; Ghana; Banks;

Section 5

REGULATION AND SUPERVISION OF FINANCIAL INSTITUTIONS

The regulatory and supervisory bodies for formal financial institutions have not developed sufficient capacity in many Sub-Sahara African countries to adequately ensure the prudential regulation of formal financial institutions. The publications listed here discuss some of these problems. A few publications included in Section 11 refer to regulatory and supervisory problems associated with cooperatives, credit unions, and other types of self-help groups.

75. Alawode, A. A., "Financial Deregulation and the Effectiveness of Bank Supervision in Nigeria," Savings and Development, Vol. XVI, No. 1, 1992, pp. 101-113.

Article examines the implications of financial deregulation which Nigeria adopted in 1986 as part of a medium-term structural adjustment program which involved the lowering of entry barriers into banking and the granting of expanded powers to banks in their acquisition of assets and liabilities. By 1989 the financial condition of many banks had deteriorated as bad debts, managerial problems, and large-scale fraud became rampant. Concludes that urgent steps are needed to reshape the existing bank supervisory framework in order to insure its relevance and the effectiveness of a liberalized financial system. [5184]

Key Words: General; Coastal and Central West Africa; Nigeria; Banks; Prudential supervision;

76. Makoni, Julius, "Creating Appropriate Regulatory, Legal and Tax Frameworks to Stimulate Money and Capital Market Development," Paper presented at the Regional Symposium on Savings and Credit for Development in Africa, Abidjan, Côte d'Ivoire, April 27-30, 1992, Organized by the International Programme on Savings and Credit for Development, United Nations Department of Economic and Social Development, International Finance Corporation, Washington, D. C., March 1992, 23 p.

Argues that the regulatory and legal framework of the financial system is the most distinguishing characteristic of financial systems in countries with similar levels of economic development. In Sub-Saharan Africa, only broad monetary and fiscal policies and supervisory regulations of financial institutions can be found - except in Nigeria, Zimbabwe, Kenya and Botswana where some form of money and capital market laws can be found. Underdeveloped infrastructure and communication facilities, lack of trained personnel, unpredictable government policies and deteriorating terms of trade make it impossible to even adhere to existing policies and regulations (Ethiopia, Tanzania and Mozambique). Author argues that inappropriately designed policies and regulatory, legal and tax frameworks as the single most important factor for the sluggish development of financial markets in Africa. [5251]

Key Words: General; Africa; Zimbabwe; Nigeria; Kenya; Botswana; Ethiopia; Tanzania; Mozambique; Formal finance; Prudential supervision; Regulation;

77. Ogunleye, G. A., "Correcting Regulatory and Supervisory Inadequacies in the Financial System," Paper presented at the Regional Symposium on Savings and Credit for Development in Africa, Abidjan, Côte d'Ivoire, April 27-30, 1992, Organized by the International Programme on Savings and Credit for Development, United Nations Department of Economic and Social Development, Central Bank of Nigeria, Lagos, Nigeria, December 1991, 26 p.

Argues that the major inadequacies in the financial systems of African countries are the absence of a comprehensive legal framework and effective supervision. Generally bank supervisors lack enforcement powers, while government ownership and control of financial institutions has also impeded the exercise of supervisory authority. Capital adequacy standards are limited, with some countries allowing a bank to lend 100 % or more of its capital to a single borrower. Deposit insurance schemes are absent, except in Nigeria and Kenya, as is an institutionalized framework for handling problem and failed banks. Supervisory resources are committed to the monitoring of compliance with monetary and foreign exchange regulations, thus reducing the available resources

for risk and soundness assessment of financial institutions. Recommends a shift in focus from remedial to preventive regulation of financial institutions. [5255]

Key Words: General; Africa; Formal finance; Prudential supervision; Regulation;

78. Owusu, Theresa, "Regulatory Disposition of Insolvent Financial Institutions: What Can Be Learned from the Approaches Taken in Africa and Other Regions?," Paper presented at the Regional Symposium on Savings and Credit for Development in Africa, Abidjan, Côte d'Ivoire, April 27-30, 1992, Organized by the International Program on Savings and Credit for Development, United Nations Department of Economic and Social Development, Accra, Ghana, February 1992, 31 p.

Reviews the phenomenon of financial distress, using the case of Ghana to highlight the issues and solutions attempted at bank restructuring. Simultaneously with the implementation of the Economic Reform Program in 1987, Ghana addressed the difficulties of the financial system which is predominantly publicly owned, and dominated by a relatively small number of banks. Restructuring was chosen instead of liquidation, merger and sale which was deemed unacceptable or unworkable. The allocation of losses became a critical issue at the same time that insolvency rules and laws were not in place; the protection of depositor and foreign creditor interests was felt to be necessary, with government absorbing the losses. [5213]

Key Words: General; Coastal and Central West Africa; Ghana; Formal finance; Policy reform; Prudential supervision; Regulation;

Section 6

ACCESS TO FINANCIAL SERVICES, FINANCIAL DUALISM AND FINANCIAL LINKAGES

Financial dualism exists to a greater degree in Sub-Saharan Africa than in other regions of the world. A larger proportion of firms and households also rely entirely on the informal financial system for all their financial services. The publications selected for this section discuss the question of access and some include proposals for greater linkages between formal and informal finance. Some publications in Section 11 discuss linkages between formal institutions, such as banks, and semi-formal systems, such as cooperatives, credit unions, and self-help groups.

79. **Abbott, J. C., "Credit Institutions and Their Impact on Agricultural Development in Africa," Monthly Bulletin of Agricultural Economics and Statistics, Vol. 23, No. 10/11, October-November, 1974, 10 p.**

This article serves as a review of the makeup of institutions providing agricultural credit in Africa. A table demonstrating the proportion of farmers receiving institutional credit and the relation between credit supply and value of agricultural output is included. The author concludes that more institutions are needed to lend to agriculture, that interest rates should be raised, and that more rural savings should be mobilized. [ARC. 1190]

Key Words: Agriculture; Africa; Credit;

80. **Adeyemo, Remi, "Credit as Input in Marketing: A Study of the Nature and Use of Credit by Food Marketers in Anambra State of Nigeria," Savings and Development, Vol. VII, No. 1, 1981, pp. 63-74.**

Uses data from 840 food crop marketers in Anambra State and finds their major sources of credit are not formal sources but rather friends and relatives, personal savings, moneylenders and the Isusu. [4627]

Key Words: Output marketing; Coastal and Central West Africa; Nigeria; Finance

81. **Adeyemo, Remi, "Loans to Small Holders in Traditional Agriculture: The Nigerian Experience," Tropical Agriculture, Vol. 61, No. 4, 1984, pp. 281-284.**

Investigations into the sources and uses of loans in Nigerian agricultural production by small farmers were made in a survey carried out between June 1981 and February 1982 in six selected villages of Oyo State, Nigeria. A two-stage stratified sampling procedure was used to select the villages and interview 420 farmers. The principal findings were: 1) agricultural food production in the area is basically for subsistence and is carried out by traditional farming methods; 2) contrary to some findings in the literature, money lenders do not provide the bulk of loans available to the farmers; 3) friends, relatives, and co-operatives provide most of the loans; 4) the existence of agricultural loan agencies is unknown neither to the farmers, nor do they obtain loans from the commercial banks. [5167]

Key Words: Agriculture; Coastal and Central West Africa; Nigeria; Credit;

82. **Appleby, Gordon, Jan van Laouwen, and Robert Hammang, "Informal Financial Markets: Zaire and Senegal," Final draft prepared for USAID, Bureau for Africa/MDI, Washington, D.C., March 1989, 113 p. + appendices.**

The authors give a descriptive overview of the informal financial sector in Zaire and Senegal. They recommend linking the informal financial markets with formal financial markets in both countries. AID could intervene by indirect support to financial markets through regional market centers and increase the ability of informal markets to intermediate financial services. The report also compares the relative strength of informal intermediation --greater flexibility-- to the formal financial market --more structure and security. [0730]

Key Words: General; Africa; Senegal; Zaire; Informal finance;

83. Arnould, Eric, "Merchant Capital, Simple Reproduction, and Underdevelopment: Peasant Traders in Zinder, Niger Republic," Canadian Journal of African Studies, Vol. 20, No. 3, 1986, pp. 323-356.

Describes part-time and mobile trading activities in the province of Zinder, Niger during the past fifty years. Argues that, considering the lack of specialization among the traders, quantitative and qualitative changes during the period have not led to autonomous local economic development. Concludes that inadequate credit is among the factors that have impeded the evolution of a local trading-entrepreneurial class, unlike the wholesalers from neighboring Nigeria who had the advantage of access to credit. [5124]

Key Words: Marketing; Sahel West Africa; Niger; Finance; Output marketing;

84. Central Bank of Nigeria, Nigerian Agricultural Credit System: Analysis of Operation and Performance. Report of the National Agricultural Credit Study Team - Vol. 1 Macro-Economic Analysis and Recommendations, Lagos, Nigeria: Central Bank of Nigeria, 1986, 104 p.

Summarizes the background and operation of the agricultural credit system in Nigeria during the period 1978-84. Outlines the problems attendant to the system and presents recommendations which are aimed at ensuring the emergence of a more effective agricultural credit delivery system. [Agricultural Library, The Ohio State University, HG2051N7N531986 V1]

Key Words: Agriculture; Coastal and Central West Africa; Nigeria; Credit; Macroeconomics; Agricultural credit;

85. Central Bank of Nigeria, Nigerian Agricultural Credit System: Analysis of Operation and Performance. Report of the National Agricultural Credit Study Team - Vol. 2 Institutional Analysis and Survey Report, Lagos, Nigeria: Central Bank of Nigeria, 1986, 423 p.

Contains a detailed analysis of the activities and problems of various agencies which are engaged in the supply of agricultural credit in Nigeria. These agencies include the banking system, non-bank government-sponsored agencies, the cooperative credit system, and the non-institutional credit agencies such as pre-cooperatives and moneylenders. Also examines the status of technical support services available for agricultural credit and analyzes the demand side of credit on the basis of a countrywide farm-level survey carried out as part of the study. [Agricultural Library, The Ohio State University, HG2051N7N531986 V2]

Key Words: Agriculture; Coastal and Central West Africa; Nigeria; Credit; Formal finance; Informal finance; Cooperatives;

86. Chipeta, C., and Mkandawire, M. L. C., "Links Between the Informal and Formal/Semi Formal Financial Sectors in Malawi," University of Malawi and National Bank of Malawi, 1992, 43 pp.

This study revolves around two main objectives. The first objective is to investigate complementary and competitive deposit and credit links between informal and formal/semi-formal financial sectors in Malawi. The second objective is to determine the significance of direct links between informal and formal/semi-formal financial institutions with respect to savings mobilization and financial intermediation. Section two examines linkages in the credit market based on three link relationships: (1) a competitive scenario between the two sectors, (2) a complementary scenario, and (3) the

formal sector channelling its sources through the informal sector to ultimate borrowers. Section three examines the linkage in savings mobilization and section four presents a summary and policy implications of the study. [5188]

Key Words: Southern Africa; Malawi; Formal finance; Informal finance;

87. Collier, Paul, "Contractual Constraints on Labour Exchange in Rural Kenya," International Labour Review, Vol. 128, No. 6, 1989, pp. 745-768.

Article examines the impact of commercialization (marketing of output, hiring of labor, and privatization of land rights) on the efficiency of resource allocation among the Kenyan peasantry. Argues that factor market transactions have simply amplified pre-existing differences in man/land ratios, thus worsening rural poverty. Concludes that simply increasing the scope for market transactions does not always increase either efficiency or equity where such markets develop by partly destroying traditional allocative mechanisms. Argues that in Kenya, unlike several Asian economies, factor markets are constrained to inefficient contractual forms. Commercial bank lending policies tend to favor those with land to offer as collateral, while for land acquisition, commercial banks favor lending to those with secure formal sector wage employment which is more common among households with large holdings. On the other hand, cooperatives favor those already engaged in commercial cropping. In the absence of informal lenders, smallholder credit is nearly absent. [5160]

Key Words: Agriculture; East Africa; Kenya; Informal finance; Collateral; Cooperatives;

88. Cuevas, Carlos E., *et al.*, "Financial Intermediation in Rural Zaire: Main Issues and Development Alternatives," Presented at Agricultural Policy Conference, Kinshasa, Zaire, May 29-30, 1990, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, May 1990, 39 p.

This paper analyzed the access to financial services by the rural population in Bandundu and Shaba, and the most promising mechanisms of financial intermediation to develop rural financial markets in Zaire. An active monetized informal credit market exists in these regions. Rural households also engage in substantial savings activities, primarily with non-bank financial institutions. The credit union network and the informal financial groups appear as the most promising modes of financial intermediation in rural areas. Female participation is even more significant in informal financial groups. They mobilize a significant amount of liquidity and provide reliable and stable financial services to their members. [1016]

Key Words: General; Coastal and Central West Africa; Zaire; Rural finance; Formal finance; Informal finance; Credit unions;

89. DeLancey, Virginia, "Rural Finance in Somalia," in Informal Finance in Low-Income Countries, Dale W Adams and Delbert A. Fitchett (eds.), Boulder, Colorado: Westview Press, 1992, pp. 57-70.

Examines the extent of small-scale farmer (defined here as those with less than 30 hectares of land) access to credit in Somalia using field survey data collected in 1986 in Somalia's Lower Shabelle Region. Concludes that while farmers in general have difficulty in obtaining formal credit, the problem is more acute for small-scale farmers. Attributes this to lower educational levels, lack of collateral, and distance from formal institutions on the part of those with land titles. Recommends

a closer look at how informal sources service the small-scale farmers to determine ways to assist them in obtaining formal credit and thus enable them to participate in the development process. [5061]

Key Words: Agriculture; East Africa; Somalia; Formal;

90. Germidis, Dimitri, Denis Kessler, and Rachel Meghir, Financial Systems and Development: What Role for the Formal and Informal Financial Sectors?, Paris, France: Development Center Studies, OECD, 1991, 253 p.

Based on extensive case studies in 12 developing countries on three continents, the authors provide an analysis of the overall framework for financial intermediation in developing countries, including both the formal and informal sectors, and the economic policy environments in which they operate. The book looks specifically at domestic savings, and concludes that overall financial development cannot be achieved by focusing attention on formal sector institutions alone, but neither can the informal sector be left to its own devices if financial dualism and its impact on development are to be reduced. The authors propose ways to improve the efficiency of the financial system in developing countries by linking the two sectors in order to establish a more balanced economic, financial and monetary environment. [Agricultural Library, The Ohio State University, HG195G471991]

Key Words: General; Africa; Burundi; Ethiopia; Togo; Zambia; Zimbabwe; Mauritania; Senegal; Finance; Informal finance; Formal finance; Savings mobilization;

91. Graham, Douglas H., "Informal Finance in Rural Niger," in Informal Finance in Low-Income Countries, Dale W Adams and Delbert A. Fitchett (eds.), Boulder, Colorado: Westview Press, 1992, pp. 71-84.

Explores the most appropriate strategy for a sustained stream of financial services to rural clientele using the findings from a 1985-86 field survey of 400 sample households, 38 wholesale and retail merchants, 56 Tontine groups (ROSCAs), and 30 moneykeepers in 22 villages in Niger. Notes the significant magnitude and scope of informal finance, considers it an embryonic form of financial intermediation, and notes its business-like and well-organized conduct of activities. Concludes that any viable financial intermediary in the village must offer the financial services demanded by the villagers, such as deposit and savings services, open and short-term lines of credit and nonproduction loans. Evaluates the prospects of decentralization of an agricultural development bank and support for grassroots-level NGO or PVO activities as two possible approaches for building up rural financial institutions, and predicts the latter to be the more durable approach. [5058]

Key Words: Agriculture; Sahel West Africa; Niger; Informal finance; Self-help groups; Development banks;

92. Graham, Douglas H., Carlos E. Cuevas, Kifle Negash, Michel Keita, and Mario Masini, "Rural Finance in Niger: A Critical Appraisal and Recommendations for Change," A Final Report Submitted by the Ohio State University to the USAID Mission, Niamey, Niger, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, February 1987, 361 p.

Reviews formal and informal savings and credit activity in rural Niger. Finds that standard banking functions are undeveloped and that indigenous mechanisms of savings and loan activity through merchants, tontines and moneykeepers perform the role of intermediating investment flows in rural areas. [3544]

Key Words: Marketing; Sahel West Africa; Niger; Informal finance;

93. Graham, Douglas H., Irae Baptista Lundin de Coloane, Antonio Francisco, William Hall, Mindy Walker, and Paul Jenkins, "Peri-Urban Baseline Research Results: Maputo, Mozambique," Final report to the USAID Mission/Maputo, Mozambique, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, October 1991, 172 p.

Reports the results of a survey among 330 households in the peri-urban area of Maputo to investigate the characteristics of the labor, land and financial markets in the area. Formal credit is practically nonexistent among the sample households, with reciprocal informal credit transactions among family, friends and neighbors as the major form. Over a quarter save with formal institutions, and about 20 percent are members of a Xitik, the indigenous version of a rotating savings and credit association. Recommends further studies, including that of the role of formal and informal savings vehicles in the survival of women's livelihood projects, and linkages between formal and informal finance among merchants. [4782]

Key Words: Enterprises; Southern Africa; Mozambique; Finance; Informal finance;

94. Lensink, Robert, and Peter A. G. van Bergeijk, "The Determinants of Developing Countries' Access to the International Capital Market," The Journal of Development Studies, Vol. 28, No. 1, October 1991, pp. 74-85.

Examines the factors that determine debtor country's access to private funds (e.g. bank lending) with OECD statistics on borrowings from the international capital market in 1985, 1986 and 1987 as definition of access. Based on logit analysis of pooled country data for these years, concludes that the combination of GDP per capita, the net-debt-to-GDP ratio and the investment share predicts a country's access correctly in 75 percent of the cases. The supply of foreign private lending and long-term credit relationships appear to be based on solvency rather than on liquidity factors, with Sub-Saharan African countries having relatively lower opportunities to borrow on the international capital market. [5127]

Key Words: General; Africa; Finance; Capital markets; International donors;

95. Miller, Leonard F., Agricultural Credit and Finance in Africa, New York, New York: The Rockefeller Foundation, 1977, 115 p.

Four chapters of this book deal with the research, documented experience and unresolved issues of the 1970s concerning agricultural credit and savings in Africa. From a sample of 399 small food crop farmers in Nigeria, the predominance of small, short-term loans for farm use (mostly for hired

labor) and non-farm use (mostly for ceremonies and school fees) was reported. Formal lenders provided only a small proportion of the credit, with informal sources (friends and relatives, moneylenders and trader/merchants) being major sources. A separate study covering 156 loans mainly from informal sources showed no security requirements other than personal reputation, or joint liability, with very few having real estate mortgages or pledged crops as collateral. A high degree of variation in interest rates is reported, with the rates apparently varying with the borrower's personal and financial circumstances. Among interest-free loans, some carried no interest while for others reciprocity arrangements or obligation to sell the produce to the lender constituted indirect but hard-to-measure charges. Experiences with alternative approaches -- i.e., using informal lenders and groups, e.g., input dealers, as channels (Kenya); group loans (Malawi); packaging credit with education, input supply and marketing through cooperatives or through agriculture service centers (Uganda); and linking savings with credit through cooperative savings schemes (Kenya), credit unions (Zambia) or indigenous savings/credit societies (esusu clubs in Nigeria; savings associations in West Cameroon) -- have been limited. The author concludes that it would be worthwhile for development agencies and government institutions to support experiments of innovative approaches to building rural financial markets. [Agricultural Library, The Ohio State University, HG2051A35A54]

Key Words: Agriculture; Africa; Kenya; Malawi; Nigeria; Uganda; Zambia; Cameroon; Finance; Informal finance; Cooperatives; Credit unions; International donors; Savings & credit cooperatives; Self-help groups; Savings mobilization; Interest rate; Collateral; Supervised credit; Group lending; Input marketing; Output marketing; Agricultural Credit;

96. Nissanke, Machiko, "Mobilizing Domestic Savings for African Development and Diversification: Overview," Domestic Resource Mobilization Project, International Development Centre, Queen Elizabeth House, University of Oxford, December 1991, 46 p.

Argues that the imperfect information paradigm for rural credit markets is useful in understanding phenomena such as market fragmentation; conservatism and risk-averse asset management manifested through the "excess liquidity syndrome" among commercial banks in Sub-Saharan Africa that coexists with non-performing development loans in the formal system; and the reliance on external sources for term lending facilities. Suggests a policy of developing financial interlinkages to strengthen formal and informal institutions. [5398]

Key Words: General; Africa; Formal finance; Informal finance; Formal-Informal linkage;

97. Olufokunbi, Banwo, "Sources of Credit to Agricultural Food Marketers in Southwestern Nigeria," Savings and Development, Vol. V, No. 2/3, 1981, pp. 153-168.

Data from 1,009 food crop marketers in Southwestern Nigeria were collected to investigate the credit aspects of food marketing. Author finds the main sources of credit to consist of moneylenders, esusus and own funds, and recommends the formation of cooperative societies to facilitate commercial bank lending. [4911]

Key Words: Output marketing; Coastal and Central West Africa; Nigeria; Finance; Agribusiness;

98. Seibel, Hans Dieter, and Michael T. Marx, Dual Financial Markets in Africa: Case Studies of Linkages between Informal and Formal Institutions, Cologne Development Studies, Fort Lauderdale, Florida: Verlag Breitenbach Publishers, 1987, 144 p.

The objective of this book is to illustrate and document the various modes of linkages between formal and informal institutions based on experiences in Ivory Coast (development bank, with diverse ethnic groups); People's Republic of Congo (savings and credit cooperative, with ROSCAs); Togo (savings bank, with ROSCAs); and Nigeria (ROSCAs transformed into cooperatives, and ROSCAs linked with a commercial bank). The authors hypothesize that the rigid separation between formal and informal institutions has limited the contribution of the financial system to development in the rural areas. It highlights the importance of emphasizing self-help among the indigenous informal financial institutions and customer-orientation among the formal financial institutions as a simultaneous development process, and suggests guidelines for initiating area surveys and negotiating linkage arrangements. [1137]

Key Words: General; Africa; Togo; People's Republic of the Congo; Nigeria; Côte d'Ivoire; Rural finance; Self-help groups; Finance; Savings & credit cooperatives; Cooperatives; ROSCAs;

99. van Eldijk, Abraham, "Commercial Joint Ventures in West African Trade Systems," Draft paper, Department of Agrarian Law, Agricultural University, Wageningen, The Netherlands, May 1990, 19 p.

The paper describes the self-help forms of organizations engaged in food trade in northern Sierra Leone that interlink food trading activities with savings and credit. These are categorized as (1) market banking, (2) rotating schemes of the ROSCA type, (3) mutual credit funds, (4) rotating trade joint ventures/rotating commodity pools, (5) rotating capital trade joint ventures, (6) joint share-trading ventures, and (7) produce banking. The author argues that through these interconnected associations that enjoy sanction (at times participation as members) by authorities, other functions, such as coordination, arbitration, supply control and product standards, are served as well. [0522]

Key Words: Marketing; Coastal and Central West Africa; Sierra Leone; Informal finance; Self-help groups; Savings mobilization; Output marketing;

100. Von Pischke, J. D., Dale W Adams, and Gordon Donald (eds.), Rural Financial Markets in Developing Countries: Their Use and Abuse, Baltimore, Maryland: Johns Hopkins University Press, 1983, 441 p.

This book is a collection of about 40 studies related to different issues of rural finance in low income countries. The book is organized in six parts. Part 1 contains an introductory note by the editors and discussion on evolutionary trends in approaches to rural finance. The farm-household level studies on credit and finance are included in Part 2. Part 3 presents several recent papers on credit and finance at the level of lenders and saving mobilizers in rural financial markets. In Part 4, some studies on rural financial market policies in low income countries are given and the role of finance in rural development is discussed in the articles presented in Part 5. Summary and conclusions are given in the final part of the book. [Agricultural Library, The Ohio State University, HD1439R871983]

Key Words: General; Africa; Finance; Rural finance;

101. Yudelman, M., J. K. Coulter, P. Goffin, D. McCune, and Ester Ocloo, "The Sasakawa-Global 2000 Project in Ghana: An Evaluation," Report of the Review Mission, Sasakawa-Global 2000, Atlanta, Georgia, March 1991, 69 p. + annexes.

Reviews the five-year performance of the Sasakawa Global 2000 program for agricultural development in Ghana, a program aimed at providing assistance to increase maize and sorghum output of small-scale producers. Major issues identified include weaknesses in the credit and input delivery system, for which it is recommended that the possible role of farm associations and cooperatives be studied, along with the possible participation of a Ghanaian bank for credit delivery. [5055]

Key Words: Agriculture; Coastal and Central West Africa; Ghana; Formal finance; Supervised credit; Agribusiness;

102. Zarour, Charbel, "Constraints on the Senegalese Banking System that Limit Credit to Small and Small and Medium Enterprises," USAID-Dakar (Senegal), 1989, 202 p.

According to the author, despite actions by the Government of Senegal and the monetary authorities, the SMEs (Small and Medium Enterprises) major obstacle is their limited access to bank credit. In addition to its preference for large enterprises, the banking system in Senegal imposes conditions that SMEs can hardly meet. Among the constraints that the banking system itself faces, are low levels of own-capital and general illiquidity that makes it difficult to lend to high risk enterprises such as SMEs. The author believes that the solution to SME financing is dependent on the restoration of liquidity for the banking system. A list of specific measures is given by the author as suggestions to favor SME access to bank credit. [0911]

Key Words: Enterprises; Sahel West Africa; Senegal; Banks; Credit;

Section 7

THE CRUCIAL ROLES OF SAVINGS MOBILIZATION AND LOAN RECOVERY

Most credit projects and policies have ignored savings mobilization and loan recovery. But these are two key factors that influence the long-term viability of financial institutions. This section includes several publications concerning savings mobilization. Some information is also provided about loan recovery in this section, in Section 3 covering loan targeting and subsidies, and Section 10 covering DFIs.

103. Adeyemo, Remi, "Loan Delinquency in Multi-Purpose Cooperative Union in Kwara State, Nigeria," Savings and Development, Vol. VIII, No. 3, 1984, pp. 267-274.

Study assesses the loan repayment capacity of members of a rural cooperative in Nigeria. Data presented are drawn from interviews with over a thousand borrowers in this cooperative. Characteristics of borrowers are summarized, and their loan repayment performance is documented. The author concludes by summarizing the main borrower characteristics associated with loan delinquency, and suggests strategies for increasing loan recovery rates. He places stress on the lenders doing a better job of identifying those farmers who are credit-worthy. [4822]

Key Words: General; Coastal and Central West Africa; Nigeria; Cooperatives; Credit;

104. Akaah, Ishmael P., Kafi Q. Dadzie, and Bruce Dunson, "Formal Financial Institutions as Savings Mobilizing Conduits in Rural LDCs: An Empirical Assessment Based on the Bank Savings Behavior of Ghanaian Farm Households," Savings and Development, Vol. XI, No. 2, 1987, pp. 115-135.

Authors examine the willingness of Ghanaian cocoa farmers to save with formal banking institutions and the factors that influence their bank-savings behavior. A survey of 2,106 cocoa farmers was done at the end of the main 1982/83 cocoa season. The results indicate that cocoa farmers in Ghana are willing to save with formal financial institutions, especially if banking operations and procedures are designed to reflect their needs and preferences. Three factors were studied: interest on savings, deposits, attitudes of bank employees, and confidentiality of bank records. [4818]

Key Words: Agriculture; Coastal and Central West Africa; Ghana; Savings; Formal finance;

105. Anyanwu, J. C., "Deposit Insurance in Nigeria: Benefits, Costs and Operational Strategies," Savings and Development, Vol. XV, No. 1, 1991, pp. 67-78.

Argues that deposit insurance builds and maintains confidence in the financial system, fosters efficient competition among financial institutions and promotes equity. Recommends that the Nigerian Deposit Insurance Corporation be made independent and be allowed to insure all deposits, but continue charging fixed premiums using selective regulation to reduce associated moral hazard problems. [4992]

Key Words: General; Coastal and Central West Africa; Nigeria; Formal finance;

106. Augustin, Bizimana, "La Mobilisation de l'Épargne Rurale pour le Développement: Expériences des Banques Populaires du Rwanda," Paper presented at the Séminaire sur les Tontines, les Structures Coopératives et Mutualistes, Brazzaville, Congo, 18-19 February, 1991, BEAC, Brazzaville, Congo, February 1991, 32 p.

The objective of the paper was to review the entire financial system in Rwanda to assess the state of savings mobilization in the country. The author explains that the limitations of the formal financial sector are in part responsible for the proliferation of informal institutions that are more flexible and adaptable to the African environment. CUs called Banques Populaires (BPs) in Rwanda have had great success, especially in rural areas. The challenge facing BPs is to demonstrate the long term

viability of the system that is tax exempt for the moment and enjoys subsidies from Switzerland. Continuous support of the rural sector is one function it is hoped, that BPs will perform in the future. [4173]

Key Words: General; East Africa; Rwanda; Credit unions; Informal finance; Formal finance;

107. Caswell, Nim, "Peasants, Peanuts and Politics: State Marketing in Senegal, 1966-80," in Marketing Boards in Tropical Africa, Kwame Arhin, Paul Hesp and Laurens Van der Laan (eds.), Boston, Massachusetts: KPI Publishing, 1985, pp. 79-119.

Argues that political factors revolving around the distribution of resources produced in the sector should be taken into account in explaining the failure of the Senegalese groundnut marketing board ONCAD (Office Nationale de Coopération et d'Assistance au Développement) and the country's failure to diversify away from inherited dependence on groundnut production. Suggests a linkage between the State's failure to use ONCAD as a vehicle for mobilizing agricultural savings in the direction of the urban-industrial sector and ONCAD's role as distributor of political patronage. [4338]

Key Words: Marketing; Sahel West Africa; Senegal; Savings;

108. Fischer, Bernhard, "Savings Mobilization in Developing Countries: Bottlenecks and Reform Proposals," Savings and Development, Vol. XIII, No. 2, 1989, pp. 117-131.

Summarizes the main findings of a report on financial savings mobilization issues in developing countries worldwide, including Botswana, Ivory Coast, Cameroon, Kenya and Nigeria. Concludes that a reversal of unfavorable financial and monetary policies is the key to successful promotion of domestic financial savings. Indicates the process of financial intermediation itself as a promising area of interest in the future, including the viability of financial institutions, the market structure of the banking sector and the potential role of the Central Bank as a promoter of well-functioning domestic financial markets. [1807]

Key Words: General; Africa; Botswana; Ivory Coast; Côte d'Ivoire; Cameroon; Kenya; Nigeria; Savings;

109. Frimpong-Ansah, J. H., and Barbara Ingham (eds.), Savings for Economic Recovery in Africa, London, England: James Currey, Ltd. in association with the African Centre for Economic Policy Research, 1992, 242 p.

This book includes a set of papers presented at a symposium on "The Mobilization of Domestic Resources for Africa's Economic Recovery" held at the African Development bank in 1988. It contains three general papers of case studies on Ethiopia, Kenya, Uganda, Malawi, Nigeria, Cote d'Ivoire, and Cameroon. The studies analyze aggregate savings, or specific financial institutions, or household interviews, and involve the analysis of empirical data. The background papers discuss the need to improve savings performance, which has declined in some countries, and the several controversies that exist about domestic savings such as the impact of falling real incomes, the importance of export earnings in income generation, and the impact on savings of taxation, interest rates, inflation, external capital inflows, rural to urban population shifts, and the underdeveloped

state of financial intermediation. [available in the U.S. from Heinemann Inc., 361 Hanover Street, Portsmouth, New Hampshire 03801, FAX No. 603-431-7840]

Key Words: Africa; Ethiopia; Kenya; Uganda; Malawi; Nigeria; Cote d'Ivoire; Cameroon; Savings; Savings mobilization;

110. Kessler, Denis, and Pierre-Antoine Ullmo, (eds.) Savings and Development, Proceedings of a Colloquium held in Paris, May 28-30, 1984, Paris: Ed. Economica, 1985, 376 p.

This book contains the papers presented at the United Nations Symposium on the Mobilization of Personal Savings in Developing Countries held in the Cameroon in December, 1984. Part I contains five papers which deal with the crucial necessity of mobilizing savings in developing countries. It also reviews the constraints on the implementation of such a policy. Alternative interest rate policies are envisaged to stimulate the collection of savings and their orientation towards productive uses. Part II is mainly devoted to the analysis of both peasant financial behavior and institutions in developing countries. Special emphasis is put on the role of the noninstitutional financial sector. A paper by Deguefe discusses financial institutions and rural development in Africa. In another paper, Hans Mittendorf discusses savings mobilization for agricultural and rural development in Africa with a description of the successful cases of the Savings Development Movement (SDM) in Zimbabwe, the Credit Union Movement in Lesotho, and rural cooperatives in Kenya. The third part explores the possible consequences of the current international financial crisis on the growth rate of developing countries. A paper by Benoit argues that greater efforts are needed by governments to mobilize personal savings. Data are reported that show low levels of individual income tax receipts relative to aggregate tax revenues in most African countries. The last chapter in the book presents the final report of the colloquium. This chapter summarizes why increased domestic savings are necessary for healthy growth of developing countries, and how it is possible to increase the volume of savings by vigorous action regarding the collection and allocation of savings and the rate of return to savers. [available from Ed. Economica, 49 rue Héricart, 75015 Paris France]

Key Words: General; Africa; Savings; Savings mobilization; International donors;

111. Mauri, Arnaldo, "The Potential for Savings and Financial Innovation in Africa," Savings and Development, Vol. VII, No. 4, 1983, pp. 319-336.

This paper examines the successes of savings mobilization in Africa during the 1960s and the reforms made in the 1970s. Opportunities for financial innovation and institutional reform in the 1980s are also discussed.

More self-confidence on the part of the Africans themselves, and more efficient mobilization of the continent's vast untapped potential of natural resources, manpower and savings will be key factors in fostering its economic and social development. In this scenario, savings and credit banks can play a crucial role in mobilizing personal savings. A prime objective of Governments at the national level, and on a wider place at the international level, should be to encourage these financial institutions to multiply and strengthen. The cooperation that can be provided by European savings banks can be of great importance in this respect particularly as regards research, technical assistance and, above all, personnel training. [5170]

Key Words: General; Africa; Savings; Banks; Technical assistance; Deposit mobilization;

112. Mittendorf, H. J., "Promotion of Viable Rural Financial Systems for Agricultural Development," Quarterly Journal of International Agriculture, Vol. 26, No. 1, March 1987, pp. 6-27.

The paper analyzes major constraints in promoting viable rural financial systems. It addresses policy issues of savings mobilization, interest rates, loan recovery, transaction costs, ownership of rural banks, and factors affecting the viability of rural banks. The relationship between formal and informal rural financial markets is discussed. It is suggested that the rural finance department of Central Banks should take a stronger lead in monitoring and evaluating rural financial systems. In discussing future strategies, the paper argues for more emphasis on savings mobilization, adjustment of interest rates, and training of personnel. Aid agencies are encouraged to support rural financial systems through technical assistance and adequate terms of capital aid to achieve the evolution of self-sustaining rural financial systems. [0097]

Key Words: Agriculture; Africa; Finance;

113. Mittendorf, Hans J., "Savings Mobilization for Agricultural and Rural Development in Africa," in Savings and Development, Proceedings of a Colloquium held in Paris, Denis Kessler and Pierre-Antoine Ullmo (eds.), Paris, France: Ed. Economica, 1984, pp. 217-229.

This paper reviews aspects of personal savings mobilization in rural Africa, discusses critical issues and outlines elements for a constructive strategy. Personal savings in rural areas are tied to two major problems: the food crisis and the limited scope of existing rural credit and banking services. The strategies recommended by FAO for savings mobilization in rural Africa relate to macro-level (government) policies affecting agriculture and economic development (exchange rate, monetary and marketing policies). Also important is strengthening the role of central banks to promote effective financial systems and link informal savings clubs with banking institutions. The FAO study concludes that the mobilization of savings in rural areas will be successful only if it is closely linked to agricultural credit, the marketing of agricultural products, inputs and consumer goods, and the supply of extension services. [3093]

Key Words: General; Africa; Savings; Savings mobilization; Monetary policy; Central bank; Technical assistance; Input marketing; Output marketing;

114. Mondeil, R., and M. Montigne, "Réflexions sur le Crédit Rural dans les Pays en Voie de Développement," République Française, Ministère de la Coopération, Centre de Perfectionnement pour le Développement et la Coopération Economique et Technique, Paris, France, September 1987, 118 p.

The authors present some reflections on rural credit issues in developing countries. A number of public finance institutions have failed in many developing countries. However, there is hope for new innovations that are analyzed briefly in this study: the village associations in Mali, Banques Populaires in Rwanda, union of Cooperatives in Kenya, subsidized commercial banks in Niger and the Grameen bank experience. These successful experiences have financed loans by mobilizing rural savings. Nevertheless, the authors conclude that there is no single model suited for rural finance in developing countries. [4551]

Key Words: General; Africa; Finance; Cooperatives; Credit; Savings mobilization; Informal finance; Formal finance;

115. Radke, Detlef, Henning von Blanckenburg, Joachim Gottschalk, Jörg Hake, Sabine Hartig, and Klaus Maurer, "Mobilization of Personal Savings in Zimbabwe Through Financial Development," German Development Institute, Berlin, Federal Republic of Germany, 1986, 108 p.

Analyzes savings mobilization in Zimbabwe with special focus on the informal ways, needs and preferences of small rural savers. The analysis covers institutions which accept deposits (commercial banks, building societies, the Post Office Savings Bank) and other institutions engaged in mobilizing personal savings (insurance companies, pension funds). Government policy on influencing savings mobilization is also discussed. Formal financial institutional facilities have not been adapted to the savings needs of the rural population. The popular vehicles for savings are the "societies" or Rotating Savings and Credit Associations (ROSCAs), which in 1986 numbered about 5,500 clubs with 1,400 members. Based on data from a sample of 99 savings clubs surveyed early in 1986, members generally gather weekly to deposit with these clubs. The main reasons for joining are to buy fertilizer inputs, and to pay school fees. Fund surpluses are deposited with banks, thus making this an effective link between the small saver and the financial institutions. Savings clubs are reluctant to grant loans to members, which appears to be consistent with the limited number of credit unions in Zimbabwe. Authors recommend encouraging farmers to join savings clubs, and organizing voluntary joint liability groups for group borrowing purposes. They discuss solutions to bridging the gap between the formal and informal sectors of the financial market in terms of (a) improving the savings facilities of formal financial intermediaries for small savers; (b) operational improvements for the savings clubs; and (c) promoting rural development oriented linkages between formal and informal financial institutions. [3435]

Key Words: Agriculture; Southern Africa; Zimbabwe; Savings; Finance; Savings mobilization; ROSCAs; Informal finance;

116. Simmons, Emmy, and T. J. Herlehy, "The Impact of Rural Credit Projects in Africa: A Synthesis Report," Bureau for Africa, USAID, Washington, D.C., 1990, 24 p.

This report synthesizes the findings of impact assessment studies of five AID rural credit projects that were premised on the assumption that lack of access to capital is the key constraint to increased production. Two of these operated through different institutional channels with farmers as the target group (Kenya and Liberia), while the remaining three targeted the institutions themselves (credit union leagues in Cameroon, Lesotho and Malawi). The report identifies impact of the macroeconomic environment on the projects; and project impacts on production, socioeconomic welfare of farmers, lending institutions, and rural financial market development as the major themes of the impact evaluations. For all of the areas studied, project results appear to have been conditioned by their environment. Findings on project impact, however, have been mixed. Factors identified as critical to the success of credit projects are local participation and local control, entities that offer both savings and credit services to farmers and adherence to the principles of sound management and financial viability by agricultural credit institutions. [4055]

Key Words: General; Africa; Cameroon; Lesotho; Malawi; Rural finance; Credit unions; Supervised credit;

117. Tuck, Laura, "Financial Markets in Rural Senegal," in The Political Economy of Risk and Choice in Senegal, Mark Gersovitz and John Waterbury (eds.), Princeton, New Jersey: Princeton University, 1987, pp. 160-187.

According to the author, financial services available to farmers in Senegal have been unable to meet their three main objectives: risk management, accumulation of wealth and efficient allocation of resources. Senegal's formal financial institutions need to offer the saving services necessary to function as intermediaries and reduce by the same token their dependence on external capital. The Credit Program (1966-80) failed mainly because of very low repayment rates and a non-diversified portfolio. The author thinks that motivation for reimbursement would come from the threat of sanctions (seize of assets) or sufficient economic gain from repayment. In an appendix on informal finance in Chapter 2 of the book, Tuck notes that the repayment loan rate is higher in informal credit markets (80 percent) than in formal credit markets (30 percent). The reason advanced is that social pressure is much more visible in the informal system. Borrowings were done during the soudure (hungry) season and two-thirds of all loans came from other villagers or family members. More borrowing is done in cash than in kind and half the loans did not bear interest. However, the rates charged on those that did were extremely high. [3797]

Key Words: General; Sahel West Africa; Senegal; Finance; Rural finance;

Section 8

COLLATERAL, CONTRACT ENFORCEMENT, AND PROPERTY RIGHTS

The absence of well-defined property rights and unreliable legal systems in many Sub-Saharan African countries are often viewed as constraints to the functioning of formal credit markets. Land titling is expensive and may have little impact on access to formal loans however, and the informal financial system has found ways to deal with these problems. Publications in this section discuss land issues and their relation to productivity and access to credit.

118. Atwood, David A., "Land Registration in Africa: The Impact on Agricultural Production," World Development, Vol. 18, No. 5, 1990, pp. 659-671.

The author explains that the conventional view of traditional or informal systems of African land rights is that they impede agricultural development, and that land titling or registration is needed to encourage land transfers, to improve access to credit, and to create incentives for investment in land improvement. In spite of growing pressure on land resources and on existing land tenure systems, there is much evidence which calls into question this conventional view. The costs of land titling may be quite high, and its effects contrary to expectations. A number of cheaper alternatives to land titling may be more effective in guaranteeing the land rights of African farmers in situations of growing land tenure change and uncertainty. [4697]

Key Words: Agriculture; Africa; Credit;

119. Barrows, Richard, and Michael Roth, "Land Tenure and Investment in African Agriculture: Theory and Evidence," Land Tenure Center, University of Wisconsin-Madison, Madison, Wisconsin, September 1989, 31 p.

Examines the hypothesis that individualization of land tenure increases tenure security and agricultural investment considering evidence on African traditional "communal" land tenure systems. Concludes that land registration in Africa has had very little effect on investment demand, with financial markets reallocating credit among titled borrowers, without substantially increasing aggregate credit supply. [5335]

Key Words: Agriculture; Africa; Finance; Collateral;

120. Besteman, Catherine, and Michael Roth, "Land Tenure in the Middle Jubba: Issues and Policy Recommendations," LTC, University of Wisconsin-Madison, Madison, Wisconsin, August 1988, 39 p.

Reports the preliminary findings of a village level land tenure study that was undertaken in the Middle Jubba region of Somalia from June 1987 to May 1988 to provide an overview of land tenure characteristics and issues in the region. Concludes that the customary tenure system that had previously provided a high degree of security of access to land and water has been circumvented by the formal land registration process that enabled outsiders to acquire previously untitled land. Notes points of divergence between customary practices and provisions under the land law, such as the policy of single parcel registration which runs counter to multiple parcel ownership which serves as an important risk aversion strategy for smallholders. Concludes that land registration has not resulted in capital development or higher productivity, and instead appears to have given rise to tenure insecurity among smallholders thus adversely affecting their investment, output and participation in the economic development of the Valley. [5341]

Key Words: Agriculture; East Africa; Somalia; Finance;

121. Bromley, Daniel W, and Jean-Paul Chavas, "On Risk, Transactions, and Economic Development in the Semiarid Tropics," Economic Development and Cultural Change, Vol. 37, No. 4, July 1989, pp. 719-736.

Authors argue that while the institutional arrangements and transactions commonly found in the semiarid tropics play an important role as survival mechanisms in an uncertain environment, these represent a restricted domain beyond which sustained agricultural development is likely to occur because they are generally restricted to a circle of family and friends. In such environments, development policy focusing only on the generation of positive agricultural supply responses to improved prices is incomplete without a policy of reducing transaction costs and strategic uncertainty. Government participation in the provision of the legal foundations for the economy, for example, would permit more reliance on new transacting opportunities. [5122]

Key Words: Agriculture; Africa; Informal finance; Insurance;

122. Feder, Gershon, and Raymond Noronha, "Land Rights Systems and Agricultural Development in SubSahara Africa," IBRD/World Bank Research Observer, Vol. 2, No. 2, July 1987, 27 p.

The paper demonstrates that land rights in Sub-Saharan Africa evolved in response to changing political, social, and economic conditions. The authors note that the importance of land rights to agricultural development is linked to the emergence of rural credit markets as land becomes an attractive collateral for credit transactions. Several studies cited have shown that secure legal ownership provides farmers with access to cheaper, longer terms and more extensive credit. Farmers without secure title have to rely more on informal lenders. Also titles may increase the supply of all types of credit. African countries after independence have adopted different approaches to land tenure. In some areas, only rights to use and occupancy of land are recognized by the State. In others, some of the rights of ownership to transfer, mortgage, or lease land are predominant. According to the authors, the prohibition against mortgaging land does not stop land from being used as collateral in informal transactions. The lesson from other parts of the world is that efficiency ultimately requires formal recognition of individual land rights, and that stage has not yet been reached in many parts of Sub-Saharan Africa. [0792]

Key Words: General; Africa; Finance; Collateral; Informal finance;

123. Hill, Polly, The Migrant Cocoa-Farmers of Southern Ghana, London, England: Cambridge University Press, 1963, 265 p.

Author documents the results of fieldwork conducted over a 3½-year period ending in July 1960 in the hinterlands of Ghana where cocoa was first established at the turn of the century. She argues that contrary to the orthodox view, the Gold Coast was opened up for cocoa by groups of migrant farmers who operated hundreds of acres and not by peasants operating individual small farms. The leadership, enterprise, social composition, legal framework, and historical development of the cocoa-growers are described in detail, highlighting interesting forms of group organization followed by the migrants: the 'company' system made up of (1) a group of matrilineal kin (female and male) acting as a corporate group under the leadership of a male who often times is the chief financier; and (2) a club-type group of men (friends and neighbors) organized to buy a block of land. Author notes how the process of investing the proceeds of one cocoa-land in the purchase of another by their "companies" was actually collective savings or accumulation, and how mutual insurance for the entire group was provided by lineage structure. The details of various forms of contractual relations from land sales to hiring labor, with or without embedded financial transactions, are described.

Author argues that in this segment of Ghanaian society, where sale, mortgage, and credit ante-date the coming of the modern market economy, "corporate" land-owning spurs expansionary enterprise, serves as a form of "banking" resources, and promotes individual economic achievement. [Agricultural Library: The Ohio State University, HD9200G62H53]

Key Words: Agriculture; Coastal and Central West Africa; Ghana; Credit;

124. Ithaca International Limited, "Agricultural Markets and Economic Development," Final Report submitted to USAID, Ithaca International, Limited, Ithaca, New York, June 1989, 47 p.

Analyses the major constraints in existing agricultural markets in Africa, arguing that markets could make a considerable contribution to improved resource allocation and economic well-being. Suggestions are made about how AID can assist the market reform process include improving market participants' access to working capital and strengthening legal mechanisms for enforcement of contracts. [4286]

Key Words: Agriculture; Africa; Finance; Policy reform;

125. Migot-Adholla, Shem, Peter Hazell, Benoît Blarel, and Frank Place, "Indigenous Land Rights Systems in Sub-Saharan Africa: A Constraint on Productivity?," The World Bank Economic Review, Vol. 5, No. 1, 1991, pp. 155-175.

Based on cross-sectional data from Ghana, Kenya and Rwanda in 1987-88, this article provides evidence in support of the hypothesis suggested by historical studies on the evolution of indigenous land rights systems from communal to individual rights in response to increases in commercialization and population pressure. It finds no support for the view that land rights are a constraint to productivity, and also indicates that land titling is not sufficient to increase access to credit. In study areas like Kenya, land collateral is of little value because land transfers to outsiders are not always recognized as legitimate; moreover, where better nonfarm opportunities are absent, farmers are reluctant to mortgage land. [1210]

Key Words: Agriculture; Africa; Ghana; Kenya; Rwanda; Informal finance; Finance;

126. von Stockhausen, Joachim, Credit guarantee schemes for small farmers, IFO-Forschungsbericht Nr. 68, IFO-London, England: Institute for Economic Research, Weltforum Verlag, 1988, 71 p.

The study analyzes innovative credit guarantee strategies for small farmers. The author focuses on the two-stage credit guarantee scheme. This approach combines a counter guarantee fund that is acceptable to lending institutions with grass-root credit guarantee associations. Such arrangements are expected to lead to a greater flow of formal credit to smallholders and other small-scale enterprises. The two-stage credit guarantee scheme of the Friedrich-Ebert Foundation (FRG) in Kenya is given as a vivid example for this financial intermediation approach. [4460]

Key Words: Micro and small enterprise; East Africa; Kenya; Credit;

Section 9

THE IMPLICATIONS OF INFORMAL FINANCE

Informal financial systems are pervasive in Sub-Saharan Africa, but there is no clear view about what the existence of informal finance implies for formal financial systems or what policymakers should do, if anything, about informal finance. The following publications discuss some issues associated with informal finance. Some readers may also want to consult Section 11 which includes materials on semi-formal financial arrangements like self-help groups.

127. Adams, Dale W, and Delbert A. Fitchett (eds.), Informal Finance in Low-Income Countries, Boulder, Colorado: Westview Press, 1992, 333 p.

This book is a compilation of presentations made in a seminar on informal finance held in late 1989 sponsored by A.I.D., the World Bank, and The Ohio State University. The 25 chapters present descriptions and analyses of informal finance in about two dozen countries. The main message of the book is that informal finance plays a positive role in development, especially for poor people. It is ubiquitous in most low income countries, is concentrated wherever there are substantial amounts of commerce, and often includes a variety of resilient arrangements adapted to the local environment. While some forms of informal finance are contracting or disappearing, other forms are emerging or evolving into more formal institutional forms. Large amounts of informal loans mirror an equally large amount of informal financial savings and many people who participate do so because of the opportunities they offer to save. Recent studies of informal finance have uncovered surprisingly little evidence of exploitation. High opportunity costs of funds, transaction costs, substantial lending risks, and lack of creditworthiness appear to explain high interest rates. Informal finance also enhances the efficiency of resource allocation. Various cases discussed in the book show that informal and formal financial markets are often intertwined. Informal deposits often end up in banks, and funds from formal loans often circulate through informal channels. It appears that formal and informal finance are complements in some cases and substitutes in others. [5588]

Key Words: General; Africa; Informal finance; Rural finance; Finance; ROSCA; Self-help groups; Credit;

128. Alibert, Jacques, "Le Cas Original de Tontines Camerounaises, Phénomène de Société: Marchés Tropicaux et Méditerranéens, August 17-24, 1990, pp. 2375-2378.

The author discusses the original case of tontines in Cameroon as a social phenomenon and real expression of group solidarity. The different types of tontines are reviewed in addition to a description of the dues collection functions. The flexibility of investment associated with tontines leads the author to view tontines not as objects for development but as social events in the development process. A final note draws attention to the possibility for tontines to play an essential role as a common factor for national unification. [4208]

Key Words: General; Coastal and Central West Africa; Cameroon; Cooperatives; Informal finance;

129. Aryeetey, Ernest, "The Complimentary Role of Informal Financial Institutions in the Retailing of Credit: Evaluation of Innovative Approaches," Paper presented at the Regional Symposium on Savings and Credit for Development in Africa, Abidjan, Côte d'Ivoire, April 27-30, 1992, Organized by the International Programme on Savings and Credit for Development, United Nations Department of Economic and Social Development, University of Ghana, Accra, Ghana, 1992, 36 p.

Describes the nature and extent of moneylending, rotating savings and credit associations and cooperative and credit unions in Africa. Cites evidence on the decline of traditional moneylending as a source of financing for farming and other small economic activities in Ghana at the same time that the Savings and Loan Company is becoming an important source. As regards recent schemes to link formal and informal sectors, author discusses the village banking experience (Freedom from Hunger Project in Ghana, and PRIDE in Kenya) with some differences in performance using the

integrated approach versus the "minimalist" approach to retailing credit. Author argues that the use of group-based lending strategies has been misguided since it does not recognize that the ROSCA is a community-based initiative while a village bank is introduced by an external body; while the ROSCA is expected to be around for as long as members continue to be interested, external projects are viewed as temporary arrangements; ROSCA funds belong to the participants, and this is not the same as borrowing from external institutions. Concludes that innovative schemes backed by a larger financial base can be effective if they operate through the established informal systems. [5256]

Key Words: General; Africa; Informal finance; Credit unions; Savings & credit cooperatives; ROSCAs;

130. Baulier, F., A. Correze, A. Lebissonais, and C. Ostin, "Les Tontines en Afrique: Rôle et Évolution," *Notes et Etudes No. 12, Caisse Centrale De Cooperation Economique, Division des Etudes Generales, Paris, France, September 1988, 28 p.*

The study discusses the evolution and role of tontines in Africa. The findings of the study provide evidence of the diversity and abundance of tontines in Africa at different levels of performance, forms and characteristics. The authors refuse to provide a general typology of tontines except for noting that tontines appear at some time as a result of cultural values, practices, level of development and political situation in the country where they evolve. Simple forms of tontines and their functions are described and analyzed to portray their limitations in a general framework. [4183]

Key Words: General; Africa; Cooperatives; Informal finance; Savings & credit cooperatives; ROSCAs;

131. Bekolo-Ebe, Bruno, and Robert Bilongo, "Le Système des Tontines: Liquidité, Intermédiation et Comportements d'Épargne," *Revue d'Économie Politique*, No. 4, 1989, pp. 616-638.

This paper analyzes savings and liquidity behavior of participants in the system of tontines, a rotating savings system which is becoming more and more important in several African Countries and particularly in Cameroon. The authors examine the behavior of members from a large number of tontines and conclude that it is based on perfect rationality. Although social variables play a great role in tontine participation, the search for positive financial returns seems to be the predominant factor. The objective of optimizing financial gains helps to explain the rivalry between formal financial institutions and the tontines system, and the economic agents preference for the latter. [4210]

Key Words: General; Coastal and Central West Africa; Cameroon; Informal finance;

132. Bouman, Frits J. A., "Informal Rural Finance: An Aladdin's Lamp of Information," *Sociologia Ruralis*, Vol. XXX, No. 2, 1990, pp. 155-173.

Argues that extensive and unbiased empirical research into the nature and magnitude of informal financial markets in the Third World has been hampered by prejudices and stereotyped characterizations of lenders: the moral and technological superiority of formal finance on one hand, and informal finance dominated by a selfish village moneylender on the other hand. Cites evidences in African and Asian literature characterizing informal finance as a responsive, protective network of mutual assistance that involves saving, borrowing and lending to insure against the risk and uncertainty of seasonal cashflows and matches the complex demands of the "penny economy".

Recommends investigation into the saving, lending and borrowing of participants in the informal market to explore the rationale of their behavior, and to reconsider the assumptions of earlier development efforts. [5168]

Key Words: General; Africa; Informal finance; Self-help groups;

133. Cuevas, Carlos E., "Informal Financial Markets in Africa: Main Issues and Selected Case Studies," Paper presented at the Workshop on "The Role of Informal Institutions and Cooperatives in Rural Financial Markets," Abidjan, Côte d'Ivoire, December 11-16, 1989, Economics and Sociology Occasional Paper No. 1638, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, March 1990, 16 p.

The author argues that countries in Sub-Saharan Africa are at a great disadvantage with respect to other third-world countries in terms of the state of the development of their financial institutions. Hence, access to informal financial services by the general population is extremely limited in the continent and/or is obtained at very high transaction costs. The foregoing limitation is accentuated in rural areas, given the urban bias of existing bank networks, and the usually poor conditions of communications, rural infrastructure and transportation in African countries. Macroeconomic constraints and financial regulations often compound these limitations making it infeasible for established banks to directly provide financial services to rural households and enterprises. The potential role for informal financial intermediation in Africa appears, therefore, even more clear here than in other developing areas of the world. This paper summarizes the major recent findings of research on informal finance and presents case studies in African countries which illustrate the importance and potential of informal financial intermediation in the continent. [0950]

Key Words: General; Africa; Informal finance;

134. D. Wood Consultants and Investments, Ltd., "Report on the Feasibility of Utilising Rural Traders for Credit Sales of Agricultural Inputs, Tools and Small Machinery in Africa," Report to FAO-Rome, D. Wood Consultants and Investments Ltd., Lusaka, Zambia, November 1991, 17 p. + annexes.

Reviews the availability of complementary inputs and services to the small farm sector and the role of rural trader participation in financial intermediation in the Mubwa district of Zambia. Reports that the inhibiting factors include the dominant role of subsidized state monopolies which prohibit participation of rural traders, inadequacy of transport facilities and government price controls. [5570]

Key Words: Input marketing; Southern Africa; Zambia; Finance;

135. Eboh, E. C., O. Ugama, and O. Kereke, "Nigerian Village Money Lenders and their Usurious Interest Rates: An Analysis of Intervening Factors," Savings and Development, Vol. XV, No. 4, 1991, pp. 361-372.

Authors use data from a sample of three moneylenders and 36 borrowers to estimate the relative significance of the lenders' risk and collateral undervaluation in explaining the observed informal loan interest rates in Eastern Nigeria. Conclude that village lenders used their stronger bargaining power to earn monopoly profits, with about 63% of the observed interest rate accounted for by collateral undervaluation. [5028]

Key Words: General; Coastal and Central West Africa; Nigeria; Informal finance;

136. Gaye, Matar, "Le Crédit Informel en Milieu Rural Sénégalais: Enquête dans les Régions de Fatick et Kaolack," Proposition de communication à l'atelier ISRA/MSU/USAID sur la Politique Agro-Alimentaire au Sénégal prévu à Dakar en Juillet 1988, Michigan State University, East Lansing, Michigan, July 1988, 25 p.

This article reviews informal rural credit in Fatick and Kaolack regions in Senegal. The author feels that the informal credit sector offers farmers only a very limited alternative to meet their credit needs. Most private traders are subject to major structural limitations in supplying credit to farmers. Furthermore, experienced traders adopt a risk averse attitude and specialize in lending only during the "hungry" season. While competition in peanut trade may increase private traders credit supplies, uncertainty about potential credit recipients for every new season can have a negative impact on credit distribution. [0921]

Key Words: Agriculture; Sahel West Africa; Senegal; Informal finance; Output marketing; Agricultural credit;

137. Gnansounou, Simon C., "L'Épargne Informelle et le Financement de l'Entreprise Productive (Référence Spéciale aux Tontines et à l'Artisanat Béninois)," Notes de Recherche No. 91-20, Université des Réseaux d'Expression Française (UREF), Paris, France, June 1991, 69 p.

This report examines how informal finance, and tontines especially, are linked to the financing of the artisanal sector in Bénin. It was found that tontines finance 25 percent of the artisanal sector activities. However, the remaining 75 percent of financial needs are met through other informal financial sources, confirming the belief that the only means of financing the artisanal sector is the informal sector. The author believes that time constraints need to be incorporated into the tontine system to make reimbursement more controllable and impose a better managerial discipline on borrowing entrepreneurs. [4550]

Key Words: Enterprises; Coastal and Central West Africa; Benin; Informal finance; ROSCAs;

138. Henry, Alain, Guy-Honoré Tchente, and Philippe Guillaume-Dieumegard, Tontines et Banques au Cameroun: Les Principes de la Société des Amis, Paris, France: Editions Karthala, 1991, 166 p.

This book presents the results of a study on tontines in Cameroon. The authors interviewed several tontine members and found that tontines are based on solidarity motives and friendship. The vitality of tontines contrasts greatly with the banking system failure and shows that banks may well have to learn to apply what makes the tontines so successful. [4562]

Key Words: General; Coastal and Central West Africa; Cameroon; Finance; Informal finance; Formal finance;

139. Hyuha, M., M. O. Ndanshau, and J. P. Kipokola, "Scope, Structure and Policy Implications of Informal Financial Markets in Tanzania," Draft research paper, African Economic Research Consortium, Nairobi, Kenya, 1991, 31 p.

This study examines the scope and nature of informal financial institutions in Tanzania. The study investigates four hypotheses. The first is that informal credit is a complement rather than a substitute for formal credit. Secondly, that the formal financial sector is one of the major sources of funds for

the informal financial sector. Third, both small-scale and large-scale production units depend on informal credit. The last hypothesis is that credit in the informal sector is more expensive, with higher interest rate and other charges, than in the formal sector. The results of a 262 households survey confirm the existence of the informal financial institutions operations, and also demonstrate the important role played by the informal financial intermediaries in the saving-investment process in Tanzania. The study also shows that borrowing/lending amongst the respondents was not solely for financing consumption expenditures. It is also indicated that some of the informal loans are free of interest while others are not. These facts lead to a conclusion that the informal financial sector complements the formal financial sector in development financing. [4129]

Key Words: General; East Africa; Tanzania; Informal finance; Savings mobilization;

140. Ijere, M. O., "FAO/World Bank Survey of Rural Informal Financial Intermediation in Nigeria: Interim Report," Center for Rural Development and Cooperatives, University of Nigeria, Nsukka, Nigeria, June 1991, 65 p.

The author has examined the nature, characteristics and operations of rural informal financial intermediaries in four representative states of Nigeria. These intermediaries seem to be well positioned by virtue of their socio-cultural origins, size and flexibility in comparison to formal financial intermediaries. As a result of the introduction of the structural adjustment program and more individuals engaging in financial intermediation, there are more opportunities to link with the formal credit system and perhaps more competition that would reduce the negative bearings of the operations of the informal intermediaries. A cautionary note from the author's experience with registered intermediaries as compared to unregistered cooperative bodies suggests that registration and government control lead to reduced efficiency. [4529]

Key Words: General; Coastal and Central West Africa; Nigeria; Informal finance; Intermediation; Formal finance;

141. Lelart, Michel, La Tontine Pratique Informelle D'Épargne et de Crédit dans les Pays en Voie de Développement, Paris, France: John Libbey Eurotext, 1990, 356 p.

The theme of this book is the tontine informal savings and credit practices in developing countries. The book is divided into three parts, each containing a number of articles. The first part includes articles discussing the practices of tontines in Senegal, Benin and China. The second part includes articles discussing empirical research on tontines in Senegal, Niger and Togo. The third part includes articles discussing the dynamics and rationality of tontines in Africa in general. [4688]

Key Words: General; Africa; Senegal; Niger; Togo; Informal finance; Credit; Savings; ROSCAs; Cooperatives;

142. Mrak, Mojmir, "Role of the Informal Financial Sector in the Mobilization and Allocation of Household Savings: The Case of Zambia," Savings and Development, Vol. XIII, No. 1, 1989, pp. 65-85.

Argues that the Zambian formal financial sector has not effectively mobilized household savings due to the availability of external resources and the general belief that rural households are too poor to save. Concludes that the informal financial sector made up of moneylenders evolved to fill the gap between credit requirements and supply from formal institutions, and co-exists with more traditional

financial arrangements. Cites organizational flexibility, better accessibility, and lower transaction costs among the characteristics that make the informal sector more competitive. [5017]

Key Words: General; Southern Africa; Zambia; Informal finance;

143. Nwabughuogu, Anthony I., "The Isusu: An Institution for Capital Formation Among the Ngwa Igbo; Its Origin and Development to 1951," Africa, Vol. 54, No. 4, 1984, pp. 46-58.

Uses archival, oral and written sources to trace the pre and post-colonial origin, growth and development of the isusu (also called oha, utu and ogbo) as an indigenous credit institution of the Ngwa Igbo of Nigeria. Argues that: (a) the isusu played a significant role in raising capital for major undertakings such as marriage, land acquisition, purchase of household goods, building of houses, payment of debts, education of children and supply trading; (b) it created a large capitalist class in Ngwaland; and (c) far from being a transient institution, has remained as an important credit institution and has outlived the "more rational" credit institutions established by the colonial administration. [5150]

Key Words: General; Coastal and Central West Africa; Nigeria; Informal credit; Self-help groups; ROSCAs;

144. Shipton, Parker, "The Rope and the Box: Group Savings in The Gambia," in Informal Finance in Low-Income Countries, Dale W Adams and Delbert A. Fitchett (eds.), Boulder, Colorado: Westview Press, 1992, pp. 25-42.

Presents findings from field interviews from sample villages in the Gambia during 1987-88 to argue that the country's financial development strategies have been unbalanced due to a policy based only on loans and not savings. Mechanisms that work link loans and deposits, and combine elements of individualism and collective responsibility. Using the osusus as a case in point, suggests the incorporation of deposit components in credit programs for institutions that are sound enough, and can build upon existing social networks. [5059]

Key Words: General; Sahel West Africa; The Gambia; Savings; Self-help groups;

145. Shipton, Parker, "Time and Money in the Western Sahel: A Clash of Cultures in Gambian Rural Finance," in Markets in Developing Countries: Parallel, Fragmented, and Black, Michael Roemer and Christine Jones (eds.), San Francisco, California: ICS Press, 1991, pp. 113-139.

The chapter briefly describes the Gambian rural society and economy. Argues that for financial transactions among the Gambians the concept of a market is only partly appropriate because of socio-cultural and Islamic influences, and claims that the distinction between interest rates and the ratio of interest payments to loan principal as the key. The author notes that few rural Gambians use the formal financial institutions because they prefer to organize their own systems of saving and credit. Money-keepers and ROSCAs are popular ways of saving cash, in addition to saving in nonmonetary forms of wealth. Sources of informal credit include kin or friends, local shopkeepers or other merchants, and traders. Informal interest charges in The Gambia depend on economic determinants, the presence of closeness of kinship and friendship ties between borrower and lender, duration, amount, time of year, the nature of the commodity borrowed, and the solvency of the borrower. British-based national moneylending laws in force in The Gambia are based on assumptions that are different from the various interpretations of Islamic law and customs that

pervade in the countryside. It is concluded that indigenous and superimposed foreign understandings of time, money, and the relationship between them have left rural Gambians with a range of practices to choose from, to manipulate, and to debate. [4128]

Key Words: General; Sahel West Africa; The Gambia; Finance; Informal finance; Formal finance; Women; Gender; Rural finance; Cooperatives;

146. Udry, Christopher, "Credit Markets in Northern Nigeria: Credit as Insurance in a Rural Economy," The World Bank Economic Review, Vol. 4, No. 3, September 1990, pp. 251-271.

This article addresses the issue of incomplete markets and imperfect information in the context of credit markets in rural northern Nigeria. In much recent theoretical literature, the problems of moral hazard and adverse selection are assumed to be decisive for the organization of agrarian institutions. In contrast, it is found that in the four villages surveyed, credit transactions take advantage of the free-flow of information within rural communities. Information asymmetries between borrower and lender are unimportant, and their institutional consequences- the use of collateral and interlinked contracts- are absent. Credit transactions play a direct role in pooling risk between households through the use of contracts in which the repayment owed by the borrower depends on the realization of random production shocks by both the borrower and the lender. [5116]

Key Words: General; Coastal and Central West Africa; Nigeria; Credit; Insurance;

Section 10

SPECIAL PROBLEMS OF TERM FINANCE AND DEVELOPMENT FINANCE INSTITUTIONS

Most Sub-Saharan African countries report a lack of long-term savings for term lending. Attempts to create Development Finance Institutions have not adequately resolved the problem because many of them have failed or survive in a weakened state with large, nonperforming loan portfolios. This section includes a few publications that specifically deal with the topic, but the issue of specific DFIs and their performance in individual countries is also included in other publications listed in other sections.

147. Baker, Chester, and Bernadette Dia, "Default Management in an Agricultural Lending Program in Ivory Coast," Savings and Development, Vol. XI No. 2, 1987, pp. 161-180.

The focus of the study is on BNDA (Banque Nationale pour le Développement Agricole), credit program for individual medium-sized farmers. BNDA provides institutional loans from public sector resources to the agricultural sector at subsidized interest rates. Loans are mostly in kind but high delinquency and default rates combined with the low rates of interest that BNDA is allowed to charge, undermine the financial viability of any credit program. In this study, the authors formulate the LSLP (Liquidity Specified Linear Programming) model to analyze the default of a representative borrower in one of the BNDA's lending programs. The results generate a set of policy decisions that suggest that net lending cost to BNDA can be reduced to zero by increasing 1) the interest rate from 9% to 29%; 2) the default penalty cost from 1.1 CFAF to 2.40 CFAF; 3) the loan limit by 30%. BNDA would break even at an interest rate of 15% if it adopts a policy of an all-cash loan disbursement given that the cost of default is increased to 2.40 CFAF and the loan size by 30% over its initial value. Gains to the borrower are reflected in an increase in liquidity reserve in the form of credit reserve. [4975]

Key Words: Agriculture; Coastal and Central West Africa; Ivory Coast; Côte d'Ivoire; Credit; Development bank; Banks;

148. Borish, Mike, "An Overview of the Formal and Non-Formal Financial Sector of Ghana," Prepared under Partnership Grant PDC 0280-A-00-6205-00 for the USAID Ghana Mission, Technoserve, Inc., Norwalk, Connecticut, March 1989, 41 p.

This report provides an overview of the Ghanaian financial sector, both formal and non-formal, as of early 1989. The report emphasizes the Economic Recovery Program started in 1983 with the purpose to restructure the banking system that suffered from structural problems and economic policies. The formal financial markets are underdeveloped, and are operating inefficiently, so that 35-40% of broad money (M2) is located outside the formal sector. Although the government's ambitious formal financial sector restructuring program will address the industry's weakness, resolving problems and restoring full public confidence will take time, so non-formal finance will continue to play a significant role. The informal credit agencies, such as Susu, money lenders, and credit unions will be key institutional players. [1715]

Key Words: General; Coastal and Central West Africa; Ghana; Finance; Policy reform;

149. Graham, Douglas H., "Designing Financial Intermediaries to Mobilize Savings and Allocate Investment Money," Paper for the Workshop on Agricultural Development Policy Options for Sub-Saharan Africa, Arlington, Virginia, August 23-25, 1992, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, 1992, 20 p.

Outlines issues in the design of financial institutions in Sub-Saharan Africa, citing the difficulties associated with previous approaches to rural finance, and term finance in particular. Suggests the deposit mobilization approach, marketing linkages with commercial banks, and village based savings and credit cooperatives as potentially viable approaches. [5400L]

Key Words: General; Africa; Formal finance; Informal finance; Savings;

150. Heidhues, Franz, "Ländliche Finanzinstitutionen und landwirtschaftliche Entwicklung - Eine Untersuchung in Benin -," Paper presented at the Vortragsreihe zu Problemen im Umfeld der Tropischen Forstwirtschaft, Albert-Ludwigs University, Freiburg, University of Hohenheim, Federal Republic of Germany, July 1990, 8 p.

The paper criticizes the cheap credit policy and the lack of savings mobilization efforts in developing countries. The author supports his assessment with evidence from a financial market study in Benin. Up to its collapse in 1989, the National Agricultural Credit Bank (CNCA-Benin) supplied only three percent of the farmers with loans. This unsatisfactory situation led the author to question whether the up-grading of indigenous financial associations could improve rural financial intermediation. In Benin, the conditions seem favorable. In Benin, tontines exist that function according to cooperative principles. The author points out that the savings rate of rural households in Benin lie well above ten percent. [GER]

Key Words: Agriculture; Coastal and Central West Africa; Benin; Credit;

151. McKean, Cressida S., "Development Finance Institutions: A Discussion of Donor Experience," Program Evaluation Discussion Paper No. 31, USAID, Washington, D.C., July 1990, 15 p.

For several decades DFIs have been important intermediaries for donors aiming to channel financial resources to priority groups and to fill the long-term credit gap. However, donors are increasingly uncertain about the effectiveness and contribution of DFIs to the development of financial markets as well as the sustainability of these institutions. This article summarizes several lessons that emerged from the review of donor evaluation reports of DFI programs, including 1) donors who have operated at cross purposes in supporting DFIs; 2) DFIs have had limited success in reaching target beneficiaries; 3) few DFIs have achieved sustainability; and 4) DFIs have not been particularly effective in contributing to financial market development. In this context, it is recommended that increased competition among DFIs and diversification of financial services be considered important for promoting capital markets in developing countries. [1206]

Key Words: General; Africa; Finance; Development banks; International donors;

152. McNamara, Paul, "Development Banking in The Gambia," Economic and Financial Policy Analyses Project, HIID, Cambridge, Massachusetts, February 1992, 35 p.

This paper reviews the arguments for and against the creation of a development bank. Section two reviews the justification for government sponsored development banking and summarizes the African experience with development banks. Section three describes the credit market and the history of development banking in The Gambia. From that experience the author draws lessons relevant to Gambian financial policy. Section four examines the potential costs and benefits of creating a new development bank in The Gambia and offers some conclusions. [5208]

Key Words: Finance; Sahel West Africa; The Gambia; Development bank;

153. Ousséni, Cissé Abdou, "Expérience de la Caisse Nationale Agricole du Burkina-Faso (CNCA-B)," Paper presented at the Workshop on Les Structures Institutionnelles pour Améliorer les Services Financiers en Milieu Rural, Abidjan, Côte d'Ivoire, February 1991, CNCA, Burkina Faso, 24 p. + annex.

The article presents the experience of CNCA-B, a semi-private bank whose objective is to help technically and financially the rural sector in Burkina Faso. The decentralization of CNCA-B, in an effort to get closer to potential customers, resulted in a greater number of farmers being denied access to credit as CNCA-B became more selective and prudent in its lending policy. However, the author believes that financing only selective agricultural activities will prevent high nonrepayment rates of loans and insure the survival of CNCA-B in the future. [4375]

Key Words: Agriculture; Sahel West Africa; Burkina Faso; Banks;

Section 11

COOPERATIVES, SELF-HELP GROUPS AND OTHER SEMI-FORMAL SYSTEMS

The fastest growth in financial services in many Sub-Saharan African countries involves ROSCAs, savings clubs, village banks, and other groups that operate on cooperative and self-help principles. This is somewhat surprising because of the many failures in the region in cooperatives and credit unions. The most successful group approaches are those that are built with strong member participation and control. The publications in this section discuss financial arrangements that share the characteristic of being owned and controlled by their members. Some are autonomous while others are sponsored and supported by governments, donors and NGOs. Some of the materials in Section 12 about microenterprises and women also touch on these issues.

154. Bangoweni, Paul Félix, and Mathias Tsagne, "L'Expérience Camerounaise en Matière de Mobilisation et d'Emploi de l'Épargne, à travers les Coopératives d'Épargne et de Crédit (COOPEC)," Paper presented at the Séminaire sur les Structures Coopératives et Mutualistes, Organized by BEAC, Brazzaville, Congo, 18-19 February, 1991, Ministère de l'Agriculture, Direction de la Coopération et de la Mutualité, République de Cameroun, February 1991, 21 p. + annexes.

This article looks at the role of CUs in savings mobilization and use of funds in Cameroon. A review of CUs, all members of CamCCUL, shows that they have enjoyed considerable success in savings mobilization and membership growth. However, one objective of financing small enterprises has not been met. The authors ask that CUs in Cameroon be given more access to central bank funds and be more closely associated with economic development projects. [4172]

Key Words: General; Coastal and Central West Africa; Cameroon; Credit unions;

155. Bédard, Guy, "La Mobilisation de l'Épargne Rurale par les Institutions de Type Coopératif et son Impact sur le Développement Local: Synthèse de Sept Etudes de Cas: Burkina Faso, Cameroun, Egypt, Nigeria, Rwanda, Togo, Zimbabwe," Université Coopérative Internationale, Québec, Canada, August 1985, 42 p.

This paper is a summary of case studies of seven African countries on the impact of savings mobilization by cooperative finance groups. Despite their diversity within countries and from one country to another, the African cooperatives have proven their ability to mobilize savings and to use accumulated resources towards productive uses. The challenge now rests, if that is their goal, to prove their capability to become cooperative development banks with a primary mission to provide credit to the rural agricultural and industrial sectors. To reach such a goal, cooperatives have to stop attributing loans for special purposes and to train farmers on good credit use. [4196]

Key Words: General; Africa; Burkina Faso; Cameroon; Nigeria; Rwanda; Togo; Zimbabwe; Cooperatives; Agricultural credit; Credit unions; Savings;

156. Bédard, Guy, Gerd Gunter Klower, and Martin Harder (eds.), The Importance of Savings for Fighting Against Poverty by Self-Help, Vol. I, Report on a Workshop, Bonn, West Germany, June 18-20, 1986, Bonn, Federal Republic of Germany: German Foundation for International Development, 1987, 116 p.

This report is a summary of discussions aimed to stress the contribution that saving can make to the autonomous development of the poorer sectors of the population, to determine the prerequisites and the framework necessary for an effective promotion of savings and to work out approaches facilitating the improvement and reinforcement of the role of saving as a means of financing the target clientele. The report contains case studies of savings institutions in Mali, Peru, Zimbabwe and Rwanda. [0419A]

Key Words: General; Africa; Mali; Rwanda; Zimbabwe; Savings; Self-help groups;

157. **Bédard, Guy, Gerd Gunter Klower, and Martin Harder (eds.), The Importance of Savings for Fighting Against Poverty by Self-Help, Vol. II, Report on a Workshop, Bonn, West Germany, June 18-20, 1986, Bonn, Federal Republic of Germany: German Foundation for International Development, 1987, 268 p.**

This volume contains a description and performances of diverse self-help savings groups and other savings institutions in Germany, Peru, and four African countries: Rwanda, Zimbabwe, Mali, and Burkina Faso. [0419B]

Key Words: General; Africa; Burkina Faso; Mali; Rwanda; Zimbabwe; Savings; Self-help groups;

158. **Bratton, Michael, "Financing Smallholder Production: A Comparison of Individual and Group Credit Schemes In Zimbabwe," Public Administration and Development, Vol. 6, 1986, pp. 115-132.**

The author's view is that credit programs aimed at individual smallholders in Africa have had disappointing results, particularly with regard to loan repayment. This paper examines whether group lending under terms of joint liability is a more effective approach. The findings reveal that: 1) access to credit is easier for small farmers if they belong to voluntary agricultural associations; 2) loans issued on terms of joint liability have lower administrative costs; 3) joint liability arrangements lead to higher repayment rates than schemes based on individual liability; and 4) although joint liability is better enforced by mandatory sanction than by selective incentive, this advantage is offset by a disintegrative effect on farmer organizations. The author concludes that a policy of group lending is generally more viable than an individual approach, but only in the context of the creation and strengthening of local farmer institutions. [4252]

Key Words: Agriculture; Southern Africa; Zimbabwe; Credit;

159. **Braverman, Avishay, J. Luis Guasch, Monika Huppi, and Lorenz Pohlmeier, "Promoting Rural Cooperatives in Developing Countries: The Case of Sub-Saharan Africa," World Bank Discussion Paper No. 121, The World Bank, Washington, D.C., 1991, 48 p.**

Paper traces the development of rural cooperatives in Sub-Saharan Africa, the main issues and constraints to success. After 30 years of development assistance, successful rural cooperatives are exceptions rather than the rule; the savings and credit cooperatives of Northern Cameroon and Rwanda, and the coffee-marketing societies of Kenya, are cited as examples of effective working rural cooperatives. Constraints to development include excessive government interference, and difficult economic and political environments (external); and limited membership participation, structural and control problems, and mismanagement (internal). [4568]

Key Words: General; Africa; Cooperatives; Credit unions;

160. Chao-Beroff, Renée, and Catherine Delhaye, "Fighting Poverty through Self-help : Report of the International Workshop Self-Reliant Savings and Credit Village Banks," Mopti, Mali, March 31 - April 8, 1989, Organisation Suisse pour le Développement et la Coopération (Intercoopération), Centre Internationale de Développement et de Recherche (CIDR), and Joint Working Group, Switzerland, 1989, 82 p.

The report presents the objectives, methodology, and results of the workshop of Savings and Credit Village Banks. The three major objectives of the workshop may be summarized: 1) to promote the exchange of experience regarding savings and credit village banks; 2) to analyze observations made in the field and compare them the experience of the participants in order to elaborate work tools; 3) to determine the advisability and modalities of exchanging experience on a more permanent basis. The workshop was divided into two parts: 1) a visit to villages which have set up their own savings and credit bank; 2) a working seminar for analyzing observations made and reflections to identify tools. A brief section presents the list of participants in the workshop. The results of the workshop include impressions and information collected in the villages as well as themes requiring further consideration. The working themes revolve around the following issues: 1) preconditions and methodology to guarantee the successful setting up of a village bank; 2) forms and consequences of the structuring of village banks, types and objectives of collaboration with the banking institution; 3) the items of a credit policy which enables a village bank to be an instrument of rural development; and 4) the factors favoring the achieving of technical and financial autonomy by the banks and their network or the acceleration of the process towards autonomy. A discussion of follow-up and continuation of the support process through a number of methods is discussed in the final section. [4180]

Key Words: General; Africa; Finance; Banks; Self-help groups; Credit; Savings; Technical assistance;

161. Cooperative League of the USA, "Ghana Cooperative Sector Study," Cooperative League of the USA (d.b.a. The National Cooperative Business Association), Washington, D.C., November 1989, 43 p.

The study reports that the cooperative movement in Ghana is moribund. However, the potential of its contribution to the country's economic recovery is enormous. It is in the supply of credit/inputs, extension intermediaries, and marketing that cooperatives have the greatest potential for contributing to Ghana's economic recovery. An additional benefit to be derived from cooperatives fulfilling their potential is a strengthening of rural financial institutions. [4058]

Key Words: General; Coastal and Central West Africa; Ghana; Finance; Cooperatives; Credit; Marketing;

162. Cuevas, Carlos E., "Baseline Study of the Togo Credit Union Movement," Report submitted to the World Council of Credit Unions, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, September 1987, 86 p.

Analyzes the evolution and performance of credit unions in Togo over the last decade and documents the current status of credit union members on the basis of data provided by Federation des Coopératives d'Épargne et de Crédit (FUCEC)-Togo and some 390 questionnaires from the field survey carried out in the rural areas of the country. Findings indicate a strong and steady growth of credit unions (COOPECS) for the period 1976-1986. Important scale differences between rural and urban Coopecs, that can be traced back to the different common bond associated with rural vis-a-vis urban cooperatives, and the transaction costs differential implied by this organizational

contrast are also observed. On the other hand, the growth performance of rural Coopecs has been consistently superior to that of urban credit unions, hence scale differences tend to gradually decrease. The analysis of financial indicators shows that the network of Coopecs and the CLF are evolving in a promising path of financial growth. [1099]

Key Words: General; Coastal and Central West Africa; Togo; Credit unions;

163. Cuevas, Carlos E., "Savings and Loan Cooperatives in Rural Areas of Developing Countries: Recent Performance and Potential," Savings and Development, Vol. XII, No. 1, 1990, pp. 1-17.

This paper relies on data from four case studies to analyze some of the main indicators of credit union performance and draw implications about their potential as an institutional basis for the development of rural financial systems. The cases reviewed are Cameroon, Rwanda, and Togo in Africa, and Honduras in Latin America. The findings indicate that cooperative savings grow in general faster than quasi-money in the economy, thus increasing the relative importance of credit unions in the country's monetary system. This trend is even more visible when comparing the lending performance of credit unions with the growth of private sector credit. The results presented suggest that cooperative organizations can be a dynamic form of financial institutions, and are likely to substantially increase access to financial services in rural areas of low income countries. [0579]

Key Words: General; Africa; Cameroon; Rwanda; Togo; Cooperatives; Rural finance; Credit unions; Savings;

164. Dalrymple, Bill, and Jim Abrutz, "Final Report on the Rwanda Local Crop Storage (LCS) Project, Rwanda Project No. 696-0107," National Cooperative Business Association, Washington, D.C., December 1987, 17 p.

The project included activities connected with the development of a credit system to provide access to working capital along with the development of a local level food storage and marketing system in Rwanda. Frequent staff turnover, accounting errors and communication problems were cited, with poor management listed as the primary problem associated with lack of viability of the participating cooperatives. Authors argue that loan recuperation and the provision of technical assistance were conflicting objectives and therefore recommend working with private sector lending institutions to eliminate the conflict. [5361]

Key Words: Output marketing; East Africa; Rwanda; Formal finance; Supervised credit;

165. DANIDA, "Cooperative Development Fund (CDF) Kenya," Evaluation report prepared by a joint Kenyan/Danish mission visiting Kenya from 16 January to 10 February 1989, Report No. 1989 E4, Department of International Development Cooperation, Ministry of Foreign Affairs, Copenhagen, Denmark, April 1989, 60 p. + appendices.

Final evaluation of the Danish-assisted Cooperative Development Fund project aimed at promoting smallholder agriculture in areas in Kenya with less developed cooperatives. Concludes that the CDF has been successful but slow fund disbursement has been a barrier to fund utilization. Recommends project extension, along with the retention of existing management and accounting requirements for target beneficiaries. [5333]

Key Words: Agriculture; East Africa; Kenya; Formal finance; Cooperatives; Credit unions;

166. De Santis, Dennis, and Paola Lang. "Microenterprise Stocktaking: The CamCCUL Experience," Draft Paper prepared for USAID/Cameroon, USAID, Washington, D.C., October 1988, 57 p.

This paper analyzes the operation of CamCCUL (Cameroon Cooperative Credit Union League). The capitalization, loan portfolios and delinquency rates were found to be modest. CamCCUL invested in productive fixed assets and served a real market. Recommendations to improve the overall performance of CamCCUL include: improved services to credit unions, establishment of a computer data base, mobilizing local financial resources, charging market rates of interest, creating a viable institution and pushing for legislation to insure independence from government regulatory agencies. [3738]

Key Words: Micro and small enterprise; Coastal and Central West Africa; Cameroon; Credit unions;

167. De Santis, Dennis, Barbara Howald, and Steve Sposato, "Microenterprise Stock-Taking: The Community and Enterprise Development Project - Kaolack, Senegal," AID Evaluation Occasional Paper No. 21, Prepared for USAID, Development Alternatives, Inc./Robert R. Nathan Associates, Inc., Washington, D.C., July 1989, 22 p. + appendices.

Reports that increased stock, efficiency, equipment, number of clients, improved management were cited by the borrowers as impacts on their enterprises from this AID-funded project. Local project staff were also provided training. PVO capabilities were stronger in social and community development areas, and weaker in the credit administration area. Major conclusions/lessons include: (1) the lending project must begin with a financial institution-building goal, with sufficient flexibility and simplicity of design; and (2) borrower group solidarity guarantees can be effective if the group has strong social and cultural ties. [4226]

Key Words: Micro and small enterprise; Sahel West Africa; Senegal; Formal finance; Credit;

168. Dublin, Jack, and Salem Dublin, Credit Unions in a Changing World: The Tanzania-Kenya Experience, Detroit, Michigan: Wayne State University Press, 1983, 301 p.

This book is organized in seven parts. Parts I and II discuss the historical background of credit unions in Africa. The research studies conducted on credit unions in Tanzania and Kenya are discussed in Parts III and IV, respectively. The foreign aid to credit unions in Tanzania and Kenya is discussed in Part V and major credit union legislations in these countries are described in Part VI. The credit union movements of Australia, the United States and Canada are discussed in the last part. The Kenya research reports tremendous growth in membership, assets, and loans in cooperative savings and credit societies during 1972-1976. Profiles of selected savings and credit societies are provided to illustrate differing membership bonds and management styles. Authors note an "ever present threat of an adverse government policy", and a growth pace that makes maintaining a democratic, member-controlled organization among the problem areas for Kenya. On the other hand, the Tanzanian experience with savings and credit societies is cited for the "miracle of its survival" for having persisted often times without good bookkeeping or good management. Grassroots support, and provision of savings and loan services for rural communities within the Ujamaa nation-building movement are among the factors cited by the authors for the resilience of Tanzanian credit unions. [Agricultural Library, The Ohio State University, HG2039T37D81983]

Key Words: General; East Africa; Tanzania; Kenya; Credit unions;

169. Food and Agriculture Organization of the United Nations (FAO), "Composition, Termes de Référence et Déroulement de la Mission d'Etude Organisée par la FAO auprès des Banques Populaires du Rwanda," FAO, Rome, Italy, July 1986, 90 p. + annexes.

The objective of the FAO mission was to review the concept of BPs (Banques Populaires) in Rwanda and investigate how the system can be introduced to other African countries. BPs in Rwanda are no more than Coopec in other countries or credit unions. Started in 1975, BPs have become important in Rwanda's rural credit distribution, although with limited intervention in the agricultural sector. Despite some problems, such as the lack of efficient credit activities coordination, BPs are becoming better managers of their funds and need more qualified personnel to function well. The report recommends taking precautions before creating new BPs, which means establishing a national credit policy to prevent non repayment of loans, and carefully plan how many BPs should be "born" to maintain financial equilibrium. [4324]

Key Words: General; East Africa; Rwanda; Finance; International donors;

170. Fournier, Yves, "Une Expérience de Mobilisation de L'Epargne Rurale au Service du Développement Rural au Rwanda : Les Cas des Banques Populaires du Rwanda," IRAM, Paris, France, September 1990, 8 p.

The article describes rural banks or Banque Populaires in Rwanda created in 1975. Today 109 such banks exist and aim at mobilizing rural savings and granting loans to farmers. Interest rates are 3 percent for savings and between 6 and 12 percent on loans. Rural banks have helped in improving rural savings as well as small and medium trade in rural areas as most loans are used for herding, construction and consumption. [5394]

Key Words: Finance; East Africa; Rwanda; Rural finance; Savings mobilization; Interest rates;

171. Gadway, John, Nancy Horn, Frans VanEysinga, and Robert Wieland, "Impact Evaluation of the Lesotho Credit Union League Development Project," Prepared for the Bureau for Africa, USAID, Development Alternatives, Inc. (DAI)/Institute for Development Anthropology (IDA), Washington, D.C., February 1989, 101 p.

Evaluates an AID-assisted project aimed at expanding cooperative financial services in Lesotho through the provision of technical, financial and administrative capabilities to the Lesotho Cooperative Credit Union League and its member credit unions. Notes the presence of a nominal project objective ("institutional development") and an actual, "shadow", objective (expansion of small farmer lending), and concludes that credit availability did not have an impact on agricultural production practices. Credit unions best served their members by providing savings services to them. Authors recommend a separation of the credit expansion agenda, warning against putting the savings of rural producers at risk by channeling massive amounts of external funds through their institutions. [4239]

Key Words: Agriculture; Southern Africa; Lesotho; Credit unions; Savings mobilization; Technical assistance; International donors;

172. Gellar, Sheldon, "The Cooperative Movement and Senegalese Rural Development Policy, 1960-1980," Princeton University, in "Selected Papers and Monographs on Senegalese Agriculture," Vol. V, Douglas H. Graham (compiler), Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, November 1983, 72 p.

This paper traces the evolution of the cooperative movement during the first two decades of independence, broken down into three distinct periods: (1) The Big Push: 1960-62, (2) Consolidation and Reorientation: 1963-1966, and (3) The ONCAD Era: 1966-1980. The paper also attempts to identify the main causes behind the decline of the cooperative movement after a promising start. The author argues that Senegal never really had an authentic cooperative movement; it was initiated from above and superimposed on a wide range of peasant social structures wherever peanuts were produced. [0966]

Key Words: Agriculture; Sahel West Africa; Senegal; Cooperatives; Output marketing; Input marketing; Political economy;

173. Gentil, Dominique, Yves Fournier, Claude Mouret, M'Baye Diao, Gaudens Dagnon, Jean-Baptiste Nana, and Florentin Agoua, "Etude sur les Perspectives et Modalités de Création de Nouvelles Institutions Bancaires de Type Coopératif et Mutualiste: Rapport de Synthèse," IRAM, Paris, France, November 1990, 74 p.

This report summarizes studies on perspectives and modalities for creating mutual and cooperative banking institutions. Studies were done in seven African UMOA countries: Sénégal, Burkina Faso, Mali, Niger, Côte d'Ivoire, Togo, and Bénin. Existing institutions such as CNCA, COOPECs, Development Banks, and tontines are reviewed. Other experiences of Banques Populaires in Rwanda and Unit Banks in Ghana and Grameen Banks in Bangladesh are analyzed for comparison and possible application to West Africa. The investigations indicate that the creation of new finance institutions don't seem necessary because there exists already a lot of different savings and credit groups, especially in the rural sector. The suggestion is to rather focus attention on designing projects for the urban sector which rapid growth and importance of its informal sector cannot be ignored. [4190]

Key Words: General; Africa; Senegal; Burkina Faso; Mali; Niger; Côte d'Ivoire; Togo; Bénin; Finance; Banks; Cooperatives; Credit unions; Development banks;

174. Graham, Douglas H., Richard L. Meyer, and Carlos E. Cuevas (ed.), "A Review of Formal and Informal Finance in the Gambia, 1981-1991: Markets, Institutions, Programs, and Policies," Report submitted to USAID/Banjul, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, 1992, 418 p.

This report reviews the importance of financial services provided by commercial banks, cooperatives, village savings and credit associations, non-governmental organizations, private traders, and microentrepreneurs in The Gambia. Specifically, the nature of financial services offered, the markets in which they operate, the type of clientele served, the terms and conditions of their financial services, and the efficiency of their financial services are examined. Commercial banks are absent in rural areas, NGOs operate with diverse philosophies creating negative externalities, cooperatives are affected by groundnut price policies in Senegal, village savings and credit associations perform well in locations that have assured income generating prospects, private traders are active in food commodity rather than agricultural input and output markets, and microentrepreneurs are serviced by informal rather than formal sources of credit. The report

recommends several policy measures to improve the efficiency of financial services offered by the financial intermediaries, and outlines regulatory and supervision frameworks to be followed to streamline the activities of the financial intermediaries. [5537]

Key Words: Finance; Sahel West Africa; The Gambia; Informal finance; Formal finance; NGOs; Credit; Savings; Micro and small enterprise; Trade

175. Gyllström, Björn, State-Administered Rural Change: Agricultural Cooperatives in Kenya, New York: Routledge, Chapman and Hall, Inc., 1991, 319 p.

Analyzes the history and development of Kenya's agricultural cooperatives from the 1940s to the 1980s, focusing on geographical/regional variations in operating environments in relation to the survival rates. Agricultural cooperatives have been used as an instrument for promoting agricultural and rural development and often were given unrealistically high goals given their physical, technological and economic environments. Among smallholder households, the provision of credit and inputs tended to accentuate the bias to the advantage of the privileged strata. Author concludes that given its record of reliance on bureaucratic superstructures and administrative engineering, even a revised development strategy for cooperatives provides little reason for optimism. The measures recommended for improvement of the rural smallholder economy includes government provision of needed public utilities, donor avoidance of aid programs involving transfers of resources of "private goods" nature, dismantling of the existing government bureaucracy to reduce it to the traditional role of "registrar of cooperatives." [Agricultural Library, The Ohio State University, HD1491K4G951991]

Key Words: Agriculture; East Africa; Kenya; Cooperatives;

176. Kpohazounde, V., and D. Dirning, "Report on the Institutional Analysis of the Ghana Co-operative Credit Union Association LTD (CUA)," African Confederation of Cooperative Savings and Credit Associations (ACCOSCA), Nairobi, Kenya, September 1990, 127 p.

Credit unions (CUs) in Ghana are among the oldest in Africa. There are currently 249 operating CUs all affiliated with CUA. The study reports that CUA has reached a crisis point. It has accumulated significant losses, the level of financial contribution by their chapter/credit union membership is far too low, and the level of service provided to primary societies is poor or non-existent. The authors identified four problems that need to be dealt with urgently. They are: 1) the failure of the present structure, 2) the low level of local financial support for CUA, 3) the poorly trained and poorly motivated staff, 4) a weakened credit union base. Recommendations are made in the report to correct these problems. [4053]

Key Words: General; Coastal and Central West Africa; Ghana; Credit unions; Cooperatives;

177. Kulibaba, Nicholas, Dennis De Santis, Tamara Duggleby, and Timothy O'Hare, "Impact Evaluation of the Cameroon Credit Union Development Project," USAID, DAI, IDA, Washington, D.C., February 1989, 56 p.

This report evaluates the impact of AID's rural credit activities on the Cameroon Credit Union Development Project. A key factor to the success of the project has been the compatibility between the credit union model and traditional Cameroonian values, institutions, and economic orientations. The project supported credit union system has successfully mobilized financial resources; provided

secure and interest bearing depository for mobilized savings; and financed members' production activities, health, education, and housing needs, and business and consumer demands. On the other hand, loan delinquencies in many credit unions are high owing to failure to observe credit union guidance and good commercial practices in the execution of their credit policy. [0734]

Key Words: General; Coastal and Central West Africa; Cameroon; Credit unions;

178. Ministry of Agriculture and The Centre International de Developpement et de Recherche (CIDR), "Jahally Pacharr Self Managed Village Banks", CIDR, Paris, France, May 1989, 5 p.

Based on a survey which set out to measure the economic and financial opportunity of a village banks network, conducted in 1988 by a German Banking Corporation (KFW), a two year pilot project was initiated to create small village banks. Farmers were interested in participating in self-managed banks which would mobilize savings and provide credit services without external donor funds. CIDR operates and manages the program and provides training for bank staff and village credit committees. During the first months of operation, the banks collect savings without making any loans until sufficient funds are available from mobilized deposits. The report documents that three banks are already in operation where the people's main interests are to secure savings and to get access to individual and collective loans throughout the year. [4731]

Key Words: General; Sahel West Africa; The Gambia; Village banks; Savings; Credit; Rural finance; Savings mobilization;

179. Ojermark, Paul, "Group Based Savings and Credit in Rural Africa. The Experience of FAO - People's Participation in Rural Development through Promotion of Self-Help Organizations," (Draft), FAO, Rome, Italy, 1986, 32 p.

Discusses the experiences in implementing the financial component of the People's Participation Program in African countries. Outlines the major findings and recommendations of a training workshop for project staff, held in Mbabane, Swaziland, in December 1985, analyses the implementation of the financial component in African project countries and provides conclusions and recommendations for improving project performance. The paper is based on reports and other documents on projects in seven countries (Ghana, Sierra Leone, Kenya, Zambia, Lesotho, Swaziland and Zimbabwe), special studies of the four oldest projects and additional information obtained at the Mbabane workshop. General recommendations cover savings mobilization as a project component to be emphasized, positive and realistic interest rate levels in the credit project design, and adequate training for both implementers and beneficiaries. Striking a balance between contractual and voluntary savings, establishing a solid partnership with banks and development of appropriate training materials are some of the specific recommendations for future project design. [4737]

Key Words: General; Africa; Ghana; Sierra Leone; Kenya; Zambia; Lesotho; Swaziland; Zimbabwe; Finance;

180. Reeser, Robert, Ronald Bielen, Susan Hoben, and Thomas Hobgood, "Impact Evaluation of the Malawi Union of Savings and Credit Cooperative Organizations Project," Development Alternatives, Inc. (DAI) and Institute for Development Anthropology (IDA), Washington D.C., February 1989, 108 p.

This report assesses the effect and impact of credit unions in Malawi. It was concluded that credit unions have not achieved desirable levels of involvement of women as members, borrowers, and officials; loan delinquency remains a persistent problem; and the number and size of individual loans are still far from saturating the demand. [3772]

Key Words: General; Southern Africa; Malawi; Credit unions; Finance; Cooperatives; Credit; Rural finance;

181. Resman Associates Limited, "A Draft Report on a Study of Apex Cooperative Financial Institutions in Four States of Nigeria," Report submitted to FAO, Resman Associates Ltd., Lagos, Nigeria, July 1991, 98 p.

The objective of the study is to review and assess the financial viability of state apex cooperative institutions engaged in providing rural finance in four selected states. This task includes evaluating the financial performance of the institutions as well as their organization and management. The analysis reveals that there is a declining inflow of resources to the institutions, relatively weak organization and management and poor loan recovery performance in all institutions. The authors recommend assistance to these institutions by addressing their organization and management weaknesses. [4535]

Key Words: General; Coastal and Central West Africa; Nigeria; Cooperatives;

182. Rosenthal, Irving, James L. MacDade, and Frans van Eysinga, "Cameroon Credit Union Development Project -- Phase II," A.I.D. Final Evaluation, IDA and DAI, Washington, D. C., June 5, 1992, 61 p.

This is an end-of-project evaluation of the Cameroon Cooperative Credit Union League (CamCCUL) and AID's Credit Union Development Project Phase II which finds the League to have achieved a high degree of maturity and financial and operational self-sufficiency; after 14 years of USAID assistance; however, it notes that financial management issues such as maintaining a healthy loan portfolio and the proper investment of idle funds need to be addressed properly if CamCCUL is to continue to grow. It recommends AID provision of limited short-term technical assistance, and concludes that the lessons learned are in USAID management of different procurement mechanisms and intervention on behalf of CamCCUL to counter "rent-seeking" patterns of behavior. [5584]

Key Words: General; Coastal and Central West Africa; Cameroon; Credit unions;

183. Schrieder, Gertrud R., and Carlos E. Cuevas, "Informal Financial Groups in Cameroon," in Informal Finance in Low-Income Countries, Dale W Adams and Delbert A. Fitchett (eds.), Boulder, Colorado: Westview Press, 1992, pp. 43-56.

Study documents and analyzes the findings of a field survey conducted in 1988 among rotating and nonrotating informal financial groups in Cameroon. Concludes that these groups are flexible and capable of responding to a wide variety of demands for financial services. Estimates that the

resources they mobilized account for more than a quarter of private sector credit, and for more than one-half of financial savings. Recommends care in the evaluation of the likely effects of a plan to establish a public agricultural bank on the structure of incentives for the formation and functioning of informal financial groups. [5060]

Key Words: General; Coastal and Central West Africa; Cameroon; Savings; Self-help groups;

184. Slover, Curtis H., "The Effect of Membership Homogeneity on Group Size, Funds Mobilization, and the Engagement of Reciprocal Obligations Among Informal Financial Groups in Rural Zaire," Paper presented at the Seminar on Finance and Rural Development in West Africa, Ouagadougou, Burkina Faso, October 21-25, 1991, Economics and Sociology Occasional Paper No. 1917, Department of Agricultural Economics and Rural Sociology, The Ohio State University, Columbus, Ohio, October 1991, 27 p.

Tests the hypothesis that informal financial groups in rural Zaire are homogeneous in terms of gender, occupation and geographical proximity using a simultaneous equation model corrected for heteroscedasticity. Concludes that membership homogeneity is significant in explaining variations in membership size, volume of funds mobilized and reciprocal obligations among the sample. Gender was significant in explaining variations in the key organizational characteristics. [4783]

Key Words: General; Coastal and Central West Africa; Zaire; Informal finance; Savings; Self-help groups; Savings & credit cooperatives; Gender;

185. van den Brink, Rogier, and Jean-Paul Chavas, "The Microeconomics of an Indigenous African Institution: The Rotating Savings and Credit Association," Working Paper No. 15, Cornell Food and Nutrition Policy Program, Washington, D.C., November 1991, 31 p.

Analyzes the basic structure of the njangeh, the form of ROSCA in Cameroon, and uses fieldwork evidence gathered in 1979/80 in the Big Babanki village to identify the economic problem addressed by this institution and to evaluate its efficiency compared to other alternatives. Concludes that the ROSCA enables its members to undertake lumpy investment projects through an institutional design that reduces default risk through the order of rotation, partial collateralization by a parallel savings scheme ("trouble bank") and reduction of information and enforcement problems. Evidence from the village indicates that the ROSCA outperformed all other credit institutions in the region in terms of outreach, volume and low level of transaction costs. Suggests that the role of government is to provide a legal framework, and warns other researchers that the appropriate questions need to be asked in order to understand responses such as "friends" and "relatives" as sources of credit. [5146]

Key Words: General; Coastal and Central West Africa; Cameroon; Informal finance; Credit unions; Savings & credit cooperatives; Self-help groups; ROSCAs;

186. Von Pischke, J. D., and John Rouse, "Selected Successful Experiences in Agricultural Credit and Rural Finance in Africa," Agricultural and Rural Development Department, The World Bank, Washington, D.C., 1981, 35 p.

Authors present an overview of the performance of agricultural credit programs in Africa and discuss six cases of partial success in providing financial services in rural Africa. The examples discussed are: (A) Caisse Nationale de Credit Agricole (Morocco); (B) Kenya's Cooperative Savings Scheme; (C) Credit Unions and Agricultural Lending in Cameroon; (D) Rural Savings Club in Zimbabwe; (E)

Group Credit in Malawi; and (F) Rotating Savings and Credit Associations in different African countries. Based upon the observations made in this study, the authors conclude that relatively simple systems of rural financial services can be successful in reaching large numbers of people without intensive outside assistance if they serve a real demand. Favorable economic circumstances in rural areas promote the establishment and survival of rural financial institutions. [2537]

Key Words: General; Africa; Kenya; Cameroon; Zimbabwe; Malawi; Finance; ROSCAs; Cooperatives;

187. World Council of Credit Unions (WOCCU), "Lesotho Credit Union Project Final Report," World Council of Credit Unions, Madison, Wisconsin, June 25, 1992, 22 p. + attachments.

Reviews the progress and accomplishments under a credit union development project initiated in Lesotho in 1980 which continued until 1991 with funding assistance from several international donor agencies. Concludes that the substantial technical and financial assistance to the Lesotho credit union movement yielded disappointing results. The reasons include: too much help led to the creation of dependency relationships with the donors; lax implementation of recommendations to improve the project in 1983, along with inappropriate pressure to participate in the LAPIS production credit program. Recommends the identification of clear criteria for future donor and WOCCU participation in any credit union development project, and rejection of financial assistance when the primary objectives are not consistent with credit union development. [5456]

Key Words: General; Southern Africa; Lesotho; Credit unions;

188. World Council of Credit Unions (WOCCU), "Mobilization of Rural Savings Through Savings and Credit Cooperative Institutions for Investment in Local Development - Case Study Togo," WOCCU, Madison, Wisconsin, 1985, 28 p.

The report clearly points out that the credit union experience through the world, and especially in Africa, has been one of success when patient perseverance has been applied. The credit union movement in Togo has gone beyond the point of "having potential" just a few short years ago to where it today services over 10,000 people throughout the entire country. The report concludes that perhaps the most important lesson learned from the Togolese credit union experience is that, in both a local and national context, private individuals can work together through private institutions throughout the country to meet their financial needs, whether they be a safe place to save, access to credit, or both. [5195]

Key Words: General; Coastal and Central West Africa; Togo; Cooperatives; Savings mobilization;

189. World Council of Credit Unions (WOCCU), "Mobilization of Rural Savings Through Savings and Credit Cooperative Institutions for Investment in Local Development - Case Study Cameroon," WOCCU, Madison, Wisconsin, 1985, 40 p.

The report points out that the credit union movement in Cameroon is quite successful. This is principally due to the fact that the institution being developed is recognized as a private, voluntary, and social movement by its member users. The report stresses that savings mobilization through the credit union network in Cameroon has been successful due to member confidence in their own

organization and the productive use of loans being granted. In addition, special programs (e.g., SFPC) are really only successful when they utilize the structures and systems already in existence and do not create burdensome adjuncts to the network which will, eventually, only end up being rejected by the institution. It has therefore been the safeguarding of the credit union's participatory nature and awareness of community, coupled with effective staff which has most contributed to this success story. [4101]

Key Words: General; Coastal and Central West Africa; Cameroon; Cooperatives; Savings mobilization; Credit unions; Savings; Credit;

190. Zeller, Manfred, Ken Johm, and Ebrahim Kamara, "Rural Financial Markets and Their Food Security Linkages in the Gambia: Current State and Policy Implications," IFPRI, Washington, D. C., 1992, 41 p.

Reports the results of interviews conducted in April 1991 among rural households on problems with rural finance. Concludes that the Village Bank Scheme appears to be sustainable and successful, although there are problems with seasonal deposit and withdrawal patterns where the peak of the latter coincides with the start of the rainy season when food stocks are depleted at the same time that agricultural inputs and labor require financing. Reports that the FAO fertilizer project contributes to the development of a private agricultural input market. [5112]

Key Words: Agriculture; Sahel West Africa; The Gambia; Finance; Banks; Informal finance; Input marketing;

Section 12

SPECIAL PROGRAMS FOR MICROENTERPRISES AND WOMEN

Special programs for lending to microenterprises and women are emerging in many countries because of their lack of access to formal financial institutions. These programs frequently involve NGOs and PVOs, and occasionally are part of large financial reform projects. This section includes a few of the many publications that have appeared in recent years about the needs of the small scale sector and women. Some give preliminary results about the performance of special programs designed to reach this clientele. Section 13 includes information about NGOs and PVOs that operate many of these programs.

191. African Regional Agricultural Credit Association (AFRACA), "Women's Programme in Agricultural Credit and Banking," Report on Policy-makers' Workshop on Women's Agricultural Credit and Banking Programmes for Selected Eastern and Southern African Countries, Nairobi, Kenya, 14-17 March 1983, Organized by AFRACA in cooperation with FAO and Ford Foundation, March 1983, 89 p.

The workshop objective was to promote rural women's access to credit. The participants stressed that, because rural women in Africa carry 70 percent of food production, 50 percent of animal husbandry care, 60 percent of marketing, 90 percent of the labor involved in securing domestic water and 80 percent of self-help projects, a top priority to national development is that their contribution be supported by adequate credit and banking services. The recommendations called for intermediate organizations, such as NGOs, to be assisted in developing advisory services for rural women in fields such as business and financial management. Also, rural women should participate in the identification, design and planning of appropriate banking and credit services. [3241]

Key Words: Women; Africa; Credit; International donors;

192. Aleke-Dondo, C., "Survey and Analysis of Credit Programmes for Small and Micro-enterprises in Kenya: Analysis of Programme Components and Models," Overseas Development Administration, London, United Kingdom, 1989, 94 p.

The objective of this paper was to survey all the organizations and schemes that provide credit to small and micro-enterprises in Kenya, and to analyze critically the key components of the programmes. Most of the lending to small and micro-enterprises through commercial banks, and NGOs have been facilitated by foreign credit lines or donor funds channelled through those organizations. In the case of foreign credit lines to small scale enterprises, the government has guaranteed these loans as well as undertaking the foreign exchange risk. [4231]

Key Words: Micro and small enterprise; East Africa; Kenya; Credit;

193. Appleton, S., D. L. Bevan, K. Burger, P. Collier, J. W. Gunning, L. Haddad, and J. Hoddinott, "Credit" Section C of a Draft Manuscript of "Public Services and Household Allocation in Africa: Does Gender Matter?" Institute of Economics and Statistics, University of Oxford, Oxford, England, 1991, 16 p.

This section of the manuscript refers to access to credit in three countries: Cote d'Ivoire, Kenya, and Tanzania. It seeks to examine the hypothesis that women have significantly poorer access to financial markets; if this is the case, the authors study the usefulness of the self-help group as an appropriate mechanism for channeling credit to smallholders, particularly women. They find the same pattern of limited access to the credit market in the three countries studied, and it appears that the main determinant to women's participation in self-help groups is the level of income, so poor women are less likely to join. The study found a lower use of credit by female-headed households that could be due to an inferior credit-worthy status in a rationed market, than to a lower demand for credit. Time constraints play some role in limiting membership in self-help groups but its effects are not strong. [4041]

Key Words: Finance; Africa; Côte d'Ivoire; Kenya; Tanzania; Gender; Credit; Women;

194. Barbier, J. P., C. Courtet, and R. Tiberghien, "Emergence et Developpement des Petites Entreprises en Afrique au Sud du Sahara: Resultats D'une Enquete Effectuee au Cameroun," Notes et Etudes No. 6, Caisse Centrale De Cooperation Economique, Division des Etudes Generales, Institut de Recherche Economique et de Planification du Developpement Grenoble, Paris, France, August 1986, 24 p.

The report discusses the emergence and development of small enterprises in Sub-Saharan Africa in two parts. The first part includes a presentation of the study and the major conclusions concerning the development of small enterprises. The major themes revolve around the necessity for having trained and qualified personnel to assist entrepreneurs, attempts to decentralize the structure encompassing small enterprise development, placing emphases on the performance rather than creation of new enterprises, and recommendations advising to get to know the grassroots organizations which assist small enterprises. The second part includes a discussion of the development of small enterprises in Cameroon, what lessons may be derived from the analyses of the "success stories", and the what problems exist that need more attention in the future directions of research. [4181]

Key Words: Micro and small enterprise; Coastal and Central West Africa; Cameroon; Finance;

195. Bess, Michael, Richard Chilingulo, James Cotter, Isaac Kunje, Dick Manganga, Timothy Mooney, Victor Ndisale, and Russell Webster, "An Evaluation of the Malawi Rural Enterprise and Agribusiness Development Institutions (READI) Project," ARIES, Robert R. Nathan Associates, Inc., Washington, D.C., September 1988, 139 p.

Evaluates a project initiated in 1984 to strengthen key intermediary institutions that provide credit, training and business advisory/technical advisory services to rural-based SMEs. It provides: (a) a grant to development finance institute (INDEFUND) for onlending to rural enterprises; (b) operational support, technical assistance and some funds for credit financing to a union of savings and credit cooperatives (MUSCCO, the Malawi Union of Savings and Credit Cooperatives); and (c) operational support and technical assistance to the Development of Malawian Traders Trust (DEMATT). The report notes the project's positive impact on institutional development, with MUSCCO's program of mobilizing savings and organizing indigenously managed credit unions being cited as the most impressive. Impacts at the enterprise level are deemed more difficult to assess, with the employment and income targets appearing to be too ambitious. [4151]

Key Words: Enterprises; Southern Africa; Malawi; Credit; Small and micro enterprise; Credit unions; Savings & credit cooperatives; Savings mobilization;

196. Carr, Marilyn, "Women in Small-Scale Industries - Some Lessons from Africa," Small Enterprise Development Vol. 1, No. 1, March 1990, pp. 47-51.

Microenterprises are attractive to women because of low barriers to entry and the flexible nature of work, which makes it easy to combine gainful employment with domestic responsibilities. These factors, however, also make it difficult for women to expand their enterprises to make a living from them. The problem of access to resources such as credit, training and information is a key constraint for women entrepreneurs in most Southern African countries. The author recommends the implementation of national and regional programs aimed at assisting women entrepreneurs. [4064]

Key Words: Women; Enterprises; Africa; Credit; Women; Micro and small enterprise;

197. Chipande, G. H. R., "Innovation Adoption among Female Headed Households. The Case of Malawi," Development and Change, Vol. 18, 1987, pp. 315-327.

Women headed households are 28% of rural households. In the Lilongwe Land Development Programme, the households have the lowest rate of adoption of innovations, they are labor-deficient and are food-deficient. Their credit rating is very low and credit use is low; they tend to be excluded from farmers' credit clubs. Pilot grass roots programmes have been undertaken. [5151]

Key Words: Women; Southern Africa; Malawi; Credit;

198. DeLancey, Virginia, Deborah E. Lindsay, and Anita Spring, "An Assessment of SWDO, and of the Social and Economic Status of Women in the Lower Shebelle," Report submitted to USAID/Somalia, ARIES/Robert R. Nathan Associates, Arlington, Virginia, June 25, 1987, 171 p.

Reviews donor programs and projects with particular emphasis on women's role within Somali society and the economy focusing on the Somali Women's Democratic Organization. Women were found to be taking an increasing role in development, especially in the urban areas. In the agricultural sector, women perform more than half of the labor in farming and herding. Despite the increasing importance of women in development, credit programs and technical training tend to ignore the needs of women. The document makes three recommendations for project intervention: 1) technical assistance to redirect the activities of SWDO; 2) build in components to assist female farmers in the upcoming USAID Shebelle Water management project; and 3) increase women's access to all types credit. Finally, SWDO should encourage the formation of non-farm savings and credit associations among women. [3865]

Key Words: Women; East Africa; Somalia; Finance; International donors;

199. Dessing, Maryke, "Support for Microenterprises: Lessons for Sub-Saharan Africa," World Bank Technical Paper No. 122, The World Bank, Washington, D.C., July 1990, 69 p.

The main objective of this paper was to review past experience in support of the overall business and economic environment for microenterprise development: credit, technical assistance and support services, entrepreneurship and self-employment development, and the strengthening of financial and technical assistance intermediaries. An important conclusion was that there is no universally applicable approach to microenterprise development. Hence, a broad conceptual framework is provided in the paper that can help in formulating development programs tailored to local circumstances. It is suggested that microenterprises can be assisted directly; indirectly by improving the policy and regulatory environment; or, alternatively, by strengthening the capacity of intermediaries. The three approaches are not mutually exclusive but complement each other. [4081]

Key Words: Micro and small enterprise; Africa; Finance;

200. Downing, Jeanne, "Gender and the Growth and Dynamics of Microenterprises," Working Paper No. 5, GEM:NI, Washington D.C., September 1990, 106 p.

This paper builds on the debate between women in development (WID) and the proponents of growth oriented strategies such as MSU (Michigan State University) researchers. WID researchers warn of the dangers of growth-oriented strategies, because of the concentration of women in low-

growth, low-return microenterprises. They fear that assistance schemes based solely on growth objectives will at best ignore women's needs, if not harm their economic interests. Proponents of growth-oriented strategies by contrast argue that, because of the meager resources of most governments and the inability of many countries to generate growth of any kind during recent years, it is imperative to target available resources toward dynamic subsectors that have the greatest potential for contributing to economic growth. In this paper, a strategy is proposed that bridges growth and gender-oriented approaches and capitalizes on their respective strengths and complementarities. The strategy includes the (1) support, but not subsidization, for women's enterprises in subsectors that have few prospects for growth (in light of the importance of women's income to family welfare); (2) identification of interventions associated with viable subsectors in which women predominate (to unleash their income-generating and growth potential); and (3) promotion of policies, projects, and other interventions that facilitate the transition of female entrepreneurs out of low-return, low-potential subsectors into higher-return and higher potential subsectors. [1152]

Key Words: Micro and small enterprise; Africa; Finance; Women;

201. Due, Jean M., "Review of Programs Funding Smallscale Enterprises for African Women," University of Illinois, Urbana, Illinois, 1990, 17 p.

Reviews the performance of micro enterprise funding programs in Botswana, Kenya, Malawi and Tanzania which target both male and female borrowers. Concludes that of the three types of programs currently being implemented, (1) the parastatals; (2) recent programs patterned after the Grameen Bank; and (3) the "other" types, those of the second type are too recent to evaluate in terms of their suitability in African conditions. None of the programs are covering large numbers of beneficiaries, so experience has yet to point out the most viable approach. [5296]

Key Words: Micro and small enterprise; Africa; Finance; Gender; Women;

202. Due, Jean M., and Christina H. Gladwin, "Impact of Structural Adjustment Programs on African Women Farmers and Female-Headed Household," Paper presented at the 1991 Annual Meeting of the American Agricultural Economics Association, Kansas State University, August 4-7, 1991, 19 p.

The structural adjustment programs (SAPs) initiated by the IMF and the World Bank are stimulating many tropical African economies through an infusion of foreign exchange, increased agricultural prices, devaluation of overvalued currencies, improved marketing policies, trade liberalization, and increased competition from the private sector. This paper presents evidence that women farmers, married and unmarried, and the 25 percent of the rural households in Sub-Saharan Africa which are female-headed, often do not benefit from the SAP programs. Although African women provide most of the labor required to produce food crops in Africa, due to inequality in gender relations, women producers can not react with an economically-appropriate supply response because they lack access to basic production inputs that male farmers, especially large farmers, have received: land, credit and fertilizer, labor, and the right to returns from their labor. Given SAPs' emphasis on exportables, men who grow export crops may appropriate more of these basic inputs, including women's labor, from the women who grow food crops, making their job to feed the family more difficult and their opportunities to generate a marketable surplus even rarer. In addition, consumption-oriented policies have adversely affected female-headed and low resource households in both rural and rural sectors. Therefore, SAPs are not gender neutral in operation or effect, so complementary policies -credit, fertilizer subsidies, income-generation and nutritional

supplementation programs for women farmers and female-headed households- are needed to mitigate the adverse effects of SAPs on women. [5033]

Key Words: Women; Africa; Credit; Government policy and programs; Gender;

203. Due, Jean M., Rosebud Kurwijila, C. Aleke-Dondo, and Kaozo Kogo, "Funding Small-Scale Enterprises for African Women: Case Studies in Kenya, Malawi, and Tanzania," African Development Review, Vol. 2, No. 2, 1990, pp. 57-82.

Many organizations and some African governments are funding programs for men and women to establish micro enterprises to increase family incomes and nutrition, and overcome some of the negative effects of structural adjustment programs. Non-governmental organizations, which formerly often funded projects as grants, are finding that grants have not been self-sustaining and are turning to loans for income generating activities. This report concentrates on funding for women but many programs are for both men and women. It presents a summary of the major funding sources in Botswana, Kenya and Tanzania and the purposes and target groups of the funds. Where data are available, repayment rates are given and an assessment is made as to whether NGOs or government organizations are more cost effective in administering credit funds for these purposes. As the programs are fairly recent, it is too early to make conclusions on their relative performance. However, it appears that amounts of funds available to date can benefit only a small proportion of potential program beneficiaries. [4274]

Key Words: Micro and small enterprise; Africa; Kenya; Malawi; Tanzania; NGOs; Credit;

204. Fong, Monica S., and Heli Perret, Women and Credit: The Experience of Providing Financial Services to Rural Women in Developing Countries, Money and Finance in Developing Economies No. 3, Milan, Italy: Finafrica-CARPILO, 1991, 157 p.

Rural women have been neglected by most development projects and often lack access to credit. Financial services made available to rural women in developing countries can act as a catalyst for economic development. This book examines women's participation in formal and informal finance. Institutional and grassroots strategies for providing financial services to rural women are summarized and evaluated. Policy implications include legal reforms, improved credit scheme planning, and improved linkages between formal and informal finance as well as between savers and borrowers. Brief project profiles are provided, and the African examples include: an experimental program in Malawi where extension agents were instructed to target women (food crop) farmers and had a successful participation and loan repayment experience; a United Nations Development Fund for Women (UNIFEM) revolving loan fund administered by the Swaziland Development and Savings Bank for financing and training women for the manufacture of simple time-saving devices (such as containers for water, and fuel-efficient stoves); the Kenya Women's Finance Trust providing "mini-loans" to women entrepreneurs with a 90% repayment rate reported so far; and the Kenya Kwale and Kilifi District Development Project - a project for raising the income of smallholders, livestock owners and artisanal fishermen. [5140]

Key Words: Women; Africa; Finance; Credit; Rural finance; ROSCAs;

205. Food and Agriculture Organization of the United Nations (FAO), "Analysis of Credit Schemes Benefiting Rural Women in Selected African Countries," FAO, Rome, Italy, February 1988, 52 p.

This study reviews credit projects in five countries (Kenya, Malawi, Sierra Leone, Zambia and Zimbabwe from November 1986 to January 1987) to identify factors that contributed to their success and failure. There were 21 credit projects reviewed. Several factors identified in contributing to the success of credit projects are: the institutions set up or selected to administer credit should be financially sound; administration of credit schemes should minimize the risk associated with default, and transaction costs; and, it is essential to train beneficiaries in the obligations of credit. Choosing a financially sound institution to administer credit is a crucial factor; encouraging links among support services should also be encouraged. Proper administration, from loan appraisal to loan collection and follow-up, is likewise found to be important. [4397]

Key Words: General; Africa; Kenya; Malawi; Zimbabwe; Sierra Leone; Zambia; Credit; Women; Gender;

206. Gittinger, Price J., Household Food Security and the Role of Women, World Bank Discussion Papers No. 96, Washington, D.C.: The World Bank, 1990, 37 p.

This paper reports on the Symposium on Household Food Security and the Role of Women in Katioma, Zimbabwe, January 21 through 24, 1990. Improving household food security in Africa means focusing on the role of women because they play a critical role as food producers -women produce nearly three quarters of all food grown in Africa- and as income earners for their families. Unless the production and productivity of these women is increased, efforts to improve household food security in Africa will not succeed. Obstacles to their work need to be removed, and their access to resources and information need to be improved. In particular, women need fixed and working capital for agricultural production and for off-farm activities. When credit is available, access requires collateral but women's limited autonomy implies that they control far fewer marketable assets and thus may lack the opportunity to build independent reputations for creditworthiness. Even public credit programs depend to a large extent on physical collateral. The wide-ranging discussions in the working groups identified a number of different actions that households must take to enhance food security. Guidelines for African policymakers and donors were also formulated. [5276]

Key Words: Agriculture; Africa; Women; Credit; Collateral;

207. Gladwin, Christina, "Gendered Impact of Fertilizer Subsidy Removal Programs in Malawi and Cameroon," Agricultural Economics, Vol. 7, 1992, pp. 141-153.

The author examines the effect of fertilizer subsidy removal due to structural adjustment programs on women farmers in Malawi and Cameroon. It was found that use of fertilizer by women was very low due to low access to credit. However, the majority of women farmers were reluctant to join women's clubs to improve their access to credit. The author concludes that the removal of the fertilizer subsidy and expansion of group lending credit programs will not help women farmers in the short-run. Targeting fertilizer subsidies at women farmers who produce food crops, strengthening of women's clubs 'revolving credit fund', and supervision of subsidized fertilizer are recommended. [5538]

Key Words: Gender; Africa; Cameroon; Malawi; Credit; Agriculture; Agricultural credit;

208. Hartig, Sabine, "Das Sparverhalten von Marktfrauen: Ergebnisse einer empirischen Studie auf dem Markt von Adjame, Abidjan (Elfenbein Küste)," Institut für Soziologie, Freie Universität Berlin, Federal Republic of Germany, 1986, 20 p.

The author found a large savings potential and propensity among market women in Adjarné/Abidjan (Ivory Coast). Ninety-six percent of the study sample used exclusively informal intermediaries for their financial transactions. Very popular are money keepers (NAGO), tontines, and savings associations. The money keepers collect daily pre-specified amounts to be repaid at a fixed date. This service is remunerated with 1/31 of the total savings amount. Under certain circumstances, the NAGO acts also as moneylender. The paper is well written and given interesting insights in the micro-cosmos of savings and credit behavior of market women in the Ivory Coast. [4536]

Key Words: Women; Coastal and Central West Africa; Côte d'Ivoire; Ivory Coast; Savings schemes; Informal finance;

209. Hayanga, C. A., "Case Studies on Gender-Oriented Lending Policies for Income Generating Activities," Paper written for AGSM/IAO, FAO, Nairobi, Kenya, September 1990, 77 p.

The author reports that, on one hand, women provide three-fourths of the labor on small holdings in agriculture as well as large percentages in some non-agricultural economic activities. On the other hand, the majority of existing financial institutions are located in urban areas although a majority of women are in the rural areas. This factor, in addition to supply side constraints, leads to most women being locally unfamiliar with banking and credit systems except their own revolving funds. The author provides five case studies of entrepreneur clienteles of the Kenya Women Finance Trust, which is tied with the Barclays Bank of Kenya, in order to reflect the potential that women hold if exploited. It is recommended that the creation of small financial institutions for women, revolving funds, cooperatives and mobile banks be accelerated to engage more women in handling credit. [4518]

Key Words: Gender; East Africa; Kenya; Credit;

210. Kilby, Peter, "Small Scale Industry in Kenya", Rural Development Series, Working Paper No. 20, Department of Agricultural Economics, Michigan State University, East Lansing, Michigan, 1982, 111 p.

The industrial structure, scope of rural enterprises and assistance programs available to small scale enterprises are critically reviewed in this paper. Transaction costs of channeling assistance to rural enterprises were high. Interest rates were subsidized and formal credit agencies insisted on high collateral and disbursed few short term loans. Channeling of funds through commercial banks under a guarantee program at market interest rates, reducing default rates and graduating small firms were recommended. [3708]

Key Words: Micro and small enterprise; East Africa; Kenya; Credit;

211. Kurwajila, Rosebud, and Jean M. Due, "Credit for Women's Income Generation--A Tanzanian Case Study," Canadian Journal of African Studies, Vol. 25, No. 1, 1991, pp. 90-103.

The government of Tanzania received a grant of \$3 million from the government of Australia aid program in 1987 for loans for poor rural women. The Tanzanian government decided to have the

Cooperative and Rural Development Bank (CRDB) administer the funds; CRDB is a parastatal established in 1971 to provide capital for the rural sector. The grant was administered along with the regular lending program; funds were divided equally among the country's 20 regions. This study evaluated the manner in which the grant was administered, describes the opinions of women borrowers as to the effectiveness of CRDB, gives the kind of enterprises developed, repayment rates, and recommendations for improvements in the lending program. [5291]

Key Words: General; East Africa; Tanzania; Women; Credit; International donors; Loan repayment;

212. Levitsky, Jacob, "World Bank Lending to Small Enterprises: A Review," Industry and Finance Series No. 16, The World Bank, Washington, D.C., July 1986, 63 p.

This paper analyzes the results of 10 completed Small-Scale Enterprise (SME) projects in Bangladesh, Cameroon, Colombia, Jamaica, Mexico, Morocco, Philippines, Portugal and Sri Lanka. Only a few projects made subloans to Microenterprises. The study concluded that the World Bank SME projects created employment, provided institutional finance to enterprises that previously had no access to such funds, but were less successful in mobilizing savings. Commercial banks proved more effective in channeling credits to small enterprises than development finance institutions. The study recommends setting up of credit guarantee schemes and market level interest rates. [3669]

Key Words: Micro and small enterprise; Coastal and Central West Africa; Cameroon; Credit; Savings mobilization; Banks; Loan guarantee; Interest rates;

213. Lewis, Barbara C., "The Limitations of Group Action Among Entrepreneurs: The Market Women in Abidjan, Ivory Coast," in *Women in Africa: Studies in Social and Economic Change*, N. J. Hafkin and E. G. Bay (eds.), Stanford, California: Stanford University Press, 1976, pp. 135-156.

The author discusses the associational goals and financial problems of market women, pointing out that the women's indigenous credit associations aim to provide a regular and systematic means of accumulating capital and defending their interests in conflicts with administrative authorities. The organizations serve as insurance, credit, savings and loan and typically involve 15 to 20 people. (1) The rotating credit association, also called esusu or susu, involves a group of people who make regular contributions to a fund which becomes the property of each contributor in rotation. (2) The "ambulatory banker" system, on the other hand, requires each participant to make a daily deposit of a fixed amount of money which she receives at the month's end, minus one-thirteenth (the banker's fee). The bankers are invariably men. The ambulatory banking system is advantageous to only a few prosperous women who habitually deal in hundreds of dollars' worth of stock, property, and other commercial assets, who can receive regular advances from the bankers due to their large savings, and have an effective working capital of thousands of dollars. [5120]

Key Words: Marketing; Coastal and Central West Africa; Côte d'Ivoire; Women; Credit; Savings;

214. Liedholm, Carl, "The Dynamics of Small Scale Industry in Africa and the Role of Policy," Draft, Michigan State University, East Lansing, Michigan, January 1990, 58 p.

This paper examines the dynamics of small-scale manufacturing enterprises in Africa. The limited number of existing dynamic analyses are classified as either macro studies, which examine

aggregate changes in the size, location, and sector of such firms, or micro studies, which focus on the birth, growth, and disappearance of individual firms. The macro studies indicate that small scale firms are evolving over time, in particular, there is a secular shift toward somewhat larger firms producing more modern products in larger localities. The micro studies provide insights into how the transformation is taking place; new firms and microenterprises appear increasingly in larger localities, disappearance rates are highest for micro firms and lowest for largest firms. In terms of expansion, most remain micro firms, and larger firms do not emerge out of a pool of microenterprises but originate as such. The effects of policy on the expansion of individual firms is still unclear; evidence suggests both positive and negative impacts. The author concludes that careful attention must be paid to avoiding negative policy discontinuities that would act as a disincentive to firm expansion, and more studies are needed to ascertain exactly how policies influence the evolution of firms in Africa. [1416]

Key Words: Micro and small enterprise; Africa; Finance; Rural non-farm;

215. Liedholm, Carl, and Donald Mead, "Small Scale Industries in Developing Countries: Empirical Evidence and Policy Implications," International Studies Series No. 9, Department of Agricultural Economics, Michigan State University, East Lansing, Michigan, 1987, 141 p.

This paper uncovers, describes and analyzes small-scale industrial enterprises in a dozen countries. In depth surveys and analyses of small industries were undertaken in Sierra Leone, Jamaica, Thailand, Honduras, Egypt and Bangladesh. The determinants of the demand for and supply of small-scale enterprise activities are extensively reviewed. The key findings from the case studies on these countries as well as their implications for policy and programs provide the main focus of this paper. [0259]

Key Words: Micro and small enterprise; Coastal and Central West Africa; Sierra Leone; Finance;

216. Liedholm, Carl, and Michael A. McPherson, "Small-Scale Enterprises in Mamelodi and Kwazakhele Townships, South Africa: Survey Findings," GEMINI Technical Paper No. 16, Prepared for the Office of Marketing Development and Investment, Bureau for Africa, USAID, GEMINI/DAI, Bethesda, Maryland, March 1991, 35 p.

Outlines the findings from a complete census and subsample surveys of businesses in two black townships in South Africa conducted in October to November, 1990. Small enterprises were found to be an important aspect of economic life in the survey areas, with over a quarter of the households engaged in some form of small-scale activity; females dominate both the labor force and entrepreneur compositions. Revolving savings societies, known as stokvels, generate sizable pools of funds used mainly for business purposes [4232]

Key Words: Micro and small enterprise; Southern Africa; Republic of South Africa; Savings; Self-help groups; Savings & credit cooperatives; Gender; Women;

217. Luery, Andrea, "Women's Economic Activities and Credit Opportunities in the Operation Haute Vallee (OHV) Zone Mali," University of Arizona, Tucson, Arizona, 1989, 51 p.

This paper is based on a study of women's economic resources and credit opportunities in the southern zone of the upper valley of the Niger River (Operation Haute Vallee OHV). The role of

agricultural economists in the OHV zone was: (1) the development of a data base on rural women's economic activities and credit needs; (2) the analysis of actual and potential economically significant income generating activities of rural women; (3) the identification of avenues to facilitate rural women's access to credit. In the absence of credit to facilitate and increase the potential of their work, women have developed their own organizational network. The most important of these support systems is the women's local associations, the "tontines". These informal savings and loan associations demonstrate how women use credit, save and deposit earnings, as well as emphasize the importance of social ties. Given the restrictions that women face in obtaining formal credit, there is a need to plan and design programs which better serve women. Policy recommendations are proposed. [4079]

Key Words: Women; Sahel West Africa; Mali; Credit; Savings & credit cooperatives; Informal finance;

218. Malkamaki, Markku, "Financial Intermediation for Microenterprises in Bangladesh, Kenya, Tanzania and Zambia," Consultants in Social Development (SODECON) Ltd., The World Bank, Washington, D.C., 1990, 191 p.

Examines the financing of microenterprises in Kenya, Tanzania and Zambia with focus on their transactions with semi-formal and informal sources. Most of the initial capital comes from the entrepreneurs' own savings, with family members as the second largest source of initial and expansion capital. Less than 10% of the respondents in all three countries were ROSCA members with women accounting for majority of the membership. Professional moneylenders who lend to microenterprises were more numerous in Zambia and Kenya than in Tanzania, charging 40 - 50 % per month on amounts that were too small for working capital purposes. Recommends FINNIDA support for the Grameen Bank in Bangladesh, the Small Enterprise Finance Company in Kenya, the Kenya Rural Enterprise Programme and six other NGOs implementing credit programmes in Kenya and Tanzania. Considers the policy environment in Zambia to be particularly hostile to the survival and growth of microenterprises. [5283]

Key Words: Micro and small enterprise; Africa; Kenya; Tanzania; Zambia; Credit;

219. McKenzie, John, "Credit for the Informal Sector: an Experiment with Informal Sector in Senegal," Management Systems International, Washington, D.C., 1989, 9 p.

The author notes that in 1980, 80 percent of Dakar's active labor force was working in the informal sector while the formal sector was virtually shrinking. Banks in general were lending to the private and formal sectors only. In 1986, a Small Business Program (SBP) was set up with USAID's advice, to make loans to small businesses including informal sector businesses and farmers. The success of the program as of February, 1989 has demonstrated that it is possible to lend money to informal sector people and achieve a recovery rate well over 90 percent. The key is to use appropriate credit analysis to evaluate the individual and carefully analyze the loan proposal. However, due to the lack of loanable funds from banks and interest rate ceilings considerably below the rates currently charged in the SBP program, the SBP may never reach its original goal of "graduating" to commercial bank credit. [0742]

Key Words: Micro and small enterprise; Sahel West Africa; Senegal; Credit; Informal credit; Interest rates;

220. McKenzie, John, "Small Business Promotion: A Survey with Guidelines to Donor Agencies for Future Initiatives," OECD, CILSS, and Club Du Sahel, Paris, France, March 1990, 139 p.

This report is founded on six projects in Sahel countries. The obstacles which these projects managed to overcome and the ones still to overcome are described. They provide the basis for setting guidelines to donor agencies concerning how to improve project design, project management, clarifying uncertainties between projects and government policy, and how to use projects to promote policy reform. Credit is thought to be an important issue constraining small business development. [4710]

Key Words: Enterprises; Western Africa; Africa; Finance;

221. McKenzie, John, "The State of Small Business Programs in the Sahel with Guidelines for Donor Agencies," OECD, Paris, France, March 1990, 130 p.

This report is an evaluation of past and present small business programs in Sahelian countries. The author finds that all projects have in general proven useful to Sahelian people but projects are still needed in the region. The author has the following recommendations for donor agencies about ensuring the success of future programs: 1) future projects should necessarily combine savings and credit and have a priority for mobilizing local savings; 2) Small business programs should be profit motivated. The interest rate should reflect the cost of money, i.e. apply simple interest and give loans to clients according to their needs and avoid limitations on loan terms or the use of funds to limit lender's risk. In their efforts to achieve their objectives, the author particularly suggests that donor agencies engage in negotiations with the central bank (BCEAO) and the Sahelian governments for a revision of lending regulations regarding small business credit and savings. [0765]

Key Words: Micro and small enterprise; Western Africa; Africa; Credit; Savings mobilization; Interest rate; International donors;

222. Mead, Donald C., "Policy Reform and the Informal Sector in Africa," Paper presented at the Conferences on the Informal Sector: Issues in Policy Reform and Programs, Abidjan and Nairobi, December 13-14, 1990, Development Assistance Committee/Development Centre, April 1989, 23 p.

This paper first provides a brief review of the principal dimensions of the economies of Sub-Saharan Africa which form the context in which informal enterprises operate. Secondly, the characteristics of informal producers are explored. The types of policies to stimulate the economies include: to establish an environment which rewards those who innovate (minimizing administrative and regulatory hurdles which discourage investment and modernization); disseminate information regarding technologies, markets and products, and broadening access to inputs; and expanding information available to policy-makers. Subsidized credit and loan guarantee funds have had a marginal impact on the flow of credit to small borrowers suggesting that the limiting constraint on credit expansion are viable projects. [4709]

Key Words: Enterprises; Africa; Finance;

223. Nowak, Maria, "De la Pluriactivité à l'Industrialization Rurale: le Rôle des Microentreprises dans le Développement," Paper presented at World Conference on Support for Microenterprises, hosted by USAID, The World Bank, and The Inter-American Development Bank, Washington, D.C., June 6-9, 1988, CCCE, Paris, France, June 6, 1988, 24 p.

Rural microenterprises are known to be a perfect spontaneous adjustment mechanism. However, their role has been neglected in African countries for a long time because of structural adjustment policies that could not solve the problems at hand. With rising unemployment that neither agriculture, industry, nor the public sector can control, the importance of rural microenterprises is surfacing again. Rural microenterprises contribute to economic growth by creating value-added and by providing a more equitable income distribution. The author thinks that the real private sector in Africa that is heavily represented by rural and urban microenterprises should be given more support rather than trying to privatize the public sector. [3720]

Key Words: Micro and small enterprise; Africa; Finance; International donors;

224. Nweze, Noble J., "The Role of Women's Traditional Savings and Credit Cooperatives in Small-Farm Development," Research Report No. 11, African Rural Social Science Series, Winrock International Institute for Agricultural Development, Morrilton, Arkansas, 1991, 20 p.

This study examines women's savings and credit cooperatives in two Nigerian states, Nambra and Benue. Interviews conducted with 150 women members revealed that these cooperatives could help to improve smallholder farming. The cooperative's main economic activity was mobilizing members' savings with extending credit to members an important secondary economic function. Participants' opinion is that cooperatives are particularly effective in making loans, allowing a long time for repayment, offering moderate interest rates, and keeping the loan-transaction process simple. In some cooperatives, work groups are organized to provide farm labor to members, in rotation, during peak periods of labor demand. The authors conclusion is that members plan to continue patronizing their cooperatives even if banks are established in their areas. [4282]

Key Words: Women; Coastal and Central West Africa; Nigeria; Cooperatives; Savings; Credit

225. Okelo, Mary E., "Support for Women in Microenterprises in Africa," in Microenterprises in Developing Countries: Papers and Proceedings of an International Conference, Jacob Levitsky (ed.), London, England: Intermediate Technology Publications, 1989, pp. 240-250.

This paper attempts to analyze the problems of microenterprise development, particularly those encountered in helping women, and propose ways that government, the business community and donors could assist in microenterprise development. Some of the constraints hindering development of microenterprises relate to government policies, deficient demand, shortage of financing, (especially working capital), inadequate technological information and social, institutional and legal structures that do not take into account the needs of the small producers. In order to address these problems and foster development of microenterprises, African governments and the donor community must adopt a more comprehensive view that looks beyond the traditional sphere of industrial policy, and should also include agricultural pricing and income policies as well as general trade and foreign exchange policy. They must also strive to develop innovative credit programs and

appropriate packages of technical assistance suitable for the needs of the small entrepreneurs.
[4038]

Key Words: Women; Africa; Finance; Micro and small enterprise; International donors; Credit; Technical assistance;

226. Oyejide, T. A., "Structural Adjustment and Its Implications for Financing Small Enterprises in Nigeria," Small Enterprise Development, Vol. 2, No. 4, December 1991, pp. 31-39.

Examines the extent to which recent Nigerian structural adjustment programs have affected small and micro-enterprise access to institutional credit. Concludes that commercial and merchant bank credit to small and microenterprises (SMEs) has risen sharply during 1980-90, both in terms of volume and proportion to all credit available, and thus raises doubt about the desirability of subsidized and targeted credit for SMEs [5054]

Key Words: Micro and Small enterprise; Coastal and Central West Africa; Nigeria; Formal finance;

227. Pean, Leslie, "Working Paper on the Urban Informal Sector in the Sahel," Sahelian Department, The World Bank, Washington, D.C., 1989, 124 p.

This paper offers a detailed examination of the employment opportunities in urban areas and the microenterprises of the informal sector in the sahel. The urban labor market of developing countries is characterized by the duality of coexistence of a formal, small and modern sector, and a large, growing and informal sector. Evidence demonstrates that the modern sector will not be able to absorb the flow of new entrants into the labor market. The rate of growth of the formal sector is too weak to integrate the rate of growth of the labor force. As a result, the informal sector has been gaining a strategic importance in absorbing the structural excess supply of labor. The informal sector is composed of a variety of very small economic units called microenterprises. The dynamism of microenterprises proves the profit-making opportunities within low income urban areas. The author reviews a number of studies which are based on two broadly grouped definitions of informal microenterprises; these general definitions are the operational definitions that refer to the organizational characteristics of the micro-units, and the functional definitions that put emphasis on the relationship between the informal sector and the rest of the economy. Highlights of the effectiveness of microenterprises include their efficiency as channels for mobilizing grassroots savings into productive investment, and being the training ground for migrants who are first entrants into the labor market. [1216]

Key Words: General; Africa; Finance; Informal finance; Employment; Migration; Micro and small enterprise;

228. Ryan, Patrick, "The Limitations of Supply Side Approaches to Assisting Small Scale Enterprises: Evidence from Malawi," New Series Discussion Paper No. 11, Development and Project Planning Center, University of Bradford, December 1989, 25 p.

The author briefly reviews the current literature and arguments regarding the potential advantages of the small scale enterprises and the promotional policy used to realize its potential. A general overview of the significant characteristics of the small scale sector in Malawi is presented and the recent policy initiatives and institutions set up to promote the sector. A case study of the Small

Enterprise Development Organization of Malawi is reviewed in detail in addition to an analysis of term loans made to small scale enterprises. The final part of the study presents conclusions and policy implications that suggest part of the problems of the small scale sector is the supply side over ambitious objectives and irrational funding as well as the failure to address the demand side policies adequately. [4147]

Key Words: Micro and small enterprise; Southern Africa; Malawi; Finance;

229. Schrier, David A., "A Review of the Indigenous Small Scale Enterprises Sector in Swaziland," GEMINI Technical Report No. 7, Management Systems International and Development Alternatives, Inc., Bethesda, Maryland, October 1990, 60 p.

A quantitative profile of the indigenous small scale enterprise sector and a profile of the Swazi entrepreneur is presented. It is estimated that there are approximately 1,951 indigenous small scale enterprises in Swaziland. The evidence suggests that the characteristics of the indigenous Swazi entrepreneur do not follow the anticipated stereotypical patterns. The following conclusions address these differences: a surprising number of enterprises can be started with a very small amount of capital; the vast majority of entrepreneurs began their businesses without loans or credit; and the widely held notion that enterprises owned by indigenous Swazi entrepreneurs do not tend to grow should be re-examined. [4713]

Key Words: Micro and small enterprise; Southern Africa; Swaziland; Finance;

230. Steel, William F., and Leila M. Webster, "How Small Enterprises in Ghana Have Responded to Adjustment," The World Bank Economic Review, Vol. 6, No. 3, The World Bank, Washington, D. C., September 1992, pp. 423-438.

Uses a survey of 82 manufacturing firms in Ghana to analyze how small, private enterprises responded to structural adjustment reform. Finds that the adjustment process has strained most firm's operations, with small scale industries forced to become more competitive to survive. Dynamic, successful adapters among the sample small-scale entrepreneurs were found to lack access to finance for working capital and new investment as the most critical constraint. On the other hand, sample entrepreneurs classified as stagnant - mainly microentrepreneurs - were seriously constrained by a lack of purchasing power among the lower-income population and by saturation of the sector. [5501]

Key Words: Micro and small enterprise; Coastal and Central West Africa; Ghana; Finance;

231. Steel, William F., and Leila M. Webster, "Small Enterprises Under Adjustment in Ghana," World Bank Technical Paper No. 138, Industry and Finance Series, World Bank, Washington, D.C., 1991, 67 p.

This study investigates the hypothesis that small enterprises play an important dynamic role in the adjustment process and in Africa's industrial development. A survey of small-scale enterprises in Ghana was carried out in November 1989 to learn more about the impact of the adjustment program on their operations, to evaluate their potential contribution to dynamic industrial recovery, and to identify appropriate measures that would accelerate the growth of small enterprises in

numbers, size and productivity. The authors conclude that responses to adjustment policies generally have forced Ghana's small-scale industries to become more competitive to survive and that significant structural changes are taking place across subsectors and within firms. [5259]

Key Words: Micro and small enterprise; Coastal and Central West Africa; Ghana; Finance; Credit;

232. United States Agency for International Development (USAID), "A.I.D. Microenterprise Stock-Taking: Malawi Field Assessment," Draft, A.I.D. Evaluation Occasional Paper, USAID, Bureau for Program and Policy Coordination, March 1989, 29 p.

This assessment covers the microenterprise projects of the Development of Malawi Traders Trust (DEMATT) and the Malawi Union of Savings and Credit Cooperatives (MUSCCO). The former provides business and technical advisory services and the latter is the apex body of the credit union movement dedicated to stimulating savings and facilitating group-based lending. DEMATT has resisted charging user fees to its clients so is totally dependent on government grants. MUSCCO began operations in 1980 and works to identify, develop, and eventually graduate groups of homogeneous savings and lending societies to financial self-sufficiency. It provides loans to member societies for re-lending in proportion to accumulated savings. Loans are approximately 110 percent of savings. MUSCCO revenues covered only about one-quarter its operating costs in 1987. Graduation of the clients of these two subsidies organizations to the formal sector is not likely in the foreseeable future. [0538]

Key Words: Micro and small enterprise; Southern Africa; Malawi; Finance;

233. United States Agency for International Development (USAID), "A.I.D. Microenterprise Stock-Taking: Senegal Field Assessment," A.I.D. Evaluation Occasional Paper, USAID, Bureau for Program and Policy Coordination, Washington, D.C., March 1989 (Draft), 22 p.

This paper reviews the community and Enterprise Project in Kadlock, Sine Saloum Senegal, focusing on both small scale enterprise and private voluntary agency components of the project with respect to sustainability and impact. Highlights the lessons learned from each component. In its review of the SSE component, the report emphasizes financial sustainability: simple, direct and decentralized loan delivery, and a market rate of interest. The experience with PVOs reinforces the concept of solidarity groups as effective guarantee mechanisms and the importance of loan decisions based on business viability. [3848]

Key Words: Micro and small enterprise; Sahel West Africa; Senegal; Finance;

234. United States Agency for International Development (USAID), "An Evaluation of AID's African Enterprise Loan to the Mutual Aid and Guaranty Fund of the Council of the Entente States to Assist Small African Enterprises and Entrepreneurs," Report Prepared by C. L. Terrel, USAID, Washington, D.C., January 1979, 250 p.

This report provides a brief history of the African Enterprise Program, followed by summarized data on the loans made to beneficiaries. A description is also provided of the structural channels through which flow the funds, loan decisions and technical assistance. The program has led to the

emergence of private entrepreneurs, and is deemed a success by USAID. Two areas for improvement are: institution building, and greater emphasis on non-financial assistance. [4711]

Key Words: Enterprises; Western Africa; Africa; Credit;

235. Zesch, Scott K., "Forms of Business Organization and Rural Enterprise Development: Some Examples from Anglophone Africa," World Development, Vol. 17, No. 11, 1989, pp. 1841-1852.

The author describes the rural enterprises in transition from the informal to the formal sector. The legal form of business organization adopted can significantly affect the management of the firm. Partnerships are simple and flexible but may be too loosely structured for some commercial ventures. Cooperative societies are more formally structured than partnerships and are subject to less complicated statutory requirements than companies, although they are vulnerable to far-reaching government intervention. Companies are generally more attractive to institutional lenders and passive investors; however, their complexity makes them better suited to entrepreneurs with substantial business experience. [4696]

Key Words: Enterprises; Africa; Finance;

Section 13

THE EMERGING IMPORTANCE OF NGOs AND PVOs

NGOs and PVOs have rapidly expanded in many Sub-Saharan African countries to fill the perceived need for credit, especially for microenterprises and women. Questions are being raised about their long-term viability. Publications are included here about the role of NGOs and PVOs, and Section 12 includes items that specifically deal with issues concerning microenterprises and women.

236. Ba, Moussa, and Mohamed Ba, "Compte-Rendu du Séminaire de Réflexions sur l'Épargne et le Crédit," Paper presented at Concours Logistique et Financier, Enea, Senegal, June 18-19, 1987, FONGS, Dakar, Senegal, June 1987, 69 p.

The report is a summary of the seminar on rethinking savings and credit in Sénégal. After the failure of the governmental credit association, ONCAD (Office National du Credit Agricole), and the cooperative groups, Senegalese farmers had to reorganize themselves and try to solve their credit problems with the creation of savings and credit groups. Farmers are still very conscious that the success of their initiative depends on the support of governmental institutions and NGOs (Non governmental organizations). The report mentions the actions being undertaken by NGOs and different initiatives aimed at providing credit to the Senegalese farmers. [4389]

Key Words: General; Sahel West Africa; Senegal; Savings; Credit; Banks; Cooperatives;

237. Butler, George, and Irving Rosenthal, "Chad: Evaluation of the VITA Private Enterprise Project - Phase II," Final Report to the Bureau for Private Enterprise, USAID, Washington, D.C., March 1990, 66 p.

Reports the findings of an evaluation to recommend whether AID should fund a Phase III project. Findings indicate that this Small Enterprise Promotion Project that utilized a PVO for delivery mechanism is an appropriate complement to the strategy of distributing economic benefits to the low income poor. Among its main accomplishments is the creation of a new financial institution capable of providing business and advisory services to clients. Authors conclude that the experiment is a unique success, and recommend that Phase III be funded. [4150]

Key Words: Micro and small enterprise; Sahel West Africa; Chad; Credit; Technical assistance;

238. De Groot, Han, and Otto Hesper, "Directives pour une Politique à Suivre par des ONG Actives dans des Systemes d'Épargne et de Credit," La Haye, The Netherlands, June 1988, 50 p.

The authors discuss future directions for policies by NGOs active in the savings and credit systems. The paper includes a general discussion of informal and formal savings and credit arrangements, the fundamental elements of savings mobilization and credit delivery systems, and particular reference to some experiences. The authors conclude with four principles that need to be achieved namely: integration, self-promotion, creation of access facilities, and self-sufficiency. [4198]

Key Words: General; Africa; Finance; Informal finance; Formal finance; Credit; Savings; NGOs;

239. Nowak, Maria, "L'Acces des Pauvres aux Services Financiers dans le Secteur Rurale en Afrique de l'Ouest," Caisse Centrale de Coopération Economique (CCCE), Paris, France, May 1990, 14 p.

This paper deals with financing the rural sector with "solidary" credit i.e. credit programs similar to the Grameen Bank experience in Bangladesh. The author denounces NGOs and other international donors credit programs as ill-adapted to the African environment because they fail to associate the concerned population while designing the program. Already solidary credit programs have proven

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successful in Guinea and well adapted to the rural African environment. The hope is that more opportunities be given to such credit programs because they appear to be the best alternative to old and failing rural development strategies. [4179]

Key Words: General; Western Africa; Africa; Credit;

240. Rippey, Paul, "On Bringing Village Banks to Africa: Observations After Visiting the Grameen Bank," Council for International Development, Washington, D.C., November 1988, 23 p.

This is a report on a visit by the author to the Grameen Bank of Bangladesh in order to assess the possibility of adapting its approach to African conditions in general, and to Burkina Faso's Association Pour la Productivité (APP) program in particular. It attributes much of Grameen Bank's success in financing microenterprises among the poor to responsive management and "corporate culture," and aspects of loan terms and conditions and mode of operations that are conducive to loan repayment; such as group guarantees for noncollateralized loans, frequent small repayments, extensive training for borrowers (mainly "working capital management," "business planning," and "cash flow planning") before loans are granted, and careful client selection. It concludes that the Grameen approach could work in Burkina Faso and elsewhere in Africa, with management quality as the single most important factor. [5009]

Key Words: Micro and small enterprise; Sahel West Africa; Burkina Faso; Credit;

Section 14

LACK OF CONSENSUS AMONG DONORS

The lack of a common approach among donors to financial market and agribusiness development leads to fragmented financial markets, a lack of competition in the financial sector, and high reporting costs. Scarce local administrative talent must be used for donor coordination rather than building and operating strong financial institutions. Few publications specifically treat this topic, although it is implicit in the materials which describe the different approaches used by various organizations in their projects as described in many publications included in this bibliography. The sole publication listed here specifically refers to the problem.

241. Morss, Elliott R., "Institutional Destruction Resulting from Donor and Project Proliferation in Sub-Saharan African Countries," World Development, Vol. 12, No. 4, April 1984, pp. 465-470.

Suggests that a proliferation of donors and projects characterized foreign aid in the 1970s, and has built up into the 1980s with a negative impact on the government institutions of developing nations. Recommends a greater emphasis on institution-building and new projects intended to facilitate implementation of existing project portfolios. [5569]

Key Words: General; Africa; Finance; International donor;

Section 15

AGRIBUSINESS DEVELOPMENT

The publications in this section are useful because they consider several issues concerning agribusiness development.

242. Clark, Gracia, and Takyiwaa Manuh, "Women Traders in Ghana and the Structural Adjustment Program," in Structural Adjustment and African Women Farmers, Christina H. Gladwin (ed.), Gainesville, Florida: University of Florida Press, 1991, pp. 217-236.

This paper considers the effects of the structural adjustment program (SAP) on market traders in Ghana. The SAP effects seem to have continued or intensified the effects of the economic crisis rather than reversing them. The authors found that the most significant impact of SAP has come through devaluation and changes in relative pricing, although they note that the credit squeeze compounds its effects. The falling demand and the influx of new traders both reflect and demonstrate the dropping relative power of traders and other disenfranchised groups. The authors conclude that such exclusion of market traders from economic planning and resources threatens the whole process of economic growth. [4310]

Key Words: General; Coastal and Central West Africa; Ghana; Finance; Output marketing; Traders; Macroeconomics; Credit;

243. Fosu, Yefi K., "Franchising in the Developing Economies: An Agribusiness Case Study," Agribusiness, Vol. 5, No. 2, 1989, pp. 95-105.

The article describes various types of franchise contracts and franchise systems. It points out the merits and problems of franchising. A case study which demonstrates a success story in agribusiness franchising in West Africa is presented. Important implications of the case study for economic development of developing countries are indicated, and suggestions for improvement of the performance of franchise systems are also made. The article notes the paucity of research on agribusiness franchising in developing economies and suggests the closure of this gap in knowledge. [4694]

Key Words: Agribusiness; Coastal and Central West Africa; Nigeria; Finance;

244. Holtzman, John S., et al., "Agribusiness Development in Sub-Saharan Africa: Suggested Approaches, Information Needs and an Analytical Agenda, Volume I: Synthesis", Abt Associates, Bethesda, Maryland, September 1992, 105 p.

This report presents lessons learned from traditional and targeted approaches followed by USAID to agricultural marketing and agribusiness development in twelve sub-saharan African countries (Cameroon, Kenya, Mali, Niger, Uganda, Ghana, Guinea, Madagascar, Rwanda, Senegal, Togo, and Zimbabwe). The role of USAID in market liberalization, trade policy and regulatory reforms is discussed in detail. A strong local private sector free of government intervention is identified as a vehicle for the provision of sustained agribusiness services and information to agro entrepreneurs. Strengthening the dissemination of market information, provision of technical assistance to prospective exporters, creation of export processing zones and provision of formal finance to improve trader access to working capital are recommended along with policy and regulatory reforms. [5573A]

Key Words: Agribusiness; Africa; Sub-Saharan Africa; Entrepreneurs; Enterprises;

245. Holtzman, John S., *et al.*, "Agribusiness Development in Sub-Saharan Africa: Suggested Approaches, Information Needs and an Analytical Agenda, Volume II: Country Annexes," Abt Associates, Bethesda, Maryland, September 1992, 185 p.

This report is the second volume of a study that consists of lessons learned through USAID's approaches to agricultural marketing and agribusiness development in twelve sub-saharan African countries. The reports are based on literature reviews for Ghana, Guinea, Madagascar, Rwanda, Senegal, Togo and Zimbabwe and field research in Cameroon, Kenya, Mali, Niger and Uganda. The first volume summarizes the lessons learned from traditional and targeted approaches followed by USAID to agricultural marketing and agribusiness development while this report presents case studies regarding the government policy and regulatory environment that fosters private sector investment and entrepreneurship. Country specific examples of agribusiness development are discussed in detail. [5573B]

Key Words: Agribusiness; Africa; Cameroon; Ghana; Guinea; Kenya; Madagascar; Mali; Niger; Rwanda; Senegal; Togo; Uganda; Zimbabwe; Enterprises; Government policy and programs; International donors;

246. Jaffee, Steven M., "How Private Enterprise Organized Agricultural Markets in Kenya," Policy Research Working Paper Series No. 823, The World Bank, Washington, D.C., January 1992, 44 p.

The author investigated the effect of agricultural market liberalization and private enterprise involvement in Kenya's export oriented horticultural sector. Firm characteristics, competition among firms, and institutional arrangements that facilitate exchange relations between producers and exporters were examined based on transaction cost economies for different horticultural crops. The trade arrangements between producers and exporters were found to be vertically integrated or contract based rather than open market ties leading to a centralized private sector. A close monitoring by the government for a greater involvement of small farmers in private firms' trade operations was recommended. [5318]

Key Words: Marketing; East Africa; Kenya; Agribusiness; Finance; Trade;

247. Mellor, John W., Christopher L. Delgado, and Malcolm J. Blackie (eds.), Accelerating Food Production in Sub-Saharan Africa, Baltimore, Maryland: John Hopkins University Press, 1987, 417 p.

This book is a collection of articles, divided into six sections, that addresses the issue of food production in Sub-Saharan Africa. The first part defines the food and nutrition problem. The second part discusses potential and practice in food production technology development. The third part deals with the support systems for agricultural development and in particular the marketing system. The fourth part discusses the food policy in the context of national development strategies and the fifth part discusses the donor assistance strategies. The last part concludes with priorities for accelerating food production growth in Sub-Saharan Africa. [Agricultural Library, The Ohio State University, HD2117A221987]

Key Words: Agriculture; Africa; Finance; Input marketing; Output marketing; Credit;

248. Mooney, Timothy J., "AID Agribusiness Activities in Africa 1970-1986," Report prepared for The Employment and Enterprise Development Division, Office of Rural and Institutional Development, Bureau for Science and Technology, USAID, Washington, D.C., November 1985, 101 p.

Report reviews 220 projects reflecting AID involvement in agribusiness in Sub-Saharan Africa since 1970 to provide an overview of the types of activities supported, and thereby extract lessons for the improvement of the design, implementation and evaluation of agribusiness projects. On the whole, the focus had been increasing production of agricultural commodities; of the 220 projects listed, 23 had credit as a major focus, third-ranked after input supply (50) and marketing (31). Among the lessons are: the important role of PVOs in AID's agribusiness development projects; inadequacy of the attention given to support for commodity processing activities, and to SMEs. [4154]

Key Words: Agribusiness; Africa; Finance; Supervised credit; Input marketing; Output marketing; Micro and small enterprise; International donors;

249. Morss, Elliott R., John K. Hatch, Donald R. Mickelwait, and Charles F. Sweet, "Zaria Tomato Production Project, North Central State," in Strategies for Small Farmer Development: An Empirical Study of Rural Development Projects in The Gambia, Ghana, Kenya, Lesotho, Nigeria, Bolivia, Colombia, Mexico, Paraguay and Peru, Volume II: Case Studies, Westview Special Studies in Social, Political and Economic Development. Boulder, Colorado: Westview Press, 1976, pp. 213-221.

This joint project of Nigeria's North Central State Government, FAO, and Cadbury, Ltd. involved the introduction of irrigated tomato production for commercial processing, introduced through farmer associations. Only around 60 per cent of the in-kind loans were collected through this contract-growing scheme because so much of the crops were sold in the local market instead of being delivered to Cadbury's tomato paste plant. Lessons identified include those on the division of responsibility for project implementation, the need for timely supporting assistance, and the need to take into account local power structures in the project design. [5143]

Key Words: Output marketing; Coastal and Central West Africa; Nigeria; Formal finance; Supervised credit; Agribusiness;

250. Morss, Elliott R., John K. Hatch, Donald R. Mickelwait, and Charles F. Sweet, "Nigerian Tobacco Company, Western State," in Strategies for Small Farmer Development: An Empirical Study of Rural Development Projects in The Gambia, Ghana, Kenya, Lesotho, Nigeria, Bolivia, Colombia, Mexico, Paraguay and Peru, Volume II: Case Studies, Westview Special Studies in Social, Political and Economic Development, Boulder, Colorado: Westview Press, 1976, pp. 203-212.

This project was a continuation of earlier efforts of the Nigerian and the British American Tobacco Companies to encourage tobacco production in the Iseyin Division of Nigeria's Western State. This time the focus was introduction of flue-curing through farm family units which utilized own labor to construct barnsites, do the curing, and grading. Notes that this proved profitable enough for Barclay's Bank to provide seasonal and medium-term loans for barnsite construction at commercial rates. Concludes that with special organizational arrangements and a profitable crop, commercial channels can be used to provide credit. [5144]

Key Words: Output processing; Coastal and Central West Africa; Nigeria; Formal finance; Supervised credit; Agribusiness;

251. Pedersen, Poul Ove, "The Restructuring of Wholesale and Retail Trade in Zimbabwe's New District Service Centers," in African Urban Quarterly - A Special Issue on Small Towns in Africa, Poul Ove Pedersen (ed.), Forthcoming, 22 p.

The author analyzes the growth and structural changes taking place in the district service centers in Zimbabwe and focuses on the distribution of farm input supplies. The empirical work is carried out in two of the largest centers, namely Gutu/Mpandawana and Gokwa, where the author studied two subsectors in detail. These subsectors are the agricultural hardware goods, especially scotchcarts, and farm input supplies, especially fertilizer. The results indicate that the center hierarchy in developing regions with low market density and unstable supplies tends to be determined by supply factors rather than by demand factors as postulated by the service center theories. One of the problems with the privatization conducted in Africa is that it is often assumed that it will lead to increased competition; however, the private and public sectors tend to be based on monopolies and patron-client relations. The author concludes that in an attempt to understand the supply mechanisms focus should be given to the structure of instability and competition. [5535]

Key Words: Finance; Southern Africa; Zimbabwe; Input marketing; Agribusiness; Trade

252. Rondinelli, Dennis A., "Market Towns and Rural-Urban Linkages in Africa," Paper for the Panel on Urbanization Trends and Approaches to Urbanization in Africa, American Planning Association National Planning Conference, Atlanta, Georgia, Research Triangle Institute, North Carolina, 1989, 24 p. + notes.

Examines the roles of towns and cities in regions of African countries with different agricultural characteristics, in light of the argument that international donors should give much more attention to the physical infrastructure and public services if market towns and small cities are to play a stronger role in expanding off-farm employment and facilitating agricultural development. Concludes that improving rural-urban linkages and strengthening regional market systems can make important contributions but more needs to be learned about rural-urban food and input-supply marketing systems in developing countries, and the strengths and weaknesses of alternative organizational structures for decentralizing financial responsibilities to municipal governments in African countries. [5339]

Key Words: Agriculture; Africa; Finance; Input marketing; Output marketing;

253. Schapiro, Morton Owen, and Stephen Wainaina, "Kenya: A Case Study of the Production and Export of Horticultural Commodities," in Successful Development in Africa: Case Studies of Projects, Programs and Policies, Earl L. MacFarland, Jr. (ed.), Analytical Case Studies No. 1, EDI Development Policy Case Series, Washington, D.C.: Economic Development Institute of the World Bank, 1989, pp. 79-96.

This is a microstudy of a program carried out in Kenya jointly by the government, a parastatal (Horticultural Crops Development Authority), and the private sector to stimulate the production and export of horticultural products. The parastatal provided research, training, extension services, basic infrastructure, seeds and marketing assistance while allowing market forces to determine output prices. Government and foreign investors assisted in the penetration of a highly competitive exports

market. Authors conclude that the manageable scale of the program, the judicious use of the parastatal's powers, and the policy of relying on market prices to provide producer incentives helped achieve the goal of boosting horticultural commodity production. [4090]

Key Words: Agriculture; East Africa; Kenya; Formal finance; Output marketing; Prices; Technical assistance;

254. United States Agency for International Development (USAID), "Africa Bureau Sector Strategy: A Strategic Framework for Promoting Agricultural Marketing and Agribusiness Development in Sub-Saharan Africa," Publications Series No. 91-1, Office of Technical Resources, Africa Bureau, USAID, Washington, D.C., January 1991, 78 p.

Document identifies and analyzes key problems affecting the efficiency of agricultural marketing systems in Sub-Saharan Africa to provide a strategic framework to guide the Agency in the design and implementation of interventions to improve market efficiency and promote the role of agribusiness in market development. Building on lessons learned from previous AID and other donor-assisted activities, framework focuses on three basic elements: 1) macroeconomic and sectoral policies and regulations that define the scope, nature and incentives for marketing activities; 2) necessary infrastructure for conducting and expanding marketing activities; and 3) capability of market participants, especially agribusiness, to engage in marketing activities particularly in response to enhanced environments as constraints under 1) and 2) are alleviated. In this regard, it recognizes five stages in the evolutionary development for agricultural marketing systems, and appraises most of Sub-Saharan Africa's to be "mired" in the first two stages, with none having reached the fourth stage at all. Stage 3 is when viable formal sector financial institutions emerge/serve the needs of marketing agents, and a few countries are identified with this: Kenya, Cote d'Ivoire, Senegal, Nigeria, Malawi and Botswana. [4155]

Key Words: Marketing; Africa; Kenya; Côte d'Ivoire; Botswana; Senegal; Niger; Malawi; Finance; Agribusiness; Output marketing; International donors;

255. United States Agency for International Development (USAID)/Niger, "Regional Markets for Income Generating Agricultural Production. A Key Element for Sahelian Development," USAID, Washington, D.C., November 1986, 14 p.

This paper examines income generating agricultural activities and markets for Niger. The greatest area for expansion of private sector enterprise is in gradual transformation of small scale traditional enterprises with high value added, such as intensive sheep raising, onion, potato, pepper, cowpea, garlic and tomato production. Since Niger cannot be a self-sufficient, self-contained economic unit, export markets are needed. In fact, extra-Sahelian regional markets are crucial because of similarities in production among the Sahelian countries. Availability of credit appears to be one of the major constraints to the regional marketing of high value agricultural commodities. [0985]

Key Words: Agriculture; Africa; Sahel West Africa; Niger; Credit;

256. Watts, Michael, Peter D. Little, Christopher Mock, Martin Billings, and Steven Jaffee, "Contract Farming in Africa: Executive Summary," Paper prepared for the Africa Bureau, USAID, IDA, Binghamton, New York and Clark University, Worcester, Massachusetts, 1988, 32 p.

Field research on contract farming schemes in Gambia, Senegal, Ghana, Ivory Coast, Kenya, Nigeria and Malawi to address USAID's concerns with income generation, the role of private sector organizations, technology transfer to African small farmers, and sustainable development. The study found that the incidence of contract farming in Africa has expanded significantly over the past decade and, regardless of political and economic ideology, virtually all African states have some form of contract farming. It is the quality of management and technical support, the availability of capital, and the presence of favorable market conditions that set apart successful from unsuccessful schemes, rather than type of ownership (private, public, or hybrid). [5343]

Key Words: Agriculture; Africa; The Gambia; Ghana; Côte d'Ivoire; Ivory Coast; Kenya; Nigeria; Malawi; Senegal; Finance;

257. Williams, Simon, and Ruth Karen, Agribusiness and the Small-Scale Farmer: A Dynamic Partnership for Development, Westview Special Studies in Agriculture Science and Policy, Boulder, Colorado: Westview Press, 1985, 305 p. + bibliography and index.

Examines cases of successful cooperation between private agribusiness firms and small farmers in Third World countries, including four African cases: Kenya (Simon, "The Mumias Sugar Company: A Nuclear Estate in Kenya" and "Kenya Cannery Limited: A Pineapple Plantation and Cannery in Kenya,"); Sudan (Karen, "The Haggard Group: Cultivation of Tea, Coffee and Tobacco in Southern Sudan") and Swaziland (Simon, "Commonwealth Development Corporation: Sugar Production and Settlement Scheme"). In these ventures, small farmers are organized around a core company that assures a market for output and provides managerial, marketing and technical expertise. The Sudanese case also includes credit to the growers. Author's recommendations include both global (such as (Simon): capitalizing on the presence of agro-industrial enterprises for rural development in the Third World, and creation of an international center for training managers for rural development), and local (for Sudan (Karen): creation of a credit delivery mechanism to the bush country for financing additional cash/food crops production). [Agricultural Library, The Ohio State University, HD9018D44W551985]

Key Words: Agribusiness; Africa; Kenya; Sudan; Swaziland; Formal finance; Input supply; Agriculture;

Section 16

BIBLIOGRAPHIES

This section lists three bibliographies that were consulted in preparing this annotated bibliography.

258. de Treville, Diana, "Contract Farming, The Private Sector, and the State: An Annotated and Comprehensive Bibliography with Particular Reference to Africa," Contract Farming in Africa Project Working Paper No. 2, IDA, Binghamton, New York, November 1986, 329 p.

This document contains abstracts of 114 publications on contract farming (authors and titles for 722 publications are given in Section VI). The publications cover general papers as well as specific studies on Africa in general, Belize, Kenya, Lesotho, Liberia, Niger, Nigeria, Swaziland, Tanzania, Zambia, Zimbabwe, (also Belgium, Central America, Costa Rica, Dominican Republic, England, Guatemala, Honduras, India, Indonesia, Iran, Jamaica, Malaysia, Mexico, the Middle East, New Guinea, Peru, the Philippines, Scotland, South America, Sri Lanka, Taiwan, Thailand, Turkey, and the United States). Some of the annotations discuss financial aspects of contract farming, and especially the supposed need by farmers for credit that is being met by some contract farming operations. [5345]

Key Words: Agriculture; Africa; Belize; Kenya; Lesotho; Liberia; Niger; Nigeria; Swaziland; Tanzania; Zambia; Zimbabwe; Farm; Agricultural credit;

259. Minot, Nicholas, "Economic Aspects of Contract Farming in Less Developed Countries: An Annotated Bibliography," Contract Farming in Africa Project Working Paper No. 3, Binghamton, IDA, New York, July 1986, 22 p.

This document contains abstracts of 46 publications on contract farming. The publications cover general papers as well as specific studies on Africa in general, West Africa, Côte d'Ivoire, Kenya, Nigeria, Swaziland, Uganda (also the Americas, Central America, Costa Rica, Dominican Republic, Guatemala, Honduras, Jamaica, Latin America, Malaysia, Mexico, Papua New Guinea, The Philippines, Thailand, Turkey, and the United States). Some of the annotations discuss financial aspects of contract farming, and especially the supposed need by farmers for credit that is being met by some contract farming operations. [5233]

Key Words: Agriculture; Africa; Côte d'Ivoire; Kenya; Nigeria; Swaziland; Uganda; Farm; Agricultural credit;

260. Townsend, Janet, "Women in Developing Countries: A Selected, Annotated Bibliography for Development Organizations," Development Bibliographies Series No. 1, Institute of Development Studies, University of Sussex, Brighton, England, November 1988, 176 p. + index.

Includes 524 abstracts selected on the basis of high practical application, accessibility to the UK, recent and in English. Of these, 166 concern women in Africa. Includes a publication on the effect on women's access to capital (among other inputs) under Tanzania's ujamaa policy; another on credit access problems of women in Malawi, and Kenya; and one on the credit activities of market women in Ivory Coast. [5575]

Key Words: Women; Africa; Credit; Gender;

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