

EXAMINING THE DIFFICULTIES ENCOUNTERED BY WOMEN IN OBTAINING CREDIT IN CAMEROON

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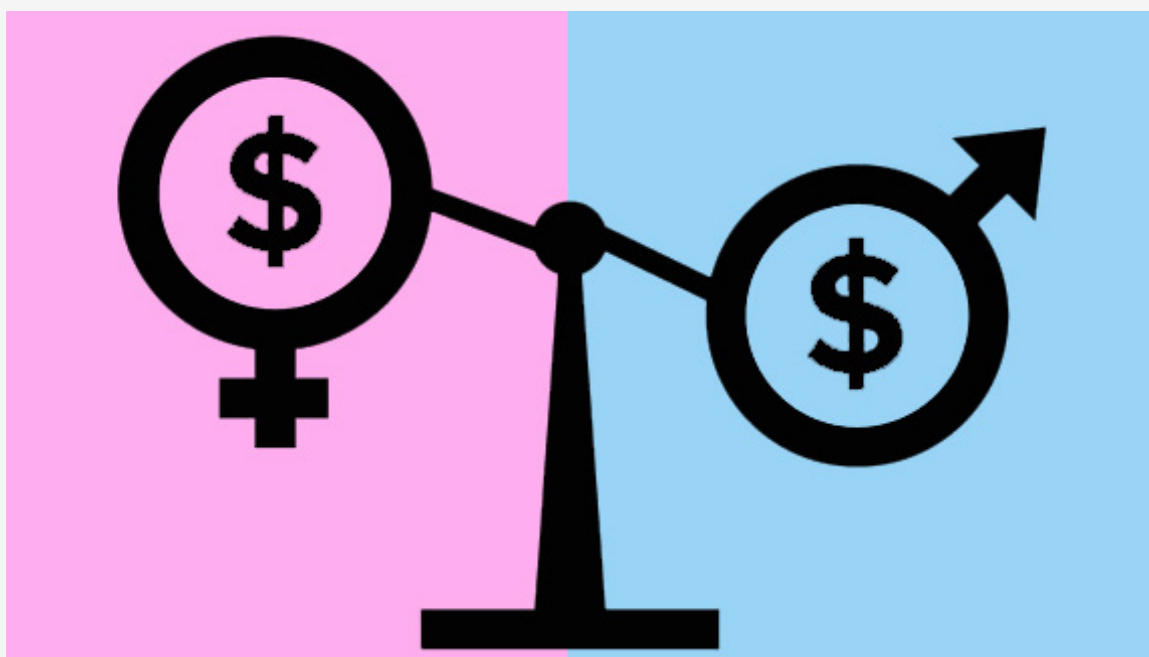
In Cameroon, women represent 50% of the total population ([World Bank, 2020](#)). Vulnerable jobs among women – i.e., those of unpaid family workers and those of self-employed persons – represent 80.82% of total jobs among women, compared to 62.89% among men ([World Bank, 2019](#)). One of the reasons for the high vulnerability of women’s employment is the difficulty of accessing finance (credit), which is limited to micro-finance. Indeed, more than 90% of women do not have an account with a formal banking institution and therefore cannot benefit from the credit, and only 16.8% of women have access to credit for any use.

However, access to credit and other financial services for women is a prerequisite for the economic empowerment of women and promulgation of gender equality. It is a pathway to fight against the economic marginalization of women and promote economic inclusion. The role of women in economic development cannot be underestimated,

even though most women are involved in the informal sector.

Major challenges, such as access to credit, limit the ability of women to grow from the informal to the formal sector or exploit the same economic opportunities as men. This challenge is pertinent and is faced by several countries in sub-Saharan Africa, where most women are involved in informal activities such as agriculture.

While the general conditions necessary for access to credit in Cameroon do not discriminate gender-wise, women still face several impediments that make access to credit difficult for them as compared to men. This article looks at the difficulties encountered by women in obtaining credit and makes key recommendations to respond to these challenges to make credit easily accessible for women.



Difficulties Encountered by Women in Obtaining Credit in Cameroon

Cameroon ranks 41st out of 189 countries in terms of gender inequality ([UNDP, Gender inequality index, 2017](#)). The reasons for this poor performance are linked in particular to the unpaid workload of women. Indeed, women spend on average 8.2 hours more per week than men on unpaid domestic work. As these tasks require a significant investment of time each day, they are particularly affected by the lack of access to income-generating activities. This unpaid workload for women, combined with the fact that they have extremely limited access to and control over household resources, partly explains why women are more affected by poverty. As a result, nearly 83.2% of these women cannot access credit for any purpose. Other reasons for the low financial inclusion of Cameroonian women include the inability to meet up with account opening requirements and lack of collateral.

Inability to Meet up With Account Opening Requirements

While obtaining credit begins with the opening of a bank account with the institution, the

opening of an account strongly requires proof of whatever income-generating activity the customer is involved in. A large proportion of women in Cameroon are involved in the informal sector in unregistered activities, which consequently do not have valid official documents that can be provided at the banks to open a bank account and subsequently provide possibilities for accessing credit.

The informal sector remains the main employer of women in Cameroon, accounting for more than half of all employed women. They are still poorly represented in the liberal professions, particularly in the professions of lawyer, bailiff, doctor, or chartered accountant (MINPROFF, 2012). According to the sector of activity, women are in the majority in the tertiary sector (services and trade), compared to the secondary and primary sectors.

Another option is to be employed and present a valid salary slip to the bank for the creation of an account and then be able to obtain credit. The level of unemployment of women in Cameroon in the formal sectors remains high, although it has improved over time. Indeed, the unemployment rate for women – as a % of the female labor force – has fallen from 6.66% in 2000 to 3.8% in 2019, a drop of 3 percentage points ([World Bank, 2019](#)). Among men, the share of the labor force that is unemployed

but available for and looking for work fell from 8.48% in 2000 to 2.9% in 2019 ([World Bank, 2019](#)). Nevertheless, the number of women who can obtain a bank account and have access to credit is still limited as compared to men.

Lack of Collateral Security

Collateral is a prerequisite for obtaining credit for everyone. They most often range from assets such as land and real estate property of valuable capital assets that can cover the amount of loan requested. Women are less likely to provide the guarantees required to obtain loans because women generally receive lower pay than men both in the formal and informal sector. According to statistics revealed by the National Institute of Statistics of Cameroon in 2012, men's wages are 1.5 to 2 times higher than women's in the formal sector (NSI, 2012). This limits their ability to purchase or acquire capital assets such as land, which can be used as a guarantee for credit. Considering access to property ownership, the Minister of State Property and Land Tenure of Cameroon's statistics show that only 21.6% of women own a land title.

Moreover, the poverty rate is higher among women. While 39% of the national population lives below the poverty line, this rate rises to 51.5% for women. 79.2% of them are underemployed ([Delphine Brun, 2019](#)).

The above challenges make it extremely difficult for women to obtain credit. It limits business growth among women, consequently limiting their move from the informal to the formal sector.

Recommandations

While looking at general measures to foster financial inclusion, it is important to look at specific challenges faced by women in having access to finance :

- **Women Should be Encouraged to get Skilled Training and Education:** This is going to build their capacity to occupy positions in the formal employment sector. Their education and training must be oriented toward the needs of the job market. Moreover, the government should review the national strategy for education by taking into consideration the social and cultural dynamics of every region which affects women.
- **Revisit Business Formalization Procedures, so They are Accessible to a Larger Proportion of Women With Limited Resources:** It is very important that the government monitors and ensures that measures taken to facilitate business creation are adapted to the local context and applied on the ground. This will facilitate the transition of businesses from the informal to the formal sector.
- **Financial Institutions Should Develop Products Specific to Women's Needs in Particular by Activating Their Civic Responsibility:** Financial institutions should consider the civil responsibility of women and support them more in savings and business through special products and services.
- **De-Risking Agriculture by Financing Decentralized Rural Infrastructures:** Women represent 71.6% of workers in the informal agricultural sector in Cameroon. The creation of an enabling environment for access to finance for agricultural enterprises, land, and other productive assets would necessarily contribute to the financial empowerment of a large proportion of the female population.

Conclusion

Women play a very important role in the economy. Unfortunately, lack of access to finance affects different aspects of their lives, including the social, economic, and political spheres, limiting women's ability to have a positive impact on the economy as they should. Addressing this issue would contribute significantly to empowering women economically and reducing gender inequalities in Cameroon.



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