

Potency of micro-credit in climate change mitigation

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October 13, 2006 is a historical day for Bangladesh. On this day, the entire nation earned international recognition, which broke all of its previous records. Since Professor Muhammad Yunus and his "Grameen Bank" were awarded the Nobel Peace Prize, it has given the nation a different identity and led the world to acknowledge the country officially as the pioneer of micro-credit. But credit for this status also goes to hundreds of thousands of poor women, who wholeheartedly worked to make Professor Yunus's innovative economic concept a success. The Nobel Laureate uses a simple key, credit-minute sums, as a means to alleviate poverty and achieved success focusing on illiterate women. The women borrowers of Grameen Bank, now popular as a bank for the poor, developed the culture of repayment on time and brought fame to Bangladesh.

Now, micro-credit has proven its value in many countries worldwide as a weapon against poverty and hunger. It is widely being utilized for the provision of shelter and livelihood. Micro-credit is also combined with health-care, education, nutrition, family welfare services and community development in a comprehensive anti-poverty initiative.

Poverty too has close relations with both disasters and climate change. It is estimated that 70 per cent of people worldwide living below the poverty line are women. Being a poverty-stricken country, more than half of the 140 million population in Bangladesh is below the poverty level, the majority of whom are women. Poor women in our country are highly dependent on local natural resources, which are threatened due to climate change effects including frequent floods, cyclones, droughts, deforestation, soil and riverbank erosion as well as the drying up of wetlands.

No doubt, Bangladesh's geographic location makes it a disaster-prone country. Global warming has threatened its existence due to a surge in sea levels and atmospheric changes. These effects result in deprivation of traditional means of livelihood and push a great number of poor women into marginal environments. The use of agro-chemicals and industrial waste, commercial shrimp cultivation, inappropriate land use, and poorly planned infrastructure, such as embankments and dams, also leave them in a more hazardous situation.

Studies have found that women's coping strategies have played effective roles in

disaster mitigation and community rehabilitation. During the 1991 cyclone, which was the worst in the history of Bangladesh, women proved their capacity by categorizing their work. It found that women perceive and assess risks differently than men. They adopt methodologies in building construction, keeping in mind environmental and non-durable aspects of materials. In addition, women's traditional knowledge of health and home remedies help the community to recover from disasters.

But natural disasters affect women in multiple ways. Women's economic insecurity increases and their workload expands due to deteriorating working conditions, family and community work increases, and care-giving responsibilities intensify. They need access to resources and services for mitigation to move towards long-term recovery. But the use of micro-credit in disaster risk management is still somewhat experimental. In general, it is not yet fully utilized as a tool for reducing disaster impacts despite proof that investing in disaster risk reduction reduces the vulnerability of people to hazards and helps break the vicious cycle of poverty.

After winning the world prestigious award, Professor Yunus now feels the challenge to alleviate poverty from the nation and from the world. The Bank claims that 58 per cent of its borrowers' families have crossed the poverty line and the remaining families are moving steadily upwards. So, many believe that introducing micro-credit into disaster management and climate change from a gender perspective would also ensure the commitment to alleviate poverty in a sustainable way.



Left: A group of Grameen Bank's women borrowers are seen assessing their achievements. Right: Women recover from post-disaster consequences. Saving lives of livestock is one example of rehabilitation work.