



## Resolution 1328 (2003)<sup>1</sup>

# Women and micro-loans

### Parliamentary Assembly

1. As a result of the spread of poverty, a growing section of the world population is experiencing precarious living conditions. This endemic phenomenon affects all European countries and has a particular impact on women and some other categories of people made vulnerable by the economic situation
2. Poverty is sometimes felt to be something for which there is no remedy, owing to the individual's supposed dependence on social welfare. What is needed is Europe-wide economic development that benefits everyone in order to enable all citizens to participate in their country's economic growth.
3. The Parliamentary Assembly, which is anxious to tap the potential of those people who have been marginalised, notes that women are often the principal victims.
4. The Assembly, mindful of the fact that social welfare should not be more than a temporary solution, wishes to see poor people given easier access to sources of micro-financing. It also wishes to see all borrowers provided with personalised assistance to enable them to make maximum use of the sums borrowed.
5. The participation of women in micro-financing schemes could be a means of escaping from possible abusive domination by their partners.
6. In numerous instances, micro-loans have helped to alter perceptions regarding women's contribution to economic and social development and their role in this regard. More specifically, micro-loans have led to a greater recognition of women's capacity to devote themselves to an occupation which generates some income.
7. The Assembly therefore invites member states to devise collective strategies for action at local and national level, aimed at co-ordinating co-operation between the various components of civil society and at mobilising human and financial resources in a bid to combat poverty and the lack of access to financing for anybody wishing to undertake an economic activity.
8. The Assembly therefore recommends that the member states of the Council of Europe:
  - 8.1. create a framework conducive to the development of small and micro-enterprises with a legal and regulating structure;
  - 8.2. establish an attractive legal framework adapted to entice micro-enterprises out of the informal sector and thus ensure their inclusion in social protection schemes;
  - 8.3. legalise the creation of jobs on an informal basis and provide an institutional framework enabling assistance to reach a larger number of people;
  - 8.4. adopt a regulatory function which promotes and orientates investments and helps them to materialise in favour of micro-enterprises through a policy of tax incentives;

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1. Assembly debate on 4 April 2003 (16th Sitting) (see [Doc. 9696](#), report of the Committee on Equal Opportunities for Women and Men, rapporteur: Mrs Pericleous Papadopoulos). Text adopted by the Assembly on 4 April 2003 (16th Sitting).



- 8.5. promote a reduction in interest rates on small loans in order to make them more attractive and less onerous with the help of subsidies, in order not to endanger the viability of this kind of loan;
  - 8.6. work with social actors and conventional financial institutions to negotiate a workable balance between the payment deadlines and conditions imposed by banks and the ability of borrowers to honour repayments;
  - 8.7. make the regulations governing dealings with micro-entrepreneurs more flexible and facilitate the circulation of information and the transfer of competence in Europe in order to share experience and to reinforce, in the long term, a sector which is flourishing;
  - 8.8. make it easier for micro-enterprises to join forces in negotiations with suppliers and their customers in order to increase their bargaining power;
  - 8.9. provide for training and legal aid to prepare borrowers for their role as entrepreneurs;
  - 8.10. ensure that women, in particular, have free access to micro-loans, and combat any form of discrimination which might prevent them from gaining access to this kind of financing;
  - 8.11. seek to promote commitment to democratic participation in the decision-making process by everyone involved;
  - 8.12. encourage the provision of complementary financial services (insurance, saving schemes) in order to shield borrowers against unforeseen circumstances.
9. The Assembly decides to forward this resolution to the Council of Europe Development Bank, to the European Bank for Reconstruction and Development (EBRD), the World Bank and the European Association of Banks.