

Center for Community-Based Resource Management (CBRM)

Natural Resources Institute, University of Manitoba

CBRM Database

Date:	02/21/2010	Entry Number:	1078
Case Study Name:	Rural Women's Access to Credit, Market Imperfections Intrahousehold Dynamics in Latin America		
Authors:	Fletschner, D.		
Document Type:	paper in scientific journal		
Year:	2009		
Language:	English		
Document Location:	<i>World Development</i> 37 (3) 618–631		
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Region:	Latin America and the Caribbean		
Country:	Paraguay		
Ecosystem Type:	semi-evergreen, seasonal tropical forest, coastal marine		
Social Characteristics:	remote community		
Scale of Study:	household		
Resource Type:	other (microcredit)		
Type of Initiative:	research-driven project		
Community Based Work:	development planning other (women empowerment)		
Keywords:	credit, intrahousehold, decision-making, women, Latin America, Paraguay		
Summary:	Credit rationing studies carried out at the household level and based on responses from male heads of households present an incomplete and biased assessment of who is likely to be constrained, why they are		

constrained, and what is the extent of the constraints. They ignore possibly conflictive intrahousehold dynamics and assume that imperfections in rural financial markets are gender- neutral. This paper addresses both issues theoretically and empirically. The Semi-Cooperative Household model developed for this analysis formalizes the conditions under which spouses', and particularly women's, individual access to credit can be affected by their own position in the financial market as well as by intrahousehold dynamics. These notions are then explored empirically using husbands' and wives' individual perceptions of their access to credit in rural Paraguay. The most significant empirical findings of the paper are that (i) compared to men, women are more likely to be credit constrained; (ii) women's rationing status responds to a different set of factors than men's; and (iii) husbands may choose not to intermediate capital to their wives even when they are able to do so. Results from this exercise provide empirically sound support for the assumptions underlying women-targeted credit programs.