



Embassy of the Bolivarian Republic of Venezuela to the UK and Ireland

*Fact Sheet:*

## CELEBRATING 10 YEARS OF VENEZUELA'S WOMEN'S DEVELOPMENT BANK: BANMUJER

### **Background**

The economist and feminist activist, Nora Castañeda, had been at an International Women's Conference in 1995 on how to make male-dominated financial institutions work better for women. On her return she drew up plans for a Women's Development Bank. **"Since 70% of Venezuela's in poverty were women, we decided to target them."**<sup>1</sup>

In response to President Chávez's request to "Bring me solutions, not problems" she and women's groups petitioned the National Assembly every day from March to July 1999 to create **state-sponsored micro-credit bank especially for women**. Chávez approved the proposal and appointed Nora as President. Banmujer was set up on International Women's Day, 8 March 2001, and started operating fully in September 2001.

### **How does Banmujer work?**

Banmujer provides both financial and non-financial services to women in order to

encourage their active involvement in the building of a participative economy. It does not seek to make a profit, but to use loans to educate and empower women.

It has one office and employs a network of promoters who go out to the remotest parts of the country offering loans and providing a

wide range of information and advice on both **financial and non-financial matters**.

Banmujer acts as the catalyst in the creation of Popular Networks of Users of Banmujer in which women help each other to build collective

organisations that help them to transform their lives so that they become self-governing members of society.

The aim is for each parish to have a Network which takes responsibility for monitoring the loans to women in their area. The Network organises workshops on how to manage resources to enable the loans to be repaid. If a woman has a personal tragedy and cannot repay her loan the Network takes responsibility and organises parties and raffles to raise the money.

**"We are creating an economy at the service of human beings instead of human beings being at the service of the economy and economic change has to start with the poor."**

**Nora Castañeda  
President of Banmujer**

<sup>1</sup>Interview with Nora Casteneda:

<http://www.aporrea.org/venezuelaexterior/n165113.htm>

1



## Embassy of the Bolivarian Republic of Venezuela to the UK and Ireland

### Non-financial services

It employs promoters to organise workshops to:

- Identify opportunities for social production
- Give training in the different sources of public finance
- Develop simple cost-free investment projects
- Provide workshops in accounting, running cooperatives and small businesses, health, self-esteem, tackling and preventing domestic violence, human rights, citizenship, leadership and community organizing.

### Financial services

Requests for loans are dealt with locally by the community councils and the Banmujer promoters.

Loans are given to encourage self-sufficiency and food production as Venezuela imports 70% of its food.

Over the 9 years from September 2001 to December 2010 the breakdown of the loans by sector was:

- 52% manufacturing
- 20% commercial
- 16% agriculture
- 10% services
- 2% white goods from the state store Mercal

Loans are not given for the sale of alcohol, gambling, videogames, CD/DVD copying, moneylenders, mobile phones or car

purchases, or for advertising, marketing or opinion polls.

### Requirements for the loans

#### Small and family businesses

- Each unit must consist of at least 5 people, the majority of which must be women.
- The coordinator must be a woman
- Each participant must provide details of a simple investment project, including community activities, worked on under the direction of the coordinator.

A loan of 5,000 Bs is given for each member of the unit. If it is paid back on time, another loan can be borrowed, increased by 50%.

#### Cooperatives

They must be registered with SUNACOOP, the national cooperative institution.

Each coop can borrow up to 50,000 Bs.

Interest rates for all loans range from 0%-6% and are for up to 4 years.

Cooperation rather than competition is encouraged between the coops and small businesses that get loans. For example if one group gets a loan to rear chickens, another will get a loan to slaughter them and a third a loan to buy the poultry and sell it on. In agriculture the Banmujer worker encourages the coops to grow a range of crops that are needed by the local community.

The focus is on production of high quality products for both local markets and export.



## Embassy of the Bolivarian Republic of Venezuela to the UK and Ireland

There is no discrimination on grounds of age or literacy.

### Special programmes

---

Banmujer also gives loans to specific social groups to help combat social exclusion and boost key services:

- Communal banks
- Women with HIV/AIDS
- Women with children with long term illnesses
- Women prisoners
- Sex workers
- Students
- African descendant and indigenous women
- Women in mining and fishing communities
- Women in the tourist industry
- Women producing food for Bolivarian schools.

### Achievements of Banmujer

---

Over the last decade Banmujer has:

- Given 127,614 loans to small entrepreneurs and coops, of which 116,408 of these loans have been repaid. 97% of the loans were to women and 3% to men.
- Helped 2.4 million women and men with its financial and non-financial services, including over 2,000 indigenous women.
- Created a total of 479,643 jobs in total (159,881 jobs directly and 319,762 indirectly)
- Organised 16,159 workshops involving 173,172 people

- Set up 207 Networks including 10 of indigenous women. These Networks involved 97% women and 3% men.

This has meant real improvements in the lives of those involved:

- 49% households have become self-sufficient in food
- Households where the children work have fallen from 15% to 9%
- Households where both husband and wife share responsibility for earning the family income have increased from 19% to 30%.

Donatilda, a farmer who had benefited from a Banmujer loan, and is a member of one of the Networks, described her feelings:

**“It’s been a wonderful experience. I feel free like the wind. Before Chávez, women were in the shadows. Now we are on a level with men.”**

Note: all statistics and figures come from Banmujer headquarters in Caracas.

London, 16<sup>th</sup> of February, 2011