

Helping Women Combat Poverty in Kyrgyzstan

Sononya Zhanazarova, or Sonya, comes from Naukat, a farming town in the red hills of Kyrgyzstan some 40 kilometers from the regional capital. Until recently, she and her husband had been living on a pension equal to just \$51 a month, which Sonya tried to supplement by selling pistachios at the local produce market.

Sonya started her business with a small bag of nuts. Unable to afford a stall in the produce hall, she sold pistachios from a small table outside the building - even during the freezing winter months - until she got together with 11 other women to form a village banking group. Hoping to find the capital to help grow her business, Sonya turned to the Foundation for International Community Assistance (FINCA), a micro-finance provider supported by the World Bank's private sector arm, the International Finance Corporation (IFC). A \$40 loan from FINCA allowed Sonya to buy more pistachios and begin expanding her own business.

Entrepreneurs like Sonya need ongoing, reliable access to loans at fair interest rates to take advantage of market opportunities and to improve their own livelihoods. Supported by the IFC, FINCA is helping ensure that even the smallest businesses can flourish by giving them access to additional funds. FINCA has set out to help low-income urban and rural women in particular and now 90 percent of FINCA's clients in Kyrgyzstan are women who borrow an average of \$120. FINCA uses a lending technique that relies on group guarantees - such as that provided by Sonya's banking group - instead of traditional collateral like property. Experience with such programs has shown that women in low-income areas are more apt to translate these kinds of earning opportunities into better health and education for their families, multiplying the benefits of such a small initial loan.

Over time, Sonya's loans and business have grown so that she was able to add new products to her inventory and rent a table inside the market hall. Today, she is not only doing well for herself, but she has even hired new staff - her daughters-in-law.

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