

# Small EU steps could mean giant leap for Middle East women

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This Women's Day (Wednesday 7 March) women in the Middle East will be celebrating small achievements. Yet these pale into insignificance when compared to the general status of women in the region. The Middle East has among the lowest rate of female participation in the formal economic, social and political spheres in the world.

Empowering women is not only a human rights concern, but can serve as a catalyst for greater change, including economic development and a mushrooming of civil society. The EU, through soft power and its position as the world's most generous donor, has the ability to enable wholesale reform, depending on the way it chooses to spend its money.

Next week, an informal meeting on recognising the importance of micro-credit funding in EU policy will take place at the European Parliament. And well it should. Specifically as micro-credit is a crucial way of empowering women, though one that has often been overlooked by the EU.

Micro-credit is the provision of small loans to the entrepreneurial poor, who are sidelined by traditional financial services. It allows them to expand or establish their own small businesses. From Ghana to Bangladesh and Nepal, its effects have been noticeable.

Micro-credit loans addressed specifically to women give them control over assets, increase their decision-making power in the family and has diminished domestic violence as men recognize these economic contributions. Khaled al-Ghazawi, previously of the Jordan Micro Credit Company (JMCC), notes that "for the first time in their lives, these women borrowers became active members in the family, not just taking petty cash from their husbands."

For women responsible for large families, such mechanisms can also provide an important means of reducing their vulnerability. Aisha al Khawaldeh is a typical case. Widowed at 35 and with six mouths to feed, she used micro-credit to set up a clothes-making business in her neighbourhood. Her business expanded, allowing her to provide for her children's basic needs but also send them to higher education, ensuring a better future for them.

Beyond the household, women benefiting from micro-credit become socially more mobile and politically more involved. In Jordan, one of the prerequisites of the JMCC was that its recipients possess IDs, which are also compulsory in order to vote in the country's parliamentary elections. Female borrowers who previously did not possess identification were therefore able and ready to vote when the time came, markedly

contributing to female participation in the political process.

Far from only benefiting women, micro-credit's effects extend to society at large. Access to financial services translates into higher living standards, enhanced social conditions and improved health. Micro-credit generates further employment, creates a demand for other goods and services and boosts economic growth. Advancing women's civil rights through micro-credit also has a definitive political pay-off. Isobel Coleman of the Council on Foreign Relations suggests that empowering women helps democratisation processes, contributes to anti-authoritarian voices and strengthens civil society – all of which are aims of the EU's MEDA process.

Unique to micro-credit, women can be empowered without entangling the EU in the heated debates raging in the Middle East on the meaning of women's statuses. Women have long been the cultural marker upon which conflicting discourses of authenticity and tradition vs. colonialism and usurpation have been articulated. As such, steps to improve women's wellbeing in the region have often met with resistance. Channeling women's empowerment through economic means may prove an easier way of side-stepping cultural confrontation.

The EU has officially recognised micro-credit as an important means to promote women's entrepreneurship in the region, most recently at the Euro-Mediterranean Ministerial Conference held in Istanbul in November 2006. However, when looking at the specific funds allocated for respective programmes this recognition has not been translated into sufficient funding.

Syria is a case in point. The EU is Syria's main donor and has by now provided over €259 million as part of the MEDA package since the inception of the Barcelona Process in 1995, yet there is scant support for micro-finance projects. One of the few projects supported by the EU that deal with micro businesses is the Village Business Incubator (VBI) initiative with EU funds amounting to a mere € 552.112 for a five-year period.

While it could be argued that financial assistance to Syria is generally more limited and cumbersome compared to other MEDA participants, due to the lack of an association agreement between its government and the EU, it is the proportional neglect for this instrument that is striking.

The relative designation of micro-credit funds in other countries is equally limited. Egypt, for example, with an association agreement in place since 2004, has received € 1.1 billion under MEDA I and II. Only about one per cent of these funds have been allotted to micro-credit lines through the Social Fund for Development (SFD), some of which have not more than a quota of 30% for women entrepreneurs. In order to have a significant impact on socially disadvantaged women in Egypt, a more significant proportion will have to be assigned to micro-finance in general and to women more specifically.

In order to do so, some of the funding that goes directly to the Egyptian Government at present, could be made available for micro-finance projects in the future, especially as Cairo has not renewed contributions to the SFD under MEDA II. The situation in Syria and Egypt is reflected across the board of the EU's Mediterranean partners. In a

region with 4.6 million more potential micro-credit clients there is much room for maneuver.

Micro-credit is not a panacea by itself. Education and training opportunities are necessary to bolster such initiatives. Nor is micro-credit suitable for all – the poorest of the poor, concerned primarily with finding food and shelter, generally do not benefit directly from such schemes. Even so, the indirect benefits of supporting women's rights in such a fashion reach everyone. It is not merely a matter of affirming the EU's position as a moral force, but a pragmatic position.

Europe's greatest asset is its funding capabilities. This Women's Day, in order to achieve positive effects for women, the EU must reconsider its current strategy, and invest wisely.

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