

Empowering women through financial inclusion: the case of Tunisia

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Cultural and social constraints on women are still very much alive in Tunisia and continue to check their considerable economic potential. Enda understood this from the outset in 1995 and it provides women with basic training to free up all of their entrepreneurial potential, consolidate their expertise in a given business sector and, above all, provide them with access to funding

You only have to look at a photo of the participants at any international conference to see that a lot of time is still needed for women to be “included” as the political equals of men in society. When will we cease to be surprised to see a woman running a multinational, a government or an entire country? Sahle-Work Zewde, who was elected President of Ethiopia in October 2018, is a perfect example. Becoming a female political or corporate leader is a tough call indeed.

At another level, the challenge can appear just as daunting for a female micro-entrepreneur, and access to funding - especially microfinance - can be a life-changer

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FERTILE GROUND FOR PROMOTING FINANCIAL INCLUSION

With a population of over 11 million, and 4 million working people, Tunisia is currently going through a rough period with annual growth of around 1% and an official unemployment rate of more than 15% of the active population, in other words, over 650,000 people. Young people and graduates are suffering the most with unemployment rates of 33.4% and 29%, respectively, and within this number there are twice as many women as men. This unemployment triggers social conflicts, growing insecurity and emigration (both clandestine and official) that tends to deprive the country of its human capital, particularly its most promising talent.

In 2018, nearly two-thirds of graduates were female yet barely a quarter of all employees in Tunisia are women. We find a similar differential in senior management positions and only 5% of the CEOs of big companies are women. As far as salaries are concerned, women earn around 36% less than men. However, if we focus on political representation (at least through the most recent elections), 14% of the government (i.e., ministers or secretaries of state), 34% of Parliament and 41% of local representatives were women. Very few European countries can boast of such figures.

In common with a lot of moderately-developed countries, Tunisia still experiences considerable deprivation and a rural exodus is swelling the populations of poor outlying districts. To break out of the poverty cycle and improve living conditions, access to financial services is vital but problematic as banks are unwilling to lend to poor people. This was the situation that paved the way for microfinance in 1970s South America where it was pioneered by Accion. Later, in the 1980s, Muhammad Yunus founded Grameen Bank in Bangladesh, becoming a major player in the sector and a global spokesman for microfinance.

In Tunisia, micro-finance - more commonly termed "financial inclusion" - was launched by the international NGO Enda Inter-Arabe, in the wake of the First UN World Conference on Women, organised in Beijing in 1995. Enda had brought together women from a disadvantaged neighbourhood at the Beijing Conference and the ensuing discussions highlighted the importance of financial inclusion in Tunisia and elsewhere, and the fact that many poor women have productive businesses but insufficient resources to make them profitable. Enda subsequently launched its financial inclusion programme using a US\$ 20,000 donation from Emmaüs international as its start-up capital. It has been self-financing since 2003 and Enda Tamweel is currently refinanced by local and international loans.

Unfortunately, 25 years on from the Beijing Conference on Women, enormous progress is still required in order to implement its ambitious final declaration (just like the more recent declaration on the climate). Of the 193 UN members in 2017, only 15 are governed by a woman.

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DIGNITY AND FINANCIAL EMPOWERMENT

A lot of Tunisian women are able to generate revenue streams from production businesses, craft activities, trading or services. They use their income to look after their families, something that not all men do systematically. Self-employment therefore enables women to have an activity outside of housework (whose value is universally underestimated) but, above all, it provides them with the dignity of financial independence. Moreover, given the high rate of unemployment among men, a lot of female micro-entrepreneurs have become the principal breadwinners. One day, an Enda customer explained that she had two completely different activities: dairy farming and metal recycling. "And what does your husband do?" Her reply: "I pay him 15 dinars a day when I have work for him!"

With an average of four people per household for each micro business, it is reasonable to assume

that the activities partnered by Enda Tamweel have a positive impact on the lives of almost 1.5 million Tunisians. There is also the fact that the micro-businesses themselves actually generate almost 100,000 jobs, frequently in the informal sector. On average, Enda approves two-thirds of applicants for a first micro loan. Provided they pay these back on time, borrowers subsequently get access to a line of credit tailored to their requirements.

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TRAINING AND COACHING

Nevertheless, these women often have to contend with daunting social obstacles or red tape as well as social barriers that directly constrain their mobility. Moreover, enterprise culture is relatively under-developed in Tunisia and more than one-third of all graduates aspire to becoming civil servants although, in a country whose bureaucracy is already very top-heavy, this is an increasingly unrealistic prospect. Self-employment is not really encouraged by the Tunisian education system, especially where young people - unsure of themselves and risk averse - are concerned.

Enda has set up a number of programmes to tackle these obstacles. Training and coaching in management, business, design or financial education are good examples. Financial education programmes teach women how to manage their savings and budgets more effectively (both at micro business and household level). Very few men sign up for training, probably in the belief that they don't really need to. Enda is involved in a Netherlands-based programme, Aflatoon, that seeks to foster an entrepreneurial mindset among young people (from five years upwards). In a similar vein, in 2011, Enda launched a programme (Bidaya) to partner micro-businesses set up by young people and 46% of these are created by women. Three years down the line, 70% of these start-ups are still in business. We should give a special mention to the "Projet de Vie" (life project) programme designed to help young 18 to 35-year old men and women take stock of their situation and prepare for the future in a constructive manner. The programme uses interactive workshops to foster more effective socio-professional inclusion.

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CONCLUSION

In the case of Tunisia - and contrary to conventional wisdom - Enda's data shows that poor people, and women in particular, do repay their loans. Of the small proportion of non-performing loans (less than 2%), only one-third were contracted by women. Women are a huge source of untapped economic potential, both in Tunisia and elsewhere. Integrating them more effectively leaves everyone better off.

