

**WIDOWHOOD
& ECONOMIC EMPOWERMENT**

**“AL AMAL” ECONOMIC EMPOWERMENT
PROGRAM**

**A KEY STUDY OF THE BENEFITS OF ECONOMIC
EMPOWERMENT AND ITS LINKS TO SUSTAINABLE
DEVELOPMENT**

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Executive Summary

This is a report on the evaluation of the third phase of the Amal (Arabic for “hope”) project, which aims to economically empower disadvantaged widows and female heads of households in three villages in rural Minya, Egypt. Amal provides its beneficiaries with vocational and business skills training, in addition to a microcredit loan and support in setting up their microenterprises. Amal has also established a micro-social capital fund, where women can secure loans from. Amal is implemented by a local NGO in Minya, the Future Eve Foundation. It receives technical assistance from the Global Fund for Widows and is funded by Alfanar, the first venture philanthropy organization in the Arab world.

An introduction to the global scale of the problem of widowhood, its causes and consequences is provided, situating it in the broader framework of human development, women’s rights and empowerment. The potential for microfinance social and developmental initiatives to lift widows out of poverty and economically empower them is discussed, followed by a detailed description of the Amal project.

The third phase of Amal was evaluated by a sequential pre- and post-test survey that measured variables related to income, economic and social status of participating female heads of households before receiving a loan and three months after. Open-ended questions to explore women’s perceptions, hopes and expectations were also included.

Analysis of the data revealed largely encouraging trends. There was a statistically significant increase of 48% in income per month, from a mean of 796 EGP/month to a mean of 1181 EGP/month. There was also a statistically significant threefold increase in the amount of money saved per month, from 63 EGP/month to a mean of 197 EGP/month. A positive correlation of 0.420 was found between the size of the loan and amount of money saved. The majority of women (over 90%) expressed their interest in renewing the loan and securing a bigger loan and felt that the Amal project could help them attain economic stability.

Analysis of responses to open ended questions revealed common themes related to the women’s experiences with the Amal project as well and their hopes and expectations. These were a sense of independence and self-sufficiency, changes in their relationship with the community and a sense of happiness and hope.

The report concludes with a discussion of the results as well as limitations of the data, and recommendations for future evaluations.

Introduction

Given that the global scale of the problem of widowhood has only just begun to capture international attention, most notably with the celebration of the first United Nations International Widows Day on June 23, 2011, and its lack of prominence relative to other global development priorities thus far, a question commonly asked is “Why widows?” The following sections will endeavour to not only answer this question, but also to properly situate the issue of widowhood within the broader context of human development initiatives, human rights and women's' empowerment. This will be followed by an overview of the role and potential of microfinance, most notably the provision of microcredit loans combined with skills training, in alleviating the plight of widows and helping them to lead a more dignified life.

Widowhood: The scale of the problem

The Loomba Foundation 2015 Global Widows Report, the only comprehensive data source that documents the systematic problems of widowhood across countries, estimates the total number of widows globally at over 258 million. Egypt ranks 17th in the top 20 countries with the greatest number of widows, estimated at over 3 million widows, or 10.7% of the female population of marital age.

It should be noted that these numbers are at best a conservative estimate, as they document the number of women who are *actually widowed*, whose partners have died. If women who are effectively responsible for maintaining the household as a result of the husband's illness, disappearance or imprisonment, were to be included, then the total number of women who are responsible for maintaining their households is likely to be much higher. In fact, 45% of the women sampled in the evaluation of the third phase of the Amal project did not have deceased partners, but chronically and terminally ill husbands suffering the complications of Hepatitis C virus, of which Egypt has the highest prevalence rate in the world (Mohamoud et al, 2015). The term *female heads of households* is therefore a more realistic description of the target group of Amal, as well as the population in need.

The number of female headed households in Egypt has been rising over time, rising from 14.7% of all households in 1999/2000 to 17.7% in 2012/13 (AlAzzawi, 2015). Other estimates have found this figure to be much higher. For example, a survey conducted by the Future Eve Foundation found that between 20-40% of households are economically supported by and in some cases entirely dependent on women, rising to 57% in some slum areas. During the period from 1999/2000 to 2012/13, poverty rose across the whole of Egypt, and was more prevalent among female headed households compared to male headed households. Although this held true for urban and rural areas, there is a sharp rural/urban divide, with rural populations faring worse. Rurally, the rise in the number of female headed households in Egypt over time has been accompanied by an increase in the incidence, depth and severity of poverty of these

households compared to male headed households from 2008-13 in. During this same period, 30% of female headed households in rural areas were below the poverty line (AlAzzawi, 2015).

Female heads of households in the developing world, whether through the death of their partner or through other means, face a host of unique challenges that go beyond the economic struggle. These challenges constitute a systematic discrimination, through omission, of an already vulnerable and marginalized group. The 2015 Global Widows Report documents that widows as a group tend to experience levels of poverty and deprivation that are more severe than that of the general population. This is not a coincidence, as the Report documents how becoming a widow is itself a risk factor for descent into poverty. Immediate loss of income pushes widows and their children into poverty. Low levels of economic development and skills of women who had previously been confined to the domestic sphere and are now thrust into a position where they are required to maintain their household, combined with restrictive gender and social norms that provide a disempowering context, ensure that this poverty is maintained and even deepened. The Global Widows Report captures six themes that are responsible for the deprivation faced by widows and female heads of households; lack of livelihoods (income generating employment, land), lack of skills (literacy, numeracy, business), inadequate or absent welfare systems, stigma, displacement by war or other disasters and economic collapse (loss of agricultural resources as a result of global trade policies).

It therefore emerges that widowhood is a human development priority, considering the economic potential of a sizable group of women that is not being reached and a women's rights issue with direct implications for the empowerment of women (especially economic empowerment). In addition, the responsibility widows have for their children's welfare and education makes the issue of widowhood a children's rights and global health issue, as a higher income earning capacity of women improves human capital. Income in the hands of the mother, as opposed to the father, leads to significantly more resources going directly to children's health and education (The Loomba Foundation, 2015).

What can be done? The role of economic empowerment programs

Given the various constraints, difficulties and contextual challenges faced by female heads of households in developing countries such as Egypt, livelihood programs with a developmental and empowerment orientation emerge as a viable strategy to improve the lives and opportunities of widows and female heads of households. Short of instituting far reaching policy and legislative changes that address the structural impediments faced by women in general and widows in particular, livelihood and economic empowerment programs represent a bottom up developmental approach that capitalizes on women's strengths and views them as economic assets whose capacity is to be built to improve their earning power and lives in a sustainable manner.

Economic empowerment programs comprise several interrelated components. These include microfinance, vocational and skills training. Microfinance is the provision of banking services, mainly loans, at a smaller scale than conventional banks, to a primarily low income

clientele. Although small, short term loans (microcredit) are the most common service, others exist such as savings and insurance. In Egypt, microfinance operates within two major frameworks; the economic survival model and the business enhancement model. The economic survival model, also known as the poverty alleviation model, refers to “the provision of credit to home-based small-scale economic activities, and is usually introduced as a component of an integrated developmental approach with a social agenda focusing on issues of advocacy, education, awareness raising, improvement of housing units, and so on” (Barsoum, 2006). It is this model that has been the focus of the Amal project.

Using this integrated approach, the economic survival model has the potential to lift female heads of households out of poverty and contribute to their economic empowerment. In fact, the National Impact Survey of Microfinance in Egypt (Planet Finance, 2008), found that “microfinance provides one of the only external sources of finance for the economically active poor in Egypt”.

The Amal Project

Goals

The Amal (Arabic for “hope”) project is a comprehensive, multicomponent social program run by the Future Eve Foundation in three villages in rural Minya, Upper Egypt. It was started in 2012 and is currently in its third phase, which commenced in late 2015 and is the subject of the present evaluation. Amal has two objectives; first, to improve the economic and legal opportunities of disadvantaged widows and female heads of households and second, to promote the development of a support network among widows and female heads of households to facilitate their access to rights and entitlements. The Amal project also receives technical assistance from the Global Fund for Widows and is funded by Alfanar.

Capacity building and skills training

Recognizing that more than cash is needed to sustainably economically empower women, the Amal project provides female heads of households with a range of resources and supports to establish a microenterprise to sustain themselves and their families. In addition to loans, women are provided with skills training to aid them in setting up their businesses, according to their interests. For example, widows seeking to raise poultry or small livestock receive training from licensed veterinarians in breeding, nutrition, and disease detection. Widows seeking to set up vending enterprises learn how to buy wholesale and sell retail, inventory management, and best customer service practices. Other widows are trained in hairdressing, soap/detergent making, feedstock production, and food production. Along with vocational training, the Amal Project conducts financial literacy training with all widows. Additionally, representatives from Egypt’s Ministry of Insurance and Social Affairs conduct informational sessions to educate widows and female heads of households about their rights

and entitlements, including pensions, health insurance, and educational assistance for their children.

Microfinance

Once this education and skill-building takes place, widows and female heads of households are enrolled in the Amal Project are able to access investment capital either in the form of a micro loan or micro-social capital (savings and lending groups). Roughly 4270 widows, or 76% of Amal Project participants have received capital in the form of a micro loan. The average size of the loan was 1500 Egyptian Pounds with an interest rate of 10%. In previous phases, the Amal Project experienced a 100% repayment rate on these loans, testimony to the strong underwriting practices and dedicated management of Future Eve Foundation, but also to the diligence, drive, excellent vocational and financial literacy training, congenial support of other widows, and “no-option but success” culture adopted by the widows.

In addition to increasing income and economic self-sufficiency, Amal strives to foster a sense of community and a group ethos of solidarity among its target group, whom are often isolated and marginalized. When first receiving a loan, women take an oath to support other women once they have achieved self-reliance, helping to promote sustainability as well as a thriving network of support.

Micro-social capital

The Amal Project also employs a micro-social capital program, a philanthropic innovation of the Global Fund for Widows (Global Fund for Widows, 2016). Some 1340 widows in the program were enrolled in social groups consisting of 15 members. With guidance from the Amal Project, these widows and female heads of households learn to elect an executive committee from amongst themselves. The widows meet weekly for a period of one year. They invest their savings in a group savings plan and lend the pooled money to a member who presented a business plan. The interest rate returned to the group by the borrower constitutes the equity gains on their investment. These savings have allowed the widows to generate savings for the first time. This social fund has the potential to offer members critically needed a social and psychological outlet, a safe place to voice their shared experiences, an opportunity to generate best practices within their business, friendships among each other, and most importantly, solidarity as a social force. The widows each sign a “social contract” promising to support other widows within their community both through financial support of their micro-enterprises and socially by offering their solidarity, friendship, and loyalty.

Methodology

Research objectives

- a) Evaluate the impact of the third phase of Amal in improving the socioeconomic status of recipients of microcredit loans, reflected through
 - i) **change in income over time**
 - ii) **change in amount of money saved over time**
 - iii) **ability to repay the loan**
- b) To assess whether participating in Amal contributed to the economic empowerment of female heads of households, reflected through responsibility over household income and expenses and mobility in public spaces
- c) To assess whether participating in Amal contributed to a change in women's sense of community
- d) To explore the opinions and feelings of women about participating in Amal to glean useful information to inform future planning

Study design

A sequential pre and post-test survey was used to assess the impact of participating in the Amal project and receiving a microcredit loan on the lives of widows and female heads of households. A sample of 47 women was obtained through referrals from the Future Eve Foundation in Minya. One woman did not participate in the post-test, bringing the sample down to 46. Six data collectors from the Future Eve Foundation were recruited to administer the survey. They received training in interviewing and research skills from a graduate student at the American University in Cairo. The sampled women were informed of the purpose of the study and invited to participate, and were assured that their participation was not related to their receipt of a loan and that they could drop out at any time. The survey was conducted orally, in Arabic as many of the women were illiterate.

The surveys collected quantitative and qualitative data. They collected basic demographic information and compared pre- and post-data on economic agency, income, ability to repay the loan and amount of money saved. The Sense of Community Index-2 (SCI-2), a reliable and frequently used quantitative measure of sense of community in the social sciences, was translated into Arabic and used to assess sense of community before and after receiving a loan. Women were also asked to rate the degree to which they felt certain responses captured how they felt (e.g. 'i am happy', 'i am confident'). They were also asked if they thought the program could help them attain economic stability, and if they would like to take out another loan or a bigger loan. There was a period of three months between administration of surveys.

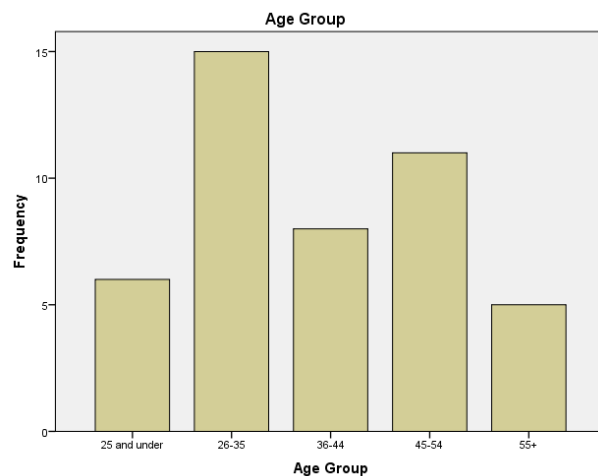
Open ended questions explored the women’s feelings about joining the Amal project, if their relationship with the community or their children had been affected by participating in the project and what they thought was lacking in the program.

Quantitative data were entered into SPSS and analyzed to assess changes in the above variables before and after receiving a loan. Responses to open ended questions, written by data collectors in Arabic, were translated into English and analyzed thematically.

Results

Demographics and sample characteristics

The women in the sample had ages ranging from 23 to 61, with a mean of 39.4. Number of children ranged between 0 and 8, with an average of 3. Almost one fifth (19.6%) of the women were widowed, on average for 5.7 years, while almost half (45.7%) had a terminally ill husband. The remainder of those surveyed were evenly distributed among the categories divorced, abandoned or having an unemployed husband. All were from villages in rural Minya, and all were taking a loan from the Future Eve Foundation for the first time.



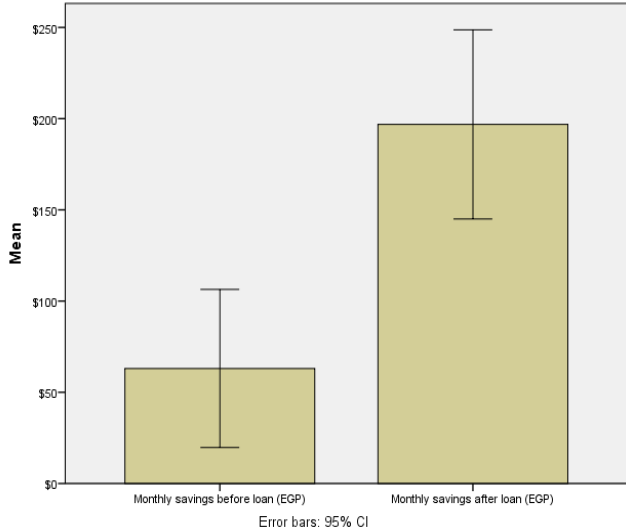
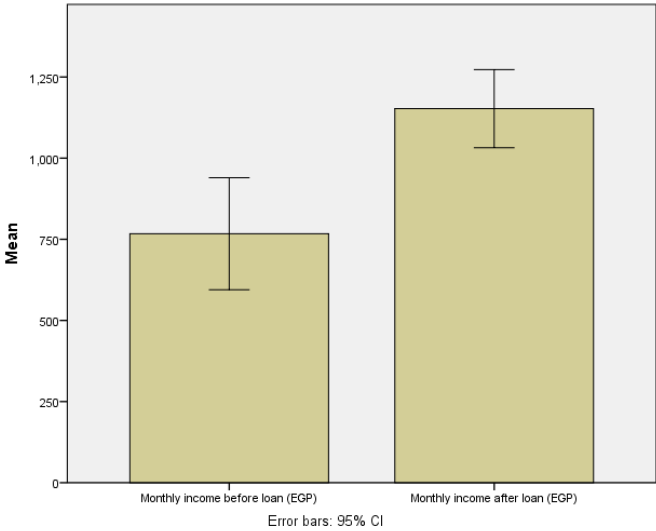
In over half the women (55.3%), the woman was the owner of the home she was living in, the next biggest category being the husband (25%). Less than half (44%) reported receiving help with their domestic tasks. 69% of the women had never worked before. 17% of them were in debt, with the amount of debt ranging from 250 to 3000 LE, with a mean of 1241 LE.

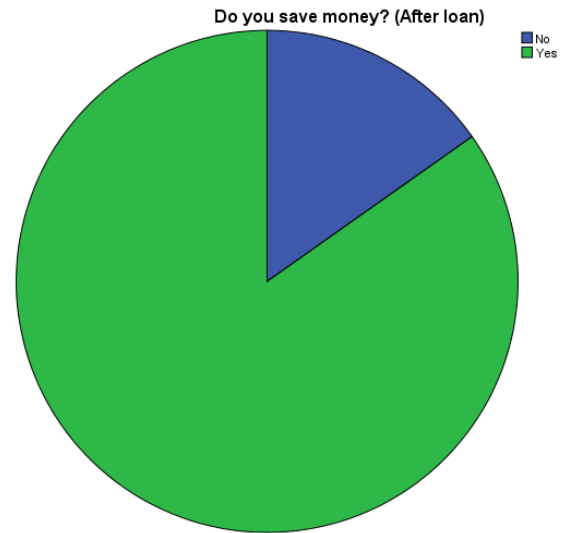
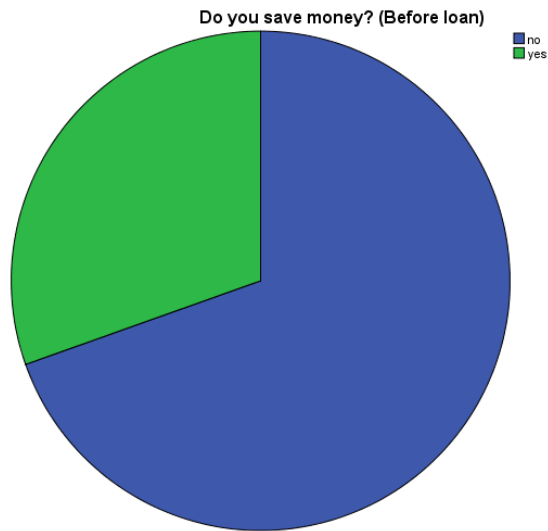
The majority (98%) of the women could not read or write and did not have an educational degree or certificate. A fifth reported that they had skills in animal husbandry. A fifth also reported that they had manual labor skills. 15% reported having skills necessary for buying and selling.

Economic status and agency

Almost all (98%) of women reported an increase in their income following the loan. The same proportion reported that they had no debt other than that owed to the Future Eve Foundation. The pre-test income of the women before receiving a loan ranged from 150 LE/month to 3000 LE/month, with a mean of 796.63 LE/month. Three months later, the monthly income of the women rose by an average of 385 LE to reach a new mean of 1181 LE/month, a change that was significant at the $p=0.02$ level. This represents an increase of 48%.

The proportion of women who were saving money rose from 30% in the pre-test survey to 84.8% in the post-survey ($p=0.07$). In addition, the women reported an increase in the mean amount of money saved, from an average of 63 LE/month to 197 LE/month, representing a threefold increase. This change was also statistically significant at the $p=0.00$ level. In addition, there was a positive correlation of 0.420 between the size of the loan and the amount of money saved per month, significant at $p=0.01$.

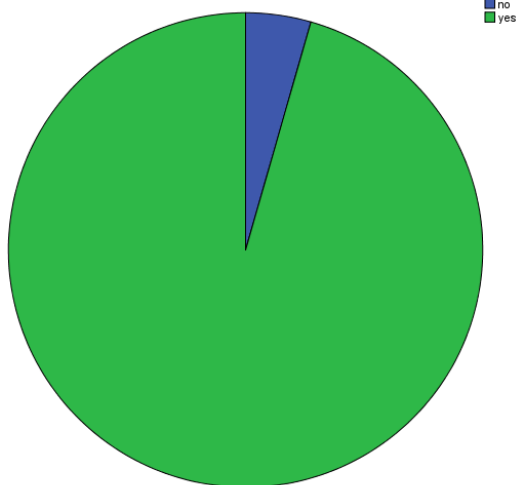




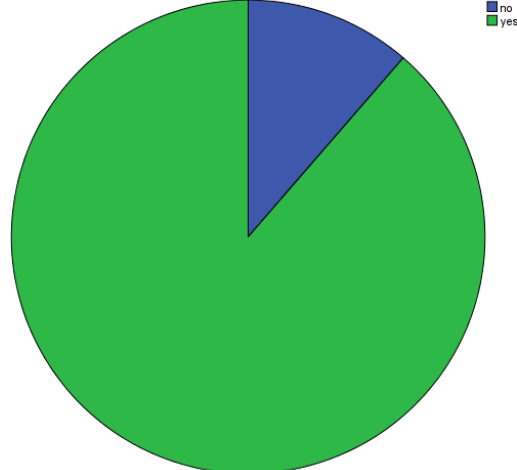
There was a 6% rise in the proportion of women gaining agency over money in the home, from 72.6% to 78.6%. Although this rise did not attain statistical significance, it is notable that whereas in the pre-test sample 4% of women were living in situations where the brother or other family member handled the household's finances. In the post-test survey, none of the women were supported by a brother or other family member.

At the post-test, a sizable 95.6% of women believed the Amal project could help them attain economic stability. Almost all (97.8%) were interested in renewing their loan, and of these 91.1% were interested in applying for a bigger loan. Almost all (97.8%) women said they were able to repay the monthly installments of the loan to the Future Eve Foundation. 95.7% reported making a profit from their microenterprise and 61% reported learning new skills through it. Almost 3 quarters (72.3%) reported that the training they had received from the Future Eve Foundation had been helpful. 88.6% of the women reported that they would like to eventually expand their enterprise. There was no significant difference in mobility in public spaces between the pre- and post-tests.

Do you think the program will help you attain economic stability?



Would you like to expand your project eventually?



Sense of community and self-reported feelings

There was no significant change on the SCI-2 between the pre- and post-tests. There was also no significant difference in any of the responses to statements eliciting how the woman felt at the time of the survey, except for a small but significant rise in a positive response to the "I am happy" item. It is likely that the short time frame, in addition to the small sample size, may have precluded any significant changes on these items, which are not as clear cut as variables like income and money saved.

Qualitative responses

The inclusion of open ended questions allowed the exploration of the women's feelings, perceptions, hopes and expectations through qualitative information, that were not possible to elicit from the quantitative data. A few common themes emerged, which were cross-cutting across the questions. They are presented below with quotes to illustrate.

Independence and self-sufficiency

"I feel responsible for myself and my family; I have my own work"

"I am my own person, responsible for everything I own and for a whole family"

"I am content at the prospect of being able to diversify my source of income, have a stable income and increase my profits"

"I am an independent person and do not need to turn to anyone for help"

"I feel content, as I currently have no partner and so I have my own business and can rely on myself"

Happiness and sense of hope

“I was happy that I could participate [in the Amal project], secure a loan and expand my business”

“I hope it [the Amal project] becomes bigger and more developed”

“I was afraid when taking out a loan. The training taught me how to face problems and setbacks. Now I feel reassured and have peace of mind [that I have my own income from the project]”

“I was happy I could secure a loan”

“I hope I can expand my business more and make a greater income”

Relationship with the community

“Now I am more well-known than before and engage with people [through my business]”

“I am busy with my business and spend a lot of time on it, so I have less time [for my children]”

“I now have more relationships with people”

“I am able to balance my business with my home duties”

“I support myself now with a bigger income without having to turn to my family”

“Now that I have my business, people interact with me and seek advice from me rather than from someone they don't know”

“It [the project] gave me skills and knowledge and brought me closer to people than before”

Discussion and recommendations

This evaluation study offers several conclusions and recommendations for future evaluations of the Amal project and other initiatives.

Quantitative data analysis has shown a beneficial effect on variables related to economic status such as income, amount of money saved as well as a correlation between the size of the loan and amount of money saved. In addition, women's responses revealed that the majority believed the program would help them attain economic stability, were making profits, were interested in renewing their loan and in securing a bigger loan.

Although there were no significant changes in the women's sense of community as measured by the SCI-2 or in how they felt at the time of the survey (except for the 'i am happy' item which showed a small but significant rise), it is worth bearing in mind the limitations of the data. First and foremost, the sample size may have been too small to detect effects on these variables. In addition, they were not randomly sampled to ensure representativeness. Furthermore, the short duration of time between the two surveys (three months) may not have been enough for changes in these 'softer' variables to appear. This is especially pertinent

considering that this group of women were taking out loans and starting an enterprise for the first time.

Despite the limitations of the data, this sample provides a baseline assessment that can be compared to future evaluations of the same cohort of women as they are followed up over time, as they become more confident and skilled in managing their business. The positive responses to the open ended questions support the contention that future evaluations may uncover new findings as well as further confirm existing findings.

The improvement of the economic situation of widows and female heads of households is more than lifting a group out of poverty. It is a development goal that, if progress is made towards, has the potential to transform and improve the quality of life of millions around the globe. The encouraging results of three successive iterations of the Amal project have several far reaching policy implications not only for the issue of widowhood but also for the post-2015 sustainable development agenda at a national and global level. By working with widows and building their capacity to economically and socially empower themselves, several of the Sustainable Development Goals undoubtedly come within closer reach.

When a widow who was previously living in abject poverty becomes able to generate a sustainable income, she will be able to afford sufficient and better quality food for herself and her children, all of whom will consequently enjoy better health. Having a sustainable income will reduce the likelihood that a widow will have to pull her children out of school, or have to make a choice between her sons and daughters on whom to educate. Her daughters will get their right to an education alongside her sons, making great strides toward gender equality. Hence, an impact has been made on SDGs 1-5 on poverty, hunger, health, education and gender equality. When this widow is able to expand and diversify her income generating activities through further loans till she is economically productive, her life opportunities and those of her children improve, making for a more just, less unequal society. Thus, SDGs 8 and 10 on economic growth and reduced inequalities are also within reach. Finally, a society that has made strides toward ending poverty and hunger, providing quality education and reducing societal and gender inequalities will have come one step closer to building cohesive and sustainable communities, summed up by SDG 11 "Sustainable cities and communities".

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