

The Impact of Microloan Programs on the Lives of Palestinian Women in the Gaza Strip

Microloan programs offered by non-profit organizations and the United Nations have revolutionized Palestinian women's ability to participate in the labor force and to increase their economic autonomy in the Gaza Strip since the 1990s. For women in the Gaza region, economic and environmental hardships are compounded with violence and gender disparity in the workforce. Blockades implemented at Gaza's borders by Israeli forces have hindered economic development, limiting access to resources vital for the sustenance of businesses and families. Limited access to clean water and food insecurity exacerbates this economic burden. The implementation of microloan programs in Gaza allows women to provide for their families while also increasing their own economic autonomy through workforce participation.

Gaza is swiftly moving toward the United Nations occupied Palestinian Country Team's projection "of becoming uninhabitable this year [2020] if the blockade and military aggressions continue" (Illegal Settlement Growth). As predicted, the population topped two million inhabitants, a marked increase from the population of 1.64 million that resided in the region at the time of the report's release in 2012 (UN Country Team). These two million people participate in an urban economy that relies primarily "on trade, communication, and movement" for its survival (UN Country Team). Hampered by Israeli forces preventing the free movement of goods and people across Gaza's borders, the economy within the walls remains largely cut off from the outside world. These restrictive measures were imposed by Israeli forces after the Palestinian faction Hamas won elections in the Palestinian occupied territories in 2006 (Cook). One crossing point remains to connect Gaza to Israel, the Arab World, and Europe, where goods and services can be sold for a profit. With the restrictions placed on the number of crossing

points between Gaza and Israel, the number of trucks carrying goods for export decreased from 120 to nine; on numerous occasions, none of the trucks were allowed to pass through (Cook). The economic hindrances resulting from blockades implemented by Israeli forces have caused a consistent decline in Gaza's GDP per capita since 2011 (UN Country Team). A fiscal crisis in 2019 incapacitated economic momentum in the first three quarters of the year (World Bank) and the overall economy of the occupied Palestinian Territories has shrunk an additional 3.4 percent in the first quarter of 2020 (Trading Economics). Gaza's weakened economy has generated widespread unemployment and poverty. The twenty-nine percent unemployment rate reported for 2011 (UN Country Team) grew to forty-three percent of people in the labor force by 2019 (World Bank). As of 2019, just over half of the population lives below the poverty threshold of USD \$4.60 a day, with one third living in extreme poverty (Cook). Economic suppression and a high rate of unemployment are compounded by limited essential resources, such as electricity and clean water. Without intervention and the relaxation of restrictions on movement, Gaza faces the imminent collapse "of water, sewage, and electricity infrastructure" (Cook).

Women face gender-specific challenges in combination with overarching political, economic, and infrastructural issues faced by Palestinians in Gaza. The combination of Israeli occupation with entrenched gender discrimination "adversely impacts the socioeconomic rights and well-being of Palestinian women and girls" by offering them "limited control over economic assets" (UNESCWA). The United Nations Economic and Social Commission for Western Asia released a comprehensive report in 2015 detailing the impact of gender disparity on women's ability to participate in the economy. One primary aspect of this disparity is women's experience of violence—from Israeli forces and within their own communities—within the Gaza Strip. As a

result of this gender discrimination, “women are particularly susceptible to poverty and suffering brought on by periodic escalations of violence” (UNESCWA). Households headed by women—including widows—are especially vulnerable “to economic deprivation and marginalization,” (Fake) with women who have “lost their husbands” to military violence facing “severe discrimination in their new roles as breadwinners” (UNESCWA).

The adverse effects incurred by violent events are inescapable as a result of restrictions imposed by Israeli forces on the Gaza region that negatively impacts the daily lives of women specifically. These blockades lead “to a systematic denial of their socioeconomic rights” through “checkpoints and other physical obstacles” that limits their movement and opportunities (UNESCWA). In addition to these experiences of violence and blockades, surveyed women in Gaza cite their absence from participation in the workforce as a result of housekeeping demands (UNESCWA). Measuring at forty-seven percent in 2012, the unemployment rate for women in Gaza reached 74.5 percent in 2018 (Unemployment rate). Despite receiving a high level of education on average, gender disparities in unemployment persist and tend “to be highest among better-educated women” (UNESCWA). Thus, the majority of employable women remain outside of the labor force (UNESCWA). Gender segregation in the workforce further complicates the absence of women from this sphere by preventing them from earning the same amount as their male counterparts. Concentrated within a few professions, women remain largely excluded from construction—the highest-paying economic sector—and earn an average daily wage that is 81 percent of that made by men in Gaza (UNESCWA). In order to sustain themselves and their families despite these disparities, women in Gaza have sought microloans to start their own small businesses and to increase their economic freedom.

Microloans have historically assisted women in Gaza whose families depend on them for survival (Gaza Women Benefit). As mounting economic and humanitarian crisis have resulted in more women becoming responsible for contributing to familial income, loan funds were established to assist women in their entrance to the labor force and to owning their own businesses (Gaza Women Benefit). The Gaza Women's Loan Fund, run by Anera, empowered Palestinian women and assisted women in providing for their families (Gaza Women Benefit). The Gaza Women's Loan Fund has helped women to kickstart their small businesses since 1995, distributing loans ranging from \$1,500 to \$5,000 (Gaza Women Benefit). By its third year, the program had loaned approximately \$1 million in capital to female business owners in Gaza (50 Photos). As of 2018, 5,676 women around the Gaza region were awarded loans to start their microbusinesses, with the loans totaling \$7.2 million (50 Photos). Gaza also served as the first location for the United Nations Relief and Works Agency (UNRWA) microfinance activity, which began offering microenterprise credit loans in 1997 (Microfinance). Now, Gaza accounts for 25.5 percent of UNRWA's microfinance work, issuing a total of 121,248 loans—forty-three percent of which have been given to women—worth USD \$158.7 million (Microfinance). These microloan programs have provided targeted support for women in Gaza to start their own businesses over the past three decades.

Today, efforts to assist Palestinian women in starting microbusinesses continues through efforts such as Anera's Women Can, a female empowerment project. Aimed at empowering female household heads, this program works to "increase their economic autonomy and the financial resources of themselves and their families" (Fake). The program not only loaned funds to one hundred women to assist in starting their microbusinesses, but also provided participants

with twenty-eight hours of training “tailored to their specific sector and business needs” (Fake). One form of microbusiness that microloan recipients often started include sewing and embroidery businesses. For Aida—a woman in Shejaiya who received a loan from Anera in 2010—the microloan allowed her to begin a business that specializes “in knitted, sewn, and embroidered products” (Empowering Gaza Women). Working collaboratively with her mother, she embroiders fabric which her mother sews into purses, scarves, tablecloths, and runners (Empowering Gaza Women). Through her embroidery practice, Aida pays homage to her Palestinian culture through the replication of traditional patterns. For Amal—a woman who grew up in a poverty-ridden community in Beit Hanoun—she found undiscovered skills within herself for sewing and making traditional Palestinian dresses. Her participation in the women’s empowerment project allowed her to access thread and other materials that she utilizes in making pieces for sale (Embroidery is Amal’s key). For Ahed—a graduate of the Arabic Language Department at a university in Gaza City—the microloan allowed her to open a shop that sells clothing (Ahed’s New Clothing Shop). Ahed is among the fifteen vulnerable women in northern Gaza to receive grants that range in value from \$2,000 to \$3,000 (Ahed’s New Clothing Shop). She also took part in a management training program offered by the Cooperative Society for Saving and Lending. The inclusion of training that encourages entrepreneurship demonstrates that microloan programs not only provide women with the funds to support their businesses, but also with information regarding how to keep the momentum of their businesses going.

The continued distribution of microloans to women in the Gaza Strip will mitigate economic suppression created by ongoing blockades and gender disparities. However, the onset of the coronavirus pandemic has weighed heavily on economic activity and hindered economic

recovery from a fiscal crisis in 2019. For female entrepreneurs, this has led to a decrease in their revenue. In Ahd's case, revenue at her shop has declined as people have begun saving money rather than spending it on nonessential items. Families celebrating Eid, the end of Ramada, by purchasing clothing for their children "provided a helpful bump in sales" (Ahd's New Clothing Shop). However, it is unclear how long this stimulus will sustain her business. Uncertainty clouds whether women's microloan-funded businesses will be capable of surviving pandemic-induced economic shrinkage.

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