

# WOMEN-LED MICRO-ENTERPRISES

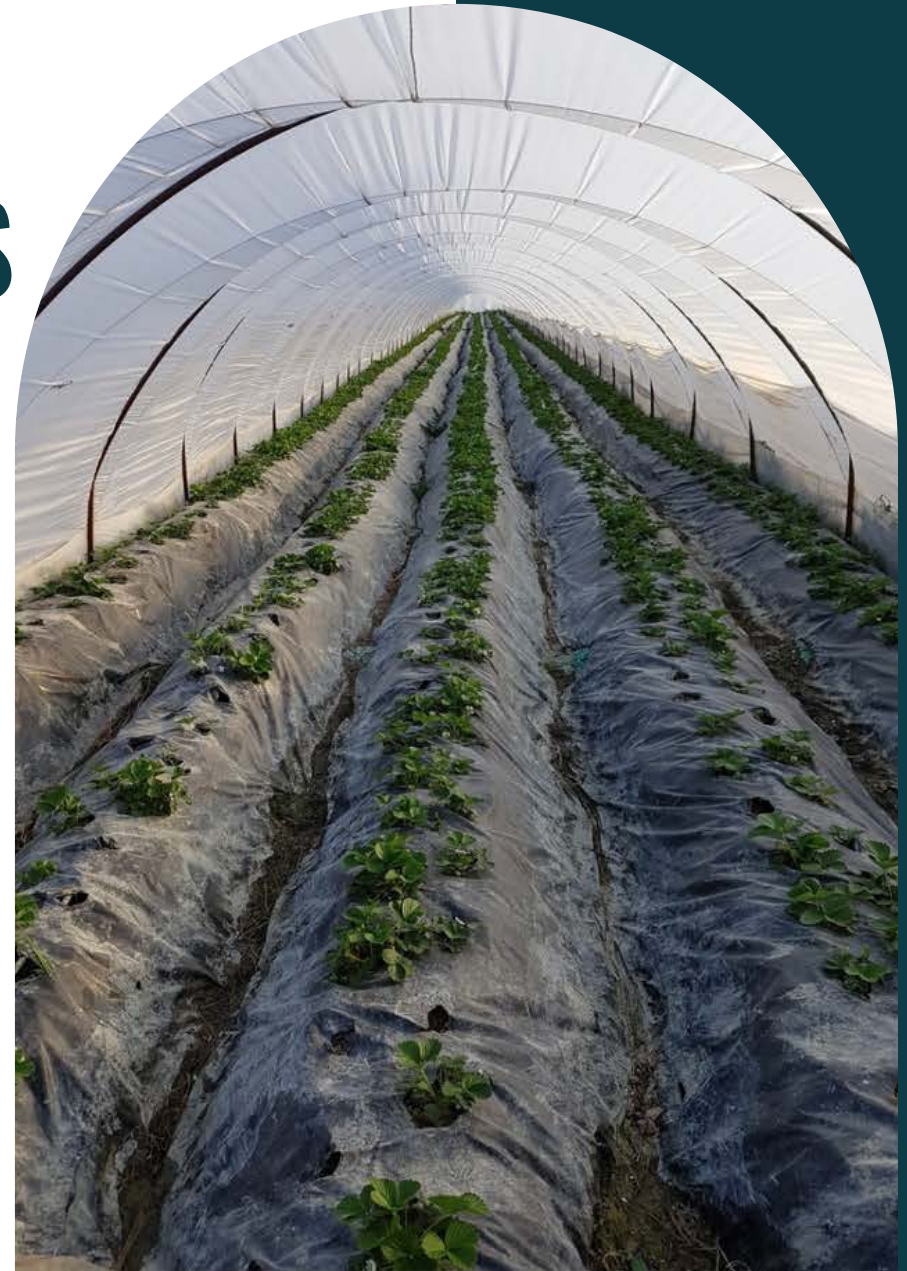
## Drive Job Creation and Poverty Alleviation in Albania

Female entrepreneurship was Albania's untapped resource to help lift the country's ailing rural communities out of poverty.

Encouraging women with equal opportunities to access business loans would help deliver more inclusive economic growth in remote areas.

During a visit to the Balkan nation in 2007, the Islamic Development Bank (IsDB) identified credit schemes aimed at small and micro enterprises as crucial steps to redevelop agriculture in regions with high levels of deprivation.

But it was an challenging task.



## Gloomy Landscape

In 2008, around 60% of Albania's GDP came from services like banking, tourism, and telecommunications. Another 21% from agriculture and the final 19% from industries including electronics, manufacturing, textiles, and mining.

However, half the entire population lived in rural areas with 60% of the working labour force in agriculture – most of which barely earning a living from subsistence farming.

In addition, 99% of the country's enterprise sector was made up of micro and small businesses, underwritten on a small scale with retained earnings or funds from family, friends or sometimes unofficial lenders – all of which limited expansion.

This stagnation coupled with a high level of the country's labour force working in small family-run farms led to elevated poverty levels.

Furthermore, according to a 2009 UN report, more than a quarter of the country's population lived below the poverty line, with up to 1 in 20 people living in extreme poverty.

## Positive Moves

Committed to supporting Member Countries' socio economic development priorities, IsDB collaborated with the Albanian government to initiate a microfinance through its poverty alleviation arm, the Islamic Solidarity Fund for Development (ISFD).

By 2010, the scheme had successfully provided affordable credit access to those in deprived urban zones and many women working in agriculture in the rural highlands.



Much of Albania is mountainous, providing a challenging and often inhospitable terrain for farming but, despite this, a quarter of its land is used for this very purpose.

Its smallholders produce fruits, vegetables, meat, sugar beet, honey and dairy products.

And it has an easy export market for these perishable goods across its borders with Greece, North Macedonia, Kosovo, and Montenegro, or via its west coast Adriatic Sea ports.



## Remarkable Results

More than 1,200 applicants were initially approved for the Shariah-compliant microcredit, with that figure expected to more than double in the following three years.

The ripple effect of this was the creation of an impressive 4,500 jobs, with 10,000 new roles expected over the same period.

The impact of IsDB's work here cannot be underestimated.

Hand in hand with the Albanian government, the Bank has made an affordable and flexible credit scheme available to help realise the ambitions of the country's rural workforce, in particular women.

It has created the opportunity for businesses to take that next step and grow.

As with many other projects with member nations, IsDB has been quick to realize the potential of women entrepreneurs and their steadfast ability to transform an emerging economy.