

# Women's Entrepreneurship and Fair Trade in Afghanistan

## Background: A Historical Perspective

In Afghanistan, women's work has always differed in urban and rural areas. In rural families, women have always fully participated in agricultural work. Through generations, many women have worked in the handicrafts industry. Nomadic women cared for young animals and made a variety of dairy products. They may also spin wool and weave the fabric. Any extra produce, product or livestock could be sold at the market to increase a household's revenue.

By 1978, urban women were joining the workforce in increasing numbers, although only about 8% of the female population earned income at the time (by way of comparison, around 37% of Canadian women were earning income in 1976). Few worked in private industry, and very few were self-employed. Some women worked for airlines, in textiles, ceramics, food processing and prefab construction factories. During the 1980s, the Soviet-backed Afghan communist government fostered women's participation in the workforce, resulting in women holding civil service and other jobs in urban areas, and travelling abroad to the USSR for higher education and training.

The mujahideen-led civil war years and then the Taliban government of 1996-2001 ushered in a regressive era of revived conservative attitudes towards women and their work outside the home. The Taliban banned women from working altogether, with only a few exceptions negotiated by humanitarian organizations such as UN

Habitat who employed women to make bread and pasta during a food shortage crisis in the late 1990s in Mazar-i-sharif.

*"Islamic texts do not delineate roles for women. What the Islamic texts command is equality and justice guaranteeing that women be treated in no way lesser than men. Some Afghan women are determined to find ways in which they may participate in the nation's reconstruction according to their interpretations of Islam's tenets. This is a challenge now facing Afghan society."* – Carey Gladstone, "Afghanistan Revisited" (2001)

## Women in Business: Post-2001

After the fall of the Taliban, the people of Afghanistan inherited an economy that lacked jobs to support them. To be economically viable, young Afghans must create their own jobs and grow their own businesses. Communities need structured challenges and opportunities, coaching, and a sense of morale, and legal business ethics to overcome the obstacles that block Afghanistan's progress in alleviating the poverty in which so much of the population lives. The desired outcome is sustainable wealth.

Nearly a decade after the fall of the Taliban, there are increasing numbers of women in the business world, working outside the home in a variety of industries and sectors, and also running their own businesses, though they often continue to face resistance and contend with insecurity and uncertainty. According to Kamela Sediqi of Kaweyan Business Development



*Is it women who traditionally make carpets, a key industry in Afghanistan. A carpet in progress by a weaver in Herat (2008).*

Services, "Business is the only way to support Afghanistan," as she notes that the foreign money now funding the country will soon dry up. "We can make our country by establishing businesses and supporting businesses and creating more investment" (2008).

According to the women's business support organization Bpeace, a witness to the growth and change in Afghanistan, is the diversity of businesses that women are starting post-2001. For example, prior to 2001 most businesswomen were in handicrafts and only 15% spoke English or knew how to use a computer. Today there are women entrepreneurs in IT, accounting, electrical engineering, manufacturing, food processing, and a wide variety of other businesses.

## Modern Design, Fair Trade and Skills for Women

Boumi, founded by Hassina Sherjan, is a design and manufacturing firm launched

in 2005 with an initial local workforce that consisted of 15 women and three men. The goal of Boumi is to build a successful business while creating much needed sustainable employment opportunities for Afghans. Additionally, Boumi's objective is to encourage manufacturing of Afghan-made products with raw materials produced in Afghanistan. The company makes beautiful linens and house wares such as table runners, place mats, oven mitts, and more.

*"Education without economic opportunity can lead to frustration. If a woman is to have the courage to assert her right to live her own life, she must be able to feel confidence that can defy her family and social pressures and taboos and yet still make her own living independently."* - John C. Griffiths, Afghanistan: A History of Conflicts, p.95

### Snapshot of the Afghan Economy

- Economic growth in 2009: 22.5% (2010 forecast: 15%)
- There was a 58% increase in revenue collection from \$800M to \$1.3 billion
- Revenue generation has experienced 20% growth year-on-year since 2002
- Monthly earnings per capita have increased from \$180 to \$540
- Foreign Reserves increased from \$150 million in 2001 to \$4.5 billion in 2009
- Private investments increased from \$7 to \$8 billion
- According to Asian Development Bank key indicators for Asia and the Pacific, in 2009 Afghanistan's GDP at PPP (Purchasing Power Parities) increased from \$15,545 million in 2002 to \$31,842 million in 2008, representing a 105% increase in six years
- GDP per capita at PPP increased from \$699 in 2002 to \$1,274 in 2008 representing an 83% increase in past 6 years.
- Afghanistan has moved 8 places (from 168th to 160th out of 183) in the World Bank business ranking

### Forging New Pathways for Women: Fatima

Fatima started her own business at 15 years old. She chose a line of work normally associated with men, heavy-duty construction. The most valuable lesson taught to Fatima was one of empowerment: "Every morning, I stand in front of the mirror and say, 'I am a woman and I am powerful.'"

*"Investing in education for women has a significant multiplier effect, leading to more productive workers, healthier and better-educated families, and ultimately to more prosperous communities."* - Goldman Sachs

### Window On Entrepreneurship: Shahla

At 19 years old, Shahla started her company with money borrowed from her mother, Fatima, also a businesswoman. Shahla created a shoe manufacturing company. Her team currently produces more than 20 pairs of handmade shoes per day. The all-leather shoes have soles made from used vehicle tires. Danger is ever-present for her, because she is a young woman trying to run a business in a male-dominated country. Some members of her family have pleaded many times with her to close her shop, she said, especially since her father was abducted by the Taliban when she was a young girl. He never returned home and is presumed dead. "The danger is always there ... but I won't stop," says Shahla.

*"Women's economic security is realized in part by the expansion of business and trade opportunities. These opportunities are often created through the establishment of strong local and national organizations that advocate for women's economic security."* - UNIFEM

### East-West Partnerships for Change: Dosti

The American foundation, Beyond the 11th, founded by two women whose husbands were killed on 9/11, funds an innovative soccer ball manufacturing business, called Dosti, developed by three Afghan women. Dosti employs many widows, allowing them to work from home while learning a marketable skill. The

money that the women earn is often their households' sole income.

### Support for Women's Entrepreneurship

There are a number of programs working in support of women's entrepreneurship in Afghanistan. These programs help create sustainable economic development, benefitting the lives of Afghans not with short-term aid, but with long-term empowerment. Below, we highlight a sample of such initiatives.

**UNIFEM** worked to mobilize support from the government of Afghanistan, the National Bank, the Italian government and other donors to lay the foundations of institutional support for women entrepreneurs and producers. The result was the establishment of the Afghan Women's Business Council (AWBC), a partnership between women entrepreneurs and leading Afghan NGOs in enterprise development.

**10,000 Women** is a five-year investment by Goldman Sachs to provide 10,000 underserved women around the world with a business and management education. Women entrepreneurs receive a customized business education from local universities across a range of disciplines, including: Marketing, Strategic planning, Accounting, Accessing capital, Market research, e-commerce and Business plan writing. The initiative is designed to foster greater shared economic growth and is based on research that found that investing in girls and women yields significant economic growth. The program in Afghanistan is run in conjunction with the Thunderbird School of Global Management.

**The Business Council for Peace (Bpeace)** believes that peace will come from more jobs, which will mean less violence. In countries where conflict is manifested by neighbor killing neighbor, idleness and poverty are often at the root. Small and medium-sized businesses are essential stabilizing factors to post-conflict recovery, generating jobs that provide income and a better life for ordinary people and future generations. In countries emerging from war, like Afghanistan, volunteers

help women entrepreneurs expand their businesses, create employment, and build a peaceful future for their communities. Volunteers develop relationships with the entrepreneurs and become front-line ambassadors for peace and cross-cultural understanding. In addition to business mentoring, program participants receive computer and English training. Bpeace members provide their entrepreneurs classes on topics such as exporting, understanding trends, and financing a business. Volunteers have helped secure US markets for goods produced by program associates.

*“Fifty percent of the country is women. If we are going to make a difference, we have got to create jobs, we have to give hope.”* – US Air Force Major Charles Seidel, who oversees \$350 million in contracts for Afghan businesswomen to produce tees, socks and outdoor gear for the Afghan National Army and Afghan National Police

**The Peer-to-Peer Education (P2PEd)** program at the Canadian International Learning Foundation provides the opportunity for professionals in areas of the world affected by war, illness and poverty to receive professional development training from an established professional and in return, enables the established professional to learn about these at-risk regions and the people who live there. The goal of P2PEd is to provide professional development to people in at-risk areas, while helping to raise awareness regarding the problems facing these regions.

**Tajiran-e Jawan** unlocks youth potential for entrepreneurship by providing expert training, mentorship, internships and access to seed capital to a select group of Afghanistan’s young people, ages 17-30. Generations raised by war-wary communities need structured challenges and opportunities, coaching, and a sense of morale, legal support, and business ethics to overcome the obstacles that block Afghanistan’s progress.

**Global Partnership for Afghanistan** helps rural Afghans develop sustainable farmer-owned enterprises such as woodlots,

nurseries, orchards and vineyards. GPFA provides technical and business training and assistance to strengthen university agricultural programs.

**Women of Hope** provides resources to restore hope and dignity and encourage opportunities for self-sufficiency to Afghan women and their families. Their projects provide training programs and resources supporting daily food and food security needs, economic development opportunities, and vocational and business training.

**USAID** provides training in accounting, management, and marketing. Through lectures and group discussions, the participants learn how to improve their record keeping and accounting, manage their business environment, increase their client base, and improve product quality, skills that improve their business operations, enabling them to earn more income to support their families.

**Turquoise Mountain** is investing in the regeneration of the historic commercial center of Kabul, providing basic services, saving historic buildings and constructing a new bazaar and galleries for traditional craft business. It established a Centre for Traditional Afghan Arts and Architecture, gathering men and women from all corners

of Afghanistan and training students to produce masterpieces in wood, calligraphy and ceramics. The Foundation uses the resources and skills of the centre to serve Afghan communities.

*“One of the things that suppresses women’s rights is the economic dependence of women on their husbands. But if they’ve got economic independence, this suppression will end.”*

- Estorai Hashemi, Deputy Director of Herat’s Women’s Directorate, which helps women get their businesses off the ground.

### **Ongoing Challenges to Women in Business**

Only a few Afghan businesswomen have manufacturing capacity and quality control experience. While women may be succeeding in small business, large-scale factory production presents a challenge. Alongside the pitfalls facing all business owners, including limited capital, marginal infrastructure, and corruption, women face societal constraints and growing insecurity. There is also the fear of kidnapping, as business owners or Afghans suspected of being wealthy are frequently targeted for abduction with the intent of collecting a ransom from the victim’s family members to secure his or her release.



*At Turquoise Mountain’s workshop in Old Kabul, artisans are reviving skills that were nearly lost with the war, and selling their works at fair prices.*

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*“A lot of women are interested in business but there is a lack of markets – that is the main problem.” - Zahra Sharifi, Daikundi Women’s Business Association.*

Doing business in Afghanistan as a woman is complicated not only by security and logistics but also by traditional gender roles. Many women find they have to take on a male business partner as the social interactions with men often required in business to sell products or services can carry a stigma for women. In the case of a Bpeace participant, a human resources specialist was called in when a female entrepreneur’s male employees refused to listen to her. The specialist suggested she hire a man whom she would oversee to supervise the employees.

*“It’s hard enough to launch a new business anywhere—but try doing it in a place where, thanks to decades of war, pretty much everything is imported, where women are constrained by their culture—frequently not allowed to work outside the home, or travel without a male escort.” – Tina Brown, editor-in-chief, The Daily Beast*

### **Looking Towards the Future**

In Goldman Sachs’ research for their 10,000 Women Business education program, they looked to the Chinese proverb “women hold up half the sky” and found that “education is key to gender equality”. The World Bank and other development institutions have found beyond a reasonable doubt that investing in women and girls yields economic growth and sustainable development. Educating girls and women has a positive impact on everything from maternal health, to higher household income, and higher literacy rates.

*“Investing in women is one of the most effective ways to reduce inequality and facilitate inclusive economic growth. Investing in education for women has a significant multiplier effect, leading to more productive workers, healthier and better-educated families, and ultimately to more prosperous communities.” - 10,000 Women, Goldman Sachs*

Economic development is one sphere in which post-Taliban Afghanistan has fared reasonably well. The ability of businesses to access credit has improved significantly, as Afghanistan moved 55 places from 180th (out of 181 countries) in 2009 to 127th in 2010, according to the World Bank. Many Afghans who emigrated over the last thirty years have returned, bringing their education and skills gained abroad, to open businesses in a Taliban-free Afghanistan. There is more international assistance available to support private sector development than ever before, and an emphasis on women’s access to markets. Still, many challenges remain and sustained international commitment will be required to ensure lasting change for women in business, which will ultimately mean peace and sustainable development for all Afghans.



*With the help of some business skills training and micro-credit, this woman pickles carrots and other vegetables in her home, and sells them in local shops (2008)*

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