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## **AFGHANISTAN'S EMERGING BUSINESSWOMEN MOVING BEYOND HANDICRAFTS**

**By Lida Nadery Hedayat, AACC Board Member**

Afghanistan is a country where almost half of its citizenry is female. After sixteen years of sustained donor support to Afghanistan's social sectors (health and education primarily) many of these females are able to receive regular health care, and access to education for themselves and their children. Indeed, after 2001, new doors of opportunity opened for Afghan women. Women participated in political and social activities and some of them went on to assume leadership positions in their government, business and civil society sectors.

In spite of these gains, and in spite of a growing class of Afghan businesswomen and entrepreneurs, their contributions to the economy are most often limited to subsistence farming or traditional handicrafts. But there is a new trend emerging that brings a positive and hopeful tact to the role of businesswomen within Afghanistan's economic development paradigm. This change is emerging because of investments made over the last sixteen years in education and the role of women in society. The door to education was opened to Afghan women and they are blazing a trail toward higher learning, professional development and career success. Women are now able to study at quality domestic universities like the American University of Afghanistan (AUAF) via scholarships or partial scholarships and they have the advantages of taking their scholarship and study abroad. Families are now more open to educating girls and women and sending them out of the country. Fathers increasingly want their daughters educated, and mothers want their daughters to have opportunities they themselves were denied or could never attain.

In addition, another factor is transforming Afghanistan's women-owned businesses. Increasingly, these businesses are supported by familial networks (many led by their fathers) which is elevating the possibility of success and opening new pathways to marketing and financial support. These phenomena, combined with the increased urbanization of Afghanistan's populations, are altering the fabric of its society. Afghans are increasingly supporting women's educational opportunities and the concept of women working outside the home. This continued progress is fundamental to Afghanistan's future economic development.

Despite these changes and incremental gains in the workplace, civic and public life, women still remain largely marginalized within society and underrepresented in positions of leadership and economic growth. Recently, the Afghanistan Women's Chamber of Commerce and Industry (AWCCI) was established and opened the way to be more focused on the development of women-owned businesses and advocacy for their business rights. So far more than 720 women-owned businesses are registered with AWCCI but most of these businesses are limited to small enterprises and are mostly involved in the clothes-making, handicraft and tailoring sector.

More importantly, recent gains could erode without the sustained support of Afghanistan national, provincial and community leadership. International donors and Afghanistan civil society have noted that few women have yet risen to high, senior positions within Afghan society and when they do they are frequently derided by Parliamentarians and other elders for their roles.

So, what is the way forward, I would like to recommend several possible ideas:

**Solution One:** Afghan women-owned business leaders should be given at least twenty-five percent of all appointed leadership and Board positions within Afghanistan business trade associations. Some women-owned businesses recently participated in a large exhibition of their products outside the country. USAID's Promote Initiative supports the Women's Leadership Program (the largest donor financed project for Afghan business women) and has registered more than two hundred young business women, many of whom are college educated, who are selling their products to local markets but whose ambitions are much more expansive. These women need further support from their representative business and trade associations in order to sustain their businesses in the long term and expand their market reach. Many come from Afghan family legacies serving as regional traders and should be able to export their product like their male peers -- to regional trading countries like Pakistan, India, China and Central Asian nations.

**Solution Two:** Afghanistan Government policies should continue to support women's rights and women-owned business issues (e.g. property rights, land ownership, access to finance) and the international community should continue to hold the Afghanistan Government, including the President's High Economic Council, PRISEC (Private Sector Advisory Committee) and the Afghanistan Parliament, accountable for continued progress in this area. The GIROA should consider creating Women-Owned Business Incubators where the invested capital cost of starting and maintaining their business is reduced. Utilizing industrial parks for this purpose is one possibility and the handmade embroidery sector is one great area of potential focus. Only *Zarzodi*, *Kandahari Khazana* and a few other women-owned businesses are able to produce high quality embroidery products. The successful firms need immediate investments in mass production techniques and equipment purchases. The rest of the sector needs training and design expertise and so development of a national embroidery training center could be effective at raising the standard of living for these women business owners and teaching them a productive life skill.

A further area of possible impact would be in agriculture as very few women-owned business enterprises have succeeded here yet women plant, harvest and have more to do with agricultural productivity in Afghanistan than men. One such business is the Kaweyan Business Development company which was founded by Kamila Sediqi and has been exporting dry fruit to India successfully. Kaweyan is now one of Afghanistan most successful women-owned businesses and Ms. Sediqi went on to found a new taxi company which provides transportation in an Uber styled format with a special programmatic focus on women.

**Solution Three:** The World Bank and its Private Sector Development Financing Window can be a catalyst for financing for medium and large scaled enterprises. Private sector development programs, whether implemented by the donor community or the GIROA, should help nurture, design and implement projects with sustainable, viable and marketable businesses for women. Once implemented, women should be able to gain access to finance to fuel their business operations and promote a pro-growth strategy for their businesses.

One possibility is to provide zero or low interest loans at just above the micro-finance lending level for proven, successful women-owned businesses at a medium-sized level. Current requirements for a loan are impossible for these women as it requires land, property or other assets to be in their name which is not allowed. Certainly, after 15 years and tens of billions of dollars expended in Afghanistan, the World Bank and other donors can find a way to make access to finance a more strategic priority.

In the end, we want Afghanistan Banks and their commercial banking sector to grow these programs and support them institutionally. They should be the long-term partners in improving access to finance for women-owned Afghan businesses.

**Solution Four:** GIRoA, Afghanistan business trade associations and the international donor community should be promoting the expansion of local, provincial, national and regional women buyers' clubs and purchasing networks. A new development agenda should be crafted to promote these types of trade relationships long-term. The new RECCA or Regional Economic Cooperation Conference on Afghanistan could take this proposed agenda and help launch a series of regional linkages utilizing their new "Private Sector Forum" which would allow this type of export promotion networking to thrive.

**Solution Five:** Women inside Afghanistan risk their lives each day, trying to clothe and feed their children, maintain access to health care and education for their families and work in the agricultural and handicraft fields. But a new trend is emerging that sees urban Afghan women increasingly stepping out into the open air of a new, liberalized private sector that is market driven to stake their claim in business. In order to increase the security of Afghan business women, Afghan leaders must recognize the importance of utilizing law enforcement agencies to further strengthen rule of law. Enforcing fundamental laws on inheritance, business ownership and property rights is imperative. Indeed, Afghan civil society must hold its elected leadership responsible (throughout the nation) so women feel more supported, empowered and secure in their business life. I recommend a three-tiered qualitative training program for law enforcement officers that includes: a) a five day intensive training workshop; b) followed by on-the-job training and mentorship; and c) concluding with a monitoring and evaluation program which tracks their progress once deployed back to their community.

## ABOUT AACC

The Afghan-American Chamber of Commerce (AACC) is the leading organization facilitating U.S.-Afghanistan business, investment, and trade ties through its Matchmaking Conferences and related activities. AACC promotes the exchange of information and provides resources to members through business advice, conferences, seminars, networking events, publications, and other avenues to stimulate U.S.-Afghanistan business and investment. AACC is a growing national organization, bringing together companies, organizations, and individuals with a stake in helping Afghanistan succeed and developing opportunities in an emerging economy.