Internal Factors Affecting Growth of Women-Owned Businesses in Afghanistan

by Manizha Wafeq
AN AFGHAN WOMEN PREPARES THE FINAL TOUCHES ON A HAND-EMBROIDERED SCARF, IN KANDAHAR. TRADITIONAL AFGHAN EMBROIDERY IS CALLED KHAMAK.
In 2009, international and national organizations such as Afghanistan Research and Evaluation Unit (AREU), the World Bank, and various United Nations agencies realized that there was little available information about the state of women-owned businesses in Afghanistan. Since then, a number of studies have been conducted that have focused on barriers for women doing business in Afghanistan, such as deficiencies in infrastructure, lack of access to markets, and lack of access to finance. AREU’s series of case studies on the effect of microfinance opportunities for women, conducted in various provinces of Afghanistan, are good sources of information and serve as a baseline for future studies. The study summarized in this paper set out to build on the work of past research efforts to further identify and analyze obstacles to doing business for Afghan women.

This study collected and analysed data from a sample of 248 randomly selected women-owned businesses. The survey at the foundation of this study recorded each businesses’ geographical location, size, internal operational systems and procedures, employees’ capacity, and the owners’ skills and knowledge. Data was collected from Afghanistan’s five major urban centers: Kabul, Mazar-i-Sharif, Herat, Kandahar, and Jalalabad. The study found that more than 90% of women business owners were educated (having partially completed secondary school at a minimum). Approximately 50% of the owners had a working knowledge of English and were computer literate. Less than 50% of respondents had a standard operating system for their business and were familiar with quality control and financial management systems. Slightly more than 50% did not have business plans or marketing plans, with all major tasks conducted by the business owner herself.

The overall conclusion of the study is that Afghan women-owned businesses have lagged behind their male-owned counterparts not only due to external factors – such as socio-cultural gender expectations, deficient infrastructure, weak legal system, lack of access to finance, and lack of access to markets – but also due to their weak internal capacity.
International and governmental support for Afghan women had one notable shortcoming, though, according to a report from the Afghanistan Research and Evaluation Unit (AREU). AREU’s Women’s Economic Empowerment 2002-2012 Situational Analysis Report findings indicated that a majority of the development sector’s interventions focused only on girls’ and women’s education, legal and social rights, access to justice, political and cultural participation, with far less emphasis on economic empowerment (Ganesh, 2013).

In terms of economic empowerment of women, only very short-term income generation projects were implemented. In addition, a number of business trainings were conducted for women to introduce them to the basic concepts of business management, including how to write a business plan and manage business finances. These development initiatives resulted in a marginal number of Afghan women launching businesses in major cities. According to AREU’s Women’s Economic Empowerment report, women-owned businesses account for only 5% of all licensed businesses in Afghanistan. These licensed businesses range from micro to small and medium-sized businesses, with the majority of these businesses involved in handicrafts and food processing. A notable number of women-owned businesses have also emerged in the service industry, specializing in such areas as education and consulting. Three sectors with attractive opportunities for female entrepreneurs and investors are restaurants, information and technology services, and travel services (LEAD, 2016).

Many Afghan women-owned businesses have stagnated, registering little to no growth over several years. This reality does not bode well for Afghanistan’s future; the growth of women-owned businesses is of critical importance, not only for the women entrepreneurs themselves but also for the nation’s overall ability to grow its economy and generate employment opportunities. A large number of women-owned businesses have sustained their businesses for many years with hopes of expanding, but ultimately ended up making little progress. There is a dire need to help them continue sustaining and growing their businesses in order to intensify local industry and job creation. When barriers to economic participation of women are eliminated, labor participation and productivity can increase up to 25% in some countries (World Bank, Gender Report, 2012).

PROBLEM STATEMENT:
The majority of women-owned businesses in Afghanistan are small and medium-sized enterprises (SMEs) (Butler, 2013). According to a 2017 article in the London School of Economics Business Review blog, titled “Developing a new framework for small business success”, SMEs are effective instruments to generate employment and promote economic growth. As most Afghan women-owned businesses can be broadly categorized as SMEs, their growth challenges should be addressed.

Many of the challenges that women-owned businesses face in Afghanistan, in terms of external factors, have been researched. In many cases, policy and program recommendations have been developed to address these external challenges. For the sake of clarity, the external challenges referenced throughout this study are listed below:

- Infrastructure (utilities and transportation networks)
- Business environment (legal and regulatory)
- Access to finance (investors and commercial/microfinance lenders)
- Access to high-quality training and educational programs
- Access to markets and linkages for long-term business relations
- Conservative socio-cultural views on women’s activities outside the household

More detailed descriptions of each of these challenges, with recommendations to address them, are provided in the literature review and recommendations sections.

This study addresses the dearth of data on the internal factors that inhibit the growth of women-owned businesses, such as the business owners’ personal attributes and organizational attributes. Up until this point, when the growth or success of a women-owned business was discussed, only external factors were considered. This is an unfortunate oversight, as the growth of SMEs are affected by a combination of three factors: the ability of individual owners/executives, organizational strength, and environmental (external) factors (LSE, 2017).

With this in mind, it is important to look at the internal factors that cause women-owned businesses to stagnate, oftentimes registering little growth over several years. The category of internal factors that will be assessed in this study include the following:
8 // INTRODUCTION //

1. Owners’ skill and level of motivation
2. Employee/workers’ skills
3. Internal operational procedures
4. Internal resources to support growth of the businesses
5. Quality of the products and services

To conclude this section and emphasize again the importance of this type of research, it is worth quoting a 2006 World Bank report on women’s economic empowerment. The report states, "Making key markets work in more gender equitable ways can significantly raise women’s productivity and incomes and contribute to economic growth" (World Bank, 2006: p.14). In the context of Afghanistan, this statement is particularly relevant considering the urgent need for both genders to contribute to sustainable economic development.

RESEARCH OBJECTIVES:
The objectives of this study are as follows:

1. To understand how internal factors related to the business owner and the business itself influence prospects for women-owned businesses in Afghanistan.
2. To come up with a set of recommendations for future research, considering that the lack of available data on women-owned businesses in Afghanistan is an impediment for evidence-based program development and policy-making.
3. To come up with a set of recommendations for program development and policy-making that support the growth of women-owned businesses.

This leads us to the overall research question, which is detailed in the proceeding section.

RESEARCH QUESTION:
What are the internal obstacles to growth for women-owned businesses in Afghanistan?

The external barriers that inhibit/prevent the launch and growth of a business were covered in the previous section. These barriers have been studied quite extensively in the Afghan context.

This study, in contrast, focuses on the internal factors that contribute to the success or failure of women-owned businesses. These factors are as follows:

1. Owners’ skill and level of motivation
2. Employee/workers’ skills
3. Internal operational procedures
4. Internal resources to support growth of the businesses
5. Quality of the products and services

A similar study was conducted in 2013 in the United States for the National Women’s Business Council. The research analyzed the factors influencing women-owned businesses’ growth. The factors were defined as three attitudinal areas associated with the business owner’s risk-taking ability, motivation to grow the business, and expectations for growing her business (Public Policy Associates, 2013). The report established a direct relationship between these factors and the growth of women-owned businesses.

The five internal variables of this study can also be categorized as personal and enterprise, according to LSE’s Business Review article, titled “Towards a new framework for SMEs’ success: a literature review”. Personal factors that can influence business success and growth include variables such as business owners’ personal qualities (e.g., age, gender, level of motivation, and leadership ability), acquired skills, experience, and background. Enterprise factors consist of such variables as structural management capabilities, financial and human resources, links to international markets, market and product development, marketing, and strategic planning.

Harvard Business Review also set out in 2017 to identify factors that impact business growth, in an article titled “The five stages of small business growth.” The author of the piece identifies the following factors, four related to the business itself and four related to the business owner.

The four factors related to the business owner (personal factors) are:

1. Owner’s goals for himself or herself and for the business
2. Owner’s capacity to undertake such critical tasks as marketing, innovative product development, production, and distribution management
3. Owner’s managerial ability and willingness to delegate responsibility
4. Owner’s strategic abilities, in terms of looking beyond the present and matching the strengths and weaknesses of the company with her goals

The four factors related to the business/company itself (enterprise factors) are:

1. Financial resources, including available cash and borrowing power
2. Human resources, relating to the number, depth, and quality of people employed by the business, particularly at the management level
3. Systems resources, in terms of the degree of sophistication of information, planning, and control systems
4. Business resources, including customer relations, market share, supplier relations, manufacturing and distribution processes, technological advantages, and reputation

This study considered the framework for business success outlined by the above-mentioned LSE and Harvard publications, while also collecting data on the growth factors for women-owned businesses in Afghanistan. The final result is a contextual framework illustrating the important elements for growth of women-owned businesses in Afghanistan, which is presented in the concluding chapter of this document.

CHAPTER 2: LITERATURE REVIEW

Afghanistan is a landlocked country that connects South Asia with Central Asia and China. Afghanistan’s economy has so far been agriculture-based, with agricultural outputs accounting for around 23% of the country’s GDP. The industries and service sectors contribute approximately 21% and 51% percent, respectively (Afghanistan at a glance, CSO, 2016-17).

According to trade data published by the Central Statistics Office of Afghanistan (2016-17), exports in 2016 stood at $996.5 million, with total imports of around $6,534.1 million. Major export commodities were carpets, fresh fruits, dried fruits, spices, cashmere, and raw cotton. The existing data on trade and economic output is not gender disaggregated.

A number of studies have been conducted on women-owned businesses and women’s economic empowerment/opportunities in Afghanistan by the Afghanistan Research and Evaluation Unit (AREU), Equality for Peace and Democracy (EPD), Building Markets, Microfinance Investment Facility for Afghanistan (MISFA), IS Academic, Leading Entrepreneurs for Afghanistan’s Development (LEAD), and the International Center for Afghan Women’s Economic Development (ICAWED), to mention but a few.

The existing literature on this topic provides an overview of the women-owned businesses, and what the Afghan Government, international community, and NGOs have done to support these businesses.

Most of the research was of an explorative nature, with both qualitative and quantitative data collected. From the collected data, there was a heavy reliance on publications by the Central Statistics Organization of Afghanistan, World Bank, and UNDP.

Although there is a general deficiency of gender disaggregated data for many sectors in Afghanistan, the following paragraphs present an overview of women’s participation in different sectors.

In 2016, the Afghanistan Investment Support Agency (AISA) – the Afghan Government’s business licensing authority (later merged with the Afghanistan Central Business Registry) – had registered a total of 44,838 domestic and 3,307 international companies, of which only around 3% were owned by women (AISA’s Business Database, 2016). 78% of women’s participation in the economy has been in the form of small businesses (1-10 employees) (Butler, 2013).
Afghanistan was ranked 42 out of 189 countries in 2017 in starting a business, by the World Bank’s Ease of Doing Business index, whereas this ranking was 38 in 2016. On average, it takes 3 days for men and 4 days for women to process the license for a business. In the same index, Afghanistan was ranked 189 among 190 countries in providing appropriate provisions to protect minority shareholders (World Bank, 2017).

One of the reports that provides useful quantitative data was conducted by Leading Entrepreneurs for Afghanistan’s Development (LEAD), a businesswomen’s association. In 2016, LEAD published a two-page overview document that included an infographic summarizing the challenges that women-owned businesses face, along with recommendations to address these challenges. The findings were based on information gleaned from around 700 women-owned businesses in LEAD’s database.

The majority of women-owned businesses are located in Kabul province, followed by Herat and Balkh. These businesses have made investments totaling $66.8 million, and have created around 40,000 jobs, of which 55% are held by men and 45% by women. Of these women business owners, 538 have started their businesses from their savings (self-funded), and the rest have turned to women’s economic empowerment project grants to start their businesses. Few have used loans. Types of businesses include handicrafts, food processing, manufacturing, education, healthcare services, construction, information and technology, and carpets. The emerging non-traditional sectors for women are information technology, media production, and travel services (LEAD, 2016).

Barriers women-owned businesses face are lack of access to finance, poor infrastructure, insufficient business development support, and lack of business networks. The most prevalent barriers are conservative socio-cultural expectations and taboos (EPD, 2015).

Many studies related to women-owned businesses have undertaken a review of secondary data, a review of literature (e.g. Afghan Government policies, laws, and development sector program documents), and collected primary data through interviews and focus group discussions. More than 35 reports, articles, and academic papers were reviewed for this study.

The sources confirm that women-owned businesses are vital to the economic development of Afghanistan; they generate jobs for both men and women, while also creating female role models for the next generation of young women interested in entering business. This second effect is critical for Afghanistan’s economic future, as women must be fully engaged in the economy – as both laborers and business founders – in order for the nation to reach its full potential. As The Economist proclaimed in a 2006 article, “Forget China, India, and the internet: economic growth is driven by women” (The Economist, 2006).

Existing sources have confirmed that Afghan Government strategies and policies have provided few incentives for both men and women to increase investments and expand their business activities. This applies across all sectors of the Afghan economy.

The disproportionately low number of Afghan women-owned businesses is hardly surprising, considering Afghanistan’s conservative socio-cultural environment. Afghan women face a number of major barriers in their day-to-day life, in terms of getting an education, working outside their homes, and being perceived as competent enough to run their businesses.

Considering the well-documented barriers for Afghan women-owned businesses, there is a vital need to scale-up these businesses through special policies and provisions. As a component of this study, a number of recommendations are presented in the concluding chapter of this document.

By reviewing existing literature, we can identify a number of major barriers to the growth of Afghan women-owned businesses. As explained in the introductory chapter of this document, this study will be breaking new ground by collecting data on the internal barriers to growth for women-owned businesses. The methodology and findings of this data collection effort are presented in Chapters 4 and 5, respectively.

With that noted, it is still important to provide readers with a detailed summary of the external barriers that exist for female business owners, i.e. those factors that exist outside of their control. This chapter will provide an informative overview of these external factors.

SOCIO-CULTURAL ENVIRONMENT

In many families and communities in Afghanistan, there is resistance to the concept of women working outside the home. According to the Asia Foundation’s Survey of the Afghan People (2016), acceptance for women’s work outside the home has declined over the past two years. In particular, society’s perception of female entrepreneurs was highly negative (EPD, 2015).

When it comes to financial independence and ownership of property, the interpretation of Islamic Law practiced in Afghanistan dictates that Afghan women are to be given the right to mahr, an amount of capital that must be paid at the time of marriage, or at least agreed upon at the time of marriage. In the event of divorce, any outstanding balance of mahr must be provided to the woman, on pain of criminal prosecution. When it comes to inheritance from parents, conservative views of Islamic Law require that brothers be given a disproportionately larger share in comparison to sisters. In Afghanistan, women often find themselves denied mahr.
as well as any form of inheritance from deceased parents (DROPS, 2016).

Thus, women remain economically dependent on male relatives and are consequently more vulnerable when undertaking a business venture. Afghan women who own businesses do not have the advantage of using family property to access loans and have difficulty amassing enough capital for large projects in order to launch or grow a business.

In the last decade and a half, the Afghan Government has taken several steps to address some of these socio-cultural norms that limit women’s access in the political, economic, and cultural arenas. These steps include ratifying the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) in 2004, and launching the National Action Plan for Women of Afghanistan (NAPWA).

Other important steps have been the enactment of the Elimination of Violence Against Women (EVAW) Law, and the National Action Plan for the United Nation’s Security Council’s Peace and Security 1325 Convention (NAP 1325). All of the mentioned policy documents – i.e. CEDAW, the EVAW Law, and NAP 1325 – have provisions that ensure women’s access to economic opportunities, such as family’s property (NAPWA 2008).

CEDAW’s Article Three, briefly stated, obliges the State to do the following:

“State parties shall take in all fields, in particular in the political, social, economic and cultural fields, all appropriate measures, including legislation, to ensure the full development and advancement of women, for the purpose of guaranteeing them the exercise and enjoyment of human rights and fundamental freedoms on a basis of equality with men.” (CEDAW, 2004: p.2)

The EVAW Law was the first enforced law in the history of Afghanistan aimed at supporting foundational women’s rights, to include their right to inheritance and property (DROPS, 2016). In addition, NAPWA has served as a high-level benchmark that aims to ensure continuity and consistency in the government’s efforts to protect women’s rights within Afghan society via the promotion of equality and empowerment. NAPWA focuses on three pillars:

1. Security
2. Governance, Rule of Law, and Human Rights
3. Economic and Social Development

Although NAPWA contains effective strategies and is painstakingly detailed, its implementation has been less successful in fulfilling what was expected of it. Critics of NAPWA’s implementation have pointed to incompetency at the Ministry of Women’s Affairs (MoWA) – the primary ministry tasked with overseeing the plan – for not properly owning the advancement of NAPWA. Other reasons cited for the lack of NAPWA’s success include a lack of political will and a lack of capacity vis-à-vis gender and gender mainstreaming concepts within all relevant and responsible ministries (MoWA, 2013).

Under Afghan law, women and men have equal rights and responsibilities. The Afghan constitution guarantees equality and states that the entire constitution and all its provisions apply to both women and men on equal terms. Additionally, it recognizes that women and men benefit from equal opportunities in all areas of life. This sets the stage for equality and non-discrimination as mandatory principles that must be observed in the application of the Afghan constitution and laws (DROPS, 2016).

SECURITY

Insecurity negatively impacts all economic sectors and can be disruptive to business operations and damaging to overall psychological well-being. UNAMA reports that geographically, Kabul province had the highest number of civilian casualties due to suicide and complex attacks taking place in Kabul City, followed by Helmand, Kandahar, Nangarhar, and Uruzgan provinces (UNAMA, 2017).

Due to the lack of security, many investors, business owners, and their relatives felt compelled to flee the country (Akbari, 2016). Insecurity, weak governance, poverty, lack of political stability, unemployment, high levels of corruption, and a lack of government accountability have caused citizens not only to lose interest in their country’s economic development, but also seek out the means to leave Afghanistan altogether (Akbari, 2016).

When the National Unity Government was established in late 2014, the expectation was that the leadership of the new government would take steps to increase foreign and domestic investments. These investments have never materialized, largely as a result of the failure of the Government to address the insecurity issues. Tensions among Afghanistan’s various political factions has also contributed to an environment of instability (Akbari, 2016).

INFRASTRUCTURE AND BUSINESS ENVIRONMENT

There are a number of infrastructure and business environment challenges discussed in this section. The lack of proper infrastructure in Afghanistan affects everyone investing and doing business across all sectors of the Afghan economy. The negative impact of poor infrastructure is compounded for women-owned businesses, as these businesses are overwhelmingly micro or small and thereby lack the necessary capital to pay for work-arounds (e.g. backup electricity generators) to infrastructure deficiencies.

This section will provide a summary of Afghanistan’s most significant infrastructure deficiencies that create barriers for Afghan women-owned businesses.

Costly and Erratic Electricity Supply: Afghanistan imports 4,599 million kw/h from Turkmenistan, Tajikistan, Uzbekistan, and Iran, and only produces 1,077 million kw/h.
domestically. Although Afghanistan's electricity consumption is only 2,866 million kw/h, the Government has not been able to direct the extra capacity to industrial parks and businesses in Afghanistan (Afghanistan at a Glance by CSO, 2016-17). Such high dependence on imported electricity puts Afghan residences and businesses in a precarious position, especially for women-owned businesses that are often based in the home and cannot afford a backup generator. As a consequence, when there is a cut in the Government-supplied electricity, production is halted at many micro and small Afghan businesses.

During the winter of 2017-18, regularly scheduled rolling blackouts were initiated by the Kabul City municipality, which at least allowed businesses to plan their production schedule around the expected availability of electricity. That has not always been the case. In both the winters of 2015-16 and 2016-17, there were extended power cuts lasting several weeks, due to damage to transmission lines (Rashardost, 2017).

Insufficient Transportation Network Afghanistan's estimated existing roads total around 39,855,000 kilometers, with only around 400,000 kilometers of that number paved with asphalt. Around 2,330,000 kilometers are sand-topped roads (CSO, 2016-17). Paved roads make up only around 1% of all roadways in Afghanistan.

LACK OF INDUSTRIAL PARKS
There are only eight functional industrial parks in the major cities of Afghanistan, with 11 more under construction. It was documented in a report by Equality for Peace and Democracy that AISa and MoCI have worked on introducing incentive packages for women entrepreneurs to run their SMEs in industrial parks. To date, these incentive packages do not appear to have materialized.

HIGH RATE OF TAXATION AND MULTIPLE SOURCES OF TAX COLLECTION
In Afghanistan, municipalities often collect taxes from small-scale producers and service providers that have a publicly open shop or office, even if the business owner provides documentation proving they have already cleared all legally obliged taxes with the Ministry of Finance (LEAD, 2016). The Ministry of Finance requires that businesses pay a 4% tax on gross revenue (before profits), and 2% on net income (profit) (Afghan Income Tax Law, 2015).

LACK OF FEMALE REPRESENTATION IN GOVERNMENT
Government offices lack women at all levels, especially in the area of policy-making. Below Figure 3 was reproduced based on the CSO's Afghanistan's at a Glance 2016-17 report, which shows women representing only 10.7% of decision-making positions in government. According to the same source, women make up around 20.5% of government employees. It is worth noting that this figure includes a substantial number of female teachers and female daycare center employees. In many offices providing critical services to businesses, such as licensing and taxation, women are barely visible.

According to an article on the Afghan economy published by the Organization for Policy Research and Development Studies (DROPS), there is a need for women to get involved in government on the policy level. At the very least, men in government should be trained and made aware of the needs of women. Otherwise, decision-making in economic development issues will be dominated by men, with the resulting policies and programming disadvantaging women-owned businesses (Women Public Policy Journal, Volume 2, 016).

Another area of weakness for women-owned businesses, as documented by Mashal (2015), is that economic policy-making remains dominated by men. Women are not represented in decision-making at critical institutions such as the Afghanistan Chamber of Commerce and Industry and the Afghanistan Investment Support Authority.

LACK OF INCENTIVES FOR WOMEN-OWNED BUSINESSES IN LAWS AND PROGRAMS
Analysis of the laws and programs in Afghanistan have found that most lack any type of special provisions for women (DROPS, 2016). Sarabi, in her article in DROPS Women Public Policy Journal (Volume 2, 2016) states that:

"Women are not taking up entrepreneurship in adequate numbers because they feel constrained. However, a major shift has been brought with the introduction of the Public-Private-Partnership (PPP) concept in Afghanistan. The Cabinet of Afghanistan endorsed the PPP law in September 2016 which allows joint ventures by private companies and the Afghan government in various sectors, mainly infrastructure and services. Investments less than USD 5 million will not be considered under the PPP contract and the threshold for small scale investments is set between $5 million to $75 million. The Central Partnership Authority (CPA) is a newly established unit in the Ministry of Finance (MoF) to administer and facilitate the PPP process. According to the CPA, many women-run small businesses are unable to invest under the PPP model. However, the law makes provisions for facilitation of finances in the form of issuance of guarantee letters by the Government to a bank, once a PPP concept has been approved by the Government. This incentive, if put into practice, can maximize women's role to a significant scale." (p.37)

Except for the PPP Law that provides an incentive for women, other laws, such as the Investment Law, Banking Law, Income Tax Law, and Procurement Law, do not contain any incentives for women-owned businesses. The Labor Law contains articles that protect women employees from discrimination and provides shorter hours of work for pregnant women, but this is not relevant for women employers (Afghan Labor Law, 2007).
Access to finance is another area that previous studies have identified as one of the major barriers for the growth of women-owned businesses. Women have cited the following reasons for not having access to credit (ICAUED, 2015):

- No available collateral for loans
- No banks in geographical proximity
- Lack of knowledge on how to access credit
- Lack of credit history

Finance is Afghanistan’s second-largest service industry (after telecommunications) and is potentially an important driver of private investment and economic growth. Yet, due to high interest rates, investors rarely turn to investment and economic growth. Yet, due to high interest rates, investors rarely turn to capital markets for financing. Women-owned businesses are oftentimes overlooked in this area of finance.

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MARKETING AND ACCESS TO MARKETS

A number of deficiencies related to marketing continue to hamper the growth of women-owned businesses. Although Afghan women have been supported when it comes to participating in national and international exhibitions, little effort has been made to work with female producers to improve their product and help them secure long-term business deals.

The below issues were identified by LEAD in discussions with business women owners about the challenges they face in this area:

- Lack of access to buyers: Women-owned businesses often make sales through one-time sales but do not provide an opportunity to substantially improve their products and develop a network of long-term buyers. In general, women are disproportionately under-represented at exhibitions (LEAD, 2016).
- Lack of modern machinery: This shortcoming is especially relevant in the area of food processing and packaging, in that Afghanistan has an abundance of raw agricultural outputs but limited capacity to convert this raw material into professionally processed and packaged products for retail sale. Sub-standard production and packaging are the principal impediments for women-owned businesses (LEAD, 2016).

When it comes to accessing marketing information (and information in general), Afghan women face many challenges due to conservative socio-cultural views. As Ganesh states in her report on Afghan Women’s Economic Empowerment (2013), a designated space for women’s economic activity is urgently required in both rural and urban areas. Afghan men can meet anywhere and anytime, allowing them to exchange timely information on business, economics, and politics. Afghan women, in contrast, are often restricted to the home due to the lack of culturally acceptable places to congregate.
Women-only business and community spaces could address a range of needs, by serving as training centers, production areas for income-generating activities, storage spaces for the products of such activities, hubs for women’s communal prayer, health check-up areas for women, female shura centers, and so on (Ganesh, 2013).

BUSINESS DEVELOPMENT SERVICES AND TRAINING

Despite copious amounts of training programs focused on Afghan businesswomen, largely funded by international organizations, the design, implementation, and outcomes of the training has left something to be desired (LEAD, 2016). Specifically, there has been a notable lack of long-term business management and business development training programs for women. This section will cover some of the larger scale programs intended to grow the capacity of Afghan businesswomen.

The Afghan Government, with the help of USAID’s Assistance in Building Afghanistan by Developing Enterprises (ABADE) project, put together the first Women’s SME Development Action Plan in 2015. The plan’s objective was to provide a roadmap for women-owned SME development that addressed existing challenges. The plan’s implementation timeline spanned from 2015 to 2017, with a number of key business sectors identified as priorities. These priority sectors included agriculture, carpets, construction, jewelry, gemstones, and marble (Afghan Ministry of Commerce and Industries, 2015).

Another recent initiative is the first Women’s Economic Empowerment National Priority Program (WEE NPP), launched on 8 March 2017. The WEE NPP is a fairly comprehensive Program (WEE NPP), launched on 8 March 2017. The plan’s objective was to provide a roadmap for women-owned SME development that addressed existing challenges.

The Afghan Ministry of Commerce and Industries, with the help of USAID’s Assistance in Building Afghanistan by Developing Enterprises (ABADE) project, put together the first Women’s SME Development Action Plan in 2015. The plan’s objective was to provide a roadmap for women-owned SME development that addressed existing challenges. The plan’s implementation timeline spanned from 2015 to 2017, with a number of key business sectors identified as priorities. These priority sectors included agriculture, carpets, construction, jewelry, gemstones, and marble (Afghan Ministry of Commerce and Industries, 2015).

There continues to exist a lack of technical training institutions for women in business that impart employable skills, especially at the provincial level. There is only one secondary school for girls in Kabul, Mazar, and Herat that teaches entrepreneurship as a major, and the government universities do not teach business management.

When it comes to developing the nation’s human resources, there is insufficient attention from the government to build the capacity of workers with the skills the private sector needs. There are technical schools and institutes in Afghanistan that only teach six job-related trades, e.g. plumbing, car repair, tailoring, computer literacy, masonry, and carpentry (MoLSAMD, 2016). Afghan businesses need more than these six skills. There are many emerging media outlets, various manufacturing companies, service-sector businesses (e.g. restaurants and hotels), IT service providers, financial services providers, and travel and tourism businesses, just to name a few (LEAD, 2016). All of these sectors require skilled labor, which is oftentimes not available within the domestic labor pool.

The challenges documented in Chapter 3 have been cited by many authors in the existing literature. What is lacking in previous studies and reports is detailed information on the internal factors that hinder the growth of women-owned businesses. These factors can be individual (i.e. women owners’ skills and commitment to grow the business) and organizational (i.e. the capacity of employees and the existence of standard operating procedures).

In order to fill this knowledge gap, this study set out to collect both qualitative and quantitative data from a sample of 248 women-owned businesses from the five major urban centers of Afghanistan. The study also employed a literature review, secondary data collection, and five in-depth interviews.

More details of the methodology are presented below:

**SAMPLING PLAN**

The sample was selected based on the following criteria:

1. Size of the businesses
2. Sector of business operations
3. Geography (by city)

**CODING METHODS**

Serial numbers were assigned to each survey, and geographical information was color-coded. The color codes were as follows:

- Kabul: Yellow
- Herat: Green
- Mazar-i-Sharif: Red
- Kandahar: Blue
- Jalalabad: purple

The above coding method was used throughout the survey, ensuring that the respondents anonymity was preserved.

**SURVEY THROUGH PHONE/E-MAIL**

There are no published figures on the number of active women-owned businesses in Afghanistan. If we look at the 2016 data from AISA, the agency reported that 3% of the 44,838 registered companies were women-owned (AISA’s Business Database, 2016). That leaves us with 1,345 registered businesses, not including unregistered micro and small women-owned businesses that operate in the informal economy. For the sake of calculating the margin of error for the survey results, we will use this figure of 1,345 as the population size, imperfect though it may be.

In terms of survey participant recruitment, the survey respondents were all identified using the AWCCI database of 700 active licensed businesses. The sample size of 248, at a 95% confidence level, results in a 6% margin of error.

The first round of participants’ recruitment took place through email, followed by a phone survey. The data collection then took place over a 15-day period and was undertaken by two enumerators who were trained in how to conduct these specific interviews and make entries into the statistical analysis program SPSS.

The survey questionnaire was pre-tested by the enumerators by conducting two interviews from each city. This led to a number of changes in the form of questions and options for answers. In addition, the responses were coded to allow for in-depth SPSS analysis.

**LIMITATIONS**

There were a number of factors that limited the scope of this research. The most significant limiting factor was time, as this document had to be submitted on a deadline for the author’s Master of Business Administration (MBA) degree at the American University of Afghanistan. Another major limiting factor was the geographic reach of the AWCCI database. The survey participants constituted exclusively of registered businesses from Afghanistan’s largest urban centers (i.e. Kabul, Herat, Mazar-i-Sharif, Kandahar, and Jalalabad). The survey may have yielded different results had more women-owned businesses been identified and questioned from smaller provincial capital cities and rural areas. Additionally, it must be noted that the survey did not include micro and small women-owned enterprises that were operating in the informal economy, without having registered with the Afghan Government.
CHAPTER 5: OVERVIEW OF FINDINGS

The findings of the survey show that a majority of women business owners are under the age of 45. 16 were between the age of 18 and 24, while 74 were between the age of 24 and 34. 69 were between the age of 35 and 44. These three age groups make up around 64% of all the respondents. The remaining 36% of survey respondents were in the two elder age brackets of 45-64 years of age and 65-and-older.

The majority of the respondents were married (183 out of 248). 60 were single and 6 were widows. For an aspiring female business owner, being married in Afghanistan has its advantages and disadvantages. When a woman is married and has children, she gains some level of additional esteem within her family and in society at large. This can translate to family support for the launch of a business. A disadvantage is the additional responsibilities related to childcare and the general chores involved in maintaining a household.

Table 2 shows that among 177 married and widowed women, 77 respondents have more than five children. Another 33 respondents have four children, and 66 women have between one and three children.

It may be interesting to readers to note that a majority of married women business owners had five or more children. On the one hand, it would be a significant challenge for a mother of five to divide her time between family and business. On the other hand, when the children become older, they can be helpful to the mother in conducting business activities.

As shown in Table 2, the participants of the survey were also asked which ethnic group they belong to. Among the 248 respondents, the majority self-identified as Tajik (124), followed by Hazara (53), and then Pashtun (40), and Uzbek (2). 30 were from other minority ethnic groups, such as Turkmen and Sadat (Afghan Arabs).

EDUCATION LEVEL

The survey results related to education data reveal a very high correlation between business ownership and education. Figure 1 (p.20) shows that 90 respondents had bachelor's degrees, while a further 23 respondents had master's degrees. In aggregate, 45.5% of all respondents had a degree from a higher education institution. Another 31% of respondents had earned associate degrees or a high school diploma. Only around 16% of respondents had only studied up until primary school, with just 7.5% of respondents completely lacking in education. To provide context, the CSO estimates that just 19% of Afghan women across the country are literate.

The high level of education among the respondents can be partly attributed to translate to family support for the launch of a business. A disadvantage is the additional responsibilities related to childcare and the general chores involved in maintaining a household.

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the geographical location of the sample pool. The survey respondents were all from the five largest urban centers in Afghanistan. In these urban centers, education for young girls and women is the norm, in contrast to reservations about girls’ education in more conservative rural areas. Still, the urban nature of the sample pool does not completely account for the highly-educated nature of the respondents.

The conventional wisdom is that literacy has a causal relationship with quality of life, in terms of choices of profession, decision-making ability, income generation potential, ability to provide for children, and so on. The high level of education of Afghanistan’s women business owners further supports this conventional wisdom.

**BUSINESS SECTORS**
The women-owned businesses analyzed in this study were spread among 16 sectors. Table 3 (below) shows that the majority of surveyed businesses were involved in the handicrafts sector, although other well-represented sectors include agriculture, education, construction, business consulting, media production, food processing, and trading (import/export). Those businesses involved in exporting (four total) were mainly exporting carpets, handicrafts, saffron, and dried fruits. Importing businesses were focused on vehicles and construction materials.

**AGE OF BUSINESS**
The majority of businesses surveyed (148 out of 248) had been in operation for five or more years. 45 businesses were one-year-old or less. In the past five years, despite growing concerns about security and political instability, a steady number of women-owned businesses have become operational.

The continued pace of Afghan women launching new businesses, even during a period of great uncertainty, should be ample evidence of the will among Afghan women to contribute to the development of the economy. The commitment of Afghan women to invest in their country despite the high risks must be supported by Afghan Government policies. This will be emphasized again, in greater detail, in the concluding chapter of this document.

**WOMEN OWNERS’ COMMITMENT, KNOWLEDGE, AND SKILLS**
In order to measure the commitment of a woman business owner to the growth of her business, it is important to try to understand her motivation for starting the business in the first place. Based on a study by the United States National Women’s Business Council 2013, on factors influencing women’s success in business, personal motivation was identified as one of the most influential success factors.

Women business owners were asked a multiple-choice question on why they chose to start their own business. From the below-listed five options, respondents were asked to choose the top three reasons:

- I wanted to be my own boss
- I wanted to generate income for myself and my family
- Funding was available for women, so I thought I should make use of it
- I received training in business and I wanted to put it into practice
- I couldn’t secure full-time employment

In our findings, the majority of respondents stated that ‘I wanted to be my own boss’ was their primary motivation, followed by ‘I wanted to generate income for myself and my family’, and finally, ‘Funding was available for women’.

In order to measure the level of knowledge and skills that the women business owners had, they were asked a number of questions. The questions and quantified answers are presented in Table 4 (above).

In response to being asked if they had a vision for their business, around 95% of respondents replied in the affirmative (see Table 5, p.24). Considering that a large majority of the businesses surveyed (80%) were micro, small, and medium-sized, having 1-20 employees, this study assumes that finances, marketing, and negotiations with suppliers were predominantly handled by the business owner herself.

In today’s technology-oriented business environment, it is important for business owners to have a solid base of skills in computers, smartphones, e-mail, and social media platforms. The findings show that 68.6% of the respondents use computers for their operations, and around 74% have e-mail accounts. Facebook was the most popular social media platform for the respondents, with 64.5% using a personal Facebook account and 42% managing Facebook pages for their businesses. Only a small number, just 15%, used other social media networks such as Twitter, LinkedIn, and YouTube. The majority of respondents knew about Twitter, but were less aware of LinkedIn and YouTube.

One obstacle for the respondents, when it came to utilizing information technology resources (e.g. computers, internet, and e-mail) was a lack of English skills to navigate computer systems, software, and access information online. The survey responses reveal that less than half (45.5%) of respondents considered themselves good or excellent in English. It should also be noted that English is not only important in employing IT resources, but also in the general world of business. English is the international language of business; lacking functional English skills can lead to lost opportunities in terms of building a regional or international network of suppliers and buyers.

<table>
<thead>
<tr>
<th>Table 3: Industries of Women-Owned Businesses</th>
</tr>
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<tbody>
<tr>
<td>Agriculture</td>
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<td>Education</td>
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<td>Handicraft</td>
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<td>Health</td>
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<td>IT</td>
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<td>Jewelry</td>
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<td>Media &amp; Film</td>
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<td>Food Processing</td>
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<td>Construction</td>
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<td>Beauty Salon</td>
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<td>Sports/Fitness</td>
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<td>Restaurant</td>
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<td>Retail</td>
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<td>Business Consulting</td>
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<td>Import/Export</td>
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<td>Logistics</td>
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<th>Table 4: Respondents’ Work-Related Characteristics</th>
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<tr>
<td>Questions</td>
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<tr>
<td>Do you manage your financial records yourself?</td>
</tr>
<tr>
<td>Do you manage your marketing and promotion yourself?</td>
</tr>
<tr>
<td>Do you use a computer?</td>
</tr>
<tr>
<td>Do you have an email account?</td>
</tr>
<tr>
<td>Do you have a personal Facebook account?</td>
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<tr>
<td>Do you have a Facebook page for your business?</td>
</tr>
<tr>
<td>Do you have other social media accounts?</td>
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</table>
In order to gauge the level of hard business skills, survey participants were asked if they directly participated in their company’s finance, marketing, and communications activities, and to provide a self-assessment of their ability in these areas. The responses to this line of questioning are presented in Table 6 (p.25).

90% of respondents claimed to manage their finances personally, but a minority (44.7%) believed themselves to be good at handling finances. Only 9.6% of respondents assessed themselves as very good or excellent in finances. In terms of developing promotional material, only 10 respondents described themselves as excellent in this area. This is worth noting for future planning, in terms of conducting business development training and marketing service provision for women-owned businesses.

**BUSINESS OPERATIONAL PROCEDURES AND STRATEGIES**

The previous sections covered some of the personal qualities of the owners themselves that affect prospects for their businesses. This section examines organizational factors of women-owned businesses.

The survey participants were first asked if they had a business plan at the time of their business’ launch, and/or if one had been developed since then. 155 out of 248 respondents indicated that yes, they had a business plan when they started. When asked if they had a business plan (or strategic plan) now, that total rose to 231 (93% of respondents). A similar number (236 out of 248 respondents) stated that they were guided by an overall vision for their business.

When it came to production (or sales, as the case may be outside of manufacturing), 82.6% of respondents had a measurement for how much they were producing. Only around half (51.2%) reported having a clear production system, while 80% reported using an employee handbook or guidebook for human resources management. Half of the respondents (50.8%) reported using accounting software, and a slightly higher number (53.2%) claimed to employ professional accountants.

In order to assess the level of stability in business operations, survey participants were asked if they consistently sourced their raw material from the same supplier or regularly switched suppliers. Less than half of the respondents (41.5%) reported consistency in sourcing materials from the same suppliers.

Table 7 (p.26) provides important information about the capacity and confidence of women-owned businesses when it comes to fulfilling large orders. Around 34.6% of respondents expressed a high degree of confidence in their ability to fulfill large orders, while 41.9% expressed a moderate degree of confidence. 24.5% of respondents were less confident that they would be able to fulfill a large order.

**EMPLOYEE CAPACITY**

Employees are an important element of success for any business or organization. In Afghanistan, it has been frequently claimed that a lack of skilled labor has contributed to higher startup costs as a result of the time and money required for training.

This study set out to gain more quantitative data on this issue, by asking the survey participants if their employees were skilled when they were hired. The survey responses support the conventional wisdom in this case; a majority of the respondents said their employees did not have the right skills needed for the business at the time of hiring, with appropriate skills acquired on-the-job.

To assess the overall quality of staff, survey participants were asked if they believe their employees are well-trained (at present), and are able to respond positively to the escalating needs of the business. Only 32 respondents out of 248 believed their staff to be at an excellent...
level of training, with another 32 respondents describing the capacity of their staff as very good. The remaining respondents assessed their staff’s capacity as good or fair. Only two respondents considered the capacity of their staff to be poor. A strong majority – 226 out of 248 respondents – believed that staff capacity was extremely important, with 18 respondents describing it as very important. Only three respondents described staff capacity as only moderately important.

PRODUCT QUALITY

The women business owners were questioned about the nature of the product or services they offer. They were first asked a general question about what goods or services they are producing, in order to identify the sector they are involved in, e.g. handicrafts, construction, education, etc. Further questioning took place to obtain more detailed information on the exact nature of the products or services they were providing.

The survey participants were then asked if they were familiar with their competitors and had a firm idea about their competitive advantage in the market (if any). Around 78.2% responded that yes, they knew their business competitors. Only around 22% of respondents were not aware of their competitors.

On the question of the competitive advantage, slightly more than half said their competitive advantage was the unique nature of their product. This may be explained by the concentration of survey participants in the handicrafts sector, in which there is a high degree of variance in products from one producer to the next. A far smaller number of respondents listed price, location, and customer service as the keys to their competitive advantage.

The next question related to the future ambitions of the survey participants. They were asked if they had any intentions to improve or upgrade their product/service offerings. The purpose of the question was to determine if the business owners were continuing to assess market conditions in order to respond nimbly to get a step ahead of evolving demand. In response to this question, the majority of respondents said they would like to add a new feature (i.e. perform an upgrade).

As a follow up question, they were also asked how they want to add the new features. This question was open-ended, with the enumerators taking notes on the responses. Examining these responses, it is possible to assess just how serious the business owners were in moving forward on upgrades.

The responses were assessed and sorted, with most answers falling under one of the below categories:

- Want to initiate upgrades, but necessary capital not available
- Will upgrade when a sales opportunity presents itself
- Intend to search internet for inspiration on upgrades
- Intend to consult with customers and employees on potential upgrades
- Need additional trainings/workshops to gain inspiration for upgrades
- Will make upgrades when security situation improves

Few respondents mentioned specific steps they were planning on taking, such as improving design, adopting new packaging, or adding additional product/service features.

In order to determine how aware the survey participants were of basic business management topics, the business owners were asked if they had quality control measures in place to ensure product consistency for buyers. The responses to this question were disappointing, the majority replied in the negative. In a related question, the survey participants were asked if they consistently sourced raw materials from the same suppliers. Over half (58.4%) of respondents reported that they did not have an established supply chain working with the same pool of suppliers. This is a potential indicator of quality control issues.

Considering the responses to the question about quality control measures, it is unsurprising that few of the business owners reported having any type of management or product quality certification. Only 15.5% of respondents claimed to possess any kind of certification.
This chapter presents the challenges most frequently mentioned by the respondents of the survey. Each participant was asked to name the three most severe challenges they face in growing and expanding their businesses. All of the below-listed challenges can be classified as external challenges to businesses, which have been documented in previous studies and papers. With that said, it was deemed important for this study to listen to the women business owners themselves to hear what they had to say.

SECURITY
For business owners from almost all sectors, poor security has a direct negative impact on their business. When there is an explosion in an urban area, consumers will often adopt a defensive bunker mentality and abstain from shopping for the next several days, if not a week or two. Insecure roadways can slow down the receipt of raw materials and the delivery of final products, along with deterring employees (especially female employees) from coming to work. Nearly all survey participants mentioned security as one of their top three challenges.

LACK OF OPPORTUNITIES FOR MARKETED PRODUCTS
The majority of survey participants were discouraged by the lack of trade shows and exhibitions at the national and international levels for the products of Afghan women-owned businesses. While most companies value the opportunity to showcase their products, trade shows and exhibitions are especially crucial for handicraft producers (the majority of the survey participants). Many Afghan women business owners consider these events to be an invaluable tool for their marketing, promotion, and sales efforts.

ABSENCE OF PRODUCTION FACILITIES
Oftentimes Afghan women’s businesses are engaged in small-scale production with low profit margins. With that in mind, industrial parks and commercial rental spaces in urban areas are excessively costly for most Afghan women business owners. This highlights an unmet demand in the market for affordable, moderately-sized production spaces for small and medium-sized enterprises. The consequence of not having such spaces available is that the growth of smaller women-owned businesses is limited by the size of their own home. These home-based businesses remain in the informal economy, where they are able to avoid tax payment but also miss out on opportunities that are only available to registered businesses.

ABSENCE OF EXPORT OPPORTUNITIES
Both men and women-owned Afghan businesses selling internationally-traded commodities have difficulty finding international buyers for their products. This is especially true, though, for Afghan women-owned businesses. Afghan women business owners are not provided any special considerations in terms of export promotion or business matchmaking events outside Afghanistan. Without special provisions to ensure that female participation is considered, many Afghan trade delegations abroad end up being entirely dominated by men.

HIGH COST OF SHIPPING
Many Afghan women-owned businesses – especially those involved in handicrafts and jewellery production – have the opportunity to showcase their products online. Delivering the product to an international buyer, though, is a headache that makes the whole venture far less attractive. International shipping services, like FedEx and DHL, do operate offices in Kabul, but costs for getting items to Europe or North America are exorbitant. As a result, many orders for Afghan clothing, handicraft items, and jewellery are fulfilled by dual-national Afghans who fit as much product as possible in a suitcase. This not only limits the volume of potential sales but also keeps these sales in the informal economy.

LACK OF FINANCING SOURCES
Afghan women-owned businesses have much more difficulty compared to their male counterparts in terms of accessing loans from banks. This is in large part to collateral requirements (typically land), and women are rarely the title-holders for land in Afghanistan. It should also be noted that the lending terms for commercial banks in Afghanistan are not

for their business. This study did not include a follow-up question to inquire what type of certification these business owners possess, and if/how these certifications helped them improve their production processes, quality control, and sales. This may be an area worth looking into for future studies.

EMPLOYEE GENDER BREAKDOWN AND GROWTH
Figures 8 and 9 (p.26 and p.27, respectively) indicate that many of the surveyed businesses have grown since their launch, based on an increase in the number of their female and male employees. The number of companies with 20 or more female employees rose from 25 at the time of their launch to 57 at the time of the survey. Increases were also seen among companies with 10-15 female employees, as well as 15-20 female employees.

Increases in the number of male employees were much less drastic, although positive overall. In general, the findings indicate that women-owned business hire far more female employees than male employees. This could be a consequence of the traditional female-dominated nature of the work (e.g. production of handicrafts), a more female-centric work environment that attracts female applicants, or a combination of the two.

It should be noted that out of the participant pool of 248 business owners, only 240 provided information about the number of the female employees.

SELF-ASSESSMENT OF LONG-TERM GROWTH PROSPECTS
Overall, the survey participants had a positive outlook about their growth prospects; 80.2% of respondents believed that their business was unlikely or extremely unlikely. 4.8% of respondents were unsure on this question.
CONSERVATIVE SOCIO-CULTURAL VIEWS ON GENDER ROLES

Traditional views on the place of Afghan women in society can prevent many aspiring Afghan women entrepreneurs from ever launching a business. For those Afghan women that are able to launch businesses, they must operate in a society that frowns upon women moving alone outside the home. As a result, women business owners must make arrangements with relatives or trusted drivers in order to meet with suppliers and buyers. When they do have the opportunity to make a sale, they often face buyers who are skeptical about the quality of products coming out of a woman-owned business. At home, Afghan businesswomen juggle the obligations of family life with their professional goals, a balancing act that many find untenable.

SLUGGISH DOMESTIC MARKET

Widespread spending by international military forces and development agencies since 2002 produced a hot war economy. As a result, many Afghans found themselves with disposable income for the first time in their lives. Part of this disposable income went to the handicrafts sector, for purchases of finely embroidered cloth, expertly carved wood items, and jewellery encrusted with Afghanistan’s famous gemstones. With the departure of most NATO forces in 2014, along with a drastic reduction in international development aid, there was simply less cash in circulation in the economy. This meant less spending by Afghan consumers on handicrafts, hand-woven Afghan carpets, and other non-essential commodities. With their activities concentrated in the handicrafts sector, Afghan women business owners were hit much harder than their male counterparts as the economy went into decline.

CORRUPTION AND NEPOTISM

Corruption and nepotism in Afghanistan results in a loss of efficiency and the degrading of quality in product manufacturing and/or service provision across the public, private, and development sectors. Afghan women business owners are especially disadvantaged in such an environment, where crooked deals are often put together in late night male-only tea drinking sessions at restaurant lounges and hotels. Even when a procurement process is, in fact, undertaken free of corruption, the cloud of corruption tarnishes all such activities, leading many would-be business owners to believe that they ought to give up rather than participate in a rigged system.

RECOMMENDATIONS

A series of recommendations are listed below, to conclude this paper. They are divided into two sub-sections; the first section lists recommendations that were proposed by the survey participants, while the second lists recommendations from the author.

Recommendations by survey participants

• Development support in provinces: Survey participants have suggested that development projects should expand to the provinces and districts. At present, there is the perception that development support is only reaching the major urban centers.
• More workshops and training programs: Women business owners have requested more long-term and hands-on workshops and training programs, especially in the areas of marketing and product development. The women business owners were also interested in training in computer skills, and how to use new technologies (and internet resources) to improve their business.
• More exhibitions and trade shows: Survey participants requested support in the form of exhibitions and trade shows.

Recommendations by the author based on this research findings

• Advanced Training: The development of training programs in the below-listed areas:
  ◦ Operations management (to assist women business owners in understanding standardized production procedures and supply chain management)
  ◦ Product development
  ◦ Pricing strategy and techniques
  ◦ Marketing management (looking at both domestic and international sales)
  ◦ Growth planning
  ◦ Contract development (to include business negotiations)

WHAT CAN WE DO NOW FOR THE NEXT GENERATION OF AFGHAN BUSINESSWOMEN?
• Long-term coaching and mentorship: Long-term coaching and mentorship should be provided on the following areas:
  ◦ Developing and putting into writing standard procedures for business activities.
  ◦ Financial analysis and forecasting.
  ◦ Marketing, market research and how to find buyers nationally and internationally.
  ◦ Effective use of mass media, social media, and internet sales platforms for business marketing and promotion.
  ◦ Internationally-recognized certification: The Afghan Government, with support from Afghanistan’s international stakeholders, should allocate financial and technical resources to assist women-owned businesses in implementing standardized production procedures. Assistance is also needed in getting these businesses certified by recognized international bodies.

• Government incentives supporting women-owned businesses: The Afghan Government should consider incentives provided in laws, regulations, policies, and development programs that support women-owned businesses and investment by women in various sectors.

• Further research investigating growth factors for women-owned businesses: This study was conducted with a minimal (personal) budget, as part of the author’s MBA studies. As a result, it was admittedly limited in its geographic coverage. With millions of dollars in international development aid allocated to support Afghan women-owned businesses and female entrepreneurs, it is a common-sense move to earmark at least some funds to more in-depth analysis of growth factors for women-owned businesses. Such research could contribute to better understanding the programming needs of these businesses, as well as influence policy makers at the national and international level.

• Provision of marketing support: Besides the research suggested above, additional research is necessary to identify potential markets for the products of women-owned businesses, and potential sectors for women to consider for investment.

**FINAL THOUGHTS**

In Afghanistan, with an economy in transition and continued insecurity, growth prospects for businesses are difficult to assess. There are certainly a plethora of external factors that constrain the growth of businesses in Afghanistan, most of which affect women-owned businesses more severely than their male peers.

While external factors inhibiting business growth are important to identify and analyze, this study was able to uncover useful insights on the internal factors that also come into play when it comes to the success or failure for Afghan women-owned businesses.

What this study set out to do was encourage the stakeholders in the Afghan economy to consider the growth factors of Afghan women-owned businesses holistically. External factors like security, which tend to monopolize attention, represent part of the story, but not all of the story. External factors represent challenges that need to be overcome, but at the foundation of any women-owned businesses’ strength are the personal qualities, business skills, and determination of the business owner herself and the management framework she has established for her company.


REFERENCES
Since 2002, many non-profit organizations have started working for Afghan women’s empowerment and rights. Almost all focused their activities and advocacy work on women’s political, social, and cultural participation and rights. None were focused on the topic of women’s economic participation or businesswomen’s advocacy.

A group of Afghan businesswomen recognized this need and the lack of an advocacy platform to further their interests, so they collaborated and established Leading Entrepreneurs for Afghanistan’s Development (LEAD). LEAD was established in 2013 and officially launched on 22 January 2014. It was registered with the Afghan Chamber of Commerce and Industry as a Businesswomen’s Union. LEAD presented a proposal to the High Economic Council, chaired by the President Ashraf Ghani, to change the name to the Afghanistan Women Chamber of Commerce and Industry (AWCCI). LEAD’s transition to become the AWCCI was approved by the High Economic Council of the Afghan Government on 12 March 2017.