This report was written and researched by:

This report was written by: Ainsley Butler, Chief Investment Officer for Building Markets and Kate McGuinness, independent Research Consultant and Editor. Data for the surveys was collected by Building Markets’ team of surveyors (see Annex 1). The survey team was managed by Building Markets’ staff in Kabul, (name redacted), Project Manager and (name redacted), Call Center Manager.

Kavya Raman, formerly of Building Markets, helped process the data collected from the surveys and Hedvig Christine Alexander contributed to developing the surveys and recommendations for this report.

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Building Markets is a non-profit organization that builds markets, creates jobs and sustains peace in developing countries by championing local entrepreneurs and connecting them to new business opportunities.
This report was written by Ainsley Butler, Chief Investment Officer for Building Markets and Kate McGuinness, independent Research Consultant and Editor. Data for the surveys was collected by Building Markets’ team of surveyors, who made it possible to capture this information about women at work in Afghanistan. A full listing of the survey team and their geographical areas of responsibility is in Annex 1. The team was managed by Building Markets’ staff in Kabul, (name redacted), Project Manager, and (name redacted), Call Center Manager.

The findings in this report fill a knowledge gap about women’s economic participation in Afghanistan. The results of this survey can provide baseline data for better understanding the important contribution of women to the Afghan economy. However the data presented herein only allows for a limited understanding of the current involvement of women in the economy. Much more research is required to fully appreciate the value of working women and those women who would like to enter the workforce. This data should be considered as a starting point for more effectively leveraging their economic contributions in the future.

The data presented here is based on three surveys undertaken with 298 women business owners, 524 women employees and 602 key informants from a cross section of institutions and businesses throughout the whole of Afghanistan. In total, 1,424 respondents were surveyed for this study. The greatest level of uptake for the survey was in densely populated urban centers. The research and surveys for this report were conducted between November 2012 and April 2013.

Building Markets wishes to thank the US State Department Public Affairs team at the US Embassy in Kabul for identifying the need for this data, offering feedback during the research and analysis phases, and making this report possible through their generous financial support.

This report could not have been produced without the participation of many organizations and individuals, whose contributions and feedback enriched the analysis herein. In particular, Building Markets would like to thank the Afghan government Ministry of Women’s Affairs, the Afghan Women’s Business Federation, the Afghan Women’s Network, the Afghanistan Chamber of Commerce and Industry, the Afghanistan Investment Support Agency, Goldman Sachs 10,000 Women Initiative, the International Center for Afghan Women’s Economic Development at the American University of Afghanistan, the UK Department for International Development, Women for Afghan Women, the World Bank and relevant provincial government institutions and agencies. Building Markets also wishes to thank Bran Dougherty-Johnson for his work on the graphic design of this report and Jean Amat-Amoros for his work on the maps presented here.

Most importantly, Building Markets is grateful to the women entrepreneurs, business owners, employees and key informants who willingly contributed their time to completing the surveys. It is the voices of these working Afghan women that matter the most.
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Quality in the workplace helps lift people out of poverty and contributes to higher GDP levels, but around the world women continue to represent an untapped economic potential. Globally, the gender gap in the workplace is on the decline, with women-owned businesses an increasingly important driver of change in the private sector for broader economic development.

Now more than ever before, an unprecedented number of Afghan women are participating in the formal private sector economy as entrepreneurs, business owners and employees. However there is very little data available on these women and their activities. A primary objective of this report is to document and better understand their experiences and needs as they see them.

This report serves as a baseline for beginning to fill this knowledge gap by directly recording the views and experiences of businesswomen and female employees in Afghanistan. These women agreed to answer questions about who they are, what kinds of work they do, how they see themselves as working women, including the difficulties they face and the challenges and obstacles they must overcome to do their jobs and run their businesses. Importantly, they also talked about their needs, aspirations and outlook for the immediate future.

The data presented in this report is based on three surveys undertaken with 298 women business owners, 524 women employees, and 602 key informants from a cross-section of institutions and businesses throughout the whole of Afghanistan, for a total of 1,424 participants. This data should be considered as a starting point for more effectively leveraging the economic contributions of Afghan women now, in the near future and beyond.

The timing of this report is critical. In 2014, Afghan people will make the difficult transition to determining their own future. As this study demonstrates, it is clear that Afghan women have a key role to play in the economic recovery and development of their country. They are one of Afghanistan’s most valuable resources. The women surveyed for this report provide insight into how they can be supported for success—at the family level, in the workplace, by the Afghan government and the international community. It is time to listen to and act on what they say they need.

Key Findings

Views on women at work appear to be steadily evolving, with more segments of the population becoming amenable to and supportive of women’s economic participation. Notably, attitudes about what types of work are considered appropriate for women also seem to be changing.

A General Profile of Women at Work

• Growing trends:
  • The majority of survey respondents entered the workforce during the last decade, with half of these going to work in the last five years
EXECUTIVE SUMMARY

- A high percentage of economically active women belong to a younger generation
- For most of these women, marriage does not appear to be a barrier to working
- Many women know other women who are not currently working but would like to join the workforce
- Working in non-traditional sectors has growing appeal for women business owners and employees alike
- A massive 96% of these women have the support of their families because they believe women should contribute to rebuilding Afghanistan and can be positive role models for other women.
- Key success factors: family support, access to higher education, and exposure to regional and international experiences are decisive. Being prepared to enter the job market with adequate skills and education, working in adapted workplaces, accessing opportunities in small businesses and on-the-job training are also important.
- These women are confident. Businesswomen are generally positive about the success and growth potentials of their companies. A majority of women employees think there are enough capable Afghan women to meet employers’ needs.
- Perspectives about the near future are evenly divided between cautious optimism and uncertainty based on a range of concerns. Completely negative outlooks are a clear minority opinion, although one in four businesswomen thinks her business will be strongly affected by the transition in 2014 and beyond.
- The top sectors in which women have elected to start businesses and the top sectors that employ women demonstrate the potential of local procurement to jump start and stimulate economic development in fragile and post-conflict states. This reinforces the value of having quotas and set-asides for better enabling women’s economic participation.

Afghan Businesswomen: A Statistical Portrait

- Over 5,500 workers employed by these businesswomen
- 78% are small businesses (1-10 employees)
- 81% were unable to access any credit or financing
- Above average earnings: 38% report a monthly income between AFN 30,000 and more than AFN 50,000 (from $545 to more than $908), with just over half of these in the highest income bracket
EXECUTIVE SUMMARY

• Around 80% have attended an institution of higher education

• Working in a wide variety of sectors, many of which are non-traditional, and in multiple sectors: at 24% construction and construction materials is the most represented

• 47% do business with the international community in Afghanistan and 40% with the domestic market, but only 13% find business opportunities with the Afghan government

• Almost 90% do not have partnerships with other businesses or institutions and nearly 75% do not belong to a business association

• Most needed help: marketing support, access to buyers, financial management and technical support

• Greatest difficulty: not being taken seriously in the business world

• Top challenges: corruption, lack of capital and insecurity

Whether these women-owned businesses are robust and resilient is unclear. The predominance of small businesses in this survey sample indicates a degree of fragility, especially in the context of a shrinking international presence. Potentials for domestic and regional market share expansion need to be better understood in relation to how to scale existing businesses, as well as how to re-tool and adapt them to a changing marketplace in Afghanistan and the emerging opportunities therein. Domestic expansion and large-scale economic impacts can be considerably enhanced by transfer of procurement authority from the international community to the Afghan government. Despite upcoming challenges, their diverse customer base combined with the confidence and optimism these women expressed about their businesses bodes well for their future survival—provided they get the support they say they need.

Women Employees and Workplace Conditions

• 88% think competition for jobs is fair and open

• 58% say there are training and upward mobility opportunities

• Over 50% say women are promoted based on professional merit

• Around 30% say women advance by producing results

• 63% report there are no women in management positions above them

• 46% hold on-the-job learning in high regard

• 82% receive work incentives, with transportation and lunch the most commonly cited
EXECUTIVE SUMMARY

- Most needed help: more business education, financial management, mentoring and technical support
- Skills to be developed: project management, accounting, and computer and technical skills
- Jobs in demand: education, administration, finance, business and health
- Top challenges: security, distance to work and low earnings

The survey results of women employees appear to indicate a changing employment landscape. They valued their contributions to the economy and expressed confidence in the capacities of women to meet employer needs. At the same time, these women identified a need for more training and skills development, both to better equip them for jobs and to enable their advancement. Changes to the workplace are also reflected in their views that there now seem to be formal channels for upward mobility based on merit and job performance. Perhaps the most convincing change is where women work and where they think up and coming younger women want to work—in a range of non-traditional sectors.

Key Informants: Broadening the Horizon

- Almost all of the respondents supported the idea of women working based on the importance of women’s contributions to increasing economic growth and their right to livelihoods and economic empowerment, as well as their abilities and talents to participate in working life
- 95% of key informants think government and private businesses should support women’s participation in the workplace
- Success factors: increasing capacities and skills development; encouragement and support, especially at family level; and safe and appropriate workplaces
- Key barriers: lack of education, customs and traditional culture, and insecurity
- What women need from the Afghan government: financial and business support (access to credit, loans and access to markets) and better security in general
- What women need from the international community: financial assistance, more programming for women and access to markets
- Aggregate results mask significant regional variations, which offer a more in-depth perspective on local needs and conditions

Overall, key respondents seem to share the optimism of businesswomen and women employees related to the potentials of women’s contributions to developing the Afghan economy. In key areas, their views overlapped with those of working women. In others, the key informants appeared to reflect standard perspectives on barriers to women’s economic participation as these are defined by the general demographic profile of Afghan women; namely, lack of education and social customs.
As this report indicates, there is cause for optimism about the potential for women to positively contribute to making the Afghan economy stronger, more diverse and more resilient. Supporting women business owners and employees will be key for ensuring the development of a sustainable economy and an equitable place for women in Afghanistan.

Recommendations

1. Provide broad support to women business owners and women employees in waged work in the formal economy.

2. Create stronger linkages between skills and markets to enable women to become better entrepreneurs, business owners and managers.

3. Develop and strengthen women’s business networks, with particular focus on mentoring and matching women business owners and entrepreneurs with other women in their organizations or sectors.

4. Promote high levels of public support for working women.
INTRODUCTION
E
quality in the workplace helps lift people out of poverty and contributes to higher GDP levels, but around the world women continue to represent an untapped economic potential. Globally, the gender gap in the workplace is on the decline, with women-owned businesses an increasingly important driver of change in the private sector for broader economic development.

A primary objective of this report is to listen to what Afghan women business owners and employees have to say about economic participation in Afghanistan. Women throughout the world contend with an uneven playing field when it comes to their working lives. Perhaps this is more so the case in Afghanistan: with the fall of the Taliban in 2001, the condition of women’s lives shocked the world. While many of these distressing conditions are still realities, Afghan women at work stand today as positive proof of the undeniable progress being made in their economic empowerment, alongside other notable achievements in education and health care.

Afghanistan now has a small cadre of prominent female business leaders. Many more unknown and anonymous working women are also contributing to the development and reconstruction of Afghanistan, in both the formal and informal economy. Their working lives indicate that it is possible to overcome the obstacles to women’s economic empowerment. The women surveyed here prove this.

Listening to Working Women

There is very little data available on women’s economic participation in the formal sector in Afghanistan. This report serves to fill that gap in knowledge by directly recording the views and experiences of more than 800 women business owners and women employees, along with more than 600 key informants in Afghanistan. The women surveyed agreed to answer questions about who they are, what kinds of work they do, how they see themselves as working women, including the difficulties they face and the challenges and obstacles they must overcome to do their jobs and run their businesses. Importantly, they also talked about their needs, aspirations and outlook for the immediate future.

The timing of this report is critical. In 2014, Afghan people will at long last make the difficult transition to determining their own future. As this study demonstrates, it is clear that Afghan women have a key role to play in the economic recovery and development of their country. They are one of the country’s most valuable resources.

In many ways, the findings of this research confirm what is by now well-known anecdotal evidence and insights about economically active women in Afghanistan. By providing data on this group of women, this report can function as a baseline and starting point for better understanding how and in what ways women’s economic participation can be increased. It can also show how the contributions of working women are helping to develop and grow the Afghan economy.

The study identifies success factors that enable women’s economic participation at an individual, family and company level. The support of family members, access to higher education, and exposure to regional and international experiences are decisive factors for this group of women. Being prepared to enter the job market with adequate skills and education, working in adapted workplaces, accessing opportunities in small businesses and on-the-job training are important in securing employment for women.

Outline of Report

This report consists of four central components. First, it explains the methodology informing the design and implementation of the three surveys that provide the data for this report. Second, it situates women’s economic participation in Afghanistan, with reference to a range of enabling and disabling factors. Third, the report presents the findings that resulted from the three surveys, including an analysis of this data. Fourth, it makes recommendations designed to main-
tain and stimulate greater participation of Afghan women in the economy. This report ends with a number of relevant appendices, including valuable information on regional differences and suggestions for future research, among others.

The scope of this study is restricted to women’s economic participation in small and medium-sized enterprises (SMEs) in the private sector. In terms of working women, its focus is two-fold: 1) women business owners who have officially registered a business; 2) women employees in formal waged jobs who work for officially registered businesses that are owned by women or men. A third survey of key informants drawn from a cross section of businesses and government institutions from around the country was also conducted.

The report examines women’s formal employment and business ownership in each major economic center based on a set of guiding questions designed to gain better understanding of their needs and experiences. This report intentionally excludes several other key aspects of women’s economic participation: work in the informal sector; underemployment; unpaid work; work in the agricultural sector; and large-scale enterprises.
SURVEY METHODOLOGY
A three-part methodology was used to collect and analyze data for this study, including a literature review and expert consultation, an analysis of the Building Markets’ Afghanistan Supplier Directory and three separate surveys, two of which were quantitative in nature and one of which was qualitative. The two quantitative surveys covered 21 of the 34 provinces in Afghanistan. A total of 822 interviews were conducted with 298 women business owners and 524 women employed in waged work for formal businesses in non-agricultural enterprises. The qualitative survey consisted of 602 interviews with key informants (both women and men) from a cross section of institutions and businesses in all 34 provinces in Afghanistan. In total, 1,424 respondents were surveyed for this study.

Literature Review and Expert Consultation

A review of current literature was undertaken between November 2012 and March 2013 to identify important issues regarding women’s economic participation in Afghanistan. This exercise was integral to the development and design of all three surveys.

The literature review was based on a systematic analysis of a comprehensive range of research drawn from four primary sources of information: 1) academic databases and research units (scholarly literature and bibliographies); 2) recent publications of key donors and development partners, with attention to policy-related developments and quantitative data on women’s economic participation in general and in Afghanistan; 3) publications of relevant Afghan government ministries and agencies; and 4) websites and publications of relevant non-governmental organizations (NGOs), including Afghan NGOs, civil society organizations and think tanks, as well as international NGOs and think tanks, with an emphasis on practice-based information and experience.

The scope of the literature review was defined by a general concern with women’s economic empowerment as this has emerged within the broader context of gender and development. 1 Particular attention was given to the following topics: patterns of female employment in Afghanistan; gender-related trends in emerging economies; small and medium-sized enterprises (SMEs), 2 or the “missing middle”, in fragile and post-conflict states; business development services; women entrepreneurs and business owners in general and in Islamic contexts; education and job training; and women’s control of resources and decision-making authority.

To seek guidance and support in designing this study, Building Markets also engaged in expert consultation meetings with representatives from the Afghan Women’s Business Federation (AWBF), the Afghan Women’s Network, the Afghanistan Chamber of Commerce and Industry (ACCI), the Afghanistan Investment Support Agency (AISA), the Afghan government Ministry of Women’s Affairs, Goldman Sachs 10,000 Women Initiative, the International Center for Afghan Women’s Economic Development at the American University of Afghanistan, the United States Agency for International Development (USAID), the UK Department for International Development (DFID), the World Bank and relevant provincial governance structures.

Once the data from the three surveys had been processed and analyzed, Building Markets held two focus group meetings in Kabul. The objective of these discussions was to obtain feedback on the data and input into the fi-

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1 For the purpose of this study, “A woman is economically empowered when she has both the ability to succeed and advance economically and the power to make and act on economic decisions. To succeed and advance economically, women need the skills and resources to compete in markets, as well as fair and equal access to economic institutions. To have the power and agency to benefit from economic activities, women need to have the ability to make and act on decisions and control resources and profits.” Source: Golla, Anne Marie, Anju Malhotra, Priya Nanda and Rekha Mehra (2011). Understanding and Measuring Women’s Economic Empowerment: Definition, Framework and Indicators, Washington, DC: International Center for Research on Women. http://www.icrw.org/files/publications/Understanding-measuring-womens-economic-empowerment.pdf

2 In this study, SMEs are defined as businesses with fewer than 250 employees and a small business is defined as having 10 or fewer employees.
nal report. The first of these was with women from the following organizations engaged in supporting women’s economic empowerment: Afghan Women’s Network, Afghanistan Investment Support Agency, International Center for Afghan Women’s Economic Development at the American University of Afghanistan, Women for Afghan Women and the World Bank. The second focus group was held with State Department and USAID staff at the US Embassy.

Analysis of the Afghanistan Supplier Directory

In late November 2012, Building Markets undertook an analysis of its Afghanistan Supplier Directory\(^3\) to identify participants for the three surveys. Business lists were also sourced from the Afghanistan Investment Support Agency (AISA), the Afghanistan Chamber of Commerce and Industries (ACCI), the Afghanistan Women’s Business Federation (AWBF), professional recommendations and desk research.

The Surveys

Three surveys were formulated for the purpose of collecting the data on women’s economic participation in Afghanistan that is presented in this report. The first survey focused on women

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\(^3\) The Afghanistan Supplier Directory contains a comprehensive listing of over 8,300 Afghan business profiles, operating across 27 commercial sectors and in all 34 provinces. Business profiles include contact information, business capacity (number of employees, including number of female employees and sectors of operation) and past performance, among other information. It was last updated in March 2012. The Directory was funded by the Canadian International Development Agency (CIDA) and the Department for International Development (DFID) as part of Building Markets’ Peace Dividend Marketplace – Afghanistan initiative between 2006 and 2012. To access the Afghanistan Supplier Directory, see: www.afghanistan.buildingmarkets.org
SURVEY METHODOLOGY

business owners and the second on women working in waged jobs in the formal economy. The third survey was given to key informants and was qualitative in nature. It was designed to fill information gaps in areas of Afghanistan where there is very low economic participation by women. In order to better understand the underlying factors for this, interviews were held with a cross section of key informants.

The three surveys were created based on collected data and analyses by Building Markets between 2006 and 2012, along with relevant resources and statistics from the literature review. The expert consultations also helped inform and determine the content of the surveys through a discussion and review process.

In order to facilitate cooperation and trust, efforts were taken to formulate the questions in such a way that most of the respondents would feel comfortable answering them. Participation on the part of the respondents was entirely voluntary.

Accuracy of the results was safeguarded through reliable survey techniques. First, a number of similar and related questions with slightly nuanced differences were asked. The consistency of responses ensured that answers were as precise as possible. Second, most of the questions were multiple choice. This avoided unintended interpretation of the answers by the surveying teams. It also made it easier for respondents to participate and for researchers to administer the surveys.

Once the questions for the two quantitative surveys had been formulated, they were tested on a number of Afghan women who had been randomly selected. This pilot group consisted of both women business owners and women employees. The test runs served two purposes. First, the initial responses obtained helped to ensure that the data collected would be relevant to the topic of women's economic participation. Second, this made it possible to measure the average time it took to conduct a survey. Both surveys took an average time of between 30 to 40 minutes. The qualitative survey was tested through expert consultations and feedback.

Working Women: 2 Quantitative Surveys

The two quantitative surveys were designed to provide an overview of women’s economic participation in Afghanistan from the perspective of working women themselves. In addition to basic demographic data describing the respondents, the surveys sought to collect information from female business owners and women employed in formal waged work on the following topics:

- Experiences with access to credit through banks and other financial institutions
- Requirements for business support from the international community and the Afghan government to sustain business growth
- Self-assessments of businesses and their challenges
- Self-assessments of business sustainability
- The potential for businesses to scale up production
- Partnerships with other businesses, NGOs and/or international donors
- Primary suppliers of raw materials
- The target market of businesses
- Marketing/promotion techniques used by businesses
- Number of employees (disaggregated by sex)
- Level of family support for business activities
- Level of education and international experience
- Participation in formal and informal women’s business associations or groups

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4 The qualitative interviews contained more open-ended questions in order to gather as much data as possible from the key informants. Although fewer questions were asked, more time was taken over the key informants' responses.
• Outlook in 2014 and beyond

Because a primary objective of this research project was to listen to what Afghan women have to say about their working lives, they were asked both objective and subjective questions. As indicated by the topics above, the objective questions were designed to elicit hard data on where women work, what types of positions they hold, how much money they earn and how they conduct business.

Questions of a more subjective nature were asked to gain greater insight into women’s perceptions of their experiences in the labor force. These questions were designed to collect data on the opinions of working women so that their views could be documented and better understood.

A total of 20 questions were asked of all respondents to both quantitative surveys. An additional 42 questions were asked of 298 women business owners, for a total of 62 questions. An additional 28 questions were asked of 524 women employees, for a total of 48 questions.

Key Informants: A Qualitative Survey

The qualitative survey was developed to capture the perceptions of key informants throughout the country about the challenges and opportunities they see with respect to women’s economic participation in Afghanistan. Particular attention was given to those areas of the country where few women work in the formal economy. The data was collected through face-to-face interviews.

As shown in Table 1 above, respondents were identified through Building Markets’ Afghanistan Supplier Directory, as well as desk research and recommendations from the expert consultants to identify individuals working in government ministries and agencies, women Members of Parliament, governors’ offices, provincial councils, international organizations, local NGOs, informal groups and representatives from local universities.

Topics covered in the qualitative survey included the following:

• Known numbers of women business owners and employees
• Types of businesses or jobs women have
• Should women work; why or why not
• Reasons for low economic participation by women
• Most important challenges and obstacles facing working women
• Awareness of programs to increase women’s economic participation
• Measures by businesses and local government to promote working women
• Support the Afghan government could offer
• Support the international community could offer

This survey was designed to facilitate a more in-depth understanding of the challenges faced by working women or those that hope to work, especially in areas where there is extremely limited economic participation by women, the types of support they need and possible measures to promote women in the workplace. In contrast to the qualitative survey, almost half of the questions asked in the interview process were of an open-ended and subjective nature.

Because the quantitative survey was conducted in all 34 Afghan provinces, the key informant responses provided valuable data on regional differences with respect to women’s economic participation. In some instances, there is considerable variation across these regions and in some provinces participation rates were low.

A total of 19 questions were asked of 602 key informants.

Data Collection Methods and Administering the 3 Surveys

A project team comprised of 16 Afghan researchers and a five-member call center team, based in Kabul, ensured comprehensive geographic coverage across all 34 provinces. For a detailed overview of respondents by province, see Annex 2.

The three surveys were administered in Dari and Pashto, depending on the
language spoken in a given province. Responses were logged online using Google Forms to facilitate data collection, aid in the analysis of the survey results and guarantee quality-assurance during the survey process.

**Survey Sample and Response Rate**

The two quantitative surveys were administered to a total of 822 respondents representing a mix of 298 female business owners (survey 1) and 524 women formally employed by businesses (survey 2) between December 2012 and April 2013. A total of 2,408 contacts were sourced and asked to participate in the survey, including 804 women business owners and 1,604 women employees, yielding a response rate of 37% and 33% respectively.

The third survey, which was qualitative in nature, consisted of face-to-face interviews with 602 key informants. These key informants represented a mix of 290 members of the Afghan business community and formal associations, 28 women Members of Parliament, 225 government officials, 21 international organizations, and 38 informal groups and representatives from Afghan universities. Interviews were held between February and April 2013. A total of 809 people were contacted, yielding a response rate of 74%. This relatively high take up rate on the part of key informants suggests a significant degree of interest in the topic of women’s economic participation.

**Challenges and Constraints**

**Security:** The security situation made it challenging to conduct the three surveys in some regions, particularly in Nuristan, Paktika, Zabul, Helmand, Kandahar, Nimroz and Uruzgan. Respondents were sometimes hesitant to disclose information to Building Markets’ researchers because of fears of being reported to the authorities or becoming targets for criminality. In all instances, precautions were taken to assure respondents that any information disclosed would be treated as fully confidential. Care was taken to ensure that respondents understood the scope and purpose of the study in order to avoid misconceptions. In some instances, however, these interview techniques were ineffective in overcoming respondents’ broader security concerns.

**Weather:** Due to the timing of the grant for this project, the surveys were conducted from November 2012 to April 2013, during the winter season. Many areas of Afghanistan are difficult to access by land or air at this time.

**Cultural sensitivity:** In regions outside Kabul that are typically more conservative, it was challenging for Building Markets to interview women without consent from a male family member. Although Building Markets made every effort to accommodate cultural sensitivities depending on the local context, in provinces such as Nuristan, Paktika, Zabul, Helmand, Nimroz and Uruzgan this was especially challenging. This is
evidenced by the low levels of women’s participation in the two quantitative surveys in these regions (see Annex 2).

Administrative capacity of businesses: Many Afghan businesses lack strong administrative and financial procedures, making it unusual for a business to have detailed historical employee records. The surveys administered for this research were therefore structured to collect information that respondents were likely to be able to access with relative ease. While some respondents had better systems than others, the figures on numbers of employees and female managers presented in this report should be taken to represent each respondent’s best estimate. Given this, it is possible that the topic of this survey—women’s economic participation—may have biased some respondent’s recollections on this issue.

Volume of data: This research project collected an enormous amount of information through the three surveys. Time constraints prevented full analysis of this data. Therefore the findings presented here represent an initial overview of women’s economic participation in Afghanistan. At the same time, this is a fluid and dynamic area of research that requires continued investigation in order to gain a fuller understanding of the experiences of working women.
WHO ARE THEY?

**BY NUMBER OF YEARS IN WORKFORCE**

- <1 yr.: 1%
- 1-5 yrs.: 50%
- 6-10 yrs.: 26%
- 11-20 yrs.: 15%
- 21-30 yrs.: 6%
- 31-40 yrs.: 2%

**BY EDUCATION**

- 80% have attended an institute of higher education
- 60% have 16 years of schooling
- 24% have 14 years of schooling

**MARRIED OR SINGLE**

- Married: 61%
- Single: 39%

**WHAT THEY THINK THEY NEED:**

- Marketing Support: 21%
- Access to Buyers: 18%
- Technical Support: 17%
- Mentoring: 15%
- Security: 10%
- Other: 2%
- Financial Management Support: 17%

**BY SECTOR:**

- Construction: 24%
- Handcrafts & Artisans: 15%
- Education: 11%
- Transportation & Logistics: 11%
- Business & Consulting: 8%
- Media & Communication: 6%
- Agriculture: 6%
- Heavy Machinery/Equipment: 6%
- Office Furniture & Home Supplies: 6%
- Oil, Coal, Fuel & Natural Gas: 5%
- Manufacturing: 4%
- Other: 4%

*Women business owners*
Background Context

There is widespread consensus and ample data indicating that gender equality is a critical factor for economic growth because it leads to increased productivity, improved efficiency, contributes to reducing poverty and creates a range of sustainable benefits for the next generation. The role of small and medium-sized enterprises (SMEs) in driving economic development around the world is equally well documented.

This is especially the case in emerging markets, where SMEs are the largest source of employment. In the developing world, for example, entrepreneurs and SME business owners are responsible for creating nearly 90% of new jobs. It is estimated that more than one third of these businesses are formally owned by women.

In post-conflict and fragile states like Afghanistan, even small-scale negative economic shocks can have disproportionately high risks of causing renewed violence and destabilization. The economic participation of women—as entrepreneurs and business owners; as waged employees in formal and informal sectors—is therefore essential for rebuilding and developing such economies. Without women’s economic empowerment, the result is economic stagnation and loss, along with the exclusion of 50% of the population from economic productivity.

These key trends bear on the overall context for understanding women’s economic participation in Afghanistan. Despite notable progress, the status of Afghan women is still generally regarded as one of the lowest in the world: according to the Human Development Index (HDI) indicator on gender equality, Afghanistan ranked 147 out of 148 countries in 2012. Among working age women (typically 15 to 64 years old), just under half are active in the labor market in either formal or informal paid jobs. Many more women work in unpaid labor, thus rendering their overall contribution to the economy invisible and difficult to measure. This problem is made worse by the fact that there is little available data on Afghan women’s contributions to the overall economy.

Literacy and education are seen to

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11 Although they are official statistics, the figures referenced here must be seen as generally indicative rather than precisely accurate. For a critical discussion of the lack of evidence and hard reliable data from the field in Afghanistan, see: Cordesman, Anthony H. (23 January 2012). Afghanistan: Meeting the Real World Challenges of Transition, Washington, DC: Center for Strategic and International Studies.


bring economic advantages, especially for girls and women. Advances in these areas have been one of the key success stories in Afghanistan since 2001. For example, there has been an enormous increase in school enrollment, with approximately 7 million children now in school, including around 2.5 million girls; compared to 2001, there were only around 5,000 girls in school. There is, however, clear scope for more improvement.

This continued need further underlines gender inequality in Afghanistan. Overall literacy rates remain low at just under 25% of the total population aged 15 years and older, but only 13% of women are estimated to be literate compared to 32% of men. Although there have been notable advances in rates of female education, females are still under-represented in secondary and higher education: by age 18, just under 20% of girls are still in school compared to just over 40% of boys. However, nearly a third of the student body at Kabul University is now female.

The subordinate status of Afghan women is reflected in significant ways in some of the current economic realities faced by many Afghan people. Although the economy has grown at a remarkably fast pace since 2003 (the average GDP growth rate is approximately 11%) and the country has received countless billions of dollars in aid and assistance since 2001, Afghanistan continues to perform poorly in many development indices. For example, it was ranked 175 out of 187 countries on the HDI in 2012. More than one third of the population lives in poverty. In some areas, this is as high as 60%. Poverty is increasing for rural populations across large parts of Afghanistan, with families struggling to put food on the table and educate their children. After concerns about security, the majority of Afghans are worried about the lack of economic development. At least 70,000 households are headed by women, which are usually poorer and more vulnerable than those headed by men.

Article 48 of the Afghan constitution guarantees the right to work to all citizens. Yet resistance to women working outside the home persists. However, there are signs that this appears to

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18 USAID (May 2012). Afghanistan: Economic Growth Factsheet, Dulles, VA: USAID/Kabul. This source offers more specific data: “From 2003 to 2007, economic growth was more than 10%, but fell with the economic slowdown in 2008 to 3.4%. Real GDP growth has since recovered to 20.4% during 2009-10 and 8.4% last year” (page 1).
23 Kantor, Paula and Adam Pain (October 2011). Rethinking Rural Poverty Reduction in Afghanistan, Policy Note Series, Kabul: Afghanistan Research and Evaluation Unit, page 1. The report goes on to argue that attention to meaningful strategies for poverty reduction are losing ground to the promotion of economic development, with the latter largely divorced from the everyday realities of rural Afghans. Moreover, the report claims, market-based approaches to development are unlikely to reach significant portions of rural households, despite the obvious potentials of agriculture and the rural economy to contribute to development in Afghanistan (ibid). The 2012 Asia Foundation report on the economic prospects of Afghanistan is even more critical of the market-based approach (referenced in the following footnote).
be changing. A 2012 opinion poll indicates that two thirds of the population believes women should be permitted to work outside the home, with 80% of women agreeing and 55% of men agreeing.\textsuperscript{26} When women are permitted to work, there are strong views about what is considered appropriate for them to do. Teaching, administration, health care, government and handicrafts (notably embroidery and tailoring) are commonly thought to be suitable female professions, along with small-scale agricultural production and raising small livestock. ICTs and media are emerging areas that are also considered increasingly viable for women.\textsuperscript{27}

In contrast, doing business is a relatively new phenomenon for women—or at least public recognition that women actively engage in business is new. By and large, this is still regarded as an alien domain for women.\textsuperscript{28} In Afghanistan, SMEs are the largest proportion of the employment base and provide the majority of goods and services that are vital for the economy.\textsuperscript{29} Although there is no central clearinghouse for data on women-owned businesses, around 200 of these have been identified by Building Markets.\textsuperscript{30} Expanding the SME sector is a key government priority for enabling sustainable economic development, especially in terms of job creation. The sectors targeted for support—agri-processing, carpet production, marble quarrying and polishing, gemstone mining and jewelry making, livestock and skins, and forestry—theoretically offer women expanded economic opportunities.\textsuperscript{31} Developing the SME sector has also been a strong focus of international actors in Afghanistan.

Unemployment is widely regarded as a serious problem in Afghanistan, in particular as a threat to security and stability. For example, the Afghan government recently announced that to compensate for the withdrawal of NATO troops alone, it will have to create at least half a million jobs to combat growing unemployment.\textsuperscript{32} At the same time, however, Afghan government practices have reversed some of the progress made in job creation, such as local procurement for the Afghan National Army and the Afghan National Police.\textsuperscript{33}

Despite its critical importance to both overall economic development and continued security challenges, there are no reliable statistics on unemployment. The most commonly cited figure is between 35 and 40%, but this does not account for underemployment, nor does it distinguish between those who are employed and those actively seeking employment.\textsuperscript{34} Importantly, lack of employment is increasingly seen as an issue for women, with this identified as their second biggest problem in

\textsuperscript{26} Tariq, Mohammad Osman, Fazel Rabi Haqbeen and Palwasha Lena Kakar (2012). Afghanistan in 2012, Kabul: Asia Foundation, page 11. This is an increase over figures from 2011, but is a decrease from the 71% overall who agreed in 2006. Current resistance is thought to be linked to increased insecurity.


\textsuperscript{28} Echavez, Chona (March 2012). Gender and Economic Choice: What’s Old and What’s New for Women in Afghanistan: Results from a Rapid Qualitative Assessment in Kabul and Parwan Provinces, Kabul: Afghanistan Research and Evaluation Unit, pages 33-36.


\textsuperscript{30} A further 500 women-owned businesses were identified in the process of conducting this survey. However, there is no accurate data on the number of active women-owned businesses. Therefore it is impossible to make any definitive statements about this. To do so would require further investigation.

\textsuperscript{31} Fourth Regional Economic Cooperation Conference on Afghanistan (November 2010). Small to Medium Enterprise Papers, page 5.

\textsuperscript{32} Source: http://www.aljazeera.com/video/asia/2013/04/20134145485147201.html

\textsuperscript{33} For example, see: Bowley, Graham. Afghans Fear Downturn as Foreigners Withdraw, The New York Times, 31 January 2012.

\textsuperscript{34} Source: CIA World Factbook. https://www.cia.gov/library/publications/the-world-factbook/geos/af.html. In contrast, the NRVA (2008) estimates a very low unemployment rate of just over 7%. Given the relative invisibility of women’s contributions to the economy, as well as the general lack of data on women’s employment, data on female rates of unemployment are even more difficult to determine.

SITUATING WOMEN’S ECONOMIC PARTICIPATION

2012. Awareness that this is a problem may be construed as a positive development: more people are starting to regard it as normal that women work in paid employment and that doing so is increasingly seen as valuable. When asked what makes a good spouse, for instance, participants in a 2012 survey indicated that being educated and having a job were now considered positive attributes for a wife.

Legislating for Gender Equality

The Afghan government has created legislation, developed policies and made a series of commitments to international conventions on gender equality. Key instruments include: the Constitution of Afghanistan, in particular articles 22, 44 and 54 (2004); the UN Convention of the Elimination of All Forms of Discrimination Against Women (CEDAW; 2003); the Afghanistan Compact (2006); the Afghanistan National Development Strategy (ANDS; 2008-2013); the National Action Plan for the Women of Afghanistan (NAPWA; 2007-2017); and the Elimination of Violence Against Women Law (2009). These documents establish formal, legal precedents for women’s rights in Afghanistan, including equal access to economic opportunity, to which the government may be held accountable.

These legal instruments are bolstered by a national institutional machinery for promoting gender equality, including the Ministry of Women’s Affairs and its provincial offices; the Office of the State Minister for Women; the Afghanistan Independent Human Rights Commission, with regional and provincial offices; and the joint Afghan government-donor Gender Advisory Group. The National Solidarity Program-Community Development Councils also include a mandate to establish women’s shuras. The Gender Directorate in the Civil Service Commission is designed to promote women’s employment and all government ministries must establish a gender unit. To date, a majority have done so.

However, as with many aspects of gender equality in Afghanistan, progress in fulfilling these measures and commitments is uneven at best. Some of the reasons for this include limited political will, inadequate financial support and a lack of technical know-how. It is also important to acknowledge that gender equality in Afghanistan, like elsewhere around the world, is an ambitious goal that no country has fully achieved. Persistent global disparities between women’s and men’s wages for the same work and with the same or equivalent qualifications offer evidence that this is the case.

Current Security Situation: Looking to 2014 and Beyond

A 2011 TrustLaw poll of gender experts from around the world indicates that Afghanistan is the most dangerous place on earth for women overall, and worst in three of six specific risk categories: health, non-sexual violence and access to economic resources. Although women and men in Afghanistan routinely identify tradition as the reason for circumscribing women’s opportunities (particularly economic ones), the current conditions of women’s lives cannot be divorced from the decades of war and violent conflict that have plagued the country. This experience has destabilised and eroded the social, political and economic environment.

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38 Crucially, however, Afghanistan lacks a National Action Plan for implementing UN Security Council Resolution 1325 and related resolutions.
41 In 2011, TrustLaw asked 213 gender experts to rank countries by overall perceptions of danger and six specific risk factors, including health threats, sexual violence, non-sexual violence, cultural or religious factors, lack of access to resources and trafficking. See: Lisa Anderson (15 June 2011). TRUSTLAW POLL—Afghanistan is most dangerous country for women. Source: http://www.trust.org/trustlaw/news/trustlaw-poll-afghanistan-is-most-dangerous-country-for-women
in Afghanistan. The legacy of violent conflict has had an especially severe impact on women and girls, shaping all aspects of their lives.

Insecure and unstable environments pose clear obstacles to economic growth and development. This is especially the case for Afghan women, whose mobility and access to resources and markets has been profoundly affected by the continued security situation. Thus, their capacity to contribute economically has been undermined over a long period. At the same time, post-conflict reconstruction efforts in Afghanistan have offered a range of economic opportunities for women and men alike. As the women business owners surveyed in this report demonstrate, rebuilding and developing the country has provided an impetus to increase their economic participation. Nonetheless, these advances remain fragile and vulnerable to setbacks.

In terms of security, this is a crucial time for women. The transition to 2014 and beyond is currently underway. According to a recent survey, nearly 90% of those women who were polled are concerned about a return to Taliban-style government. Women active in the economy, public life and civil society—from entrepreneurs, business owners, employees, doctors, lawyers, professors and students to parliamentarians, provincial and local councillors, women’s rights activists and NGO workers—continue to struggle with a range of threats to their security. Without women and specific attention to women’s needs during the transition process, these risks to women may increase.

So far, however, women have not been involved to any significant degree in the ongoing peace process. In 2009, for example, there were no women among the Afghan government representatives at the London Conference. This situation improved at the Bonn conference in 2011, with 11 women among the 39 Afghan government delegates. But only one Afghan woman was officially invited to speak (for only three minutes) on behalf of women’s concerns.

Set up in 2010 to lead the peace process, the 70-member High Peace Council has only nine women members, who generally feel sidelined. This is particularly the case in negotiations with the Taliban over a possible power-sharing government coalition post-2014. Local and provincial peace councils also lack adequate female representation. Despite rhetoric on the part of the Afghan government and its international allies, there is no concrete understanding of how women’s security is being impacted on the ground through the current negotiation processes.

Many women are now deeply worried that their rights are being used as a bargaining chip in securing agreements among the political factions and fear future setbacks. Without their greater inclusion, the concerns of women will not be addressed.

This not only jeopardizes the future security of women and girls in Afghanistan. It also puts the economic advances of women at risk. At stake here is no less than the economic development of Afghanistan as a whole.

**Women and the Economy**

Despite uncertainties about the future, a large majority of Afghan women in fact believe their lives have improved since 2001. This is all the more reason to listen to what women have to say. A central objective of this report is to do just this. As the Afghan women business owners surveyed here claim, the primary obstacle they face in doing business is that they are not taken seriously in this role. But this is only one of a number of barriers that working women typically deal with.

It is now well documented that women throughout the world contend with an

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45 Kwatra, Anjali (October 2011). A Just Peace? The Legacy of War for the Women of Afghanistan, London: ActionAid. Among the women who were surveyed, 70% say their lives have improved (page 1).
uneven playing field when it comes to their economic participation.\textsuperscript{46} For example, women have more limited access to finance than men. They frequently do not have land ownership or the required collateral to secure loans. In addition to having shorter employment or business ownership histories, women sometimes do not have full control of or decision-making power over their own financial resources. Rather, they may have to seek the approval of male family members for decisions bearing on their businesses or employment opportunities. These disadvantages can be compounded by restricted mobility: as previously noted, this creates problems in accessing necessary resources and markets. Such factors all feed into perceptions that women are a risky investment.

Women can also lack the necessary business skills (and education more generally) and confidence to succeed, either as business owners or employees. Family and care obligations generally place greater burdens on women’s time, which can impact on the amount of attention they give to sustaining and developing their businesses or advancing in their careers. Women experience exclusion from existing business and social networks (frequently the domain of their male counterparts) that are often valuable sources of contacts, information and opportunities. Women’s own networks can be non-existent, too limited or even ineffective.

Knowing how to effectively address the particular barriers Afghan women face is made more problematic by the lack of information about working women. However, as the women surveyed for this report clearly demonstrate, it is possible to overcome the obstacles to women’s economic empowerment. Although the lives of many Afghan women are undergoing positive change, this is by no means universal. Progress is defined by considerable variation in terms of class, ethnic and geographic differences among women, with a marked difference between urban versus rural areas.

As the next section indicates, in some ways the women surveyed here are undoubtedly unique. This is not cause to dismiss their voices. On the contrary, learning about this small, but important group of women business owners and women employees is necessary. Why? Because women like these can and do make crucial contributions to economic development. They need to be better empowered to make an even greater contribution for the future economic well-being of Afghanistan as a whole.

At present, the Afghan government and the people of Afghanistan are preparing to regain control of the future direction of their country. It is therefore essential to directly listen to and better understand the views, opinions and experiences of women business owners and women employees at this critical juncture. The findings presented in the next section of this report shed valuable light on these women. It is time to take them seriously.

DATA & KEY FINDINGS
Women in the Labor Force: Afghanistan’s Most Valuable Emerging Resource for Economic Development

More than at any other time before, an unprecedented number of Afghan women are participating in the formal private sector economy as entrepreneurs, business owners and employees. The working women in the labor force who were surveyed for this report come from 21 of the 34 provinces in Afghanistan, providing coverage of nearly two thirds of the country. In addition to women business owners and women employees, a number of key informants (both women and men) representing a cross section of institutions and businesses from all over the country were interviewed. In total, 1,424 respondents were surveyed for this study.

The data from these three surveys offers deeper insight into the experiences, needs and perspectives of one of Afghanistan’s most valuable emerging resources for economic development: the country’s working women. The current and potential value of these women entrepreneurs, business owners and employees is underscored by their achievements in higher education, their exposure to regional and international experiences and their above average earnings. Following a well documented worldwide trend, the majority of these women either own or work in small and medium-sized enterprises (SMEs).

Women at Work: An Overview

The majority of the women who were surveyed have entered the workforce during the last decade. Half of these joined the labor market in the last five years and just over a quarter entered between six to 10 years ago. This points to a positive and growing trend for a small, but important number of women in Afghanistan who are part of the estimated 15 million people active in the labor force.

DATA & KEY FINDINGS

Women in the Labor Force: Afghanistan’s Most Valuable Emerging Resource for Economic Development

Are there more women working in your field now than in 2001?

YES: 98%

Are there more women working now than there were two years ago?

YES: 93%

Between 1 December 2012 and 15 March 2013, a team of 16 surveyors and 5 call center staff conducted a survey across Afghanistan of:

• 298 women business owners
• 524 women employees
• 602 key informants

For the purposes of this study, the term “labor force” is understood in relation to key elements of the definition used by the International Labor Organization, whereby a labor force comprises people aged between 15 and 64 years old who supply labor for the production of goods and services for a specific time. It includes both the employed (employees and the self employed) and those actively seeking work, but who are unemployed. It excludes people working in the informal economy, full-time homemakers, non-working students, retirees, ill and disabled people, and other unpaid caregivers and workers.

Source: https://www.cia.gov/library/publications/the-world-factbook/geos/af.html. As with other data on Afghanistan, however, estimates on the number of people in the labor force can vary considerably. For example, the World Bank estimates that just over 9 million Afghans are active in the labor force (http://data.worldbank.org/indicator/SL.TLF.TOTL.IN). The National Risk and Vulnerability Assessment 2007/8 (pages 25-26) indicates a working age population of 12 million, with about 8 million of them active in the labor force. For 2012, the ILO estimates the labor force at 12 million (http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_182252.pdf). Regardless of a lack of clear data on the labor force, with one of the largest youth populations in the world, Afghanistan also has one of the smallest working age populations. Although updated census data would provide some useful statistics on labor force participation, a labor force survey that captures information disaggregated by sex is also necessary to better understand economic activity in Afghanistan. Source: Ministry of Women’s Affairs (2008). Baseline Statistics on Gender, Kabul: Ministry of Women’s Affairs and United Nations Development Fund for Women.
For the most part, these women live and work in urban centers (98%) and work outside of the home (91%). Nearly three quarters of them have international experience or exposure to international organizations working in Afghanistan. The largest portions of these have lived outside Afghanistan (40%) or travelled abroad (28%). A smaller number have educational experience outside the country (15%) or have worked abroad (10%).

The women business owners who were surveyed are well educated, with around four out of five indicating that they have attended an institution of higher education. Of these, three out of five have completed 16 years and just under a quarter have completed 14 years. Access to education was cited as an important success factor for all the women surveyed. The top skills that were identified by working women as being in short supply were accounting, project management and marketing.

Among the survey respondents, 61% are married. For the most part, the 39% who are unmarried are between 15 and 30 years of age, indicating that a high percentage of economically active women belong to a younger generation.

The women in this study are propelled by their families, with a massive 96% of them indicating that they have family support. They offer a number of reasons for this family support. The most oft-cited was “They believe that women should contribute to rebuilding Afghanistan”. The second most popular reason was “They want me to be a positive role model for other women”. These answers allow for a better understanding of emerging perceptions about working women, beginning with their families. These high levels of family support suggest that this a critical factor for working women—if not the sine qua non condition enabling them to engage in economic pursuits.

The identification of mentors fully reinforces the importance of family-level support to working women. More than two thirds of the respondents (67%) stated that a member of their family fulfilled this role in their lives. Less than a quarter (22%) identified themselves

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49 For the purpose of this survey, higher education is defined as post-secondary studies of any kind; e.g., university, vocational training, professional development education and so on.

50 Unmarried refers to women who are single, widowed or divorced.
and a negligible number referred to friends, colleagues or bosses. Overall, the role of family support suggests that this is a crucial factor to consider when trying to attract more women into business ownership and formal employment.

Women Business Owners: the Changing Face of Business

Women business owners in Afghanistan represent a relatively new category of business owner. These business owners claimed that the most important difficulty they must contend with is that women are not taken seriously in the business world. This could be linked to a number of factors that are raised in this study, including the small size of these businesses, their “start-up” phase and, culture and customs. The second and third most common responses were widespread insecurity and concern that their earnings are too limited to sustain livelihoods.

The least challenging aspects of doing business for the respondents were lack of skills, an unreliable workforce, and family and social customs. In particular, it is noteworthy that family and social customs were not seen as a significant business challenge. In general, this defies popular wisdom that business is an alien domain for women. It also reflects their high levels of family support.

Table 3. Reasons for family support

<table>
<thead>
<tr>
<th>Reason for family support</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>They believe that women should contribute to rebuilding Afghanistan</td>
<td>207</td>
</tr>
<tr>
<td>They want me to be a positive role model for other women</td>
<td>162</td>
</tr>
<tr>
<td>They believe women should have their own source of income</td>
<td>140</td>
</tr>
<tr>
<td>I am the main breadwinner</td>
<td>91</td>
</tr>
<tr>
<td>It’s a family business</td>
<td>77</td>
</tr>
<tr>
<td>I bring additional income to the family</td>
<td>67</td>
</tr>
</tbody>
</table>

There is considerable regional variation with respect to sector concentrations. In particular, the capital-intensive nature of some of these businesses raises questions about the sustainability and scalability of women’s involvement in these sectors, particularly for new or start up businesses. It also raises questions about whether women are representing family businesses in leadership roles, rather than acting as the sole proprietor of their businesses.

Women business owners operate SMEs in a wide variety of sectors, many of which may be considered non-traditional (as well as capital intensive). They also tend to work in multiple sectors. The reasons cited for their involvement in more than one sector are unclear. On the one hand, this could mean that existing business interests are profitable enough to support diversification and expansion, which is generally consistent with the good business practice observed in Afghanistan. On the other hand, low earnings may incline them to diversify for better chances of survival. Given the volume of reconstruction in Afghanistan during the last decade, it is perhaps not surprising that construction and construction materials is the most represented business sector for female owners.

Among the businesswomen who were surveyed, success factors are also related to their customer base. Nearly half of the respondents (47%) do business with the international community. The experience of women business owners demonstrates the potential of local procurement to jump start and stimulate economic development. The sectors in which women have elected to start businesses and the sectors that employ women further underscore the potential for female employment in post-conflict reconstruction. It also reinforces the value of having quotas and set-asides that support women’s economic participation in relation to contract awards and development programming.

However, in light of the transition currently underway, there are limits to re-

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52 In particular, the capital-intensive nature of some of these businesses raises questions about the sustainability and scalability of women’s involvement in these sectors, particularly for new or start up businesses. It also raises questions about whether women are representing family businesses in leadership roles, rather than acting as the sole proprietor of their businesses.
DATA & KEY FINDINGS

Table 4. Top sectors for women-owned businesses

<table>
<thead>
<tr>
<th>Top sectors for women-owned businesses</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and construction materials</td>
<td>104</td>
<td>24%</td>
</tr>
<tr>
<td>Handicrafts and artisans</td>
<td>65</td>
<td>15%</td>
</tr>
<tr>
<td>Education</td>
<td>45</td>
<td>11%</td>
</tr>
<tr>
<td>Transportation and logistics</td>
<td>45</td>
<td>11%</td>
</tr>
<tr>
<td>Business and consulting services</td>
<td>35</td>
<td>8%</td>
</tr>
<tr>
<td>Media and communication</td>
<td>27</td>
<td>6%</td>
</tr>
<tr>
<td>Agriculture and agriculture-related industries</td>
<td>26</td>
<td>6%</td>
</tr>
<tr>
<td>Heavy machinery/equipment, generators, solar panels, water pumps and well drilling</td>
<td>25</td>
<td>6%</td>
</tr>
<tr>
<td>Office furniture and home supplies</td>
<td>22</td>
<td>5%</td>
</tr>
<tr>
<td>Oil, coal, fuel and natural gas</td>
<td>17</td>
<td>4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15</td>
<td>4%</td>
</tr>
</tbody>
</table>

In contrast, as a business opportunity the Afghan government is relatively limited at 13% of the customer base, suggesting significant scope for increased transactions with women-owned businesses. The transfer of procurement authority from the international community to the Afghan government for large budgets and long-term requirements, such as sustaining the Afghan National Security Forces, the health and education sectors and many others, offers an opportunity for the government to create large-scale economic impacts by increasing the volume of procurement with domestic businesses, including women-owned businesses.

Importantly, the domestic marketplace (excluding the Afghan government) also plays a strong role in the success of these businesses. At 40% of the customer base of these businesswomen, this is well represented. Market share expansion is therefore one way to offset the loss of international customers. It should be a key focus in coming years to help better sustain and strengthen these enterprises.

The supply chains required to drive the emerging extractive industry create additional opportunities for businesswomen to market their goods and services. An inclusive approach to women-owned businesses in natural resource development can have an impact on improving the standard of living in Afghanistan. The extractive sector can be transformational in reducing poverty, while providing

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54 Respondents could select multiple categories.
women with business opportunities in this area would help Afghan families to maximize the benefits that can be gained from mining.

When the domestic marketplace and business with the government are combined, this accounts for 53% of the customer base. The respondents could select multiple types of customers and survey results indicate that more than half have a mixed customer base. Combined with the confidence and optimism these women expressed about their businesses (see below), this bodes well for their future survival despite upcoming challenges.

Further market development and trade with neighboring countries, as well as within the wider region, would also help to offset the shrinkage in business opportunities that will accompany the reduced international presence. Trade readiness and export promotion should focus on supporting women’s businesses in both traditional and non-traditional sectors, along with market sub-sectors that offer large-scale employment opportunities for Afghan women and men.

In terms of income, the majority of this group earn well above the national average annual per capita income (GNI per capita). World Bank data estimates that the average annual income was $1,140 in 2011. Thirty eight percent of respondents report a monthly income between AFN 30,500 and more than AFN 50,000 (from $545 to more than $908), with just over half of these women in the highest income bracket. Twenty two percent indicate monthly earnings between AFN 11,000 and AFN 30,000 (from $200 to $537). Only 12% of women business owners reported earning AFN 11,000 or less per month ($200 or less). Bearing in mind that these are reported as monthly incomes, even the lowest earning category is still more than twice the World Bank annual GNI per capita estimate.

The socio-economic impact of this income will likely have a high multiplier effect at the family level, as women tend to reinvest their earnings into their families. Reinvestment of this income for purposes of business expansion may also result in the creation of more jobs, adding to the multiplier effect.

Figure 5. Reported monthly income

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55 GNI per capita is the dollar value of a country’s final income in a year, divided by its population. It reflects the nominal average annual income of a country’s citizens. This is different from GDP per capita, which is the gross domestic product of a country divided by its population. GDP is generally taken as an indicator of standard of living, not average annual income. Hence use of GNI estimates instead of GDP estimates. Also, because of wage disparities between women and men in Afghanistan (and throughout the rest of the world), when GNI per capita is disaggregated by sex, it is even more so the case that the women business owners surveyed here earn well above these averages. Please note, the following sums refer to US dollars unless otherwise specified.


57 Borges, Phil (2007). Women Empowered: Inspiring change in the emerging world, New York: Rizzoli. According to this study, for example, women and girls reinvest 90% of their earnings in their family, whereas men reinvest approximately 30 to 40% of their earnings in their family. For similar insights, see (among others): World Development Report 2012: Gender Equality and Development, Washington, DC: The International Bank for Reconstruction and Development/The World Bank.
Just over a quarter (27%) of these businesswomen declined to provide information about their income. There may be a number of reasons for this reluctance to disclose financial information. This may be due to cultural practice, whereby this type of information is frequently regarded as highly personal and therefore not a suitable topic of discussion. This reluctance could stem from fear of being reported to the tax authorities. It is also possible that some of these respondents do not know their monthly income, which may be due to a lack of control over their earnings or the nature of their cash flows.

As employers, women business owners provide jobs to both men and women. Most of these businesses employ one to 10 people, with only four claiming to employ over 100 workers, indicating that most of these enterprises can be classified as small businesses. In total, the women-owned businesses surveyed for this study employ over 5,500 workers.

The predominance of businesses with one to 10 employees indicates another level of fragility at a time when the re-orientation and retraction of business due to the increasingly diminished international presence will also occur. It was outside of the scope of this survey to identify the barriers to more domestic expansion and participation in regional trade. Nonetheless, these need to be better understood in relation to how to scale existing businesses for greater resilience.

To be viable entities, businesses need to make inward investments to enhance their competitiveness in the domestic economy. They also need to carefully analyze emerging opportunities related to backward linkages in the mining sector and government entities, as well as those arising from continued modernization of the domestic economy and increased regional integration.

Women business owners promote their products and services in a number of different ways, with the top three methods identified as internet and social media (44%), local media (24%) and word of mouth (11%). The least popular marketing techniques were telephone, local elders and local mosques.

Women’s views of their businesses appear to be generally positive. When asked if their businesses are successful relative to other similar Afghan businesses, a large majority of respondents (81%) answered that they were successful. In terms of growth potential, nearly 60% are confident that their business has the capacity to grow. Just over one third (36%) are unsure about this and a small minority (7%) think their business has no growth potential.

When asked how they think their business will be affected by the changes in Afghanistan in 2014, about one third of women business owners (36%) appear to be unsure and provide no conclusive answers about anticipated impact. However, a nearly even number of respondents (45%) indicate that they are confident that their business will be unaffected. Women business owners also expressed concern about the professionals working with them. When asked if they will be able to maintain the same level of service with the same number of clients, nearly 60% answered that they will not be able to do so.

Table 5. Female and male employees

<table>
<thead>
<tr>
<th>Number of Female Employees</th>
<th>Frequency</th>
<th>Number of Male Employees</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 10:</td>
<td>232</td>
<td>1 to 10:</td>
<td>250</td>
</tr>
<tr>
<td>11 to 50:</td>
<td>57</td>
<td>11 to 50:</td>
<td>42</td>
</tr>
<tr>
<td>51 to 100:</td>
<td>5</td>
<td>51 to 100:</td>
<td>3</td>
</tr>
<tr>
<td>101 to 200:</td>
<td>4</td>
<td>101 to 200:</td>
<td>3</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>298</td>
<td>TOTAL:</td>
<td>298</td>
</tr>
</tbody>
</table>

The following conjectures are based on feedback on this point from the research team.

For example, “Even for the relatively few women who generate income themselves, only 20 percent decide on spending freely on their own. In various decision domains, however, women's empowerment seems to increase with age.” Source: ICON Institut (2008). National Risk and Vulnerability Assessment 2007/8: A Profile of Afghanistan. Köln: ICON-Institut GmbH, page 19.

Having 10 or fewer employees typically defines an enterprise as a small business, with an SME having fewer than 250 employees.

This high rate for internet may simply indicate that businesses are using computers as opposed to actively using ICT and social media for marketing purposes. There are an estimated 1 to 1.5 million internet users in Afghanistan, which is approximately 5% of the population, with telecommunications one of the fastest growing sectors in the country. Source: http://www.internetworldstats.com/asia/af.htm
(37%) believe their business will not be affected or will be only moderately affected. Just over a quarter of these women (27%) indicate that their business will be very affected after 2014.

When asked what types of support they wanted from the international community to help sustain and grow their businesses, the respondents ranked marketing support and access to buyers as among their most important needs. Financial management and technical support were closely behind. Security was ranked among the lowest of their needs, despite the fact that insecurity was identified by all of the respondents as a key obstacle for doing business in Afghanistan.

This discrepancy was clarified during a small focus group discussion held in Kabul, with participants explaining that many Afghans hold the view that no single institution can directly improve the security situation. This perception may explain why survey respondents would not request this type of assistance from the international community in relation to business development. It could also reflect awareness that this is an increasingly limited option beyond 2014.52

The top challenges women business owners identified in order of importance included corruption, lack of capital and lack of security. The least difficult issues for these women were identified as literacy, childcare and exposure to violence at home or at work.

When asked if they had been able to access any credit or financing for their business, a large majority (81%) of respondents said that they had been unable to do so. Among those who did not have access to credit, 25% said that this was because they lacked collateral. Another 6% indicated that they were denied credit because they were a woman. However, one in five women business owners did not know why they were unable to access any credit.

More than one third (36%) claimed that they did not require credit. On the one hand, this is somewhat surprising, especially for those women business owners in capital intensive sectors like construction. On the other, this may reflect the fact that many of these women are high earners. Among the one fifth of respondents who did successfully secure credit, their top sources were

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52 These four categories are aggregated from a wider range of responses.
listed as banks (27%), family (21%) and money lenders (14%).

Nearly three quarters of these women business owners indicated that they did not belong to a business association of any kind. Among these, a little more than half (54%) stated that they did not think the associations were effective, which offers some insight into their decision. Of the remaining quarter who said they did belong to associations, they reported being satisfied with the services they had received. Taken in combination, these two perspectives suggest that there is significant scope to better promote and improve the image and services of such associations.

Many women-owned businesses appear to operate in relative isolation, with almost 90% stating that they did not have any type of partnership with other businesses or institutions. Among the minority of respondents who did, the most frequently represented type of partnership was with other Afghan businesses (68%). Importantly, however, networking is generally seen as a critical success factor for women in business to overcome the visible and invisible barriers they face.63 Not only is this a valuable source of information about potential business opportunities and marketplace developments, networking also allows women to exchange technical know-how and other relevant experiences with one another.

Given that women business owners have indicated their biggest obstacle is not being taken seriously, greater networking, increased membership in business associations and a more concerted effort to develop mutually beneficial partnerships may be a constructive way to address this issue. Ex-

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64 Respondents could select multiple challenges.
experiences from women business owners in other Muslim countries may also be insightful.

Whether these women-owned businesses are robust and resilient is unclear. The predominance of small businesses in this survey sample may indicate a degree of fragility, especially in the context of a shrinking international presence. It was outside of the scope of this survey to identify barriers to further domestic expansion and participation in regional trade. However, these potentials urgently need to be better understood in relation to how to scale existing businesses, as well as how to re-tool and adapt them to a changing marketplace in Afghanistan and the emerging opportunities therein.

Workplace Conditions for Women Employees

Around three in five women employees reported that they know other women who are not working, but are interested in joining the workforce. This could indicate that views on women at work are changing in Afghanistan, with a wider segment of the population becoming more amenable to and supportive of women’s economic participation.65

When asked about difficulties they encounter with respect to working, women employees put security at the top of their list. The second most common problem they identified was the long distance they had to travel to work. The third was that their earnings are too low. Security and low earnings are two concerns they have in common with women business owners.

Women employees work in seven out of the top sectors in which women own businesses, representing a mix of traditional and non-traditional jobs. The sectors where there is no overlap among these are education, ITC and health-care related professions. Like their counterparts who own businesses, a majority of women employees also work in small enterprises with up to 10 employees. This suggests that support for small businesses to develop their workforces could be a future focus for economic programming designed to benefit women. The businesses where the women employees surveyed here work employ close to 20,000 people in total.

These women said they find employment using a variety of resources, with friends and employment agencies as the leading sources. Least used were television, radio, magazines and newspapers.

Like the female business owners, these women employees expressed positive

| 1 | Construction and materials |
| 2 | Transportation and logistics |
| 3 | Other |
| 4 | Media and communications |
| 5 | Education |
| 6 | ITC |
| 7 | Business and consulting services |
| 8 | Health and medicine |
| 9 | Manufacturing |
| 10 | Handicrafts |

Table 7. Top 10 sectors of employment for women employees

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65 This possibility is also reflected in the 2012 Asia Foundation opinion survey of Afghans, as discussed in the previous section. For additional documentation on women’s interest to work if there were opportunities to do so, see: Echavez, Chona (March 2012). Gender and Economic Choice: What’s Old and What’s New for Women in Afghanistan: Results from a Rapid Qualitative Assessment in Kabul and Parwan Provinces, Kabul: Afghanistan Research and Evaluation Unit.
views about their contributions to the economy. The majority (88%) of them believe that there are enough skilled Afghan women available to meet the demands of employers. Nonetheless, they identify several skill sets that could be usefully developed for their benefit. Most popular among these were project management, accounting, computer and technical skills, which were more or less equally represented as needs.

Alongside the skills they would like to improve, the respondents identified a number of different training opportunities available to them. By far, the most highly regarded of these is on-the-job learning (46%), followed by public education programs (17%) and mentoring (15%). Addressing skills gaps is entirely possible with the rejuvenation of the education sector and through continuing education opportunities. Given the importance of access to on-the-job training as a success factor for integration within the workplace, incentives could be provided to businesses to increase such opportunities for women workers.

Private sector workplaces appear to be adapted to women employees, with around four out of five reported to have separate facilities for women. Eighty-two percent of respondents indicated that they received incentives as part of their work agreement. The most frequently cited benefits were transportation and lunch.

According to the respondents, a large majority (88%) indicated that they think competition for jobs is fair and open. Over half stated that women in their sectors obtain promotions through professional merit and nearly a third through producing results. Family and tribal connections are not represented as important, indicating that there appear to be formal channels for career advancement and upward mobility. At the same time, however, just over one third of employed women said there are women in management positions above them.

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66 This is an aggregated percent that includes on-the-job training (38%) and apprenticeships (8%).
When asked about what types of support from the Afghan government would be valuable for increasing women’s participation in the workforce, women employees identified access to more business education programmes, financial management support and mentoring as important to them. From the international community, financial management support, mentoring and technical support were the top needs identified. With little difference between what they said they needed from the Afghan government and the international community, this indicates a fairly consistent response to the types of assistance these women want.

Women employees identified the following sectors that in their view are in demand for the up and coming generation of young women (see Table 8). Reflecting prevailing social norms and customs about what is considered appropriate work for Afghan women, education, administration and health are among the most popular employment options. Although business is typically seen as an unusual employment option for women, the respondents nonetheless regarded this as more popular than jobs in the health sector. The diverse range of sectors thought to be in demand by young women may also suggest a move away from traditionally rigid ideas of what is seen as appropriate work for women.

In general, the survey results of working women appear to indicate a changing employment landscape. They valued their contributions to the economy and expressed confidence in the capacities of women to meet employer needs. At the same time, these women identified a need for more training and skills development, both to better equip them for jobs and to enable their advancement. Changes to the workplace are also reflected in their views that there now seem to be formal channels for upward mobility based on merit and job performance. Perhaps the most convincing change is where women work and where they think up and coming younger women want to work—in a range of non-traditional sectors.

**Key Informants:**
**A Broader View of Women at Work**

In many parts of the country, it was not possible to identify high numbers of respondents in either the women-owned business or women employee categories because so few are working in the formal economy in these areas. Therefore a key informant survey was

### Table 8. Jobs in demand by younger women

<table>
<thead>
<tr>
<th>Sector</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>257</td>
<td>19%</td>
</tr>
<tr>
<td>Administration</td>
<td>238</td>
<td>18%</td>
</tr>
<tr>
<td>Finance</td>
<td>205</td>
<td>15%</td>
</tr>
<tr>
<td>Business</td>
<td>191</td>
<td>14%</td>
</tr>
<tr>
<td>Health</td>
<td>134</td>
<td>10%</td>
</tr>
<tr>
<td>Media</td>
<td>59</td>
<td>4%</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>47</td>
<td>4%</td>
</tr>
<tr>
<td>Engineering</td>
<td>45</td>
<td>4%</td>
</tr>
<tr>
<td>Human resources</td>
<td>34</td>
<td>3%</td>
</tr>
<tr>
<td>Economic</td>
<td>32</td>
<td>2%</td>
</tr>
<tr>
<td>Law</td>
<td>32</td>
<td>2%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>28</td>
<td>2%</td>
</tr>
<tr>
<td>Manager</td>
<td>19</td>
<td>1%</td>
</tr>
<tr>
<td>Marketing</td>
<td>17</td>
<td>1%</td>
</tr>
<tr>
<td>All fields</td>
<td>7</td>
<td>1%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>6</td>
<td>0%</td>
</tr>
<tr>
<td>Cook and cleaner</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Police</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Logistics</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Research</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>Designing</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Political</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Social work</td>
<td>1</td>
<td>0%</td>
</tr>
</tbody>
</table>
also conducted (with emphasis on interviews with respondents in these areas) in order to add a depth of understanding to the main body of information gathered from women themselves about their economic participation.

This was done with due consideration for the fact that women generally appear to have the potential to increase their economic participation in Afghanistan. As such, it was deemed important to better understand a broader range of perceptions and opinions about how this is valued at present.

These key informants came from a wide variety of work environments throughout the country, including businesses, civil society organizations (e.g., Afghan NGOs, business associations, women’s organizations, chambers of commerce and so on), women Members of Parliament, a range of national, provincial and local government offices and agencies, international NGOs and donors, and universities. Nearly half of these respondents had director-level or management positions.

Across the 34 provinces of Afghanistan, almost all of the respondents supported the idea of women working. In fact, only two out of the 602 people interviewed were not in favour of women in the workplace, with another three expressing uncertainty about this issue.

When asked why they were in favor of women working, the following answers were given:

- Women’s participation increases economic growth
- Women have the right to work, equal rights and the right to earn their own income
- Women represent half the community
- Women can support their families and/or be the main breadwinner
- Women are less involved in corruption
- Women are talented and capable of making economic contributions

To some extent, these responses can be correlated to those offered by the women themselves when they were asked why their families supported them in working. This is especially the case with respect to women’s economic rights and their status as breadwinners. Where women’s top reason for family support was the belief that women should contribute to rebuilding Afghanistan, here this is expressed in terms of the understanding that women’s participation increases economic growth. This convergence of opinion may further reinforce the idea of an emerging consensus on the value of women’s economic contributions in Afghanistan. That key informants perceive women as less involved in corruption can be provisionally linked to the top challenge identified by women business owners, which was corruption.\(^{67}\)

A vast majority (95%) of the participants in the key informant survey think that government and private businesses should support women’s participation in the workplace. Related to this, a number of different factors affecting the successful participation of women were identified.\(^{68}\) Increased capacity and skills development topped the list as the most important success factor for women’s economic participation in the view of the key informants. As indicated above, among all of the various training programs that they said were

<table>
<thead>
<tr>
<th>Table 9. Success factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increased capacity and skills development</td>
</tr>
<tr>
<td>2. Encouragement and support, incl. family support</td>
</tr>
<tr>
<td>3. Safe and appropriate workplaces</td>
</tr>
<tr>
<td>4. Access to markets</td>
</tr>
<tr>
<td>5. Access to opportunities (incl. jobs, good salary)</td>
</tr>
<tr>
<td>6. Better transportation options</td>
</tr>
<tr>
<td>7. Rights awareness</td>
</tr>
<tr>
<td>8. Reduced corruption</td>
</tr>
</tbody>
</table>

\(^{67}\) However, more research would be required to better understand the potential utility of this linkage to policy and program level approaches to corruption in Afghanistan.

\(^{68}\) Responses were aggregated into these categories.
available to them, women employees valued on-the-job learning most of all. This may offer insights into how to effectively tailor training and capacity building for working women, including the possibility that work environments might be suitable venues for conducting training courses.

Encouragement and support, including from their families, was seen as the second most critical success factor by key informants. This is also reflected in the overwhelming support working women—business owners and employees alike—said they received from their families. This correspondence of opinion reinforces how essential family support is for women’s economic participation.

The key informants considered safe and appropriate workplaces to be the third important factor for women’s success. However, only a small minority of respondents indicated that separate workplaces would better facilitate women’s access to jobs. For women employees, distance travelled to work was seen as the second most important problem they face (after security), which can be linked to key informants’ views that better transportation options are an important success factor for women’s economic participation.

The majority of key informants were almost equally divided in terms of their outlook on the future for women. Nearly half (49%) of them were optimistic, expressing a belief that they thought the overall situation for women would be improved three years from now. This is reinforced by the generally high levels of confidence expressed by women business owners, more than half of whom responded positively to questions about the growth potentials of their businesses. It may also be significant that about one third of these women indicated they did not think their businesses would be badly affected by the international transition in 2014.

Around two in five of the key informants (41%) indicated that they were unsure about how the future would unfold for women, saying that this depended on a variety of factors. These included the security situation, donor commitments, and the economic and political situation. In terms of the latter, the outcome of the upcoming elections was mentioned by a few as a reason for uncertainty. Only a minority (10%) of key informants expressed pessimism about women’s situation three years from now.

About one third of the key informants did not know of any women business owners or employees in their province. In part, this may reflect the relative isolation in which women business owners appear to conduct their business. It may also be a function of stark regional disparities in levels of women’s participation in the formal economy.

Around half of the key informants were unaware of programs supporting women’s economic participation. This is indeed surprising, given the profile of the key informants who were interviewed. It clearly suggests there is considerable scope for greater advocacy and awareness raising on the part of those agencies and organizations that do exist to promote women’s rights, including their economic empowerment. Among the other half who did know of existing programs, they identified several key implementing agencies, including various ministries and agencies of the Afghan government, international NGOs and Afghan NGOs.

Figure 11. Outlook for women: three years from now

![Figure 11. Outlook for women: three years from now](image)
Respondents were asked to identify what they thought the top three important barriers to women’s economic participation were. Lack of education was considered to be the biggest barrier to women getting jobs. Customs and traditional culture was seen as the second most important barrier and security was third. Only a small minority of respondents considered women’s own unwillingness to work to be a significant barrier. This mirrors the perspectives of working women: most women business owners found an unreliable workforce among the least of their challenges; more than half of the women employees indicated that they knew women who wanted to work, if given the opportunity.

Although women business owners and women employees both identified security as one of the top three challenges they faced, in contrast to the views of the key informants, they did not perceive customs and traditional culture as a significant barrier to their economic participation. This may be because a large majority of these women already had the support of their families. As such, this suggests that the exclusionary effects of customs and traditional culture may be effectively mitigated in important ways at the family level. At the same time, however, it is obvious that broader social awareness and acceptance of the value of women’s contribution to economic development is equally essential for addressing the cultural barriers that impact women’s access to jobs.69

Repeated indications from women employees about their need for business education, financial management, skills development and so on, suggests that they also regarded a lack of education as a barrier of some sort (even as this is more often construed in terms of a lack of skills and not a lack of education per se). Perhaps in their case, however, this is related to career advancement and upward mobility. At the same time, the majority of women employees expressed positive views that they thought enough women had the necessary skills to meet employer demands. Given the proven linkages between education and access to jobs,70 available demographic data on the generally low education levels of the majority of Afghan women points to this as a significant barrier.

Given their comparatively high levels of education, lack of education cannot be seen as a key barrier for the women business owners surveyed here. In fact, women business owners ranked literacy as the least of their concerns when it came to doing business. Nonetheless, persistently high (if changing) rates of illiteracy among women may be a barrier for women who would like to own their own businesses, but lack the education to do so.

In terms of a way forward, the key informants were asked an open-ended question about how they thought the Afghan government and the international community could best support an increase in women’s workforce participation. From the Afghan government, respondents identified financial and business support (access to credit, loans and access to markets) as the most important (36%). This was closely followed by the provision of security (32%). Despite seeing a lack of education as the key barrier to women’s economic participation, education and skills development only came third in terms of important forms of support (19%).

From the international community, key informants listed financial assistance (31%), more programming for women (23%) and access to markets (19%) as the top three forms of support they thought would most benefit women. Whereas around a third of the respondents thought it was important for the Afghan government to provide security in order to best support greater economic participation on the part of women, this was not regarded as a

69 More information is needed to better understand these potentially valuable dynamics between family and society in enabling women to move beyond the barriers posed by customs and traditional culture.

70 See (among others): World Development Report 2012: Gender Equality and Development, Washington, DC: The International Bank for Reconstruction and Development / The World Bank. Importantly, however, education alone does not level the playing field between women and men in terms of subsequent job opportunities because of the areas of study each group tends to chose, which later impacts on the types of jobs available to them, with gender differences in occupation and sector of employment accounting for 10 to 50% of the observed wage gap in 33 low- and middle-income countries (page 115).
significant contribution from the international community, with less than 10% of them mentioning it. This reflects the views of working women. That is, although security was identified as a primary concern, like the key informants, they did not look to the international community to address this.

These aggregate results mask significant regional variations. Such differences offer a more in-depth perspective on local needs and conditions. The regionally disaggregated findings are too numerous for comprehensive discussion here. Hence, only a selection of the results that show up some of these regional differences are presented.

For example, key informants from the North and East region thought access to markets was the most important contribution that both the Afghan government and the international community could make to improve women’s work force participation. In contrast, respondents from the South and East region thought that security was the main priority for the Afghan government to support working women, but they also agreed that access to markets was the most important form of support from the international community.

Similarly, those from the Central region thought security was the best form of support from the Afghan government, but they thought that financial support was the most important from the international community, with education and training second on both lists. Perspectives in the East region were the same in terms of what they thought the most important forms of support were, although a larger portion of these key informants responded in each category. In the West region, security was not even mentioned in terms of Afghan government support. Instead, financial support from both the Afghan government and the international commu-

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<table>
<thead>
<tr>
<th>Table 10. First most important barrier</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of education</td>
<td>224</td>
<td>37%</td>
</tr>
<tr>
<td>Customs and traditional culture</td>
<td>165</td>
<td>27%</td>
</tr>
<tr>
<td>Security</td>
<td>120</td>
<td>20%</td>
</tr>
<tr>
<td>Lack of access to vocation and skills training</td>
<td>53</td>
<td>9%</td>
</tr>
<tr>
<td>Childcare and household responsibilities</td>
<td>23</td>
<td>4%</td>
</tr>
<tr>
<td>Overall employment situation</td>
<td>6</td>
<td>1%</td>
</tr>
<tr>
<td>Not knowing how to find a job</td>
<td>6</td>
<td>1%</td>
</tr>
<tr>
<td>Women’s own unwillingness to work</td>
<td>3</td>
<td>0%</td>
</tr>
<tr>
<td>None of the above</td>
<td>2</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 11. Second most important barrier</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs and traditional culture</td>
<td>160</td>
<td>27%</td>
</tr>
<tr>
<td>Lack of education</td>
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<td>Lack of access to vocation and skills training</td>
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<td>Childcare and household responsibilities</td>
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<td>2%</td>
</tr>
<tr>
<td>Women’s own unwillingness to work</td>
<td>11</td>
<td>2%</td>
</tr>
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<td>0%</td>
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<tr>
<td>Customs and traditional culture</td>
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</tr>
<tr>
<td>Lack of access to vocation and skills training</td>
<td>75</td>
<td>12%</td>
</tr>
<tr>
<td>Childcare and household responsibilities</td>
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<td>12%</td>
</tr>
<tr>
<td>Lack of education</td>
<td>67</td>
<td>11%</td>
</tr>
<tr>
<td>Not knowing how to find a job</td>
<td>43</td>
<td>7%</td>
</tr>
<tr>
<td>Overall employment situation</td>
<td>23</td>
<td>4%</td>
</tr>
<tr>
<td>Women’s own unwillingness to work</td>
<td>18</td>
<td>3%</td>
</tr>
<tr>
<td>None of the above</td>
<td>7</td>
<td>1%</td>
</tr>
</tbody>
</table>
nity was deemed the most important. From the Afghan government, this was closely followed by job opportunities, with education and training programs the second most important form of support the international community could provide.

In contrast to all other regions, nearly one in five respondents in the North region considered a security role for the international community as somewhat important, although this was third on their list. This was preceded by financial support and training. Interestingly, slightly fewer respondents from this region thought about security in terms of the Afghan government (although it was also third on their list), with access to markets considered by far more important. The South region was the only one where security was not identified at all as a role for the international community, but it was the top concern related to support from the Afghan government. As with the majority of regions, financial support was considered the most important contribution the international community could make.

Overall, key respondents seem to share the optimism of businesswomen and women employees related to the potentials of women’s contributions to developing the Afghan economy. In key areas, their views overlapped with those of working women. In others, the key informants appeared to reflect standard perspectives on barriers to women’s economic participation as these are defined by the general demographic profile of Afghan women, namely lack of education and social customs.
CONCLUSION AND RECOMMENDATIONS
A WAY FORWARD
This report serves as a baseline to understand the economic participation of women in the period just before the post-2014 transition. The optimism and positive experiences described here need to be further understood, and more importantly, supported both during and after transition. In order to ensure that increasing numbers of women can engage in Afghan business and labour markets, policy makers, business and political leaders, religious authorities, the heads of households and families, along with women themselves, must better understand the benefits of including women in formal work. The women surveyed for this report have provided insight into how they can be supported—at the family level, in the workplace, by the Afghan government and the international community. It is time to listen to and act on what they say they need.

Robust, sustainable women-owned businesses are a source of economic development, jobs and a means to lift women and their families out of poverty. There is a strong need to scale women-owned businesses and small businesses that employ women. This requires special attention. This support can be achieved through increased transactions within the domestic and regional marketplace, as well as through increased business opportunities with the Afghan government. Through direct budget commitments, the international community can help to establish Afghan government local procurement policy and set-asides for disadvantaged businesses, in particular those owned by women. Local procurement is a risk worth taking, especially during the transition period.

The diversity of women’s economic participation in sectors beyond traditional ones is noteworthy. It is a reflection of the continuing social changes that have taken place in Afghanistan during the last decade. Economic empowerment is a critical factor for preserving the social, economic, and political gains of Afghan women. Investing in women at work is a highly effective way to ensure that women’s rights are sustained well into the future.

Recommendations: Enabling Women’s Economic Participation

These recommendations are designed to better understand how the findings of this report can be used to maintain, increase and better recognize women’s economic participation. Four objectives inspire these recommendations:

- To make a strategic investment in women in order to benefit the overall economy by developing policies and programs that will keep working professional women and SME owners in Afghanistan and foster a new generation of women business owners and young professionals.

- To build on, scale and reinforce existing initiatives and programs, as well as to show where existing initiatives fail or are too limited in impact or effect.

- To measure the impact of policies and programs on the economy and to conduct longitudinal studies and evaluations over time to ensure a long-term perspective.

- To continue to listen and respond to what women business owners and employees say about their own needs and experiences.
Recommendation 1. Provide broad support to women business owners and women employees in waged work in the formal economy

Observations

• This is a small, but vibrant group of women that is vital to Afghanistan’s future. This group has considerable growth potential and high value to economic development.

• Most have international or regional experience outside Afghanistan.

• The majority have higher education.

• Many have robust earnings.

Recommended Actions

• Continue to make opportunities for higher education available to women, with tighter links to economic needs and markets, as well as incentives for women to enter non-traditional areas of study.

• Given this data is a starting point, repeat the survey on a regular basis and refine and adapt it to track progress over time.

• Future studies should attempt to capture counterfactual data and more information about business failure.

• Harness official development assistance and other investments to ensure that existing Afghan businesses and institutions (rather than external or international entities) champion women in the workplace.

Recommendation 2. Create stronger linkages between skills and markets to enable women to become better entrepreneurs, business owners and managers

Observations

• The majority of the women surveyed have asked for more access to business development programs (i.e., training to move from business plan writing and do-it-yourself enterprise start-up mode into business expansion, enhanced access to finance and markets and improved management).

• In some cases, they need support to transition and re-tool to new sectors where growth is likely to be strongest in the future.

• Business development services and education could be provided in existing institutions of higher learning.
Recommended Actions

- Provide education in higher-level business development services focused on:
  - Helping small businesses scale to become more robust and stable sources of jobs
  - Implementation of financial management and accounting best practices within workplaces
  - Practical workshops on business modeling and marketing
  - Seminars on how to access new markets (by sector, in regional trade), understanding and mapping demand from buyers and qualifying as a supplier

- Provide tailored training courses in:
  - Small business management and project management for implementing requirements from national, regional and international buyers
  - How to understand available bank, debt, equity and export financing options, including overcoming barriers that prevent access to appropriate financing
  - Where possible, assess and adapt existing programs to provide these services and emphasize Afghan-based solutions

- Subject to the evolving needs of women as they understand this, provide sector-based workshops on:
  - Demand-led and/or export-led production and market development
  - Mining and energy exploration, development and services, including local content obligations
  - Agriculture, agri-business and food processing
  - Afghan government procurement opportunities

- Encourage the Afghan government (including provincial line ministries), through aid conditionality, to provide incentives to create an enabling environment for women in the workplace, including:
  - Incentives for companies that provide on-the-job training for its employees
  - Set-asides for women-owned businesses in government procurement
  - Incentives for international businesses that comply with or exceed local content obligation targets
  - Incentives for services that empower the economic participation of women in rural and under-served areas
CONCLUSION AND RECOMMENDATIONS: A WAY FORWARD

- Incentives to businesses to open workplaces to integrate women and exchange best practice information and exposure to ways of working; e.g., bring your child to work events, co-op for credit programs, internships, work site visits, etc.

- Support the Export Promotion Agency of Afghanistan and other Afghan institutions that facilitate trade and investment to focus on women’s economic empowerment in both traditional and non-traditional sectors and provide dedicated services to women-owned and managed businesses and businesses that employ women.

Recommendation 3. Develop and strengthen women’s business networks, with particular focus on mentoring and matching women business owners and entrepreneurs with other women in their organizations or sectors

Observations

- Networking is essential for success in business, especially for women.

- While building on existing platforms, it is vital to better understand why women do not use existing services.

- Fragmentation or isolation of women is not beneficial to business growth and development.

- Strong associations and influential groups can have benefits for women’s economic participation.

Recommended Actions

- Expand mentoring opportunities in sectors with strong women’s participation, especially in rural and under-served areas through telephone, Skype or in person.

- Encourage an existing Afghan institution to launch a high-profile national board of female leaders willing to recruit male and female champions across all economic sectors, as well as all major government portfolios, to promote the advancement of women in the economy, in government and in civil society.

- Encourage more mentoring programs within companies, chambers of commerce and business associations.

- Increase contracting opportunities with the Afghan government.

- Use contracting/quote mechanisms to promote woman-owned Afghan businesses and productive capacity.

Recommendation 4. Promote high levels of public support for working women

Observations

- Family support is a determining factor for women's economic participation.

- There is a scope to improve services provided by women's business associations, thereby helping to attract more members.
CONCLUSION AND RECOMMENDATIONS: A WAY FORWARD

• There is limited awareness of the benefits of women’s economic participation.

Recommended Actions

• Study lessons learned from approaches to women’s economic empowerment that involve men’s support groups and help an existing Afghan institution to implement a similar program adapted to local contexts.

• Help existing women’s associations to build on their capacities to provide better value for current members and attract new members, especially in rural and under-served areas.

• Create a large-scale, multi-year public awareness campaign about women’s economic participation and its positive benefits for Afghan society, the acceptance of women’s economic participation in Islam, and the value of higher education for women in traditional and non-traditional sectors. This campaign could work with media organizations, prominent public figures, and cultural and religious leaders to showcase women’s contributions to the economy, including both small-scale and large-scale business achievements.

• Work with existing Afghan institutions to promote female entrepreneurship and business ownership at village, provincial and national levels.
ANNEXE S
### ANNEX 1. SURVEY TEAM AND GEOGRAPHIC COVERAGE

<table>
<thead>
<tr>
<th>Number of Staff</th>
<th>Geographic Coverage (By Province)</th>
</tr>
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</table>

**Call Center – Phone Interviews for 2 Quantitative Surveys**
- Call Center Manager
- Call Center Officer 1
- Call Center Officer 2
- Call Center Officer 3
- Call Center Officer 4

- Countrywide coverage

**Research Team – Face-to-Face Interviews for Key Informant Survey**
* Indicates that both quantitative and qualitative surveys were conducted
- Research Officer 1
- Research Officer 2
- Research Officer 3
- Research Officer 4
- Research Officer 5
- Research Officer 6
- Research Officer 7
- Research Officer 8
- Research Officer 9
- Research Officer 10
- Research Officer 11
- Research Officer 12
- Research Officer 13
- Research Officer 14
- Research Officer 15
- Research Officer 16

- Kabul*
- Nangarhar*
- Laghman*
- Kunar
- Nuristan
- Balkh*
- Samangan
- Sar-e-Pul
- Jowzjan*
- Faryab
- Helmand*
- Nimrooz
- Uruzgan
- Kandahar*
- Ghazni
- Paktia
- Khost
- Zabul
- Paktika
- Logar*
- Wardak
- Herat*
- Badghis*
- Farah*
- Ghoor
- Bamiyan*
- Parwan*
- Kapisa
- Panjshir
- Daikundi
- Baghlan*
- Kundoz*
- Takhar*
- Badakhshan*

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77 Kavya Raman, formerly of Building Markets helped process the survey data and Hedvig Christine Alexander contributed to formulating the survey questions and recommendations.
### ANNEX 2. RESPONDENTS BY PROVINCE

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<thead>
<tr>
<th>Province</th>
<th>Quantitative Surveys Number of Respondents</th>
<th>Qualitative Survey Number of Respondents</th>
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<td>Kapisa</td>
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<tr>
<td>Zabul</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>822</strong></td>
<td><strong>602</strong></td>
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Experiences of Working Women

1. What are the family level impacts of increased women’s economic participation? Are there any significant similarities and differences on families with respect to women business owners and women employees?

2. More in-depth exploration of workplaces for women, including attention to incentives and issues of upward mobility, especially as this relates to relationships among women in the workplace. What type of roles do women in more senior positions play in relation to younger women?

3. Better understanding of factors that create and/or impact on regional disparities within Afghanistan.

4. Comparative analyses with other countries in the region, with a focus on women’s economic participation on Muslim countries. How is this facilitated in those contexts? Are lessons learned in these countries relevant for Afghan women? In particular, how might a better interface be created with Muslim religious leaders and other influential Muslim leaders to the benefit of promoting women’s economic participation?

5. More in-depth understanding of how women view the threat of security issues on their businesses and the impact of insecurity on their business operations.

6. Measuring the impact of Business Development Services on business profitability and business practices over time. What (if any) impact do these services have on business profitability and sales? Are these services effective in terms of scaling businesses? Do they help facilitate women’s networking in business communities? Is there a difference in how these services impact on women-owned versus men-owned businesses?

What Motivates Women
(individual factors)

7. Better understanding of why women become business owners and entrepreneurs in Afghanistan; e.g., there is a spectrum of possibility ranging from distress/need driven to accumulation of capital.

8. Develop a better understanding of why women do not work or why they do not want to start businesses in order to shed light on the dynamics of exclusion (attention to both individual and structural/institutional factors).

9. Look more closely at the reasons women’s businesses fail (counterfactual information).

10. There are very high levels of family support for working women in Afghanistan, especially business owners. Factor in the top two reasons they support their working women: women should play a role in rebuilding Afghanistan; working women should be role models for other working women. Is this set of relationships specific to Afghanistan, or is there something more generally relevant to post-conflict reconstruction stages of state building that can be usefully capitalized on to the benefit of both working women and the Afghan economy overall?

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72 For a general overview of gaps in the existing literature on women’s economic empowerment, see: Kabeer, Naila (2012). Women’s economic empowerment and inclusive growth: labour markets and enterprise development”, SIG Working Paper 2012/1, Ottawa, Canada: IDRC, pages 52-53.
ANNEX 3. FUTURE RESEARCH

Policy Related
(structural/institutional factors)

11. What strategic changes to the business environment of Afghanistan would more actively encourage and facilitate women to become SME business owners, in particular as this relates to access to markets and resources? What specific types of barriers and obstacles do women encounter? Does this vary by sector, and if so, how?

12. How does a market-based approach to economic development specifically impact women? Strengths/weaknesses, limitations, barriers and obstacles. How can these be overcome? How do market imperfections and missing markets impact on women doing business in Afghanistan?

13. What patterns of gender segregation and/or productivity gaps exist in the Afghan economy? What risks do these phenomena create for Afghan women? How can these risks be overcome and/or better managed? How can education or training related interventions mitigate these risks?