

AFGHAN WOMEN ENTREPRENEURS: AT THE CROSSROADS BETWEEN GLOBALISATION AND LOCAL TRADITIONS

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ABSTRACT

The rise and public presence of Afghan women entrepreneurs over the last five years is a new social and economic development for the country. No statistics on their numbers are available and it is difficult to estimate them.. Although women entrepreneurs have existed in the past in Afghanistan, their emergence in the public sphere is not alone the outcome of increased autonomy and liberty afforded to women; but has been made possible primarily through international aid. This policy has facilitated the emergence of a new generation of Afghan women entrepreneurs, wishing to succeed in their business endeavours while simultaneously integrating Western forms of doing business in a manner respectful of their cultural heritage. The purpose of this article is to examine the process by which Afghan women entrepreneurs have emerged over the past five years with support from the international community, blending the Western “inputs” received with local traditions. In so doing they have become agents of cultural change. My method is to use a combination of background theoretical framework borrowing elements from the ethnic enclave together with the middleman minority theories. I believe that Afghan women entrepreneurs can be fruitfully studied from this perspective. My belief is that women entrepreneurs constitute a category apart in the fabric of Afghan society. They are in advance of the rest of the women population; are more daring than women in employment and challenge tradition by managing their own businesses. Being their own bosses gives them a special autonomy and they are subtly challenging their cultural subordination to men. In fact one could say that they are at an intersection point between globalization and local tradition. Some of the traits are specific to two contrasting views of the world confronting Afghanistan today. On one side the West – as it promotes mostly capitalist values - and on the other, the traditional values of the local society put under strain by over two decades of war and conflict. The pairs of traits that seem to define these two paradigms are: individualistic/collectivist; modern/conservative; time/shared social values; money/”melmastia”; irreligious State/religious State; business systems/trust and informal networks; English/multiple languages. At the core of societal change at work is, it seems to me, the passage from the collective mind to the individualistic mind, which defines the transformation from a traditionalist society to a modern one. The Afghan women entrepreneurs contribute to make this change happen.

THE RISE OF WOMEN ENTREPRENEURS IN AFGHANISTAN

The rise and public presence of Afghan women entrepreneurs over the last five years is a new social and economic development for the country. No statistics on their numbers are available and it is difficult to estimate the magnitude of this phenomenon beyond the enterprises that are officially registered. The increase in the number of women entrepreneurs in Afghanistan may not seem unusual given the increasing numbers of women entrepreneurs in many countries around the world over the past years. An illustration of this trend is the fact that in the industrialized countries, thirty years ago women entrepreneurs were the exception, whereas they are now starting companies at 1.5 times the rate that men are. Between 1972 and 2000, the workforce employed by women has risen from virtually 0% to 10-12% of the global total;¹. In 1992 women created 10(%) of the new firms in North Africa, 33% in North America (75% in the United States, in 1998) and 40% in East Germany (Coughlin with Thomas, 2002). However, in Afghanistan the emergence of women entrepreneurs in the public sphere is not the outcome of increased autonomy and liberty afforded to women alone; it has been made possible primarily through international aid.

Women entrepreneurship has been perceived by the international aid community as having the potential to empower women in a way that does not seem to pose a threat to their male relatives. The development of the microfinance sector and its subsequent focus on women, further demonstrated that women entrepreneurs were not only better credit clients than men but also they invested more of their earnings than men on the education of their children while improving the nutrition and the hygiene of their families. Hence they proved to be better development agents than men entrepreneurs. Following this concept, put into practice with success in the developing world over the last three decades (Grameen Bank is a re-known example), the international community stepped up its support to women entrepreneurs in Afghanistan after the fall of the Taliban regime (2001-2002)². In fact, the international aid program in Afghanistan is explicitly aiming to promote social transformation by building democracy and women empowerment (Roy, 2004).

This policy has facilitated the emergence of a new generation of Afghan women entrepreneurs who struggle to succeed in their business endeavours while integrating Western forms of doing business in a way that respects their cultural heritage.

AFGHAN WOMEN ENTREPRENEURS: AGENTS OF CULTURAL CHANGE

The purpose of this article is to examine the process by which Afghan women entrepreneurs emerged over the past five years with support from the international community and how they blended the Western “inputs” received with their local

1 The World's Women 2000: Trends and Statistics, United Nations Department of Social Affairs, 2000, (Coughlin and Thomas, 2002)

2 Several international programs aiming to support women entrepreneurs existed before 2001 (Boros, 2004)

traditions, In so doing they became agents of cultural change. To achieve this, I will use a background theoretical framework that borrows elements from the ethnic enclave and the middleman minority theories. I believe that Afghan women entrepreneurs can be fruitfully studied from this perspective.

My belief is that women entrepreneurs constitute a category apart in the fabric of Afghan society. : They are in advance of the rest of the women population; are more daring than women in employment and challenge tradition by working outside their homes. Being their own bosses gives them a special autonomy and they are subtly challenging their cultural subordination to men. In fact one could say that they are at an intersection point between globalization and local tradition.

Theories used as theoretical frameworks

These two theories, ethnic enclave and middleman, influence a significant amount of literature on ethnic entrepreneurship, even if few studies of ethnic entrepreneurship explicitly utilize them. The middleman minority is similar to the enclave theory in its specification of the importance of business enterprise. Ethnic enclaves were seen as self segregated communities of ethnic immigrants whose major concern was to create business enterprises and develop labour markets (Butler and Greene, 1997). The ethnic enclave theory developed by Wilson, Portes, and Martin contributes to the understanding of the minority business and reinforces the idea of a community that creates solidarity which enhances the development of small business (Butler, 1991). An enclave is defined as a distinctive economic formation, characterized by the spatial concentration of immigrants who organize a number of enterprises to serve their own ethnic market and the general population (Butler, 1991).

A phenomenon of middleman minorities that was addressed by classic thinkers in sociology (Marx, Weber, Simmel and others), was forgotten and recovered again in the 1970s. The middleman minorities refer to a common characteristic found in certain ethnic and racial minorities (including the Jews in Europe and the Chinese in South East Asia): to share a middle position in the society where they reside (Bonacich and Modell, 1980). The authors point to distinctive traits that separate middleman minorities from elites or subordinate groups. Some of these are briefly mentioned here. On the social front: as they originate from immigration they are sojourners, intending to return one day to their land of origin. They constitute a distinct community, separate from the surrounding society and they tend to develop solidarity relationships within their ethnic group; they have communal organizations, live in urban areas and do not participate in local politics, except those affecting their own group. On the economic side, they tend to concentrate in certain activities and lines of business that are marginal; they are pioneers, risk takers and mainly have small businesses, typically family owned and operated. The authors illustrate the connections between three of these traits: ethnic solidarity, societal hostility and small business (Bonacich and Modell, 1980).

Departing from these two theories, it is fruitful, in my opinion, to regard Afghan women entrepreneurs as a minority in “the middle” of the business spectrum and as a “gender enclave”, as opposed to an “ethnic enclave”. This sets the stage to analyze the

connections at play between the factors seeming to shape women entrepreneurship in today's Afghanistan

Afghan women entrepreneurs constitute a “minority” in their own country and, as mentioned before, it is difficult to estimate their numbers. There are statistics stating the numbers of registered companies but in a country with an economy estimated to be 90% informal³ these numbers are likely to be far removed from reality. Unlike other countries where statistics, including gender segregated ones, can give accurate data on the level of business activity developed by men and women, in Afghanistan one has to rely on other measurements. Such as for example the member numbers of newly formed women business associations across the country; and women businesses which are supported by various international aid programmes. The last census was conducted before the Soviet invasion and a new one is planned but before it can be realised, millions of refugees will need to return from neighbouring countries adding to the ranks of internally displaced people and making for a difficult scenario to produce reliable statistics.

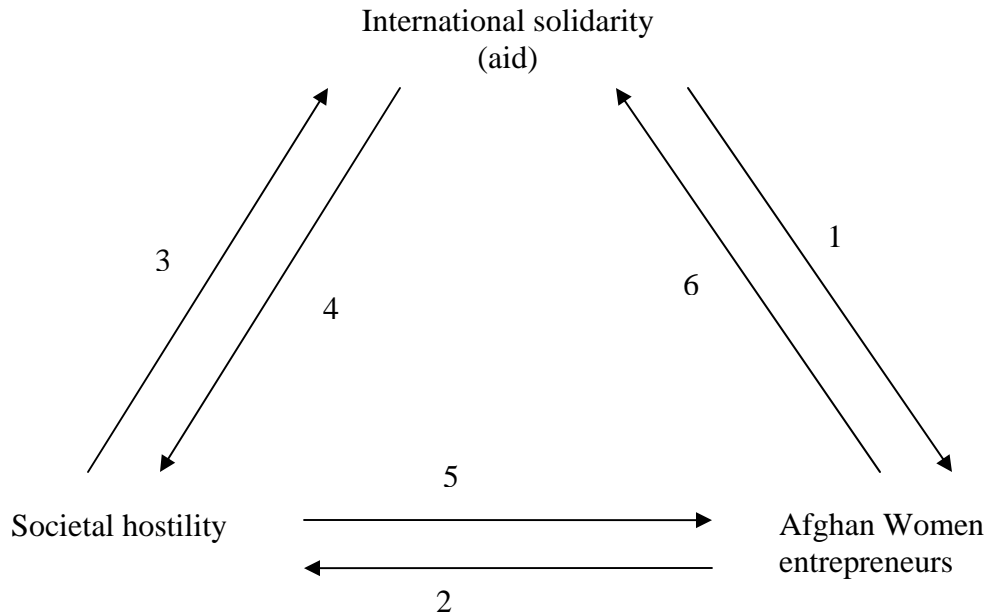
In contrast to the ethnic enclave, which has a geographical dimension and more or less clear boundaries, the “Afghan business women enclave” is a virtual enclave, a dispersed one, made out of various business enterprises run by women throughout the country. Undoubtedly they are to be found mostly in Kabul and in the few other larger cities: Hirat, Mazar, Kunduz, Kandahar, more rarely in the countryside. It is worth highlighting that an estimated 80% of the population of the country lives in the countryside⁴.

Afghan women entrepreneurs represent an enclave in the sense that they constitute a separate group of individuals, of the same sex, united by a common interest, to generate income through entrepreneurship and to maintain (and develop) their business. Another unifying factor is the international solidarity that gives them the stimulus and to some extent the actual means to develop business enterprises.

Fig. 1: Afghan women entrepreneurs: between international solidarity and societal hostility

3 The World Bank: Afghanistan Country Report, 2004

4 The World Bank Country Report Afghanistan, 2004



- 1 Support programmes encouraging Afghan women to start and develop business enterprises
- 2 Women-run businesses provoke hostility because they go against cultural norms
- 3 Societal hostility fuels the interest of the international communities to promote women entrepreneurs (and the advancement of women in general: social engineering)
- 4 International solidarity with Afghan women entrepreneurs generates societal hostility and it reinforces the deep felt antagonism vis-à-vis the West, seen as interfering with traditional values
- 5 Societal hostility encourages women to start enterprises since it restricts women in what they can do in other economic spheres to earn a living and to become empowered
- 6 The rise of Afghan women entrepreneurs encourages further international solidarity

New Business Creation Processes and Traditionalism

Weber designates traditionalism as being: “The most important opponent with which the spirit of capitalism , in the sense of a definite standard of life claiming ethical sanctions

has to struggle, was that type of attitude and reaction to new situations which we may designate as traditionalism” (Weber, 1930). While traditionalism is strong in Afghanistan, it is impossible to speak of an Afghan homogeneous society in a country that is characterized by cultural pluralism, cultural diversity and weak national cohesion⁵ (Centlivres and Centlivres-Demont, 1988). Over the last year and a half the country has witnessed increased violence against what conservative Afghans consider to be “Western influence”: amongst others. a free press, schools for girls, women working outside the home,

“Purdah” , refers to the practice that prevents Afghan women from having a public presence. It is at the core of the country’s traditions⁶ with respect to women’s place in society and is one of the three central institutions of the Pathans or Pashtun, the largest ethnic group in Afghanistan. The text that follows, encapsulates beliefs that, despite the fact that they are Pathan, can be interpreted as being central to the beliefs of the Afghan population at large. “The three institutions which dominate the major domains of activity in the Pathan life are: melmastia=hospitality, and the honourable uses of material goods, jirga=councils, and the honourable pursuit of public affairs, and purdah=seclusion, and the honourable organization of domestic life” (Barth, 1969).

Women were excluded from the production of goods for sale, either partially or totally, and increasingly had been relegated to a domestic maintenance activity. In part the relative industrialization of certain sectors had prompted men to take over handicraft activities that previously were the domain of women (Centlivres and Centlivres-Demont, 1988). Nevertheless they helped financially their families, often being charged with managing the supplies and consumption of provisions during the winter, proof that they had organizational capacities. They were also contributing to the family income through their carpet and fabric weaving and other socially acceptable revenue generating occupations

What is a new phenomenon is the rise of Afghan women entrepreneurs, who have an increasing presence in the public sphere. This phenomenon is due to a combination of motivating factors owing to a great extent to societal changes resulting from more than two decades of conflict. In addition it is through women enterprise development support programmes financed by the international community and changes in public policy measures.

Table 1. captures some of the push and pull factors motivating Afghan women to become entrepreneurs:

Table 1.: Factors that trigger entrepreneurship by women

Triggering factors	Social and Economic Implications
Need to generate income to support	New demographics:

⁵ Translated from French by this author

⁶ “Cultural pluralism” is a term used to reflect the intricacies of the notions of identity and boundaries among ethnic groups in Afghajnistan (Centlivres, Centlivres-Demont, 1988)

<p>their families in a way unknown before.</p>	<p>The traditional men bread winner model has been challenged: 13% of the female population are widows⁷ (which in some areas can reach higher levels⁸); 2.88 % of people surveyed were handicapped.</p>
<p>Some women who have salaried jobs start side- and eventually full-fledged businesses.</p>	<p>Through their experience as salaried employees women sometimes earn the human and social capital necessary to develop and maintain business enterprises.</p> <p>There are jobs specifically targeted for women as a result of international pressure to promote women. The labour market has a limited offer: there are relatively few public sector jobs that pay low salaries and NGOs and international organizations. For the latter the command of English is a must. Women work as employees, sometimes supporting entire families. This happens mostly in urban settings while in some rural areas women can be dissuaded from working outside their homes by community social pressure.</p>
<p>While in exile, some Afghan women went to school and were exposed to women employed or entrepreneurs, who became role models. At the same time their male relatives also saw new values and behaviours and some became more open minded with respect to letting women have increased participation in public life.</p>	<p>This is true especially for returnees from the West, who account for a large number of women entrepreneurs; to a lesser extent too for women who lived as refugees in Iran and Pakistan. Upon their return, several have started business enterprises and serve as role models to local women who emulate them.</p> <p>By and large tradition prevails, especially in young men in their early twenties, who, in some cases are more traditional than their fathers.</p>
<p>During the conflict times women who stayed in the country were pushed to become (hidden) entrepreneurs relying on male members of their families to act as intermediaries between them and the markets.</p>	<p>Some of these entrepreneurs took advantage of existing programmes to foster entrepreneurship and thanks to their business acumen could develop business enterprises, in certain cases thriving ones.</p>
<p>New opportunities for women to start businesses have been made available to them, along with</p>	<p>They took advantage of learning opportunities and resources: they travel across country and abroad; they connected with new women</p>

7 Afghanistan Labor Market Information Survey, 2003, covers 13 provinces of the 34 provinces of the country. It is the only such survey available for Afghanistan.

8 Unofficial estimates indicate that in Logar some 20% of the married women are widows, as reported to this author by IRC NSP employees, 2005. Logar, a province close to Kabul, was the scene of intense fighting during the Soviet occupation and the mujaheddin conflict.

programmes that increase their human and social capital.	entrepreneurs role models and started building business networks.
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Most of the Afghan economy is informal (90%)⁹; and most of the economic actors are men. In fact a labour market indicators survey¹⁰ states that 55% of Afghan businesses are family owned and operated and that women contribute directly 41% to the family income. Women generate cash income, or the equivalent through barter, sometimes as part of the family trade, sometimes on their own. In certain lines of activity labour social division patterns exist. For example in pottery, men prepare raw materials, make the pots and bake them, while women do the decoration. In general men provide raw materials and sell the wares (mostly carpets) produced by the women of their families. If the latter are in a business that caters specifically to women, men are removed from the business loop by social dictate. For example men sell the carpets woven by women (often children also participate in the weaving). It is acceptable by Afghan traditional standards for women to undertake certain business activities¹¹ : carpet and fabric weaving, tailoring and to be midwives, hairdressers, beauticians, petty traders, women photographers, etc.

In public places, such as the bazaars, women shop-keepers are generally not to be seen. There are exceptions to this rule, namely in the Centre region, in Bamyán City bazaar, the first woman operated store opened in early 2006 and given its success another woman entrepreneur¹² announced plans to open shop. Women customers favour such stores where it is easier for them to make purchases, especially when these are intimate items¹³. In Kabul, there are now several stores operated by women, mostly in the centre of town¹⁴.

Western Inputs to promote Afghan women entrepreneurs

Given the unequal position of men and women in the Afghan society, including at business level, the international community effort to promote women entrepreneurship development (WED) was key in the rise of Afghan women entrepreneurs as well as contributing to promote them at societal level.

UN agencies, international development agencies, foreign associations and NGOs - international and local non-government organizations with international funding - set up several programmes to foster women entrepreneurship in Afghanistan, initially mostly in

9 The World Bank Country Report, Afghanistan, 2004

10 Afghanistan Labor Market Information Survey, 2003

11 Afghanistan Labor Market Information Survey, 2003: women's current income generating occupations are carpet weaving (49%), tailoring (19%), embroidery (8%), mora weaving/sewing (7%), and gleam weaving (5%).

12 Based on an interview of this author in fall 2006. The second woman wanted to follow in the steps of her predecessor who prior to open her shop was living in Mashad, Iran helping her mother who still operates a similar shop selling cosmetics and clothes

13 Based on interviews of the author with women at the first women trade fair organized by UN Habitat in Bamyán in 2006 and prior conversations with women shop-owners and buyers at "Women's Garden", Kabul, where the shops inside the garden walls are operated solely by women

14 The first store operated by a woman opened in 2004. This practice is not entirely new in Kabul, where before the Taliban, I was told, there were stores operated by women

urban areas but increasingly in rural areas as well. Some of them as humanitarian initiatives (CARE/HAWA), others as economic development aid programmes.

Table 2. regroups some of the better known WED programs by type and it highlights implementing organizations:

Table 2.: International aid programs aiming to support women entrepreneurs in Afghanistan (2003-2007)

Type of support	Implementing Agencies/organizations
Training in entrepreneurship; business awareness and business related services	AKDN ¹⁵ ; Business for Peace ; CARE/HAWA ;ITC ILO ¹⁶ ; GTZ WED programs; Kaweyan, IR, MoWA; UN Habitat
Business manuals developed/translated and conceptualized for Afghanistan (for women)	CEFE Grassroots ; ITC ILO ; UN Habitat; ABWF ¹⁷
Skills development	Agef; FAO, IRC and local NGOs, ITC ILO, National Solidarity Program (MRRD ¹⁸) National Skills Development Program (MOLSA ¹⁹), MoWA ²⁰
Microfinance ²¹	MISFA, FMFB ²² , MFI ²³ , SHG ²⁴
Creation of associations to support business women	CIPE /AWBF ²⁵ ; OTF ²⁶ , AWBC ²⁷ ; AWBA ²⁸ ,
Networks	Business for Peace

While the international community had financed various economic developing programmes, including WED in the 1990s and early 2000s those were mostly humanitarian aid interventions in the field of entrepreneurship development. It is felt that it was in 2004 that humanitarian aid orientation gave way to economic development.

15 Agha Khan Development Network

16 International Training Center of the International Labor Organization (based in Turin, Italy)

17 Afghan Business Women Federation (manuals by Business for Peace)

18 Ministry of Reconstruction and Rural Development

19 Ministry of Labor and Social Affairs

20 Ministry of Women Affairs

21 See References (Boros, 2005) for an overview of the Afghan microfinance sector

22 First Microfinance Bank

23 Microfinance Institutions

24 Self-Help Groups

25 Afghan Women Business Federation

26 On the Frontier

27 Afghan Women Business Counsel

28 Afghan Women Business Association

As early as the end of 2003, some of the programmes mentioned above included training abroad. Most programmes supporting women entrepreneurship comprised training of trainers (TOTs); coaching or simply training abroad and within the country. They also gave potential and existing entrepreneurs access to resources: financial, business development, skills and international networks.

GENDER INFLUENCES ON ENTREPRENEURSHIP

Afghan women entrepreneurs are going through considerable psychological stress in addition to the stress related to running their business with few studies taking account of it. Women have to deploy vast amounts of patience, energy and cunning to counteract exogenous forces menacing their business activity because they are women. Sometimes these materialize as lack of acceptance of their business activities by neighbours, business partners or family members. In one case one woman was accused “of selling herself, not the wares she pretended to sell²⁹”; at other time a younger brother supported financially by his entrepreneur sister made a scandal over the fact that she returned home after dark due to more work than expected at her firm. Or menacing phone calls, like the one reported to this author by a woman entrepreneur, giving her ultimatums and warning her that if she did not stop her business activity she would be punished.

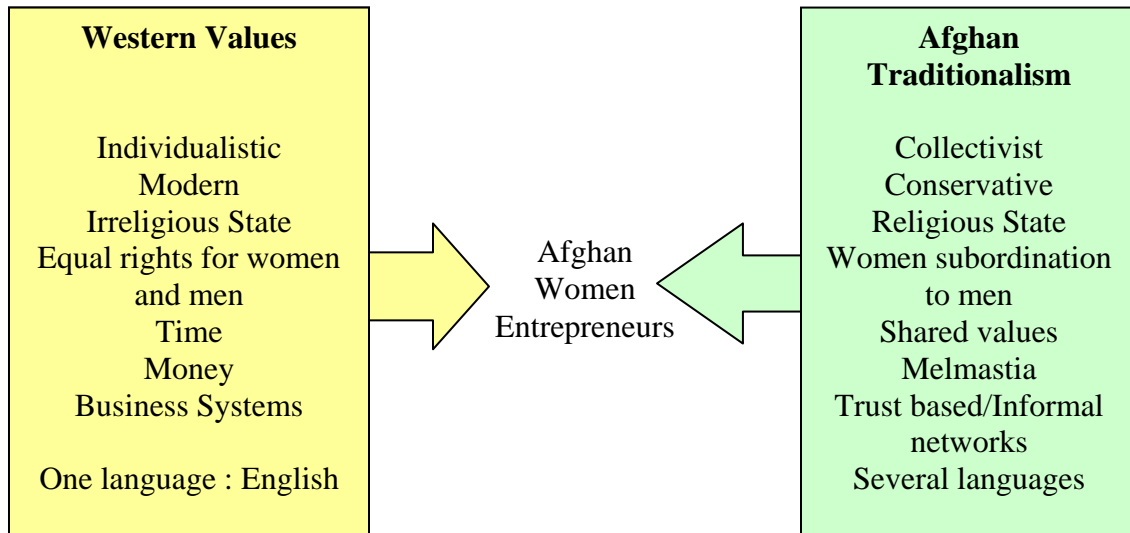
The influence of social structures (work, family and organized social life) impact women’s access to entrepreneurial opportunities (Aldrich, 1989 as cited by Brush, 1998). Women entrepreneurs have to incur additional “gender” costs than their male counterparts. These include financial costs: they have to hire a driver because it is not socially acceptable for a woman to drive a car; to sometimes hire a chaperon when doing training and/or traveling because “a respectable woman” is not working or traveling on her own”. There are also personal and psychological costs involved: for single women. They risk not getting married, or marrying late, because of not conforming to social prescribed models as well as having to assume the financial burden of supporting their families. And in Afghan society an Afghan woman who has not married and had children is a failure in life³⁰.

These women are in the forefront of change, continuously integrating new information, new behaviours, new business systems from the West. At the same time they are “processing” this input, adding to it ingredients specific to their own tradition and striking a balance acceptable to their kin. For men entrepreneurs the task of running an enterprise is easier as they are more free of their movements, are legitimate business operators in the Afghan collective mind representations and last but not least, are better equipped than women with social and human capital. Afghan women entrepreneurs seem keen in the way they conduct business, to maintain certain cultural traits, such as co-opting other members of the family into the business; making loans to family members and respecting traditional social norms, including the dress code. Fig. 2. condenses some of the traits that characterize the West and the Afghan cultural values and which influence Afghan women entrepreneurs.

29 As reported by a woman shop-keeper to this author in 2006

30 Comments made to this author by women in Afghanistan during interviews as well as by Afghan colleagues of both sexes

Fig. 2: Key traits confronting Western values and Afghan traditional cultural norms.



Some of these traits are specific to two contrasting views of the world, confronting Afghanistan today. On one side the West – as it promotes mostly capitalist values - and on the other side, the traditionalism of the local society marked by over two decades of war and conflict. I see Afghan women entrepreneurs as playing a critical role, as agents of change, in the current process of social transformation.

At the core of societal change at work is, it seems to me, the passage from the collective mind to the individualistic mind, which defines the transformation from a traditionalist society to a modern one. The Afghan women entrepreneurs contribute to make this change happen.

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