Afghan Women Are Not Economic Beneficiaries, They Are Economic Actors!

Statistical Report on Afghan Businesswomen
(Afghanistan Women’s Chamber of Commerce and Industry Database)
Or
(Database of AWCCI)

By Afghanistan Women’s Chamber of Commerce and Industry

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Special thanks to our sponsors – H.E the First Lady Rula Ghani and Ghazanfar Bank

Jadi, 1399
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Kabul, Afghanistan
AWCCI is thankful to the following organizations for providing lists of women’s micro and unlicensed businesses in the country.

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Introduction

In 2015, Afghanistan Women’s Chamber of Commerce and Industry (AWCCI) started collecting accurate information on Afghan Businesswomen by creating a database from 34 provinces of the country. Every year, AWCCI adds to the information and expands the database. Since the inception, LEAD and AWCCI published statistics on annual basis with the first one for the Brussel’s Conference in 2016.

Since the database is established LEAD/AWCCI signed an MoU with the Afghanistan Central Business Registry to get a list of women businesses every six months in order to add them to the database and check if they are active. AWCCI made efforts to register licensed/formal businesses from October 2015-April 2020. As the leadership’s focus is to continuously provide data on women’s economic activities and this data without adding informal businesses to the database would have been incomplete. In order AWCCI to conduct a round of data collection to thoroughly update its data and identify informal businesses from around Afghanistan, resources were required and it was made available in May 2020 by Harakat financed by the UK and Sweden. And, H.E the First Lady of Afghanistan and Ghazanfar Bank. AWCCI appreciates the help and support of the mentioned partners.

It is necessary to mention ACBR, Ministry of Industry and Commerce and Municipalities of IDLG, for their contributions in collecting data/information on both licensed (formal) businesswomen. We as well received a great deal of support in identifying informal businesses around the country from a number of government entities, Microfinance Institutions (MFIs), NGOs and International Organizations (list is provided in the beginning of this document) as they had funded and trained them. Without their support, our job seemed almost impossible.
Formal/Informal Businesswomen Activities in Provinces

Afghanistan businesswomen activities except for Paktika and Nuristan, vary depending on geographic locations, challenges, and opportunities. Amongst 2471 businesswomen, most of them are from Kabul, Herat, Balkh, Kandahar, Nangarhar, and Bamyan as shown in the chart below. In comparison to AWCCI previous report, 1000 more has been added. And, most of them have been license holders from Kabul and other provinces municipalities. This effort is about having as much accurate as possible report added to the database.

Speaking of informal businesswomen, the number reaches to 54,539. This data/information has been collected from NGOs and government institutions that are involved in developing private sectors and businesswomen. As shown in the chart, women in Kandahar, Helmand, Bamyan and other provinces are more involved in informal (traditional) business activities than having license from government.
Formal/informal Businesswomen and Their Activities in Different Sectors

As mentioned, most of those 2471 formal businesswomen in all provinces, except for few provinces, in Afghanistan, are involved in clothing production, services, education, and food processing.

Among formal businesswomen at the provinces level, Ghor, Ghazni, Kandahar, and Kunduz are mostly involved in clothing production. Kabul and Paktia in services. In education, Provinces like Sar-e-Pol, Jawzjan, and Helmand. And Nangarhar, Nimruz, and Samangan are involved in food processing and carpet weaving.

Businesswomen who work informally in the center and provinces are active in all sectors. By looking at the chart below, we can see that they operate in the clothing sector, food processing, carpets and other commercial sectors.
Initial Investment (Formal and Informal)

AWCCI data show that majority of women have invested on their businesses from their personal savings, only a small number them have borrowed from banks, loans from friends, and grants from institutions. Specific information can be found at the later section. As shown in the chart below, among the formal businesswomen, only 249 of them are using grants, and 304 of them are taking bank loans.

![Source of First Investment [Licensed]](chart1)

 Majority of women in informal businesses also used their personal resources to start. Comparing to the formal businesses, an increased number of informal businesses have received assistance or grants and a fair number of them have received loan from institutions and relatives.

![Source of First Investment [Unlicensed]](chart2)
**Licensing**

Most of the businesses have been licensed and registered at the Municipalities, Ministry of Industry and Commerce, Afghanistan Central Business Registry (ACBR) and other ministries or governmental agencies, which are authorized for awarding any kind of license.

![License Organization](image1)

Based on the type of their businesses, Limited Liability Corporation (LLC), Sole Proprietorship, and Partnership licenses are being issued. Among all the licenses, the Sole Proprietorship was the most issued license.

![Ownership](image2)
**Age of Business**

The majority of the women-owned businesses included in this database are between 1 and 5 years old. This means that after the dramatic reduction in both NATO military forces and international development assistance that took place in 2014, Afghan women entrepreneurs continued to launch businesses even in the face of dire security and economic conditions. I believe that the AWCCI has had a role in the growing enthusiasm for business among Afghan women, but AWCCI cannot take all of the credit. It has been fortunate to have an administration in the Presidential Palace that shares the same vision of a gender-inclusive Afghan economy.

![Age of Business Graphs](image)

**Job Creation**

Women businesses play an important role in creation of employment not only for women but also for men. As per the below charts you can see, formal women businesses created jobs for 54796 women and 17616 men and informal women businesses created jobs for 43438 women and 13390 men across the country.

![Job Creation Graphs](image)
**Marital Status/Education Level**

In spite of the customs and traditions that are culturally dominant in Afghanistan, in terms of early/underage marriage, most of the formal Afghan Businesswomen are unmarried. On the contrary, most of the informal Afghan businesswomen are married.

![Marital Status [Licensed]](image1)

![Marital Status [Unlicensed]](image2)

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**Education Level**

Afghan businesswomen strived to acquire knowledge and education. In formal businesses, a high number of businesswomen have either a high school diploma, undergraduate or graduate degree.

On the contrary, almost half of the women owning informal businesses are not formally educated and some of them even lack reading/writing skills.

![Education level [Licensed]](image3)

Our findings show comparison of education level in all provinces. Among which, Laghman and Kunar are the lowest educated businesswomen. Businesswomen in central and western provinces are having higher education. Based on the information about education level, Kabul comes first, followed by Herat and Balkh provinces. The mentioned information are presented in the provincial section under each of the mentioned provinces.

![Education level [Unlicensed]](image4)
**National ID/Passport**

Lack of National ID/Passport have economic impacts on women to get educated, own a business, and even claim properties. Luckily, most of the Afghan businesswomen are excluded from such problems, if not all. In general, a high number of businesswomen have National ID. However, a very low number of businesswomen own passport in both formal and informal businesses.

**Official trips and Exposure**

Travel has long been an unavoidable part of business. Although in recent years, with the development of social media, it has become possible to do a large part of marketing without the need for a physical presence all over the world. Still, business trips are a significant part of business life for networking and business growth purposes.

There are several benefits of business trips including but not limited to getting to know other businesses across the world, sharing of business ideas, presenting of Afghan women businesses in exhibitions, conferences and business events through the Afghanistan Women Chamber of Commerce and Industry.
Memberships in associations and chambers
Networking is a major skill in the world of business. AWCCI is creating different networking opportunities and platforms for its members through which businesswomen get to know each other better and help each other’s businesses.

One of the main tasks of the Women’s Chamber of Commerce is to encourage women businesses to establish connections with each other and be part of business networks to benefit from different opportunities and services provided by the Chamber.

Social media and website
Among all the services and educational programs of the AWCCI, one of them is the use of information technology and social media. The role of using social media in today's business world is key. Most of the formal women businesses have started using social media as shown in the chart below. Informal businesses are yet to utilize this medium of communication in their work.

It worth mentioning that one of the requirements of today’s business world is to create a website and have a virtual presence not only for cross-border businesses but also for businesses within the country. With the help of website businesswomen, can easily communicate with people about their services and products.
**Infrastructures (Land and Industrial Parks)**

Unfortunately, the usages of government properties and land by women owned businesses are not as much as it should be, AWCCI put efforts to conduct several advocacy meetings with government officials and ministries to facilitate access of businesswomen to government properties/land in Kabul and provinces.

Since 2018, only 5 women owned business companies have succeeded to utilize from hangars built by AWCCI located in Nasaji Bagrami, Kabul. Moreover, AWCCI initiated to send a representative of businesswomen to India in 2018. The purpose of the visit was to observe the small industrial parks in Heydar Abad and get the inspiration of building such concepts in provinces’ capitals in Afghanistan.
Challenges and Solutions

AWCCI is currently working on a strategic advocacy document called ‘Women’s National Business Agenda’ which would include challenges and solutions.

The most vital challenges that have faced by businesswomen are as follows:

I. Lack of access to standard markets both in areas accessible to women or in the cities,
II. Lack of access to financial resources,
III. Lack of infrastructures especially electricity and roads,
IV. Limited business events e.g. exhibitions/shows, high scale marketing events, and
V. Lack of training courses.

The businesswomen coming from large cities have stated that a number of them have now reached a stage where they have access to more support at the level of national and international trade programs, standardization services and others. Now they will be able to sell their goods abroad.

They are demanding for their businesses to be standardized both at national and international level. Local businesswomen who are living in remote areas, are in a great need of support to get educated and familiarized to learn about business in order to succeed and improve. This would be only possible if there is mechanism/plan to bring their products out to exhibitions/events. In addition, businesswomen who own IT, logistics, and service companies are complaining from not having fair share of government and international institutions contracts. This is another challenge that needs to be looked at and resolved.

It was interesting to see that licensed and unlicensed businesses both had voted for Marketing as a pressing and priority challenge for them but the solution for licensed businesses was participation in exhibitions and Baazars and for unlicensed businesses was long-term training programs.
The information and statistics presented in this report from the national database of AWCCI are significantly important for all stakeholders to understand how many licensed, unlicensed businesses exist, their geographic distribution, sectors and others that can help in developing programs. Programs such as, amendments of rules and regulations for business activities owned by women specially the unlicensed ones, increasing women presence in economic cycle, increase in their number for higher education, and last not least, empowering women and enhancing their self-confidence so they play similar role as men if not more, in the country’s economic prosperity.