The Use of Micro-grants to Mitigate Gender Inequality in Afghanistan by Empowering Rural Farmers and Agribusiness Entrepreneurs

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Abstract  
Gender inequality is a worldwide problem; Afghanistan is no different. Women account for 60% of the population and are the primary agricultural producers and caregivers for their families. However, they are usually the last to receive developmental aid. To increase long-term sustainability in developing countries, NGOs need to design projects that benefit women. This qualitative study describes the outcomes of a micro-grant program targeting Afghan women but also included males. The grant recipients were empowered to increase family incomes, send their children to school, and support community development projects. These were positive indicators of social change in Afghanistan and may represent outcomes with applicability in other developing countries facing similar challenges.

Keywords: Afghanistan, Entrepreneurs, Gender Equity, Micro-grants
Introduction

Gender inequity is a worldwide problem. According to the World Summit Report (2002), 70% of the world’s population living in abject poverty are women. They are the poorest of the poor, and comprise two-thirds of the people living on less than one USD a day (United States Agency for International Development [USAID], 2006a). Because they are poor and many cultural issues may prevent women from organizing, millions of women have not benefited from development programs (United Nations Childrens Fund [UNICEF], 2008). All people are entitled to basic human rights, including life, equity, dignity, and freedom; women are no different (World Summit Report). According to the World Summit Report, women fall behind men in almost all aspects of life, including health, education, legal rights, nutrition, and equal pay. Gender inequality is an extremely significant debilitating factor in many countries of the world.

The Food and Agriculture Organization (FAO, 2006a) stated that a focus on gender issues was important because the world’s poorest people are women living in rural areas of developing countries trying to feed their families through subsistence farming. By focusing on these issues, achievement of the Millennium Development Goals of eradicating hunger and poverty, improving health, education, and gender equity would be attainable (FAO, 2006b). Poor women in developing countries find it more difficult compared to men when providing for their families due to traditional socio-cultural roles. For example, women in developing countries have found it difficult to access inputs for agricultural production (Snapp & Pound, 2008).

Based on the concentration of rural poverty in developing countries, women frequently hold the lowest social and economic status (Committee for Economic Development [CED], 2003; FAO, 2006b). According to Buvinic (1997), women in rural areas live below the poverty line and are hampered with many economic burdens as abandoned wives, widows, and farmers. Jivetti and Edwards (2008) found that to be the case in western Kenya. The CED (2003) supported this by stating, “In most countries women lack equal access to critical resources - education, health services, physical and financial capital and natural resources” (p. 9). Moreover, the CED (2003) suggested that increasing the economic participation of women would spur more rapid economic growth and social development. However, both men and women need to participate in development opportunities if a country hopes to create change that is sustainable.

According to the USAID (2000) and CED (2003), women are the “backbone” of the agricultural labor force; they perform the majority of the agricultural work in developing countries but still find it difficult to support their families. Women comprise 67% of the farm labor and produce 60 to 80% of the food (CED 2003; FAO, 2008). “Rural women are the main producers of the world’s staple crops – rice, wheat, maize – which provide up to 90 percent of the rural poor’s food intake” (FAO, 2008, p.1). Moreover, according to the International Food Policy Research Institute [IFPRI] (2002) and Kock and Edwards (2007), agriculture is the primary economic livelihood of most Afghans: 85% of the Afghan population depends on it to support their families.

The Case of Afghanistan

Afghanistan is working through troubling times and challenges in the aftermath of the Taliban regime (Kock & Edwards, 2007); the country cannot succeed in eradicating poverty unless women are empowered politically, educationally, and economically (IFPRI, 2002). Nevertheless, according to Ghosh (2003), for rural Afghan women, control of their lives is predetermined by kinship arrangements. These arrangements have been harsh on women, since women have been used as raw material to establish ethnic and social prominence. However, “The overthrow of the Taliban opened an opportunity to help Afghanistan’s most invisible group – rural women” (FAO, 2002, p.1).

Women in Afghanistan comprise 60% of the population; the majority living in rural areas (FAO, 2002), and 80% of the Afghans are dependent on agriculture (USAID, 2007b). The United Nations Development Fund for Women (UNIFEM, 2008) stated that the average annual income for females was $402 USD. Research conducted by UNIFEM concluded that Afghanistan ranked second to last in the world on gender-related issues. Hence, this has left
Afghan women in a poor situation to move forward. However, after years of conflict, women are beginning to emerge as social, political, and economic entities (Wakefield & Baurer, 2005).

The male-dominated culture throughout Afghanistan does not allow women to seek employment outside the home; therefore, many women have turned to home-based businesses to support their families (USAID, 2007b). According to the Citizens Network for Foreign Affairs [CNFA] (2007b), women-owned enterprises included canning, textiles, livestock, and poultry production. However, CNFA’s research indicated that it was also important to involve men in attempts to improve gender equality. Men are crucial in reconstructing gender relations because of their involvement in the policies and practice of the development work being implemented (Flood, 2008).

According to the CED (2003), female-based businesses account for a substantial percentage of a developing country’s economic development. In Afghanistan, women need access to micro-financing to help jump-start their enterprises. The CED (2003) stated that, without access to credit, female farmers cannot purchase the needed inputs to improve productivity. The CED found that women entrepreneurs are frugal, prudent business people and less risky than their male counterparts. This was supported by the USAID (2007b) who has funded thousands of loans, of which 75% went to women.

Conceptual Framework

The conceptual framework for this study was based on the Human Capital Theory posited by Nobel Prize winning author Gary S. Becker (1993). The theorist postulated that economic or educational investment in people enhances economic development. Moreover, Becker stated that the improvement in emotional and physical health adds to economic capability of people. So, by providing local Afghans matching micro-financing for business development the aforementioned conditions stood to be positively affected. In addition, the CED (2003) asserted that improving economic and physical capital for the rural poor would increase household incomes, reduce malnutrition, and improve the well-being of society.

Purpose

The purpose of this qualitative study was two-fold: 1) Gain a better understanding of the gender issues facing Afghan entrepreneurs (women and men); 2) Describe the outcomes of individual matching grants provided by the Citizens Network for Foreign Affairs (CNFA), through the Afghanistan Agricultural Development Project (AADP). The CNFA, AADP is a foreign agricultural development project funded by the United States Department of Agriculture (USDA), Food for Progress program. It monetizes soybeans, soybean oil, and kidney beans to create the funds for lending.

The grant recipients were referred to CNFA by a local Afghan non-government organization (NGO) who provided a variety of small business development trainings, including topics such as bookkeeping, marketing, and value chain development. The grant recipients consisted of male and female entrepreneurs and farmers. The recipients had to show that their businesses had matching equity on par with the grant’s value. A total of 459 individuals participated in the project; 165 were women. Businesses developed through this AADP program included food processing, carpet weaving, wool processing, grain and vegetable production, machinery rental, and livestock and poultry production (CNFA, 2007b). This study included interviews with six grant recipients.

Methods and Sources of Data

According to Tomal (2003), interviews can be an important tool for an action researcher. The first step in the interview phase was to prepare the questions that would obtain the information desired by the researcher (Tomal). Six questions surfaced during meetings with the local Afghan NGO (i.e., a partner in the development project) and CNFA staff who supported the business and social aspects of the program. Afghanistan has two official languages; so, the interviewers were fluent in Dari and Pashto (the two official languages in Afghanistan) as well as English. The interviews were recorded and the responses were transcribed into English for the researchers to interpret.

A six question, open-ended instrument was designed to describe the participants’ beliefs concerning their business and the effects of the matching grant program. A local Afghan NGO official, who worked in the business...
development sector, evaluated the instrument for content and face validity. The questionnaire was written in English and translated into Pashto. To implement the questionnaire, two CNFA staff members conducted the interviews in the homes of the grant recipients, thus, allowing for better rapport. Tomal (2003) stated that building rapport with interviewees allows for increased dialog during the subsequent interviews.

Because of security issues and lack of roads throughout the southern (Kandahar/Nangahar Provinces) and eastern (Gardez Province) regions of Afghanistan, a limited purposive sample of two men and four female grant recipients were interviewed at the completion of the matching micro-grants program. Erlandson, Harris, Skipper, and Allen (1993) suggested that a purposive sample maximizes discovery and the researcher’s ability to identify themes. Because many of the people of southern Afghanistan are nomadic and lacked permanent residences (Omranli & Leeming, 2005) and due to the Taliban’s control of southern and eastern regions, it was imperative that CNFA staff limit their travel to certain areas. Unfortunately, most grant recipients could not be reached for interviews because of safety concerns.

According to USAID, (2006b), illiteracy rates in Afghanistan range from 70 to 90%. So, the CNFA project staff members read each question to the participants in their native language, Pashto. Triangulation methods were implemented to increase trustworthiness of the study; personal interviews, project closeout report, and photos of businesses served as additional data for the study. According to Erlandson et al. (1993), triangulation builds truthfulness which adds to the credibility of a study’s findings. However, only the results of personal interviews are reported on in depth in this paper.

**Findings/Results**

Grant amounts for the project at large varied from $500 to $75,000 USD. Over 97% of the grants awarded were defined as small ($6,000 or less), and less than 3% were large ($70,000 or more). The grants recipients reported that they were involved in a variety of agricultural businesses. Within our purposive sample, three businesses were value-added businesses (apricot-drying, potato chip manufacturing, and pickle and jam production), two were sheep production, and one was a farm equipment rental service. The four businesses owned and operated by women were apricot-drying, potato chip manufacturing, pickle and jam production and a sheep producer, respectively. The remaining sheep production business and the farm equipment rental service were operated by men. Due to Afghan culture, males traditionally have more assets than women and are allowed to work outside the home (Grace, 2005). Moreover, because Afghan males have more assets or “equity” and fewer restrictions on their employment, larger grants were given to the male entrepreneurs.

The grants allowed all recipients to increase business assets with each recipient reporting an increase of income. Better or more equipment was purchased in the case of potato chip producer and the farm equipment rental service provider. Both sheep producers were able to increase the number of sheep in their flocks, and, thus, achieve greater profits. The entrepreneur with the apricot-drying business reported her yearly income increased from $2,500 to $6,500 USD. Other improvements seen by the grant recipients included an increased customer base and an improved family life. Five of six interviewees were able to send their children to school and purchase the needed books and school supplies for their children’s educations due to increased income associated with the grants. One recipient stated that other than primary education, her children were also enrolled in English language and computer classes.

One of the largest grants in the sample (i.e., $25,000 USD) was received by a male entrepreneur with an equipment rental service. With this funding, he reported the greatest increase of income, grossing more than $10,000 USD. Also, he purchased the most equipment including tractors, a thresher, and other small machinery. Not only did the grant allow his business to grow but with less overhead he was able to charge lower prices to his customers. He could charge 20% less than other similar providers in his area allowing for an average savings of $16 USD per customer. He addressed the “societal good” or “multiplier effect” associated with the savings passed on to his customers when he stated that, “these new customers are making more money for themselves.”
Obstacles to business success or other hardships were also reported by the women. One woman, a sheep producer, was a widow. Her husband was killed during the Taliban’s occupation in her area. She found much difficulty in supporting her large family, including meeting their needs for food and education. The female potato chip manufacturer lamented there were cheaper international competitors to contend with for sales. She also implied that her rent was high and she needed more business education. The dried apricot producer described that the roads for transport of her products were poor and security was an issue. And, the female pickle and jam producer explained her business started slow, selling only to three shops initially. However, she had come to sell her products to 73 shops in Kabul and the surrounding villages. The men in this study reported no business obstacles or hardships.

All six grant recipients expressed their appreciation of the AADP funding. The female business owner of the apricot-drying business said, “I think today we are living in a better house, wearing better clothes, sending our boys and girls to school, taking part in rehabilitation of the village by giving a donation to the village construction group.” She continued, “All this is because of CNFA [AADP] grant; it has really changed our lives.” The female sheep producer from the Ghazni Province was able to increase her monthly income to $24 USD through the selling of milk, yogurt, and cheese to other villagers. Before her sons sold bread in the market and made far less than one USD a day. She stated, “raising livestock is a very good source of income for me and now I can make a better future for children and myself.” The female pickle and jam producer explained that before receiving the grant, “we [had] started begging for food to feed our children.” Her business has grown and her monthly income now exceeds $360 USD.

The family sizes benefiting from the grant-supported businesses ranged from eight to 38 direct family members. Three of the six grant recipients were able to hire more employees thus increasing the number of secondary beneficiaries even more. The female potato chip manufacturer said that, “besides supporting my own family I also [help] by paying 11 ladies, my employees, I am helping the humanity.” The pickle and jam producer had the ability to hire her daughter to work in the business. According to the CNFA’s final report (2007a), female enterprises accounted for the employment of 2,500 Afghan women.

Conclusions

As funding organizations and NGOs plan capacity-building projects in developing countries, it is important to embrace the contribution made by women. Women are a vital and often overlooked resource in developing countries; they are the largest group of agricultural producers in the developing world and the primary caregivers of the next generation (CED, 2003; FAO, 2008). Findings of this study showed that with grants from CNFA, AADP, women supported their children’s education, families, and communities when their livelihoods increased. Also, women were capable and eager to own livestock and fruit and vegetable businesses. These were viable and important home-based income generating alternatives for the women interviewed to earn income because they were not allowed to seek employment outside the home (USAID, 2007b).

If more development programs benefitting women are implemented throughout the world, our ability to eradicate poverty and world hunger stands to increase. If NGOs can create programs with a focus on economic diversification including gender, the likelihood of successful development increases (Barajas, Howard, Miner, Sartin, & Silver, 2006). To that end, Borcherdt et al. (2008) asserted that, “Economic growth is an essential to any form of long-term stability” (p. 2).

Afghanistan has reached the crossroads (Jones & Pickering, 2008); the achievements reached through many years of international development have positioned the country to empower a large sector of their population—women—and move forward as a nation. Small matching grants can help female entrepreneurs increase their family incomes and provide viable employment for other community members, including females, through food processing and agricultural enterprises.

Without economic development, food security and education will remain out of reach for most Afghans, especially women (IFPRI, 2002). The FAO (2002) stated, “It is clear that Afghanistan’s economy is a rural, family economy with women at the heart. We must ensure that they are at the forefront of
Afghanistan’s recovery” (p. 2). The USAID (2007a) supported that position: “No society can prosper when half of its population is not allowed to contribute to its progress. Educated and empowered women are vital to the democracy—and important for the development of all countries” (p. 10). There is a strong case to be made that pursuit of private economic opportunities is the foundation of a functioning civil society and participatory democracy (CNFA, 2007a). So, empowering Afghanistan’s rural entrepreneurs to shape their local economies, generate sustainable jobs and improve community standards of living directly contributes to the country’s stability. International assistance programs such as the CNFA, AADP reported on in this study support that aim.

**Recommendations, Applications, and Implications**

The description of the grant-making outcomes provide a better understanding of matching micro-grant programs and their impacts on recipients. As international donor countries are demanding results from their “investments” (Kock & Edwards, 2007), more studies similar to this could help document outcomes associated with the objective of such programs. Entrepreneurs of both genders, including the women, were proving successful in their businesses. However, what is the long term impact of the micro-grants? Future studies should be conducted to determine if the businesses were sustainable long-term and additional positive societal changes occurred from the investment of grant monies. Additionally, a comparison between the male and female entrepreneurs for long-term sustainability should be conducted.

According to the CED (2003), micro-credit programs provide women self-employment opportunities that may not be available through traditional means. The CED concluded that women led enterprises depend on less modern equipment and technologies than businesses headed by men; moreover, women are frugal and prudent business owners, and they use their added incomes to support educational opportunities. Findings from this study, although rather limited in number of interviewees, supported that position. So, the development and implementation of similar micro-finance programs should be considered by donor agencies.

Birdsall, Rodrik, and Subramanian, (2008) stated, “developed countries should not abandon the poor to their plight. If, however, rich countries truly aim to help developing countries achieve lasting growth, they must think creatively about the development agenda” (p. 9). The “empowerment of women is key to raising levels of nutrition, improving the production and distribution of food and agricultural products and enhancing the living conditions of rural population” (FAO, 2006a, p. 3). Moreover, to enhance the status of women, skills training and jobs women can perform at home would strengthen their economic outlook (USAID, 2007b). But many programs designed to work with females in male-dominated societies have fallen short in that category. Accordingly, more studies similar to CNFA, AADP reported on here should be undertaken to better identify and understand the characteristics of successful programs.

The CED (2003) concluded, “We should invest in women because it is good for women—it will improve the quality of women’s lives. But, it is good for development in general; it will enhance the impact and effectiveness of international development programs” (p. 16). Moreover, the World Summit’s (2002) gender equity paper promoted the idea that both men and women be involved in development programs. The USAID (2006a) supported that concept: “the dynamics of women’s and men’s relationships as well as the complexities and interrelatedness of their roles in a given culture and social-economic situation must be understood before development solutions can be planned” (p. 23). That phenomenon demands additional inquiry as well.

**References**


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