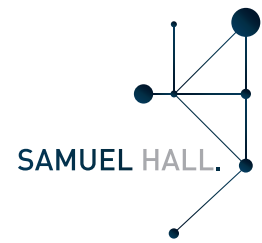


# Entrepreneurial Flair: a Gender-Based Market Study and Value Chain Analysis

*A Research study in Faryab, Afghanistan*



The labour market in Faryab is characterized by high rates of underemployment, low wages, and unskilled and irregular employment. Like most of Afghanistan, the main source of employment is agriculture and livestock. Deeply held cultural traditions reinforce strong gender divides in the labour market. Many women cannot work outside of their homes or travel to local markets to buy and sell domestic produce. These activities are monopolised by men, and there is often little room for female participation.

As the tempo of international engagement in Afghanistan changes, policy makers and development practitioners are placing increasing emphasis on stimulating independent economic growth. One of the key strands of this emphasis is *entrepreneurship*, especially for women, who represent a largely untapped labour resource in Afghanistan. But where can women find a foothold in an already overcrowded labour market? What barriers do they face, and how can they be overcome?

Opportunities exist, but they are often difficult to exploit due to a lack of resources (financial and human) and prevailing social attitudes towards women. Mindful of these limitations, DACAAR's Small Scale Enterprise Development team (SSED) seeks to encourage entrepreneurship in Faryab.

## *Research objectives*

In January 2014, Samuel Hall was commissioned by DACAAR to conduct a three-part research study.

1. **Market analysis** and identification of suitable business areas for Producer Associations in Faryab province.
2. **A gender-based rapid value chain assessment** of 2 agro and 2 non-agro products - identify areas for women entrepreneurship development in the value chain.
3. **Feasibility study** to assess the present labour market trends, identification of the current vocational skills including future potential employment opportunities.

## *Methodology*

Given the qualitative nature of the study, Samuel Hall conducted 50 semi-structured interviews among workers in four different value chains – livestock rearing, silk production, handicrafts and rug and carpet weaving. Key informant interviews with policy makers and NGO workers, and focus groups among value chain actors were also conducted.

## *What does the labour market in Faryab look like?*

There is a capacity bottleneck in Faryab. Market activities are often carried out in comparative isolation and underutilise existing resources. Market linkages are typically highly localised and production is often carried out on a small scale. The bottleneck is exacerbated by the fact that many of the new entrants to the labour market have received a formal education and do not have anywhere to employ their newly acquired skills. Traditional agricultural activities still dominate the labour market, but there are more workers than jobs. Therefore one of the key challenges for policy makers and project implementers is to ensure that

the labour force is equipped with skills suited to the context of local labour markets.

### *What are the main opportunities for female entrepreneurship in Faryab?*

Carpet weaving and handicrafts manufacture are the best areas in which women can carve their own niche in the market due to high levels of cultural acceptance and a general absence of competition from men, who tend to compete with each other for the small number of jobs available. Fortunately, the foundations are already in place. Women's Resource Centres (WRCs) operate across Faryab province. WRCs are the lynchpin for increasing female economic activity and entrepreneurship. One of the main barriers to female economic participation is the absence of culturally appropriate settings in which women can conduct trade – whether buying or selling. By providing a safe place in which to conduct business, WRCs can play an important role in encouraging and facilitating female entrepreneurship.

### *How can these opportunities be exploited?*

**Use WRCs as market entry points for women and connect them to the main market/buyers.** WRCs can fulfil many roles: shop, factory, training centre and market place.

**Use Women's Resource Centres to connect local value-chain actors.** WRCs already provide a solid platform for enabling female producers and traders to interact, but many of them do not sell locally produced items made by female producers.

**Provide business and literacy training for female value chain actors.** Low commercial awareness and financial acumen may deter many potential female entrepreneurs from undertaking new activities. This should be a priority activity because it will help to create conditions suitable for independent entrepreneurship and may encourage women to identify their own avenues for commercial development.

**Allow female producers to use WRCs as a 'factory' for production as well as product sale.** Many WRC shops already double as tailoring and embroidery workshops, but this model can be extended to other activities depending on the local market economy.

**Capitalise on growing international demand for ethically produced handmade indigenous crafts.** Organisations like GoodWeave already licence carpet value chains to meet international demand.

**Facilitate funds to potential female entrepreneurs for input supplies or to kick start new business ventures.** Qualitative interviews with female value chain actors found that some women felt constrained because they did not have access to money that they could control independently of their husbands.

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