Freshta Nehad

Women Entrepreneurship in Afghanistan and Success Determinants of Afghan Women Entrepreneurs - Case Study of Kabul City

Volume | 009    Bochum/Kabul | 2016
www.afghaneconomicsociety.org
Women Entrepreneurship in Afghanistan and Success Determinants of Afghan Women Entrepreneurs: Case Study of Kabul City

Freshta Nehad

Keyword list
Entrepreneurship, Success Determinants, Entrepreneurship training programs, Financial Grant, Developing Countries, Entrepreneurial Activities

Abstract
Historically, men have dominated entrepreneurship. Even today, men own a high proportion of businesses. This imbalance is even larger in developing and least developed countries due to socio-cultural and traditional conservative values, which further prohibits women’s participation in economic growth.

The focus of this study is generally on female entrepreneurship in a developing country context. Particularly, it presents women entrepreneurship in Afghanistan by highlighting their personal and business characteristics, motivation and problems, their success determinants, and social and economic changes brought about by entrepreneurship in their lives.

A sample of 157 women entrepreneurs engaged in different sectors was selected for the study. Descriptive statistics and regression analysis were employed to evaluate the data. The findings highlighted that the desire for financial independence and autonomy were the main motivating factors for most of the women to become entrepreneurs. The key challenges included access to financial resources, insecurity, limited market and mobility, negative attitudes and lack of social acceptance. The results further indicated that among other success determinants; entrepreneurship trainings, business grant, and family support significantly affect the success of women entrepreneurs in the small businesses.

1. Description of Data
To get an in-depth understanding of women entrepreneurship and their success determinants in Afghanistan, different sources of data were used to complete the empirical research. Primary and secondary data constituted the main data sources. Following, the sources and their relevant contributions to the empirical study is being presented.

1.1 Primary Data
Primary data is the main source of data for this study. Therefore, a set of structured questionnaire in conjunction with in-person interviews of participants were used to collect the primary data. The
female entrepreneurs constituted the respondents group and the questionnaire were filled out based on the individual respondent’s enterprise. Two types of questionnaires were developed to obtain the required data.

1. Survey questionnaire: The survey questionnaire is composed of four sections. Section one focuses on the general information and contains questions regarding socio-demographic data of the entrepreneurs. Section two concentrates on information about the business profile, which includes data on the enterprise age, business industry, legal structure of the business, financial resources, and questions related to hindering and motivating factors of women entrepreneurship. Section three records information about success indicators comprising, changes in the annual income, profit, and number of employees in the last three years and types of training and days of attendance. Section four contains questions about impact of entrepreneurship on women’s empowerment. It collects information about importance of having independent income, increased confidence level, and their ability to influence the decision made within the family.

2. Semi-structured interviews: A semi-structured interview was applied to facilitate the interviewer follow the ideas, explore and check responses and examine motives and feelings of interviewees. The semi-structured interview consisted of two sections. The first section concentrated on the business performance of the respondents and probed questions related to their business profitability, sustainability, impact of their business on creating job for others, and efficiency of entrepreneurship training programs. The second section sought facts about the impact of women entrepreneurship on their social lives and their supremacy to influence the family decisions. In order to collect additional information both questionnaires were ended with open-ended questions.

1.2 Secondary data:

Secondary data almost gathered through desk studies on literatures, past researches on the subject matter, publications and program reports. The sources of secondary data were mostly development agencies, government departments, and NGOs’ publications, internet, and some institutions’ reports constituted part of the sources. The secondary data was one of the most important complement data source for the study completion.

2. Research Questions/Theoretical Contextualization

Economists and theoreticians recognized entrepreneurship as a major driver of economic growth and development. Entrepreneurs innovate and produce new products and services, which foster economic growth. They generate employment through their entrepreneurial activities and increases competition in the markets (Holmén and Thaw, 2011, p.307). Although entrepreneurship has attracted the attention and interest of academics and practitioners, there
exists a lack of consensus in defining the term entrepreneurship and concern over what entrepreneurship constitutes as a field of study.

Historically, entrepreneurship has been dominated by men. Even today, men own a high proportion of businesses. For instance, in Europe-37, out of 40.6 million active entrepreneurs only 29% are women (European Commission, 2014, p.7). This imbalance is even larger in developing and least developed countries due to socio-cultural and traditional conservative values, which further prohibits women’s participation in economic growth.

In a post-conflict country such as Afghanistan, women experience challenging lives. These challenges initially arise from the family and get more difficult in wider society. Lack of security, illiteracy, and social restrictions are some of the factors that hinder the social development of Afghan women. Fundamentally, women are dependent on men for all kinds of social, cultural, and economic necessities. Men are considered to be the main breadwinners; therefore, they are more motivated to enter different professions such as entrepreneurship and trade to deliver on their financial obligations in order to provide food and shelter for their families. Since the society does not expect women to contribute financially, women are not encouraged to enter entrepreneurship field or work outside home.

This has led to the underutilization of women’s potential for economic growth and development of the country. However, the fact that some Afghan women are involved in small and medium sized businesses such as handicraft, production, agriculture, and services sectors should not be ignored. To further gain in this area and to have a balanced and sustainable development, the government should recognize women’s role for economic development.

Existing literature highlights studies carried out to identify women entrepreneurs’ motivations, business environment, and challenges they encounter in developing countries. These studies are initially carried out in developing countries and have touched on Afghanistan. This study’s sole purpose is to concentrate on women entrepreneurship in a post-conflict country, Afghanistan. It adds significant knowledge and depth to existing literature on the subject matter.

Past studies have revealed Afghan women entrepreneurs' motivation and challenges. These studies have identified that women entrepreneurs in Afghanistan and other developing countries have similar motivations and problems in initiating a business venture. However, the degree of social constraints faced by Afghan women, as found by this study, is significantly higher than the existing literature dictates. In addition, this thesis highlights the impact of several important country-specific factors that the existing literature fail to take into consideration. Factors such as lack of security and political instability have significant adverse effect on the performance and promotion of women enterprises. Given the importance of women entrepreneurship for social and
economic development of Afghanistan, the present study aims to provide an understanding of female entrepreneurs and their entrepreneurial activities in Kabul, Afghanistan, where the field research was conducted. The study attempts to shed light on women entrepreneurs' background, business experience, the success determinants, and impact of entrepreneurship on women’s empowerment.

2.1 Research Questions To achieve the aforementioned objectives this research will attempt to answer following questions:

- What is the demographic profile of Afghan women entrepreneurs?
- What are their business profiles, motivations, and problems?
- What are their success determinants?
- Did the entrepreneurship training programs influence the success of women entrepreneurs?
- Does entrepreneurship have an impact on the empowerment of women?

2.2 Theoretical Background

Literature fails to have consensus in defining the term “entrepreneurship” because scholars of different fields such as economics, sociology, psychology, and others have different subjective definitions of entrepreneurship. Despite many differences in defining entrepreneurship, there appears to be some consensus that entrepreneurship has a positive impact on a country’s economic growth (Ahmad and Seymour, 2007, p. 2).

The concept of entrepreneurship was first defined by a businessman named Richard Cantillon whose definition embodies the crucial role of entrepreneurship for economic activity of a country. He defines entrepreneurs as risk takers who participate in the markets for the purpose of profit and self-employment (Ahmad and Hoffman 2006, p. 6).

A significant number of scholars consider profit as the main success indicator of entrepreneurship. Literature presents strong relationship between successful entrepreneurship and profit making. They argue that entrepreneurs merely bear the risk for the purpose of profit. Table 1 presents the significance assigned to profit making by different theories of entrepreneurship.

Table 1 Importance of Profit Making in Theories of Entrepreneur

<table>
<thead>
<tr>
<th>Authors</th>
<th>Cantillon</th>
<th>Say</th>
<th>Marshall</th>
<th>Menger</th>
<th>Knight</th>
<th>Schumpeter</th>
<th>Kirzner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significance of profit</td>
<td>++</td>
<td>+</td>
<td>++</td>
<td>++</td>
<td>+++</td>
<td>++</td>
<td>+++</td>
</tr>
</tbody>
</table>

* Source: Taken from Bosma et al, P.13, 2000

According to Bosma as presented in Table 1, Knight and Kirzner argue that profit making is essential and the focal point of entrepreneurship (+++), Cantillon, Marshall, Menger, and Schumpeter state that profit is an important result of entrepreneurial act (++), and Say assesses
the profit as a central matter of the entrepreneurship theory (+). They argue that lack of profit in the beginning years of establishing an enterprise discourages entrepreneurs to stay put. In order for the business enterprise to succeed and stay profitable, every entrepreneur needs to have access to different kinds of resources such as financial capital, human capital, physical capital, and social capital. Each of these resources plays a different but equally significant role in the life of the business. It is assumed that human, financial, and social capitals have a positive impact on the success of the entrepreneur. However, the magnitude of the impact and the circumstances under which they can affect the level of profit remains questionable.

2.3 Women Entrepreneurship

Prior to late 20th century, the number of women entrepreneurs was less than the number of their male counterparts throughout the world and they operated fewer sectors. Thence, the number of women entering the business world has increased in both developed and developing countries. The reason for the rise in female entrepreneurship is due to different driving forces across countries. For instance, in developed countries, career aspiration is the driving factor, while in developing countries; it is the economic necessity and lack of feasible alternatives to provide basic needs of the households (World Bank, 2012, p.3).

The unfavourable social perceptions and practices regarding women entrepreneurs not only resulted in less visibility of women in entrepreneurial activity but also caused it to be understudied. Women entrepreneurs are separated into three classes. They are classified as Created, Forced, and Chanced Entrepreneurs. This classification is based on the approach women had while initiating their businesses. Created Entrepreneurs are women who were motivated by factors such as family, society, and community. Forced Entrepreneurs are women who were constrained by poor economic conditions and tried to find means of survival. Lastly, Chanced Entrepreneurs are women who did not have a specific idea when initiating her business (Tambunan, 2009, p.30).

3. Field research design/ Methods of data gathering

The research was conducted in Kabul city, the capital and largest city of Afghanistan. Kabul is a densely populated city with more than three million inhabitants comprising 10% of Afghanistan’s total population (World Population Review, 2014). Kabul was chosen as the research area because of its dynamic economy with continued private sector growth, including female-led businesses. Moreover, this city is a home for diverse ethnic groups with different backgrounds, traditions, and languages, which makes it a great proxy for women businesses in Afghanistan.

The main criteria for selecting the participants for the survey were based on Moore and Bunter’s definition of female entrepreneurs. According to their definition, a woman is an entrepreneur who has already established a business, operating for at least one year or more, owns at least 50%
of the firm, and manages her business actively (Moore and Bunter, 1997, p.33). This definition was later approved by Organization for Economic Co-operation and Development OECD. Hence following the above definition and considering other aspects of women businesses in Afghanistan the below measures were taken into account to select the sample of this study:

1. The Businesswomen were either sole proprietor or owned 50 percent or more share in the business.
2. The business was diligently managed by the founder or shareholders
3. The business should have been in operation for at least three years.

To figure out the drawn criteria and select the sample entrepreneurs, different organizations such as International Centre for Afghan Women’s Economic Development, the Institute for Economic Empowerment of Women, Afghanistan Chamber of Commerce and Industries (ACCI), and Ministry of Women Affairs were contacted to receive the list of available and active women businesses in Kabul.

Although finding a reliable data regarding the number of women businesses is quite problematic, Afghanistan Investment Support Agency has published a business directory including the list of 300 women-owned businesses from all over the country. As the research area was Kabul a sample of 157 women enterprises operating in Kabul were chosen to conduct the survey. 97% of the interviews were done in face to face and 3% was collected through an online survey. Complete information sheet about the aim of the survey was provided to the interviewees prior to each interview to ensure them about the confidentiality of their data.

In order to accelerate field work and get more responses the questionnaire was uploaded online and the link was sent to relevant organizations. However, this technique was not successful and only 4 informants responded. Prior to the commencement of actual survey, a pilot test was undertaken with six women entrepreneurs to test the questionnaire for clarity, comprehension, consistency, and suitability of questions and items.

### 3.1 Variables and Measures

In order to answer the research questions, this study places an emphasis on two central issues. The first is to select appropriate statistical method and model and second to describe the steps, which are taken in order to:

- Present the demographic and business profile of Afghan women entrepreneurs
- Assess the influence of success determinants namely human, financial and social capital on entrepreneurs success, profit
Assess the impact of entrepreneurship and having independent income on women’s decision making power

Descriptive statistics was used to analyse the demographic profile, business profile and impact of independent income on women’s decision making. To assess the sharing effect of human, financial, and social capitals on the success of the entrepreneurs, which is translated into profit, a number of variables from each source were selected and regression analysis was applied.

Figure 1: Variables used in regression model

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Human capital</strong>: educational level, work experience, relevance of prior work experience to the business, managerial activities entrepreneurship training, age</td>
<td>Profit</td>
</tr>
<tr>
<td><strong>Financial capital</strong>: Initial amount of capital, amount of loan, amount of grant, other income</td>
<td></td>
</tr>
<tr>
<td><strong>Social capital</strong>: family business background, male family member support, network with women business association(s)</td>
<td></td>
</tr>
<tr>
<td>Industry dummy variables: Production, agricultural, services</td>
<td></td>
</tr>
</tbody>
</table>

The success measure was constructed from the firms’ performance and accomplishment in the last three years, which is annual profit earned by the entrepreneurs. This indicator presents the dependent variable of the model. On the other hand, human capital, financial capital and social capital are considered as a success determinants which present independent variables of the model. These factors were obtained from entrepreneurship attributes and characteristics. This approach is partially consistent with similar empirical studies done by (Bosma et al. 2000) and (Fatoki, 2011).

In addition, to check the validity of the regression model from statistical point the following tests were used:
- F-test was conducted to check if model well fits statistically and all independent variables can jointly influence the dependent variable
- Heteroskedasticity test was applied to check if the variance in error term Ei conditional on the independent variables is the same for all combination of outcomes of the independent variables.
- Variance Inflation Factor (VIF) test was executed to check multicollinearity between independent variables. As a result of this test, two variables - average of managerial activities and four binary variables of ethnicity were omitted from the model due to high multicollinearity.
4. Result

4.1. Demographic profile of Afghan Women Entrepreneurs

Women entrepreneurs in Afghanistan come from diverse ethnic groups. They fall into the economically active age of 18 to 60 years old. Most women entrepreneurs are married with three or more children. Afghan women entrepreneurs are well-educated and have coveted degrees from reputed institutions of higher learning. As result indicated that (62%) are university, graduate and only 9% are illiterate. This finding is in contrast to other developing counties where women entrepreneurs are illiterate or less educated (World Bank, 2013, p.10). A great number (82.8%) of the respondent had employment experience before setting up their own business and were satisfied with their prior employment. A great number (80%) of these entrepreneurs belong to educated families. This signifies that if families are educated they encourage women to start their own business or work to side home.

4.2. Business profile of Afghan women entrepreneurs

Women entrepreneurs operate in different sector with simple majority (72%) in traditional sector such as handicraft, food processing and agriculture, and a few (28%) in non-traditional sectors such as logistic, carpentry, ICT services, and business consultancy. Most of the entrepreneurs (58%) are sole proprietors and 22 % are either involved in a partnership or own family business. Personal savings was the main source of initial capital for starting their business. Result shows that 59 % used their personal savings, 20 % received financial support from their families, 13 % received bank loan, and the remaining 6 % received grant from international NGOs. This finding is consistent with the research conducted in Ghana. The study found that, personal savings covered the majority of women entrepreneurs’ initial source of capital (Dzisi, 2008, p.181). Majority of women businesses serve local market. Only 19 % export to other countries such as Tajikistan, Uzbekistan, India, and USA .Cash is the main source of transaction. 74%of women businesses revealed that they prefer to use cash since other means of transactions are not common in Afghanistan.

4.3. Motivation and problems

Motivation: To explore Afghan women entrepreneurs’ motivation for starting their own business, respondents were requested to rank their answers about each motive from not important to very important. 80 % of entrepreneurs ranked the desire for financial independence and autonomy as very important motive, followed by desire to help other women (62%), higher social status and prestige (61 %), better work-life balance (55 %), unemployment and inadequate income to accommodate family’s basic needs (48 %), and lack of higher education to work in other companies (27 %). This finding is in line with other studies in developing countries where the economic necessity, self-fulfilment, and achievement are significant motives for women to
become entrepreneurs. However, in contrast to other developing countries the desire to create jobs for other women was more emphasized.

**Problems:** The study investigated about the challenges that women entrepreneurs encountered. A number of problems have been raised by respondents including insecurity, lack of access to finance, poor market information, inadequate access to raw material, basic infrastructure, male dominated society, corruption, and lack of educational credentials. Among these problems, insecurity was the most hindering factor. Most of the interviewees pointed out that due to insecurity they have lost their potential customers and closed their branches. In addition, insecurity restricted their mobility and access to regional and national markets. Limited access to financing was the major problem at the start-up.

**4.4. Impact of Human, Financial, and Social Capital on the Success of Women Entrepreneurs**

This section assesses the contributive effect of human capital, financial capital, and social capital on the success of women entrepreneurs. Success is measured through the amount of annual profit that entrepreneurs made in 2015. The rationale behind the selection of profit as a success indicator has been discussed in section 3.1 under the theoretical framework. It is hypothesized that Human, Financial, and Social capital have positive impact on profitability. To test this hypothesis, total annual profit made in 2015 was regressed over the variables indicating human, financial and social capital.

**Table 2 Estimation Results for Annual Profit (logarithm)**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Beta Coefficient</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Human capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.724849</td>
<td>0.1360</td>
</tr>
<tr>
<td>Years of education</td>
<td>0.059204</td>
<td>0.8104</td>
</tr>
<tr>
<td>Years of work experience as an employee</td>
<td>0.504943</td>
<td>0.2300</td>
</tr>
<tr>
<td>Experience in the sector</td>
<td><strong>0.184219</strong></td>
<td>0.0395**</td>
</tr>
<tr>
<td>Training</td>
<td><strong>0.042523</strong></td>
<td>0.0390**</td>
</tr>
<tr>
<td><strong>Financial capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial capital</td>
<td><strong>2.459106</strong></td>
<td>0.0000***</td>
</tr>
<tr>
<td>Amount of grant</td>
<td><strong>1.181334</strong></td>
<td>0.0143**</td>
</tr>
<tr>
<td>Amount of loan</td>
<td>-0.019735</td>
<td>0.5187</td>
</tr>
<tr>
<td>Other income</td>
<td><strong>-0.607513</strong></td>
<td><strong>0.0604</strong>*</td>
</tr>
<tr>
<td><strong>Social capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business linkage</td>
<td>0.539297</td>
<td>0.0245**</td>
</tr>
<tr>
<td>Membership in ACCI</td>
<td>0.316615</td>
<td>0.4540</td>
</tr>
<tr>
<td>Membership in WBF</td>
<td>0.227140</td>
<td>0.6145</td>
</tr>
</tbody>
</table>
Table 2 shows the regression results of the above hypothesis. The model is significantly different from zero under F-test, which means model is fit within the population. All variables can jointly influence the annual profit or the dependent variable. In addition, VIF score of less than 10 was obtained for all included variables in the model. The coefficient of determination (R^2) indicates that 80.45 percent of variations in the dependent variable, annual profit, is explained by explanatory variables, namely, human capital, financial capital, and social capital.

From human capital, two variables are significant. Prior experience in related sector was significant at 95% confidence interval. This shows that keeping all other variables constant, entrepreneurs who had relevant experience in the sector prior to starting their business earn 18% higher profit than those who are lacking this experience. Women entrepreneurs who attended start-up business training made 4 percent more profit compared to their counterparts, keeping other factors constant.

Other variables such as age, education, and work experience of the entrepreneur as an employee were not statistically significant. Education does not have any significant influence on profit. The reason could be that the majority of women operate in handicrafts, clothing, agriculture, and food processing sectors. These sectors are considered low-skill labor and do not require a formal higher college degree to be able to operate in. These skills are learned through family and friends in the neighborhood. Therefore, having a formal education does not translate into profitability. This finding is further supported by a study carried out in developing countries that focuses on the relationship between human capital and successful entrepreneurship. A study indicates that education does not necessarily provide the knowledge and skills needed to succeed as entrepreneurs in developing countries (Unger, 2006, p.12).

With respect to the financial capital variables, three types are significant: Initial amount of capital, grant received, and other income (money earned by entrepreneurs as employees in other

<table>
<thead>
<tr>
<th>Membership in AWBC</th>
<th>-0.127326</th>
<th>0.7468</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family support</td>
<td>0.227031</td>
<td>0.0502*</td>
</tr>
<tr>
<td>Agricultural and food processing sector</td>
<td>0.215517</td>
<td>0.6211</td>
</tr>
<tr>
<td>Handicrafts sector</td>
<td>0.478584</td>
<td>0.1545</td>
</tr>
<tr>
<td>Conistant</td>
<td>3.350221</td>
<td>0.0123**</td>
</tr>
</tbody>
</table>

Number of observation: 148
R-Squared: 0.804513
Adjusted R-squared: 0.771932
Prob(F-statistic): 0.000000

* Significant at 10% level, **significant at 5% level, *** Significant at 1% level
organizations). Initial amount of capital is highly significant. One percent increase in initial amount of capital increases the profit by 2.5%, keeping all other factors constant.

Regarding social capital variables, family support and business linkage (being in contact with other entrepreneurs) positively influence profit. Being in contact with other entrepreneurs provided the opportunity to participate in trade exhibitions and increase number of customers. Membership in none of the women business organizations are significant. One of the interviewees who had a senior position in Women Business Federation (WBF) mentioned that “The reasons that WBF was not successful to support women entrepreneurs are lack of adequate functioning strategy and framework for federation, existence of nepotism, and absence of observation and monitoring system.

Dummy variable for agricultural sector, handicrafts sector and services sectors were also added in regression to check if profitability of businesses differs in different sectors, but none of them were significant (service sector was base group).

4.4 Impact of Entrepreneurship on Women’s Empowerment

The main objective of empowering women is to make them financially and socially independent. The result shows that 99 percent of women consider having an independent income to be an important factor for their empowerment. This result is backed up by the previous findings that the desire for financial independence and autonomy was the main motivating factor for women to become an entrepreneur. Similarly, majority of women (96%) stated that having independent income enabled them to influence the decision made within family.

Women entrepreneurship not only led to an improvement in decision-making power but also enhanced their self-confidence and mobility. As finding indicates 84 percent of women felt that their self-confidence increased because of having an independent income. In addition, before having independent income only 41 percent of women were allowed to travel alone, but this statistic has been increased to 83% when they started earning income.

5. Discussion & Conclusion

The economic empowerment of women has not been an area of focus in this past decade relative to the resources deployed by foreign aid in Afghanistan. Women economic participation has mainly been neglected in favour of vocational training and micro-jobs like sewing and learning how to use a computer.

---

1 Profit, initial amount of capital, amount of grant, and other income are in log form therefore shows only percentage changes.
The research indicates that tremendous talent has been left untapped in Afghanistan due to the lack of industrial presence and efficient banking system. Therefore, very few women entrepreneurs have been able to create businesses in logistics, business consultancy, ITC services, etc. As result indicates, women entrepreneurs are well-educated and have coveted degrees from reputed institutions of higher learning. However, a mismatch exists between the skills learned at school and skills needed as an entrepreneur. The mismatch in level of education and profession could be attributed to the followings:

- Lack of industrial presence in Afghanistan: This leads to not finding employment in areas where a university degree is needed to perform. As an alternative, both men and women in larger degree are forced to start a business that requires little or no education.

- Lack of banking: Lack of developed banking sector is another hindrance that could explain the mismatch between talent and profession. As demonstrated by the result of the regression, initial capital is very important in building a profitable company. Since most loans are given to people with real estate collateral, it is extremely difficult to get approved for unsecured loans. Therefore, one of the businesses that do not require a high amount of initial capital is the handicraft business and women are naturally swerved towards opening this business. If banking sector was robust or government had a loan program for small businesses, these programs would help establish various ventures that could flourish the economy and employ talent in every sector.

In addition, market size is limited for most women entrepreneurs. This is due to the fact that women are still restricted to their cultural and traditional roles. It is not socially acceptable for women to open shops in markets and interact with men. Most of the participants recommended the government and other international donors to open women-only markets and ease their access to national and international markets. However, opening women-only market may not remove all social restrictions women entrepreneurs in Afghanistan face. It may only change the nature of the problem they encounter. The above challenges are also found for women entrepreneurs in other developing countries. For instance, a study in Pakistan reported that credit inaccessibility, lack of market information, social roles and male dominated society were the main hindering factors for Pakistani women entrepreneurs (Adeel 2012, p.182).

The result shows that business grant for women had positive impact on profit. This signifies the importance of grants for entrepreneurial activities to flourish. As most women in Afghanistan lack much needed collateral for bank loans, this type of affirmative actions can greatly support their businesses as it proved to be an effective policy tool in supporting and promoting women’s businesses in other developing countries as well.

Furthermore, entrepreneurship training was one of the other factors, which positively influenced the profitability of the businesses. However, the contribution of training to profit was low. This can be improved if these trainings adopt active learning style and teach how to bring innovation and
new features in their product and services and how to find more cost effective ways to produce products and render service.

The findings show that family support is significant for the success of women entrepreneurs. This is because women at their very first step need their family support to start a business. Families inspiration and motivation can play an important role in women’s business performance. Moreover, women entrepreneurship activities improved their gender role and social status. When women are economically independent, it does not only provide her with a better quality of life but also improves her gender role and social status. It enables women to contribute to her family’s expenses for better accommodation, education for children and healthcare. Therefore, this gives her more weight in family’s decision-making.
References


