WOMEN AND THE ECONOMY:
LESSONS LEARNED ON OPERATIONAL APPROACHES TO WOMEN’S ECONOMIC EMPOWERMENT IN AFGHANISTAN

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INTRODUCTION

In Afghanistan, women’s economic empowerment has become a national development priority, integral to the country’s growth and sustainability. On March 8, 2017, the Government of Afghanistan (GoIRA) launched the Women’s Economic Empowerment National Priority Program (WEE-NPP) “to support economic participation as a means to increase women’s agency in development.”1 Furthermore, the WEE-NPP is based on the understanding that, “increasing women’s ownership over economic assets and activities will help improve the overall well-being of families and the overall economy.”2

Efforts over the last ten years by the GoIRA, donors, and civil society organizations have supported progress for women and girls, including in education, political participation and their increasing economic role. Yet Afghan women remain concentrated — especially among the poor — in informal, precarious self-employment and micro-enterprise rather than formal wage jobs. According to the most recent estimates, unemployment is particularly severe among women at 36.8 percent, versus 12.9 percent for men and a national average of 22.6 percent.3 As of 2013-2014, only 20.3 percent of Afghan women above the age of 15 are literate4 (versus 50.2 percent for men) in a context where jobs available to those without basic literacy and numeracy skills have sharply declined.5 Therefore, a national platform for WEE is of paramount importance to preserve the progress attained in the past decade and promote an inclusive approach to improving women’s access to economic opportunities.

This brief presents lessons learned on operational approaches to women’s economic empowerment in Afghanistan. It is based on a background study undertaken by the World Bank to support the GoIRA in realizing the expansive vision laid out in the WEE-NPP. The study combined a synthesis of previously existing WEE literature in Afghanistan with findings from a large-scale mapping exercise of program implementers across Afghanistan.

The mapping exercise, conducted from September through November 2016, involved both qualitative and quantitative
data collection with a sample of 64 in-depth interviews and 16 focus group discussions. Interviews were attempted in all 34 provinces by the field team, however, due to non-contact, refusals by respondents, and security limitations, the final sample included 21 provinces. Respondents were 18 years old or older, male and female, and represented a range of levels across the professional organizations involved, from monitoring and evaluation specialists to directors. The mapping exercise focused predominantly on program implementers in order to impart their concrete understandings of the dos and don’ts for WEE programming in Afghanistan. The mapping exercise strove to provide a comprehensive snapshot of the geographical concentration and spread of women’s economic empowerment programs. However, given the range of constraints that prevented the research from extending into all regions of Afghanistan, it is not possible to definitively determine the full extent of WEE coverage in the country. The complete results from this study are available in the April 2017 report, Mapping and Lessons Learned from Women’s Economic Empowerment Programs in Afghanistan.

DEFINING WOMEN’S ECONOMIC EMPOWERMENT (WEE)

WEE is not a straightforward concept to define. Some people will understand it as specifically providing economic opportunities for women (e.g. a project that links women to market access), while others may understand it much more broadly as creating the enabling environment for women to participate in economic activities (e.g. providing literacy programs so women can maintain trade relationships in the market once they have access). The literature on WEE highlights that enabling initiatives are necessary for creating a path toward gender equality, inclusive growth, and poverty eradication. Furthermore, some argue that such enabling efforts must precede those initiatives intended to directly link women to economic opportunities. Yet in practice, given budget constraints and concerns about a single project unsuccessfully taking on too many goals, WEE programs are often narrowly designed to tackle only employment status and earnings. As a result, there is not consensus on the definition of programs to be included under the WEE umbrella.

The GoIRA’s six-pillar WEE-NPP incorporates the broader definition of women’s economic empowerment for Afghanistan. This means that it encompasses actions that both enable and boost women’s opportunities for income-generation. To this end, the first two WEE-NPP pillars focus on “enabling actions” to facilitate WEE, including overcoming legal and regulatory barriers and strengthening the production of gender statistics. The remaining four pillars address “productive activities” that more directly lead to WEE in the areas of: financial inclusion; training and capacity building; and the development of better access to inputs, extension, and markets in agriculture and the creative industries (see Table below).

<table>
<thead>
<tr>
<th>WEE-NPP STRATEGIC COMPONENTS</th>
<th>ENABLING ACTIONS</th>
<th>PRODUCTIVE ACTIVITIES</th>
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<tr>
<td></td>
<td>(reforms that improve the regulatory and normative environment)</td>
<td>(programs that provide resources directly to women)</td>
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<tr>
<td>1. Increasing the accessibility and analysis of gender statistics;</td>
<td>3. Training in Literacy, Business management and Labor skills;</td>
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<tr>
<td>2. Removing legal barriers to women’s participation in the economy;</td>
<td>4. Ensuring inclusive access to finance;</td>
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<td></td>
<td>5. Improving access to agricultural inputs, extension services, and markets;</td>
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<td></td>
<td>6. Promoting access to creative economy markets.</td>
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The WEE-NPP draws upon earlier government-led initiatives to increase women’s economic empowerment, including: the gender components in the Afghanistan Compact; the 2008-18 National Action Plan for the Women of Afghanistan (NAPWA); and the 2008 Afghanistan National Development Strategy (ANDS).6

LESSONS LEARNED FROM WEE PROGRAMS IN AFGHANISTAN

The following lessons learned on operational approaches to WEE in Afghanistan relate to both the enabling factors that foster WEE and the productive investments that lead to WEE. These lessons are intended to support program funders, designers, and implementers in their quest to develop more effective initiatives that have sustainable economic empowerment results for women.

LESSON #1:
WOMEN’S ECONOMIC EMPOWERMENT MUST BE CLEARLY DEFINED

The lack of a clear, consistent definition for Women’s Economic Empowerment significantly limits how projects can monitor and measure the effectiveness of WEE activities.

Furthermore, the research shows that many WEE programs structure goals around short-term outputs (such as the number of women trained, number of women receiving agricultural inputs, etc.) rather than longer-term outcomes that can demonstrate economic empowerment. Longer-term outcomes are always challenging to measure. Nonetheless, when programs do not monitor results beyond immediate outputs, nothing can be learned about the ways an intervention has or has not effectively promoted WEE. Furthermore, the research shows that when programs lack a clearly defined understanding of WEE goals, 

it is far less likely that there will be meaningful, achievable WEE-related outcomes.

This is not to say that all programs should or could aim to work all at once on the range of enabling actions and productive activities that WEE encompasses. However, the lack of recognition that different categories of activities come together to foster WEE creates difficulty for monitoring and measuring WEE and improving WEE indicators. This then limits both the evidence for and scalability of effective WEE programs.

**Lesson #2:**
**WEE Effectiveness Depends on Accurate Gender Statistics**

*Gender statistics must be improved in Afghanistan to meet goals related to addressing gaps in WEE knowledge, developing cohesive WEE programming, and accurately tracking WEE impacts over time.*

Data collection for gender statistics in Afghanistan is currently a largely fragmented process. Officially, the Afghan Central Statistics Organization (CSO) manages national data collection and dissemination. Given limited government resources and capacity however, data used to inform policy and programming comes from a range of uncoordinated stakeholders including donors, program implementers, and civil society organizations, among others. The inconsistencies in overall data collection and analysis processes complicate the interpretation of gender-specific results. A 2013 World Bank report, *Women’s Role in Afghanistan’s Future*, acknowledged that the limited access to quality statistical data has meant that, “some issues women face in Afghanistan are still poorly understood and difficult to analyze.”

For program funders, designers, and implementers to determine the best approaches to WEE for a given context and community, it is crucial to grasp the local conditions and dynamics. The absence of such data has direct implications for the quality of resulting WEE policy and programming.

This knowledge gap poses a fundamental challenge to programs intended to assist women.

Moreover, such insufficient and unstandardized data does not only interfere with program relevance and quality; it also disrupts stakeholder collaboration. Programs implemented by different actors can unintentionally clash if developed based on data that is not consistent across the initiatives. While having centralized and standardized gender statistics would not be a panacea for all collaboration issues, working from consistent and trusted data would contribute to greater alignment among initiatives. Furthermore, it is essential that gender statistics be made publicly available so that progress on key outcomes related to women’s economic empowerment can be tracked transparently.

**Lesson #3:**
**Literacy and Numeracy Deficits Hinder WEE**

*For the majority of Afghan women to benefit from WEE initiatives, literacy and numeracy education must be integrated into WEE skills-training programs.*

It is widely recognized that Afghan women’s limited literacy and numeracy skills continue to create formidable barriers to their economic empowerment. Although younger Afghan women have achieved higher levels of education compared to their historical counterparts, female illiteracy in Afghanistan is still the norm. Only 20.3 percent of Afghan women above the age of 15 are literate. Yet many capacity-building interventions take basic literacy skills for granted when aiming to transmit skill-specific training. This is also the case for soft-skills to which women, particularly those from poor, remote areas, have limited or no exposure.

The study shows that again and again, capacity building efforts do not achieve their intended skill-specific goals, because participants lack appropriate foundational knowledge. Therefore, even when women have unprecedented access to skill-building opportunities, if they

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participate without the requisite skills they are unlikely to attain the full benefits from these opportunities.

As a result, training needs to encompass a broader set of skills that will enable women’s social and economic empowerment. This guidance is not to insist that all training covers all issue areas. The study captured examples of integrated programs that account for gaps in women’s education and soft-skills capacity building, while also transmitting tangible, market or sector-oriented skills. First, basic literacy and numeracy education can provide an entry point to engage women with limited income generation experience. However, it is important to define and measure this clearly so that it goes beyond enrollment. Once women are engaged, the fundamental literacy skills they develop provide a foundation from which they can expand their capabilities, engage in entrepreneurial activities, and develop individual empowerment. Furthermore, linking literacy and numeracy skills with vocational training provides women with choices that then include pursuing their education and/or more easily engaging independently in economic activities.

Agha Khan Foundation (AKF) on WEE programming

The non-profit Agha Khan Foundation (AKF) offers a range of integrated strategies for WEE programming. The foundation utilizes group-based organizational structures for their Savings and Credit Groups. Working with women in groups allows the foundation to go beyond providing basic savings and credit services, because the group structure provides a vehicle to offer literacy and life skills training, and disseminate market information and other resources, which has enabled women access to information and resources, as well as savings and credit opportunities.

As a result of having opened offices at the local level, the AKF has developed strong links with communities. This has allowed staff to become familiar with the local economic and social contexts and the kinds of problems women encounter in their businesses and when seeking market access. The foundation designs programs so that they tackle both social and economic empowerment, because they believe this to be mutually reinforcing and provides opportunities to develop women’s leadership capacities and their decision-making skills.

As learned in an in-depth interview conducted for the mapping exercise, the AKF views these savings and credit groups as a mechanism in which “we can engage women because it is a place they can come together comfortably and discreetly.” With the trust that they have built with communities, these organizations often have more and better avenues with which to reach out to women than representatives of other kinds of organizations and even government institutions.

Second, general vocational training can be compatible with building soft-skills. For example, incorporating leadership, decision-making, and confidence building into sector-specific training exposes women to complementary soft-skills that can better equip them to independently put their hard-skills into practice. Third, multifaceted programs that incorporate complementary services (e.g. public awareness-raising, facilitated access to finance and/or markets), either directly or through collaboration with related programs, will better equip women to manage the range of constraints in the economic sphere. Such integrated approaches can potentially achieve longer lasting impacts and lead to positive attitudinal changes in local communities.

**Lesson #4:**

**WEE STARTS IN THE SOCIAL SPHERE**

*Interventions should develop and strengthen social bonds among women; enabling and sustaining WEE in the long-term.*

Women’s economic empowerment starts in the social sphere. Economic empowerment does not develop at the individual level, for either men or women. Fundamentally it is a collective phenomenon. Therefore, while WEE programming in Afghanistan must account for restrictions on women’s public gathering and general mobility, it should also incorporate alternative vehicles through which women can develop the social networks required for WEE. The research shows that women’s cooperatives and associations have the potential to offer this.
Recognized good practices by cooperatives and associations are those that specifically offer platforms for women to access social spaces to meet, exchange ideas, interact, and mutually support each other. The study shows that direct investment in women’s groups that promote social empowerment and self-efficacy to improve women’s economic outcomes contributes to increasing women’s voice and autonomy in economic decision-making. However, the study also showed that without systematic support and recognition of the social empowerment component, such groups remain relatively informal and the economic outcomes are thus stunted or diminish over time. The study provided insight into several tangible ways that programs can improve their support in this area. These include:

**Investing in multi-purpose women’s groups:** Evidence shows that basing groups on a dual-pronged savings/credit and production approach is a mutually reinforcing strategy. From the savings/credit side, groups build and maintain social capital while creating an effective, and often first-time, channel for pooling capital and savings that they can be extended as loans. The production side allows for streamlined connections to the market and builds economies of scale by collectively: purchasing inputs such as machinery; marketing goods produced; gathering much needed market and business information; and developing marketing strategies, market linkages, and problem-solving. An important challenge to the success of this approach is that the capital available to savings/credit groups can be too minimal to allow women the opportunity to invest in other ventures. Therefore, programs intending to build such multi-purpose organizations must be prepared to manage this constraint.

**Going beyond start-up support:** Projects often focus support on group formation. However, women’s cooperatives and associations require more than start-up support. Without ongoing follow-up, including soft-skills support, economic cooperatives and associations are unlikely to be sustainable. Even when organized, women continue to face daunting access and operational challenges related to credit, markets,
information and technology, among others. This means that projects need to explicitly incorporate plans for how these groups can continue independently, for example by providing institutional strengthening and other related skills training.

Recognizing the value of women’s group investment beyond the immediate economic function: Once established, women-centric spaces developed to meet savings/credit and productive needs can become communal mechanisms available to meet additional needs. For example, for women who have not had access to literacy and numeracy training opportunities, membership in a savings/credit group can provide them access to these kinds of opportunities or to other services that would support their economic integration and sustainability.

Utilizing technology to develop “communal” spaces for women facing mobility constraints: The study captured that mobile technology and the internet are providing complementary and alternative ways for women to expand their social sphere, which then increases their connections to one another, and to customers and markets. This is particularly important for women that rely on home-based economic activities or whose mobility is restricted. Furthermore, technology-enabled social network expansion, through accelerated financial transactions and increased access to information, has improved business viability. Program implementers are enthusiastic about engaging with technology to support women, with particular interest from within the private sector. However, there remain significant gaps between such services and the women who would benefit from them.

In addition to emphasizing the critical nature of support for WEE in the social sphere, the research is also cautionary. Given the extent of structural inequality in Afghanistan such support needs parallel investment to create “an enabling environment conducive to the emergence of a level playing field for all actors in the value chains, regardless of gender.” How to effectively support this “social empowerment” alongside WEE is an area that requires further research.

Lesson #5: WEE CAN BE BOTH PROFITABLE AND CULTURALLY COMPATIBLE

Resistance to WEE can be overcome with initiatives that support women in productive activities that are both profitable and consistent with cultural norms

In areas of Afghanistan where there is resistance to women’s economic participation, WEE initiatives confront a fundamental dilemma. On the one hand, support for women in sectors where they have not traditionally been involved can provoke community backlash. On the other hand, support for women within their traditional spheres (in areas like subsistence agriculture and handicrafts) can mean investment in products or services that have limited market demand and therefore limited possibility for income generation. For example, the study showed that donors and the Afghan government continue to pursue WEE by investing in the creative industries, a sector that traditionally involves women. However, because the markets for many creative industry goods are restricted, these investments have only minimally increased women’s contribution to household earnings and therefore do not necessarily lead to WEE.

Addressing this dilemma, the study suggested a strategy whereby donors identify and invest in activities that have both demonstrated market demand, and are within culturally-accepted sectors. For example, several agricultural sub-sectors that are traditionally socio-culturally appropriate for women, including those for subsistence production like small livestock/poultry, horticulture, and animal bi-products, offer yet untapped income generating opportunities. Women currently play a central role in preparing and processing animal bi-products (food products like eggs and milk; non-food products like wool and dung cakes for household fuel). Women’s traditional responsibilities have been geared toward domestic purposes, but given the demand for these products, they provide an entry point to expand into sales and direct income generation. In horticulture, women’s in-

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*Saeed Paro et al., “Gender and the Agricultural Innovation System in Rural Afghanistan: Barriers and Bridges” (Kabul, Afghanistan: Afghanistan Public Policy Research Organization, 2011).*
Involvement is typically at the lower rungs of the value chain. However, women’s ongoing participation in this sub-sector means that targeted value chain interventions can support women moving into higher-value products.

Similar to the message conveyed in other lessons discussed above, investing in these opportunities, whatever the sector, is only the first step. Complementary measures related to issues such as finance and property ownership must be enacted to sustain these advances over the long-term. Finally, this suggested focus on profitable activities within traditional women’s sectors is an intermediate strategy to overcome community resistance. Over the long-term, “perspectives will change and opportunities will arise to expand the scope of women’s activities into productive areas currently dominated by men.”9 Therefore, it is important to continue to investigate and cultivate such opportunities that will expand the possibilities to achieve WEE.

**Lesson #6: Traditional Credit Is Not Enough to Achieve WEE**

*For financial inclusion to be effective, it must incorporate more than traditional credit; it must feature a women-centered design that addresses the unique barriers women face*

The research shows that offering financial products that women can and are willing to access is essential. Adjustments to loan products that have demonstrated some suc-

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cess meeting women’s financial needs include those that provide flexible repayment plans, accept alternative forms of collateral, and offer Sharia compliant loans that are compatible with cultural and religious norms. However, although financial inclusion is a necessary component of WEE, the evidence shows it has limited impact when provided as a stand-alone solution. The financial service industry in Afghanistan has long been male-dominated and the constraints women face go beyond their direct access to financial products and services. Related issues that will arise for women accessing financial services include (but are not limited to): the legal constraints that minimize women’s access; minimal financial knowledge; lack of resources that would provide women support to manage financial challenges that arise or spaces where they can connect to one another to provide such support.

The research shows that women using loans for the first time require capacity/confidence building interventions to use credit effectively and to address social empowerment issues in their communities. Facilitating poor women’s access to loans and savings for effective credit utilization therefore needs to be supported in parallel with complementary non-credit interventions such as: financial literacy, training in basic business skills, and accessing markets. Furthermore, soft-skills training that has proven beneficial includes confidence building for the women participating and awareness-raising for their family members, particularly spouses. Developing and sustaining women-centered credit provision will require targeted identification of the constraints facing each female borrower, and should include the necessary mitigation measures as part of the credit provision.

**LESSON #7:**
**DONORS MUST DEVELOP AN EXIT STRATEGY FROM WEE PROGRAMS**

In a context such as Afghanistan, with heavy reliance on donor funding, it is integral for donors to build an exit strategy into their programs for WEE gains to be sustainable.

It is widely acknowledged that effective cooperation among donors, and between donors and communities, is particularly important for WEE initiatives. This is especially the case in Afghanistan, where behavior and cultural norms must be considered when crafting effective policies and programs to promote women’s empowerment and gender equality. However, there is little attention paid to what could happen once donor funding ends. The research shows that WEE programs often follow the lifecycle of donor funding. This means that when the donor support stops, so do the gains related to women’s economic access and associated
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behavioral and social changes. Furthermore, when the donors are no longer involved, the gains achieved are often reversed. Therefore, programs need to have a built-in exit strategy for the donor. While a single exit strategy will not solve post-project difficulties, like a lack of strong local institutions, having such a plan in place and shared with partners will improve the likelihood that benefits continue beyond the project period.

The development of an effective exit strategy cannot happen without improved cooperation and coordination among multilateral and bilateral donors, especially in geographical areas that are more resistant to WEE programs. Effective donor coordination will also help collaboration with program implementers in terms of identifying the necessary institutional and procedural structures to implement the exit strategy.

Finally, building trust and local ownership is important for a donor’s eventual successful exit. This can happen by prioritizing and facilitating greater local ownership in the design of WEE programs through consultation and partnership with provincial authorities and local actors. Program sustainability after donor departure will increase with a long-term commitment to WEE, adequate technical and financial support to strengthen the economic infrastructure, and strong and regular monitoring of program outcomes.

**FINAL NOTE TO FUNDERS AND POLICYMAKERS FOR WEE IN AFGHANISTAN**

Several key recurring themes emerge when these seven lessons are considered together:

First, illiteracy and innumeracy appear to be the binding constraint across WEE programs. Therefore, this educational deficit cannot be considered as a stand-alone lesson or an isolated pillar within the WEE-NPP. Instead, illiteracy/innumeracy must be understood as a factor to be consistently addressed across interventions and sectors.

Second, women’s successful participation in economic activities is inextricably linked to the social sphere. Program design across all sectors needs to consider both the constraints and opportunities that exist for women in social spaces. Barriers in the social sphere will translate into barriers in the economic sphere if not adequately addressed.

Third, a number of the lessons learned identify problems that result from donors and the government relying on long-standing strategies despite evidence that these do not reach the intended goals. Key cases of this discussed above include 1) relying only on traditional credit options for women, and 2) continued intensive investment in creative industries which have shown to only minimally increase women’s contribution to household earnings. Given that these lessons question the effectiveness of commonly selected strategies, any divergence from them will likely face challenges. However, to achieve the anticipated results for women in Afghanistan, donors, the government, and program implementers must be willing to disrupt and replace longstanding practices that the evidence shows do not work.

When considered alongside evidence from international experience, these lessons learned, and the dominant themes that emerge from them, demonstrate how providing women with combined economic and social support can reduce barriers to productive opportunities. Moreover, the research shows that to be effective, this complementary social support needs to include: (i) greater women’s engagement in the social sphere for networking and cooperation, and (ii) engaging with women’s role models. Specifically, it shows that program design that takes these factors into consideration and fosters woman-to-woman peer support and mentoring greatly reduces many of the cultural and attitudinal issues known to hinder or prevent women’s economic participation.

These lessons learned capture what works to empower women economically and start closing the knowledge gap. At the same time, there needs to be further re-
search on unaddressed issues such as the costs of short-, medium-, and long-term interventions, and women’s preferences for and receptiveness to WEE programming. These additional findings will help donors and policymakers strengthen implementation of the WEE-NPP. However, this research should not be ad-hoc. Instead, it should be included within a Roadmap for Action that incorporates evidence-based activities targeted to specific groups of women so they can overcome WEE challenges and constraints. Such a roadmap will support multi-sectoral interventions for greater impacts of WEE activities and when necessary provide room for innovation. The roadmap will further address remaining questions and knowledge gaps in the Afghan context and will provide donors and policymakers timely insights to re-align funding and priorities based on the effectiveness of interventions (The Table below provides an exemplar roadmap).

<table>
<thead>
<tr>
<th>Evidence based interventions</th>
<th>Poor entrepreneurs</th>
<th>Poor farmers</th>
<th>Non-poor urban</th>
<th>Poor urban</th>
<th>Young</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-help groups and micro-savings</td>
<td>Extension services, Self-help groups and micro-savings</td>
<td>Non-traditional female training</td>
<td>Conditional cash transfers</td>
<td>Demand-driven training and job placement</td>
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</table>

| Innovative interventions | Seed funding and mentorship | Farmer schools for literacy/numeracy and farming | Provision of childcare centers | Provision of childcare centers | Digital literacy training and placement in the digital economy |

**WHY ADOPT A ROADMAP FOR ACTION APPROACH?**

Donors and policymakers often revert to results-based approaches to tackle complex thematic issues such as WEE, which leads to considering each result the isolated responsibility of a specific sector. This is understandable, especially in contexts of extreme poverty where the main priority is to increase the earnings of the extreme poor. However, the economic empowerment of women in Afghanistan, especially those who are very poor, encompasses greater complexities such as illiteracy, conservative norms, and the absence of effective institutions. In such a context, improving processes, strengthening women’s agency, and increasing literacy become as important to WEE as increasing income and earnings. Therefore, a multi-sectoral approach laid out within a Roadmap for Action would provide a mechanism to achieve long-lasting results for women’s economic empowerment in Afghanistan.