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Private Sectors in Afghanistan

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Private Sectors in Afghanistan

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Insight Consulting Group (ICG) is located in Kabul, Afghanistan. ICG is an Afghan owned company which has positioned itself since 2001 in Afghanistan as an end-to-end services and consulting company, specializing in fields such as private and public sector consulting, marketing and business development. It has successfully serviced both the private and public sectors in Afghanistan. Insight Consulting Group's head office is located in the heart of Kabul city, along with Regional offices in Herat, Mazaar, Jalalabad & Kandahar city. Working as an intern with the Group inspired me to write my final paper on private businesses in Afghanistan.

Observation during my internship with the Insight Consulting Group is that it seems to be a successful company even though it is very small. It was comprised of 16 staff members in its Kabul headquarters office. There are more people employed in sub-offices however not a significant amount. All of the people employed with the company came with a very high caliber of experience and dedication to the company's mission. They are a highly professional staff and this fact alone contributed greatly to its successes. ICG's core strength is international experience and expertise, which its top management brings for the offering. The Insight consulting Group's Core-competency in Afghanistan lies in conducting market research, offering competitive analysis and high quality data for discriminating clients, identification of key strategies for success in operations, recruitment, marketing, and management.

According to the Insight Consulting Group's profile, the main challenge that businesses are facing in Afghanistan is in the aspect of navigating the political and the

cultural landscape. Highly professional Afghans are needed who understand the needs of an international client. They also must have the right skills, such as, international knowledge and experiences, good communication skills, knowledge about various business cultures and environments. They need basic technical skills such as use of computer soft ware programs i.e. MS Word, MS Excel, MS PowerPoint and unique on-ground connections to successfully deliver on assigned tasks. I was impressed as to Insight Consulting Group having a well-educated and professional staff on board, which 100 percent carried out the various responsibilities or jobs taken by the consulting group.

Insight Consulting Group also functioned as a Manpower recruitment agency in Afghanistan. ICG incorporated qualified and specialized manpower requirements necessary for International business houses in Afghanistan and they were able to respond to evolving requirements of the business sector instantaneously. ICG possesses expertise in the following areas:

- Strategic Hiring
- Staffing
- Training
- Operational Service Solutions

Insight Consulting Group's HR team, comprising of experienced and dedicated consultants, focus on delivering expert services to the specific needs of their clients.

In order to give an overview of the activities of Insight Consulting group, I listed the following activities and projects that ICG has already completed or were in progress when I left.

Projects Successfully Accomplished in Afghanistan:

- ❖ Identification and testing of over 400 young Afghans in Kabul and Herat for Etisalat.¹ Interview and selection of top candidates for training and employment.
- ❖ Investment conference for the Afghan Business Council in Dubai with over 500 attendees
- ❖ Business development assistance to small businesses in Afghanistan
- ❖ Market research and business plan for a flour mill in Kabul
- ❖ Market research for women's fashion business and translation business
- ❖ Training of Afghans for participation in the U.S. Institute of Peace conferences and various other non-governmental organizations (NGO's)
- ❖ Research and report of an inclusive security plan, an initiative of Harvard University, USA.

Ongoing Projects:

- Testing and interviewing of young Afghans across Afghanistan (Jalalabad, Mazar, Herat, Kabul, Kandahar) for Etisalat
- Logistics services support to Etisalat for its roll-out across Afghanistan
- Marketing services support to Etisalat
- Managing Govt. relations and Recruitment for Etisalat Afghanistan
- Collection of data on existing mobile users for Market research
- Production for Etisalat's Interactive Voice Response System

¹ Etisalat is a newly established GSM operator in Afghanistan. In May 2006 Telecommunications Corporation [Etisalat of the United Arab Emirates] signed an agreement with Afghan authorities in Abu Dhabi, U.A.E. to operate a GSM network across Afghanistan and become the fourth GSM operator in the country.

Insight Consulting Group supports and utilizes local resources where possible. And, it has strong working relationships with other local Afghan companies and utilizes their expertise when required. Furthermore, ICG has strong relationships in Afghanistan with the Afghan government including the Afghanistan Investment Support Authority (AISA), Ministry of Finance, Central Bank, Ministry of Commerce, Ministry of Communications, and Ministry of Urban Planning. Apart from possessing strong relations with the above listed Afghanistan institutions, ICG also has good relationships with many International agencies like United Nations Assistance Mission of Afghanistan (UNAMA), World Bank, Mercy Corps, CARE and Medicale Mondale.

I worked with the Insight Consulting Group as a business development associate. During my internship, I worked on proposals for small businesses; contributed to the section on women's rights for Afghanistan largest rule of law project, assisted in elections of the Chamber of Commerce and Industries etc. Most of the business proposals that I developed were for United States Agency for International Development (USAID) projects. (See Appendix A). While developing business proposals, I learned not only about USAID proposal criteria, but also about different projects of USAID that private businesses are the contractors and implementers of the projects. USAID's projects are very helpful and contribute extensively to the economic growth in Afghanistan. For example, based on USAID website, "USAID's total budget in Afghanistan over the past

six years breaks down into the following amounts: pledged-\$6.3 Billion, Obligated-\$5.1 Billion, and Disbursed- \$ 3.4 Billion.”²

As an intern, I experienced the challenges that the private sectors faces while bidding on USAID or sub-contractors of USAID projects. USAID announces its projects and circulate requests for proposals (RFP) among all of the registered organizations. Once these organizations receive RFP, they submit their proposals and budgets for the project to USAID. Eventually, USAID finalizes and gives the project to the selected organization.

Also, there are some sub-contractors of USAID such as BearingPoint, Afghanistan Small and Medium Enterprises Development (ASMED) that get projects from USAID and award them at lower prices to other organizations. During my internship, one of my co-workers and I with the help of my supervisor worked on a contract with ASMED. The project was related to a survey that already had been conducted in some provinces of Afghanistan and it was in process in other provinces. This was a survey to observe women’s initiated and operated businesses in the various provinces of Afghanistan. The proposal for this project was developed and submitted to ASMED prior my interning with ICG. After I was half through my internship, ICG received the survey project. My co-worker and I were assigned to work on the survey project. The contract for the survey project was to design a database and enter the survey

². Pledged - This represents funding enacted by Congress, through appropriations acts.
. Obligations - are formal commitments for the payment of funds for specific goods or services.
. Disbursements - Payments made using cash, check, or electronic transfers for specific goods or service delivered.

data, analyze the data and write a final report on the survey. I contributed on this project using my knowledge and experiences in research from my methods class.

Working on different projects and proposals, gave me a chance to experience and get to know the challenges that private enterprises face while they bid on a project. For instance, in developing a proposal for each project of USAID or its sub-contractors, professional staff is needed to fulfill all USAID's proposal requirements. They must be knowledgeable on proposal writing especially having background in USAID projects. In general, proposal development is time consuming. For instance, to develop a proposal it is necessary to develop the scope of work for the project, estimate the cost and develop the budget for the project, develop vacancy announcement forms and circulate them in order to receive resumes, interview candidates that have been selected who will be involved in the project, select the candidates and include their resumes in order to complete the proposals and finally, submit the proposal to USAID or sub-contractors of USAID. For instance, for the survey project for ASMED, I developed the budget using my knowledge from budgeting class that I had in Kennesaw State University, drafted a page to explain the method that we will use for analyzing the data and writing the final report by using the knowledge and experience of my Research Methods class. Beside of the above-mentioned effort, we had two meetings with ASMED to do an oral presentation regarding how we will analyze the survey data.

Considering all the above-mentioned points we can see that the private sectors put lots of effort toward the completion of proposals in order to bid on projects, but they are not guaranteed whether they will win or lose it. So, if they lose the contract they have

to cover the expenses themselves. For example, originally, I was interviewed and selected by Insight Consulting Group to work as a project manager on one of USAID/ASAP project which was related to an agriculture fair. The agriculture fair supposed to be held in June 2008 at Kunduz Province in north part of Afghanistan.

The overall purpose of the fair was to develop and maintain business relations between local and international businesses and to provide opportunity for local business to sell their products and at the same time to encourage foreign businesses to invest in Afghanistan. Our role was to identify agriculture sector related buyers and sellers from neighboring countries to participate in the agriculture fair. Our focus was India. We developed a work plan and budget according to the scope of work with the help of my supervisor for the agriculture fair. (See Appendix B)

The Insight Consulting Group failed to win the bid; therefore, I was assigned to get involve in other projects. If a company or organization that bid on projects is unsuccessful, then they have to pay the salary of the staff that they interviewed and hired for the project. From my point of view, it is one of the most challenging part of bidding on proposals which might discourage smaller businesses to bid if they can not afford the afterwards expenses.

In general, there are many challenges and problems that private sectors face in Afghanistan. For instance, corruption is out of control in municipal and other entities, therefore, in many cases private enterprises are more concerned about the administrative burden, disruption to business activity and the time that a process requires to be completed than monetary costs. There is a lack of sources of credit and financing for private companies in Afghanistan. There are only a few commercial banks that operate in

the country and lend money to private businesses. So, especially if a smaller business faces a financial crisis it is hard for it to find a source to rely in order to get some financial support or borrow money to solve its immediate needs on time.

Furthermore, most of private companies lack significant skills in the labor market, such as, submitting qualified bids, keep accounts, responding to advertisements and etc. Also, there is lack of resources in the private enterprises. For instance, private industries need to use electricity for manufacturing and running the office by using computer, fax machine etc, but due to the lack of public infrastructure, and lack of sufficient common usage electricity they are forced to use alternative sources such as small private generators, which increases the cost of the firm's operational budget. For many small firms it is not affordable. While I was working with Insight Consulting Group, it was a big challenge for them. We had electricity only for two or three hours per day and in order to get the work done they had to use small generators and it increased their costs.

Privatization is an effort to increase the efficiency of the government by involving the private sector in the process and continuance of enterprises. In our City Management class this semester, the issue of privatization is mostly discussed and to refer to class discussion privatization become very broad notion in all over the world. A successful privatization project or program requires strong leadership, effective polices, legal frameworks and an effective institution. These kinds of privatization programs are very common or ideal in developing countries because of the strong governmental support. However, this condition is not applicable to the private enterprises in Afghanistan. There are several risks and problems that private companies face in Afghanistan. First, if a governmental ministry is a client of a private company, the ministry will be unwilling to

pay for the service of private company. It is most like “spoils system”. The private enterprises face a lack of financial support from the government. Secondly, the local contractors do not have access to financing, and the thirdly, the risk is that Afghanistan is still a country at war and most international contractors do not take the risk to invest in Afghanistan unless they have donors’ contribution which reduces that risks. To consider all the above-mentioned problems of the private industries, it is important that the government, civil society such as (professional associations, religious groups, and labor unions) and the business community take part in the improvement and support of private businesses in Afghanistan as Private industries can take a significant part in the development of Afghanistan.

To develop private sectors, there should be a competitive process by which some firms can grow over time. There should be services available to or among the private sectors, such as, financial services, business support services, and many more services which their development can directly contribute to private sectors growth. Moreover, human capital will be a very important element to contribute in private sector growth and development. It is very significant to develop professional and managerial skills and provide trainings for lower level to develop their capacity building, but the trainings need to be relevant to the Private sector’s needs and demand. If possible, providing international experiences by sending staff to short trainings abroad will be another key to success, because international experience is very crucial element in success of public and private firms around the world. It is also necessary to provide start-up grants through micro-financing institutions to encourage small business activities.

As I mentioned above, working on business proposals related to USAID projects, gave me a chance to learn about the activities and vital projects that USAID is involved, which is very helpful for economic growth in Afghanistan. USAID has many programs for economic growth which economically strengthens the government of Afghanistan. Also, it establishes an environment open to private sector growth, job creation, promotion of investment and business development, and income development. For instance, USAID funds the first industrial Park that Afghanistan just starts working on it. According to USAID's website, this Park which is located in southeast Kabul, will create job for approximately 2,000 people and generate over \$15 million in private investment. "On August 25, 34 business people received certificates of ownership, allowing them to begin construction on their new businesses in the park. Three of those certificates were given to women who will provide dry cleaning, tailoring and product packaging services. The Bagrami Industrial Park is one of three such ventures that USAID funds in Afghanistan. The others are in Kandahar city and Mazar-i-Sherif city. Once all three are fully operational, the parks will employ about 10,000 people."³

Furthermore, USAID supports and encourages the building capacity of programs. It provides supports and funds to the Ministry of Education, the Ministry of Higher Education, and the Academic Council on Education to develop policy formulation of strategic planning, and evaluation of the projects. USAID helps Afghans to generate and administer public finances in predictable ways. In the effort of improving economic policy and business environment, USAID promotes macroeconomic reform, revenue collection and privatization of state-owned enterprises. USAID strongly supports

³ USAID, website

business associations and civil society groups that promote investment and economic development. USAID also promotes and support Business Development Services and Management Skills, Human Capacity Building, Market Information, and Public-Private Association Grants. These are complemented by having a greatly access to capital program that provides financial services, microfinance loans, and small and medium enterprise loans.

Poverty is deep-rooted after decades of war in Afghanistan. In some provinces of Afghanistan 90 percent of the population is poor. “The average yearly income for Afghans is \$300 per person.”⁴ Poverty reduction will not be possible without rapid and comprehensive economic growth that provides opportunities for the poor to improve their lives. Private industries play an important role in driving growth, creating income and employment opportunities for poor people including women and children. Many of the private enterprises provide micro loans to needy people in Afghanistan which affects their lives enormously as most of them use these loans to start their business, develop it and support their family from its income. As poverty level is very high in Afghanistan, therefore, providing any type of above-mentioned loans is very helpful for afghan people especially women. Thus, these loans become very common and popular in Afghanistan in these recent years and the results of these loans are very positive.

One examples of a micro-loan program that I have experience with and was able to notice its affect on a small group of Afghan women’s live overtime is the “Afghan Women Empowerment Project”. I will elaborate more on this project in order to give the reader a sense of how these loans have impact on a small group of needy women. These

⁴ USAID website

women use these loans to develop their own businesses. They are then able to support their families. In my culture this is the priority of the man. The economic support of the family is passed from male members. Women without a competent male protector are not prepared by society to take on the role of provider. Therefore the idea of a business woman is something new and is not a protected and supported cultural situation.

Besides working with the Insight Consulting Group, I also worked part time as a director of the “Women Empowerment Project”. I have worked with the project since 2006. The purpose of this project is to offer micro-loans to poor and needy women especially widows. This project was started in the US by women for women a constructive peace and empowerment program and international women for women’s movement.

It has been one of my goals and aim to help people of Afghanistan especially women, so I was in effort of doing some projects that can be useful and helpful to at least a small group of women in Afghanistan. Coming to the United States gave me the opportunity to meet the Sonoma Women’s County organization and the Women for a better World organization, which are both based in California. These connections lead to an opportunity to work with the Women for a Better World organization, this organization’s goal was to create a Micro Lending Project for Afghan Women in my country. Their goal was the same as my personal goal which is to help Afghan women. Therefore, I was enthusiastic to work together with their sponsorship to establish a Micro lending project, which was called the Afghan Women’s Empowerment Project in the summer of the year 2006.

The Afghan Women's Empowerment Project is a project of Women for a Better World, in collaboration with the All Afghan Women's Union. This organization has been linked with the Women's Peace Circle in Kabul since 2002. The Peace Circle is part of the All Afghan Women's Union. I am member of both the Peace Circle and the Union. I am also a board member of the Women for a Better World (WFW) organization. Let me go back a moment from the Afghan Women's Empowerment Project and interject a little more about the All Afghan Women's Union and the Women for a better World organizations, which are involved with the project.

The All Afghan Women's Union was established in 1992 in Kabul Afghanistan. During that time the people of Afghanistan lived under very harsh economic and political conditions. There was discrimination and violence against women—forced marriages, kidnaps rapes, domestic violence. The consequence of these crimes was the increase of suicide and self-burning among women. For this reason, the All Afghan Women's Union was established to struggle collectively against the injustice and lawlessness, and to find a way out.

Women for a Better World organization, like the All Afghan Women's Union has had many activities for women not only inside the US, but in all over the world. Its goal is “to interact personally with as many women from as many different communities as possible, and to endure the discomforts, challenges and conflicts that may arise to build a genuine women's community, and participate in the global women's network.” This organization was linked with the All Afghan Women's Union by the incorporation of the Peacexpeace organization, which is located, in Washington DC.

Prior coming to the United States to attend college, I was the liaison for these two organizations, as I was the only member of the All Afghan Women Union that had access to the internet through my job at the United Nations office in Kabul. The first project of the Women for a Better World organization for Afghanistan is the Afghan Women's Empowerment Project. The Afghan Women's Empowerment Project was designed to empower the members of the Women's Peace Circle. The Peace Circle is part of the All Afghan Women's Union. The first loans of the micro lending project were designated especially for the poorest and neediest members. It was to assist them to develop and build their own sustainable project that would enhance their economic condition. The project follows procedures and regulations that have been in use successfully by other micro landing projects through out the world.

For beginning this project, it was proposed by the Women for a Better World organization that there be formed five circles within the 50-member Peace Circle in Kabul. It was suggested that to each circle one loan of \$1000 or less would be given, and the first loan would be given to the most needy and expert woman within each circle. The women in each circle would support the first borrower and also learn from her experience. After the repayment of the money by the first borrower, it would then be the turn of next woman in the circle to get a loan. The idea was that the next borrower would be better prepared to use the money as she would have profited from the experience she had through her participation in the circle. Therefore the group members could each develop their own business in a better way.

Having this idea in mind, we initiated some fundraising and information dissemination activities to start the project. Women for a Better World arranged two trips

for me to fly to California, one in December 2003 and a second in December 2005. Both trips included fundraising for the Afghan Women Empowerment Project. These two fundraisers were just a part of many other fundraising events that took place sponsored by the Women for a Better World organization. Let me not lead you to believe that the first fundraising attempt allowed us to be ready to run the project.

The second fundraising in California was held in a private home and attended by about 60 women. Fortunately, we raised almost \$6000 for the project in Kabul. All the participants were really eager to fund this project, because it was a good way to help Afghan women improve their local economy and support their families. I was impressed by the speech made by Stephanie Hiller, the director and founder of Women for a Better World. In talking about this project she quoted Zaina Salhib, Founder of Women for Women International. "When you uplift women, you uplift the family, when you uplift the family; you uplift the community, when you uplift the community, you uplift the nation." This quote explained the importance of this project; the improvement of not only women, but their families and communities.

Many women in Afghanistan are struggling. Low economic conditions, especially for widows who do not have a male member to support them and their families are left responsible some times for as many as of five or six persons. Therefore, providing a loan to these kinds of women, not only help the women but also the other members of their families as well. So we can say that by offering one loan to a woman we are allowing for the support of 6 or 7 people. Furthermore, using these loans to build up economic conditions of the individual directly impacts the local economy.

It is a condition of my scholarship that every summer I go back to Afghanistan and work there. I accepted the responsibility to take charge of this project and to run it during the summers. I did it without the want of compensation other than the success of the project. In addition to my work on the project I worked in each summer in the United Nations, and this summer in Insight Consulting Group and, therefore, I had access to internet. This worked out well as I was able to obtain the assistance and consultation from the sisters in the Women for a Better World organization. Together we prepared the contracts and applications for the project and a sample is attached with this report. Also, I opened an account for this project in a Kabul Bank in order to transfer the money which is going to be repaid monthly by the borrowers.

There were many women who applied for the loans. Most of them were very talented yet needy women. They fit the requirements of this project; however, unfortunately we could not afford to give loans to all of them. Therefore, we had to choose the neediest women and the ones who could actually run a business. After reviewing the applications, Ms. Suraia Perlika director of the Peace Circle and me, chose five women. Two were jewelry makers and three were handcrafters. These women were part of the 10 circles that I mentioned before. After they repay the money within one year, the money will be given to other women in their circle. We started the project with five women and now we have seven women. All the women have been very successful in their businesses and as well as in the repayment of their loans. Each of them has been paid their loan on time with out any delay.

Application Process:

This project was offered to the Peace Circle within the All Afghan Women's Union. Therefore, the applicants had to be members of the Peace Circle for at least a year prior to applying for the loan. We encounter the problem in that each applicant had to fill out the application form and most were illiterate and could not fill out a form in English, or Dari. Therefore, some members of the Peace Circle and I helped many applicants to fill these forms out in English or in our native language. (See Appendix C)

Qualified Applicants:

The women who have a plan for an income generating project and have the skills and experiences necessary in that field, and also have an income that is low and insufficient to support themselves and a business. Therefore this loan would be helpful to them to establish an income project. These are considered qualified applicants. For example, a woman wants to run a business producing carpets; she needs some skill and experience in carpet weaving. Some of the women are very skillful and have lots of experience in different fields, but are illiterate and can not do simple recordkeeping for their business. The reasons for the idea of making a circle was that women help each other at different levels within their circles, and those who are illiterate do not become deprived of getting a loan because they were not able to keep records

Payment plan:

The payments plan is designed to be paid monthly. Each woman repays about \$90 per month, which within one year she will have paid \$1080. The \$80 in a year is the interest that will be use for the administrative expenses of this project. During my stay, Suraia and I chose a person who could carry all the responsibility of the project after my departure from Kabul to return to school in the US. The receiving of the repayments of the loans was one of the responsibilities of the loan manager that we considered greatly regarding the candidate for my replacement.

Every month repayment would be made to the office of the All Afghan Women's Union. The loan manager transfers the money to the bank account. Also, during this repayment period it is the responsibility of the loan manager to ask the women how they are doing in their businesses and determine difficulties and improvements that they faced within the month. This loan manager also is expected to make a visit to the businesses twice a month and report to us about their activities and improvements. Also, a depository form was developed so that business women have a receipt written proof of depositing their money. 1. Refer to Table 1

(Table 1 About Here)

The data in the table show the monthly deposit amount and the receipt of depositing money.

Also, a simple of the contract that has been signed between the candidates and Woman for a Better World is provided. (See Appendix D).

In order to help women to be more successful in their business, with the help of Women for Better World I designed a business plan for them. This business plan would be helpful for two reasons. Firstly, the women would have a good idea about their business and would be able to plan ahead what they needed to buy and how many items they would be able to produce and in what amount of money. Secondly, it would be a good record for us to know how each woman arranged to do their businesses.

So far this project has been very successful and women who made the loans are doing very well in their businesses as they manage to establish their own businesses and pay the loans back on time. Our further goal and responsibility is to raise more money in order to provide larger and more loans for women. These loans will help those women who want to start a business, or any other kind of income producing work. These loans would be very helpful for purchasing supplies needed to get started to generate products so that their businesses could have an impact on their local economy and that of the country. As Mrs. Mervis Reissig, a member and Director of Women for a Better World said, "in places like Kabul, where there is little work and few products produced locally, efforts to help women build their own economy, helps to build their communities."

By offering loans to skillful women, who otherwise could not use their skills due to lack of financial aids, will encourage them to use their skills and provide products for the local markets, and later sell their products in international markets. Through these kinds of works and businesses they can build up their own economy and as well their local economy. Hopefully by our efforts in the near future this project will have grown very large and most of the Afghan women will have benefited from it.

I want to talk about a few of the artisans, who received a loan and used it in different ways to improve their businesses or establish new ones.

Torpaky Nawabi is one of the first term loan receivers. She used her loan to join with four other women to establish a business producing prepared foods. They named this firm Bargi Sabz (Green Leaf). Together they produce tomato paste, jam, and other food stuffs. They hired three people to assist them and they pay each 3000 Afghani. This is equivalent to 52 U.S dollar a month. Except for the driver, they are all women. They share the expenses of electricity, rent and transportation. Ms. Nawabi is very happy that she was able to receive a loan as she could make her contribution to the group by the purchase of machinery and other necessary raw materials for the firm.

Their business is very successful. As their product is agricultural, their products change according to the seasons. In general, the net earning of each person is \$120 per month. Ms. Torpaky repaid \$90 per month on her loan. She successfully repaid her loan in one year. She plans to reinvest her collected earnings to establish a new business by herself this time. She hopes the new venture will allow her to employ even hire more women.

Nasima Payman is another loan receiver. Ms. Payman got the loan in the second round in January 2007. She makes silk scarves and fabrics. Before receiving the loan she bought silk scarves from a company and sold them in the bazaar. Now she has become independent and has started her own business producing silk scarves and selling them in the bazaar.

Ten other women work with her and she pays them monthly. Their products and sales are good. They produce approximately 30 scarves a month and sell all of them in the bazaar each month. The sales women earn 25 percent on each scarf they sell. The shop is in the bazaar which is like a shopping center in the US, and they sell their products there. The shopkeeper is a man, which is culturally correct, but the rest of the workers are women. It may not be safe for women to sell things or be alone in the bazaar without the protection of a man in certain situations.

From these two examples we can notice that these small loans can make a big change in the lives of each individual who is talented resourceful and determined. This is an otherwise unavailable resource to improve the standing of women, create a status of business owner and support her family.

Shema Sadat is another talented women who used the loan to build a small business. Shema is a bead artist works with beads to make beautiful clothing, jewelry, and other products decorated with beads. She works independently. From the \$1000 loan, she purchased a weaving machine, a tailoring machine, and some raw materials. Her sales are good. She produces one blouse and skirt each week. She has trained ten people of whom three are disabled. These ten people work with her in her business. Together they make 20 products a month. They sell their products inside the country and also in Holland. Inside the country their products are in demand. They sell their products mostly in the exhibitions held by the Ministry of Women's Affairs and other organizations. Most of the women who received the loan sell their products in these

exhibitions. Also, Mrs. Sadat sells her products in the bazaar. She is very successful in her business and her business is growing day by day.

Khadija Sherbaz is a successful loan receiver. Ms. Sherbaz is a jeweler. With her loan she purchased one beading machine, raw materials and benzene to use in the machine. She works with three other people who share this firm. Ms. Sherbaz has hired two people to work with her. In total, 18 women work in this firm. Her profits are about \$65 a month, which goes to repay her loan. She intends to expand her firm once her loan is repaid. They not only sell their products in Kabul but also in Mazar-i-shrif, Herat, and other provinces of Afghanistan. They export their products abroad too. Even inside the country they have many international clients.

Anes Gul received her loan in March, 2007. Unlike the others, she is engaged in agriculture. She has gotten one horse and one cow with this \$1000 loan. She works with her family on their farm to grow vegetables. She lives in the countryside and she uses the horse for transportation of the vegetables and milk to the bazaar. She is successful and happy in her business.

From the few above-mentioned examples of loan receivers, we can notice that all the women have been very successful in their businesses. In addition, all of them are doing very well in the repayment of their loans. Each of them has been paying their loan on time with out any delay. We started the project with five women and now we have eight women and it is growing gradually.

I have had the unique and rewarding experience to step outside of the traditional expectations and experiences of a young afghan woman with the exceptional opportunity to get to travel outside of my country and gain an educational experience that for centuries was denied. I at this point in my education can see how the policies procedures analysis and theories that I studied can and are applied to real life. In the process of my work study back home I was able to apply the things that I learned to actually do something. I am very proud of the woman that I have met along the way and hope that their achievements as well will continue to be successful and rewarding.

In this paper I hoped to show a process of study experience and application. Every social group has problems establishing itself socially and economically however we grow further away from agrarian society through industrialization to monetary manipulation as the means of work effort. And now with the computer age we are no long lost in the world with no voice of our own. In this paper we see that all sectors of society must work together for the greater good. It is equally important for the local sector provide the basic physical labor and available resources and that the government need to make assess between the labor and the manufacturer that the business sector support the efforts of the labor and that the banks and money providers support the provision of improvement projects whether humanitarian or purely profitable. We can see a need for a circle of life a circle of finance where all can contribute in some way and benefit from their labor whether their specialized knowledge or their understanding of the theory of the effort and how to apply what works to the task at hand. And in this particular instance I was able to see how competition is the mother of invention. Especially in a country like Afghanistan which only has its traditions and constant battle with it's environment for survival that as

a nation we have hope of learning and supporting each other towards becoming a peaceful successful competitor in the world market place even it is in baby steps.

Appendix A:

(Removed for copyright)

Appendix B:

(Removed for copyright)

Appendix C:

**AFGHAN WOMEN'S EMPOWERMENT PROJECT
APPLICATION FORM**

PERSONAL

Name: _____

Age: _____ Marital Status: _____

Names & Ages of Dependents: _____

When did you join the Peace Circle? _____

LOAN REQUESTED

Please tell us the amount of the loan you are requesting: _____

(ATTACH ADDITIONAL PAGES IF NECESSARY)

This LOAN will be used for the following:

Training _____ Describe what type and for whom:

Equipment _____ List the specific types of
equipment to be purchased:

Materials / Supplies _____ Describe:

Other _____ Explain:

BUSINESS

Type of Business you would like to develop:

Your background for making this a success:

Family or friends who will assist you. Indicate the role of each.

How are you going to sell your product or service? Where will your store be? (House, local market, etc.)

DATE

SIGNATURE

Appendix D:

PROMISSORY NOTE / CONTRACT TO REPAY LOAN

US\$ _____, 20__

FOR VALUE RECEIVED, the undersigned _____,

a _____ (“Maker”), having as her residence

_____,

and her principal place of business _____,

Promises to pay to the order of Afghan Women’s Empowerment Project, a Project of Women For a Better World, a wholly owned U.S. organization of Stephanie Hiller, at

_____,

or at such other place as the holder of this NOTE may designate in writing, the

Principal sum of _____ Dollars

(US\$ _____), together with interest on the unpaid principal amount of the

NOTE, as defined below.

Payment of Principal and Interest

1. Simple interest shall be charged on the amount of the Note at the rate of 4 % per Year.

2. Interest shall begin to accrue on the first day of the month which is _____
Months after the date first written above.
 3. Principal and interest payments shall be due in monthly installments beginning on the
First day of the month which is _____ months after the date first written above, in
Equal amounts over a period of _____ months.
 4. The amount of each payment shall be US\$_____ for _____ months; and
a final payment of US\$_____ in the _____ month, which is the final
Month of the CONTRACT.
 5. If payment is not made in accordance with the above schedule, the interest rate shall
Increase to _____% per month; and penalties will accrue at the rate of _____
- I agree to the Terms and Conditions of this Promissory Note and Contract.

Maker:

Date:

Approved by:

AFGHAN WOMEN'S EMPOWERMENT PROJECT

Alean Haider, Authorized Agent

Date

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Table 1:

Deposit Form of Afghan Women's Empowerment Project

Number of Deposit	Payment date	Amount of Deposit	Deposited by	Received by
First Deposit	20 September	\$ 90		
Second Deposit	20 October	\$ 90		
Third Deposit	20 November	\$ 90		
Fourth Deposit	20 December	\$ 90		
Fifth Deposit	20 January	\$ 90		
Sixth Deposit	20 February	\$ 90		
Seventh Deposit	20 March	\$ 90		
Eighth Deposit	20 April	\$ 90		
Ninth Deposit	20 May	\$ 90		
Tenth Deposit	20 June	\$ 90		
Eleventh Deposit	20 July	\$ 90		
Twelfth Deposit	20 September	\$ 90		
Total Amount		\$ 1080		