

Afghanistan Research and Evaluation Unit
Case Study Series

**The Impact of Microfinance
Programmes on Women's Lives:
A Case Study in Balkh Province**



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with Sogol Zand and Jennefer Lyn L. Bagaporo

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Acronyms

AREU	Afghanistan Research and Evaluation Unit
Afs	Afghanis, unit of currency in Afghanistan; (48 Afs is equal to approximately US\$1)
CDC	Community Development Council
FGD	focus group discussion
IDI	in-depth interview
MFI	microfinance institution
MISFA	Microfinance Investment Support Facility for Afghanistan
NGO	nongovernmental organisation
NSP	National Solidarity Programme

Glossary

<i>chadari</i>	a long veil covering all parts of the body with a mesh screen for the eyes
<i>gozar</i>	neighbourhood; urban ward
<i>haram</i>	unclean or forbidden under Islam
<i>kalantar</i>	community leader; informal representative of the community to the government
<i>seyali va shariki</i>	social obligations that involve visiting neighbours with gifts on significant occasions such as birth, illness, weddings, etc.
<i>sudh</i>	credit with interest

Executive Summary

This case study is a part of a larger research project on women's participation in different development programmes and projects in Afghanistan, examining the impact of their involvement on gender roles and relations within their families and communities. Specifically, the project explores women's participation in the National Solidarity Programme (NSP)'s Community Development Councils (CDCs) as well as nongovernmental organisation (NGO)-initiated microfinance groups under the Microfinance Investment Support Facility for Afghanistan (MISFA). This particular case study looks at women's participation in a microfinance programme in an outer suburb of Mazar-i-Sharif, Balkh Province.

The findings in this paper are based on analysis of qualitative data collected in the community through in-depth interviews with ten families, six of which contained female members who were microfinance clients, and four of which did not. The non-client families were interviewed as a control in order to assess how far any changes in gender relations observed were—or were not—linked to participation in the microfinance programme. Eight focus group discussions (FGDs) were also conducted at the end of the study with individuals from both participating and non-participating households to gain an understanding of gender norms in the community and its perception of loans for women. A total of 57 interviews (33 for the first round and 24 for the second) were conducted.

Overall, the study's results suggest that the arrival of the MFI was not the sole factor driving changes in the community's gender relations. Rather, it was part of a combination of factors—including community context, exposure to migration, educational level, and individual and household characteristics—all of which contributed to the empowerment of many of the study's female informants. More specific findings are outlined below.

Community factors

- In this study, community context played an important role in determining the relative success of the MFI's loan programme in helping its female clients.
- In particular, people's experience of migration to neighbouring countries had left them more open on the issue of how women behaved or interacted with other people.
- As a consequence, women were more mobile compared to the women in the other two study communities, and were often able to move around freely outside of their homes. In this context, women's wearing of *chadaris* (garments covering the entire body with a mesh screen for the eyes) when outside of their homes was an important enabling factor.
- Similarly, the idea of women working to earn an income was generally accepted in the community. In particular, both male and female community members perceived women's presence in the workforce as critical to ensuring households could make ends meet.
- The community valued and encouraged women's contribution to and involvement in the productive work of their households. This was a major contributing factor in encouraging all female borrowers in this research to use the loan to establish or strengthen a small business.
- There was a strong sense of solidarity among women in this community, who sought to support each other and share information on life skills. This is likely related to various interacting factors (such as, for example, a sense of ethnic solidarity among Hazaras).

The MFI

- The house-to-house information campaign conducted by the MFI's female staff was an effective means of informing community members and encouraging them to use its services, especially for women.
- The MFI's lower interest rates compared to the other MFI operating in the area were also an attraction to community members.
- Unlike in the other study communities, the issue of *sudh* (collecting interest; a practice forbidden under Islam) did not significantly hinder people's participation in the loan programme.
- Client status/background checks conducted by MFI staff prior to authorising loans were important in ensuring that the money was used the right way and that clients would be able to make repayments.
- MFI staff played an important role in guiding clients on the proper use of loan proceeds. They emphasised the importance of using loans in income-generating activities instead of buying gold or consumer goods.
- MFI staff also played a role in monitoring how loans were being used after they had been paid out.
- However, MFI staff picking favourites among clients—for example in fast-tracking clients personally known to them through administrative procedures—had an adverse effect on how the MFI was perceived and on its ability to select clients capable of fulfilling loan repayments.

Perceptions of the MFI

- In general, the MFI was positively perceived by both clients and non-clients as an institution that helped families with their economic problems while also earning money for itself. Community members felt that it allowed women to “stand on their own feet” and reduced their financial dependence on husbands or parents-in-law.
- By contrast, a minority of informants perceived the MFI as more of a money-making scheme than an organisation truly committed to helping its clients.
- Among clients and their family members, the general perception was that if clients honestly put their loan money to “good use” (e.g. by setting up a small business to earn an income), it could make a major difference in their lives.

Outcome of participation among women clients

- While older women clients enjoyed relative power within their respective households even before taking a loan, the process further enhanced their access to and control over resources, participation in decision-making, mobility, and self-confidence.
- Among younger women, the changes mentioned above were more pronounced. Earning an income after investing loan proceeds in a small business lifted their status within their families and gave them a level of influence that would not have been possible without such an intervention.

Reasons for women's non-participation

- There were three reasons why women non-clients did not engage in the loan programme. First was the issue of family members or relatives preventing them from doing so, fearing that they would struggle in making repayments. Second was

the fact that a loan was not needed. And third was opposition to taking a loan in the first place due to a belief that it involved *sudh* and was therefore un-Islamic.

Ways forward

- At the national level, stable security conditions are vital to ensuring women's mobility outside the home and effective involvement in small business.
- Loan offices could offer mechanisms to help women further capitalise on their loans, such as teaching them marketing or advertising strategies for their products, or helping them foster better market linkages. In this respect, exploring ways to share the success stories of women clients among other community members may be worthwhile.
- MFI goals, objectives and services offered should be clearly explained at the earliest possible stage. This should be done not only for target beneficiaries but also for their male and female family members in order to minimise potential obstacles (e.g. male family members opposing their participation).
- It is important that value formation stressing integrity and honesty in paying loans, along with the importance of disciplined payment, forms part of the social preparation and social mobilisation activities conducted when introducing loan programmes to communities.

1. Introduction

This case study is a part of a larger research project on women's participation in different development programmes and projects in Afghanistan, examining the effects women's participation is having on gender roles and relations within the family and the local community. Specifically, the project explores women's participation in the National Solidarity Programme's (NSP) Community Development Councils (CDCs) as well as nongovernmental organisation (NGO)-initiated microfinance groups under the Microfinance Investment Support Facility for Afghanistan (MISFA). This particular case study looks at women's participation in a microfinance programme in a peri-urban community in Qarabagh District of Kabul Province.

Access to microfinance has been highlighted as an important means for poverty reduction around the globe and in Afghanistan. Microfinance institutions (MFIs) have certain similar features: most of them have large numbers of women clients in their programmes, the size of the loan is usually small, and it is given to clients either as an individual or as a member of a loan group. Each group member is a key guarantor for the rest of the group to ensure repayment.

Including women in an MFI programme can have different motivations. The efficiency approach to lending to women emphasises that women are more reliable clients and giving loans to women raises the likelihood of timely repayment. The poverty reduction approach emphasises the well-being of the family. In this approach, it is expected that women allocate more of their earnings to household welfare than men do and as a result improves the welfare of the whole household, especially of the children. The empowerment approach focuses more on the social outcomes of women's access to loans, including enhanced decision-making power in the house and the community, enhanced visibility of women in the public domain, enhanced self worth and more control over resources.¹

This paper is concerned with whether the goals of the empowerment approach are being realised and explores if and to what extent women's access to microfinance has been translated into changes in intra-household relationships and power dynamics. The focus for examination is intra-household relationships as the household is widely recognised to be a primary site for the construction and enactment of gendered power. Also, most Afghan women spend most of their time in the home and interacting with household members; therefore, a change in gender relations within the household can have a wider impact on the society.

By the end of 2011, MISFA was serving a total of 230,000 active clients, 75 percent of whom were women. Despite these statistics, there are questions to be answered: what does this mean in regard to social outcomes in the context of Afghanistan? To what extent does the inclusion of women in a loan programme have the potential to be empowering for them both as individuals and as a group? To answer these questions, it is first necessary to look more closely at the notions of power, empowerment and participation.

¹ These three approaches are not limited to including women in loan programmes. The reasons of NGOs and donors (World Bank, the International Labour Organisation, UK's DFID and USAID) in targeting women in development programmes should be broadly looked at. For debates around targeting women in development programmes, see Srilatha Batliwala and Deepa Dhanraj, "Gender Myths that Instrumentalize Women: A View from the Indian Front" in *Feminisms in Development*, eds. Andrea Cornwall, Elizabeth Harris and Ann Whitehead, (London: Zed Books, 2007): 21-34; Anne Marie Goetz, "Political Cleaners: How Women Are the New Anti-Corruption Force. Does the Evidence Wash?" prepared for the workshop: "Gender Myths and Feminist Fables: Repositioning Gender in Development Policy and Practice" (Institute of Development Studies, University of Sussex, 2-4 June 2003); and Jahan Rounaq, "The Elusive Agenda: Mainstreaming Women in Development," in *The Pakistani Development Review* 35, no. 4 (1996): 825-34.

Central to this research is the notion of power.² In order to understand if women's participation in microfinance programmes is empowering, it is first necessary to understand how gendered power dynamics operate within the Afghan context and specifically in the sites of the family and the community.³ The research does not focus on only one definition of power over the other but instead allows a broader understanding of both the "conflictual and consensual nature of power dynamics."⁴ For example, Afghan women may prefer not to have direct conflict with the more powerful but rather to keep their status safe in the family and instead covertly influence a final decision. For a better understanding of existing power dynamics among Afghan men and women, it is also essential to take into consideration the dominant hierarchies of power based on gender or social class.⁵ Afghan women are not a homogenous group and their individual characteristics as well as their social contexts influence the way they live their lives. This report therefore investigates the various individual, family and social structures that women operate within and around, and explores the links between the context and the outcome of their participation in the microfinance programme.

"Empowerment" has become a buzzword of development language in the past two decades. However, there is little consensus on what empowerment means and how it should be measured. The theorising agrees on one thing: empowerment is a process whereby those who had been denied of power start gaining power over their lives.⁶ In this process they gain capacity, skills and confidence ("power within") to consequently acquire "power to" change certain aspects of their lives. Just as there is no one understanding of what empowerment means, there is also no clear consensus on how to go about facilitating a process of empowerment. It is assumed that women's empowerment can be translated into real action once it manages to transform the "existing power structures" through organising a mass movement where small networks are linked to each other and create a strong political force⁷ ("power with").

Most MFIs assume that women's access to microfinance can give them the resources to gain power and have more control over their lives. Loan groups are a platform for women to gain confidence as an individual and support each other as a group. This research explores the practices of the selected MFIs and explores if those assumptions have been achieved on the ground.

2 Some of the ideas in the next two paragraphs are drawn from the initial research proposal designed by Deborah Smith, a former Senior Research Manager at AREU who designed the project.

3 To understand the power dynamics between Afghan men and women, the research tried to be informed by Foucault's approach to analysing power. According to him, there is no one truth and each society has its own "regime of truth" that is based on its own beliefs, ideas and identities. The research tried to analyse the power dynamics in the study communities based on the community members' truth. See Michel Foucault, "Power and Truth," in *Power/Knowledge: Selected Interviews and Other Writings 1972-1977* by Michel Foucault, ed. Colin Gordon (New York: Pantheon Books 1980).

4 Steven Lukes, *Power: A Radical View* (London: McMillan Press Ltd., 1974); Naila Kabeer, "Resources, Agency and Achievements: Reflection on the Measurement of Women's Empowerment," in *Development and Change* 30 (1999): 435-464.

5 James C. Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance* (New Haven and London: Yale University Press, 1985).

6 Srilatha Batliwala, "The Meanings of Women's Empowerment: New Concept from Action," in *Population Policies Reconsidered: Health, Empowerment, and Rights*, eds. Lincoln C. Chen. M.D., Gita Sen and Adrienne Germain (Boston, MA: Harvard University Press, 1994): 127-38; Naila Kabeer, "Resources Agency and Achievements: Reflections on the Measurement of Women's Empowerment," *Development and Change* 30 (1999): 435-64; Zoi Oxaal and Sally Baden, "Gender and Empowerment Definitions, Approaches and Implications for Policy" (Brighton: Institute of Development Studies: 1997); and Jo Rowlands, "Empowerment Examined," *Development in Practice* 5 no. 2 (1995): 101-7.

7 Srilatha Batliwala, "The Meanings of Women's Empowerment," 12.

In order to explore the process of empowerment, it is essential to scrutinise what kind of participation women have in the microfinance programme. Participation, like empowerment, has been frequently used in development literature. Cornwall makes a very close link between participation and empowerment. Empowerment is opening up the closed, confined spaces where a wider scope of engagement can take place, spaces where boundaries can be shaped by the people who make them.⁸ There are different levels to participation that varies from compliance and information sharing to self-mobilisation.⁹ Participation can vary from being equated to only presence, the “passive participation” of a small part of the community to the invited spaces provided by the powerful, or the collective action of the members of the community in mobilising themselves to conquer their own spaces. In this research we are interested to learn the levels of women’s participation in the loan programmes and to explore what kind of mechanisms the MFIs have put in place to enhance or limit the level of participation among the female clients.

Box 1 explains some of the key terms and concepts that are frequently used through this report.

The next section provides an overview of the methodological approaches to data collection, outlining the methods used and the site selection process. Section 3 provides an overview of the social, economic and geographical context of the village. This section also gives a background overview of the MFI’s work in the community and briefly describes its stated aims and objectives, as well as its stated approach to loan disbursement. This is accompanied by a brief examination of community perceptions of the MFI’s activities. Section 4 explores gender dynamics within the study community, discussing the background against which the impact of the loan programme must be understood. Section 5 lays out a series of case studies of both female clients and women who did not participate in the programme. In doing so, it explores to what extent women’s empowerment was initiated and supported by the MFI. It also examines the social outcomes as described by participants as a result of their participation in the microfinance programme. Section 6 concludes the paper by summarising its key findings and providing tentative suggestions for ways forward.

8 Andrea Cornwall, “Making Space, Changing Places, Situating Participation in Development” (Brighton: Institute of Development Studies, 2002).

9 Robert Chambers, workshop held in Iran in February 2009.

Box 1: Key concepts and terms

Productive vs. Reproductive Work

In an economy, productive work or paid work is referred to as the activities that go through market transactions and have monetary value attached to them. Reproductive or unpaid work refers to activities carried out within the domestic sector and is often unremunerated. Women carry out most of the unpaid work of the house, from taking care of the children and elderly to the household chores. These activities are mainly geared toward the well-being of the family but are often less valued because they have no monetary value and are a “natural” aspect of a woman’s role, and as not being work. Subsistence production often falls in this category as well. For instance, keeping livestock and grazing them to use their dairy product for family consumption is also unpaid work and is an extension of women’s domestic work.

In recent years, the value placed on paid work has been challenged and there is a push to use productive work in a broader sense; that is, the use of natural and human resources to satisfy human needs. By this, women’s activities can be more visible. To show the value of these unpaid activities, feminist economists have been using the term “care economy” or “social reproduction work” instead of “unpaid work.” In this report, the term “social reproduction” will be used.

Sources:

lourdes Beneria, *Gender, Development and Globalization* (New York and London: Routledge, 2003).

Susan Himmelweit, “Making Visible the Hidden Economy: The Case for Gender-Impact Analysis of Economic Policy,” in *Feminist Economists* 8, no.1 (2002): 49-70.

Nancy Folbre, *Who Pays for the Kids? Gender and the Structures of Constraint* (London and New York: Routledge, 1994).

Perceived Contribution

The “perceived contribution” of each member of the family is their own perception combined with that of family or society toward the productivity of each member, and it plays a larger role than the actual productivity in determining the reallocation of resources. For instance, in the study the newfound value of some women within the household after taking a loan was linked to their ability to bring resources to the house, even if the loan was handed over to the husband.

Source:

Amartya Sen, “Gender and Cooperative Conflicts,” in *Persistent Inequalities*, ed. Irene Tinker (Oxford: Oxford University Press, 1990): 136.

Types of Power

“Power within”: Enabling women to articulate their own aspirations and strategies for change; this is what is often called “self-confidence.”

“Power to”: Enabling women to develop the necessary skills and access the necessary resources to achieve their aspirations; this is mainly associated with decision-making in the areas that are not typical for the groups in question.

“Power with”: Enabling women to examine and articulate their collective interests, to organise to achieve them and to link with other women’s and men’s organisations for change;

“Power over”: Changing the underlying inequalities in power and resources which constrain women’s aspirations and their ability to achieve them.

Extracted from Linda Mayoux, “Microfinance and the Empowerment of Women: A Review of Key Issues” (Geneva: International Labour Organisation, 2000): 18.

2. Research Methodology

2.1 Research methods

The main methods used for data collection were semi-structured, in-depth interviews (IDIs), focus group discussions (FGDs), informal conversations and observations. These methods were used in a flexible, open-ended manner to give informants the opportunity to express their views on whatever changes in their lives they viewed as important.

The team intentionally did not enter the community through the MFI. This was to avoid any potential influence on the data that would have come from community members viewing the team as in any way linked with the MFI. It was also important that team members were not seen in any way as being there to provide material assistance associated with the MFI. To gain access to and permission to work with the community, the research team first met with local *kalantars* (community leaders acting as points of liaison with the district government), introduced themselves and the research, and gained their informed consent. Once this informal introduction was complete, the team invited as many men and women as possible to two separate meetings where the research team introduced AREU and the research aims and process in more detail, in order to gain consent from other community leaders and key figures. These introductory meetings also acted as an entry point for establishing rapport with the community and identifying potential household informants/participants. At this stage, the team also had extended informal conversations with male and female community members in different settings. Establishing a good relationship with community members assisted the team in selecting study households and gave background information on MFI practices, village history and available services in the community.

The field team selected ten households for IDIs, six of which had participated in the microfinance programme and four of which had not. Including both categories in the study helped to understand what other factors independent of the loans themselves may have played a role in any changes observed, as well as explaining why some women did not join the programme. Interviewing non-participating families was also helpful in gathering broader perceptions of the programme, and to allow a comparison of the gender dynamics within participating and non-participating families.

The research team—made up of two male and two female Afghan researchers from different ethnic backgrounds—considered two criteria when selecting participating households to interview: 1) the perceived involvement of the female borrowers, even if limited, in decisions on taking a loan and its use and 2) the length of time involved in the microfinance programme. These criteria were selected in order to allow for a better understanding of the possible changes in the impact of the programme over time.

As the main focus of the research was gender relations, the team interviewed both female clients/non clients and the male heads of their households. In order to test if men and women viewed changes in different ways, one more female member of the household (in addition to the female borrower) was also interviewed in participating households.

Three main sets of questions were explored with the selected families: (1) basic household information; (2) informants' perception of the aims and objectives of MFIs in giving out loans to women, along with families' motivations for taking loans and how the loan was used; and (3) whether or not changes in gender relations occurred after taking the loan.

A total of 57 interviews were conducted in this study. Thirty-three informants (19 women and 14 men) were interviewed in the first round and out of these informants, 24 were interviewed for the second time (17 women and seven men). Eight FGDs were conducted, four each for women and men. These involved village elders,¹⁰ male members of participating and non-participating families, and female clients and non clients, all sub-divided by age. The diverse nature of the FGDs provided village-level information on community perceptions of the MFI and its loans for women, as well as views on the effects of participation in the loan programme on women clients. Table 1 presents the distribution of informants/participants in the study.

Table 1: Distribution of informants/participants in the study

Sex	Number of interviews		
	IDI		FGD: 4 for women and 4 for men = 8 FGDs
	1st round	2nd round	
Male	14	7	18
Female	19	17	22
Total	33	24	40

Additional interviews with community elders helped capture a better understanding of village context, including its history, existing gender norms within the community, perspectives on the participation of women in the public sphere—including the loan programme—and possible changes in gender relations both as a result and independently of the loan programme. MFI senior management and field staff were also interviewed to learn more about the aims and objectives of the programme and how it was implemented on the ground.

2.2 Site selection

The team first listed all the active MFIs in Balkh Province. In the first round of short-listing, MFIs that had already been studied under this project were eliminated.¹¹ This was done because the research design focused on exploring the practices and approaches of different MFIs. Once all eligible MFIs in the province had been consulted, the team picked one to be the subject of further study. The criteria for this decision were: 1) the MFI’s claim to be implementing Sharia-compliant loans—this was of interest because the *sudh* attached to the loan in the other two sites, especially in Kabul was one cause of resentment toward the programme; 2) the fact that the MFI was working in an urban area, providing a contrast to the other two other sites (in rural and peri-urban areas); and 3) the fact that the study community was majority Hazara (the other two studies being conducted in areas that were predominantly Tajik and Pashtun).

¹⁰ It should be noted that in one of the FGDs with village elders, two young men also joined. Their position as a teacher and a mullah had given them the status of being considered wise and therefore, being included in the FGD.

¹¹ See Sogol Zand, “The Impact of Microfinance Programmes on Women’s Lives: A Case Study in Parwan Province” (Kabul: AREU, 2010); and Sogol Zand, “The Impact of Microfinance Programmes on Women’s Lives: A Case Study in Kabul Province” (Kabul: AREU, 2011).

3. Contextual Overview: District, Village and MFI

3.1 District and village context

The study community of Qurban Ali¹² is a large urban community about 20 km from Mazar-i-Sharif, and is administratively considered to be part of the city itself. It was originally agricultural land before houses were built around 20 years ago. During the mujahiddin period (or civil war, approximately 1992-96), Hazara militias took control of the area and sold off the land, possibly explaining why most property in the area lacks formal title.

The community has a population of around 5,000. Most people in this area are from Char Kent, a mountainous district of Balkh Province. Many still own land there and make regular visits back. The community is mainly comprised of Shia Hazaras with a few Shia Sayed¹³ families. Almost all community members migrated to either neighbouring countries—mainly Iran—or to Char Kent during the civil war and especially under the Taliban regime (1996-2001). Most families still have one or two members working in Iran.

The community has been divided into 17 *gozar* (urban wards or administrative units). Each *gozar* includes around four streets represented by a single *kalantar*, and has its own mosque. The community has a big local bazaar with many shops, although most informants tended to take advantage of easy access to Mazar City itself when shopping for household needs.

Men in the community are engaged in a variety of income-generating activities, including daily labour, shopkeeping, carpentry and selling vegetable on pushcarts. Some people also have agricultural land in Char Kent where they grow peas, barley, corn and potatoes. They then bring their harvest back to Qurban Ali or Mazar to sell. Literate community members also reportedly work in government offices or with NGOs. The majority of women in the community are also engaged in income-generating activities, most notably tailoring and embroidery under contract from shopkeepers in Mazar City, as well as hairdressing, keeping livestock and selling the daily product, or cleaning peas and shelling walnuts for money. Some younger, literate women are also employed as teachers.

Since 2001, various service delivery NGOs have operated in the community. One initiative frequently cited by community members was a one-year training programme by Women for Women International that was held in the house of one of the *kalantars*. The programme ran six days a week; three were dedicated to teaching women's rights and how to behave in the family, and three to teaching tailoring and embroidery. Beneficiaries received US \$10 a month for their participation, and all female participants received a sewing machine at the end of the course. Other NGO activities in the community included literacy courses and poultry-rearing training for women, education for orphans, bag-making classes, and distribution of household items. The NSP was also introduced in some *gozars* to help people build wells or pave the streets.

There is one school in the community that offers classes from grade one through 12 to both boys and girls, operating in different shifts. It accommodates 4,000-5,000 students. There was also an NGO-constructed elementary school for girls. One of the two *kalantars* the team spoke with reported the existence of another school in *gozar* for boys. The research team observed that many families in the community sent their children—both

12 A pseudonym to ensure the community's anonymity.

13 A *qawm* (solidarity group) believed to be descendants of the Prophet Mohammad.

girls and boys—to school. There is one public health clinic for the whole community, although there are also many private clinics in the area that offer basic health services.

3.2 The MFI programme

There are two MFIs active in the study village. This study focuses on one of these—referred to in this paper as MFI-1—since the other (MFI-2) was the subject of this project's case study in Kabul Province. MFI-1 has been operating in Afghanistan since 2003 and covers eight provinces. The total number of clients is over 13,000 of which around 80 percent are women.¹⁴ It offers three different products to both men and women; however, it has one dedicated programme that gives out loans specifically to women through the formation of solidarity groups. This was the only product offered to women in the study community. The amount of credit available to each member of these groups is between 10,000 and 15,000 Af\$ (\$200-300). MFI-1 started its programme in Mazar in October 2006 and extended it to Qurban Ali in January 2007. At the time of fieldwork, it had 300 clients in the study community, all of whom are women.

The group loans use a system of social collateral to enforce repayment. If one group member fails to repay their instalment, the other group members are responsible for making up the difference. Each group consists of between five and 25 members, including a head selected by the clients. The head of the group is responsible for collecting instalments and handing them over to the loan office. She is also responsible for dealing with clients who do not meet their repayments. The members of the loan group are encouraged to contribute a small amount as savings along with their instalment. Each group also has a treasurer, whose role is to keep the voluntary savings of the group members and them as collateral should a client fail to repay. Clients in Qurban Ali had to be aged between 18-60, and needed to provide the approval of *kalantar* and a copy of their national identification card¹⁵ or voter registration card. Before giving out a loan, the loan office assesses clients' household assets and businesses to ensure their repayment capability.

The MFI holds orientation meetings with potential clients in order to familiarise them with the terms and conditions of the MFI and advise them on how to spend the loan.¹⁶ The administration fee for MFI-1 is 1.75 percent of each loan amount per month. However, if the clients bring the instalment to the office, the fee is reduced to 1.5 percent. Repayment periods are offered monthly and the whole amount is payable within a period of nine months.

There is no fine for late repayment and the office relies on the head of the group or the *kalantar* to take charge so as to ensure timely repayment. The MFI claims that their loan is a form of Sharia compliant loan called *murabaha*. The MFIs website explains that clients ask the organisation to buy goods for them, and that *murabaha* is thus better viewed as the sale of goods including a cash mark-up to account for administrative costs. However, MFI field staff asserted that loans were given to clients to buy their goods, and that clients were then responsible to show the office the receipt of their purchase.

Disbursement process of loan groups

MFI-1's website states that its mission is to offer financial services to low-income entrepreneurs in order to drive job creation, asset accumulation and improvements in

14 MFI website—address not revealed here for reasons of anonymity (accessed 17 May 2012).

15 If women do not possess or are reluctant to hand over a copy of their ID, the ID of a male household member is also accepted.

16 Interview with MFI staff member.

living standards. Its programmes also focus specifically on women, ethnic minorities, and refugee returnees. The MFI field staff described the role of their office as helping communities improve their economic conditions and enhance their levels of income. A few of the field staff added that giving loans specifically to women helped them have job of their own, contribute to the financial improvement of their families and be involved in economic decision-making in their households. Fewer still also viewed the loan groups as solidarity groups where women could get together, support each other and ultimately gain “personal empowerment.” They also argued that such groups lowered the risk of default by providing extra collateral. In general, the field staff did not really emphasise empowerment as one of their organisational goals.

3.3 The MFI and its operations

Women clients’ perspectives

The women clients said that people in their area knew of the loan that MFI-1 was giving out because its staff went around the community informing them about it. They said that MFI-1’s staff conducted a house-to-house campaign to disseminate information about loans and encourage community members to get involved. MFI-1 staff Razia and Marizah¹⁷ were most frequently cited by clients when asked who had given them information about the loan. One client was particularly keen to express how happy she had been when she heard about the loan:

I was really happy. I thought I could get the loan and start working on it, improve my life, get away from my stepfather-in-law, and to understand and manage my own life. I didn't want to be dependent to him. We had a lot of problems before the loan programme; we were 15 people living in the same house.

Laila, 32, female client

Women clients’ family members stated that they had no problem with women taking loans, largely due to the potential contribution this could make to the economic well-being of their households. A daughter of one of the clients explained how taking the loan was especially timely given their economic situation:

We felt very happy about [it] because at that time my father and my mother were jobless and we were in need of money...When my mother took the loan, my father approved. When my mother brought the money to the house she gave the money to my father and she told him to buy some wheat flour and wood for the oven. She then cooked bread that my father sold in the bazaar.

Fatana, 25, Mina’s daughter

A daughter-in-law of one of the clients claimed that the loan enabled their family to start earning an income:

When my mother-in-law took loan everyone in the family was very happy about it as [before] we were just sitting idle in the house. We said that we now have some work to do. When my mother-in-law took the loan, we all worked with the loan money. Because we took several loans, we bought several tailoring machines...with the loan money. We had other machines too, and girls from our neighbourhood came to learn tailoring from my mother-in-law...After the loan, our economic life got better because we worked very hard together, and we moved out of poverty too.

Fatima, 30, Shagull’s daughter-in-law

¹⁷ All names presented in this paper are pseudonyms in order to protect informants’ anonymity.

One of the clients' mothers also stated that male members of their family were glad that the 22-year-old Nazanin had taken the loan, and had wished her well in using the money.

Perception of the MFI's goals and the purpose of loans

In response to its framing as an Islamic loan

The MFI claimed to offer Sharia-compliant loans to its clients. However, when an MFI staff member was asked for more details on the matter, he did not respond and simply explained how the loan worked. In fact, during conversations with the *kalantars* in the community, one of them explained:

Mullahs are saying that this loan is totally haram [unlawful from Islamic viewpoint]. But there is a saying that: "it is better to eat donkey's meat than to die from hunger."

Hakim, *kalantar* of the community

However, another 50-year-old woman client explained how MFI-1 seemed to be Sharia-compliant as it imposed very little interest and did not penalise late repayments:

*MFI-1 has very little interest...and it doesn't charge fines. MFI-2 took a lot of *sudh* and also fined its clients. *Sudh* is un-Islamic. People are happy with MFI-1.*

Understandings of the MFI's goals

Study participants felt that MFI-1's goals encompassed helping out families with their economic problems while also earning money for itself as an institution. However, while participants generally shared this understanding, their family members' feelings about it varied. Some female clients' family members implied that they felt taken advantage of by the institution, as articulated by Qader, the 59-year-old husband of Momenah, one of the female clients:

I think they want to benefit from people and don't have any other goals. If they aimed to help people, they wouldn't take so much interest from them... Nowadays, everyone is working for their own benefit.

Others could see both sides of the argument or were more sympathetic to the arrangement:

*I think that if someone does not need money then they will not participate in this loan programme. If the instalment is paid on time, there is no problem. But if not, the police will be informed by the office staff and they will create lots of problems. Some people say that goal of this office is to extract *sudh* and benefits from the people, and that they don't have any other objectives. They get 11,000 Afs from 10,000 Afs. I think that from one point of view this is a kind of help for the people. But from another point of view, this entails losses for them.*

Hafiz, 30, Latifa's husband

Those people who are in need are jobless, they take the loan from the loan office and work on it to improve their lives...I think that is MFI's purpose, to give people loans.

Fahim, 28, Salimah's brother

Fahim eventually said that the loans provided by the MFI were really beneficial, given the poor economic condition of the families in the village. He added that all someone

had to do was work with their loan—for example in starting a small business—to improve their economic status. Najila’s father affirmed Fahim’s views in this respect, and added that loan recipients should be “careful not to take loan when they know that they can’t do any business with it.” He recalled an incident when one person who had taken a loan had eventually left the village because of their inability to pay it back.

Understandings of loans for women

In general, both female and male informants saw the practice of giving loans specifically to women as primarily intended to help women earn their own money—for example in buying the machines they needed for tailoring and embroidery—rather than waiting for their husbands to give them some. The 45-year-old mother-in-law of Nargis declared that loans made women “stand on their feet” and meant they were no longer “needy” of their husbands in terms of financial resources. As one female client noted, it was good for women to receive loans since they were usually “free and jobless.” These sentiments were echoed by Hafiz, the 30-year-old husband of loan client Latifa:

Women are given loans because they can’t work in shops or other places like men. Women need to work but they do not have money or their husbands don’t have enough money to give them...so women are obliged to take loans from the MFI-1 office. The loan office also knows that women do not have money to work with, so it provides them with it. The loan office benefits when they give loans to women as much as women do from taking them. Women are always working in the house, while men work outside the house. The loan office knows that men are not always at home, while women are. So the MFI gives women loans to work in the house.

The 30-year-old daughter-in-law of one of the women clients presented an interesting additional perspective on the goals of the MFI. For her, the loan was meant—beyond its economic aspects—for women to create networks. She added that these networks would serve as venues for women to interact and learn from each other:

When my mother-in-law went and took loan she interacted with the other women she sat with. She learned from their experience, and shared her own experience and the things she had learned with them. Because of what she learned, her own experience has doubled. Now when we are faced with some problems my mother-in-law sits with other women and learns new ways to solve them.

Fatima, 30, Shagull’s daughter-in-law

However, a minority of informants viewed the practice of giving loans to women in a more negative light. One of the female clients’ daughters firmly stated that MFI-1 had no other intention but to “get benefits” from the women. However, in discussing her answer further, she also felt that loans would make women stand on their own feet and even “take over the responsibility of the family’s expenses.” She continued that women could continue to progress with the loan money to the point where they would no longer have to ask for money from men and could help in alleviating their families’ deprived condition.

Qader, the 59-year-old husband of Momenah, had another thought on why MFI-1 was providing loans to women. He felt that women were better at taking care of loan money than men. Citing the above-mentioned story of a man who had defaulted on a loan and fled the village as a contrast, he went on, “Women are good, they are honest, and women will not abuse others’ rights.”

The thoughts of families who had not taken part in the loan programme on the issue of giving loans to women, were broadly similar to those of women clients and their families. In general they were also happy about the practice. A 23-year-old female non-client felt that this was a good way for women to improve their lives, and especially their economic conditions. For her, this presented a better alternative from people's usual practice of attempting to borrow money from rich people, which ran a high risk of being turned down if they were not personally known to them. A 45-year-old female non-client stated that there were people who were against women taking loans because of *sudh*, but in the end also accessed the loans. Shahida, another 45-year-old female non-client noted,

[Even] if someone behaves negatively toward...women [who] take loans, people don't pay attention to them. But until today, I haven't heard about any kind of negative talk like this...everyone is busy with their work and their own lives.

Nevertheless, some male informants from non-client households had more negative reactions to the process. For instance, the husband of one of the female non-clients disagreed with the *sudh* that he believed was attached to the borrowed money:

In truth, the nature of money is not bad. Everyone likes money, to work with it, and have some kind of business. But from the point of view of Islam it is reba [Arabic word for sudh], which is haram [forbidden]...I am a driver and I have an old taxi. I want to buy a new one, but I don't have the money. As I believe, loan money is haram. That is the main reason that I haven't taken a loan. The holy Qur'an says don't eat reba! Because there is reba, I don't want to take a loan. Some of those people who have taken loan have improved their conditions, but others have sold their property.

Nadir, 55, Mahwash's husband

The husband of another female non-client was also dubious of the compulsory savings taken in addition to loan repayments:

In my opinion, the loan money is good for people, it helps them to improve their lives. But when they give you 10,000 Afs, they take 1,000 Afs back as compulsory savings. In total, they only give women 9,000 Afs...I don't have exact information about that, I just heard about it from someone else.

Akram, 32, Shanaz's husband

Views of other MFIs

Informants and participants gave three main reasons for choosing MFI-1 over other MFIs in the area, particularly MFI-2. Most significant was the lower interest rate on loans offered by MFI-1, a factor articulated by all female client informants. Second, MFI-1 charged no fines for late repayments, unlike MFI-2. Finally, MFI-1 was preferred over the other MFIs, especially MFI-2, because its collection of repayments of the loan was on a monthly basis, while MFI-2 collected repayments every week. One of the youngest of the six women clients also offered a strong condemnation of MFI-2, claiming that it was taking advantage of illiterate people by doubling the amount of the interest on their loans:

Razia's office takes less interest, while the MFI-2 office takes more interest, as well as fines. A lot of people take loans from the MFI-1 office and they are happy with it. The MFI-2 office cheats people and places high interest on their loans. A lot of people who take loans from them are illiterate and the MFI-2 office doubles the interest collected from them.

Nazanin, 22, female client

This informant also differentiated taking loans from an MFI and from a private individual, saying that a loan from the latter would normally be repaid in full on given date, while a loan taken from an MFI is paid in instalments.

Role and activities of MFI staff members

MFI staff members played a major role in ensuring that women used the money loaned to them in line with their office's goal of helping women alleviate their poor economic conditions. All female clients interviewed for this study reported that MFI-1 staff had told them to use the money wisely and not allow anyone to use it for them. They also received instructions not to buy gold or jewellery with the money, but to use it to support income-generating activities:

In my first visit to the loan office, the loan officer in charge asked us what we were planning to do with the loan money when we got it. They said, "When you get loan, you should work on it to improve your lives and solve your problems. When you get the loan, do not buy any new dresses and gold with it." Also, they said, "When you get the loan, you or your men should work with the loan money.

Mina, 45, female client

He said, "Don't spend the money on gold and dresses. We are giving you the money to work and become a working person. Pay your instalments on time and don't get Razia in trouble. When it is the time for your instalment, pay it to the head of the group and she will give it to Razia."

Sakinah, 22, female client

Mina added that the loan office would certainly find out if loans had been spent on something unproductive, and that the chances of getting another loan would consequently be slim.

Both female and male informants explained how before any of the women could access a loan, the MFI office conducted a status check. This involved a visit by MFI-1 staff to the house of prospective female clients to inquire about the ownership of their house and the planned business or economic activity they intended to undertake. According to the mother-in-law of one of the woman-clients, staff would go on to assess whether or not the proposed business was viable:

After the woman informs MFI-1 staff about their planned business and where they are going to use the money, they visit the woman's house to see it. If the woman wants to take loan to buy livestock, the MFI-1 staff checks to see where they could be put. If a woman wants to use the loan money for embroidery and tailoring, they ask her about how she is going to do the work at home.

Abida, 45, Nargis' mother-in-law

Apart from proof that women clients' families were owners of the houses they occupied, a guarantee of clients' credibility was also seen as necessary for them to borrow money from the loan office. One male informant thought that female clients needed a credible person in the community to vouch for them, while another male informant asserted that this was in fact done by other women in the loan group:

They get information about the household's home ownership, its location, activities, and properties. The house should be their own. Also, someone who is famous in the community should be a guarantor.

Fahim, 28, Salimah's brother

First, some women from the loan office ask the neighbours and the kalantar if the house belongs to the client's family or whether they are just renting it. Also in each group there were five to ten women who provided a collective guarantee that they would pay the instalment of an absent member or those who might try to escape from their obligations. The office selected one woman as the head of the group to take charge of collecting instalments and paying them to the loan office. The head is responsible for collecting additional money from each loan client if any member fails or refuses to meet her obligation. I heard this entire story from my daughter and wife even though I didn't take a loan. If women in the group do not trust a particular woman, they won't accept her as a member of their group, because in the loan group all the women provide guarantees for each other.

Baqir, 38, Najila's father

Another two male informants added that the intention to use the loan money for business was just as important as property ownership:

The women who have some small business, or have husbands or sons who do, are able to pay the instalment on time. Women who have their own property and houses—along with official deeds—are also given the loan. If women don't have these things, so say they are living in a rented house or don't have any business activities, are not given the loan because they might not be able to pay it back. Sometimes, the MFI-1 office asks the clients what they are going to do with the money they get from the loan. If the women aren't planning any business activities, they won't get a loan.

Hafiz, 30, Latifa's husband

There are no particular conditions on who can take the loan. The main thing is that the woman should have her own house...and be able to provide an ID card. For the office, the ID card is important, but it doesn't matter whether it is hers or her husband's. Another thing is that the woman who is taking the loan should work with the loan money, like running a tailoring business. This is to pay the instalment to the office. If someone doesn't have any income, the office will be facing a problem. When women take loan they say that they will do tailoring or embroidery. Here in our community, women tend to have a contract with embroidery shops in the bazaar, while others make clothes. They make their lives better.

Qader, 59, Momenah's husband

Female family members of women clients reported two additional criteria for loan takers. Two informants said that age was a criterion, while three others said that familiarity with the loan officer Razia was essential, as illustrated in the quote below:

I think loans were granted to women who Razia is familiar with. They don't give out loans to strangers and old people. If the client is old the office won't give them a loan. They say, "What could old men and women do with that? They can't work with the loan money." The office won't give loans to women over 60...But they give loans to girls as young as 14 or 15.

Shahla, 45, Najila's mother

It appears that female clients received no specific training before receiving their loans. According to the husband of Latifa, one of the women clients, the women were just told to use the money for an income-generating project so that they would be able to pay it back. This same informant also affirmed that Razia tended to favour clients that she knew. For instance, Latifa was not asked for the deed of her house because she was Razia's neighbour.

The loan groups from the participants' perspectives

A head and treasurer were selected in each loan group to serve as guarantor and take the repayments to the loan office. One of the MFI staff interviewed narrated that they help the women members in a group select their head. Two young female clients laid out the criteria in selecting the head of the loan group: 1) she should be from the area; 2) she should be familiar with the area; 3) she should be smart; 4) she should deliver the payments to the office on time; 5) the people trust her; and 6) she wouldn't use the money paid by other group members for her own purposes.

The treasurer, according to an MFI staff member, is chosen by the group members themselves. The treasurer's responsibility is to collect savings of 200-300 Afs (\$4-6) per month from every group member. A female client's mother and two MFI staff mentioned that this saved money could be used as repayment in case one of the group members failed to meet her obligations. Once the group member who has not paid the loan has the money, she replaces the savings spent. As Shahla noted, "If this kind of issue doesn't happen... everyone will receive their money. That money is like deposit in case of emergencies."

Other than collecting the amounts to be saved, the treasurer would also bring the money to the loan office in the absence of the head. However, one of the older female clients noted that:

At...first all women were giving their instalments to the treasurer and she was handing over that money to the head of the group. Now, all group members give the loan instalments to the head of the group and she takes them to the loan office.

Mina, 45, female client

Older female clients and their family members also noted a number of points about how the loan groups were convened and operated. First, they described how the *kalantar* had to sign a letter verifying the residency of each female client before they applied for a loan. Second, they pointed out that there were no regular meetings between the women clients. They said that in general, women in these groups met only when they were making their repayments or receiving their loans. Two male family members of older female clients added that additional meetings did not happen because women were too busy looking after their children (although another male family member of an older female client pronounced that meetings among these women clients would be helpful to them). Finally, they noted that was no training given to the clients, especially on how to make use of the loan proceeds efficiently and effectively.

Several younger female clients also pointed out some additional aspects of how taking a loan worked in practice. First, 21-year-old Zahira explained how Razia used to collect loan repayments until she was robbed after doing so. From then on, the heads of the groups brought the repayments to the office themselves. She also explained that even though they had received no formal training when taking their loans, they had been advised on how to manage the money in order to pay it back. Finally, 18-year-old Farida mentioned that the loan office had talked about the need for cooperation between the husband and wife when it came to using the loan: "The office talked about cooperating with the men in the house. For example, if your husband doesn't have any money, you could help with your money because you have your occupation."

4. Gender Dynamics in the Research

This section examines relevant social factors in the study village to understand their effects on the quality of women's participation in the loan programme. It discusses household decision-making processes and explores the extent and nature of women's mobility in the community. It emphasises how the study community valued and encouraged women's contribution and involvement in the productive work of the household. This was a major contributing factor in encouraging all female borrowers in this research to use the loan on their businesses. This section identifies other factors such as the wearing of *chadaris* (a long veil covering almost all of the body with a mesh screen for the eyes), migration experience and education as facilitating factors in enhancing women's presence in the public domain and driving changes in gender norms. This section also notes that unlike the two other research sites in this study, *sudh* was not considered an impediment to women taking loans offered by the MFI.

4.1 Physical mobility

Community context played a major role in the relative success of MFI-1's loan programme in this community. Paid work and income-generating activities were highly valued in the community among both men and women. Community members believed that both men and women were responsible for the betterment of their households and needed to work toward that end. Men acknowledged that without women's help, they would not be able to provide a decent life for their families, including education for their children. To Gholam Yahya, a 40-year-old baker whose daughter had taken loans, women's involvement in the productive work of the household was not limited to contributing to its basic needs. He believed that if men and women worked together, they could improve their lives, and ultimately enjoy luxuries like owning a car or invest in their future by buying land.

Some community members went beyond simply valuing women's contribution to the economic well-being of the household to emphasise just how critically important they felt it was. According to Ghulam Baqir, a member of an FGD with non-participating households,

The difference between women who work and those who don't is like the difference between sky and land. The woman who is in her house and not working is tayar khor [a person who does nothing for themselves and spends what others have earned] and the woman who is working and earning some money helps her husband and supports him. She is like an arm of her husband. Woman who don't work are like animals that just eat.

In this quote, he appears to rank social reproductive work (i.e. being in the house and "not working") as secondary and places primacy on economic well-being.

The idea of women's work was so universally accepted that at times the research team found the question "what do you think of women who have a paid job?" redundant. Most female informants were busy working as tailors or had paid work outside of the home. They could freely go to the bazaar in Mazar, either alone or in groups, to make contracts with the shopkeepers there. All the female borrowers in the research had been to the loan office at least twice: once when the office held orientation meetings for them, and then to receive their loan. Interestingly, many young unmarried women were also engaged in tailoring or paid work outside the house. However, they were slightly more restricted on where they could go to and whom they could go with.

Wearing *chadaris* was an important enabling factor in allowing women to move around outside their homes. Most female informants reported that they wore *chadaris* when they went outside the community, and especially in shops when they needed to talk to male strangers. Younger informants—and especially single ones—noted that they also wore *chadaris* when moving around within the community, but the research team also observed that older, married women did not necessarily cover their faces when they went out.

4.2 Household decision-making processes

Women in this community were able to have an overt influence on household decision-making processes and often disagreed openly with male household heads. They were involved in decisions ranging from day-to-day choices to taking loans and even buying pieces of land with them—an activity that typically falls under men’s area of responsibility. However, more often than not it was the oldest member of the household who had ultimate control over resources and made final decisions, albeit usually in consultation with the rest of the family. Younger family members of both sexes were thus not generally able to make independent decisions in this regard. Family money tended to be pooled and was likewise often controlled by household elders.

However, it was often a mother’s job to decide when and to whom their children would get married. In one case, it was even observed that Salima, a single woman in her twenties who worked as a tailor, chose a wife for her brother. Mothers in this community had significant influence in the household, a situation that was reported and accepted by both men and women. In this respect, their influence was not only limited to marrying off their children. The three young single women among the female MFI clients interviewed for the study were encouraged by their mothers to complete a tailoring course and, later, to take loan to buy sewing machines. The fathers of these women also admitted that their wives had played a crucial role in improving their life conditions.

In addition to these wider norms, individual characteristics, level of confidence and type of upbringing all had a bearing on the extent of women’s’ decision-making power. For instance, Shah Gul, who was well-known in her neighbourhood as a tailor, exerted the most influence out of all informants even before taking the loan since she was a widow and the oldest member of the household. As she explained:

When my husband was alive, I used to decide myself...My husband didn't have any interaction with anyone and he said he didn't want to eat anyone's food. I was not like my husband and I would do what I wanted. From the past until now, I have been the elder of my house and my children don't do anything without consulting me and asking my permission.

Nargis, a married tailor in her thirties, also appeared to have a greater than average level of decision-making power. In addition to her innate courage, she credited her supportive and respectful mother-in-law for allowing her to act on her potential:

I am like a free bird and I can do what I want. I am sarshar [someone with authority]. My father in-law didn't like working as a beautician. I found a shop without telling him and then I told my mother-in-law, my husband and my father-in-law. I was waiting for them to say something. They stayed silent and said nothing. My mother in-law is an intelligent woman and she loudly said, "You did great." Then my husband laughed and said nothing. My father in law also said nothing.

4.3 Community and ethnic self-representation

Community members justified women's presence in the workforce by pointing to the high level of poverty in the community and the need for both men and women to work in order to make ends meet. This could be true to some extent in general. However, the community was not particularly poor compared to the other study communities located in Kabul and Parwan, suggesting that the link between women's work and staying out of poverty is more a general product of the community's collective memory of leaner times than an immediate, pressing necessity.

NGO staff in the community also linked women's desire to work to their perception of Hazaras as hardworking people focused on furthering their improvement. Latifa, a young female client in her 30s, likewise linked her freedom of movement to being a Hazara, drawing a contrast with perceived norms among other ethnicities:

I always go out alone to my neighbour's house and to my bother-in-law's house too. Because we Hazaras are not strict like Tajiks or Pashtuns. Hazaras are very free and they can do everything, we can go out alone if we wish, or we might go with someone from our family or our neighbours.

4.4 Migration

People's experiences of migration to neighbouring countries had a major impact on gender relations in this community. As discussed above, the majority of the community had migrated to Iran, and many still had family there. Although informants often had bitter memories of the way they were treated in Iran, they agreed on one thing: meeting new people was a learning experience. Interacting with people in Iran and observing their lifestyle was thus a major contributing factor to the way women behaved and interacted in this community. Iranian influence can even be seen even in the style of clothing worn by women outside the household, and many had adopted the Iranian *chador* (a black garment covering the entire body but leaving the face uncovered) over the *chadari*.

Another form of migration that had affected gender relations in the community was the migration of people from Char Kent to the city. A majority of informants emphasised that once they came to the city, they started learning from other women, as well as going out and seeing new things. The team observed in FGDs that those women who were shy and quiet said tended to have arrived more recently from Char Kent. However, the other women in these groups laughingly noted that they would be cheeky once they had interacted enough with women from the city.

4.5 Education

The community greatly valued education. It was observed that most young children of both sexes were attending school. Many families reportedly moved from Char Kent to this community specifically in order to take advantage of the quality of education it offered. Since the younger generation was thus becoming more educated, it is therefore possible that their opinions may consequently be accorded more respect within their households, allowing them to become more involved in decision-making

4.6 Learning from each other

There was a strong sense of solidarity among women in this community. They usually got together and did their tailoring as a group, as well as teaching each other how to prepare

different kinds food. This offered opportunities for those who were more experienced to teach life skills to those who had arrived more recently from Char Kent, including how to talk to and influence their husbands:

I got the loan and started working on it and now people know me. People respect me because I do good embroidery for them. Local women come to my house and I go to their houses as well. After all, when women are together they enjoy talking with each other.

Latifa, 32, female client

[Other women] also found courage and they love me and respect me because they say they are happy that I taught them to be courageous. I advise women to go out with the excuse of paying the instalment and then go to each other's homes, sit with each other, learn from each other and get more experience.

Nahid, 30, female client

Shagull, the oldest female client included in this case, explained how although people in the community already respected her, this respect increased once she started taking part in the loan programme:

All the people in our community trust me. In the street I live on, people respect me a lot and whenever someone has to throw a party, they ask my advice about how to estimate their expenses. After my participation in loan programme, people look at me as an experienced woman and come to seek my consultation. Now, women often come to my house for tailoring purposes and I give them good advice and resolve their problems.

Even the husband of a non-client had observed how women had come together in their community:

The loan programme also had an effect on women's lives...women came together and talked a lot with each other in their meetings and gatherings. They got to know about each others' situations and problems. These things bring changes for women.

Said Padsha, 55, husband of a female non-client

4.7 Sudh

The notion of *sudh* was not particularly influential in this community. Zainab, a 39-year-old MFI-1 staff member, admitted that people had originally spread rumours that loans from their office collected *sudh* and that this was un-Islamic. This perception gradually diminished because the loan programme eventually became a normal part of the area's life. As the accounts below illustrate, people grew more accepting of the presence of the loan office in their community as they became more familiar with its programme:

*MFI-2 took a lot of interest and we took loans from them because we had to. When MFI-1 opened in our area, we became happy because we thought, "this office is without *sudh* and it asks for little interest."*

Shagull, 50, female client

*Everyone has taken a loan. There are a few people who say the loan is *sudh*. I don't accept what they say. I tell them, "OK, give me money without *sudh* so we don't have to take loans from the office."*

Nargis, 30, female client

Those people who were saying, "This loan involves sudh and it's not good," they are still insisting on this...But people don't listen to them. They take loans anyway because they need them.

Parasto 45, female non-client

5. Women's Empowerment through Microfinance: Family and Community Perspectives

This section explores how women's participation in the microfinance programme was experienced and perceived by clients, their families and the wider community. There are ten cases presented in this section. It begins with the lives of six women clients, discussing why they took the loan, and comparing their lives before and after they participated in the programme. The remaining four cases involve women non-clients, examining why they did not participate in the programme, and exploring their families' view of their lives compared to those of women loan clients.

5.1 Client stories

Laila: Participating in the loan programme as vehicle towards gaining self-sufficiency

The first client interviewed, Laila was a 32-year-old Hazara woman. She had four children (including three girls), the eldest aged five and the youngest only three months old at the time of research. None were in school yet. Neither Laila nor her husband had gone to school. Before she became a tailor, she had taken care of the household chores. Her husband, on the other hand, was a carpenter. Laila has been married for six years. She informed the interviewers that when she took the loan, she started her tailoring and used the money she gained from it. However, at the time of research she was not working regularly.

Taking the loan

Laila's story implies that she used the money she borrowed to launch her tailoring business and built an additional room on their house so that her family could live separately from the rest of the household. Hafiz, Laila's husband, was initially opposed to her taking the loan because he lacked information about it. Laila herself found out about it through her interactions with other women in the neighbourhood during the day. She said that her husband did not know about it because he was busy with his work. She claimed her use of the loan made him unhappy, a fact he also affirmed:

Though I wasn't happy about the loan, my wife insisted on taking it, so we finally took 10,000 Afs for the house. I was afraid of the repayment because I did not have much information, and I wasn't around when the MFI staff explained the scheme.

Hafiz went on to explain that his wife had shared her plans with his uncle, who had offered to give Laila the money himself as soon as he had it. However, Laila could not wait. She explained and finally convinced her husband to take the loan for the house. She assured her husband that she would use the remaining money on her tailoring to ensure that repayments were made on time, and they took the loan. When Hafiz's uncle found out about this, he advised Laila to pay the instalments on time to avoid problems.

Her life before and after participating in the loan programme

Engagement in decision-making in the family

Laila's life was markedly different after she had taken the loan. Laila explained that over the past five years, she had mostly been dependent on her in-laws. She was newly-married and so could not make any decisions by herself. However, her 33-year-old sister-

in-law Nazia observed that after Laila had taken the loan, she started making decisions on what to do with the loan money as well as with that of her family. Hafiz maintained that while he and his wife made decisions together on small issues, other family members such as his father were involved in discussing larger issues. He also noted that his wife made her own decisions on matters related to her household chores, such as when children should be washed or when they should change their clothes.

Power relations

Nazia stated that her stepfather (Laila's father-in-law) had the greatest authority in the family. She explained that her stepfather even made decisions on what the women would cook for the household, and said that Laila had to ask his permission before leaving the household.

Laila claimed that despite his initial scepticism, her husband was now happy about the loan since he had gained a certain amount of authority as a result, and because they had been able to add a new room to the house. She reflects below on how this led to changes in his behaviour toward her:

Every time my husband comes home, I can see from his behaviour that he is happy. He has changed. When he goes to the new room, he shows how pleased he is and tells me that I did a great job of getting the loan. When he comes from the bazaar he brings some fruit, a chadari or sandals and he tells me, "You are tired after working the whole day. Eat some fruit and refresh yourself. After all, this is your house." When I need to get something, he helps me, and sometimes he even makes the tea as well.

Access to and control over resources

Nazia suggested that before the loan, Laila did not have access to or control over any money. Hafiz refuted this, claiming that he would bring money to the household and give it to his wife. He went on to note that how she used it was up to her:

When we need money, I bring everything to the house. When I leave the house, I give that amount to my wife for her to keep. If some guests from other places come, she can use the money to buy gas, candy, or other things.

Laila confirmed that after her participation in the loan programme, her husband would give her his earnings, and together with her earnings they kept the money at home. When they needed to buy items for the household, Laila would contribute a certain amount and her husband would supply the rest. While it was usually her husband who then made the purchase in bazaar, Laila still maintained a significant amount of financial independence. Sometimes she would go to the bazaar herself, and—unlike before she took the loan—she could afford to spend money on *seyali* va *shariki* (social obligations in the community where one buys presents and pays visits to relatives or neighbours' houses on occasions such as births, marriages etc.).

Extent of mobility

Laila could not go to the bazaar by herself before she took part in the loan programme. Before Laila and Hafiz were able to live separately, Nazia mentioned that it was usually her stepfather who bought things for the household. She also said that Laila did not go to the weddings of relatives and friends, even if other family members did attend. When Laila herself was asked about changes in her mobility after she took the loan, she asserted that because Hazara people were freer than Tajiks and Pashtuns, she could go almost

anywhere she wanted, either by herself or with friends and relatives. Nevertheless, Laila went on to say that she had gained greater mobility since she had started doing embroidery and tailoring after taking the loan. She said that she now frequently went to the bazaar, either by herself or with her sister-in-law.

Economic situation

Prior to Laila taking the loan, her family's economic mobility was limited since her father-in-law was earning just enough to pay for their food, and her husband's income was of little help:

My step-father-in-law took care of the expenditure of house. My husband worked at that time too, but he did not earn enough to cover our expenses in the house. We faced a lot of problems back then because money was tight. Only my husband and my step-father-in-law earned the money we needed to buy food, and this wasn't even enough for our day-to-day needs.

According to her sister-in-law, Laila's living conditions improved when she got the loan. As mentioned above, she was able to buy a sewing machine and build an extension to allow her family to set up as an independent household, all while successfully repaying the loan she had taken. Nazia also noted several other changes:

Before the loan programme, she only used to interact with our relatives and would only go to their house. After she took the loan, she developed relationships with some of her customers. Also, she got more familiar with the other loan group members and has interacted with them too.

With regard to her business dealings, Nazia noted that most of Laila's customers were their friends, neighbours, and relatives. Nazia explained that since most of these customers were poor, Laila accepted any amount that they could afford for the embroidery or tailoring services she offered, adding that "She didn't try and bargain with them."

Thoughts on herself and her life

Laila reported suffering from a lack of self-confidence before taking the loan, explaining that she did not have the courage to go anywhere by herself because she was just a villager from the mountains. After she took the loan, Laila said that she felt happy with herself. She also said that because she had satisfied her husband's initial concerns about the loan, she would not necessarily worry about him if she wanted to get a second loan.

Laila admitted that her responsibilities had increased when she took the loan, since she was now doing tailoring and embroidery on top of her normal household chores. However, she felt that this change was a positive one:

Though after the loan my work and responsibility increased, I am very happy that I do both [the chores and my own work] in the house. Before I took the loan, I only did housework and nothing else.

Laila further explained that when she began with her embroidery she earned respect from other community members. She reported that they liked her products and had grown to like her because of the service she was providing for them.

The changes in Laila's life appear to be directly tied to her participation in the loan programme. Though there could be other factors involved, such as her motivation to

live separately from her in-laws, her participation in the loan programme started it all. When asked about what had made these changes possible, Laila's only response was, "When I took the loan, I went to Razia's office and I took the money."

Mina: Participating in the loan programme and her "position" in the family

The second participant interviewed was Mina, a 45-year-old Hazara woman, and an ordinary member of a loan group. In addition to her household chores, she also worked doing embroidery and sewing clothes. She mentioned that she was illiterate, and so were her husband, her five sons and two daughters. Her eldest daughter was 25 years old at the time of research, while her youngest son was only eight. Mina mentioned that four years earlier, they had lived in Mazar City. There, her husband had worked in a bakery, and they also wove *gillims* (a type of flat-pile carpet). She explained how her sons had then taken over her husband's work in the bakery as they were concerned he was getting too old. She also said that she had stopped weaving carpets because the work had become too difficult for her. Instead, she took a loan to open her own bakery.

Taking the loan

Mina took two loans from the MFI office. She said that she used the first loan to start a bakery, and the second to buy land. Her daughter Fatana also mentioned the loan that her mother took to open a bakery. However, she also provided a more detailed explanation of why the loan was taken in the first place:

Before the first loan, my brother did not have a good job, so my mother took a loan and invested it in the bakery. She took care of our daily expenditures and she saved the money from my brother's income. She also paid all the instalments on time. My brother was even able to buy a car. After that, my other brother found a work in the men's bakery too. When my brothers had work, they said to my mother, "Now we have a good income; it's enough for you not to work so hard in the bakery." After that, my mother closed the bakery. We are really very happy with the loan programme. Before Eid, my mother took another loan for my brother. I don't know what he will do with the loan money. I think he will use it in the bakery.

Fatana noted that it was really her mother who wanted to take the loan in order to improve the family's economic condition. According to her, they decided on starting a bakery because of the benefits it brought—not only could they sell the bread, but they could also keep some for their own consumption. She observed how the bakery had paved the way for their current comfortable circumstances and stopped their dependency on other people. Mina's husband also claimed that he was glad that Mina had taken a loan and improved their lives. He also thought of other things that could be done with the money they had gained from the business: "We have the money to spend in case of emergency and also we thought of buying a cow and selling the milk." Having witnessed how hard their mother had worked to ease their economic burdens, her two sons advised her to stop working at the bakery. They felt it was now their turn. At first, Mina resisted the advice of her two sons but in the end she agreed that it was better for her sons to work at the bakery.

Her life before and after participating in the loan programme

Engagement in decision-making in the family

Both Mina and Fatana provided similar descriptions on how decision-making in their family had worked before their participation in the loan programme. According to Mina:

Four years ago, I always made decisions with my husband. Both of us always thought about how we could improve our lives.

By Fatana's account:

Five years ago, my mother always made decisions with my father...both of them always thought about how to find food for us. They both made decisions for our family because they are our elders and we respect them. They guided us with our lives, on what we should and shouldn't do.

However, when Mina was questioned further about who usually made decisions about family affairs, she stated that women were mainly responsible. She explained that men were mostly outside of the house and hence knew less about what was going on. Mina added that men did not pay much attention to the day-to-day activities and workings of the household. Mina then reflected that even four years ago, she made more decisions on household matters than her husband did.

However, Mina asserted that taking loans—and especially the second one—led her to make more serious decisions. She said, “I made good decisions after the loan. The big decision was that I took a loan and bought a piece of land. The land will be good for me once the price goes up.” She also explained that she had bought the land under her name. Significantly, she pushed forward with the land purchase even though it was opposed by her son in Pakistan. As she explained:

Before I took the loan, I told my husband that it was a deserted piece of land and it is cheap. I called one of my sons who is in Pakistan and asked him about it. He said, “Don't buy the land, you will lose [money on it].” But I bought the land just the same.

Power relations

Mina's 59-year-old husband Qader also affirmed that women had more authority in the house when it came to reproductive matters such as the rearing the children, deciding what to cook, and taking care of guests. He added that men were not equipped to handle these things. In addition, he said that his wife could take perfectly good care of the family in his absence. He also asserted that she could decide on how to spend their money and even go to the bazaar to purchase household necessities. Finally, he highlighted how Mina would consult with other family members to ensure that good decisions were made. According to him, “If something is done without consultation, it will have very bad and negative effects on all family members. This will create some problems and violence.”

Overall, Mina's case was a unique example in this case study of a woman consistently asserting her independence and rejecting infringements of male authority. In addition to buying land against her son's advice, she also initially resisted the advice of her sons to stop baking after they had started working:

My sons told me not to bake bread anymore. But I replied that I couldn't stay at home unemployed, and that I should do some work. I think unemployment is not something good, even God hates unemployment. I didn't accept what they said and told them that it is not good for me to be dependent on them. I had to earn some money on my own.

However, by the time of research Mina had listened to her sons' advice and closed down her bakery.

Access to and control over resources

Mina mentioned that before she took her loans, she always asked her husband for money to purchase household necessities:

My husband brings the money to me in the house. There was no difference between my husband and I. We purchased things that we needed for the house. When I bought something, I always gave him the remaining money because he is the elder in our family...When I wanted to buy something I always discussed it with him before I went to the bazaar. I never bought even small things without his permission.

When Mina became involved with the loan programme, she started to become more autonomous in how she used her own money. Even after she had closed her bakery, both her daughter and husband attested that Mina continued to make her own decisions in this respect. Fatana said that her mother had saved the earnings from the bakery, combining them with a second loan to buy the land. She also mentioned that her mother had bought and sold a sheep using the loan money. On a more day-to-day level, Mina was able to buy her own clothes, as well as spending money on *seyali va shariki*. Describing her mother's high level of independence and decision-making authority, Fatana reflected on how fortunate she felt to be part of a household where this was possible:

My father and my brother respected my mother for having the bakery. Also, she has the same authority and responsibility in the house even after she closed it...She maintained the authority that she gained when she opened the bakery. We are very lucky that my mother laughs a lot in the house and she always wants us to be happy in our lives.

Extent of mobility

The extent of Mina's mobility before she took the loan was unclear. Based on her account, when she was still weaving carpets she purchased materials from the bazaar in Mazar City and went back there to sell her finished products. She added that her husband could not do these things for her because he was still working in the bakery at that time. However, she also noted that before she participated in the loan programme, she did not go to the bazaar that much because there was no need for her to do so and there was not enough money for her to use. At times, she went to the bazaar with her daughters or someone else. Fatana added that her mother did not even know how to get to the local bazaar before taking out her loan, and did not venture out except for visits to close relatives living nearby.

After she took the loan, Mina claimed that she had gained courage to go to the local bazaar alone. She explained that both herself and her husband had worked on the bakery, and that both of them had gone to the bazaar to buy materials for it. Even though her husband still made the bulk of their trips to the bazaar, she said that she had still played her part since she believed that both men and women should work, and it would be a burden if only one was working for the entire family. Fatana added that when buying supplies for the bakery or selling bread, her mother usually went to the bazaar unaccompanied. However, when she wanted to purchase something else, Mina would normally ask her daughter or a friend to accompany her. Fatana admitted that she never understood why her mother did this. She just recalled what her mother told her:

[She said], "It's good for us to go to the bazaar with someone because if we go there by ourselves and something happens, people will blame us. I go alone to the bazaar when selling the bread and purchasing wood since that is my

obligation. For household purchases and clothes, it's really good to go with someone."

Fatana also noted that after her mother got the loan, she spent less time at home, visiting relatives more frequently and leaving her to do all the household chores.

Economic situation

The economic situation of Mina's household was relatively stable even before she took the loan. At the time, both she, her husband and her daughter (who was doing embroidery) were all earning an income for the family. They were lucky to have a relative who knew a shopkeeper for whom Mina and her daughter could work. This relative also served as their guarantor, ensuring that they would work on materials provided by the shop and return them to be sold. After their first engagement, the shopkeeper no longer demanded a guarantor and willingly gave materials for Mina and her daughter to work on.

Qader was extremely grateful for the economic assistance that Mina and their daughter provided even before Mina took the loan. He said that their contribution helped him buy food for the family and pay the electric bills. Apart from that, he acknowledged that having someone else in the family working apart from him made him think that they could work together to improve their lives:

If there are lots of people in the house and they are asking different things from you and you have no income, it will be very difficult to fulfil everything... Their work and business made me really happy. I was happy that my wife was working on top of her household activities. I was very happy that she was bringing in a bit of income for the house. She was really helping with the household expenses...I was very happy that she had an income when I was in a state where I couldn't fulfil everything for the house. When one member is doing something for the house and another person is doing something else, that is very helpful for everyone.

The acquisitions of Mina's family after her work with the bakery—such as the new car mentioned above—are proof of the economic improvement driven by her first participation in the loan programme. However, Qader said that given the high cost of goods in bazaar and current low prices offered for embroidered goods, Mina was not currently working. Nevertheless, he declared that they were happy because at least he and their sons were still working for the family, so Mina did not need to work outside the home.

Thoughts on herself and her life

It is interesting to note that while Mina's husband was apparently content with her contribution to the family's finances before she took a loan, Mina herself felt desperate. She asked herself why they were poor and why people looked down on them. Mina shared that she never went to her relatives' houses and even contemplated suicide. She just held on to the thought that if she died, her children would be left with no mother.

Mina then explained how taking the loan had increased her self-confidence. She explained that when she began working with the loan money, she gained courage, as demonstrated by her greater ability to make decisions and the level of respect she gained from her own family members and other people in the community. While she acknowledged that her children's income had also contributed to improvements in the family's economic situation, she emphasised that her own work had caused more changes in her life.

Nahid: Inherent values and participation in the loan programme

The third informant among the women clients was Nahid, a 30-year-old housewife with 5th grade-level education. She was married to her cousin Faroq, a 4th grade graduate who worked selling potato chips. At the time of research, the couple had been married for five years, but Nahid said that they had spent little time together since her husband spent a lot of time in Kazakhstan and had previously spent a year in Iran. The couple lived with Faroq's parents, and she worked helping her husband make chutney.

Taking the loan

According to her husband, Nahid took a loan because she wanted to buy gold and jewellery and channel the remainder into her embroidery activities. According to him, Nahid told him of her plan to take a loan, and he advised her to ensure that repayments were made on time to avoid fines. He also said that he gave Nahid the money to pay the loan instalments, noting that it was a good thing he was working at the time she took the loan.

However, this narrative clashes with those of Nahid and her 45-year-old mother-in-law Abida, who both claimed that she took at least three loans. According to them, the first loan she took was to buy an embroidery machine. Nahid recalled how she had told her husband about her plan and the discussion had to go through her mother-in-law before her husband agreed:

I told my husband I wanted to take out loan. He said, "What do you want to do with that?" I said I wanted to work. My mother-in-law and I talked with each other and then she said, "Yes, it is good for you to take loan because you are a smart woman and you know how to work with money." My husband said, "OK. Whatever my mother says is fine."

By contrast, Abida did not mention her son waiting on her assent before giving Nahid permission to get the loan in her narration of these events, only noting that she and her son were happy about it. However, she did mention that Nahid's father-in-law and husband also used the money borrowed by Nahid. She mentioned that Nahid wanted to borrow money because she also wanted her husband to work on something:

When she wanted to take loan, she discussed it with her husband and with me. After that we became happy and I told her that it was really good for her to take loan and work with it. She did what she wanted. She took a loan and bought an embroidery machine. She also gave money to her husband. He worked with the money she gave him. I think she achieved what she wanted, because she worked with the money and benefited from it and did not sustain losses. We are very happy that my daughter-in-law took the loan. It wasn't only her that used the loan; my son and husband were able to make us of its proceeds as well.

According to Abida, the first loan Nahid took was for 8,000 Afs. The second loan she took was for 10,000 Afs, which her husband used when he went to Kazakhstan. The third loan Nahid took was for the same amount, but this time it was used to open a small shop for her husband.

Her life before and after participating in the loan programme

Engagement in decision-making in the family

As in most Afghan households, the elders of Nahid's household (i.e. her in-laws) were in charge of most decisions, even if other family members were able to share their views

on particular matters. Nonetheless, Faroq mentioned that there were areas—which he described as “women’s issues”—where his wife and his mother-in-law made their own decisions:

I don't exactly remember, but my mother and my wife also make decisions. If there are some women's issues or problems, then in that case they can make decisions for themselves. If there are men's issues, the men make the decisions. The issues and problems inside the house and those that are related to the house belong to the women...For example, the washing of clothes, cleaning of rooms, bringing up of the children and cleaning up after the children, preparing the dishes and also cooking lunch and breakfast, keeping the livestock, and sweeping, these all belong to the women in the house.

When it came to making a decision about what to do with her first loan, Nahid also found herself constrained by the wishes of her family. Her initial intention had been to use the money to open a beauty parlour. She had even learned hairdressing for two years, before stopping because other people in the community were saying negative things about her and her family. Abida added that Nahid had already found a shop in the bazaar in which to set up her business and even paid the initial rent. However, negative rumours about her eventually reached her father-in-law. He told Nahid that people were talking behind the family’s back, saying that they were allowing their daughter-in-law to work on a beauty parlour and go to the bazaar, and that this was damaging to the family’s *namus* (honour). Following her father-in-law’s advice, Nahid agreed to give up on the business and focus instead on embroidery.

Abida declared that Nahid’s decision was motivated by respect for her in-laws, describing it as an example where everyone in the family had made a decision together. However, this description is starkly underscored by the more coercive reality, in which external censure and the wishes of Nahid’s in-laws appear to have played a much more significant role than her own aspirations. Ironically, at the time of research, the family were in fact considering allowing her to open a beauty parlour in the house, since they had come to realise the extent of her skills and the potential for income-generation this might bring.

Personally, however, Nahid was quite satisfied with her present level of decision-making power within the family, which she described as follows:

I am making decisions about how to use my money and how to prepare food for guests. When my mother-in-law wants to do seyali va shariki, I give her money to do so. I also make decisions about buying clothes for my mother-in-law, as well as about what kind of clothes I can buy for myself. It is my responsibility to make sure that guests leave our house happy and that we have behaved honourably in serving them. My husband's responsibility is just to go to his shop and do his work there until the evening.

Analysing Nahid’s statements, it becomes clear that her ability to decide on how to use her money, what food to serve and how to entertain guests improved substantially following her participation in the loan programme.

Power relations

As decision-making is connected with authority, Nahid expressed that before she participated in the loan programme, she was not given much responsibility in the household and therefore had less authority. She explained that her father and mother-in-law decided on everything, further noting that her mother-in-law had full authority to make certain decisions on her own.

Nahid saw that her participation in the loan programme made it possible for her to gain authority inside the household. She explained that she kept her husband's money and, together with her mother-in-law, she decided on how to spend it. Aside from this, she also kept her own money. She claimed this change was in part brought about by her mother-in-law's appreciation of the way she worked with the loan money. She went on to assert that since she had improved the household's economic situation and saved some money, she was able to spend money more freely.

Access to and control over resources

Nahid's husband Faroq related that before his wife participated in the loan programme, she would ask him for money to pay for household expenses and meet her personal needs. He went on to explain that he had to make sure that Nahid's needs were attended to, even if their economic circumstances were not that good:

When she didn't have the sewing machines, she asked me money for our household needs...Before the sewing machines, when she didn't have any business or income, I used to give her money and she spent it on the house and also her expenses. We are in one house, so we should cooperate with each other, otherwise our living conditions will get worse. For example, if she asks for money and I tell her no, and I am working to buy property or car, she will get angry...I think the main issue in every house is its economic conditions. If its economic situation is good, then everything gets better and there is no family violence.

After Nahid took part in the loan programme, her husband began giving his income for her to manage. However, she then handed it over to her mother-in-law. As Abida described:

Basically, when my son earns money and brings it to the house, Nahid receives the money and she hands it over to me because she respects me a lot. When we want to buy some goods for the house, both of us go to the bazaar and buy the goods. I divide the money in two parts, one for household expenditures and the other for savings; then I hand the second part over to Nahid.

In this account, it appears that Abida still had the final say on how the money was spent. This analysis appears to be supported by Faroq's account:

Yes, Abida can spend the money. When there is a need to spend she can, there is no difference whether it is a big expense or a small one. If there are some guests who come to our house then my mother can spend the money. If my mother is not in the house then my wife can spend the money. Mostly my mother spends the money, but the women in the house spend together.

Extent of mobility

Nahid claimed that she had limited mobility before she participated in the loan programme, although she added that this had improved once she got married and moved in with her in-laws. Abida was adamant that their family had not been strict with Nahid in this respect even before she had taken the loan, saying that, "Before [the] loan programme, Nahid could go anywhere she wanted. No one was preventing her." After her marriage, Nahid frequently visited her neighbours' house but was unable to visit her relatives as they lived some distance away. As mentioned above, for two years she was also able to go to a beauty parlour to learn hairdressing before her father-in-law asked her to stop.

After taking the loan, Nahid's physical mobility got better. She no longer needed to ask permission from anyone if she wanted to go anywhere. Nahid used to go with her sister-in-law to the bazaar before she took the loan. She recalled the moment when, after taking the loan, she went to the bazaar alone for the first time—without asking her husband's permission. When her husband asked where she had been on her return, she courageously said that she had gone to the bazaar. Her husband did not say anything, although Nahid admitted that she was scared that her husband would beat her for doing such a thing. Nahid highlighted this event as one of the things that had altered the dynamics of their relationship; from then on, her husband would no longer inquire of her whereabouts.

Economic situation

Before the loan, the family had just enough income to ensure that they never went hungry. As a result of Nahid's participation in the loan programme, their circumstances improved. Abida related how Nahid now had three to four contractors in her embroidery business because they had seen the quality of her work. She added that shopkeepers also paid a premium for her products because her embroidery was very good and they appreciated her needlework.

Thoughts on herself and her life

Nahid acknowledged the effect of her participation in the loan programme on her life. However, she qualified this by noting that not everyone had experienced similar effects on their lives after taking a loan, pointing to her own innate strength as an important additional factor: "People are different. Not everyone has my courage. My father would not allow me to use my courage, but I had it at birth. Not everyone has it."

Nazanin: On being young and participating in the loan programme

Nazanin was a 22-year-old ordinary member of a loan group, a 9th grade graduate and a tailor. At the time of research she was single and living with her parents, four sisters and two brothers. In her family, two of her sisters were also tailors, while her brothers were still in school. Her 38-year-old father, Baqir worked in a bakery, while her 45-year-old mother Shahla stayed at home, sometimes assisting her with her work.

Taking the loan

Nazanin explained that the main reason she took her first loan at age 19 was to help her father with the family's expenditures:

I took the loan three years ago. I was interested to take a loan to work for my father like a son. I like to work and earn money to help my father with the household expenses.

Nazanin got 8,000 Afs in her first loan. Since she already knew how to sew, she used the money to buy a sewing machine and accepted tailoring jobs from neighbours and relatives, viewing the machine as an investment since she would still have it after she finished paying loan instalments. She explained that she had let her mother buy the machine for her because she did not know which brand was better. When she was earning money from her tailoring, she bought school supplies for herself and her brothers.

Shahla, Nazanin's mother, stated that Nazanin took more than one loan. The second loan—also for 8,000 Afs—was again used to support her business. Shahla said, "The shopkeepers don't contract without money as a guarantee, that was the reason that [she took a second loan and] made contracts with some shopkeepers." Nazanin also took a

third loan worth 10,000 Afs to support her father with his work in the bakery. Nazanin paid the instalments of the first two loans that she took—on time—while her father took care of the repayments for the third loan.

The decision about whether Nazanin would participate on the loan programme or not was made at a meeting with all her family members. Baqir said that they sat together and discussed the loan and whether they could manage its repayment. After concluding that Baqir's work in the bakery would help with the repayments if necessary, the entire family lent their support to the enterprise, as her mother described:

Her father, her uncles, and our close female relatives were happy for her to take a loan. All family members were happy with it and gave their consent. The women who lived close to us even congratulated her for taking a loan and hoped that she would gain benefits from it.

Baqir admitted that he had been worried at first about whether Nazanin would really work with the loan money and pay the instalments. However, Nazanin proved herself to be responsible. She used the loan money to establish her tailoring business and pay its instalments on time. This dedication is perhaps explained by her strong personal interest in participating in the loan programme, along with the encouragement she got from other young women in her school and her mother. Her mother described how:

When she thought of the loan that day, she wanted to get it from the office right away. I told her to wait until tomorrow, but she said that she would not sleep that night if we didn't buy the machines immediately.

Her life before and after participating in the loan programme

Engagement in decision-making in the family

Nazanin had no role in household decision-making before she participated in the loan programme. While her father and mother gave different scenarios of how decision-making was conducted in their family, it was clear that Nazanin was not really involved in the process:

She couldn't make decisions at that time. All decision-making in the house was in my hands. I used to make the decisions on how to spend the money that she had. It was not within her power to make decisions. She had very limited authority in the house.

Shahla, 45, Nazanin's mother

We made decisions after considering the resources that we have and considering the situation. For example, when we wanted to take loan we discussed this issue in our family and thought about whether we could pay the instalments. Because I was employed and my daughter was doing tailoring, we decided to take loan.

Baqir, 38, Nazanin's father

After her participation in the loan programme, only a slight change occurred in Nazanin's engagement with decision-making in her family. She could only decide on how to spend her own money as other household concerns were still dealt with by her parents. Nazanin acknowledged and accepted this situation, saying that they were the elders of the household and so should take the lead in decision-making.

Power relations

Nazanin said that before she took the loan, the authority in the house belonged to her parents, particularly her father. She explained, “My father has more authority in our house because he is the head of our family.” Nazanin further noted that when they were still living with her grandparents, it was her grandfather who had the most authority.

Nazanin’s relationship with other household members, especially her parents, did not change that much after she participated in the loan programme. Shahla noted that Nazanin still did not have the authority to choose whom to marry, commenting, “It’s not allowed in our culture.” Nevertheless, her father told the research team that Nazanin was full of suggestions on how to improve things for the family:

She told me to build a new room in the house because our current rooms are old, and that she is embarrassed to invite her friends to the house and sit in an old room in the basement. She has asked me to take some money from the contractor-shopkeeper in advance and build a new room. She promised to work harder and sew more clothes and pay back this money. I agreed. She also says that we can reduce or decrease the expenses of our household in order to build the new room for guests. She studied in school and participated in the loan programme and all these endeavours enabled her to think better about our future. I myself don’t know if this change in her mind is because of studying at school or because of her participation in the loan programme or even because of age, but maybe all these factors made her think in this way. At least some changes, I mean positive changes, came in her life and will continue in the future.

Access to and control over resources

Since Nazanin’s father was the only one earning for the family before she participated in the loan programme, he also took care of its expenditures. Nazanin, her mother, and her sisters all had to go to him any time they needed money. He related how he had bought his children all the materials that they needed for school because he did not want them to be teased by their classmates. All he asked them in return was to perform well in class. He also said that he never asked Nazanin for money after she had started earning, even to help him with the household expenses:

Whether I am employed or unemployed...I am always responsible for the household expenses. The female family members can buy clothes and gold with their income...but buying flour, butter [etc.]...is my responsibility.

Nazanin’s account confirmed that her father never asked her for money. However, of her own volition she had used some of her income to buy herself and her siblings material for school. She had also bought clothes for both herself and her siblings, as well as giving part of her income to her mother as savings. Interestingly, Nazanin mentioned that her father was very happy with how she was handling her money and how she was helping their family like a son.

Apart from managing her own money, Nazanin said that her father sometimes entrusted her with money to keep in the house. She reasoned that because her mother was often in the bazaar, her father gave her a part of his income so that there would always be money in the house in case her mother was not around. Since Nazanin did not go to the bazaar as often as other girls of her age, her father trusted her not to spend any of it.

Extent of mobility

The extent of Nazanin's mobility was not significantly altered by her taking the loan. Both before and after, she was unable to go out to the bazaar unaccompanied. Her mother explained that young women could not go to the bazaar alone and that Nazanin also lacked the courage to do so:

When she goes to the bazaar, I go with her. She can't go alone because she is a young girl. She can go only to school, she can buy something from shops along the way...but she can't go alone to bazaar.

Nazanin was also busy with school and with her tailoring so she also had limited opportunities to go out, except when some female friends invited her to a wedding party. Her mother noted that such occasions were an important first step in making friends.

Economic situation

Nazanin's mother said that the household's economic situation had been worse before Nazanin took the loan. Nazanin, who was already sewing some clothes, was only earning about 50-60 Afs daily. This poor status sometimes made her angry with her daughters who were going to school, because the family had a hard time providing for their school needs, such as pens and notebooks.

Once Nazanin had participated in the loan programme, her father admitted that she had started to earn more than him and that she was really helping the family with their expenses. As Baqir explained:

The money which I receive from my work as a baker is just enough for our daily expenses...my daughter's income is actually more of a help. For example, now...it is winter, and we need to buy warm clothes and shoes. Now, we buy those things from the money my daughter has saved up. Sometimes, my wife or daughters spend that saved money to buy clothes and gold for ceremonies.

Ability to cope with difficult situations in the family

Nazanin admitted that before taking the loan, she had complained about her parents' inability to provide them with the books and clothes they needed for school. Knowing that they were poor, her response was to begin weaving the edges of veils. This way, she gradually started to earn an income. Nazanin mentioned that she handed over what she had earned to her mother, making her very happy. She noted that her mother appreciated that even at her young age, she was aware of their economic situation. In return, Shahla listened to Nazanin's advice and did not tell their relatives in the compound about their problems or how they were dealing with them in order to prevent gossip. She just told her mother that she would work to help support their finances. Nazanin also observed that before she participated in the loan programme there were times when her father was impatient with their situation and got angry, a fact she attributed to his low income. When she started earning from her tailoring business, she felt glad to be able to help with the household expenses. She also said that her mother was proud of her capacity to earn a living.

Sakina: Underlining the connection between participating in the loan programme and shifts in status

Sakina was a 22-year-old tailor and embroider, the second child in a ten-person household. At the time of research she was single and had not gone to school, although she had

attended tailoring lessons. She earned money by doing contract work for shopkeepers, making clothes at home with the materials they provided. In addition, she was also teaching ten students tailoring and embroidery skills, along with her sister and her sister-in-law.

Taking the loan

Sakina took the loan because the household was in urgent need of money. Sakina's 28-year-old brother Fahim explained that it was better to borrow from the loan office because they asked for less interest than an individual creditor would. Apart from using the loan for Sakina's business, the family also purchased a calf. After a time, they sold it and used the proceeds to pay debts incurred by Fahim's wedding party.

Sakina mentioned that she took the loan with the agreement of her 57-year-old mother Zakira. However, she noted that even if her mother opposed her participation in programme, she would still have done so, and that her mother would not have been angry since she knew she could pay the instalments with the proceeds of her tailoring work.

Judging from the accounts of Sakina's mother and brother, the family was glad that Sakina participated in the programme. Among other things, they used the loan to purchase machines for sewing and embroidery. Zakira said that Sakina's tailoring business had improved after taking the loan because her sister and sister-in-law were helping her with it and so she was able to meet the demands of her customers:

We were happy to buy the [sewing] machine for the house and work with it. After that, she bought an embroidery machine. She also asked her sister and sister-in-law to help her and made them learn how to use it. In this way, her activities increased and now she is sewing clothes for her own clients as well as those from the shop. Her work has increased day by day.

Fahim expressed his happiness with what Sakina had done for the family, also noting that he approved more generally of women who could take a loan, work with it to improve their lives, and make repayments on time.

Her life before and after participating in the loan programme

Engagement in decision-making in the family

Apart from the changes mentioned above, Sakina and Fahim also explained some of the changes to her engagement in decision-making in the household after she had taken the loan. Sakina and Fahim both stated that their parents, especially her mother, took care of decision-making before Sakina took part in the loan programme. As Fahim noted, "Before the loan, my mother decided on everything. We didn't count on [Sakina] too much." After Sakina took the loan, she paid its instalments on time, ran her business, and began to have a say on some family matters. Fahim went on, "After the loan, when we saw that she did her work so well, and all our family members were happy with her, she started making decisions about daily affairs at home." Other than this, Sakina also claimed that she had advised her brothers on how to manage their money, and that despite joking about her knowing too much for a woman, they listened to her. For example, she had opposed the decision of one of her brothers to open a shop because she felt it was in a bad location to attract business. She told him that he would sustain losses if he continued with his decision, and he took her advice. Asked about how she had learned enough to be able to advise her brothers, she replied:

I learned it from other people. After I took the loan, I met other women then I learned from them. I saw people and I learned from them. I tell my mother and my father that the past is gone. I say, "Look up at wise people and learn from them." I tell them to do this and not to do that. They listen to me and say nothing.

Power relations

The power relations in Sakina's family underwent a major shift when she engaged in the loan programme. She noted how as she grew older and started to earn money, her brothers began to treat her differently:

Before the loan programme, [my brothers] did not listen to me because I was much younger back then. Also, I did not have any money and I did not work. Now, the world changes a lot...If you have money, even if it a small amount, everyone in the family respects you. If a person does not have money, nobody respects them. Money is everything in the world. I was young when I took a loan too and earned money. Now everybody listens to me and accepts what I have to say. My family say, "Sakina has improved our economic situation."...I have got my family out of poverty and they should accept my words.

Still, Sakina said accepted that her brothers had their own lives and there that there were times when they ignored her advice.

Clearly, Sakina was able to substantially improve her position in the family's decision-making hierarchy. She said that at present she and her mother had the most authority, but since her mother was old and she was the one earning, it appeared that in practice, she had the greatest decision-making power.

Access to and control over resources

The loan also opened Sakina's access to resources within the household. Zakira said that she used to take charge of the money that entered the household herself, as she was the one who budgeted for the household's needs. However, after Sakina took a loan, she had her own money and was making a contribution to the household income. Once this happened, none of the family members told Sakina how she should use her money. Her mother only noted that sometimes they would go to the bazaar together to purchase items for the house.

Extent of mobility

Fahim recalled how Sakina had never interacted with other people before she participated in the loan programme, and how her activities were limited to household chores and a little tailoring. Sakina added that she did not go to the bazaar, she only visited their relatives. This changed when Sakina took part in the loan programme. Fahim explained that Sakina would now talk with other women on matters related to tailoring, as several women were now coming to their house to have their clothes sewn. He also observed that these women respected Sakina. However, Fahim noted that even after Sakina had taken the loan, it was still up to the men in the family to grant her permission to go to the bazaar:

During dinner my father and I...tell the women, "When you go out of the house, you should get permission and tell other family members where you are going. It is a practice from a very long time ago, that when the women want to go somewhere they should ask permission from their men."

Economic situation

All family members interviewed felt that the household's economic status had improved. Sakina's mother stated that before Sakina participated in the loan programme, her father worked from morning till night, earning enough for them to eat three meals a day. However, although they did not have to ask for help from other people to meet their day-to-day needs, the money they had was not sufficient to meet other household needs. Although Sakina's brothers were working at that time, they did not contribute to the household.

When Sakina participated in the loan programme, their economic condition improved. Sakina said that their relatives acknowledged the contribution her work had made to the family, while her mother added that they could now do better *seyali va shariki* because she could take care of the expenses. Fahim noted that it was good that Sakina had taken part in the loan programme because she could now take care of her personal needs and did not have to wait for him or her father to give her money.

Thoughts on herself and her life

For Sakina, being able to take care of her personal needs gave a major boost to her self-esteem. She said that before taking the loan, she did not have faith in herself because she was not earning and her opinions did not matter that much in the family. Afterwards, however, she gained the respect of people both inside and outside of her family circle, learning that it was important for men and women to work and take care of their own concerns.

Shaqand: The interplay of her status in the family and loan participation

Shaqand was the oldest among the women clients interviewed for this study. At the time of research, she was a 50-year-old widow whose children were still living with her. Of her eight children, all had either attended or were still in school. She herself was illiterate and her father had arranged her marriage when she was 13 years old. Shaqand explained that her deceased husband had been a gambler who had died when their youngest son was a year and a half old. She also recalled how her first child had died because she had been too shy to feed it.

Taking the loan

Shaqand's aim when participating in the loan programme was to start a tailoring course and buy an embroidery machine. According to her 30-year-old son Ali, his mother had shared her reasons for taking the loan with her children, and none of them had disagreed. According to Ali, they felt that buying embroidery machines would serve them well because this would allow her sister to work in their house rather than at a neighbour's.

Her life before and after participating in the loan programme

Engagement in decision-making in the family

Since Shaqand was a widow, she already played a lead role in decision-making in her household. Fatima, Shaqand's 30-year-old daughter-in-law said that it was always Shaqand who made the decisions about everything in the house. She added that Shaqand took care of the expenses, never misused the money, and made very good decisions.

Fatima felt that after Shaqand took the loan, she became wiser and more experienced. For example, two weeks before the interview with Fatima was conducted, Shaqand had taken care of the engagements of one of her sons and one of her daughters.

Power relations

The loan did not have a substantial impact on the power relations within the household, since Shaqand already had the most authority as head of the household. Shaqand said that she had advised her sons on what to do with their lives, and especially on matters related to their expenses. However, she said that when buying property, she would still discuss it with her sons.

Ali, her son, felt that his mother's authority had remained constant over the past five years. Although he noted that after taking the loan, his mother could spend money "as she wishes," rather than devoting almost all of it to food consumption, he did not see this as a major shift in authority.

Extent of mobility

Physical mobility was not much of an issue for Shaqand, reflecting the tendency of widows in Afghanistan to have more authority and freedom relative to other women.¹⁸ However, Fatima said that Shaqand did not go to the bazaar that often before she participated in the loan programme because they did not have much money to spare and she was too busy working on her tailoring. These were also the reasons why Shaqand did not often visit her relatives. In this respect, her earnings when she participated in the loan programme did improve her mobility since they allowed her to go to friends' and relatives' houses and conduct *seyali va shariki*. She was also able to buy sewing machines with the loan which her other daughter and daughters-in-law worked on. This gave her more time to go to the bazaar to buy tailoring materials and household items.

Economic situation

Fatima described the economic improvements that her mother-in-law's participation in the loan programme had brought:

If you had seen our conditions four to five years ago...we didn't have a morsel of food and our finances were not good. My mother-in-law took a loan and bought ten machines, and we had apprentices who sewed clothes. In this way, my mother-in-law brings the clothes sewn by the apprentices to the shopkeepers and gets money from them, which pays for our household expenses.

Ali stressed that their improved economic condition had raised their standard of living, as well as improving their relationships with each other:

When your economic situation is good, then life looks good and the happiness in the house increases every day. Poverty brings problems and disunity in the house. If your life situation is good then life passes well and every member of the family feels happy.

¹⁸ See Chona R. Echavez, "Gender and Economic Choice: What's Old and What's New for Women in Afghanistan?" (Kabul, AREU, 2012). In this rapid qualitative assessment of villages in Parwan and Kabul provinces, widows were seen to be mobile, decision-makers and income earners in the absence of older male household members, with some classified by study participants as among the more empowered members of their communities.

As their economic situation improved, Fatima noted that her mother-in-law had started securing contracts with shopkeepers. This was impossible before they took the loan since the shopkeepers required money as a deposit to guarantee that they would give back their fabrics after they had worked on them.

Thoughts on herself and her life

Shaqand and her family members were not clear about how she thought of herself before she took part in the loan programme. All she said was that she used to think that it was not good for women to go outside of the house and work, a view that changed after she took the loan:

Before taking the loan I thought that it was bad for a woman to go outside the house. But now I say, "Why did we think that it was bad for the women to go outside of their houses, and that people would talk behind their backs?" Now, I think it is good for women to go outside of their houses. The previous idea was wrong, as women should work just the same as men.

Shaqand was also proud of herself. She said that people admired her because although she was a widow, she had still helped herself and her daughters pursue their own income-generating activity and improve their lives. Shaqand said that she had also started making suggestions to women who came to her house on how to resolve family problems. She also mentioned that the parents of her students trusted her enough to allow their children to leave their houses just to attend her class.

Synthesis

Participating in the loan programme made several positive changes in Laila's life. She said that while her husband was earning income outside the house, she was also earning income while staying at home through her embroidery and tailoring. She also explained how after she participated in the loan programme, she learned how to save money, decide about how and on what to spend it, and, most of all, manage her life. She further shared that apart from its economic aspects, her participation in the loan programme increased her self-confidence and made her interact more with other people. She admitted that she lacked confidence in herself when she began working, but when she learned embroidery and her skills improved, her self-esteem began to grow as well.

The biggest change in Laila's family life had been their decision to live separately from their in-laws. Her sister-in-law explained that after Laila had paid all her loan instalments, she asked her father-in-law if they could live separately from them. He gave his consent, saying that the decision on where to live was in their hands. Laila clarified that they had not left their in-laws because they were bad people, but because their house had been overcrowded. After the separation, she explained that she had found herself better able to concentrate on her household chores and her embroidery.

According to her daughter Fatana, the main change in Mina's life had been the increase in her social interactions—especially with other women—that had occurred after she had taken the loan. This could largely be attributed to Mina's baking skills. A lot of people (and women in particular) liked her baked bread because aside from being tasty, the preparation was clean. Fatana also recalled how women had brought their dough to her mother's bakery, and that this interaction opened the opportunity for them to share experiences with and seek advice from one another. Inside the house, Fatana noticed that her mother's responsibilities had increased. However, her mother did not seem to mind this since her self-confidence was boosted, her baking skills improved, she was able to keep livestock, and could still keep up with her household chores.

Mina's husband Qader, also said that they were happy with the loan she took, especially since she had been able to pay all the instalments. He said that if Mina had failed her repayment for the loan, they would have faced major problems. He noted that in other families, a woman would have been blamed if she had failed to keep up with instalments. In their family, however, he implied that this could never have happened since Mina only took the loan after consulting with other family members.

According to Nahid's mother-in-law, her life had undergone an almost total change after her participation in the loan programme. In addition to providing a major contribution to the economic life of her family, Nahid's participation boosted her self-esteem. This was especially true since it allowed her not just to improve and capitalise on her embroidery skills, but also to become a teacher to other women in the community.

According to her mother, the main change in Nazanin's life was the fact that she now had her own money to manage. Instead of just buying a single pen, Nazanin could now buy an entire set of school materials. In addition, girls in the community had started asking her to make their dresses, likely providing an additional boost to her self-esteem.

The first change that Sakina noted was that her confidence had improved and her interactions with other women in the community had increased. Second, she had learned how to bargain with the shopkeepers and talk to people in the loan office. Third, she had acquired new skills, and finally, she had imparted her knowledge to other girls, earning their parents' thanks in doing so. In addition to these personal changes, she had also been able to start making a contribution to her family's earnings.

Shaqand had been a tailor for 30 years before taking a loan. When she took part in the programme, she was able to share her long experience in tailoring with her students. Her daughter-in-law explained how Shaqand had consequently become well-known in the village and that people respected her. She also noticed that her mother-in-law had learned a new skill using the zigzagging machine she had bought with her loan, and that she had also learned how to interact with the people in their area and to negotiate with shopkeepers. From Shaqand's point of view, the changes in her life were that she could decide on what to do with the household income, she had overall authority in the house, and she had gained the confidence to develop her life further. She had also taught her daughters and daughters-in-law how to sew, allowing them to earn money on their own as a consequence, and thus rendering them indirect beneficiaries of the loan. In addition, she had started encouraging her daughters and daughters-in-law to participate in the loan programme. On a practical level, the family were now able to sew their own curtains and weave their own rugs. Finally, according to her son, her participation in the programme had earned her a higher degree of respect within her household.

5.2 Non-client stories

The discussion in this part of the paper examines the four female non-clients interviewed, focusing on: 1) their reasons for not engaging in the loan programme; 2) aspects of their personal life, including their decision-making authority, mobility, and views of themselves; 3) their views on the lives of the women clients; and, in the case of those not fundamentally opposed to the idea of taking a loan in the first place, 4) whether or not they had any plans to participate in future.

Shanaz: Inhibited by women

Shanaz was 30 years old at the time of research and had got married four years previously. She was illiterate, as was her husband, who sold chips at a roadside stall while she busied

herself with chores at home. Together, they lived with her older mother-in-law in a single house.

Reasons for not taking the loan

Shanaz wanted to take part in the loan programme, buy a sheep, and then sell it once it had grown. She wanted to do this to help her husband, who was only earning 20 Afs (\$0.40) per day. However, Shanaz' mother-in-law and her own mother did not allow her, even if her husband had agreed to her taking part:

My mother-in-law did not allow me to take loan, and nor did my own mother...I told my husband about the loan and he said, "If you can work with the loan money it will be good for us." My husband also said, "First you should tell your mother. If she lets you then you can take the loan." But my own mother did not allow me. My mother was afraid that I could not work with the loan money; she was worried about who would take responsibility for the repayments if I sustained a loss, since my husband did not have a good income. He only sells chips, which is not enough for our household expenditures. With my poor husband's 20 Afs income per day, how he could repay the loan instalments? I said to my mother, "See how other women in our village have taken the loan and worked with it. I also want to take a loan and work." My mother said, "You're frantic and crazy. How could you take a loan and work? You are not wise like other women."

Shanaz did not elaborate on why her mother thought of her in this way, nor on the reasons behind her mother-in-law's opposition to her taking the loan.

Aspects of her personal life

Shanaz's 32-year-old husband Akram said that even without a loan, there had been a change in his wife's mobility in recent years. When his mother was younger, she was the one that used to go to ceremonies in relatives' or neighbours' houses. As his mother grew older, Shanaz began to fulfil these responsibilities herself. Even with this change, Akram still said that his wife usually asked permission from his mother before going out, as a sign of respect. He added that he did not mind if Shanaz did not seek his permission about where to go because he was confident that she would not go to places that were unsafe.

Perspectives on women loan clients

According to Shanaz, the women who took the loan used the money as a basis to start generating an income. She thought that these women were really happy to have their own money since it meant that they no longer had to wait for their husbands to give it to them. In the past, Shanaz had thought that it was the role of men to give money to women.

Chances of taking a loan in the future

Akram stressed that he would not be taking part in a loan programme in the future because taking a loan meant paying instalments, which he felt that he could not afford. He added that these loans entailed *sudh*, violating the tenets of Islam. It is reasonable to assume that if Akram rejected the idea of a loan on this basis, it would be difficult for Shanaz to take one in the future.

Shahida: Not needing the loan

At the time of research, Shahida was a 30-year-old teacher at a school run by MFI-2. She was single and had attended school as far as tenth grade. She was one of six members of

her family. Her sister—also single—had reached 11th grade, while her two brothers were working in a shop that offered battery charging services. Her father, although illiterate, had a job in the city. Her mother had studied up to fifth grade, and would sometimes help Shahida with her embroidery.

Reasons for not taking the loan

Shahida's parents were again an influential factor in determining whether or not she took a loan. Her 22-year-old brother Haleem said that their parents did not allow Shahida to take the loan because they felt that tailoring would be physically stressful for her, and that she did not need to work because they did not "face economic problems." As Shahida herself pointed out, "I didn't need the money from a loan, thanks [to] Allah that my father and brothers are working."

However, Haleem mentioned that when his mother heard about the loan programme, she spent two days unsuccessfully searching for the loan office. This was in order to take out a loan on his behalf, so that he could expand his shop. Haleem said that his mother used to do tailoring but she experienced backaches and so she stopped, as did Shahida:

My mother didn't have any business that she could use loan money on. In the past, she did some tailoring but when she got backache, she stopped. Indeed, I told her to stop because she couldn't sit for a long time sewing the clothes. For a while, my sister was doing tailoring but when my mother got backache then my sister also stopped so as not to encounter the same problem.

Aspects of her personal life

It is clear from Shahida's and Haleem's account that Shahida did not engage in decision-making in the household, either before or after MFI-1 came into their community. Haleem noted that he was essentially in charge of all decisions concerning his business, although he shared his thoughts with family members including his mother and sisters:

Female family members also have roles...when my mother feels that some decision would not benefit us, then she opposes that decision. When something would benefit us, then my mother and my sisters give positive feedback on it. But women don't know about some things and can't give good opinions on them. For example...my business, they don't know anything about it because they don't have enough information about batteries and other things related to it.

Shahida herself added that she would frequently consult the opinions of her brothers because in Afghanistan, the opinions of boys are more valuable than those of girls. Shahida recalled that in the past, her father made all the decisions, not her mother. Haleem added that when Shahida had wanted to work in a local clinic as a community health worker (after her studies but before she took on her current teaching job), their father had opposed it. He had argued that they were new in the place and were not yet sure of the security situation in Afghanistan. In order to get the job, Shahida had to convince their mother, who then went and persuaded her father to allow Shahida to work.

Shahida also had difficulty with her mobility in the past. She stated that she had developed a mental problem because her mother did not allow her to go to school and she could not go anywhere. In the end, her friend talked to her mother and convinced her to let her go to school. Shahida's friend assured her mother that they would go together and return home after school together. Shahida said that her mother had probably prevented her from going out of the house out of fear that she would get into a relationship with a man and run away. She also observed that people in their area would gossip about young girls who went outside their homes.

After she had completed tenth grade, Shahida got a job as a teacher in the MFI-2 school, and then she got engaged. Shahida said that her power within the family had increased after she started working. Her mother no longer prevented her from going anywhere, whether with friends or by herself, especially since her husband-to-be was not strict on the issue.

Perspectives on women loan clients

Shahida mentioned that women who took the loan put it into their tailoring and embroidery business, even noting that these were the only activities that women with loans could engage in. However, she also admitted that she had not really observed the lives of women loan clients. She thought that many had taken loans so that their husbands could start an income-generating activity. The only thing Shahida was sure about was that those women who took part in the loan programmes were able to “solve their problems.” When asked what she thought about women loan clients’ mobility, Shahida replied that they were women of authority:

[These] women have authority and control their own money. I have seen a lot of them...going to the bazaar with other women and bringing some fabric for tailoring from contractors there. These women have meetings with each other and discuss their business-related issues and how to improve the quality of their work, either in tailoring or in embroidery.

Mahwash: Not engaging in the loan programme because of *sudh*

Mahwash was a 45-year-old hairdresser at the time of research, living with her 55-year-old husband Nadir, their son, and their daughter-in-law. She had married at a very young age during the Russian invasion, and both her and her husband were forced to move to Iran in the first years of their marriage. In the end, they had stayed there for 25 years due to continuing insecurity within Afghanistan. Both Mahwash and her husband were illiterate, although their son had graduated from college. However, despite this disadvantage, her husband had managed to secure a good job in a shop, while she had learned about beauty care. At the time of the interview, Mahwash had a beauty salon in one room of their house, while her husband was working as a taxi driver. Running this business made her happy because it allowed her to do something she enjoyed while also providing her with an income.

Reasons for not taking the loan

Both Mahwash and her husband were opposed to taking part in the loan programme because they believed it to be un-Islamic due to *sudh*. In addition, Mahwash said that they did not need to borrow money:

*I often talked about the loan programme with my husband and we said that these loans have interest and the people should not get them, and the office should stop this programme because *sudh* is haram [forbidden under Islam]. If we are real Muslims, we shouldn't take loans because Islam says that getting and offering interest is haram. My husband really hates the loan programme. Once I thought about getting a loan, but my husband became very angry and he said never to mention...it again. After that, I changed my decision and I got a loan from one of my relatives.*

Aspects of her personal life

Mahwash admitted that her participation in family decision-making had not substantially changed over time. During the early years of her marriage, it was her in-laws who made the decisions in their family, to the extent that even her husband had to agree with what

they decided. She explained that it was their tradition to respect and accept what their elders said. Eventually, her husband became the head of the household and he made most of the decisions in the family. Although she asserted that she was able to make decisions on some small things, she did not elaborate on what these were.

However, she did say that after her husband took charge of family decision-making, he started consulting with her on the choices he made. He himself added that it was important for other family members to be consulted in this regard, saying that, "It is stated in the Holy Qur'an as well as in the *hadith* [sayings of the prophet Muhammad]." Nevertheless, even though she may have been consulted, it appears that her influence on decisions was ultimately quite limited. For example, her husband was the one in sole charge of determining when their son got married and whether their daughter-in-law would move in with them. Regarding this process, she just said, "I can't make decisions on my own, my husband is making the decisions, and I accept that."

Mobility for Mahwash was better when she was in Iran. She noted that at present, she did not go out a lot and had few interactions with other people. By comparison, when she was in Iran, she interacted with people and she could even go out at night by herself. Commenting on this contrast, she said:

When I was in Iran, I used to go out at night. Here I am scared of going out. I am scared of people. I am scared that people will say, "She is alone, what is she doing here?" Now, I don't go out a lot, but when I was in Iran, I used to go out during the day and the night.

She went on to explain that she had tried interacting with people in Afghanistan by going to neighbours' houses when there were events or celebrations, but she had stopped doing so since these efforts were rarely reciprocated. At the time of research, she was only able to interact with people if they came to visit the house.

Perspectives on women loan clients

Mahwash's husband Nadir said that women who participated in the loan programmes used the money to buy livestock, or machines for sewing or embroidery. He added that the amount of money loaned was only designed for women who wanted to run small businesses. According to Nadir, the only women taking the loans were ones who were struggling with poor economic conditions.

However, he did note the positive impact that loans could have on the social mobility of female clients. He commented on the networks that these women were able to build as they came together and talked with each other, explaining how "They knew about each others' situation and problems. These things bring changes for women."

Zakiyah: Free on other things, but not in taking part in the loan programme

The last woman non-client interviewed for this study was Zakiyah, a 30-year-old tailor who lived together with her 45-year-old husband Tariq and their two young children (she shared that it had taken the couple nine years to successfully conceive). Both Zakiyah and her husband were illiterate, but their seven-year-old daughter was attending school. She supplemented her husband's often irregular work as a labourer by doing embroidery, and the family's economic circumstances were generally poor.

Reasons for not taking the loan

Zakiyah was another woman non-client who had wanted to participate in the loan programme but was prevented from doing so. She said that her husband did not allow her take part in the loan programme because he was worried that they might not be able to pay the instalments. Judging from Zakiyah's response to this, it appears clear that she had initially been very keen to take a loan:

I always said to my husband that I wanted to take a loan too. But my husband did not allow me to take loan. I don't know why he does not allow me...My husband said that if I took a loan and lost money, then who would repay the instalments? But I really wanted to take a loan and work with it.

Aspects of her personal life

Zakiyah and her husband provided somewhat differing accounts of the decision-making process in their family. For Zakiyah, it was her husband who made most of the decisions because "he is an intelligent man," and she could not make them herself. She nevertheless stated that her husband did discuss matters with her before arriving at a decision.

In his account, Tariq dwelt more on the consultation process than on who was responsible for final decisions. For example, he talked about how he and Zakiyah had discussed her working outside the home and how he had favoured this:

When she consulted me about this, I told her, "It is good for you to have employment and some income because if I fail to find work on some days, then you can fulfil the household needs with your income, and your earned money will solve some problems in our life."

Tariq emphasised that such consultation was important in maintaining good relationships inside the household. He also claimed that they had been doing this in the past, before MFI-1 arrived in the community. However, this was contradicted by Zakiyah's assertion that he had denied her request to participate in the loan programme. Tariq himself added that he had also refused to buy her a sewing machine:

We are discussing different issues between us, for example, my wife says that if we have a sewing machine, it will help her business and she won't be compelled to sew by hand. I replied that this would be good, but...we don't have money... when we find money, we can buy a sewing machine and her business will develop.

It was, however, unclear from his response whether he thought saving money to get a sewing machine was preferable to taking a loan from MFI-1.

In terms of her mobility, Zakiyah said that in the past, she had not gone to the city that much because they were new in town and she was not yet familiar with it. However, both she and her husband affirmed that she had always been able to go anywhere she wanted. Tariq added that he sometimes accompanied Zakiyah when she went out, and that other times she went places by herself. Zakiyah said that she still sought permission from her husband when she went anywhere, but that this was really just so that he would know where she was going. She was also keen to emphasise the generally high levels of mobility among women in the community, pointing out that literate women could go out of their homes and work as teachers, bean cleaners, or on contract with shopkeepers in Mazar. Zakiyah also noted that going to the city was not a problem for women in the village, even if it was not for work. She asked the research team, "Do you see how many rental cars operate here? If you see a rental car, it means that a woman is using it to go to Mazar."

Perspectives on women loan clients

Zakiyah's husband felt that encouragement or consent from their families was the main motivation for women to take part in the loan programme. He was also well aware of what female loan clients did with their money, explaining that these women either engaged in livestock raising, cleaning peas, or embroidery and tailoring. He explained how those who raised livestock used their husbands' or sons' income to pay off their loan instalments, while those who were running businesses paid them off with the money they themselves had earned. Finally, he explained that people who did not participate in the loan programme did so because they could not afford to make the repayments.

Chances of taking a loan in the future

Zakiyah explained that she was still working on convincing her husband to allow her to engage in the loan programme, saying, "Now I keep talking to my husband every day for 30 minutes, telling him that I want to take loan." In her arguments, she pointed out that if she were allowed to participate in the loan programme, she would be able to buy a cow or a sheep. This, she reasoned, would allow them to get a daily supply of milk, and they could then sell it when it matured or when circumstances called for it. However, while Zakiyah seemed convinced that she would eventually talk her husband round, Tariq was less certain. As he noted, "If we can pass our life with our daily income, we won't take a loan, because while poverty is not a shame, it is a shame to take a loan and fail to pay the instalments."

Synthesis

There were only three reasons why the women non-clients did not engage in the loan programme offered by MFI-1. First was the issue of family members or relatives preventing them from doing so, fearing that they would struggle in making repayments. Second was the fact that a loan was not needed. And third was opposition to taking a loan in the first place due to a belief that it involved *sudh* and was therefore un-Islamic.

Female non-clients were generally limited in the contribution they could make to household decision-making. It was their husbands who had final say in most decisions, even if they did consult with their wives before making them. However, in some cases the extent of this consultation increased over time as the focus of decision-making in their households shifted from their parents-in-law to their husbands. Non-clients' level of mobility was dependent on the circumstances of their individual households, but could change both for better and—in the case of Mahwash, who had previously enjoyed greater freedom of movement when living in Iran—for worse.

Finally, the four non-clients' prospects of engaging with the loan programme in future appeared relatively bleak. Shahida did not need to, and Mahwash was opposed on religious grounds. Shanaz and Zakiyah both expressed a desire to take part. However, Shanaz's husband again disapproved of the *sudh*, while Zakiyah's remained reluctant because of his fear of the shame that failing to make repayments would bring to the family.

5.3 Community perceptions of women's involvement in the loan programme

Informal discussions with male and female informants depicted varying opinions among community members regarding women who had taken loans. Two women (Nazia, 38

and Rahima, 50) said that people there did not mind what other people or families did in order to improve their lives. Ziyagull (50) declared that women who engaged in the loan programme were good women because they were trying to help their husbands take care of their families' needs. In her view, "[A] woman should try to help her family's economy because it is difficult for just the man to take care of the house expenses." However, one *kalantar* in the community noted that elders were against loans because mullahs believed them to be *haram*.

In this respect, FGD participants appeared hesitant to pass judgment on the decisions of other people in their community. Three young female clients who took part in the FGD explained that if husbands, brothers and fathers did not allow their wives, sisters, or daughters to take loans, then it was not their business to interfere. For their part, women who had not engaged in the loan programme inhibited themselves from saying anything negative about those who had.

Overall, however, community members did note two major differences between women who had taken part in the loan programme and those who had not. First, women who had taken loans and invested their money in a small income-generating activity were seen to have helped in improving their families' economic circumstances, as summed up by one former female loan client:

I gained courage. I am doing embroidery, my daughters are making chadaris, and I am paying the instalments from our income. Some people who couldn't work with the loan money did not get the chance to improve their lives, but I took a loan and my life got better after I did so.

Nahid, 48, FGD participant

Second, participating in the loan programme made women more independent from their husbands in terms of access to resources, as summed up by another former female loan client:

I have taken a loan and my life has got better. Now, I do not need my husband and my sons to give me money. But my sister, who also needed money, didn't take a loan because she was afraid of repaying the instalments. Now she is wondering how to improve her life, and she is unemployed.

Zeba, 50, FGD participant

As reflected in this statement, the main reason given by some women in FGDs and informal conversations for opting not to take loans was their fear of not being able to make repayments. Aliya, a 45-year-old female client who also took part in the FGD for old women clients, claimed that apart from fear of repayments, some women did not take loans because they did not have enough courage to work on them and had fewer interactions with other people in the community.

Suggestions for more active participation of women in the programme

Two MFI staff informants made three suggestions for improving women's participation in the loan programme. The first was that existing women clients should work hard with the money, earn from it, make repayments on time, and improve their lives. This, they reasoned, would be a good advertisement of the programme to other women. Second, they suggested that people should buy from shopkeepers who had contracted their materials to women loan clients in order to help these women pay their instalments on time. The MFI staff member who made this suggestion also went

on to make a third point, suggesting that clients using the loan to run small businesses should be given more advice on how to market their products and services.

Community informants made two additional suggestions. A 38-year-old female informant highlighted the importance of stable security conditions in encouraging women to access loans or work outside of their homes more generally. Several informants also suggested that MFI-1 should stop charging interest, although this raises clear issues in terms of practicality and sustainability.

6. Conclusion and Recommendations

There are several conclusions that can be drawn from the experience of women clients and non-clients in the study community. They are the following:

- All six clients' participation in MFI-1's loan programme had obviously improved their economic circumstances. In doing so, these women had generally used their loans to fund an embroidery or tailoring business and were able to pay the instalments on time.
- The most common reason women gave for taking a loan was to improve their families' economic conditions. It does not appear that they had initially expected or anticipated any of the other consequences of their participation.
- Many of the women interviewed in the study did have some degree of power prior to taking part in the loan programme, but they did not have the means to act on the power they had. Accessing loans from the MFI gave them the resources needed to act on this power.
- The change most commonly observed by both women clients and their family members was the shift that occurred in their social mobility or in their interactions with other people. Female and male family members alike noticed that women clients began to interact more with other people, especially women, in both formal matters of business and more informal exchanges. In addition, women clients learned how to negotiate with shopkeepers to lower the cost of materials or get better prices for their products.
- Support from family members was crucial in determining both whether women took part in the programme in the first place, and how they handled their loans once they had done so. Without the active support of their families, the six women clients would have experienced stress in all aspects of their lives.
- Women's reasons for not taking part in the loan programme varied from being inhibited by family members, fear of not being able to make repayments, not needing the money, being against the *sudh* involved, or having low levels of interaction with other community members.
- Several non-clients reported high levels of mobility despite their lack of participation in the loan programme. This suggests that improved mobility may not necessarily be a direct result of participation in the loan programme, and could be equally dependent on women's' individual household circumstances.
- Community members generally varied in their opinions of women taking loans. However, FGD participants and informants also reported that community members did not mind how other people went about trying to improve their lives.

Ways forward

Testimony from informants and participants in the study community points to the following options for improving women's engagement in loan programmes:

- At the national level, stable security conditions are vital to ensuring women's mobility outside the home and effective involvement in small business.
- Loan offices could offer mechanisms to help women further capitalise on their loans, such as teaching them marketing or advertising strategies for their products. In this respect, exploring ways to share the success stories of women clients among other community members may be worthwhile.

- Given the vital importance of male family members and community elders in both facilitating or inhibiting women's involvement in loan programmes, loan offices should make every effort to ensure buy-in among these groups at the earliest stage of their activities.
- While community members in this study suggested the elimination of interest and fines for late repayment, this raises obvious implications in terms of financial sustainability and practicality. Instead, it may work better if value formation that includes integrity and honesty in paying loans is integrated into the social preparation work done by loan offices, and the importance of discipline in the payment of loan instalments emphasised.

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