



## Alleviating Poverty Through Social Entrepreneurship

Breaking out of a cycle of poverty includes processes or pathways that typically start with poor people undertaking the hardest jobs available in their context.

Rural Afghanistan provides a very difficult context for the poor to break out from the vicious cycle of poverty.

The jobs available to them often allow the poor only to live hand-to-mouth. The pathway out of poverty only advances when people are provided with opportunities in education or vocational trainings, with social and health services, and with improved conditions for socioeconomic growth.

### Key Messages

- Income-generating opportunities available to the poor in developing countries are usually extremely gruelling, and often amplify the degree of exploitation inflicted on the poor. There is a need to ensure improved working conditions for the poor.
- It is necessary to combine income-generating strategies with capacity-building opportunities, for example by building vocational training into programs to add value to local production.
- The poor do not constitute a homogenous population. They differ both at the community level and at the individual level, and they break the cycle of poverty at their own pace depending on local conditions, personal attitudes and proclivities, and broader societal, national, and international circumstances.

## Social entrepreneurs could provide job opportunities for the poor

In a world where more than one billion people live in extreme poverty, strategies to alleviate social and economic hardship are abundant. A growing literature argues that some efforts, in particular social entrepreneurship, can yield positive results. Social entrepreneurship interventions often combine multiple services such as provision of employment opportunities and access to health and education services. Successful interventions are long-term and usually are associated with transformational processes experienced by impoverished people that help them to break out of the cycle of poverty.

## Recognising that poor communities also have social gradients

A community in poverty, like all communities, has a social gradient in which the poorest of the poor remain at the bottom. Income-generating opportunities available to the poor in developing countries are usually extremely gruelling, strenuous and extractive. Generally, these tasks are recognized as crafts, entailing work that even slightly better-off people would avoid and which sometimes can amplify the degree of exploitation inflicted on the poor. **Figure 1** shows a boy sitting on a loom, working a typical 8 to 10 hours a day in that position, for months, to weave a single carpet. To alleviate poverty, policymakers must ensure improved working conditions for all, but should in particular strive to protect the young and the poor from abusive practices. This is an issue requiring more effective legislation, yet equally important is the need for rigorous enforcement, especially in rural areas where regulatory infrastructure is often weak or non-existent.

## Combining job opportunities with educational and vocational training

Income from strenuous jobs only allows the poor to survive from day to day. Poor families and individuals may never break out of the cycle of poverty with extractive jobs alone. Combined with educational and vocational training and some social services, however, there is a greater chance that poor individuals and families may break the cycle over a period of time. Thus, it is necessary to combine income-generating strategies with capacity-building opportunities and other social



**Figure 1:** Weavers can spend months working 8-10 hours per day to weave a single carpet.

**Photo: Maisam Najafizada**

services. Policymakers should strive to render capacity building a more explicit component of all poverty-alleviation interventions, for example by building vocational training into programs that seek to add value to local production. In the Afghan carpet industry, for example, training weavers to shear, wash and stretch carpets would enhance their income beyond what they are able to earn from weaving alone. The most prominent of social services is health and nutrition services, especially for the marginalized population of women and children in rural areas of developing countries.

## Understanding that communities are heterogeneous

The poor do not constitute a homogenous population, and differences occur at both the community and individual levels. People and communities may break the cycle of poverty at their own pace depending on local conditions, personal attitudes and proclivities, and broader societal, national, and international circumstances. The poor sometimes share the burden of poverty alleviation among themselves, allowing some family members to improve life circumstances while others remain behind. In such cases, the poorest of the poor suffer most. Policymakers should ensure that poverty-alleviation interventions reach those at the lowest socio-economic gradient by requiring program sponsors to conduct initial assessments to identify the most severely impoverished people in target communities and to prioritize efforts that address their needs.

**The process of poverty alleviation is iterative**

The process of poverty alleviation involves multiple strategies and must adopt a long-term perspective. Social entrepreneurship entails an iterative process involving a diverse array of overlapping components. Each element aims to enable people to overcome poverty by acknowledging the complex assemblage of factors that are responsible for extant conditions. Rigid, short-term interventions may work as a ‘relief pill’ but are unlikely to produce enduring effects. Policymakers therefore should strive to ensure that poverty-alleviation programs are dynamic and that they are sustainable over the long term – if they are to be effective and overcome deep structural and systemic factors that often impose or reinforce poverty.

In conclusion, poverty relief projects are unlikely to break the cycle of poverty unless they include or address several

complementary factors. Successful interventions are designed to enable the poor to access resources that enable self-help and internal resourcefulness.

**A case for change...**

Interventions that aim to alleviate poverty need to take into account the community context and attempt to reach everyone, but most importantly those at the bottom.

Income-generating opportunities for the poor are typically extractive and do not help the poor to break out from the cycle of poverty on their own. There is therefore a need to change the working conditions for the poor and to protect them from exploitation.

These efforts must be combined with educational and vocational capacity building of the poor, so that they are empowered to break the poverty cycle (Figure 2).

**Figure 2:** A process of poverty alleviation (red symbolises poverty, green symbolises breaking the poverty cycle).



## Case Study from Bamyan Province

A CAARF fellow, Maisam Najafizada, undertook research in Bamyan province, Afghanistan, to examine the relationship of a social entrepreneurship initiative (Arzu Studio Hope) with poverty. He travelled to Bamyan in September 2014 to interview Arzu company officials, government employees overseeing the initiative, and carpet weavers working for Arzu as well as local community members. The researcher found that Arzu Studio Hope aimed “to help Afghan female carpet weavers and their families break the cycle of poverty.”

The organization was established in 2004 and has over the past decade provided working opportunities for 81 families. The organization combined income-generating opportunities with social and educational services. Weavers were paid per square meter of near-finished carpet, and paid a 50 percent bonus (remitted to the family) as encouragement to increase female literacy and childhood education. The

organization also required community members to avail themselves of services provided by Arzu at no-cost to the community. The organization established three community centers for women in the Shashpol, Mullah Ghulam and Dara-e Azhdahar areas of Bamyan. These facilities offered female literacy courses, free laundry rooms, health workshops for women of reproductive age, English and computer courses for boys and girls up to eleventh grade, pre-school for children between the ages of four and six, and a loom room for large carpets. Figure 3 shows the difference between children who attend the Arzu pre-school and children of the same age in a different community. Figure 4 shows the difference between a laundry room set up by Arzu and the way other community women wash clothes. Arzu had also built a garden where women can practice farming and gardening as well as socialize.



**Figure 3:** Arzu’s pre-school class for children (*left*) compared to pre-schools for children in another village in Bamyan (*right*).

**Photo: Maisam Najafizada**



**Figure 4:** Washing clothes outdoors (*left*) versus Arzu’s laundry room (*right*).

**Photo: Maisam Najafizada**

## Further Reading

1. Najafizada, S.A.M (2014). Entrepreneurship and Sustainability in Bamyan. Weekly Blog of the Journal of Sustainability: Science, Practice, & Policy. <http://sspjournal.blogspot.ca/2014/12/entrepreneurship-and-sustainability-in.html>
2. Najafizada, S.A.M., Labonte, R., Bourgeault, I. L. (2014) Community health workers of Afghanistan: a qualitative study of a national program. *Conflict and Health*, 8:26 doi:10.1186/1752-1505-8-26

## Researchers/Authors



**Maisam Najafizada**  
*Assistant Professor*  
Memorial University of Newfoundland  
[snaja100@uottawa.ca](mailto:snaja100@uottawa.ca)



**Maurie Cohen**  
*Professor*  
New Jersey Institute of Technology  
[maurie.cohen@njit.edu](mailto:maurie.cohen@njit.edu)

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### Mountain Societies Research Institute

The University of Central Asia Graduate School of Development’s Mountain Societies Research Institute (MSRI) is an interdisciplinary research institute dedicated to addressing the challenges and opportunities within Central Asian mountain communities and environments. MSRI’s goal is to support and enhance the resilience and quality of life of mountain societies through the generation and application of sound research.

MSRI has five objectives: To generate knowledge on mountain societies through original scientific research; to serve as a knowledge hub for scholars, development practitioners, and policy makers; to enhance regional capacity to conduct sound research relevant to mountain societies; to inform policy and practice through engagement with key development partners; and to disseminate knowledge among mountain stakeholders, including the co-development and co-teaching of UCA’s academic programmes. MSRI, together with its partners, actively works to transfer knowledge to policy and practice aimed at improving the quality of life for people of the mountain areas in Central Asia. For more information on MSRI, please visit: <http://www.ucentralasia.org/msri>.

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