Fletcher Student Research Series

Chai wa Paisa



Qiamuddin Amiry March 2010

"Tu harkat ku ke khuda barakat kuna."

You move, so that God blesses.

- Afghan Proverb





Introduction

The air in the small room was full of smoke. Dadbakhsh, who like most Afghans goes by one name, took a puff of his cigarette, swallowed some smoke, and squinted at its bitter taste. He fixed his white round cap on his head, and moved a little on the mattress before he explained how he started his tribe's *itehadia* – association. He said, "After returning from Pakistan and other countries, seventy percent of our people lived in dire poverty. We had to do something about it." He paused and looked at the people in the room as if he needed their confirmation before finishing his chain of thoughts. He continued proudly, "Today, our *itehadia* has 4,500,000 Afghani." To emphasis his point, Dadbakhsh tapped his right hand repeatedly on the red carpet. Abdul Ghafar, whose tribe's *itehadia* looks up to Dadbakhsh and his tribe as a success story, congratulated him. Dadbakhsh had a reason to be proud. The savings group that he started five years ago has amassed nearly \$90,000. He has also inspired more than ten other tribes to start their own *itehadia*.

The idea of savings groups is not something new to this community. Rahmat, who owns a shoe store in the 4th district of Kabul, claims that he started a savings group in Kabul in the late 1990s when the Taliban were still in power. He says that his tribe used to hold *juma-shini* – Friday gatherings. Men would gather every Friday to drink tea, socialize, and discuss religion. Rahmat encouraged his tribe members to make a deposit every month. However, Rahmat's memory is shaky when it comes to details about his savings group. He claims that they had thousands of dollars in savings. Why did it fail? Rahmat claims that "some people did not return the money and ran away with it to Pakistan." When asked how it occurred to him to start the group, he answered that "it does not take a rocket scientist to figure this out." Often people like to been seen as the main innovator in such situations and Rahmat may not be an exception.

Nezam Qambari is another example. He used to work in downtown Kabul as a distributor. Nezam, together with eighty other people from his tribe, started an *itehadia* that worked like an investment bank. The members were merchants or distributers. They put forward \$1000 each. They selected eight people to represent the eighty people. These eight people, in essence, were the investment bankers, and the eighty were the shareholders. Their *itehadia* lasted only six months. He believes that they made over \$35,000 in profit. One of their investment decisions, which proved to be the last collective decision, was not so profitable. They invested some of their money in candles. However, the candles arrived at the same time as electricity; the Asian Development Bank transmitted electricity from Uzbekistan to Kabul. This was good news for the residents of Kabul, but hurt the members of Nezam's group. Demand for candles dropped drastically. So they decided not to sell the candles. Instead, they divided the goods among the members. Nezam says that some people sold their share for 5 to 10 percent right away. Some kept it and sold it later for the same price.

The word on the street is different. Other tribes believe that the investment was a disaster. Dadbakhsh believes that candles were kept in houses, and the temperature inside ruined the candles. Dadbakhsh says that this is what happens when the group cannot be managed well. Nezam believes that this last investment caused the union to break up. Only ten people stood strong – probably including the eight "investment bankers." They put more money together, and today they are shareholders in one of



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Afghanistan's finest supermarkets with that name, Finest. The store is home to foreigners and elite Afghans who have returned home from abroad. Nezam says that he envisions being a shareholder in a number of stores like this one.

In Afghanistan, like everywhere else in the world, every individual has a story to tell. That tale is often linked to the story of a tribe, a clan, and a family because an individual rarely lives in isolation. Likewise, Dadbakhsh's initiative to start the *Itehadia Qaum-e Ghurbandak* did not take place in a vacuum. Instead, it can be explained by geography, religion, politics, migration and the social structure of the society. To understand the reasons behind his decision, one needs to have an understanding of the social structure of Afghanistan in general and the Hazaras in particular.

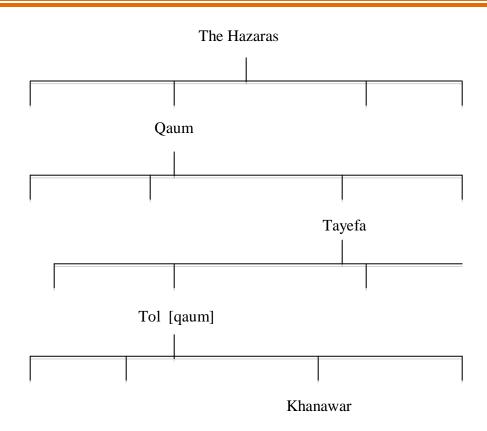
The Hazaras: religion, migration and social structure

Sayed Askar Mousavi uses the concept of the 'Chinese Box' to facilitate a better understanding of society in Afghanistan. He says that "the Chinese Box is made up of a series of several smaller boxes in consecutive sizes fitting inside one another, with the largest box containing all. The Chinese Box of Afghanistan is made up of several smaller boxes of different peoples and nations, all forming Afghanistan, such as: the Nuristanis, the Afghans, the Hazaras, the Tajiks, the Baluchis, etc., with each in turn representing an independent Chinese Box" (Mousavi, 19). He goes on to explain that the Hazaras themselves constitute a Chinese box within this box, with the smallest component being the family (Mousavi, 45). In Afghanistan, a man, his wife, his unmarried children, and sons with their wives and children normally constitute a joint family. In the case of Hazaras, "the family actually often consists of several nuclear families living together, a unit even larger than the 'joint family,' called *khanawar*" (Mousavi, 45). If they do not live together under the same roof, they live near one another. And after one's intimate family, wife and children, people in one's khanawar are the closest to the individual. Several khanawar make up a larger unit called Tol. Ghurbandak, Dadbakhsh's tribe, is one of such Tol. Every Tol has its own chief called *Malik* or *Wakil*. Wakil has no official position; he is simply the head of one of the families and is socially accepted as the head of the *Tol*. Several *Tols* in turn make up a *Tayefa*. The highest unit in the social hierarchy of the Hazaras is the *Qaum*.

(Chart on next page)







Source: Mousavi, 47. 'qaum' between parentheses is my addition.

Although in the above diagram, the concept of *Qaum* is listed at the head of the table, some people use the word *Qaum* instead of *Tol*. So I will use the word *quam* with lower case "q" for *Tol*.

Hazaras are mostly Shia' Muslims. Shi'ism is divided into different sects, such as: *Dowazda Imami* (Twelvers), the *Ismaili*, and the *Zaidis*. The Hazaras of Afghanistan have gone through many hardships throughout the history of the country because of the way they look and their beliefs. Mousavi explains that "over the past 100-odd years in Afghanistan, the Hazaras have victimized socially and deprived of their natural and human rights because they are Shi'a. One of the worse crimes against the Hazaras was committed in early 1900 by Abdur Rahman. With the aid of Sunni clerics, Abdur Rahman declared the Hazaras 'infidels' and waged *Jihad* on them, ultimately enslaving their men and women. Until 1919, some Hazaras were still kept as slaves by the Pashtuns; although Shah Amanullah banned slavery in Afghanistan during his reign (1919 – 1929), the tradition carried on unofficially for many more years (Mousavi, 77).

Even the famous Sayyed Jamaluddin Al Afghani, the founder of the Islamic Renaissance, referred to the Shi'a Hazaras as *ghali*. *Ghali* is the verbal pronoun derived from *gholov* in Arabic, its plural being, *ghallat*, meaning extremist; the Hazaras are called *ghali* or extremist because they proclaimed Ali to be their God. (Mousavi: 77). Interestingly, the Dowazda Imami Shia' Muslims in Afghanistan, that are the majority, would come to call the *Ismaili* Muslims as *ghali*. *Ismailis* are also blamed for having liberal and



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lax moral behavior. Dadbakhsh and all the other member of the saving groups are Hazara, and *Ismaili Shi'a*. A combination of harsh circumstances of life in central Afghanistan, suppression in the hands of their own *Maliks*, and government officials, Hazaras migrated in large numbers to Kabul and other large cities. Mousavi notes that "during the 1980s the Hazaras made up one half of the population of Kabul, as well as being the largest concentration of Hazaras in Afghanistan" (Mousavi, 177). In the 1980s, under the communist regime, Hazaras got a better deal. The Communist regime's egalitarian policies favored the Hazaras. The People's Democratic Party of Afghanistan's constitutional, for instance, rejected classifications such as 'tribe', 'language', and 'religion.' This trend of migration to big cities and to the neighboring countries continued in the 1990s due to internal fighting, drought and other problems.

Despite the fact that the Communist regime was fairer to the Hazaras, their lives in larger cities were not without struggle. They were treated as second-class citizens and were discriminated against. Insults aimed at the Hazaras abound and are still current in Afghanistan. The very word Hazara has a bad connotation. It is associated with lack of education and lower social status. Some of the insults are:

- *Hazara-e moosh khor* (mouse-eating Hazara): this is an expression of contempt alluding to the poverty and supposed filthiness of the Hazaras, claiming that they are not above eating mice. This is particularly insulting since mice are considered *najis* or impure in Islam.
- *Hazara-e Khar-e Barkash* (load-carrying donkey): this is a perfect description of the social status of the Hazaras. Throughout Afghanistan it is the Hazaras who have the most menial and difficult jobs. For example, the name *Jowali* is often applied to them, for they work as construction workers and porters, using *Jowal*, the large sack used to carry huge amounts of weight around. (Mousavi, 161).

Hazaras have occupied the jobs that no one else takes such as carrying loads on their backs, cleaning houses and so on. How can one explain Dadbakhsh and his friends' decision to start a savings group despite this bleak backdrop of ethnic history?

Itehadia Qaum-e Ghurbandak

Ghurbandak is a valley in Shibar district of Bamyan province in central Afghanistan. The tribe or *Tol* is also named after the village, Ghurbandak. Today, there are more than 150 families in Kabul from Ghurbandak village. Most of these families migrated during the 1960s from Bamyan. Some families still have community owned land – land belonging to one *khanawar* – in Bamyan. Many of these families also left the country as refugees to neighboring countries, especially to Iran and Pakistan, during the Civil War in the early 1990s and during the Taliban's regime.

Even in Kabul, the Ghurbandak *qaum* have a very communal life. They have a *wakil* or chief. People identify one another based on their *qaum*'s identity. Social activities often happen in the context of *qaum*. People from the same *qaum* gather for weddings, funerals and other affairs. *Wakil* of the *qaum* also act as judges or mediators if there are disputes among the members.

There is also an unspoken rivalry among members of the same *qaum*. They are called *seyal* – rivals. Cousins are called *awdor-zada*, which literally means born from one's uncle, but it has a negative



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connotation. The rivalry between *awdor-zadas* is more than between *seyals*. Despite such competition, people turn to their fellow *seyal* or *awdor zada* during hard times. Perhaps this is because their *seyals* trust them. When people lived in Shibar one or two decades ago, they had few options during hard financial times. If one needed money to build a house, or pay for his son's wedding, he could loan his land to someone or borrow money from a wealthy member of his *qaum* and pay very high interest. He could sell his property, often a cow or other cattle. These options all came at a cost. Dadbakhsh recalls that "the one in need was always embarrassed especially when the wealthy one turned him down. The wealthy one could now go around and tell people that "A" needed money, but I didn't give it to him.



Dadbakhsh of Ghurbandak qaum

When Dadbakhsh's family and many other families like his own returned from Pakistan, poverty and lack of capital to help people was more evident than ever. He says that "after immigration, 70 percent of people were struggling with the problem of homelessness and other issues." In Kabul, most of them had no land to lend or cattle to sell. Even the imperfect old solutions were no longer there. There were other sources of financing such as the First MicroFinance Bank (FMFB) giving short-term loans to small businesses. Dadbakhsh believes the problems with such banking solutions were fivefold. First, people were not accustomed to using them. Second, people did not have enough property to present as the



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collateral. Third, banks scrutinized their lives, and getting a loan involved too much paperwork. Moreover, people did not need the money necessarily for a business. Sometimes they needed money for taking a patient for treatment to Pakistan. Even if they did need funds for business purposes, the 15,000 to 25,000 Afghani that banks would lend them was too little. Dadbakhsh had an idea. He asked himself, "can we create a system within the Ghurbandak *qaum* that that can address our needs?"

He went to his friend Legauddin with an idea. His idea was to create an association for the Ghurbandak gaum. It was simple. Every member would make a monthly deposit. Those who needed money could borrow and pay interest. Legauddin, an amateur poet and social activist, liked the idea. Legauddin and Dadbakhsh had a long history together. During the Taliban regime they bought recycled metals and used batteries and sold them in large quantities. They understood each other. They were both under 40 years of age, and represented the younger generation in their *qaum*.

In the first meeting, Dadbakhsh and Leqauddin gave each other an assignment: find two more people. The criteria for recruiting four new members were: the individuals must be open-minded, from the Ghurbandak qaum, under the age of 40, and somewhat socially active. Four members became six members and each was to recruit two more. Their first actual meeting was held when the association had 24 people.

They were all motivated and wanted to work together. So they put together the "Ghurbandak Youth Association Letter of Principles." This eight-page document was the group's constitution. The document starts with a verse from the holy Quran.

"And consult with them in [affairs] when you decided [on an initiative] rely and have faith in God because God loves the faithful." ~ Sura al-Umran, verse 159

The holy verse is followed by a quote from the *Ismaili* spiritual Imam, His Highness Aga Khan the IV, where he invites the *Ismailis* to unity.

The mission statement of the association reads:

"First, the goal of this association is to strengthen the unity, coordination, friendship, brotherhood, and honesty among the young members of the qaum. Today, capital and economy are at the center of a modern life. The Ghurbandak qaum's economic and financial situation is not as strong as the other *gaums*. Therefore, establishing such an itehadia is necessary for the economic and financial growth of our qaum, especially the younger generation."

The criteria for membership state that a member:

- must be an adult from the Ghurbandak qaum
- must have a job and an income
- must accept all the terms and conditions of the association and respect confidentiality
- cannot leave the itehadia, without reasonable excuse



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- cannot require his deposit back before five years have passed
- If one leaves before 5 years have passed, he cannot get his money. Furthermore, the people cannot take his side based on kinship or friendship.
- If one acts against the terms and conditions of the *itehadia*, he will be expelled from the *itehadia* without getting his money.
- In case one does not obey the terms and conditions of the *itehadia*, the person who recruited that person is also responsible.
- Each member must pay 1000 Afghani (\$20) as an entry fee.
- There is no limit on the number of people who can join the *itehadia*. If there are more people willing to join the group in the future, they can be accepted or rejected based on consensus.
- The new member who joins the group later than others must pay an amount equal to other members' deposits to date.
- The new member must also pay an amount equal to the profit made throughout this time divided by the number of the group.
- The new member also must pay 3000 Afghani instead of 1000 for entry fee.

Dadbakhsh agreed that the *itehadia*'s terms and conditions for someone who joins later are harsher than for those joined first. That is because the group wants the new member to appreciate his place in the group, that the membership is competitive and so one has to work for it. Being young is important for the group, so their rules stress that the members must be under than 40 years of age. The founders believe that old people argue about things that happened twenty years ago. "Their mentality is old," Dadbakhsh said.

The group meets once a month, gathering in the home of one of the members. Meetings are held on Fridays, which is a holiday in Afghanistan, from 2:00 pm to 4:00 pm. Their meeting is divided into three parts: The first section is devoted to greeting one another, chatting and drinking tea; the second section is devoted to religious studies and discussion of social issues. This second part is particularly important as it emphasizes the *itehadia*'s call to unity and brotherhood of its members, and offers spiritual satisfaction. The third part is devoted to financial activities. Members pay their 500 Afghani (\$10) monthly deposits. Those who have borrowed money pay their interests.

Loans are prioritized based on categories of loan use:

- 1. The first priority: if someone is injured or sick and does not have an income, he can borrow as much as the total monthly fees of the members of the *itehadia* (27,000 Afghani or \$557). After three months, the borrower must return the money. If he cannot pay within that time period, he must pay 1.5% interest monthly. After one year, he must return the principal.
- 2. The second priority: those who must build houses because they do not have one, or must marry, must pay 2% interest. They have the second priority.
- 3. The third priority: those who want to improve their lives not out of necessity. For instance, he who wants to move from a low paying profession to a new one must pay 2.5%.

Banks' requirements equal the monthly installments of principal plus interest. For instance, 10,000 Afghani over 10 months with 1.25% is 1,125 Afghani per month. This *itehadia*, however, asks for the



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replacement of the principal at the end of the term. For instance, if a member borrows 10, 000 Afghani for one year, he only owes the *itehadia* the 2% interest or 200 Afghani, each month. The founders believe that the *itehadia*'s terms allows the borrower ample time to use the money productively, and spares them the burden of a high monthly payment.

Dadbakhsh and his savings group are doing something special. They have succeeded in staying focused and united. This task is more challenging than saving money because people often do not like to be told what to do. This is where Rahmat and his tribe failed in 1990s. Perhaps elders are too focused on the past and that stops them from moving forward. Whatever the reason behind their success, itehadia gaum-e Ghurbandak have come a long way. However, the journey has not been easy. Five years ago, some people in his qaum were not happy with Dadbakhsh's decision. Often initiatives at the *gaum* level had to be endorsed by the elders. Dadbakhsh and Legauddin did not want anyone over the age of forty in their itehadia. Moreover, they were not happy with the status quo. They wanted to change it. The status quo did everything in is power to stop younger people from putting together this savings group. Some elders who felt sidelined accused Dadbakhsh and his friends of gathering to drink alcohol and gamble. Dadbakhsh and his friends stood strong. Over time, the voices of protest grew quiet. Some started their own savings groups.

The eleven other *gaums* who have started their own savings group are the latecomers. Although there is no overall

consensus, the majority believe that Dadbakhsh and his savings group started first. Everyone agrees on the fact that Dadbakhsh's savings group has been the most successful one. Where did Dadbakhsh get the inspiration and the idea? The founder believes that one does not have to have a degree in economics to start a savings group. He is absolutely right. However, as noted, people do not live in isolation. Kabul is a cosmopolitan city. Moreover, returnees who had immigrated to surrounding countries were exposed to different ideas and circumstances. Thus, founders of the savings groups are bound to be influenced by their surroundings and life circumstances; Dadbakhsh is no exception. The answer to when and how he was influenced to start his savings group is not exactly clear.

Despite their success, not everyone appreciates the savings groups' efforts and achievements. Some people, especially the wealthy ones, do not take the savings groups seriously. They do not want to join. For instance, Kamal, who goes by one name, says that his cousin is too rich to care about joining their itehadia. Kamal is a member of another qaum's itehadia. They started their itehadia later than Dadbakhsh's savings group. Kamal criticizes his cousin for not considering other implications of the group's gathering. Unity and brotherhood among the *qaum* is a major part of the gathering. Kamal's brother has not participated either. "This is a waste of time," he had responded to Kamal's constant

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They have accumulated \$90,000.

The *itehadia*'s achievements

- All loans have been repaid within the specified time period.
- As a result of their loans, members of savings group have built twenty-one houses.
- Eleven people have used the itehadia's loans to fund their weddings.
- Five people who were working on the street have successfully started their own shops.
- Inspired by the Ghurbandak *gaum*, eleven other tribes have started their own itehadia.



nagging. When he talks about his brother's attitude towards community initiatives, Kamal smiles with annoyance. "He does not get involved in anything, and sleeps on Fridays," Kamal complained. Kamal's uncle who is sixty did not join because he says, "I proposed something similar to their *itehadia* some 7 years ago, but back then no one cared about my view. Now, I am pissed off and don't want to be part of it." It might take some time before the whole tribe participates in *itehadia qaumi* tribal associations.



Members of qaum-e Kuhna Qala savings group in Kabul, Afghanistan

Vision for the future

Dadbakhsh's *itehadia* has eight main representatives for the fifty-four members. The representatives discuss the future of the *itehadia* with their groups. How many people would like to take their share and leave? How many would like to stay? For those who want to stay, what do they want to do with their money besides giving it out on loan to the members? These are the questions to be discussed in individual groups. Dadbakhsh believes that if the members of the *itehaida* agree with him, they could pick 4-5 other *itehaidas* from the eleven other groups and they could put their money together to invest somewhere. This is only an idea right now.





A closing note

People who are involved with these groups are not only aware of what their ethnic group has gone through in the past 200 years, but are also ready to do something about it. They have focused on economic development and education. The majority of people in these savings groups do not have a high school education. Few can sign their names. The majority cannot even read or write. They are blamed by other ethnicities for having lax religious and moral behavior – after all, they are *ghali*. Perhaps, being *Ismaili* has something to do with their success.

In the taxi:

It is around 6:30 pm. I am in Wazir Akbar Khan, a rich district of Kabul city populated by guesthouses that shelter foreigners and offices occupied by foreigners. I want to go home. A taxi pulls over. The driver has dark skin, a short beard, and a white hat that I would wear while praying. I approach him saying, "I am going to Taimani." He says, "150 Afghani." "How about 100 Afghani?" I bargain. He shakes his head. I take the front seat. The streets of Kabul are packed with cars that don't move. The traffic is very bad. The longer we wait in the traffic the more the driver gets frustrated. He starts complaining about life. "I pay 1,100 Afghani each day to the owner of this car. Gas takes another 400 Afghani per day. Most of the time, I cannot break even," he complains as focuses his dark eyes on the street. On his forehead, between his eyebrows, his skin has made a sign that reads 111. He is not happy. "It must be hard," I say just to contribute to the conversation. He curses the traffic. "Why don't you look for a job as a security guard or something with these NGOs?" I ask. He says, "Well, I cannot work night shifts. I have children who need me at home." I nod. "Can't you buy your own car by borrowing money from one of these banks?" I ask. "Gumesh ko, sud mesha" - screw that it will become usury, he fires back. "My children will eat from what I make. If I make it in an un-Islamic way, even their sins will be on my shoulder," He elaborates. We reach my destination. I get off while thinking about the nexus between Islamic finance, conventional banks, loans, interest, usury, sin and not being able to break even.

They listen to the Aga Khan's verdicts that encourage development and unity. Dadbakhsh's decision to leave the people over age of 40 out of the group was exactly addressing this point: old people are *kuhna fekr*, old minded. They do not see the big picture. They try to dig into the past and argue about things that happened 20 years ago. Dadbakhsh and people like him want to look into the future. They want to find their place in the society. They are fighting to raise the image of all Hazaras. Putting together a savings group is about more than money. It is tied to Hazaras' social status and their history. They are moving, knowing that God will bless.



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