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**Farida Sarwari**  
Assistant Professor,  
Department of Geography,  
Member of the Faculty of  
Social Sciences Shaheed Prof  
Rabbani University of  
Education, Kabul,  
Afghanistan

**Corresponding Author:**  
**Farida Sarwari**  
Assistant Professor,  
Department of Geography,  
Member of the Faculty of  
Social Sciences Shaheed Prof  
Rabbani University of  
Education, Kabul,  
Afghanistan

## **Investigating the recession of the carpet industry and its negative effects on the afghan economy**

**Farida Sarwari**

### **Abstract**

The carpet weaving industry has long been popular among all Afghans, especially Turkmen and Uzbeks, and they have made great strides in this field. The people of Afghanistan trade through this handicraft, which helps to develop the economy of the Afghan people. But now, carpet weaving has lost its importance compared to the past, and the carpet industry is facing a recession, the negative and negative effects of which have overshadowed the country's economy. According to statistics, from 2003 to 2008, about 2 million square meters of carpets were produced annually in the country. According to the surveys, it has been clarified that in 9 Northern provinces of Afghanistan, 1.5 million square meters of carpets were produced annually. If the carpets are exported through Afghanistan, the net profit will be more than \$ 350 million annually.

The Afghan treasury enters the treasury, and Afghan carpets have won first place in several exhibitions held in European countries in recent years. Carpet exports have been declining over the past few years, with about 80% of exports declining. Afghanistan's carpet production has increased from 1068679 square meters in 2008 to 382534 square meters in 2010. In the first six months of 2010, 208,000 square meters of carpets worth \$ 76,400,000 were exported outside Afghanistan. In the first six months of 2009, however, this amount of "354,000 square meters" of carpets worth \$ 13,002,692 was exported out of Afghanistan. But in Afghanistan, there are currently 200 carpet companies that produce 500,000 square meters of carpets annually. About 812,000 people are engaged in carpet weaving.

The total number of carpet weaving machines in Afghanistan reaches 40,000. In terms of color, flowers and design, more than 500 types of carpets are woven throughout Afghanistan. Given the importance of the carpet industry and its role in the economic growth and development of the country, it is necessary to pay attention to this industry and try to empower carpet producers by emphasizing its fundamental importance. To study the main causes of the recession in the Afghan carpet industry, the rate of decline in exports of the Afghan carpet industry, the main solutions and the way out of the recession in the Afghan carpet industry.

**Keywords:** Government neglect, three decades of domestic strife, recession in the carpet industry, declining carpet exports, negative effects on the Afghan economy

### **Introduction**

Carpet weaving is one of the most important and ancient industries of Afghanistan, especially in the north of Afghanistan, which has its own cultural and economic value and importance. From ancient times the industry has been passed down from generation to generation and in fact forms the identity of Afghans, the areas that have developed this industry mostly include the northern and northeastern provinces. But now the importance and value of the carpet industry is declining compared to the past. Imports of Iranian and Turkish carpets have had negative effects on the country's economy in terms of domestic carpet production. The lack of carpet processing and packaging factories affects Afghanistan's direct trade. According to the surveys, it has been clarified that in 9 Northern provinces of Afghanistan, 1.5 million square meters of carpets were produced annually. If the carpets are exported through Afghanistan, the net profit will be more than \$ 350 million annually. The government treasury enters. Afghan carpets also won first place in several exhibitions held in European countries in recent years. Carpet exports have been declining over the past few years, showing a decline of about 80%. The production of Afghan carpets has increased from (1 million 68 thousand 679 square meters) in 2008 to (382 thousand 5341 square meters) in 2010. In the first six months of 2010, 208,000 square meters of carpets worth \$ 76,400,000 were exported outside Afghanistan. In the first six months of 2009, however, this amount of "354,000 square meters" of carpets worth \$ 13,002,692 was exported out of Afghanistan.

There are currently 200 carpet companies operating in Afghanistan, producing 500,000 square meters of carpet annually. About 812,000 people are engaged in carpet weaving.

The total number of carpet weaving machines in Afghanistan reaches 40,000. In terms of color, flowers and design, more than 500 types of carpets are woven throughout Afghanistan. Carpet weaving as the largest handicraft has gained a special place in Afghanistan and the world. Considering the applicability of this research paper in examining the recession of the carpet industry and its negative effects on the Afghan economy, the main factors of reducing the production and export of carpets in Afghanistan are studied and provide appropriate solutions for the redevelopment of the Afghan carpet industry. It can be used by commercial organizations, handicrafts, Ministry of Commerce and Ministry of Culture and Information, geographical economic teachers of Afghanistan and in this regard, appropriate and optimal planning to develop the carpet industry by empowering carpet weavers in proportion to capacity in Afghanistan. Take place.

### Historical Background of Carpet Weaving in Afghanistan

Historical records in the field of carpet industry have been reviewed through library studies and documentary methods. The researcher reviews the historical background, each research has a historical study and various topics in that field are presented, which are mentioned below: Frederick, Hibbert, (2008) <sup>[5]</sup>, in his book, *Afghanistan's Hidden Treasure from the Kabul National Museum*, writes of Afghans: Did. They later made wool for themselves using wool and familiar wool skins to protect themselves from the effects of the cold and damp on their bodies. The carpet was

first made in the form of felt, which is anti-moisture. And after weaving wool, we use it for carpet weaving, but the antiquity of weaving carpets dates back to the life of Zoroaster, which belongs to the period of the Aspah family (riders). ” (Frederick, 2008: 37) <sup>[5]</sup>.

Kalachi, Robert, (1968), in his book, *Afghan Carpets*, writes: “Carpets in Afghanistan are also one of the most ancient products, and besides, Afghanistan is the heart of Asia, the homeland of nomadic tribes. Is a horse rider and herder, so it is one of the major centers of carpet weaving in the world? (Clutch, 1968:98) <sup>[7]</sup>.

Galine, Pogachinkova (1978) <sup>[8]</sup>, in his book, *History of Industry in Afghanistan*, writes about Afghans: Alexander the Great from Ariana to his mother the discovery of carpet weaving tools in Balkh by Dr. Louis Dobre shows that the people of Ariana were the first to make carpets. This industry is still very popular among the Turkmen people and they are famous in carpet weaving. ” (Galine, 1978: 39) <sup>[8]</sup>.

Javadi, Javad, (2011) <sup>[3]</sup>, in Bokhdi News Agency, under the title of stagnation of Afghanistan's carpet industry, states: → the attention of the officials is declining. According to carpet weavers and carpet traders, carpet production is declining year by year and the government is not paying any attention to this. "The lack of carpet processing facilities in Afghanistan has caused 90% of the carpets produced - Afghanistan is transferred to Pakistan and after the process is exported to European and Arab countries in the name of Pakistan." (Javadi, 2011: 2) <sup>[3]</sup>.



Fig 1: Image of the above carpet taken from <sup>[8]</sup>

Qaderi, Jalil Ahmad, (2013) <sup>[6]</sup>, in Radio Liberty News Agency, entitled *Afghan Carpet Industry in Northern Afghanistan is in danger of recession*, quoting Mr. Popal as saying: "The reason for the decline in carpet exports due to

two factors" foreign " "In the external dimension of this issue, there is the global economic crisis and the decline in the purchasing power of the people in foreign countries," he said."But in its domestic dimension, the lack of carpet

processing factories, high air transport fares for carpet exports and the government's negligence are among the reasons for the decline in carpet exports." (Qaderi, 2013: 1). Raha, Rahmatollah, (2013) <sup>[4]</sup>, in Bokhdi News Agency, under the title, Why the important carpet weaving industry is neglected, quoting Zarif Yadegari, Deputy Chairman of the Carpet Producers and Exporters Union, pointed to the decrease in carpet production: "The reason for the decrease in production He described the export of carpets as a decrease in the number of carpet weavers, the lack of policies to support the production and export of carpets, and the lack of direct access to international carpet markets. "Our carpets are the purest carpets in the world in terms of design and quality, but what we do not have is a direct trade route, which has a negative impact on the Afghan economy," said Yadegari (Raha, 2013: 1) <sup>[4]</sup>.

### Reducing the production of Afghanistan's carpet industry

The carpet weaving industry, which has a historical background in Afghanistan, but now its trade, growth and development is in decline, and on the other hand, the carpet weavers have not received the necessary attention. The red gold rug industry is now in recession, with negative effects on Afghanistan's economy. (Raha, 2013, 3) <sup>[4]</sup>. A number of carpet weavers in Kabul complain of low wages, saying that because of the cheapness of carpets and the low wages of carpet weaving, they cannot continue weaving and decide to start another business, which will also include The carpet weaving industry is dealing a fatal blow. On the other hand, the second reason is that the excessive import of Turkish and Iranian carpets has caused the domestic carpet market in Afghanistan to deteriorate. Because the import of Turkish and Iranian carpets has "fallen" the domestic market of Afghan carpets. Of course, the price of Afghan carpets and the financial weakness of the people also affect the "fall" of the domestic carpet market. (Mohammadi, 2019: 5) <sup>[9]</sup>.

The government's lack of supportive policies for carpet weavers and carpet exporters and their oblivion have made them lose their historical significance in Afghanistan, and unfortunately no action has been taken by the government in this regard. Although in recent years, the government has established a carpet industrial park on the outskirts of Andkhoy district, but four years have passed since the establishment of a carpet industrial park in Andkhoy, and during this period, no measures and actions have been taken in terms of practical work. It has not been taken and no facilities have been provided for them by government officials and favorable officials. (Raha, 2013, 6) <sup>[4]</sup>



Fig 2: Picture of a carpet weaver women taken from <sup>[9]</sup>

There is no doubt that another factor in the decline in carpet weaving in recent decades has been the civil war and lack of security in Afghanistan, which has displaced industrialists from their homes. Not only have they left their homes, but they have also turned away from the carpet weaving industry due to the force of war. That is why the carpet industry has not flourished. In the past, carpet weaving was one of the main occupations of Turkmen and Uzbeks in northern Afghanistan, but in recent years a number of other Afghan citizens have also started producing carpets. However, Afghanistan's carpet exports have been declining for the past three years. And this continued lack of attention to this part of the industry in Afghanistan - can provide grounds for opportunists to abuse the capabilities and creativity of the Afghan carpet weavers, which in the future will see the supply of Afghan carpets called Pakistan and we will be Iran. (Mohammadi, 2019: 4) <sup>[9]</sup>.

In Afghanistan, the industry is still very popular among the Turkmen people, and the famous Afghan carpet weavers are Turkmen. There are currently 200 carpet companies in Afghanistan that produce 500,000 square meters of carpets annually. About 812,000 people are engaged in carpet weaving. The total number of carpet weaving machines in Afghanistan reaches 40,000. In terms of color, flowers and design, more than 500 types of carpets are woven throughout Afghanistan. (Hashura, 2010: 67) <sup>[12]</sup>

**Reduce Exports of Afghanistan's Carpet Industry** The head of the Carpet Producers' Union in northern Afghanistan said that according to their surveys, it was clear that 1.5 million square meters of carpets were produced annually in 9 Northern provinces of Afghanistan, which is now according to the claims of traders. Carpets of this figure have been reduced by 50%. On the other hand, Hashim Borna, head of the Department of Trade and Industry in Balkh province, while acknowledging the decrease in carpet exports abroad, says that in general, the level of exports outside Afghanistan has recently decreased due to legal reasons in commercial ports.

(Behzad, 2017: 27) <sup>[11]</sup>.

According to statistics, from 2003 to 2008, about 2 million square meters of carpets were produced annually in the country. Afghan carpets also won first place in several exhibitions held in European countries in recent years. According to the head of export development of the Chamber of Commerce and Industries, the country's carpet exports have decreased compared to previous years. (Qaderi, 2013: 1).

Officials at the Afghan Ministry of Trade and Industry say a lack of attention to the carpet industry in recent years has reduced Afghanistan's hand-woven carpet exports. "Carpet exports have been declining over the past few years, falling by about 80%," Esmatullah Bator, president of the Afghan Carpet Producers and Exporters Union, told a news conference in Kabul. He says that Afghanistan's carpet production has increased from 1 million 68 thousand 679 square meters in 2008 to 382 thousand 534 square meters in 2010. (Naderi, 2011: 5) <sup>[11]</sup>.

Lack of direct access of Afghan traders to international markets has led to the removal of Afghan-Made carpets to Pakistan during the processing process, after which Pakistani carpets are exported to world markets in the process, with Pakistanis benefiting economically. They pocket more. According to experts, if carpets are exported

through Afghanistan, more than \$ 350 million in net profit will enter the state treasury annually (Jalalzi, 2016: 6) <sup>[2]</sup>.

Mr. Yadegari says that the lack of direct access to world markets is one of the main problems of carpet traders and ads: "This problem has caused Afghan carpets to be exported to world markets through neighboring countries, especially Pakistan, in the name of this country." And Pakistanis employ Afghans as "workers." "If we go directly to foreign markets, our exports will increase, we can pay," he said. "Let's bring more wages to carpet weavers into the labor market." (Qaderi, 2013: 4).

Mr. Popal divided the reason for the decline in carpet exports into "foreign and domestic" factors, saying that in the external dimension of the issue, the economic crisis in the world and the decline in the purchasing power of people in foreign countries are involved. But internally, the lack of carpet processing factories, the lack of carpet washing and scissors centers in the country, and transportation problems, lack of coordination between government agencies and high air transport fares for carpet exports and government negligence are among the internal reasons for the decline in carpet exports. Goes. (Behzad, 2017: 24) <sup>[1]</sup>.

These factors have reduced the export of carpets, which can have a severe impact on the Afghan Economy, especially carpet weaving families. Therefore, the officials should pay serious attention to the carpet weaving industry, otherwise this expensive industry will be destroyed. Because official statistics also show that carpet exports in Afghanistan have decreased by 50% (Raha, 2013: 3) <sup>[4]</sup>.

### **The effects of the carpet industry record on the Afghan economy**

Afghan carpets, which are especially famous and popular in the world. Unfortunately, due to the lack of attention to this industry, its exports outside Afghanistan have decreased alarmingly. According to experts, despite the fact that Afghan carpets, with their specific design and color, have won the "Golden Eagle" medal, for this reason, Afghan carpets are currently the first in terms of quality and color in various exhibitions around the world. (Naderi, 2012: 7) <sup>[10]</sup>.

However, due to the government's neglect of the carpet weaving industry in some parts of Afghanistan, this handicraft industry has collapsed. Also, due to the lack of facilities and equipment for washing carpets, it has reduced its exports. Which has a bad economic impact (Naderi, 2011: 4) <sup>[11]</sup>.

According to statistics, from 2003 to 2008, about 2 million square meters of carpets were produced annually in the country. Which was read from understanding the export of carpets abroad worth \$ 400 million a year. Afghan carpets also won first place in several exhibitions held in European countries in recent years. But Mirzaman Popal, head of the Chamber of Commerce and Industries' export development department, said that in the first six months of 2010, 208,000 square meters of carpets worth \$ 76,400,000 were exported. This is while in the first six months of 2009, this amount of "354,000 square meters" of carpets worth \$ 13002692 was exported abroad. (Qaderi, 2013: 3)

In previous years, the income of Afghan carpets inside Afghanistan was about \$ 200 million, but now with the import of Turkish and Iranian carpets into Afghanistan, the market for the sale of Afghan carpets in the north of the country has stagnated. If in the past 1 Afghan carpet was 50 to 70 thousand Afghani, now it is 20 to 25 thousand

Afghani. Turkish and Iranian carpets have ruined the markets for the sale of domestic carpets, where carpet manufacturers cannot make 50% of their money, they cannot even earn their wool money (Jalalzi, 2016: 29) <sup>[2]</sup>.

### **The main solutions to get out of the stagnation of the carpet industry in Afghanistan**

The government is expected to provide the necessary assistance to carpet manufacturers and traders by providing the necessary conditions for the quantitative and qualitative growth of carpet production in Afghanistan. And by providing long-term and short-term loans, they will provide easy conditions for carpet traders, because it will increase the production and export of carpets. And these are the appropriate solutions that are mentioned below:

- 1- Responsibility and accountability of the government and all relevant institutions to solve the crisis of reducing Afghan carpet production and strengthening private sector participation.
- 2- Creating business bases due to the comprehensive support of the government to prevent the recession of Afghanistan's carpet industry. Solve the problem of carpet traders and exporters by the government and the Ministry of Finance, while reducing customs tariffs for Afghan carpet exporters. Trade agreements with specific European and American countries for the trade and export of Afghan carpets have reached their former status.
- 3- Resolving inconsistencies in providing services and comprehensive efforts of relevant institutions to solve the problems and issues of Afghan carpet export.
- 4- Training specialized personnel for washing and processing carpets and establishing factories and installing carpet washing, processing and packaging machines for Afghan carpets in the form of international standards.
- 5- Creating the necessary bases to solve the problems created by the Afghan carpet weavers and providing the needs of carpet weavers by the government and investors to produce more diverse carpets.
- 6- Establishment of an internet advertising site for marketing Afghan carpets at the national and international levels by the Ministry of Economy.

### **Discussion**

As a result, our research findings are similar to the research results of scientists, specialists and experts such as: Pogachinkova Galineh, Javad Javadi, Jalil Ahmad Ghaderi and Rahmatullah Raha, I confirm it. For example, Pogachinkova Galineh, in his book, History of Industry in Afghanistan, comments:

This industry is still more popular among the Turkmen people and they are famous in carpet weaving. The carpet weaving industry, which was once a source of income for many people and one of Afghanistan's most important export goods, is declining due to the negligence of the authorities. Javad Javadi told Bokhdi News Agency, referring to the recession in Afghanistan. Carpet production is declining year by year and the government is not paying any attention to this. The lack of carpet processing facilities in Afghanistan has caused 90% of the carpets produced in Afghanistan to be transferred to Pakistan and then exported to Pakistan to European and Arab countries. Jalil Ahmad Qaderi, entitled Afghan Carpet Industry in Northern

Afghanistan the reason for the decline in carpet exports is divided into two factors: 'foreign and domestic, he said, quoting Mr. Popel. People's purchases are involved in foreign countries. But internally, the lack of carpet processing factories, high air transport fares for carpet exports and the government's negligence are among the reasons for the decline in carpet exports." Rahmatullah Raha, in Bokhdi News Agency, under the heading "Why is the important carpet weaving industry neglected", quoting Zarif Yadegari, Deputy Chairman of the Carpet Union, pointed to the decrease in carpet production: "The reason for the decrease in carpet production and exports is the decrease in "Carpet weavers mentioned the lack of policies to support the production and export of carpets and the lack of direct access to international carpet markets." In this study, I also concluded that the carpet trade, growth and development is now in recession. One of the main reasons for the stagnation of the carpet industry market is the decrease in the number of carpet weavers, and the main reason is that the carpet manufacturers are not given the necessary attention and their wages are very low, and even these small wages are not given to them on time, And this problem has caused most carpet weavers to do other things. The second reason is the excessive import of Turkish and Iranian carpets to the domestic markets of Afghanistan. The import of Turkish and Iranian carpets has led to a decline in the sale of Afghan carpets in the domestic markets. Because on the one hand the high price of Afghan carpets and on the other hand the financial weakness of the people has created this problem. Other reasons for the stagnation of the carpet industry are the lack of government support for carpet weavers and carpet exporters (traders), the lack of carpet processing factories, the lack of carpet washing and scissors centers in the country, transportation problems, lack of coordination between government agencies and high air transport fares. One of the internal reasons for the export of carpets and the negligence of the government is the decrease in the export of carpets. Another factor is the stagnation of the carpet industry over three decades of civil war and the lack of security in Afghanistan, which has displaced carpet manufacturers from their homes. Not only have they lost their homes, but they have also moved away from the carpet weaving industry due to the force of war. That is why the carpet industry has not flourished. Although carpet weaving was one of the main occupations of the Turkmen and Uzbeks in northern Afghanistan, in recent years a number of other Afghan citizens have also started producing carpets. However, Afghanistan's carpet exports have been declining for the past three years. All these factors have had a negative impact on the growth of Afghanistan's carpet industry and paved the way for the decline of this industry. According to statistics, from 2003 to 2008, about 2 million square meters of carpets were produced annually in the country. Square meters of carpets were produced. If the carpets are exported through Afghanistan, more than \$ 350 million in net profit will enter the government treasury annually. Also, in several exhibitions held in European countries in recent years, Afghan carpets were produced. Won first place. Carpet exports have been declining over the past few years, by about 80%. Afghanistan's carpet production has increased from 1068679 square meters in 2008 to 382534 square meters in 2010. In the first six months of 2010, 208,000 square meters of carpets worth \$ 76,400,000 were exported outside Afghanistan. In the first

six months of 2009, however, this amount of "354,000 square meters" of carpets worth \$ 13,002,692 was exported out of Afghanistan. There are currently 200 carpet companies operating in Afghanistan, producing 500,000 square meters of carpet annually. About 812,000 people are engaged in carpet weaving. The total number of carpet weaving machines in Afghanistan reaches 40,000. In terms of color, flowers and design, more than 500 types of carpets are woven throughout Afghanistan.

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