

Issues Paper Series

Out of Step? Agricultural Policy and Afghan Livelihoods



Afghanistan Research and Evaluation Unit

Ian Christoplos

May 2004

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About the Afghanistan Research and Evaluation Unit (AREU)

The Afghanistan Research and Evaluation Unit (AREU) is an independent research organisation that conducts and facilitates action-oriented research and learning that informs and influences policy and practice. AREU also actively promotes a culture of research and learning by strengthening analytical capacity in Afghanistan and by creating opportunities for analysis, thought and debate. Fundamental to AREU's vision is that its work should improve Afghan lives. AREU was established by the assistance community working in Afghanistan and has a board of directors with representation from donors, UN and multilateral organisation agencies and non-governmental organisations (NGOs).

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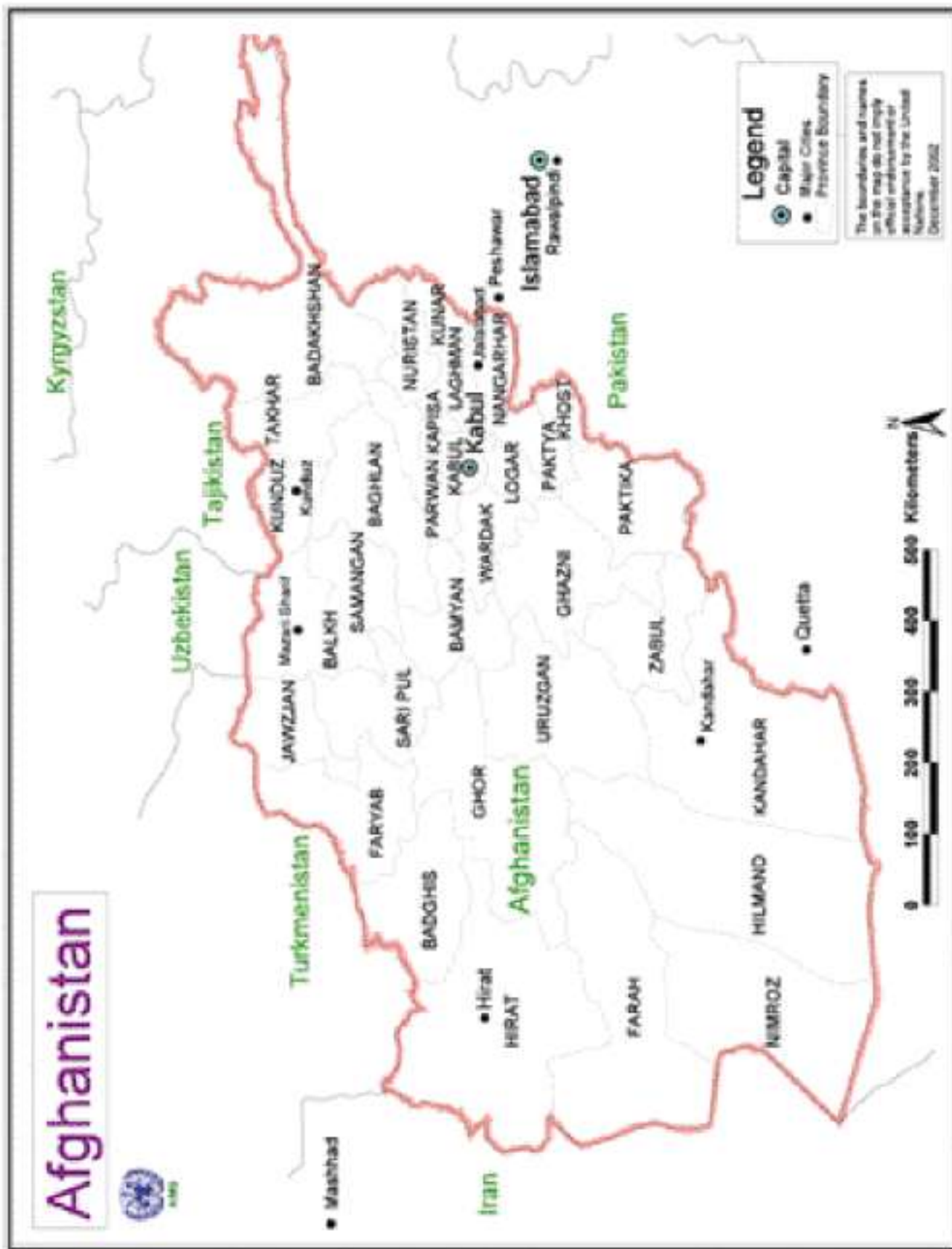
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Executive Summary

This issues paper reviews existing empirical analyses of agriculture's relevance to rural livelihoods and contrasts these with the prevailing concepts and approaches that guide the Afghan government and international assistance community's response to the "crisis" in Afghan agriculture. Findings stress that the visions of the aid community are not congruent with the perceptions and goals of local and national government. On the one hand, most aid programming implies that development efforts can start from a blank slate due to the supposed collapse of governance and livelihoods. On the other hand, the visions of the government encourage ignoring ongoing local processes and international market trends, since the visions of the past are assumed to still be valid and viable. Neither encourages looking at farmers' own agricultural development efforts. Current agricultural rehabilitation and development efforts are supply-driven, and are poorly anchored in an understanding of what rural people themselves are striving to achieve as they rehabilitate and develop their own livelihoods.

In order to understand the current and potential future relationships between agriculture and livelihoods, it is essential to look at how well agricultural policies and programming are anchored in realistic, principled and pragmatic analyses of the situation at large. It also is essential to examine trends in both markets for agricultural products and markets for on- and off-farm labour. Central to this is the need to place an understanding of agriculture's role within a perspective of where agriculture is not the main component of livelihoods. The main component of livelihoods of rural people is very different in high and low potential areas. In the former, challenges in retaining and regaining markets are the prime

concerns. In the latter, most people combine limited and erratic agricultural production with other livelihood options. In both, smallholder subsistence-oriented farming is but one aspect of how rural people survive.

In addition to examining agricultural policies, this paper focuses upon two cross-cutting themes. The first is how agricultural rehabilitation efforts have shaped the current interface between aid interventions and farmers' own livelihood strategies. The second theme is that of poppy production. Just as aid expenditure has been primarily, and perhaps unduly, directed at seed programming, the priorities of the private sector have very heavily focused on opium production.

Recommendations*

The recommendations contained in this paper are intended as a framework for more pragmatic and principled approaches to increasing the impact of agricultural development efforts on Afghan livelihoods. These suggestions acknowledge the power that history and current social, political and economic relations have in steering local development processes and in preserving national policy narratives. It is argued that narratives must be confronted if development planning is to proceed in a manner that is cognisant of what can be done and what should be done in the current circumstances.

Build consensus on the goals and the meaning of a facilitating and regulating state in agricultural development

Current policy formation efforts combine (and conflate) the needs for establishing efficiency with enhancing equity in order to reverse the trends that have driven the

* More detailed recommendations can be found in the conclusion section of this paper.

conflict over the past decades. International experience has shown that efficiency and equity can be combined, but are not self-evident bedfellows. There is a need to move toward more evidence-based policies that combine principled commitments to efficiency and equity with pragmatic acknowledgement of trade-offs due to on-the-ground realities and the essential but limited impact that aid can make on social, political and economic relations.

Reassess and reinforce the accountability of the private sector and civil society in agricultural development

In order to better define the role of the state, notions and normative aims regarding the private sector and civil society must be anchored in an understanding of what these sets of institutions really are. It is not enough to label the private sector or civil society as the solution. A frank assessment is needed of what agricultural services they provide and why they are providing (or failing to provide) services to different groups of farmers. Disaggregation between high and low potential areas and between wealthy and poor producers is a prerequisite to predicting where different strategies can be expected to succeed and who is likely to benefit.

Put the market on the agenda

Apart from woes about the supposedly unassailable profitability of opium production, empirically grounded agro-economic and

market thinking has not gained centre stage in policies and programming. Even those who have recognised the importance of diversification and market orientation have run into difficulties in identifying where and how to intervene. The challenges to gaining an overview of market forces in a country where such a large proportion of the market is illicit are admittedly enormous, but the dangers of continuing to leave these factors on the back burner are greater. The market is not a panacea for equitable rural development, but recognition of its importance would be an important step in realigning programming with the prevailing livelihood strategies of rural people and the economic realities they face when trying to sell their crops.

Deal with risk

In light of the legacy of conflict and natural disasters, Afghans will inevitably make their decisions about how to integrate agriculture into their livelihoods primarily based on an assessment of risk. Fears of renewed conflict and natural hazards are at the core of traders', farmers' and rural labourers' choice of livelihood options. The actions of the state and the aid community already directly affect the parameters for these risk assessments. The relevance and effectiveness of agriculture programming would therefore increase enormously if risk was given far greater prominence in policy formation. Instead of being seen as a factor that scares donors, risk awareness should be used to highlight priorities for protecting rural livelihoods.

1. Introduction and Methods



Photo courtesy of Ian Christophos

Points of departure

This issues paper explores how well in tune Afghan agricultural policies and programmes are to the ways that the people of rural Afghanistan are themselves trying to survive and rebuild their lives. It builds on the Afghanistan Research and Evaluation Unit's (AREU) earlier issues paper *Addressing Livelihoods in Afghanistan*¹ and also on the ongoing livelihood monitoring studies of AREU and other organisations. The emphasis of this paper is not on describing agricultural systems, but instead on reflecting on how our admittedly limited knowledge of these systems should better inform policy and practice in (and beyond) the agricultural sector. Livelihood analysis is applied in this

paper as a tool to assess the relevance of current policies and programming with respect to the ways in which people in rural areas construct their livelihoods. A major goal of livelihood analysis is to bring attention to people's vulnerabilities and the institutional processes that frame their livelihood strategies, including the impact of government and the aid community's programming and policies for the poor.

The point of departure of this study is agriculture and its links to livelihoods in a broad sense, including how agricultural production (or lack thereof) impacts on labour markets, migration and local social, political and economic relations. Agricultural production is not analysed as if it were an

¹ Pain, A. and Lautze, S. *Addressing Livelihoods in Afghanistan*. Kabul: Afghanistan Research and Evaluation Unit. September 2002.

end in itself, but rather as one integrated component in a wider set of livelihood options. This broad perspective is applied in order to understand both how agriculture affects livelihoods and also how it does not. As one observer writes of recent history, “Most rural Afghans, and certainly poor rural Afghans, did not meet their food needs primarily by their own cultivation, but by a variety of strategies, including the sale of livestock and livestock products, casual labour, temporary migration and remittances from relatives who had permanently found refuge outside the country.”² This study aims to provide a basis for better connecting an understanding of Afghan agriculture with these wider survival strategies. This paper highlights where agriculture is proving to be but one component within the more complex sets of strategies that households are engaging in to survive, to enhance their food security, and where possible, to prosper. It is important to stress that terms such as “livelihoods” and “food security” are not always interpreted so widely within governmental and non-governmental agricultural bureaucracies.

This paper also critically analyses how prevailing stories, or “narratives,” about subsistence, technology transfer, the role of the state and the nature of civil society influence assumptions about how agriculture and food production actually contribute to livelihoods. It looks critically at the underlying narratives in current agricultural programming and also the motivations in aid and governmental bureaucracies to buy into simplified assumptions about farming. Special attention is paid to how the rehabilitation assistance community, together with the Afghan bureaucracy, jump quickly into project fixes that are poorly anchored in an understanding of the solutions that farmers themselves are exploring.

There are two cross-cutting themes throughout this paper. The first is the ways in which the architecture of agricultural rehabilitation has shaped the current interface between aid interventions and farmers’ own livelihood strategies. This paper does not aim to provide an in-depth analysis of agricultural rehabilitation policy per se,³ but the prevailing expenditure pattern in recent years has meant that rehabilitation, and in particular the role of seed programming, has had a profound influence on almost all of the topics reviewed in the paper. The gap between grander visions for rural development and on-the-ground programming realities is to a large extent related to the narrow set of rehabilitation interventions that actually receive funding.

The second cross-cutting theme is that of poppy production. Just as aid expenditure has been primarily, and perhaps unduly, directed at seed programming, the priorities of the private sector have very heavily focused on opium production. There are a variety of areas where dynamism can be found in private sector-financed agricultural development, but the overwhelming economic significance of opium is undoubtedly the factor that most strongly influences investment priorities, risk assessments, local socio-political relations and labour markets. There are a number of research initiatives now underway to better analyse this complex set of topics. It is hoped that this paper may contribute to an understanding of the broad contextual framework in which these studies will need to be embedded.

The paper is organised in the following way:

- The next chapter provides an overview of the policy formation process in Afghan agricultural development, and contrasts the key narratives of the international assistance community with the

² Johnson, C. *British Red Cross: Afghanistan Drought Response Case Study Notes for Seminar*. 2003, 4.

³ This narrower topic will be addressed in a forthcoming study, by the same author, as part of an Overseas Development Institute research project entitled “The changing roles of agricultural rehabilitation: linking relief, development and support to rural livelihoods.”

perceptions of local and national government.

- Chapter three places this policy analysis within the context of existing knowledge about the relationship between agriculture and livelihoods of rural residents.
- Chapter four examines how programming relates to livelihoods, particularly how issues of risk, diversification and transaction costs have been addressed.
- Chapter five contextualises the factors for policy and programming by looking at how technology transfer efforts and service provision have/have not broadened livelihood options.
- Finally, the paper concludes with reflections on what a principled but pragmatic approach to bringing these factors together might entail. The recommendations specifically address how policy choices must proceed in the face of uncertainty about the role of civil society, distrust of the private sector and disagreement over the role of the state.

Methods

This issues paper brings together the findings of interviews with governmental staff, local officials, NGO representatives, UN staff, technical advisors and rural people. The author collected data during two missions to Afghanistan, September 2-20 and November 27-December 17, 2003, and visited Bamyan, Kunduz and Takhar Provinces. The study did not allow for extensive direct empirical observation of rural conditions. The views presented here represent a synthesis of the findings of available research and NGO studies, and are juxtaposed with the “policy narratives” that clearly emerged in the interviews that were conducted in the course of the study. The methodology underlying

the study was to analyse how stories about agriculture and rural development, which steer the perceptions of the aid community, relate to the actual struggles of rural people to survive as described in available empirical research.

A notable issue in assessing the validity of the data cited in this paper is the question of how much the phenomena described in empirical studies represent recent adaptation to conflict and drought, and how much they are anchored in a history of recurrent crises and recovery. For example, some studies report a recent increase in indebtedness, particularly the custom of desperate farmers “pawning” (and subsequently losing control of) their land. It is unclear whether this is a new phenomenon resulting from drought, changes in local power structures and population pressures, or if it is a temporary coping strategy that has appeared from time to time in the past.

It should be stressed that there are major gaps in available data on the link between agriculture and livelihoods. Even before the conflict of the past three decades, statistics on rural populations, economies and social conditions were extremely scarce.⁴ Despite considerable investment in data collection for project planning in recent years, information remains extremely patchy and the majority of studies available have had a very limited geographical and topical focus. Information on nutritional status, in particular, is largely anecdotal or only valid for a limited area. The link between agricultural production and food consumption can therefore largely only be speculated upon.⁵ Caution in extrapolating general observations from anecdotal studies is particularly important since the effects of conflict, natural disaster and even development over the past three

⁴ Pain, A. and Goodhand, J. *Afghanistan: Current Employment and Socio-Economic Situation and Prospects*. InFocus Programme on Crisis Response and Reconstruction, Working Paper No. 8. Geneva: International Labour Organisation. 2002.

⁵ This shortage of data may soon change as the comprehensive National Risk and Vulnerability Assessment structure is put into place.

decades have been very diverse, episodic and localised.⁶ With respect to the nature of the state and societal structures, labels such as “warlords,” “terrorists” and “chaos” have been used to gloss over vast differences in the quality, depth and justness of the forms of governance that rural Afghans have endured at the community level.

This study emphasises the narratives that influence the production of data on Afghan rural development. Some studies are cited to highlight the prevailing pressures that have created the stories that guide current programming decisions. The source criticism that appears in this paper is not intended as cynical denigration, but is rather included for illustrating why it has proven so difficult to bridge that gap between programme priorities and livelihood realities. The skewed nature of incentives behind the production of surveys and assessments in Afghanistan influences what questions are asked in these

studies and how data are interpreted. When trying to understand how rural people themselves construct their livelihoods, aid (rather than farmers’ own efforts) is usually given undue attention, since most surveys and assessments are intended as a basis for planning increasing levels of aid disbursement. One frustrated consultant writes that “all reports read during the mission painted a bleak picture of the country. The reports focused on the negative, and identified an aid-funded solution for every problem mentioned.”⁷ These weaknesses in assessment and planning have continued as implementation has proceeded. Another study acknowledged that the dearth of critical reflection in agency reports had left it with “little material on which to draw to contribute theoretically or in terms of analytical method to the debate on livelihoods under conditions of political instability.”⁸ The situation today is somewhat better, but still leaves much to be desired.

⁶ Pain, A. *Understanding and Monitoring Livelihoods Under Conditions of Chronic Conflict: Lessons from Afghanistan*. Overseas Development Institute (ODI) Working Paper No. 187. London: ODI. 2002.

⁷ Hockley Associates. *Afghanistan: A Report Following Participation in the 2002 Crop and Food Supply Assessment on Behalf of Chemonics, July 2002*. Suffolk: Hockley Associates. 2002, 12.

⁸ Pain, 2002, op cit., 2.

2. The Context of Agricultural Rehabilitation and Development

This chapter presents an overview of the policy formation process in Afghan agricultural development. Key narratives of the international community regarding the “crisis” in agriculture and public sector reform are described. These international narratives are contrasted with the perceptions of local and national government. The question of how Afghanistan’s agricultural production can be integrated into regional and international markets is also stressed. This section also considers implications resulting from this mix of narratives and perceptions, particularly how the lack of consensus on programme responses and priorities has led to a growing gap between the policy debate and field-level programming realities.

Beyond the tradition-crisis dichotomy

Afghanistan’s agricultural economy is portrayed by many observers as a “traditional” or even “medieval” subsistence-based system of isolated farmers using techniques that have remained unchanged for centuries. Images such as these stem from the undercapitalised production systems and appearance of village life, rather than on an understanding of the historical processes that have created the current system. For much of the past century, Afghanistan has had a strong, market-oriented agricultural system. In the 1960s, it was one of the largest exporters of dried fruit (particularly raisins) and karakul lambskins in the world. This brought significant wealth to the north of the country. Massive development aid was invested in irrigated agriculture in the south, resulting in major transformations in agricultural systems. Although far from all of these changes were positive for farmers

and rural livelihoods, they have produced a current agricultural context that has more to do with adaptation to episodic development interventions, recurrent drought, periodic conflict and the regional politico-economic situation than to “tradition.”

The programmatic structure of agricultural rehabilitation and development efforts is not congruent with the actual nature of Afghan agriculture and processes of recovery in farming and livelihoods. The rapid expansion of agricultural rehabilitation assistance after the fall of the Taliban was not in response to a new crisis caused by the conflict, which only had an incremental and primarily indirect impact on agriculture. The gradual erosion of formal institutions, infrastructure and market structures, and the ample opportunities for predatory behaviour by local commanders have had more impact than bombs and bullets. The “crisis” in agriculture was, and in some ways still is, caused by a combination of drought, chronically weak governance and disrupted markets. The “monotonous landscape of interventions”⁹ that makes up aid response has been only marginally related to the diversity of challenges faced by rural people struggling to maintain their livelihoods as governments have come and gone. Thus, aid agendas have been largely out of step with humanitarian and development needs in rural Afghanistan.

The central reason that the aid agenda is not in line with the realities of agricultural production and livelihoods is that a “crisis narrative” shapes aid response. The history of intermittent coping, recovery and destruction of the past 25 years is glossed

⁹ Pain, 2002, op cit., 11.

over by media images of systemic breakdown. Under the Taliban, before the beginning of the drought in the late 1990s, cereal production was recovering well and in 1995, livestock numbers were greater than they were in the mid 1960s.¹⁰ The lessons of these past recovery processes are rarely alluded to, much less analysed, in current planning efforts. Similarly, the ingenuity of farmers in experimenting with new production methods and markets is ignored in the face of efforts to raise funds and deliver supplies to beneficiaries who are assumed to have nothing. Pressures for finding quick fixes to extremely complex problems stem from fears that narco-mafias, gaining sustenance from rapidly increasing opium production, will undermine the grand post-2001 nation-building project.

Currently, it is only possible to provide a series of snapshots of a transitional period where the government is struggling to reassume the duties that the international community has held during recent years. It is unclear what the roles of the state, civil society, the aid community and the private sector will be in driving future agricultural rehabilitation and development. It is also unclear if and how the state will be able to take a stronger stance on land grabbing, insecurity and other features of rural life in Afghanistan today. Much will depend on how these different actors succeed in rebuilding the infrastructure of agricultural and social services.

Another integral aspect of the context that delineates the interplay between policies, programmes, governance and agricultural development is the role of the international community. Afghanistan is not governed by

a UN transitional administration. The recognised government has, however, very little resources of its own and the aid community is still retaining a very tight grip on the purse strings. Considerable and laudable effort has gone into fostering government ownership of budgeting and policy formation processes, but in many respects Afghanistan functions under a quasi-transitional administration supported by the UN and the international community more generally. This rather hazy situation is characterised by uncertain accountabilities to the population, uncertain leadership of agricultural development programming and inconsistent use of rewards and punishments to prod the policy process.



Photo courtesy of Ian Christophos

It should also be stressed that Afghanistan is an extremely diverse country with many different microclimates and local historically rooted social, political and economic structures. These exist independently, but at the same time have developed unique ways of linking to national and international structures. Despite the seeming isolation of the distant mountain valleys, and the unique trajectories they have followed, even the most remote regions have been profoundly

¹⁰ Italtrend. *Pre-feasibility for Animal Health in Afghanistan*. Report for the European Union. 2003.

affected by the upheavals of recent and past years. One researcher writes of the isolated Pamirian Knot that:

“The observation that the effects of international politics reach deep into the peripheral valleys and plateaux of remote high mountain regions might be surprising for some, but confirms that the concept of security survival overrides the idea of these areas as refugia.”¹¹

Afghan agricultural institutions

A central aspect of the reconstruction and rehabilitation architecture in Afghanistan is the pressure to identify, build, create or strengthen “implementing partners,” that is to say, formal organisations that can receive and utilise aid flows. This narrow focus distracts from the need to take into account the wider formal and informal institutions that farmers rely upon to access capital, inputs, markets and knowledge in order to maintain their production, profitability and livelihoods. There is a tendency to miss the forest for the trees when efforts are made to build, for example, a village seed production cooperative, without first considering what the informal channels and rules are that have long governed how effectively farmers have been able to access the seeds they desire.

The formal institutional infrastructure of Afghan agriculture is extremely weak, and is comprised of the following:

- Formal trading networks;
- Finance;
- Processing and storage;

- Market information;
- Access to advice and inputs for new technologies; and
- Formal security of tenure.

These weak institutions preclude rapid renewal of links to those international markets that demand agricultural production characterised by predictability, standardised quality, timeliness and bulk quantities.

Investments in repairing the physical infrastructure that was destroyed during the years of conflict and decline have begun more rapidly than efforts to rebuild the institutional infrastructure. Though security problems have delayed some construction in the south, progress has been made in other parts of the country. Some short-term gap filling in institutional support is underway, particularly as related to seed access and some extension. More long-term thinking is starting to be applied to micro-finance and restructuring the commodity chains that show economic potential. This, however, is still almost entirely in the planning stage. Most observers doubt that institutional development will proceed rapidly.¹²

Pressures to channel aid flows are, by nature, biased by assumptions that revival of agricultural production can only be achieved through re-establishment of formal institutions for input supply and credit. Aid agencies need relatively formal institutional counterparts. Farmers, on the other hand, have less stringent demands. Experience in Pakistani cotton farming, for example, has shown that informal structures can actually provide high quality agricultural services and even create effective links to the formal sector.¹³ There

¹¹ Kreutzmann, H. “Ethnic Minorities and Marginality in the Pamirian Knot: Survival of Wakhi and Kighiz in a Harsh Environment and Global Contexts.” *The Geographical Journal*. September 2003. 169(3): 215-235.

¹² Some major donors are more optimistic and see institutions as an area where rapid investment is possible. Referring to the coming five years, a World Bank concept paper states, “Human capital investment and security investments may be front-loaded, while investment in infrastructure is likely to disburse far more in later years.” (World Bank. *Costing the Public Investment Needed for a Politically and Economically Sustainable Afghanistan*, Concept Note. Washington, D.C.: World Bank. 2003.)

¹³ Smith, L.E.D., Stockbridge, M. and Lohano, H.R. “Facilitating the Provision of Farm Credit: The Role of Interlocking Transactions Between Traders and Zaminders in Crop Marketing Systems in Sindh.” *World Development*. 1999. 27(2): 404-418.

are some surprisingly strong informal Afghan institutions that have appeared in response to the gap in formal capacity. The Hawala money exchange system provides an extraordinarily efficient and reliable structure for financial transfers that reaches well into rural areas and greatly facilitates access to migrant remittances.¹⁴ This system is believed to have originated to support trading along the Silk Route and became modernised in South Asia as a way to cope with the restrictions on financial transfers established in the India-Pakistan partition.¹⁵ It has grown particularly strong in filling the gap created by the collapse of formal banking systems in Afghanistan and Somalia, and even constitutes a strong competitor to formal banking structures in other countries, such as Bangladesh. After being portrayed in the Western press and by many politicians as a shady enterprise that finances terrorism after September 11, views on Hawala have begun to undergo a reassessment. It is now increasingly acknowledged to be a highly efficient and essential structure for linking the Afghan rural economy to the international system by channelling vital remittances: “It can be argued that what Hawala is vilified for (speed, trust, paperlessness, global reach, fluidity) are precisely the attributes that modern globalising investment banking aspires to.”¹⁶

Informal trading networks have also proven very resilient, building on experience over the years of re-establishing business when opportunities have arisen amid recurrent crises and periods of recovery. The domestic market for dried fruit has remained strong, despite the collapse of export markets,¹⁷ and Afghanistan has retained its export market

for pistachios to India, even though production has shrunk due to destruction of some of the pistachio forests.

In much agricultural programming the weaknesses of formal institutions and policies has led observers to assume that old structures have collapsed. There is a tendency to set off upon programming as if there was a blank slate for designing new policies, institutions and processes. Plans make few references to experience from earlier periods of recovery in the 1990s. The strength of many governmental institutions (though not necessarily in agriculture) has caught planners off guard.¹⁸

Regional and international trends and markets

Just as little attention has been paid to Afghanistan’s institutional infrastructure, there also has been little attention paid to looking at regional and international markets as key determinants of what might feature as a driving force for development.¹⁹ Afghanistan is not just a country that finds itself between relief and development. It is also between the two CAPs. The United Nations’ *Consolidated Appeals Process* provided food and agricultural support during the emergency years, and in some ways displaced pressures to see how markets affect food security. The European Union’s *Common Agricultural Policy* is the structure that, along with other northern subsidies, drastically influences opportunities to use agricultural export markets as an engine for development and poverty alleviation. A financially destitute state, such as Afghanistan, must look very

¹⁴ Maimbo, S.M. *The Money Exchange Dealers of Kabul: A Study of the Hawala System in Afghanistan*. World Bank Working Paper No. 13. Washington, D.C.: International Bank for Reconstruction and Development. 2003.

¹⁵ De Goede, M. “Hawala Discourses and the War on Terrorist Finance, Environment and Planning.” *Society and Space*. 2003. 21: 513-532.

¹⁶ Ibid, 517.

¹⁷ Food and Agriculture Organisation of the United Nations (FAO). *Afghanistan: Survey of the Horticultural Sector 2003*. Kabul: FAO. 2003.

¹⁸ Afghanistan Research and Evaluation Unit (AREU) and the World Bank. *A Guide to Government in Afghanistan*. Kabul: AREU and the World Bank. 2004.

¹⁹ One notable exception has been the attention given to international markets for opium.

closely at whether it can achieve sufficient productivity levels so as to compete on international markets when it has little capacity to provide support to its own farmers. Aid may remove some of the major barriers to trade, such as infrastructure and finance, but it cannot create a level playing field. At best, development cooperation may create a limited platform to advocate for more just international trade policies and to promote reform of domestic policy to ensure that it reflects market realities.

Internationally, analyses of food security are increasingly focused on how households (rather than countries) access food. But it has been noted that this frame of analysis is out of sync with parallel policy formation processes that relate to accessing international trading markets. International markets have massive impact on food security, both through devastating competition and by providing cheap foodstuffs to net consumers. This reality is starting to influence food security analyses and policies. Food security concerns have had less impact, however, in informing trade policies and strategies to promote export-led growth through integration with international markets.²⁰

Afghanistan's National Development Framework (NDF) sees the nation's future as relying on export, market-led growth.²¹ Agricultural development trends in the region and internationally are therefore of great relevance to decisions regarding how agriculture could be expected to better support livelihoods in the future. Reviving production of wheat, seeds, raisins or cotton

is not just a matter of ensuring that irrigation systems are rehabilitated and processing machinery repaired. Marketing conditions, international prices and the subsidy regimes of potential competitors in the region are of utmost relevance in the choice of investment priorities if livelihood support is to become sustainable. Many actors within the aid community are keeping their heads in the sand on these factors.

Within the limited sphere of interventions where marketing is being addressed, there is a strong tendency to stress physical obstacles to marketing in the form of poor roads, storage and processing facilities. Analysis of market opportunities in neighbouring countries and urban

areas are only starting to be undertaken. This would seem to raise questions about the basis upon which strategic priorities are being made for rehabilitation, given the government's market-led vision. For example, a stronger understanding of future potential markets is indispensable to inform those choosing priorities for road construction to achieve maximum benefits for commercial agriculture.

Why has the government's policy of market-led growth not led to greater emphasis on market analysis? The answer lies in a continued "triumph of the project." Duffield et al. note that under the Taliban, despite grand statements of commitment throughout the aid community to the Joint Strategic Framework for Afghanistan, both donors and NGOs remained locked into pre-existing routines and procedures that kept them busy with picking out projects, rather than

Aid may remove some of the major barriers to trade, such as infrastructure and finance, but it cannot create a level playing field.

²⁰ Stevens, C., Devereux, S. and Kennan, J. *International Trade, Livelihoods and Food Security in Developing Countries*. IDS Working Paper No. 215. Sussex: Institute for Development Studies. 2003.

²¹ More recently, the principles underlying the NDF were used to inform an action plan outlined in *Securing Afghanistan's Future: Accomplishments and the Strategic Path Forward*, a publication of the Afghan government and international agencies. While the author of this paper does not specifically site this publication, he did meet with the chief architects of *Securing Afghanistan's Future*, and many of the ideas contained in that document are addressed herein.

implementing policies.²² The need to have activities that can be related (however tenuously) to pictures of billowing fields of wheat is still greater than the need to ask if anyone is ready to buy the flour. Afghan policy documents and budgeting structures may resonate with the rhetoric of the new market-oriented aid architecture that is increasingly dominating the field of development, but the on-the-ground programming realities in the agricultural sector retain a project-bound tunnel vision.



Photo courtesy of Ian Christophlos

“New Public Management” and impediments to policy reform

There is not only a disjunction between the government’s market visions for agriculture and the project-bound nature of aid activities, but between the philosophy underpinning the role of the state in documents such as the NDF and the reality of visions within key ministries relating to agriculture. The NDF begins by stating that “the people’s aspirations must be represented and reflected in an accountable government that delivers value on a daily basis.” The questions of what should be delivered and by whom are at the centre of the debate on what kind of social contract the Afghan government intends to establish with its people. The NDF goes on to specify that “we do not see government as the producer and manager of the economy, but as regulator and promoter of the entrepreneurial energies of the people. The state will enter into a direct managerial role only when social justice demands its presence.” The policy formation process

essentially consists of a gradual bridging of gaps in different interpretations of what constitutes a public good, i.e., where the state could or should step in and where the market and civil society can be expected to take the lead, requiring only facilitation and regulation from the state.

The goal of establishing a facilitating and regulating state is particularly important to analyse in agriculture, where states are conventionally assumed to have a relatively minor direct role in development and even the provision of basic services, as compared to other sectors such as health or education, where state service provision remains the norm. Agriculture would appear to be a sector that should slot in well with the goals of the government and international community. An operational consensus has, however, yet to emerge regarding the role of the state in agricultural development.

Within the NDF, Afghanistan’s crisis has been transformed into an opportunity for reform, as this New Public Management²³ (NPM) inspired structure has been overlaid on the

²² Duffield, M., Gossman, P. and Leader, N. *Review of the Strategic Framework for Afghanistan*. Kabul: Afghanistan Research and Evaluation Unit. 2002.

²³ “New Public Management” is a term used to refer to the models for attempting to minimise the role of the state and increase roles for the private sector and civil society. These models were implemented widely in Europe during the 1980s, and have since been increasingly promoted as part of structural adjustment programmes in the south and east. More recently these ideas have gained favour in design of international strategies for rebuilding failed or collapsed states.

ruins of what was assumed to be a collapsed state. The formal endorsement of the NPM approach is widely perceived to be more a product of donor pressures than domestic commitment. The continuing strength of opposition to NPM in the government has revealed that the state was not as collapsed as many expected. A set of problems has emerged in implementing the framework, as it has gradually been discovered that the state and civil service have proven to be surprisingly vigorous and active in striving to rebuild (rather than reform) their structures of the past. There is intense pride in the civil service²⁴ that does not mesh well with the radical NPM paradigm. Agricultural stakeholders expect and want the state “to provide everything.”²⁵ The belief that crisis inevitably creates opportunities for public reform has been shown to have been built more on prevailing narratives within the aid community than on empirical realities. Afghan politicians and civil servants have a different set of prerogatives, based on a different history and culture than that of their advisers, and a different set of political, economic and social pressures.

The advisers may also be directed at promoting normative reconstruction models, at the expense of frank analyses of political processes in contexts of post- and chronic crisis. Boin and ‘t Hart point out that the narrative of crisis as an opportunity for reform is widespread in the north as well, but is profoundly flawed as “the requirements of crisis management are inherently incompatible with the requisites for effective

There is a major gap between the vision for agriculture and rural development that is outlined in the NDF and prevailing agricultural policy as perceived by most of those working within the Ministry of Agriculture and Animal Husbandry (MAAH) and the NGOs providing agricultural services.

reform.”²⁶ Citizens’ expectations and other factors put pressures on political leaders (and in this case, the aid community as well) to show quick results and provide visible public services. This is not in tune with NPM models that suggest that the gap between government capacity and massive needs can be used as a stimulus to shift to greater reliance on the private sector and civil society.

When the current government assumed power, the vast majority of politicians and civil servants in agriculture took for granted that a large and well financed state-led agricultural development effort was going to be put into place. That was all they had experienced in the past and there was little understanding or awareness of the reform efforts that have been undertaken throughout the world over the past two decades. There is a major gap

between the vision for agriculture and rural development that is outlined in the NDF and prevailing agricultural policy as perceived by most of those working within the Ministry of Agriculture and Animal Husbandry

(MAAH) and the NGOs providing agricultural services. Despite the endorsement of new policy concepts by key actors at the central level, there is little sign that the new vision for the state is either understood or accepted at other levels. One donor assistance strategy notes that “Ownership within individual ATA [Afghanistan Transitional Authority] ministries [for the NDF] varies.”²⁷ The government has acknowledged this openly as well.²⁸

Provincial and district officials retain the view that since agriculture is the “backbone”

²⁴ AREU and the World Bank, op cit.

²⁵ Hemani, M. *Agriculture and Rural Development Ministries’ (sic) Level Strategy Development Workshop, 28 September - 2 October 2003, Kabul*. Kabul: Ministry of Rural Rehabilitation and Development. 2003.

²⁶ Boin, A., and ‘t Hart, P. “Public Leadership in Times of Crisis: Mission Impossible?” *Public Administration Review*. September 2003. 63(5): 544-553.

²⁷ Department for International Development (DFID). *DFID Transitional Country Assistance Plan Afghanistan 2003-2004*. Western Asia Department, DFID. August 2003, 5.

²⁸ Ministry of Rural Rehabilitation and Development (MRRD). *From Humanitarian Assistance to Social Protection*. Paper prepared for the Afghanistan Support Group Oslo Meetings. Kabul: MRRD. December 2002.

of the local economy, this therefore justifies state dominance in both financing and provision of agricultural services and in planning production priorities. There is as yet little public discussion of alternative visions for the sector at provincial and district levels. A majority of those in provincial and district political and civil service structures involved in agriculture retain expectations of a return to state-led development, requiring a large bureaucracy and public service provision. Even relations to civil society are assumed to require a strong leading role for the state. For example, plans are being put into place for a vast expansion of government advisers and subsidy structures to guide a revival of agricultural cooperatives.

Agencies including the UN Food and Agriculture Organisation (FAO), the Asian Development Bank (ADB) and the UK Department for International Development (DFID) are investing in capacity building for the MAAH in order to increase the awareness of key staff of current international norms and practices within ministries of agriculture and the public sector. Most acknowledge that these efforts have as yet made limited headway. Even where NPM has been accepted, there is no consensus regarding what a facilitating and regulating state actually consists of on the ground, and what could be done to promote the growth of private and civil society structures that the state should eventually facilitate and regulate. The blame does not necessarily lie with aid efforts per se, but rather with a high level of uncertainty within the system about what capacities should be built. The implications of the NDF for setting priorities have only just begun to be absorbed at an overarching conceptual level. Genuine, widespread and sustainable ownership may only be expected to emerge once it is determined what these concepts imply with regard to who does what in extension, cooperatives, veterinary services, etc.

Ambivalence toward NPM extends beyond the government. Most NGOs, which are

currently the main operational actors in provision of agricultural services, have yet to consider how to align the trajectories of their programmes with the NDF. Programmes tend to reflect a de facto assumption that all agricultural services are public goods, and that the creation of a market for private services is a matter that will have to be dealt with in the distant future (i.e., by someone else). Even the opportunity to access support for more private sector-oriented programming from the U.S. Agency for International Development (USAID) has not stimulated a major change in direction. The services that the NGOs provide are not dissimilar to those that the state actors would like to assume. The prospects of sustainability are not significantly better in their initiatives than in government services, since their efforts are not anchored in local resource flows, either through the market or civil society. Most aid-financed agricultural programmes do not provide an alternative vision for how agricultural services could be organised, but instead are mere bypass structures in which NGO staff provide the same services that the government agencies expect and hope that they should be given responsibility for.

Within the government's consultative group and budgeting structure, the MAAH is responsible for the natural resources management sector, but not for livelihoods and social protection, which is allotted to the Ministry of Rural Rehabilitation and Development (MRRD), with support from the World Food Programme (WFP) and others. While there are practical reasons for this division, and it is uncertain whether the MAAH would be able to effectively engage in yet another set of policy reform initiatives, this structure has hindered efforts to see how agriculture contributes to the protection of livelihoods. Neither the MAAH nor FAO have been actively engaged in discussions of the large social protection programmes that are just starting. Opportunities have thus been missed for seeing how agricultural programming could better contribute to reducing vulnerability.

It would seem a paradox that agriculture is a sector that has been wary to accept the NPM vision proposed in the NDF, given that agriculture is by nature an area where the private sector is inevitably the key driving force. There are several reasons for this:

- Agriculture has been seen as the primary vehicle of state-led modernisation since the time of the massive U.S.-financed Helmand Valley Project in the 1960s.
- The background of many bureaucrats in both the socialist system and exposure to the former U.S. agricultural system has underpinned a desire to revive cooperatives.²⁹
- Aid structures that demand encapsulated and quick impact projects cannot deal with an unruly and unpredictable private sector.
- There is a desire within the agricultural bureaucracy to re-establish its legitimacy through patronage and largesse.

Against the backdrop of these factors, government agricultural officials at district and provincial levels observe NGOs distributing free hand-outs and naturally wish to do the same. They perceive NGOs to be the tenacious remnants of a surrogate state that was created during the war. They see their role as being one of taking back the responsibilities that they once had and that NGOs have currently taken upon themselves. Supply-driven programming is assumed to be the norm. Given the absence of alternative models, it would be surprising if they had any different expectations.

Government officials are extremely frustrated that the international donor community does not help them to develop their legitimacy in a similar manner as NGOs have done. This is grounded in the perceived gap between donor rhetoric about strengthening the government

and funding priorities via NGOs. Local officials have little understanding of how aid agencies determine priorities and modalities and experience a sense of powerlessness in influencing the agricultural programming under way in their jurisdictions. NGOs are seen to be totally unaccountable to government for the quality or impact of their agricultural programmes, further fuelling envy and anger.

Despite some progress in “convincing” high-level officials of the need for a lean state, there is no clear agenda for establishing the concrete tasks of the public sector in either Kabul or the rest of the country. The plans of agricultural departments at provincial and district levels essentially consist of requesting funding from Kabul for the provision of free services and waiting for a response. They rarely receive one. Discussing public administration more generally, it has been observed that “since December 2001, provincial and district staff essentially have been waiting to hear from Kabul.”³⁰ There is some hope that the tables will be turned between the state and NGOs when the National Solidarity Programme (NSP) gets under way. At the district level, there are some optimistic hopes that NSP funds will be used for such services, including tractor-ploughing schemes and flour mills (i.e., areas that the private sector would seem to be expected to dominate within a vision of a facilitating and regulating state).

Operational priorities and the policy process

In lieu of a broad-based policy implementation process, programmes and projects (current or hoped for) have become the proxy for actionable policies. The need to build the legitimacy of the central government (and

²⁹ U.S.-supported cooperative development, including 4-H clubs, was part of the social engineering strategy of the Helmand Valley Project. (See Cullather, N. “Damming Afghanistan: Modernization in a Buffer State.” *The Journal of American History*. September 2002. 512-537.)

³⁰ AREU and the World Bank, op cit., 4.

the weakness of the formal private sector) has meant that aid flows through the state are increasing. There is a pragmatic acceptance that something needs to be done to help get Afghanistan on its feet, and that the process of developing capacity in policy analysis and implementation cannot be sped up sufficiently to use policy as a basis for tightly coordinating and prioritising expenditures. A significant element of supply-side programming is accepted as a necessary evil.

One result of this is that competition over supplies and over speed in expending them (and achieving “quick impacts”) has in some ways taken precedence over coordination and strategic direction. The “triumph of the project” continues to prevail. One evaluation from 2002 goes so far as to state that “current reconstruction practice – what agencies actually do and how they do it – in practice bears more resemblance to regionalism and warlordism than to a coherent and effective aid programme.”³¹ Coordination has improved since then, but is still rudimentary in many respects. Few would describe Afghan agricultural development efforts as a shining example of “good donorship.”

The reform narrative, as embodied in the NDF, has its roots in efforts around the world to reduce the role and scale of state bureaucracies and create a lean state. A paradox in Afghanistan is that, although there is a need to scale down the visions and hopes of returning to organisational models from the 1960s and 1970s, there is presently little agricultural bureaucracy to actually retrench. Instead there is a need to expand to meet the challenges of a facilitating and regulating state. There is a contradiction between the retrenchment narrative and the actual make-up of the agricultural civil service. For

example, even if the state was to withdraw from direct service provision, the challenges it faces in shouldering the regulatory and facilitatory tasks envisaged in the NDF are enormous. Key exports are currently in violation of many countries’ phytosanitary import regulations. Border controls, inspection of imported fertiliser and pesticides and the need to monitor and regulate a transparent system for agricultural finance are all pressing needs.

In addition, there is a growing portfolio of projects and programmes, ostensibly under the leadership of the MAAH, that need to be facilitated and regulated. There is a very real disjuncture between aims of making space for the private sector and the need for massive investment in public goods and in promoting the legitimacy of the state. Plans for contracting out public services have not been anchored in a parallel agenda of ensuring state capacity to act as a smart buyer of these services when they are publicly financed.

The government has not yet ventured into this process, either because it still harbours hopes that it will do it all itself, or because donors do not trust the government enough to channel funds through its coffers.³² The growing scale of programming bears with it a danger of creating further alienation of the agricultural bureaucracy from the aid bureaucracy if a more integrated modus operandi is not established. The gap between rhetoric about ownership and the reality of continued bypass structures is creating disillusionment. Donors, advisers and NGO staff are openly frustrated about what are seen to be antiquated views within the civil service, but there is a significant vacuum of ideas about how to bridge the divide.

³¹ Kampenaar, K., Silken, T. and Pain, A. *DACAAR Mid-Term Review*. June 2002.

³² Considerable effort has been devoted to pressuring the aid community to work within the National Development Budget, with coordination managed through a system of consultative groups. Without belittling the considerable successes of this process at a macro level, it has yet to become a mechanism that addresses issues related to public/private roles and responsibilities at an operational level.

It is easy to blame implementing actors in the government, FAO and NGOs for allowing programming to displace the policy debate, but thus far funding horizons have been very short, and therefore provide little space for policy development to move from talk to action. A number of policy advisers are scattered throughout the ministry offices in Kabul. At provincial and district levels, however, small delivery-oriented projects are still far easier to fund than diffuse capacity-building initiatives. FAO's structure of field-level offices would seem to provide a relatively solid platform for a broader normative commitment to coordinated policy reform. But these offices are starting to be dismantled as the emergency funding that sustained them is reduced.

When funding is only available for one to two years, as is currently the norm, strategic thinking is unlikely to emerge. The phasing out of emergency funding has yet to be matched by an increase in development spending.³³ Operational agencies are being criticised for being stuck in humanitarian modalities, but funding structures have not been supportive of those actors who wish to take on a more strategic agenda. There is somewhat of a chicken or the egg situation with regard to international NGOs and UN agencies building their own capacity for long-term thinking (to in turn build Afghan capacity for the same). NGOs and UN agencies are criticised for their failure to adapt to the new situation, but as long as funding is so uncertain, they have good cause not to risk investing their own resources in gearing up

for long-term strategic initiatives. Furthermore, it may be unethical to raise expectations among farmers, extension agents and private actors by trying to establish more sustainable relations between agricultural service providers and their clients when support is in danger of being discontinued in a matter of months. Operational agencies are in many respects acting in an ethically correct manner in refusing to invest in sustainable micro-finance, extension or research initiatives that may need to be closed after a few months.

A further disjuncture in current agricultural policies and programming is how best to combine social and economic objectives. The efficiency focus of the governmental role envisaged in the NDF is paired with social objectives that stress inclusion, equity and justice. It is not self evident how the former will lead to the latter. The working assumption appears to be that an effective, strong, but realistically focused central government is a precondition for pursuing objectives of equity and social justice. This is an assumption that is common in NPM reform efforts: "...social justice is a star in the NPM firmament, set to shine more brightly as NPM tenets take increased hold."³⁴ It is worth noting, however, that the process by which efficiency in the agricultural bureaucracy is expected to impact on the well-being of vulnerable rural households is not explicit. Reform may be a pre-requisite for pro-poor and equitable development, but it is not a guarantee. It would seem irresponsible to wait for resurgent conflict as an indicator that social objectives have not been realised.

³³ The major exception to this is the large USAID-funded RAMP program, though many observers express concerns that domestic political pressures may result in this "development" programme being unduly directed at quick fixes.

³⁴ Harrow, J. "New Public Management and Social Justice: Just Efficiency or Equity as Well?" In McLaughlin, K., Osborne, S.P. and Ferlie, E., eds. *New Public Management: Current Trends and Future Prospects*. London & New York: Routledge. 2002, 141.

3. What is Known About Livelihoods and Labour

In addition to understanding the context of agricultural rehabilitation and development in Afghanistan, it is critical to discuss what is known about Afghan livelihoods and labour before assessing the relevance of agricultural programming. This chapter first examines the relationship between agriculture and the actual livelihoods of rural people in high and low potential areas. It then looks at food security and food consumption in terms of changing livelihood strategies and levels of agricultural production. Having demonstrated that subsistence farming is but one aspect of how rural people survive, the chapter ends with a focus on non-farm labour and migration as crucial livelihood strategies.

Agriculture and livelihoods in high and low potential areas

International findings are increasingly indicating that the impact of changing policies, institutions and markets differs dramatically between high and low potential agricultural areas. “Pro-poor growth” initiatives and market integration generally have much more to offer farmers in areas that can directly take advantage of the opportunities presented.³⁵ The hinterlands offer poorer prospects for many of the strategies that have been promoted as ways to “escape” from poverty. Instead, realistic assessments usually point to the need to enhance coping strategies and ways to promote inclusive development in the face of declining commercial investment and security.

The examples provided in Boxes 1 and 2 illustrate the varying influences of market access, labour markets, natural conditions, security and history in different parts of the country. Hazarajat and Kunduz are examples from contrasting ends of the Afghan spectrum of rural development trends. The former is grappling with isolation, depopulation and poor market prospects. The latter is engaged in commercial production, but faces difficulties in looking beyond pre-war production patterns to the market realities of today, and the implications of this for investment and rehabilitation priorities.

Hazarajat is not without potential, but when viewed through the lens of experience elsewhere in the world in development (or lack thereof) in isolated, mountainous areas, it appears unlikely that agriculture will provide a sufficient “engine of growth” to reverse long-term trends toward economic decline. Agriculture is more likely to be one of a number of coping strategies for a population



Photo courtesy of Liz Alden Willy

³⁵ Ashley, C. and Maxwell, S. “Rethinking Rural Development.” *Development Policy Review*. 2001. 1119(4): 395-425.

Box 1: Example of a low potential area: Hazarajat

Hazarajat is a poor and isolated mountainous region of central Afghanistan with relatively little arable land. Crops (primarily wheat) are mostly produced in narrow irrigated valleys, with some rain-fed crops being planted on surrounding hillsides when precipitation permits. The mountainous topography makes transport difficult and puts Hazarajat's agriculture at a disadvantage in accessing urban (Kabul) markets. Hazarajat is a chronic food deficit area. Livelihoods are heavily dependent on sales of livestock and migration to make up for this deficit. Hazarajat is known for its out-migration, both to Kabul and internationally. Iran is the preferred destination, since many Hazara are Shi'a and feel safer among people of their own religion. Some areas have had a pattern of seasonal migration, mostly to Kabul, during the winter months.³⁶

The isolation of Hazarajat has by no means meant that farmers are hesitant about trying new technologies. Poppy cultivation is currently expanding "spectacularly,"³⁷ even to areas where it has never been grown before. Potato production is also expanding rapidly. This year potatoes are a major commercial crop, used in rotation with winter wheat. There is a readiness to invest in new machinery as well, as exemplified by some farmers purchasing mechanical threshers after observing a project managed threshing pilot.³⁸

Hazarajat's small and isolated valleys display extraordinary diversity in terms of local socio-economic relations and impact from conflict and drought. In some districts extreme "feudal"³⁹ relations exist. In other districts and valleys, sharecroppers have regained direct ownership of their land as former Kuchi landlords have fled.⁴⁰ Many commanders are adapting to the coming of peace to the province by becoming landlords through land grabbing and other abuse of their power.⁴¹ Current analyses emphasise the massive impact of the drought on agriculture in Hazarajat, which devastated agricultural production. The uncertainties surrounding rain-fed agriculture in Hazarajat and skewed land ownership suggest that livestock is a more viable production strategy for the poor than crops. Some agency representatives acknowledge this. Subsidised veterinary services are, however, the only aid response under way. On a national level, some have called for "aggressive post-drought programs to restore livestock bases."⁴² However, there is a lack of surplus animals throughout Afghanistan and with the extremely weak inspection and quarantine structures, imports from neighbouring countries would be very risky.⁴³

Hazarajat has attracted a considerable number of agencies over the years, but most have had relatively small programmes. One observer writes that, during the 1990s, "...at no stage has the volume of assistance, by any measure, been significant relative to the scale of the area economy."⁴⁴ Agricultural programming remains primarily oriented to seed distribution. Oxfam and the Aga Khan Development Network (AKDN) are engaged in major long-term rural development programmes, both of which are struggling to refocus efforts away from the past seed focus. They are both experiencing difficulty in renegotiating operational relationships with the *shuras*⁴⁵ with which they work. FAO is starting to implement a large and ambitious DFID-financed programme focused on enhancing rural livelihoods through first developing shuras and other institutions to act as farmer organisations.

³⁶ Johnson, C. *Hazarajat Baseline Study - Interim Report*. Kabul: UN Coordinator's Office. 2000.

³⁷ Solidarités. *Reinforcement of Food Security, in order to Stabilize Local Populations and to Favour the Return of Displaced Persons and Refugees, Intermediate Report Period from April 1, 2002 - April 1, 2003*. Kabul: Solidarités. 2003, 26.

³⁸ Solidarités, 2003, op cit.

³⁹ The term "feudal" is used to describe a diverse variety of unequal and exploitive social relations in studies of local land tenure systems and political structures in rural areas.

⁴⁰ Alden Wily, L. *Land Relations in Bamyan Province: Findings from a 15 Village Case Study*. Kabul: Afghanistan Research and Evaluation Unit. 2004.

⁴¹ Human Rights Research and Advocacy Consortium (HRRAC). *Speaking Out*. Kabul: HRRAC. November 2003.

⁴² Lautze, S., Stites, E., Nojumi, N. and Najimi, F. *Qaht-e-Pool "A Cash Famine": Food Insecurity in Afghanistan 1999-2002*. Medford, Massachusetts: Feinstein International Famine Center. 2002.

⁴³ Solidarités, 2003, op cit.

⁴⁴ Semple, M. *Strategies for Support of Sustainable Rural Livelihoods for the Central Highlands of Afghanistan*. Islamabad: Pattan Development Organisation. 1998.

⁴⁵ *Shura* is the term used for an array of community councils that provide both traditional governance and an interface for managing aid-financed rural development programmes.

Box 2: Example of a high potential area: Kunduz

Kunduz Province is located on the border of Tajikistan, west of the Hindu Kush. Agricultural land primarily consists of irrigated lowlands, rain-fed plains and low hills. Relatively abundant rainfall and higher land fertility make rain-fed production more reliable and important than in Hazarajat. The major crops are wheat, rice and cotton. The province produces a significant cereal surplus. Reliable statistics are not available, but wheat and rice appear to be primarily used for sales rather than for subsistence. Cotton was very important in the past and was the motor for commercial and irrigation investment in the region. In many respects Kunduz's cotton economy was a model for the state-led agricultural development policies of the last century.

Until a major land reclamation programme in the 1930s, much of Kunduz was a sparsely populated malarial swamp.⁴⁶ With the start of development efforts, the population grew rapidly and the Spinzar Corporation became the primary motor of the cotton economy of Kunduz and neighbouring provinces. Started in 1936 by a group of traders, Spinzar was purchased by the government in 1944.⁴⁷ It still exists as a state-owned enterprise. With the war, cotton production and related services rapidly collapsed. All sub-offices of the Spinzar Corporation outside of Kunduz town were destroyed. Cotton production began to be revived under the Taliban, but at a very low level. Efforts to re-establish production have begun again. Much of the machinery owned by the Spinzar Corporation is still in working order or could be easily repaired,⁴⁸ but operating costs are high due to the age of the machinery and the need to rely on generators for power. It is expected that energy may be imported from Tajikistan in the future.⁴⁹

The memory of the frontline services provided by the Spinzar Corporation continues to underpin a steadfast governmental view and widespread farmer hope that development will consist of a restoration of the production system and services of the past. There is very little awareness of the ways that international trends, especially subsidies, may affect the future viability of an Afghan cotton industry. European Union subsidies to Greece, for example, have averaged over 100 percent of farm value since 1997,⁵⁰ and the U.S. provides over US\$3 billion, or US\$230 per acre, to its cotton farmers. Consideration has not been given to the problems facing the cotton economy in Tajikistan either, where drastic de-mechanisation and de-capitalisation have been underway⁵¹ and where cotton production has had devastating environmental consequences.⁵² Neighbouring Uzbekistan is the world's second largest cotton exporter, with Tajikistan and Pakistan also major producers that would be expected to provide strong competition to Kunduz cotton production. The implications of these factors for expectations that the Spinzar Corporation can be returned to viability appear not to be part of current discussions regarding the future of the cotton economy in Kunduz.

Paradoxically, it is partly the regional threats to Kunduz's current wheat and rice production that have spurred hopes that cotton can again emerge as the engine of growth. Wheat and rice prices have sunk in the face of imports from neighbouring countries with subsidisation policies. Some wheat and rice this year were not even harvested, as farmers concluded that they could not compete with imports to the food deficit areas of the south and urban markets due to high labour and transport costs. Labourers used to come to the province from Badakhshan to work in the wheat harvest, but expansion of poppy production there has reduced incentives to work in the wheat harvest and drastically increased wages.⁵³

⁴⁶ Barfield, T.J. "Weak Links on a Rusty Chain: Structural Weaknesses in Afghanistan's Provincial Government Administration." In Shahrani, M.N. and Canfield, R.L., eds. *Revolutions and Rebellions in Afghanistan: Anthropological Perspectives*. Berkeley, CA: University of California Press. 1984.

⁴⁷ Central Asia Development Group (CADG). *Spinzar Corporation: An Economic Analysis of the Spinzar Cotton Gin in Kunduz Province, Afghanistan*. Singapore: CADG. 2002.

⁴⁸ Ibid.

⁴⁹ Tensions could emerge if this energy is used to revive a cotton industry that would compete with Tajikistan's own struggling cotton industry. This could be a particularly sensitive issue if the Spinzar Corporation receives a US\$2.5 million grant, as is currently being considered, since this could be perceived of as an unfair subsidy.

⁵⁰ Townsend, T. *Subsidies Beyond 2006*. Washington, D.C.: International Cotton Advisory Committee. 2003.

⁵¹ Pomfret, R. "State-Directed Diffusion of Technology: The Mechanization of Cotton Harvesting in Soviet Central Asia." *Journal of Economic History*. 2002. 62(1): 170-188.

⁵² Spoor, M. "The Aral Sea Basin Crisis: Transition and Environment in Former Soviet Central Asia." *Development and Change*. July 1998. 29(3): 409-435.

⁵³ Maletta, H. *Winters of Discontent: Seasonal changes in wages and food prices in Afghanistan, 2002-2003*. Discussion Paper. Kabul: Food and Agriculture Organisation/Ministry of Agriculture and Animal Husbandry. 2003.

that is heavily dependent on migration, wage labour and government transfers. There is no international consensus about how to address the chronic poverty of places like Hazarajat. Some states have simply ignored the problem by adopting de facto triage policies. They have chosen to invest their shrinking agricultural budgets in higher potential areas where a financial return on investment is more likely and where it is hoped that the private sector will prove increasingly willing to take over services as the state retreats to facilitating and regulating roles.⁵⁴ This has not necessarily been seen as a non-pro-poor stance since, given the limited economic prospects of hinterlands, the poor are assumed to be better off if they simply leave.

The massive depopulation of these areas that many economists had predicted has, however, not occurred. The World Bank acknowledges that “one-quarter of the people in developing countries – 1.3 billion in all – survive on fragile lands, areas that present significant constraints for intensive agriculture...The size of this population is a signal that our assumptions about the extent and speed of out-migration have been flawed.”⁵⁵ Referring to the Andes, Bebbington describes how, despite public policies effectively writing off isolated areas as “non-viable,” people are choosing to remain by piecing together livelihoods that rely on combinations of migration, subsistence agriculture and wage labour.⁵⁶ Though migration has certainly drained these areas of human resources, it has also offered transnational lifelines that provide the basis for new forms of livelihoods, as some family members send back

remittances while other relatives maintain the family homestead.

Some livelihood strategies, such as narcotics production, actually thrive on a combination of access to transnational networks and distance from public authorities, thereby providing an attractive comparative advantage for supposedly non-viable areas. The natural tendencies to capitalise on these comparative advantages means that insecurity and conflict are common features in remote rural areas, as they feed both on the opportunities that isolation provides and on the social exclusion, marginalisation and alienation (particularly among youth) that result from exclusion from the dynamism of more integrated areas.⁵⁷ The disadvantages of withdrawing public investment from these areas are thus starting to be acknowledged as being potentially greater than the losses that are incurred in supporting agricultural livelihoods that do not necessarily show a positive rate of return on direct investments in research and extension.⁵⁸

While the need to ensure a strong role for the state will continue to be a key issue for Hazarajat, the central question facing high potential areas such as Kunduz is how to take advantage of market forces to attract the much heralded benefits of globalisation. Hopes for a return to profitability in commercial wheat production in Kunduz are rooted in assumptions that the conflict was the problem that led to the disappearance of markets. In fact, profitability may actually have benefited from the isolation from world prices, which have dropped precipitously during the past three decades, as indicated in Figure 1.

⁵⁴ Christoplos, I. “Natural Disasters, Complex Emergencies and Public Services: Rejuxtaposing the Narratives after Hurricane Mitch.” In Collins, P., ed. *Applying Public Administration in Development: Guideposts to the Future*. Chichester: John Wiley & Sons. 2000.

⁵⁵ World Bank. *Sustainable Development in a Dynamic World: Transforming Institutions, Growth, and Quality of Life, World Development Report 2003*. Washington, D.C.: World Bank. 2003, 59.

⁵⁶ Bebbington, A. “Capitals and capabilities: A framework for analysing peasant viability, rural livelihoods and poverty.” *World Development*. 1999. 27(12): 2021-2044.

⁵⁷ Bird, K., Hulme, D., Moore, K. and Shepherd, A. *Chronic Poverty in Remote Rural Areas*. CPRC Working Paper No. 13. Birmingham & Manchester: Chronic Poverty Research Centre. 2002.

⁵⁸ Farrington, J., Christoplos, I. and Kidd, A. with M. Beckman. *Extension, Poverty and Vulnerability: The Scope for Policy Reform - Final Report*. Overseas Development Institute (ODI) Working Paper No. 155. London: ODI. 2002.

Figure 1. World Cereal Prices, 1960-2020



Source: Rosegrant (2001) in Ashley & Maxwell, 2001

Finally, though there is good justification for a two-pronged development strategy for places like Kunduz and Hazarajat, this does not mean that they should be seen as separate economic spheres. The fate of Hazarajat and Kunduz will be increasingly interrelated. The capacity of Hazarajat to benefit from agricultural development will relate to access to cheap wheat and rice from Kunduz and seasonal labour opportunities. The competitiveness of Kunduz's agriculture may depend on access to cheap labour reserves, such as those from Hazarajat.

Food security amid changing livelihood strategies

Levels of agricultural production in high and low potential areas are also affecting current thinking around food security and food consumption around the country. The concept of food security in Afghanistan is going through a gradual shift from earlier assumptions that food security could and would be best addressed primarily through increased access

to food through investment in cereal production and food aid,⁵⁹ to a broader view exploring how an array of different livelihood strategies impact on food security. It is increasingly accepted that, for the most vulnerable sectors of the population, the problem is not the availability of food, but rather the assets with which to purchase food. Throughout the world, and particularly in Asia, it is becoming apparent that "despite the fact that food is produced in rural areas, food security in many countries is higher in urban areas where power to access is higher."⁶⁰ In the past in Afghanistan, the focus on production inputs and food aid may have been a reflection of the limited tools of the aid community. Problems were defined by the available solutions. Some current programming (particularly those in an emergency mode, focused on wheat seeds and food aid) retains past assumptions of a direct production-consumption link, but this may relate more to opportunistic proposal writing and pandering to donor expectations than to genuine convictions that production

⁵⁹ Sloane, P. "Food Security Strategy for Afghanistan (revised version)." *Afghanistan Watching Brief (a joint UNDP-WB Project)*. Islamabad: United Nations Development Programme/World Bank. 5-6 June 2001; Khan, M.A. *Afghanistan: Promotion of Agricultural Rehabilitation and Development Programmes, Extension and Training*. Islamabad: Food and Agriculture Organisation. November 1996.

⁶⁰ Gill, G.J., Farrington, J., Anderson, E., Luttrell, C., Conway, T., Saxena, N.C. and Slater, R. *Food Security and the Millennium Development Goal on Food Security in Asia*. Overseas Development Institute (ODI) Working Paper No. 231. London: ODI. December 2003.

increase is a sufficient guarantee for food security.

The assumption that increased food security is best achieved by production increase rests on an underlying “yeoman farmer” narrative about Afghanistan being a country primarily made up of subsistence farmers, i.e., people who will eat more if they produce more. The “crisis narrative” depicts the livelihoods of subsistence farmers as having recently gone through a severe but temporary disruption. Among researchers, there is significant disagreement about the extent to which Afghan rural livelihoods have undergone a temporary or permanent shift from subsistence production to commercial production and diversified sources of income. The drought has almost certainly caused a far greater temporary reliance on access to cash (rather than subsistence production) due to the failure of food crops. The reliance on a cash economy has continued as farmers struggle to repay debts to traders that were incurred during the drought.⁶¹ In the search for cash income, household labour resources have increasingly been shifted to expanding opium production. This may further lock families into the cash economy, as they must purchase more food while they devote available labour resources to poppy.⁶² It is unclear, however, how much poppy production has actually diverted labour away from other crops, as the spectacular increases in opium production in recent years have occurred parallel to increased production of cereals and other cash crops.

The process of shifting away from subsistence production differs profoundly between high and low potential areas. In Kunduz, for example, the shift away from subsistence happened in the 1930s and 1940s, when

draining and irrigation investments paved the way for commoditisation. In low potential areas, this process has been more gradual, influenced by increasing population pressures and intermittent drought and conflict. It has been a far less linear process.

There is little consensus about whether food security interventions in Afghanistan should even strive to re-establish pre-drought/war subsistence production patterns. Although some⁶³ stress that the drought was a highly exceptional event that disrupted and caused long-term damage to former subsistence-focused livelihood strategies, others⁶⁴ draw attention to the major role that diversified livelihood strategies, including migration and commercial production, have historically played in the Afghan economy. Widespread landlessness also suggests that recovery will not be rapid. Many landless and near landless are resigned to the need to search for labour opportunities and do not expect a major change in their circumstances.⁶⁵ Alternative livelihood options have long been pursued in response to new opportunities, climatic variability and conflict.

Relationship between agricultural production and food consumption

Given the crisis narrative that has dominated efforts over the past two years, there is a surprising dearth of information about whether or not the massive swings in food production have actually had a direct impact on consumption. Information about nutritional levels is patchy. What data are available have, both during and after the drought, consistently shown surprisingly low levels of acute malnutrition, paired with very high levels of chronic and micronutrient

⁶¹ Lautze, et al., op cit.

⁶² Mansfield, D. *The Economic Superiority of Illicit Drug Production: Myth and Reality/ Opium Production in Afghanistan*. Paper prepared for the International Conference on the Role of Alternative Development in Drug Control and Development Cooperation, Feldafeng/Munich, Germany. January 2002.

⁶³ Lautze, et al., op cit.

⁶⁴ Pain and Goodhand, op cit.

⁶⁵ Alden Wily, op cit.

malnutrition. This suggests that coping strategies have provided for the most basic survival needs under very high levels of stress. Repeated shocks create a situation of chronic vulnerability. Over 50 percent of children under five are estimated to be chronically malnourished.⁶⁶ Acute malnutrition appears to be primarily a seasonal problem during the summer and is related to diarrhoeal diseases rather than food shortage. Low levels of acute malnutrition have been interpreted as suggesting highly equitable distribution of food within the household. High rates of micronutrient malnutrition (and scurvy) point to the importance of dietary habits, and possibly food preservation and post-harvest practices, rather than aggregate cereal production per se. There is very little consumption of fruits and vegetables during the winter months.

Despite the popular conception that agricultural interventions (particularly emergency programmes) should address food security, these findings on diet and nutrition have had little impact upon programming priorities. "Hunger" is still used as a justification for distribution of wheat seeds, and most fruit and vegetable production initiatives are primarily promoted for income generation, rather than consumption. Some NGOs are pursuing home gardening and other programmes intended to impact on household consumption, there are very few post-harvest and food processing projects that could address seasonal micronutrient deficiencies.

The vast majority of current operational programming has been focused on increasing cereal production through the distribution of improved wheat seeds. Cereal production has indeed improved dramatically (even if the impact of seed programming in contributing to this increase is not self-evident). More and cheaper wheat does not, however, necessarily mean cheaper bread.

Surveys show that urban flour prices in Fayzabad are the lowest in the country. Despite this, the price of bread is the highest in the country. This paradox can best be attributed to the effect of greater demand for labour and levels of purchasing power generated by the opium industry on a non-tradable commodity such as bread.⁶⁷ This should not be taken to suggest that subsistence production of wheat is greatly affected by access to labour. In describing current farming in Badakhshan, the province with the greatest increase in poppy production during 2003, Fitzherbert writes:

"Low grain prices do not seem to act as either a disincentive not to grow wheat nor directly as an incentive to grow poppy. Badakhshan farmers are not, nor have ever been, commercial grain farmers, nor are their circumstances or agricultural conditions suitable to become so. Few, if any, farmers in Badakhshan are self-sufficient in wheat for their own domestic consumption and the great majority are dependant on buying at least part of their annual needs in the market. In these circumstances, generally low wheat prices suit most people.

"Despite the high price of opium, most farmers, even those who are seriously into cultivating poppy, also cultivate wheat on part of their land. The proportion of wheat to poppy usually increases or decreases with the relative size of the land holding (the less land the greater the proportion of poppy to wheat), but usually 50 percent or more of irrigated land will be sown to wheat and other crops. The instinct to protect domestic food security as far as possible in an uncertain world is a very strong one throughout Afghanistan, no less among poppy farmers than among others."⁶⁸

⁶⁶ World Food Programme (WFP). *Protracted Relief and Recovery Operation - Afghanistan 10233.0, Projects for Executive Board Approval Agenda Item 6, Executive Board Regular Session, 5-7 February 2003, Rome. 2003.*

⁶⁷ Maletta, *Winters of Discontent*, op cit.

⁶⁸ Fitzherbert cited in Maletta, *Winters of Discontent*, op cit.

Box 3: The food aid debate in Afghanistan

There is a lively debate underway regarding the relevance of continued food aid. Cereal production has reached record levels and wheat prices have in some regions dropped.⁶⁹ Several agencies have blamed food aid for this fall in producer prices, and even claim that this has significantly contributed to the increase in opium production, as food production has become unprofitable.⁷⁰ Others point out that at its peak, food aid accounted for only 12 percent of demand.⁷¹ According to these observers, the price drop should instead be attributed to increased domestic production levels and imports of milled flour from neighbouring countries, some of which have been subsidised for domestic markets in the former Soviet republics of Central Asia.⁷² The assumption that there is a direct trade-off in land use between opium and cereal production is disputed by the fact that cereal cropping area has increased parallel to increases in poppy production, since few farmers plant more than a small proportion of their land in poppies.⁷³

Some areas of the country are still experiencing the effects of drought and warfare, with cereal deficits and high prices as a result. Apart from the urban areas, deficits are primarily in the south (most notably Kandahar, Uruzgan and Zabul) where the drought has continued and where transport of surpluses from the north are costly and increasingly subject to security constraints.⁷⁴ Throughout the country there are significant segments of the population who apparently lack entitlements to food, through either direct production or other livelihood strategies. Since procurement, milling and transport constraints are the main reasons for high prices and lack of access to food in deficit areas, some ask whether imported food aid is an appropriate response, or if it is feasible to address the handling and entitlements issues instead.

WFP would reply that the answer to this last question is no. Despite its position as the strongest agency in Afghanistan in terms of logistical field capacity, it is nonetheless too weak to deal with the massive transaction costs of local procurement and transport, given transport problems and the lack of large grain merchants in the country. Furthermore, one WFP staff member has stated that “the [Afghan] private sector has almost no experience of contracted delivery.” If food procurement were to be managed on a market basis, local purchase would favour regional purchase of grain from neighbouring countries where prices are lower, institutional and physical infrastructure stronger and quality higher. Few would not argue that there are, in principle, better ways than food aid to address Afghanistan’s food insecurity, but that there is no quick fix for addressing the paradox of food distributions after a record harvest in the short-term. For the longer-term, some donors, most notably the USAID-funded RAMP (Revitalizing Afghanistan’s Agricultural Markets Program), intend to invest heavily in processing and marketing. If this is successful, more appropriate modalities can be expected to be available in the future.

It should be stressed that, due to the lack of data on rural malnutrition, the relationship between cereal production and food consumption in isolated, marginal areas, such as Hazarajat, can only be speculated upon. High levels of migration indicate that people do not remain at home when their own food production fails, but empirical data on how people combine their different livelihood

options to secure food in areas such as these are clearly insufficient to draw reliable conclusions.

Agriculture and labour markets: looking beyond the yeoman farmer

Improved support to food security is reliant on ensuring that programming is more

⁶⁹ Favre, R. *Contributions to Food Aid Policy Development for Afghanistan: Wheat Balance by Region and Province July 2003*. Kabul: Food and Agriculture Organisation. 2003.

⁷⁰ Christian Aid. “Against the Grain.” Available at www.reliefweb.int. 15 September 2003; Radio Free Europe/Radio Liberty (RFE/RL) “Afghan Farmers Say Wheat Subsidies are Hurting Them.” *RFE/RL Afghanistan Report 2/31*. 28 August 2003.

⁷¹ Maletta, *Winters of Discontent*, op cit.

⁷² Molla, D. *Food Aid, Wheat Prices and Poppy Cultivation in Afghanistan: Is there a Link?* Kabul: Ministry of Rural Rehabilitation and Development/World Food Programme. 2003.

⁷³ Mansfield, 2002, op cit.

⁷⁴ FEWS Net. *Afghanistan Monthly Food Security Bulletin, August 2003*. Kabul: Ministry of Rural Rehabilitation and Development. 2003; 2.

cognisant of how labour markets interact with the agricultural economy in rural livelihoods. Some data collection efforts, such as the National Risk and Vulnerability Assessment, are shifting their focus away from cereal production, to better reflect the importance of labour in livelihoods. AREU's livelihoods monitoring project is also providing a more solid basis for understanding the ways that Afghan livelihoods are (and are not) dependent on smallholder production.

Apart from links to the urban economy, the major factor in rural labour markets is opium. As Afghanistan's main commercial agricultural crop, opium is grown on just one percent of arable land, or less than three percent of the irrigated land area.⁷⁵ It is a crop that absorbs over eight times the labour input per unit of land as wheat.⁷⁶ This suggests that the link between agriculture and livelihoods is not a matter of how farmers decide to use their land, but rather how rural people, landed and landless, use their labour. Nonetheless, there is still a tendency to focus on the farm as the unit for analysis of the rural economy, which distracts attention from how rural households relate to the agricultural economy beyond the farm – if these rural dwellers are even farmers at all.⁷⁷

Internationally, there is a growing shift in rural development thinking away from what has been called the “yeoman farmer fallacy,” a belief that virtually all rural people strive (and should strive) to alleviate their poverty

through increased or more effective investment in their own household farms. Instead, there is a realisation that a growing majority of the rural poor earn most of their income outside of the homestead farm, and that in the coming years most of the poorest half of the rural population will be effectively landless.⁷⁸ Ellis and Biggs write: “If a new paradigm of rural development is to emerge, it will be one in which agriculture takes its place along with a host of other actual and



Photo courtesy of FAO

potential rural and non-rural activities that are important to the construction of viable rural livelihoods, without undue preference given to farming as the unique solution to rural poverty.”⁷⁹ Agriculture may still be an important engine of development, but the poor will primarily benefit (if they benefit at all) through (a) non-farm jobs as profits from agriculture are reinvested in other businesses, (b) by working on large farms or (c) access to cheaper foodstuffs. Optimists expect that non-farm rural employment will

⁷⁵ United Nations Office on Drugs and Crimes/Government of Afghanistan (UNODC/GoA). *Afghanistan Opium Survey 2003*. Kabul: UNODC/GoA. 2003.

⁷⁶ Mansfield, 2002, op cit.

⁷⁷ One example of this is the UNODC/GoA Opium Survey 2003, which refers to the population for which opium production has a “direct role” in their livelihoods as only based on the number of farming households growing opium on their own land. This thereby ignores the impact of opium on migrant labourers and the indirect impacts on wages and prices created by the opium economy. Also see Pain, 2002, op cit.

⁷⁸ Ashley and Maxwell, op cit.

⁷⁹ Ellis, F. and Biggs, S. “Evolving Themes in Rural Development 1950s-2000s.” *Development Policy Review*. 2001. 19(4): 437-448.

create multiplier effects through “a chain of increased demand and incomes that cascade through the hands of poor people.”⁸⁰ Others are less sanguine, noting that these alternatives to farming represent desperate efforts to survive that rarely provide escapes from poverty.⁸¹ Subsistence production will remain an important coping strategy, especially in isolated areas that are poorly integrated into international markets, but will represent a shrinking relative proportion of household assets and investment.

Despite these realisations in the development field, the yeoman farmer fallacy continues to permeate much agricultural rehabilitation policy and programming.⁸² Food security interventions are particularly prone to an implicit reliance on this fallacy, as cereal production is (often falsely) assumed to have a direct impact on consumption among vulnerable people. Conventional seeds and tool distributions, for example, implicitly assume that agricultural rehabilitation for disaster-affected rural populations is synonymous with helping small, own-account farmers to re-establish their family farms. Whilst these yeoman farmers are often certainly a major target group, they are not the only – or necessarily the most vulnerable – group of rural people reliant on agricultural production. A livelihoods approach to agricultural rehabilitation requires transcending the yeoman farmer fallacy and addressing the complexity of how rural people “hustle” to survive.

Off- and non-farm labour

One of the narratives that underpins the yeoman farmer fallacy in chronic conflict and post-conflict contexts is the assumption that

conflict reverses “normal” development trends by wreaking havoc on markets, and pushes people away from labour markets and back towards subsistence. There is no sign of this in Afghanistan. Labour markets in the cities and in poppy production are of increasing importance. The conflict has probably resulted in an increased shift to reliance on wage labour as farmers struggle to obtain cash to pay off debts and regain access to land that has been mortgaged to creditors. It has been estimated that 65 percent of farming families depend heavily on off-farm income.⁸³

After the fall of the Taliban, many observers feared that labour markets would be swamped by the massive return of refugees and internally displaced persons (IDPs). These fears have proven unwarranted. The opium and construction booms, as well as the revival of cash crops and rapid expansion of infrastructure rehabilitation, have all provided employment opportunities. In more isolated areas the benefits have primarily occurred through opportunities for migrants, while in others there has been a rapid inflation of wages.

The opium economy is not the only reason that the demand for farm labour has remained strong. Agricultural mechanisation declined during the conflict due to destruction of assets, shortage of capital and the high risk of capital investment due to theft. Anecdotal evidence indicates that investment in tractors is now increasing rapidly. This may only be partly due to improved security. Labour shortages and lack of oxen are other major factors.

During the height of the drought, the urban service sector provided a vital source of

⁸⁰ World Bank, *Sustainable Development*, op cit.

⁸¹ Bryceson, D. “Rural Africa at the crossroads: Livelihood practices and policies.” In *Natural Resource Perspectives 52*. London: Overseas Development Institute. 2000.

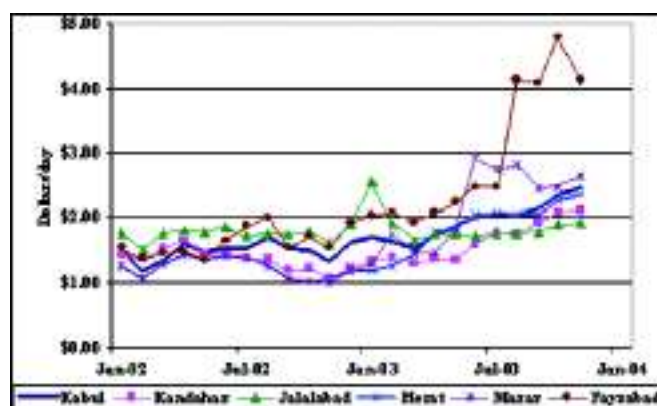
⁸² Christoplos, I., Longley, C. and Slaymaker, T. *The Changing Roles of Agricultural Rehabilitation: Linking Relief, Development and Support to Rural Livelihoods*. Unpublished paper. 2004.

⁸³ Asian Development Bank. *Natural Resources and Agriculture Sector Medium Term Development Framework Multi-Donor Phase II Mission*. April 2002.

income for those affected.⁸⁴ Surveys shortly after the fall of the Taliban suggested that labour markets were weakening, and with that purchasing power.⁸⁵ More recently, it is clear that the picture is more positive, with strong demand and rising wages in many urban and peri-urban areas (Figure 2).⁸⁶ In the past, migration to neighbouring countries was a much preferred option due to higher wages, but there are initial indications that the cities in Afghanistan are becoming a more attractive option due to the lower transportation costs and ability to return home more regularly.⁸⁷ The popular conception of urban labour as being a relatively risky and perilous survival strategy can be disputed. Terms of trade between wages and wheat in Kabul have been remarkably constant over the years,⁸⁸ suggesting that, compared with Afghanistan's other high-risk survival strategies, urban wage labour is a relatively secure livelihood option, as evidenced in Figure 2.

There are great geographic and seasonal variations in the interplay between agriculture and rural labour markets. In isolated areas with very small land holdings, there is a relatively small market for labour. In more accessible areas, such as near Herat, labour markets have long been reported to be strong⁸⁹ and local officials have been concerned that IDP camps could actually act as a (subsidised) magnet for seasonal labour migrants, providing free food and shelter and thereby distorting normal migration patterns.⁹⁰ Near Kabul, there are many reports of unmet demand for labour in peri-urban agriculture, particularly at harvest time. The demand for semi-skilled labour for the opium harvest is assumed to be the greatest factor in rural labour markets, with reports of wages as high as US\$15 per day for skilled harvesters. Wheat farmers in Badakhshan have complained of increasing labour costs due to the expansion of poppy production.⁹¹ Farmers in Kunduz express

Figure 2: Daily wages of urban unskilled labour, 2002-2003 (in US\$ per day)



Source: Maletta, *Winters of Discontent*, 2003

⁸⁴ Pain and Goodhand, op cit.

⁸⁵ Lautze, et al., op cit.

⁸⁶ Maletta, H. *Women at Work: Gender, wages and employment in rural Afghanistan 2002-2003*. Discussion Paper. Kabul: Food and Agriculture Organisation/Ministry of Agriculture and Animal Husbandry. 2003; Maletta, H. *Wages of War, Wages of Peace: Food Prices and Unskilled Labour Pay in Afghanistan 1996-2002*. Kabul: Afghanistan Food Security Monitoring Programme. 2002.

⁸⁷ Kerr-Wilson, A. and Pain, A. *Three Villages in Alingar, Laghman: Understanding Rural Livelihoods*. Kabul: Afghanistan Research and Evaluation Unit. November 2003.

⁸⁸ Maletta, 2002, op cit.

⁸⁹ Allen, M. *Feasibility Studies on the Social and Economic Aspects of Agricultural Production*. Kabul: Danish Committee for Aid to Afghan Refugees. 1999.

⁹⁰ Christoplos, I. *Evaluation Report: The Humanitarian Accountability Project's Second Trial in Afghanistan, May-July 2002*. 2002.

⁹¹ Molla, op cit.

similar concerns. There are some anecdotal reports that it is becoming difficult to find sharecroppers in the main poppy growing areas, since the profits from daily wage labour are perceived to be more reliable. Very remote areas with little demand for wage labour have not experienced such inflationary pressures. In Hazarajat, for example, agencies involved in contracting labour for infrastructure rehabilitation report some inter-agency competition due to wage differentials, but no pressure on wages from alternative agricultural wage labour.

Gender is also a central factor in labour markets, though not always in the ways that are commonly assumed. Empirical research is showing that there is great diversity in women's access to income-generating opportunities across different ethnic groups, wealth status and other variables.⁹² Women gain a large proportion of their income from non-agricultural activities, though very poor women depend to a large degree on agriculture.⁹³ It is unclear whether women would benefit more from subsistence production or from enhanced opportunities for paid employment in processing. Some women, widows in particular, who own land but lack the capacity for heavy agricultural tasks, arrange to have sharecroppers farm their land while they seek alternative employment. Women are very much involved in processing activities, such as cleaning and preparing seed and fruit. Increased investment in seed enterprises and food processing will (if successful) impact greatly on the demand for these tasks. It is unclear if this will reduce employment opportunities or give women a greater opportunity to engage in potentially more profitable or otherwise more valued activities. This would seem to be an important issue to monitor in the future.

The potential of indirectly supporting the livelihoods of the poor by helping wealthier farmers to invest in expanding cash crop production and thereby create labour opportunities is an area that deserves further attention.⁹⁴ The MAAH stresses the need for promoting labour intensive production methods, but it is unclear which crops and production methods are expected to result in more jobs, especially given the current wage inflation. If labour opportunities within the wider commercialisation of agriculture were to be promoted, a seemingly obvious strategy would be to look at where incentives may lie for encouraging the reinvestment of opium profits (by far the largest source of wealth currently being accumulated in rural Afghanistan) into other areas of agricultural production, processing and other businesses.

Expanded agricultural production will lead to expanded trade, which in itself is a major source of employment. Especially in many border areas, portage and petty trade – both often connected to smuggling – have long provided important, though high risk, labour opportunities.⁹⁵ The Kuchis in particular have traditionally been involved in trans-border trading and transport,⁹⁶ as well as domestic trade.⁹⁷ Pastoralism has traditionally been combined with other ways of benefiting from mobility, with transhumant livestock production being only one component of Kuchi livelihoods. The relative importance of pastoralism itself has varied considerably due to both crises and opportunities.⁹⁸

Migration

Studies of Afghan political, social and cultural structures inevitably stress the gulf between rural and urban areas, especially between

⁹² Kerr-Wilson and Pain, *op cit.*

⁹³ Maletta, *Women at Work*, *op cit.*

⁹⁴ Kerr-Wilson and Pain, *op cit.*

⁹⁵ Kreutzmann, *op cit.*

⁹⁶ Pain and Goodhand, *op cit.*

⁹⁷ Pain and Goodhand, *op cit.* de Weijer, F. *Pastoralist Vulnerability Study*. Kabul: AFSU/VAM Unit of the World Food Programme. 2002.

⁹⁸ *Ibid.*



Photo courtesy of UNHCR

rural areas and Kabul. This “mud curtain” is generally described as being at the core of virtually all conflict over the past century. Without disputing the validity of these theories for illustrating the tensions in Afghan society, analysis of livelihoods draws attention to relations that bridge this dichotomy. The choice of the majority of returning refugees to settle in urban areas indicates a response to several factors:

- Push and pull of urbanisation;
- Loss of assets that make rural livelihoods unviable;
- Preference for continued urban lifestyles by returning refugees; and
- Shortage of off-farm employment in isolated rural areas that rules out a gradual re-accumulation of assets through rural livelihoods alone.

An overall understanding of labour markets indicates that, both in terms of securing livelihoods and stimulating economic growth, labour force mobility is in many respects a highly positive factor. This runs counter to the views and stated objective of many NGOs in “helping people to stay in their villages.” With the exception of pastoralism, migration is seen by many agencies and some researchers⁹⁹ as a symptom of failed livelihoods, not as a solution to inherently weak local subsistence and market economies. The assumption that migration is inevitably and inherently bad underpins fixed programming that takes farming to be the norm and consequently distorts programme priorities.¹⁰⁰

It is not clear how rural Afghans perceive their choice of whether or not to migrate. Some observers see the decision to migrate

⁹⁹ Lautze, et al., op cit.

¹⁰⁰ Kerr-Wilson and Pain, op cit.

as usually being an act of total desperation, which should not be portrayed as a choice. Others point to the clear preference of many returning refugees for urban resettlement as evidence that rural livelihoods are perceived as being less desirable.¹⁰¹

It is very difficult to get an overview of the extent to which migrant remittances have supported different rural livelihood strategies. Estimates of the scale and use of remittances vary enormously. They are said to account for up to US\$1 billion annually.¹⁰² There is no reliable data on the use of these assets, but they appear to be primarily used for subsistence. Returning refugees are also usually reported to use their savings for consumption during their period of

reintegration and only rarely for direct investment in production.

Even among those agencies and observers who recognise the importance of migration for rural livelihoods, there are few plans developed by which to support these efforts. There are some mentions of the need for skills training for migration,¹⁰³ and other suggestions of investment in post and telecommunications to facilitate remittance.¹⁰⁴ Others have pointed out that the informal mechanisms, such as Hawala, actually support migration quite well, and that encouraging formalisation in order to prevent uncontrolled international financial transfers (as was done in Somalia) could severely damage this important livelihood strategy.¹⁰⁵

¹⁰¹ Jamal, A., and Stigter, E. "Real-time evaluation of UNHCR's response to the Afghanistan Emergency." *Bulletin 3*. 31 May 2002.

¹⁰² Pain and Goodhand, *op cit*.

¹⁰³ Kerr-Wilson and Pain, *op cit*.

¹⁰⁴ Semple, *op cit*.

¹⁰⁵ Maimbo, *op cit*.

4. The Relevance of Agricultural Programming to Livelihoods

The previous chapter highlighted the strategies employed by rural Afghans in creating their livelihoods. This chapter looks closer at how programming relates to livelihoods, particularly how issues of risk, diversification and transaction costs have been addressed. These factors are particularly important to analyse in order to enhance the impact of agricultural programming on the decisions made by farmers and rural people in general.

Impact assessment: fallen by the wayside?

There is surprisingly little concerted effort to assess the impact of programming interventions on the relationship between agriculture and livelihoods.¹⁰⁶ This can best be attributed to pressures in the aid system to demonstrate “efficiency” in moving resources to beneficiaries, rather than looking at the outcome of these resource transfers. Agencies continue to do what they see themselves as being good at, in most cases seed distribution. Other entry points into rural livelihood support are far hazier and are therefore seen as more difficult to fund, staff, organise and implement, even if the prospects for impact may be greater. Analytical rigour in assessing impact appears to conflict with procedures for expeditious implementation of projects intended to achieve quick impacts. Infrastructure is constructed and rehabilitated without looking at by whom, how or even if the roads and canals are subsequently used. Demonstration farms are established, without significant

efforts to ensure that farmers visit and learn from them, or to see if the technologies being promoted have actually been adopted. Thousands of revolving funds are created, with virtually no ex post evaluation of whether they have actually revolved. This failure to learn encompasses seemingly obvious direct impacts on production and consumption, as well as equally important indirect impacts on labour markets. Some agencies are beginning to recognise this gap¹⁰⁷ and a few detailed surveys are being conducted of the impact of aid,¹⁰⁸ but pipeline pressures and the general rut of just implementing projects act as continuing disincentives to closer analysis. Assessment of impact almost inevitably raises questions that demand programme modifications, which in turn may delay disbursement and disrupt long established procedures.

A major reason for the lack of analysis of the impact on livelihoods is the prevailing implicit assumption that production increase has a direct and positive impact on well-being.¹⁰⁹ Internationally, studies of livelihoods have shown that this is not necessarily true, particularly where local, entrenched power structures have traditionally found ways of gaining control of surpluses. Entitlements, rather than production, govern relative well-being.¹¹⁰ Studies of opium production have shown that many poppy producers are not obtaining significant profits (i.e., entitlements) from this ostensibly lucrative crop,¹¹¹ but there has been no similar analysis of the link between production and entitlements in other types of farming.

¹⁰⁶ See Pain, 2002, op cit.

¹⁰⁷ Reddick, M. *Evaluation of Oxfam Hazarajat Integrated Rural Development Programme, Final Report, July-August 2003*. 2003; Solidarites, 2003, op cit.

¹⁰⁸ Food and Agriculture Organisation of the United Nations (FAO). “Results of the Evaluation of the Autumn 2002 FAO Emergency Agricultural Inputs Distribution Programme.” *FAO Activities Update in Afghanistan No. 4*. December 2002.

¹⁰⁹ Pain, 2002, op cit.

¹¹⁰ Sen, A. *Development as Freedom*. New York: Alfred Knopf. 1999; Sen, A. *Poverty and Famines*. Delhi: Oxford University Press. 1981.

¹¹¹ Mansfield, 2002, op cit.

In a period where rehabilitation is in focus, a key question related to impact on chosen target groups is that of who controls the infrastructure that is being rehabilitated, especially irrigation. An understanding of the impact on downstream areas of increased upstream irrigation off-take and use of agrochemicals is essential to mitigating potential negative impacts, but the narrow project/community focus of most aid interventions discourages such analysis. Access to irrigation water is in many cases dependent on ties to local political or military leaders.

There are also instances where national-level politicians and commanders have gained control over such infrastructure. The capacity of aid agencies to investigate prevailing power structures is usually weak. Even if they are aware of how these structures affect access to water resources, they may have little capacity to pressure for equitable distribution of benefits at the community level or to enter into the multifarious realm of social and political processes by which access to resources is negotiated.

Box 4: Land tenure

Landlessness is of course a critical factor in the link between agriculture and livelihoods, but is virtually invisible in most plans and reports. One study of Bamyan estimates that over half of the rural population are landless or near landless,¹¹² but the implications of this factor are very rarely taken into account in the many programmes in the area. An important starting point in assessing impact is to see how programming decisions are informed by issues related to land tenure, as this is one of the most important determinants of who benefits from agricultural interventions and how. If the objective of seed distributions, for example, is to promote use of improved technology, it is essential to first determine who chooses the technologies to be used on a given plot of land, be it the land owner, sharecropper or labourer. It is equally important to take into account who will benefit from eventual increased production and who bears the risks if the new technology fails. Most agencies promoting technology transfer have not analysed these factors.¹¹³ In general, land owners make most decisions, retain most of the profits and bear part of the risk.¹¹⁴ There are some exceptions to these arrangements. Household vegetable production is not shared with the landlord and as such is a form of programming that may even benefit the landless.

The long-term strengthening of agriculturally based livelihoods is reliant on a readiness to invest in long-term land husbandry, for which land tenure is a major determinant factor. Little analysis has been done in Afghanistan regarding how decisions are made, whether to invest in environmental protection and enhance soil fertility among landlords, tenants or sharecroppers respectively. Agency staff rely heavily on their pre-existing beliefs about this issue, rather than on empirical analysis. Evidence suggests that tenants and sharecroppers move frequently,¹¹⁵ which would make it unlikely that they would be interested in production systems that protect or improve soils. Terracing, for example, has not proven popular and could only be expected to be of interest among those who farm their own land.

Range management aspects of land tenure have particularly strong direct impact on both conflicts and environmental sustainability.¹¹⁶ Vast tracts of land in Afghanistan are sometimes used for extensive grazing and sometimes for rain-fed cropping when rains are sufficient.¹¹⁷ These lands are also often used for collection of trees, shrubs and grasses for household fuel. Tensions are great between these different forms of resource use (and resource users). Environmental destruction due to ploughing appears to be rapidly increasing in some areas due to improved rains and efforts to gain control of these lands by demonstrating that the land is under cultivation.¹¹⁸ Issues such as these cannot be addressed through short-term projects.

¹¹² Alden Wily, op cit.

¹¹³ See, for example, Reddick, op cit.

¹¹⁴ Alden Wily, op cit.; Mansfield, 2002, op cit.

¹¹⁵ Alden Wily, op cit.

¹¹⁶ Suttie, J.M. *Range, Grazing Management and Fodder on Pilot Areas in Laghman, Ghazni and Herat Provinces: Report of a Consultancy Mission, April-May 1998*. Peshawar: Danish Committee for Aid to Afghan Refugees. 1998.

¹¹⁷ Alden Wily, op cit.

¹¹⁸ Favre, R. *Grazing Land Encroachment Joint Helicopter Mission to Dasht-e-Laili, 25-27 March 2003*. Kabul: Food and Agriculture Organisation. 2003.

Dealing with programming labels

The difference between humanitarian and development programming in Afghanistan is, in the eyes of most of those working in the agriculture sector, a matter of donor funding modalities and priorities, rather than the nature of beneficiary needs or operational contexts. One NGO representative commented on the frustrations of being offered long-term “development” funding in a southern province where insecurity made development approaches impossible, while the same donor was only willing to provide short-term emergency assistance to a very peaceful province in the north, since it was a lower priority. The difference between these two types of programmes is not necessarily related to the terms of payment upon which inputs are provided, either. Most observers believe that agricultural production will need to receive a significant level of subsidies for the foreseeable future if vulnerable farmers are to be able to survive and rebuild their assets. The choice of whether or not to label such subsidies as humanitarian has more to do with which label best ensures access to funding windows, rather than with the nature of support given. Perhaps for this reason, the term “emergency” is more commonly used than humanitarian to refer to programmes that are funded with short-term sources.

Some emergency programming therefore consists of projects that the implementing agency would like to use for development purposes, but where short-term funding is used since it is the only resource available. Other emergency programmes do not claim to have grand, developmental objectives, but are instead primarily intended just to “capture the next harvest,” to use the FAO

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terminology. The majority of these efforts that are directly focused on agricultural production¹¹⁹ consist of seed and fertiliser distributions. This latter type of emergency programming is a contentious topic for many implementing NGOs. Some common criticisms are:

- Emergency programming is seen to be too big and too rushed, leading to low agency expectations regarding impact and a feeling that “we have to do it, but really would prefer to go back to development activities.”
- It is now readily acknowledged that seeds are available and that emergency modalities of heavily subsidised distributions may have unnecessarily disrupted developmental modalities designed to gradually establish a financially sustainable seed industry.
- Given time and quantity pressures, agencies have little capacity to ensure that emergency agricultural programming really reaches the poor and vulnerable. Some openly acknowledge that their own targeting “is a joke.”
- There are many examples of how intra-agency agreements regarding cost recovery, beneficiary selection or wage rates have been ignored when one agency or another either failed to act in accordance with agreed procedures, when a donor placed undue pressure to distribute a certain commodity (e.g., imported seed) or a new agency appeared in a district to conduct a “hit and run” distribution.

NGOs have many stories about the poor quality of emergency programming among their “competitors” and some even engage in self-

¹¹⁹There are also many emergency interventions that have significant indirect intended impacts on agriculture, most notably infrastructure and food aid.

criticism. There is a general sense that the *realpolitik* of the aid system in the past few years has forced many into scaling up beyond a level in which quality could be assured. Confusing signals have been given to beneficiaries about what services could be subsidised. There is a clear sense of relief among many agencies that were under such pressure that emergency funds are now becoming scarce and that there is an opportunity to again return to development modalities. Some agencies have noted that changes in the terms and modalities of cooperation between emergency and development rules have required significant investment in communications with villages. These changes have not been seen by the beneficiaries/clients of these services (or even many agency staff) as being related to the changing levels of livelihood stress that they have experienced.

Despite these critiques, a shift from emergency to developmental modalities has been constrained by organisational culture (in addition to funding modalities). The chronic crises of the past quarter century have resulted in the presence of a large number of agencies that are accustomed to humanitarian modalities and with staff that take “supply-side,” distribution-focused programming for granted. There are very strong feelings of solidarity with the communities in which they work. The replacement of humanitarian staff with more development-oriented personnel is resisted by many long-term expatriates who are dedicated to the country. This legacy is being challenged by new interagency competition, in particular through tendering and sub-contracting procedures that create internal pressures for a change of the guard within those agencies hoping to continue to work in Afghanistan with post-emergency programming.

There are three general categories of developmental programming in the agricultural sector, all of which relate to the

creation and strengthening of agricultural services:

- Community development;
- Technology transfer; and
- Market promotion.

Most agricultural staff in Afghanistan have an agronomic background, with little capacity or inclination for analysing how agricultural services could be made sustainable through these three modalities. Some initiatives visibly run the danger of displacing or discouraging private sector investment. Food aid is frequently criticised for competing with local markets, but there are also major threats from heavily subsidised rehabilitation and development interventions as well. Seed and fertiliser distributions, veterinary services, very “soft” credits and other aid interventions are potentially damaging to the creation of a market for rural services. Similarly, promotion of agricultural markets suffers from weak capacity to understand and design commercially viable interventions. Prioritisation of crops and marketing channels are not well anchored in an understanding of what might best contribute to pro-poor growth.

The majority of technology transfer efforts are based on the verification, demonstration and distribution of new seed varieties. The strongest justification for seed distribution is to improve what are perceived to be genetically degenerated seed stocks. It is widely acknowledged (though perhaps not in all applications for funding) that there is no, and has been no, absolute lack of seeds.

Community development efforts might be expected to provide a basis for integrating initiatives to develop services, markets and new technologies. Community development, using participatory and institutional development methods, should be a way of raising attention to how farmers perceive the qualities and relevance of the varieties that are being released by research institutions and/or distributed by NGOs. It

should be a way for them to assess the market qualities of new products and should provide a platform for developing relations with service providers. Performance in all of these areas appears to be poor. Emergency modalities have meant that “community development” primarily refers to integrated programming through assembling a standardised and often multisectoral collection of project components, rather than a forum for exploring where obstacles to improved livelihoods may be overcome. Community planning processes are frequently a matter of negotiating over the use of investment budgets or revolving funds with aid agencies, rather than discussing how to enhance livelihood opportunities.

Despite the prevalence of short-term funding horizons, exit strategies for development programming are vague or non-existent. This conceptual gap is particularly alarming where local micro-credit, revolving funds and other structures are being established that would seem to require a certain level of presence over a significant period of time. Oxfam has been one of the few agencies to take a self-critical stance on its failure to define how it will leave.¹²⁰ The UN hopes that transitional programming will increasingly assume some consistency of vision in defining the end state of programming across the relief and development spheres. Some NGO representatives privately express concerns about the negative effects of bypass structures and projectisation on efforts to work toward an appropriate end state. Evidence thus far seems to indicate that the bilateralisation of aid flows¹²¹ and the competitive pressures of the aid market constrain analysis at provincial and district levels of how programming should, or could, contribute to mutual aims and with that, agreement on hand-over and exit strategies.

Narratives of vulnerability

“In practice, humanitarian responses to SCCPIs (situations of chronic conflict and political instability) have been de-linked from actual vulnerabilities and have largely been driven by available donor resources, prevailing political considerations and the traditional organizing principles of humanitarian response agencies. Humanitarian agencies have yet to reconcile the way they do business with the necessary investments of time, the compromises of visibility and the need for effective livelihood programming that challenge violent or deeply imbedded processes of exploitation.”¹²²

Particularly in a chronic/post-conflict milieu, the “vulnerability context” would seem to be a self-evident cornerstone in how agricultural policies and programming relate to livelihoods. In Afghanistan, the vulnerability context is an ephemeral factor in agricultural programming and in many cases is absent altogether. The risks that a given vulnerable person may face are rarely specified in many project documents. The causal assumptions behind how a given intervention is expected to reduce the vulnerability of rural people or to mitigate the risks to which they are exposed are rarely explained. Insufficient attention is given to identifying what it is that vulnerable people are vulnerable to. The risks encountered by a proposed set of beneficiaries, designated as vulnerable groups, tend to be left vague. For example, although ample research emphasises the central role that indebtedness plays in increasing vulnerability,¹²³ some major food security documents fail to mention debt as a factor in assessing vulnerability.¹²⁴

¹²⁰ Reddick, op cit.

¹²¹ Duffield, et al., op cit.

¹²² Kampenaar, op cit., 5.

¹²³ Lautze, et al., op cit.; Kane, M. and Ehsan Aziz, R. *Vulnerable Livelihood Systems in Afghanistan*. FAO Study Part II, Herat and Badakhshan. June 2002.

¹²⁴ See, for example, Sloane, op cit.

There are reasons for this. When risks such as chronic conflict, profound indebtedness or insecure land and resource tenure are left vague, it becomes easier to imagine that short-term programming might succeed in solving the problem. Comprehensive risk and vulnerability analyses would expose the deep structural nature of the challenges facing the landless and destitute and thereby demonstrate the limits to modest project interventions. This is not to imply that these interventions are not without significant benefit to beneficiaries, but rather that there is a lack of transparency about the palliative nature of many projects.

The identification of vulnerable groups is a necessary step in the process of planning distributions, but it provides little basis for identifying suitable livelihood support to address the risks faced by members of these groups.

In many documents, the term “vulnerability” is followed by the word “groups.” The labelling of vulnerable groups is a device to link data on shortage of assets to selection of target beneficiaries and choice of items to be distributed. The identification of vulnerable groups thus tends to decontextualise poverty and reconstitute the poor as beneficiaries rather than people struggling to manage complex livelihoods. The identification of vulnerable groups is a necessary step in the process of planning distributions, but it provides little basis for identifying suitable livelihood support to address the risks faced by members of these groups.

The detachment of the focus on identifying vulnerable groups from a deeper analysis of the nature of vulnerability itself has meant that community development efforts have failed to address the complexity of rural poverty. The fixed service packages that dominate emergency and rehabilitation programming are an insufficient response to

the needs of many of the intended beneficiaries. The diverse topography of many regions, with different microclimates, uneven market access and the varied impact of the conflict on specific villages, has meant that even neighbouring villages may have very different vulnerability profiles¹²⁵ and therefore require different packages. Standard categories of vulnerable groups, such as children or the disabled, say little about what is either

possible or desired by these groups. The tendency to classify all women as vulnerable glosses over the extraordinary diversity in what agricultural activities women are allowed to perform in even a small geographic area.¹²⁶

Risk

The conceptual gap between pressures to disburse aid to identified vulnerable beneficiaries and the need to reduce risk in order to obtain sustainable impact is particularly notable with regard to agriculture, since farmer decision-making is always directly related to perceptions of risk. A farmer’s decisions whether or not to try a new seed variety, increase investment in fertiliser, travel with one’s herds of sheep to a distant pasture or merely remain in an IDP camp are all directly related to how risk is perceived, and the options at hand with which that risk can be mitigated. The major hazards that face rural people pursuing agriculturally based livelihoods include:

- Climatic variability;
- Livestock disease and pest infestation (especially locusts);
- Recurrent conflict;
- Uncertain resource tenure;

¹²⁵ Kerr-Wilson and Pain, op cit.; Alden Wily, op cit.

¹²⁶ Kerr-Wilson and Pain, op cit.

Box 5: Vulnerability and seed programming

Critics of seed programming in Afghanistan complain that targeting “is a joke.” They question the commitment, the capacity and the conceptual frameworks that are needed in order to reach so-called vulnerable groups. Despite a major survey conducted by FAO, there is little information available about which households within a given community receive seeds, who actually benefits from eventual production increases and who is able to actively participate in the different rotating funds that are said to be established with resources generated by seed distributions.

Despite a variety of guidelines, there is clearly no consensus or joint understanding regarding if or how different seed distribution modalities should or could be used to target specific beneficiaries in different ways. Despite formal agreement on “Guiding Principles Governing the Production, Distribution and Import of Seed and Planting Material of Field Crops in Afghanistan,”¹²⁷ field staff are largely unaware of these guidelines and develop modalities based on their own distribution targets, agency objectives and local interpretations of FAO’s regulatory framework. Little or no effort is made to assess how beneficiaries themselves interpret the array of seed banks, in-kind repayment, cash payment and soft credits that are used in these schemes.¹²⁸ Villagers are visibly confused by vague plans for seed banks and in-kind repayment schemes that will be commercialised and used for infrastructure investments. NGO staff are also visibly confused. FAO seed distribution guidelines specifically rule out the establishment of seed banks,¹²⁹ but some NGO schemes clearly seem to consist of seed bank-like mechanisms.

The guiding principles prohibit free distributions, but many suspect that the actual levels of repayment for seeds distributed is low. Some agencies present elaborate procedures for collecting seed back from farmers after harvest. Others acknowledge that this rarely actually happens. It is not clear who (if anyone) is legally responsible for ensuring that loans are repaid.

The link between seed distributions and land ownership is central to any expectation that seed can support vulnerable groups. It is unclear whether or not free seed enables sharecroppers to negotiate better agreements with landlords. It is doubtful that it does, given that with cereal seed only accounts for 6-12 percent of input costs. Most informants question whether sharecroppers are able to negotiate better terms and assume that their benefits will only come from increased production due to higher quality seeds.

- Predatory institutions;
- Unreliable public, private and civil society provided services; and
- Uncertainty, shortage of information and weak understanding of regional and international market trends.

In the international discourse, it is frequently assumed that high levels of risk, from drought or conflict, drives farmers back to subsistence and other low-risk strategies. In Afghanistan nothing could be further from the truth. Farmers in Afghanistan are not risk averse.

Perhaps driven by the desperation of massive debts, they are plunging into opium production, potatoes and other cash crops. Poppy production has spread from 18 provinces in 1999 to 28 in 2003, including 31 districts where it was never grown before.¹³⁰ Uncertainties regarding wheat prices push farmers away from cereal production, as they strive to obtain cash to pay off debts accumulated during the drought. Survival strategies are risky and market-led, for better or for worse.

¹²⁷ FAO, 2003, op cit.

¹²⁸ FAO sees this perception issue as cause for concern. In-kind reimbursement schemes, for example, are preferred to cash reimbursements, as the latter give the impression of subsidised sales. It is unclear, however, how farmers perceive the intended messages and how these affect their expectations regarding the long-term role of the state and aid community in providing subsidised inputs.

¹²⁹ It is feared that farmers will return low quality seed to such banks, resulting in decline in seed quality. Existing, traditional seed exchange systems are seen to be more effective.

¹³⁰ UNODC/GoA, op cit.



Photo courtesy of Ian Christophos

Progress is being made in some areas in bringing natural disaster risk into the policy arena. Given recent experience, drought is the most glaring natural hazard in Afghanistan, but local flooding is also common, as are sand storms and other hazards. Earthquakes may have a major indirect impact on agriculture, since they affect migration patterns. After the earthquake in Bam, Iran, a large number of Afghan refugees returned from Iran.

The need to address predictable seasonal stress through social protection, rather than humanitarian mechanisms, has also been recognised. According to one UN representative, “The government doesn’t want to focus on winter as an emergency

every year.” Suggestions have been put forth that meteorological information, snow surveys in particular, could help farmers predict how much irrigation water will be available, thereby reducing their risk by helping them to make informed decisions regarding varieties and use of irrigation.¹³¹

There is, however, very little research done on the effects of floods, frost and other natural hazards on agriculture. One recent review of horticultural research notes the major impact of drought on research station production, but treats this hazard as an obstacle for (rather than an important topic of) research.¹³² Even where information about levels of risk to agriculture is widely available, such as the likelihood of major

¹³¹ Asian Development Bank, *op cit.*

¹³² FAO, *Afghanistan: Survey of the Agricultural Sector*, *op cit.*

locust attacks, it has been very difficult to secure resources for establishing a standing response capacity, resulting in the need to chase emergency funding at the last minute when significant damage is already inevitable.

It is particularly notable that in agency plans and in discussions with officials and agency staff there is very little mention of conflict and insecurity as constituting major risks for agriculture. For example, when asked if recipients of seed aid could be allowed to delay or write off repayments, agricultural officers from some NGOs replied that this was possible only in the event of illness or natural disaster. The dangers of theft of livestock and machinery are also rarely raised in discussions of development potentials. This tendency to downplay the risk of conflict may reflect a combination of factors:

- The view that drought was the main cause of the rural emergency in recent years;
- A fear of reprisals if plans and reporting openly describe who is responsible for violence and human rights abuses;
- A concern that donors might withdraw support if the uncertainties around actual risk were openly acknowledged, and that transparency could make financing impossible;
- A sense of powerlessness with regard to minimising risk, which leads to fatalism about the potential effects of conflict and a feeling that too much reflection would merely paralyse recovery efforts; and
- A realisation that the dynamics driving local, regional and international conflict are too complex to integrate into agency procedures and planning structures.

This last point deserves particular attention. The links between conflict and rural development are complex and not as self-evident as might be expected. The link

between opium production and conflict is one example. It is undoubtedly true that the drug economy fuels the conflict, but the channels and inter-relations between narcotics and war are not linear. In 2003, for example, narcotics production declined by 49 percent in Helmand and 23 percent in Kandahar, where conflict was increasing. It increased by 55 percent in the peaceful province of Badakhshan.¹³³

The interplay between natural hazards and chronic conflict is a topic of notable relevance for Afghanistan given the high levels of risk from both. In November 2003, a workshop on the challenge of addressing natural disasters amid complex political emergencies drew on experience from Afghanistan to highlight ways in which agencies are dealing with these combined sets of risks.¹³⁴

Diversification

Diversification has traditionally been seen to be one of the most effective risk reduction strategies for farmers throughout the world. In some cases diversification has proven effective in coping with chronic vulnerability by spreading risk. These strategies do not usually lead to escapes from poverty, but rather a reduced risk of falling into greater destitution. For others, often those who are somewhat wealthier, diversification has proven effective as a strategy for growth. This latter type of diversification has less to do with risk reduction and usually involves engaging in uncertain or unproven strategies that may increase risk.

Diversification includes not only employing a variety of livelihood options within the household through migration, wage labour and planting different crops, but also diversification within the community. For example, the success of Kuchis has been

¹³³ UNODC/GoA, op cit.

¹³⁴ Johnson, 2003, op cit.

related to the resilience of their communities. De Weijer writes:

“Those [Kuchis] with a more opportunistic and diversified economy are less likely to be affected by shocks occurring to their system. But even on a higher level, these individuals that own businesses or agricultural land are better placed to provide labour opportunities to destitute Kuchis in times of stress. Therefore, a community that has a high level of integration into businesses or agriculture will have a higher community coping capacity.”¹³⁵

Diversification is being promoted in a number of programmes in Afghanistan, primarily for

increased income. The potential of better supporting diversification specifically as a way of reducing risk is a topic that would seem to deserve further analysis.

The primary diversification strategy by which Afghan households have attempted to reduce risk is undoubtedly migration. When conflict, drought or other hazards affect their homes, the most effective means of mitigating these risks is more often than not for all or part of the family to leave. Despite the squalor in which many refugees, IDPs and urban migrants live, for them, migration works. During acute crises, humanitarian assistance has protected a modicum of dignity for refugees and some IDPs. Urban services are essential for

Box 6: From humanitarian assistance to social protection: an agenda for agriculture?

A significant proportion of the Afghan population faces a structural deficit of assets by which to meet basic livelihood needs. If the Afghan state is to re-shoulder the responsibility for the basic survival of its citizens that the international community has borne over the past few decades, an institutionally sustainable safety net is needed. If it fails to do so, its social contract with its citizens will be profoundly flawed.

Social protection can take on many forms, including employment programmes, pension schemes, insurance and subsidies on agricultural inputs.¹³⁶ Reducing risk through social protection and enhancing agricultural investment are inter-dependent and present opportunities for synergy.¹³⁷ At the same time, there is a danger that social protection may “crowd out” informal social insurance mechanisms,¹³⁸ an issue that should be of particular concern in Afghanistan, where informal mechanisms have proven to be extraordinarily resilient and where the eventual role and capacity of the central government is highly uncertain.

MRRD issued a policy paper in 2002 entitled “From Humanitarian Assistance to Social Protection.” The vision outlined therein has significant implications for how the government and international community may try to ensure security within rural livelihoods. Such a shift from humanitarian to more stable modalities involves first a shift of responsibilities from the international community to the government. It will also demand a shift from providing support to loosely defined sets of beneficiaries, consisting of vulnerable groups and disaster victims to the use of much more refined targeting tools – a major preoccupation in design of social protection mechanisms.¹³⁹ While overall data collection regarding vulnerability is certainly improving rapidly, the capacity of the government to manage transparent and non-politicised inter-community targeting at the field level remains limited.

¹³⁵ de Weijer, op cit., 9.

¹³⁶ Hultgren, M. *Review of Social Safety Nets in the Context of Emergencies and Opportunities for FAO Intervention*. 2003.

¹³⁷ Farrington, J., Slater, R. and Holmes, R. *Synergies between Livelihood Protection and Promotion: The Agricultural Case*. London: Overseas Development Institute. 2003.

¹³⁸ Devereux, S. *Social Protection for the Poor: Lessons from Recent International Experience*. IDS Working Paper No. 142. Sussex: Institute for Development Studies. 2002.

¹³⁹ Ibid.

For example, MRRD is currently planning how to best implement the National Emergency Employment Programme (NEEP), a large-scale social fund that is a centre-piece in the proposed shift from humanitarian assistance to social protection. The primary obstacle to a smooth transition from current food for work, primarily managed by WFP, to NEEP lies in the vast differences in human and logistical resources available for these ostensibly similar modalities. WFP is undoubtedly the best equipped agency in Afghanistan in terms of ability to make things happen in the rural areas. The well intentioned desire to ensure that MRRD's NEEP management structures remain lean and sustainable has meant that they possess only a tiny fraction of the resources of WFP for designing, targeting, managing and monitoring NEEP activities in the field. There is reason to fear that the quality deficiencies already apparent in many food for work efforts are likely to be far more severe in NEEP. The expectation is that NEEP will address these capacity gaps through contracting private sector providers,¹⁴⁰ but the capacity of the government to act as a smart buyer of such services has been questioned. The appointment of external oversight agents should support but not absolve the government of this responsibility.

While there is no doubt about the desirability of ensuring that social protection structures contribute to agricultural development, weaknesses remain in finding strategies to develop the institutional capacities that would be required to bridge the two. Lack of capacity to assess viability has meant that income generation has been largely left out of the first phase of the NSP. Discussion of agriculture's role in social protection, and with that the possible transition of agricultural rehabilitation programming into social protections modalities, has not occurred, since these issues have been the domain of MRRD and not MAAH.

improving the lives of those moving to the cities. It is uncertain, however, if there is much that the aid community can offer to directly support migration's impact on rural households. In other countries, post offices have been found to be an important part of strengthening migration's role in rural social protection by providing a reliable way of receiving remittances,¹⁴¹ but in Afghanistan it is unlikely that formal remittance support mechanisms will outperform the Hawala system. There may not be aid-financed solutions that have much to offer to significantly enhance how rural people themselves use migration for risk reduction. It may be enough to ensure that programming is more cognisant of the central importance that migration plays in livelihood strategies and why and in so doing avoid inappropriate investments in yeoman farmer models that Afghans realise hold little potential for safe and sustainable livelihoods.

Transaction costs and farmers' priorities

A combination of insecurity, uncertainty, weak formal institutions and destruction of physical infrastructure together result in Afghan farmers, traders and even aid agencies experiencing extraordinarily high transaction costs. Indeed, it was largely the public frustration and anger over the unacceptably high transaction costs imposed by local commanders that caused the Taliban to coalesce in 1994 and which helped sweep them to power.¹⁴²

Smith et al. summarise the transaction costs that farmers and traders face as consisting of:

- *Search costs*: the costs of searching out suppliers or buyers in a particular market (for inputs, outputs or credit).

¹⁴⁰ MRRD, op cit.

¹⁴¹ Farrington, J., Saxena, N.C., Barton, T. and Nayak, R. "Post Offices, Pensions and Computers: New Options for Combining Growth and Social Protection in Weakly Integrated Areas." *Overseas Development Institute (ODI) Natural Resources Perspectives No. 87*. June 2003.

¹⁴² Pain and Goodhand, op cit.

- *Screening costs*: the costs of establishing the reliability and trustworthiness of potential parties to a transaction – particularly the credit worthiness of borrowers.
- *Negotiation costs*: the costs of bargaining with trading partners, or officials regulating trade.
- *Measuring costs*: the costs of measuring the attributes – such as quality and quantity – of goods or services being bought or exchanged.
- *Transfer costs*: including transport, processing, packaging and securing title.
- *Monitoring costs*: the costs of monitoring whether the terms and conditions agreed are fulfilled.
- *Enforcement costs*: the costs of enforcing agreements, of seeking compensation when an agreement is broken or the costs incurred when a contract is broken.¹⁴³

Farmers ultimately bear the brunt of these costs, either through higher prices, lower quality of services they receive or by having to adapt to a virtual absence of some services. Diminished trust due to the legacy of conflict, current insecurity or the capricious nature of aid flows discourages the emergence of a sufficient array of service providers to offer farmers choice. For this reason, market forces are unlikely to create competitive pressures to bring down these costs. Weak public sector institutions and the remaining power of local commanders make attempts to use legal mechanisms to hold service providers to account nearly impossible. Afghanistan's mountainous topography, low literacy levels and lack of communications infrastructure hinder the flow of information that is essential for farmers to compare costs and monitor production prices. Interviews with farmers show that they are furious over the inconsistent reliability of inputs that they receive from the private sector and NGOs.

In turn, the failure of the private sector to invest in added value in commodity chains stems from high transaction costs in doing so. It is important to stress that, with some notable exceptions, there is usually some form of service available to meet farmers' demands. The problems usually relate to trust, quality, reliability and efficiency.

Input provision is perhaps the most glaring area of concern for farmers. Fertilisers, pesticides, seeds and veterinary medicines are widely available in markets. Farmers in isolated areas experience high costs in transporting inputs. Others are primarily concerned about the low quality of inputs and their inability to obtain redress when they perceive that the inputs they have purchased were fake. Similar complaints are expressed about poor quality seed provided by NGOs, particularly the "hit and run" distributions of the emergency phase. Farmer interest in extension partly derives from a need for help in choosing appropriate inputs from the market, and also a hope that the state will reassume a role in providing standardised and subsidised inputs. The government has presumably never been strongly accountable to farmers, but is considered the lesser of two evils. Provincial and district agricultural staff recognise the importance of monitoring and regulating private sector and NGO input provision, but they have no capacity at all to perform such tasks.

Finance and credit is a service with high transaction costs, where aid programming is trying to replace what are perceived as exploitive and inefficient informal sector services. Since interest is formally prohibited in Islam, informal credit is a sensitive topic. The quality of services provided informally varies greatly and is intertwined with wider patron-client relationships. Interest may or

¹⁴³Smith, et al., op cit., 404.

may not be charged, with patrons reaping profits through other aspects of their relationships with clients, such as payment for crops. Microfinance efforts are expanding rapidly, driven partly by the desire to provide an alternative to traditional systems of credit whereby farmers are locked into poppy production in order to access loans. Aid programming varies from extremely soft credits from NGOs at farm level (often disguised free distributions) to the recent licensing of First MicroFinance Bank, supported by the Aga Khan Fund for Economic Development. In the long run, microfinance has the potential to have significant impact. In the short run, rural Afghanistan is unlikely to experience a microfinance revolution due to the high costs of establishing institutional infrastructure in the countryside.

Successful service provision structures are characterised by integration. Wealthy farmers may be able to scan the market and choose the different services that they prefer, and due to their buying power they may even be able to hold service providers to account. Poorer farmers lack the connections, time and capital to attract and combine services. They therefore suffer from far higher relative transaction costs. This is one reason why they are particularly attracted to informal interlocked systems of extension, finance, marketing and input provision, such as that frequently provided by traders for poppy production.

The majority of the aid community still takes a piecemeal approach to service provision, but there are notable exceptions. USAID and some other agencies are starting to invest in “value chain” or “commodity chain” initiatives, bringing together producers, traders, processors and other service providers involved in the development of commercial products. By looking at the entire chain

related to a given commodity it is hoped that bottlenecks that result in prohibitive transaction costs can be identified and addressed. One of the first hurdles that must be overcome in such an approach is to find a way of creating greater trust among these different actors. International experience with investing in commodity chains has shown considerable success in stimulating economic development, but in many cases has also highlighted the inability of poorer farmers to attain the rapidly rising standards of quality, quantity and timeliness of production that commercial markets demand. The actors in the commodity chain must trust that their erstwhile colleagues will fulfil their commitments and they often doubt the capacity of poor farmers to do so.

Patron-client relations and contract farming

Poor farmers throughout the world generally recognise that their best chance of accessing reliable services is to ally themselves with patrons who either can provide services directly or who have the political, economic and social relations to arrange services from others. The cost of entering into these relationships may be high and even exploitive, but a near destitute farmer usually looks first at what is left for the family to survive on, rather than the cost.¹⁴⁴ Various studies have pointed out that access to credit is highly dependent on ties to patrons.¹⁴⁵ Even other services, such as ploughing,¹⁴⁶ are easier to access where strong ties to a patron exist. There is a tendency within the aid community to see sharecropping and other patron-client relationships as purely a source of exploitation, as certainly it is. One study points out that “not a single landlord was praised as being kind, generous or fair, and the farmers do not expect them to be.”¹⁴⁷

¹⁴⁴ Scott, J.C. *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia*. New Haven: Yale University Press, 1976.

¹⁴⁵ Mansfield, 2001, op cit.; Alden Wily, op cit.

¹⁴⁶ Allen, op cit.

¹⁴⁷ Alden Wily, op cit., 67.

The massive profits that are made through the interlocking of services related to opium production are the most glaring example of how poor farmers become trapped in cycles of increasing debt bondage and destitution.

While certainly often extractive, patron-client relationships are currently the most viable way that many farmers seek to lower (or at least stabilise) their transaction costs. They are the lesser of evils that poor farmers face. In commercially integrated areas where competition does exist for attracting clients, the interlocking of service provision has the potential of bringing down transaction costs.

It is in the interest of the patron, for example, to ensure that inputs are of high quality and that farmgate prices are high when profits are divided with

sharecroppers. Landlords are in many ways more accountable to their tenants for the quality of seed that they provide than aid agencies whose presence is dependent on short-term contracts. The competition between (and accountability of) landlords may even be growing as increasing wages make migrant labour a more attractive livelihood strategy relative to sharecropping. The revolutionary reforms that were introduced during 1978-79 were intended to break patron-client ties and replace them with more modern agricultural services. The result was catastrophic. Former institutional ties were disrupted, while new structures failed to fill the resulting gap. Given the limited reach of current agricultural rehabilitation and development programming, attempts to replace these relationships with greater independence may not be feasible or desirable now either. Dependence on an exploitive landlord has clear advantages over

Replacing an exploitive but functioning social system with one that relies on institutions not yet created is a high-risk strategy, and it is rural Afghans that will bear such risks.

dependence on an NGO with a six-month contract or a government with virtually no capacity to cover its recurrent costs. Replacing an exploitive but functioning social system with one that relies on institutions not yet created is a high-risk strategy, and it is rural Afghans that will bear such risks.

This does not necessarily imply that the status quo should be accepted or reinforced. Opportunities may exist to at least partially shift the power balance. Internationally, contract farming is increasingly being recognised as a way of reducing risk and uncertainties by establishing a transparent division of risk between the farmer, who assumes production risks, and the investor, who assumes marketing risks and ensures access to inputs.¹⁴⁸

Fully commercial contract farming schemes are very rare in Afghanistan, with an initiative to restart raisin exports managed by the Central Asia Development Group being a notable exception.¹⁴⁹

FAO has extensive experience in contract farming in Afghanistan through seed production schemes, albeit with significant subsidies. Learning from this experience would seem to hold promise as a channel for incremental reduction of transaction costs and promotion of a modestly more just and transparent system of patron-client ties. Furthermore, a contract farming system would fit well with the commodity approaches mentioned above by providing a channel for private investment in extension and other services. This will be essential for ensuring the quality, quantity and timeliness of agricultural production that will be required if Afghanistan is to recapture a significant

¹⁴⁸ Baumann, P. *Equity and Efficiency in Contract Farming Schemes: The Experience of Agricultural Tree Crops*. Overseas Development Institute (ODI) Working Paper 139. London: ODI, 2000; Simmons, P. *Overview of Smallholder Contract Farming in Developing Countries*. Food and Agriculture Organisation, 2003.

¹⁴⁹ Central Asia Development Group (CADG). *Central Asia Development Group: Afghanistan Overview*. Singapore: CADG, 2003.

share of former export markets. It would be important, however, to closely assess the prospects for gradually “weaning” any contract farming system away from subsidised and guaranteed procurement. FAO’s experience has shown that such subsidies are effective in establishing a contracting framework, but efforts have only recently begun in moving toward establishment of a commercially viable seed industry. It is not certain that they will succeed.

It should be stressed that, although contract farming may reduce transaction costs so that some small producers may be able to retain their involvement in a future seed industry, most of the very small and undercapitalised producers will not manage to compete. As mentioned above regarding commodity chains, the development of trust and market-based relations will probably result in the exclusion of some of the most vulnerable producers.

5. Broadening Livelihood Options



Photo courtesy of Ian Christophos

While the previous chapter looked specifically at how risk, diversification and transaction costs affect livelihoods programming, this chapter examines how technology transfer efforts and service provision have (and have not) contributed to broadening livelihood options. If farmers are to gain more control over the services that they receive, it is important to take into account the historical trajectories of the modernisation efforts of the Afghan state and how this has influenced the identity of extension agents and local officials. This is contrasted with the narratives of international policy reform, which emphasise the role of the private sector and civil society. While these non-state actors are indeed essential components of any enhanced structure for technological change and rural development, realism and greater

consistency of vision are imperative if project models are to better relate to prevailing livelihood choices.

Technology transfer: historical narratives and current practice

With the exception of the Taliban regime, modernisation, in the form of introduction of new technological innovations, has been a cornerstone of the legitimacy of the Afghan central government since Nadir Shah assumed power in Kabul in 1929.¹⁵⁰ The transfer of technology to the hinterlands has been a *raison d'être* for the bureaucracy and for other members of the educated elite who now staff the aid organisations that provide agricultural services. They were educated

¹⁵⁰ Cullather, *op cit.*

with the intention of building a cadre to implement the green revolution of high yielding varieties and heavy use of commercial seeds, pesticides and fertilisers. In Afghanistan, as in most of the world, the modernisation ethic is founded upon narratives of the need to entice (or occasionally even force) a tradition-bound, risk averse peasantry to adopt new, efficient, effective and profitable technologies.

As noted previously, the narrative of the risk-averse peasant in Afghanistan is false. Examples of dynamism in agricultural innovation over the past decade (i.e., in the midst of conflict and crisis) include a widespread shift to planting of winter wheat, massive adoption of new varieties, rapid increase in potato production (which in rotation with wheat decreases the prevalence of disease) and the rapid expansion of opium into new areas.

Afghan farmers are themselves struggling to access new technologies. The key questions about this process relate to the terms by which they interact with sources of new information and access inputs.

This readiness to adopt new technologies despite a high degree of risk is not necessarily related to a search for the most profitable production strategy. Desperation clearly drives technological change among some of the most vulnerable farmers. Various international studies have noted that diversification is often motivated by a realisation that former livelihood strategies (and technologies) can no longer guarantee survival.¹⁵¹ If a low yielding wheat variety means starvation, then the risk of trying a new, unproven variety becomes acceptable. The so-called “early adopters” that extension is traditionally expected to seek out may in

Afghanistan actually be those who have little left to lose. It is culturally accepted that widows and destitute older women, for example, are able to engage directly in agricultural activities since they have no other choice. They may be ready to try new technologies that more secure women would not.

Seed distributions as a vehicle for technology transfer

The main arena in which technology transfer efforts are underway in Afghanistan is through the ubiquitous seed distributions. In addition to providing a subsidy, virtually all seed programming has been intended to increase access to improved seed and speed genetic

renewal. The success in this objective has been exceptional. In some areas, agency staff proudly declare that local varieties have disappeared

entirely, a tendency that is disturbing for those who see a value in retaining Afghanistan’s extraordinary and unique genetic diversity.

The success of seed distribution-driven technology transfer does not automatically imply that seed has even been declared to be the most appropriate response. Even where far broader needs have been identified in surveys and feasibility studies, seed is the bulk of what farmers get. This appears to be due to the legacy of humanitarian and early rehabilitation programming, where seed was perceived to be the only feasible form of intervention. It also is a reaction to the institutional weaknesses that have made other types of activities difficult to establish. It may also be the result of the inertia of the “seeds and tools treadmill,”¹⁵² as the aid

The so-called “early adopters” that extension is traditionally expected to seek out in Afghanistan may actually be those who have little left to lose.

¹⁵¹ Farrington, et al., op cit.; Bryceson, op cit.

¹⁵² Remington, T., Walsh, S., Charles, E., Maroko, J. and Omanga, P. “Getting off the Seeds and Tools Treadmill with CRS Seed Vouchers and Fairs.” *Disasters*. 2002. 26(4): 316-328.

community is used to seeing seed distributions simply as what one does in response to a rural agriculture-related emergency. None of the seed-related programmes reviewed were justified based on objectives of addressing seed shortage per se, i.e., the default assumption that governs much international agricultural rehabilitation programming.

Seed distributions are, to a large part, conceptualised as ways to push new technologies on ignorant farmers. Some agencies specifically target farmers who commit to following instructions from extension. This naturally filters out farmers who do not have the resources with which to follow extension advice or who do not believe extension advice to be relevant to their conditions. Adaptive trials and learning methods (such as farmer field schools) are rare. Agricultural officers from most agencies interviewed stress the primary importance of changing the attitudes of villagers. It is thus the behaviour of the villagers, rather than the conditions in which they survive, that are seen to constrain livelihoods. One agency reports using a “yield gap” approach, i.e., looking for ways to ensure that farmers can reduce the gap between on-farm and on-station results with a given variety. Such approaches have been largely discredited internationally for their failure to take into account on-farm realities and for a failure to acknowledge that maximum yields may not be optimally profitable for producers who have little chance of replicating highly controlled environmental conditions. Many households also pursue livelihood strategies

that stress other priorities than yield maximisation, such as sending their children to school rather than applying more labour to agricultural production.¹⁵³

One potential technology transfer focus that has received surprisingly little notice has been that of livestock production. Crop production has proven to be remarkably resilient, suggesting that producers may need little extra support to ensure access to seed and rehabilitation of irrigation infrastructure. The effects of the drought on livestock, on the other hand, are likely to take longer to overcome,¹⁵⁴ and the already very poor condition of much grazing land suggests that a return to traditional extensive systems may not be sustainable. Programming for livestock production (apart from veterinary services) has been erratic and at times consisted of mere symbolic efforts.¹⁵⁵

Accountability in technology transfer

Local varietal trials and demonstrations are few and far between in Afghanistan. This stems from the near collapse of national research capacity and a tendency to give higher priority to input distribution rather than ensuring that seeds are appropriate for local conditions. Many proposals and plans call for widespread use of trials, tied to extension activities, but when compared to the massive provision of inputs, there is little evidence of matching activities on the ground to help farmers assess and learn about the new varieties that they are receiving. The

¹⁵³ One evaluation observes, “However, there is a strong impression that the technical components of the agriculture sector take priority over the social or participatory elements. Much of the extension programme is handled as an issue of technical delivery rather than as a process of developing farmers’ knowledge and motivation. The seed programme specifically targets what are called ‘progressive’ or ‘pioneer’ farmers. On-farm trials are described in the strategy as participatory technology development processes. However, they appear to only systematically record and report biological yield. There is very limited documentation of the criteria that farmers might use to evaluate trials. Most of the on-farm trials focus either on new variety introductions or classic agronomist management concerns (seed rates, fertility levels). No evidence of systematic analysis of farmers’ practices or their management decisions was found. The extension programme bears all the signs of being designed by extension workers to provide what they think farmers need to know.” (Kampenaar, et al., op cit., 17)

¹⁵⁴ Food and Agriculture Organisation of the United Nations (FAO). *FAO National Livestock Census 2003, Interim Report*. 2003.

¹⁵⁵ One frustrated consultant writes: “A tiny fenced ‘demonstration’ of grazing methods (a few square metres) subdivided into three plots has been installed. This is totally unrealistic and makes the project look ridiculous. A similar travesty of a demonstration is at Saleb. It would, unfortunately, be difficult to remove them without losing face.” (Suttie, op cit., 11)

Box 7: The mantra of high value - low volume crops

The massive logistical challenges of moving crops to market in Afghanistan and the low profitability of cereals have inspired many to stress the need to focus on “high value-low volume” crops, an objective that is even enshrined in the NDF. This interest has been spurred by the need to compete with incentives for opium production as the pre-eminent high value-low volume crop. Success in developing such crops thus far has been relatively limited. Interest in high value-low volume crops is nonetheless strong, particularly as the investment in improving the efficiency of existing irrigation systems will only yield a positive return if water charges increase to the point that low value crops (especially wheat) are replaced by high value horticultural products.¹⁵⁶

Efforts have primarily focused on reviving existing horticultural production. Afghan pistachios have a large and secure market in India, which has been maintained during the conflict, even though production has shrunk due to destruction of trees and the effects of the drought. Traditional high value-low volume crops that were sold on the wider international market include raisins, dried apricots, dates, figs and almonds. Smaller niche crops include black cumin, melon seeds and liquorice root.¹⁵⁷ Alongside its large-scale seed programme, FAO has arranged importation of hybrid silkworm eggs from a variety of countries in an effort to revive the traditional silk industry in western and northern Afghanistan.¹⁵⁸ It has also been suggested that olive production could be revived, building on a formerly successful plantation.¹⁵⁹ There is considerable unmet domestic demand for both olives (for medicine and cosmetics) and silk.

There are few entirely new crops being investigated or promoted as yet. One option that has been raised is to take advantage of the relatively cold winters and warm summers to build an industry of custom seed production. This, of course, will probably await the establishment of a more solid seed industry to meet domestic needs. Saffron is a new crop that is being introduced, primarily for women producers in Herat.¹⁶⁰ It is not only high value-low volume, but also very labour intensive, thus particularly relevant as a competitor to poppy production. Another type of niche that has not been given much attention is the possibility of producing horticultural crops to meet off-season markets and thus attract higher prices. Planting under plastic tunnels could possibly be used to capture better profits,¹⁶¹ and has begun to be used in Balkh and Logar Provinces¹⁶² and in peri-urban farms near Kabul.

The search for high value-low volume crops can be seen as partly deriving from a desire to find a way to bypass the broad underlying problem of poor post-harvest and marketing infrastructure. Post-harvest handling is currently the primary obstacle to re-establishing commercial horticultural production.¹⁶³ One review states, “Many farmers often find that they have greater problems after the harvest than before the harvest.”¹⁶⁴ Afghanistan has little chance of regaining a significant share in many of its former markets for dried fruit and other products without a considerable improvement in quality. Improved post-harvest handling and processing is essential.

concentration on input distribution has drained limited human resources from needed extension activities.¹⁶⁵

The ethics of introducing new varieties in lieu of a considerable level of on-farm trials and demonstrations deserves critical

¹⁵⁶ Asian Development Bank, op cit.

¹⁵⁷ Allen, op cit.

¹⁵⁸ Tunwar, N.S. *End of Assignment Report*. Kabul: Food and Agriculture Organisation. 2003.

¹⁵⁹ Allen, op cit.

¹⁶⁰ Barrand, J. “Empowering Women, Fighting Poppy: Red Gold Rising.” *The Crosslines Afghan Monitor*. 15 July 2003. 1:10-11.

¹⁶¹ Allen, op cit.

¹⁶² FAO, *Afghanistan: Survey of the Horticultural Sector*, op cit.

¹⁶³ Ibid.

¹⁶⁴ DACAAR. *Feasibility Study - Agriculture and Natural Resource Management Sector: Khwaja Omari IAD Project Area, March 2002*. Peshawar: Danish Committee for Aid to Afghan Refugees. 2002.

¹⁶⁵ Solidarités, 2003, op cit.

attention. These changes in farming systems lead to increased risk, especially where blanket recommendations are being made in regions with diverse micro-climates. Farmers do not know how or where seed has been tested. Surveys have shown that farmers appreciate the need for both high seed quality and access to new varieties.¹⁶⁶ They are also quite vocal in their anger when inappropriate varieties have been distributed and when agencies have demonstrated a lack of capacity/commitment to ensuring that the seeds distributed are appropriate for their microclimate and soil conditions.

Several agencies interviewed, on the other hand, while acknowledging some notable failures of certain distributed varieties, maintain that the productivity of farmers' seed has degenerated to the extent that virtually anything would be an improvement. This is seen as particularly important in isolated valleys, where inbreeding is common and access to commercial seed sources is relatively limited. The extent to which seed has actually degenerated could be disputed. Extensive FAO surveys have found that 54 percent of wheat is being produced by seeds that FAO has released in the past ten years.¹⁶⁷

Some agencies have engaged in hit and run seed distributions, by arriving in an area and making free distributions and then withdrawing. This totally unaccountable behaviour is underpinned by technology transfer ethic. If the scientists are automatically assumed to know best, follow-up and downward accountability to farmers are not required. Even in better programmes, the limited opportunity for farmers to observe and consider the appropriateness of the technologies that they receive before planting raises attention to the limited accountability of those providing agricultural support. Most implementing agencies allocate virtually no funds for investigating the extent to which

farmers are able to make informed decisions about the value of seeds they receive. This does not mean that failures go unnoticed. Disastrous results from wheat seed that proved totally infertile and imported seed that proved unusable in Afghan conditions have been met with outrage by farmers, local authorities and FAO. Less dramatic examples of failed accountability, in the form of inappropriate vegetable seed and wheat seed that merely yielded a poor harvest, are also common, but are more accepted by farmers as part of the risks of testing new varieties.

If the widespread seed programmes across Afghanistan are largely intended for induced technology transfer, this would seem to imply that extension advice regarding fertiliser applications, suitability for different soils, etc. would be more than a useful addition to distributions. Extension advice would seem to be a responsibility of those agencies providing seed, since new varieties often require changes in planting depth, watering requirements and fertiliser use. A failure to provide extension can easily lead to failed harvests, failed transfer of technology and failed livelihoods. A point of particular note with regard to the accountability of technology transfer efforts is that a "normal" extension service needs to retain the confidence of its clients if it is to achieve its targets in the future. It cannot risk completely alienating its clients by recommending inappropriate inputs and then leaving. Aid agencies are by nature relatively free from accountability to those that they ostensibly serve.¹⁶⁸ Furthermore, the combination of technology transfer efforts with investment in community infrastructure means that farmers feel themselves to be under pressure to keep quiet about their dissatisfaction with the technology that has been transferred to them to avoid antagonising their NGO patrons and endangering access to larger investments

¹⁶⁶ FAO, "Results of the Evaluation of the Autumn 2002 FAO Emergency Agricultural Inputs Distribution Programme," op cit.

¹⁶⁷ By comparison, in Punjab, India, the annual seed replacement rate is 8-10 percent per annum, implying that Afghanistan does not lag dramatically behind one of the most commercialised production systems in Asia.

¹⁶⁸ Martens, B., Mummert, U., Murrell, P. and Seabright, P. *The Institutional Economics of Foreign Aid*. Cambridge: Cambridge University Press. 2002.

in other sectors. The underlying accountability of the extension agent is weak in most current aid-financed programming.

These criticisms relate to the modes of technology transfer, but not the broader need for development of a dynamic system by which farmers can explore and access new technologies. Current technologies are not sufficient to sustain the population with dignity (even when complemented by other livelihood strategies). There are technological interventions that could presumably go a long way to buttressing subsistence and helping farmers to take advantage of market opportunities. The question is rather how technology transfer efforts can be promoted in an ethical manner that recognises farmers' rights to know what they are getting involved in when presented with an improved technology.

“More research and extension” : where does it lead?

Afghanistan is frequently said to need “more research and extension.” In one livelihoods study, villagers ranked various forms of extension as their top three priorities for development interventions.¹⁶⁹ Other reports also emphasise the need for expanded extension activities.¹⁷⁰ These calls for more extension notwithstanding, it is not always clear what the ultimate aims of research and extension activities are meant to be or how the different modalities on offer might serve to achieve these aims. Research and extension are not objectives in and of themselves. Their values can only be assessed in relation to the ultimate aims to which they contribute. The goals of more research and extension are frequently left vague in current programming, but seem to focus on combinations of the following:

- Increased food security through higher cereal yields;
- Increased income through improved quality, timeliness and quantitative production of commercial crops;
- Decreased opium production, through increased awareness and efficiency of alternative production options;
- Improvements in the licit national economy through increased tax revenues deriving from agricultural exports and/or national self-reliance; and
- Increased equity by supporting women, poor people and vulnerable groups to improve their incomes and financial independence.

Investment priorities need to be assessed against these different goals. Depending on the choice of modalities, some of these objectives will be achieved, but not others. For this reason, it is important to avoid conflating these different aims, by acknowledging that there are trade-offs to be made. The trade-offs in extension goals are generally not transparent due to a failure to concede that the structures created have major recurrent cost implications. For example, the lean, efficient, market-led types of NPM extension structures suggested by the NDF may ultimately result in a system that facilitates national growth. They do not, however, lend themselves to promotion of equity goals, as extension for isolated producers and women is highly staff intensive and will in most cases yield greatest impact on household consumption, rather than market integration. A concentration on women or the rural poor will achieve important social goals, but will probably not yield a positive direct return on investment. Plans and reports mix and conflate references to targeting the vulnerable with the need to work with “progressive” farmers that have the land, labour and capital to invest in new

¹⁶⁹ Semple, *op cit.*
¹⁷⁰ DACAAR, *op cit.*

Box 8: Agricultural recovery: Not according to plan?

“The processes of policy formulation and the reconstruction agenda at all levels have largely been driven by pictures or stories about Afghanistan that do not withstand close scrutiny, e.g., devastated society and infrastructure. They deny the importance of regional diversity within Afghanistan, the dynamic nature of the war economy, household strategies and the persistence of the underlying elements of conflict. At a pragmatic level the probable recovery of agricultural production this year to an estimated 75 percent of national grain requirements challenges the assumptions of devastated rural infrastructure, collapse of markets, unavailability of seed, lack of access to farm power, etc. that have been made. While humanitarian interventions have made their contribution, much has also been achieved by households without aid support.”¹⁷¹

A typical headline from early 2002 reads “With Group’s [a scientific consortium] Help, Country Could See Bulk of Food Needs Met within Five Years.”¹⁷² A major multi-donor mission in 2002 suggested that “A realistic medium term target would be to return to 1992 levels of output within five years...”¹⁷³ Headlines such as these reflect the prevalence of the crisis narrative that has dominated post-2001 agricultural development thinking. In 2003, Afghanistan’s cereal production was estimated to be one of the largest ever recorded.¹⁷⁴ Even other crops, such as potatoes and melons, have been extraordinarily successful. Afghanistan’s agriculture was not expected to recover as rapidly as it has, at least not without massive external assistance. The importance placed on aid interventions ignored the extraordinary latent dynamism among Afghanistan’s farmers (combined with favourable climatic conditions).

It is important to note that the resilience of Afghan farmers is something that had already been observed in the recent past (but apparently quickly forgotten). A strong recovery of agricultural production was made in the late 1990s under the Taliban, only to be cut short by the drought. Studies show that even the fruit and nut orchards that are popularly portrayed as having been steadily devastated by the years of conflict are actually relatively young, with 58 percent having been planted over the past ten years.¹⁷⁵ The clearest conclusion of this experience is that our understanding of resilience is lacking. It is easier to predict losses than to understand how people pull together and reallocate their different assets to rebound in the wake of a crisis.

technologies. Target groups are rarely specified, either regarding their needs or capacities.

In the past, and to some extent even today, objectives were envisaged as being best achieved by deciding what was to be done and telling the extension agents to do it. The pre-war extension system was highly vertical and had no channels for feedback from the field to headquarters in Kabul. Staff were frequently assigned non-advisory tasks, such as the sale and/or distribution of inputs and implementation of relief and development

projects.¹⁷⁶ Vertical structures are still formally in place, with all extension accountability directed upwards to Kabul. Informally, it is likely that the staff of district and provincial departments are in practice often attentive to local concerns and opportunities to access project funding. This is not officially encouraged.

Government extension staff are generally perceived by outside observers as being passive. Extension agents themselves frequently acknowledge that they accomplish very little due to lack of resources. Currently,

¹⁷¹ Kampenaar, et al., op cit., 6.

¹⁷² Future Harvest. “Science Consortium Established to Rebuild Afghanistan’s Agriculture.” Available at: www.futureharvest.org/news/afghanistan.shtml. 2002. The lack of faith in the resilience of Afghan agriculture was not universal. Tunwar writes that, “Afghanistan can very quickly become self-sufficient in food again..We should not take too gloomy an approach to the speed at which the country will achieve food security.” (Tunwar, 2002, op cit.)

¹⁷³ Asian Development Bank, op cit., 4.

¹⁷⁴ Favre, *Contributions to Food Aid*, op cit.; FEWS Net, op cit.

¹⁷⁵ FAO, *Afghanistan: Survey of the Horticultural Sector*, op cit.

¹⁷⁶ Khan, op cit.

virtually all project-financed extension is conducted by NGO staff. Extension includes a broad variety of activities. One agency has staff that apply agro-chemicals directly in farmers' fields.¹⁷⁷ Some extension efforts have surprisingly limited extension associated with them. In one long-term programme visited, several impressive terraced demonstration farms had been established at considerable cost. Very few arrangements had been made, over the years, for farmers to visit and learn from these farms. The adoption or diffusion of the technologies extended are seldom monitored. Apart from one major FAO survey,¹⁷⁸ little investment has been made in assessing farmers' reactions to new proposed technologies and whether those technologies have proven relevant or not.

Despite the vision of the NDF for a government that stays out of direct service delivery wherever possible, privatisation of extension services has not been considered by the government or NGOs. The option of using aid resources to contract private extension advisors¹⁷⁹ has not been considered. As long as significant levels of donor funding are available, there is a tendency for NGOs to simply hire more extension agents themselves, without consideration of what kind of agricultural knowledge and information system could or should be developed. Extension in Afghanistan is dominated by the contracting of services by NGOs, but these NGOs are not keen to promote the emergence of a competitive system that provides for transparency, monitoring, cost comparison and quality control.

This is not to say that full-fledged commercialisation and privatisation of extension services, as is underway in many countries, is a viable alternative in Afghanistan. The vast majority of extension will, for the foreseeable future, need to remain publicly funded, and the emergence of private service providers to compete for service contracts will be a difficult process and may not happen at all in isolated areas. Nonetheless, this does not mean that the current unaccountable, supply-side structures are the only alternative. Publicly/aid-funded and privately delivered structures have been established rapidly in other chronically poor, post-conflict contexts (e.g., Albania). There is a wealth of experience with alternative models¹⁸⁰ that has yet to be considered in Afghanistan.

Relationships between NGOs and the governmental extension service can be seen as falling into three categories:

- *Integrated:* usually where government staff are fully involved in the work of the NGO, often to the extent that they are



Photo courtesy of Ian Christopoulos

¹⁷⁷ Solidarités, 2003, op cit.

¹⁷⁸ FAO, "Results of the Evaluation of the Autumn 2002 FAO Emergency Agricultural Inputs Distribution Programme," op cit.

¹⁷⁹ Many NGOs providing extension services could, however, be described as private businesses.

¹⁸⁰ See, for example, Neuchâtel Group. *Common Framework on Financing Agricultural and Rural Extension*. Available at: www.neuchatelinitiative.net. 2002.

effectively “contracted in.”¹⁸¹ Experience of application of NPM modalities in extension services has often shown that, although the initial objective has been to contract out services, the pre-existing public sector extension structure remains in place (albeit with no operational budget) and a well-staffed private sector does not automatically appear to take advantage of the commercial opportunities being provided. Instead, NGOs very often obtain contracts to provide extension services, which they in turn implement by contracting in available government extension agents in the field. This can even be observed on a limited scale in the more successful NGO-government collaboration initiatives in Afghanistan, where the NGO inevitably pays incentives to participating public sector extension staff. through support to transport, field allowances, salaries, etc.

- *Attempted collaboration, but failure to achieve agreement:* due to differences in priorities, envy over resources, and other reasons.
- *Non-collaboration:* no attempts made to work with government structures due to low priority given by the NGO to institutional development, complete absence of government extension staff in the area of operations or other reasons.

Until extension services begin seeing themselves as serving farmers, client-oriented or demand driven approaches are unlikely to take root among either NGOs or the government.

money from Kabul to pay higher salaries and employ more staff. NGO-run extension modalities are expensive and virtually no attention has been given to planning how such operations could continue when aid financing is reduced. Some reports recommend establishing innovative, but relatively intensive/expensive, extension methods such as farmer field schools,¹⁸² without indicating how recurrent costs will be financed.

Given the predominance of seed distributions, it is not surprising that extension is, to a large extent, an activity that is piggybacked onto seed programmes. Some agencies see subsidised seed distributions as a needed incentive to encourage farmers to follow extension advice. Farmers are not expected to pay for advice, but rather are expected to have to be provided with incentives to take advice. The underlying patronising

assumption is that extension is about raising awareness, rather than serving farmers. Until extension services begin seeing themselves as serving

farmers, client-oriented or demand driven approaches are unlikely to take root among either NGOs or the government.

Given the need for adaptation, monitoring and verification of the introduction of any new technology, quality extension must have a strong link to research. For the most part, the research-extension linkage issue in Afghanistan has been an afterthought and in many cases has been disregarded entirely. There are, however, some notable positive experiences. Through the work of the Future

The financial sustainability of public extension services is not a topic for active discussion. The government realises that it has already lost its best staff to NGOs due to low salaries, but the only solution is seen to be more

¹⁸¹ Experience of application of NPM modalities in extension services has often shown that, although the initial objective has been to contract out services, the pre-existing public sector extension structure remains in place (albeit with no operational budget) and a well-staffed private sector does not automatically appear to take advantage of the commercial opportunities being provided. Instead, NGOs very often obtain contracts to provide extension services, which they in turn implement by contracting in available government extension agents in the field. This can even be observed on a limited scale in the more successful NGO-government collaboration initiatives in Afghanistan, where the NGO inevitably pays incentives to participating public sector extension staff.

¹⁸² FAO, *Afghanistan: Survey of the Horticultural Sector*, op cit.

Harvest Consortium and FAO, Afghanistan was a model for early investment in re-establishing a research infrastructure using emergency funding. With the International Centre for Agricultural Research in the Dry Areas (ICARDA) as the main institutional partner, government research facilities were rapidly rehabilitated and a modest but essential structure was created for drawing attention to the need for verification trials and other research related to the introduction of new varieties. These efforts were not sufficient to completely prevent the import and distribution of inappropriate seed, but have been able to ensure that need for research and verification has not slipped entirely from the agenda.

The experience with inappropriate seed imports in recent years has shown that Afghanistan clearly needs a capacity to screen new varieties, and it has an agency in place with renowned expertise in developing such screening capacity (ICARDA), but after initial support to research, there has been a subsequent slump in funding for genuine research and verification activities. A lack of consensus among donors and the government regarding the structure of a future research and extension system, and pressures to obtain quick impact have meant that ICARDA support has become increasingly skewed toward demonstrations and establishment of seed production units. ICARDA's comparative advantage as a research institution has been ignored in the search for implementing partners. Another concern in the "borrowing" of limited research capacities to support seed distribution is that it may distract from the need to channel research toward crops with good economic potential. For example, even though smallholder cereal production is unlikely to prove competitive in the long term, 71 percent of research station land is used for cereals, primarily wheat.¹⁸³

In sum, extension efforts are currently not sufficiently linked to efforts to understand the livelihoods of either farmers or even of the future extension agents themselves. Internationally, development actors are increasingly realising that there is no single correct model for research and extension. Instead, there is a realisation that a two-pronged approach may be required to ensure that potential high-growth options are pursued in places that are integrated into markets and low-risk, subsistence support is prioritised in marginal areas. This dichotomy is valid for both research¹⁸⁴ and extension.¹⁸⁵ A central finding of international reviews is that the public sector alone cannot finance, let alone deliver, extension services to meet all requirements. In many countries, extension is being privatised in areas well-integrated into markets. This may result in resources being shifted to more remote areas where the majority of rural poor live. In these remote areas, some states have acknowledged that subsidies in the form of publicly financed extension and other support to agricultural production are justified to prevent forms of social misery and disruption, which ultimately have higher financial and human costs than the cost of the services provided. The more isolated areas, with very poor infrastructure (which is characteristic of a large proportion of Afghanistan), have little access to commercial markets and also are "protected" from cheap imports due to the high costs of transporting imported food to local consumers. Services for isolated areas may need to accept an emphasis on subsistence, leaving the pro-poor growth agenda to areas with greater prospects for market integration. Operationalising a two-pronged research and extension structure, such as this, relies on a broad vision for the role of the state in agricultural development that acknowledges the diversity of needs and resources available in any given country. It also demands a

¹⁸³ Ibid.

¹⁸⁴ Byerlee and Alex, op cit.

¹⁸⁵ Christoplos, I. *Common Framework for Supporting Pro-Poor Extension*. Lindau: Neuchâtel Group, LBL. 2003. Available at: www.neuchatelinitiative.net.

pragmatic acceptance of the need to set priorities on the use of limited resources, even if such priorities include cruel choices.

Private sector alternatives to public sector service provision

Even in areas other than agricultural extension, support for private sector development as an alternative to state service provision is at an early stage. The NGO thinking that dominates agricultural activities closely resembles the statist paradigm. Both are supply-driven and lack a customer orientation. Neither includes accountability mechanisms or elements of competition. Few evaluations, assessments and plans assess the possible or actual impact of interventions on private sector development.¹⁸⁶ In the past, the nature of humanitarian assistance in many ways justified such an approach. Today, this conceptual gap stands in stark contrast to the stated aims of the NDF. Dangers of NGO programming crowding out private service providers or of overly generous support to chosen implementing partners upsetting the establishment of a level playing field for commercial competition are generally ignored. Even where the private sector is given priority, the desire to demonstrate quick impact encourages the provision of large and presumably very soft loans to entrepreneurs who have brought aid providers into their networks.

Distrust regarding the private sector stems from the perception that agriculture is the foundation of rural livelihoods and from fear (in some ways well justified) of turning over responsibility to private actors that are poorly understood and therefore unpredictable. The strength of the private sector in contributing to poverty alleviation through commercialisation and processing services

must come from seeing the poor as customers of businesses that endeavour to sell services such as, for example, drip irrigation systems, post-harvest storage facilities or transport.¹⁸⁷ There is little indication that either the government or most NGOs have shifted their views of farmers away from being beneficiaries of agricultural services to being potential customers.

Through RAMP, support is being considered for food processing incubators in order to support fledgling enterprises. The largest engagement with the private sector is in seed production where, despite some setbacks to the search for a viable market relationship during the emergency phase, renewed and serious attention is being paid to redefining farmers as customers rather than beneficiaries. Current thinking within FAO indicates that a commercially viable seed system will require far more attention to how to actively market the product and a realisation that due to small margins between seed and grain prices, wheat seed is unlikely to provide a commercially viable base for a seed enterprise. Higher value products, such as vegetable seed, must be part of an eventual marketing strategy. It should be stressed, however, that although FAO is discussing these ideas together with their MAAH counterparts at central levels, seed enterprises and NGOs continue to set seed production targets according to government targets and donor promises of procurement, with little attention to whether or not farmers want to buy the seeds produced. The result has been that only half of the seed produced by FAO's implementing partners has been resold to farmers. A paradigm shift is sorely needed, but FAO's capacity of raising the awareness of its implementing partners to market realities is shrinking, as FAO's own capacity for field level engagement shrinks.¹⁸⁸

¹⁸⁶ One notable exception is Kampenaar, et al., 2002.

¹⁸⁷ See Heierli, U. *Poverty Alleviation as a Business: The Market Creation Approach to Development*. Berne: Swiss Agency for Development and Cooperation. 2000.

¹⁸⁸ FAO has a system of field offices, but these have been almost entirely maintained with emergency funding. Their existence is now threatened due to the phasing out of emergency funding.

Informal discussions reveal a tendency among many observers to assume that a market orientation will inevitably lead the private sector towards (rather than away from) opium production, as it is the most profitable business opportunity. The search for alternatives to the opium economy may distract attention from dealing with the reality that the majority of financial flows in agriculture are in one way or another linked to the opium trade. This issue in private sector development may therefore be one of finding ways to encourage diversification in the reinvestment of opium profits into other businesses, rather than framing private sector development as an either-or proposition. There are some indications that wealth does encourage diversification out of poppies. In Helmand, Afghanistan's province with the largest production of opium, poppies are primarily concentrated in those districts with small, scattered land holdings, with uncertain access to irrigation.¹⁸⁹ Farmers that can afford better land have other investment priorities. Concerns about the country descending into a narco-mafia state are not anchored in an understanding of the political economy of how mafias choose investment priorities. As their risks increase (as they hopefully will as the Afghan state becomes consolidated), these mafias and the farmers who supply them will most probably make incremental shifts in their investment portfolios into other businesses. A major unanswered question is whether aid can be used to speed up this process and to influence their decisions on how to deal with increasingly risky narcotics production.

In addition to those involved in the opium economy, Pashtun traders are another group that has long played a major role in agricultural marketing throughout Afghanistan. Strengthening and formalisation

of the private sector is fundamentally dependent on how entrepreneurs such as these judge the prevailing level of security for themselves and their investments. Due to fears of retribution and uneven rule of law in the rural areas, Pashtun traders currently do not feel secure.¹⁹⁰ They pass on the costs of their insecurity in the form of higher transaction costs and a vacuum of rural services in many isolated areas. As long as local and regional commanders¹⁹¹ can exercise their power at will to the benefit of their clans, families and associates, major reinvestment by the large and wealthy Pashtun trading diaspora is unlikely.

Redefining the role of the state

The NDF in general and agricultural policy in particular do not specify what, where and how the state should intervene in the provision of public goods. The flip side of any NPM approach is the importance of determining where the market is unlikely to invest and how to ensure that resources (not least the relatively generous supply of aid money) are available for these public goods. Kydd and Dorward point out that the "Washington Consensus" that has led to the introduction of NPM policies throughout the world has failed to provide a coherent basis for determining how to prioritise investments in agricultural public goods.¹⁹²

There are certain areas, particularly with regard to livestock, where there is no substitute for state intervention. Many types of veterinary services have the potential of being privatised (see Box 9), but the control of epidemics, ensuring the quality of medicines and vaccines, quarantine, border controls and phytosanitary standards are all public goods. The collapse of such services has already been felt in Afghanistan. Imports

¹⁸⁹ Mansfield, 2002, op cit.

¹⁹⁰ International Crisis Group (ICG). *Afghanistan: The Problem of Pashtun Alienation*. ICG Asia Report No. 62. Kabul/Brussels: ICG. 5 August 2003.

¹⁹¹ Ibid. ICG notes that Pashtun businessmen feel particularly insecure in Herat, where Ishmail Khan discriminates against the Pashtun and exerts tight control over his trading monopoly.

¹⁹² Kydd, J. and Dorward, A. "The New Washington Consensus on Poor Country Agriculture: Analysis, Prescription and Gaps: with particular attention to globalisation and finance for seasonal inputs." *Development Policy Review*. 2001; 19(4):467-478.

Box 9: Veterinary services and ambivalence toward private service provision

Internationally, veterinary services have been a central battleground in the debate over the relevance and viability of NPM approaches to redefining the role of government in agricultural services. There has been relatively good success in establishing privately provided and fee-based veterinary services (particularly for large stock). Extension has been more difficult to privatise and commercialise. Livestock owners, however, have been found to be among the sectors of the population who are hardest hit by drought and conflict and therefore in greatest need of subsidised assistance for recovery. Even well performing and relatively sustainable commercial veterinary services have been hard hit by emergencies. In the past, Afghan veterinary services were intended to be provided free by government staff. In practice, payment for medicines has always been common.¹⁹³ Support to veterinary services during the period of conflict began with a political, rather than a humanitarian or livelihood agenda. Support was initially targeted to services for the donkeys of the *mujahiddin*. Since then, a variety of agencies have supported veterinary services, primarily FAO and the Dutch Committee for Afghanistan. Although piecemeal, by 1999 the various initiatives were said to amount to broader coverage than existed in 1979.¹⁹⁴ Recently, funding has begun to shrink and with it the level of coverage. At the same time the array of actors has expanded, with short-term assistance from NGOs, International Security Assistance Forces and other agencies.¹⁹⁵ Legislation is unclear, and proposals for a new legal framework have been met with similar donor scepticism and debate over statist versus NPM models, as in other agricultural services.

In the past it was expected that commercialisation would ensure the viability of the myriad of veterinary field units.¹⁹⁶ This has proven over-optimistic. It is important to analyse why these services, that farmers obviously value, have had such difficulty in establishing a higher degree of cost recovery. The staff of some agencies have steadfastly resisted plans to increase the independence of veterinary units.¹⁹⁷ One of the main factors that complicates a process of commercialisation is that different agencies dabbling in the veterinary field have different policies regarding subsidies, salary levels and fees. "Good donorship" in preventing such tendencies is a scarce commodity.¹⁹⁸ Standardisation may be needed as a first step to level the playing field for more self-reliant veterinary services in the future. This, however, is not enough. In the opinion of farmers, agricultural officials and the aid community, control of the quality of service provision, in particular that of medicines and vaccines, is a precondition for developing trust between livestock owners and private veterinarians.¹⁹⁹ The capacity of the state to shoulder regulatory responsibilities must be developed if the private sector is to flourish.

of water buffalos from Pakistan for meat have brought cases of rinderpest.

There are also major issues related to the environment and natural resource management that may require state intervention. One of these is addressing conflicts between use of range for crops or livestock. Vast areas of land are used as pasture during most years, but may be

ploughed for crop production when there is sufficient rainfall. Differing interpretations of grazing rights and land ownership for these rain-fed areas are common. Tensions between pastoral and settled groups have caused both violent reprisals and contributed to a zero-sum approach to natural resource management that has rapidly degraded the environment.²⁰⁰

¹⁹³ Barker, T.J., and Mehraban, A.B. *The Development of Veterinary Services in Afghanistan 1986-2000*. Working Paper No. 1/2000. Islamabad: United Nations Development Programme. 2000.

¹⁹⁴ Ibid.

¹⁹⁵ Italtrend, op cit.

¹⁹⁶ Ostrom, K. *Self-Sustainability of Veterinary Field Units: Integrated Livestock Programme*. Consultancy study for the Food and Agriculture Organisation. 1997.

¹⁹⁷ Reddick, op cit.

¹⁹⁸ See International Meeting on Good Humanitarian Donorship. *Meeting Conclusions: International Meeting on Good Humanitarian Donorship, 16-17 June, 2003, Stockholm*. 2003.

¹⁹⁹ Italtrend, op cit.; Ostrom, op cit.

²⁰⁰ Johnson, 2000, op cit.; Alden Wily, op cit.; Suttie, op cit.; Semple, op cit.; DACAAR, op cit.

The MAAH recognises the seriousness of this issue,²⁰¹ but there is as yet no clear strategy to address it. Most recommended measures for improving livestock and range management (e.g., through rotational grazing, stall feeding methods, and a shift from annual crops to trees) would require consensus and clarity on rights of access. Participatory and local watershed management approaches may have a role to play in negotiating joint resource management,²⁰² but given prevailing levels of distrust, a measure of formal regulatory engagement will almost certainly be needed as well.²⁰³ Experience in neighbouring countries could provide both positive and negative examples of how to deal with these complex issues.²⁰⁴

Civil society in agricultural development: stimulating demand

Afghanistan has yet to move beyond supply-driven service provision where government and NGOs compete for access to donor resources. The central reason for this is that farmers, as yet, lack the power to demand better services. They feel that their situation is so fragile that acting as a cooperative beneficiary is the most effective strategy to get something out of service providers. They have little experience with accountable service provision.

Until recently, approaches to stimulating demand-driven agricultural services often assumed that a free market could ensure that farmers get what they want. If individual farmers were given an opportunity to choose and buy the services they need, then the issue of demand would be solved. Analyses of the powerlessness that accompanies chronic conflict and poverty have shown that the miracle of the marketplace rarely shows up at the doorstep of the poor. Furthermore,

the transaction costs that are experienced by individual farmers who can at best buy a few kilos of seed or a few sacks of fertiliser are too great to be overcome by the efficiency increases that may be found through more effective markets. Instead, there is a growing realisation that demand needs to be stimulated by investing in civil society and farmer organisations. Only through joint action can farmers hope to overcome their lack of power and take advantage of efficiencies of scale in accessing services.

The aid community in Afghanistan has an ambivalent approach to investments in stimulating demand. Virtually no agency would question the need for stimulating demand and there are some significant investments in strengthening the capacity of organisations that claim to represent communities and farmers. At the same time, the supply-driven nature of aid flows has meant that efforts to build capacity appear to be more focused on building capacities to absorb aid, rather than to demand it.

Shuras to the rescue?

The *shura* is the lynchpin in the visions of the aid community (and to some extent the government as well) for the institutional infrastructure that will support future agricultural and rural development. It is seen as the basis for rebuilding what is popularly assumed to be heavily depleted social capital. If *shuras* are to be employed as the solution, it is first important to critically analyse what the problems of social capital and community-level governance actually are, and whether or not the *shuras* members are themselves interested in addressing these problems. It is also important to consider whether they might even be part of the problem.

²⁰¹ Ministry of Agriculture and Animal Husbandry (MAAH). *Minutes of the Third Meeting of the Natural Resources Management Sector Consultative Group*. Kabul: MAAH. 6 May 2003.

²⁰² Alden Wily, op cit.

²⁰³ See, for example, DACAAR, op cit.

²⁰⁴ Kreutzmann, op cit.

Current understanding of the narratives about traditional local organisations that guide participatory development efforts²⁰⁵ and humanitarian and reconstruction efforts in the midst of chronic conflict²⁰⁶ suggest caution in assuming that organisations such as *shuras* might be expected to share (or be induced to share) the same objectives as the aid community. These various studies have shown that the consensus that are formed through participatory methods rarely represent the concerns of the poor or marginalised. Even otherwise laudatory reviews of the role of the *shuras* acknowledge that “what the agency expects the *shura* to do, in the function of a village development association, is something very different from what the *shura* is used to do, what it is set up to do, and what the community expects it to do.”²⁰⁷ Furthermore, many agencies haphazardly load their programme documents with a mix of managerial and social engineering objectives. One evaluation comments:

“The objectives for village organisations (VOs) ... are too many and too diverse, as they include narrow objectives relating to programme activities and broad objectives about empowerment ... it is difficult to know whether DACAAR sees VOs mainly as the interface between itself and villages, or as new institutions to challenge traditional sources of power, or as both.”²⁰⁸

Due to all of these factors, the sustainability of *shura*-based community development must be questioned. Despite concerted efforts at

empowerment, extending to over a decade, an evaluation of one major integrated rural development programme notes with concern that not a single *shura* has “graduated” from programme support.²⁰⁹ Chris Johnson notes that “it is unclear what civil society actually means in the Afghan context.”²¹⁰ In an earlier study she found that interviewees in Hazarajat had lost faith in their own institutions, “Yet although they wanted a new leadership, people also spoke of their lack of hope that it would emerge from within the community. They pinned their hopes instead on the idea that it might come from outside.”²¹¹ She points out that a significant degree of legitimacy remained at the “very local village level,” but stressed the distrust toward people with power and guns. Alden Wily has uncovered similar findings.²¹²

It is possible that some of the social capital that binds Afghan social relations would be characterised by much of the aid community as consisting of “unsocial capital,” i.e., market relationships based on the opium trade and abuse of power.²¹³ The interplay of social and unsocial capital frames many of the livelihood choices that face rural Afghans today. Pain and Lautze write that “contrary to popular thinking, states do not fail in times of chronic conflict and political instability; rather they become conveniently diffuse, rich in complicated networks that extend from local strongmen/warlords to the boardrooms of international firms.”²¹⁴ Both social and unsocial capital form the glue that holds these broader economic and political networks together.

²⁰⁵ See Cooke, B., and Kothari, U., Eds. *Participation: The New Tyranny*. London: Zed. 2001.

²⁰⁶ Grünewald, F. *ALNAP Global Study: The Case of Afghanistan*. London: Overseas Development Institute. 2003; Harvey, P. *Rehabilitation in Complex Political Emergencies: Is Rebuilding Civil Society the Answer?* IDS Working Paper 60. Sussex, UK: Institute of Development Studies. 1997; Keen, D. *The Benefits of Famine: A Political Economy of Famine and Relief in Southwestern Sudan 1983-1989*. Princeton, NJ: Princeton University Press. 1994.

²⁰⁷ Harpviken, K.B., Suleman, M. and Taksdal, M. *Strengthening the Self-Reliance of Returnee Communities: The Enjil Community Development Programme, Herat Province, Afghanistan*. Report from an Independent Mid-Term Review for Ockenden Venture. May 2001.

²⁰⁸ Kampenaar, op cit., 15-16.

²⁰⁹ Reddick, op cit.

²¹⁰ Johnson, 2003, op cit., 6.

²¹¹ Johnson, 2000, op cit., 7.

²¹² Alden Wily, op cit.

²¹³ See Kanbur, R. *Obnoxious Markets*. Working Paper 2001-08. Ithaca, New York: Department of Applied Economics and Management, Cornell University. July 2001.

²¹⁴ Pain and Lautze, op cit., 18.

At another level, recent research into the role of traditional institutions and social capital has recognised that, while these institutions are the first (and most reliable) source of support for the destitute and those experiencing livelihood shocks, they are also mechanisms that reinforce structural poverty. Kothari and Hulme write:

“When poor people in Bangladesh face problems their first port of call for social support are these local/informal networks and not ‘professional’ poverty reduction agencies. Having said this, there is a need to shift our focus in contemporary development policy from an uncritical valorisation of civil society in order to recognise that social capital is not always and inevitably a positive asset, but one which can also keep poor people poor.”²¹⁵

This should be especially true where civil society has as unfettered power as it does in Afghanistan. There is, however, little acknowledgement of such ambivalence about the power of civil society in Afghan rural development programming. A typical programme document states: “Participatory decision-making can empower the marginalised and develop a community’s capacity to analyse its environment, identify and address its problems, and take responsibility for development.”²¹⁶ Despite disturbing evidence and experience of the abuse of power by warlords, commanders and village elites, a certain myth of egalitarianism in Afghan civil society still remains.

In search of farmers’ organisations

A central question regarding the role of *shuras* in supporting agricultural development is the question of whether they can be considered

to be, or can be transformed into, farmers’ organisations. Some agencies approach this issue as inherently unproblematic, relating to the *shuras* as if they were by nature capable of representing farmers and engaging in a variety of activities related to marketing, technology transfer, etc. Others invest in building the capacity of *shuras* to act as farmer organisations. Some reports see the role of *shuras* as being unrelated to agriculture and bemoan the complete absence of farmer organisations capable of engaging in marketing and other commercial functions.²¹⁷

At the centre of this issue is the potential of developing the *shuras* into genuine producer organisations, with accountability to members (rather than to the community as a whole) and an ability to manage economic transactions in a competitive market economy. This is doubtful within current aid modalities. There are two reasons for this. First, prospects for sustainability are poor as long as aid projects operate as the main buyer of the produce (as is the case in much seed production). Many project plans are vague about how the supporting agency will eventually withdraw and either be replaced by market relations with commercial traders and processors, or by a higher-level farmer organisational structure that can assume responsibility for marketing and other tasks. There are some efforts to work with intermediate levels (e.g., the creation of “cluster *shuras*”), but there is generally little indication that these organisations are motivated by a genuine desire to engage in cooperative economic activities. Furthermore, mechanisms to ensure financial accountability to members have not been developed. This should come as no surprise. The *shuras* are ultimately not economically oriented membership organisations, but rather political bodies.

²¹⁵ Kothari, U. and Hulme, D. *Narratives, Stories and Tales: Understanding Poverty Dynamics Through Life Histories*. Manchester: Institute for Development Policy and Management. 2003; 13.

²¹⁶ Food and Agriculture Organisation of the United Nations (FAO). *The Development of Sustainable Agricultural Livelihoods in the Eastern Hazarajat*. Project Document GCP/AFG/029/UK. 2003; 13.

²¹⁷ See, for example, FAO, *Afghanistan: Survey of the Horticultural Sector*, op cit.

The second problem in treating *shuras* as if they were farmer organisations is the tendency to combine community development efforts, having primarily social development aims, with the organisation of producers, that must be led by commercial and market prerogatives focusing on the interests of individual households. Agricultural development efforts that are channelled through *shuras* may be effective in dealing with some public goods, such as locust control, but are unlikely to develop into the type of structures that would be necessary to address private goods.

The alternative is naturally to pass over the *shuras* in efforts to strengthen farmer organisation. There are some efforts in the area that are said to be quite successful, e.g., FAO support to dairy collection in Mazar-i-Sharif.²¹⁸ Other structures are being established with the primary aim of linking to groups of farmers for the provision of micro-finance services, for example by CFA in Kunduz, where demobilised former combatants are being organised accordingly. As mentioned earlier, the government hopes to channel such interests into rebuilding cooperative structures. There is widespread distrust by donors (and perhaps by farmers as well) that such cooperatives will be more accountable to the government than to their members. Intentions to use these cooperatives as channels for subsidised services (as was past practice) suggest that these fears are warranted.

It is especially unclear how issues that combine the management of access to public and private goods, such as irrigation, can be addressed in an effective manner. One multi-donor mission recommended that river basins

and sub-basins be used as the main unit for planning and management.²¹⁹ But it remains to be seen if such a watershed approach is viable and appropriate given the power structures that frequently dominate such areas. Weakly or inequitably led watershed management structures could instead fan existing upstream-downstream animosities. There is widespread faith that traditional (*mirab*) water management institutions can address potential conflicts in current irrigation system renovation, but there is little knowledge about how the years of conflict have impacted upon these traditional arrangements. It is relatively easy for commanders to ignore downstream users.²²⁰ The lack of agency capacity to monitor these issues gives cause for concern.

Despite these dangers of investment in less-than-civil society, there is no viable alternative other than working with local institutions. If an appropriate relationship to civil society is to emerge, it will only appear once agencies start shifting some of their power to their community partners. Among the NGOs there is little explicit discussion of the need on their part to be accountable to local civil society. Anchored in a technology transfer mode, they generally perceive themselves to be, *ipso facto*, doing good. Efforts are underway to strengthen financial accountability, but sustainable impact may only be achieved if a more transparent distinction is made between the different tasks of civil society as farmer organisations/cooperatives providing services for members, implementing partners for investments in public goods (especially infrastructure) and as bearers of civic responsibility in the political sphere.

²¹⁸ Italtrend, op cit.

²¹⁹ Asian Development Bank, op cit.

²²⁰ See Pain, A. *Livelihoods Under Stress in Faryab Province, Northern Afghanistan, Opportunities for Support*. A report to Save the Children US, Pakistan/Afghanistan Field Office. 2001.

6. Conclusions and Recommendations

Reframing the narratives amid uncertainty

The Afghan rural development agenda centres on how to proceed in the face of uncertainty about the role of civil society, distrust of the private sector and disagreement over the role of the state. Afghans are ambivalent about how to move forward. They are evenly divided over whether it is better to channel resources through the government, in order to strengthen its legitimacy and capacity, or whether continued dominance by NGOs and the UN is preferred, given distrust of the commitment of politicians and civil servants to public welfare and stability.²²¹ The aid community has also demonstrated considerable ambivalence. Its efforts to live up to declarations about putting the government in the driver's seat have been highly erratic. At the frontline of agricultural development efforts, the aid community is still in charge.

There is substantial justification for such ambivalence by both the public and the aid community. Afghanistan could, with some degree of optimism, be described as a country in transition from a state of chronic conflict (due to war) to a state of chronic violence and insecurity.²²² It is undergoing a shift from experiencing human rights abuses directly related to war, to a context of continued widespread abuses of rights related to access to land, water and markets, stemming from the power that has been accumulated by individuals with guns. The cessation of most open armed conflict has therefore not necessarily led to changed circumstances for most rural Afghans.

The degree to which rural people are able to construct viable livelihoods within prevailing structures will partly relate to how well agricultural policies and programming are anchored in realistic, principled and pragmatic analyses of the situation at large. In Afghanistan, as anywhere, policies to ensure that rural development efforts alleviate poverty or suffering are reliant on three factors:

- Ability of agents (governmental, NGO or private sector) to administer their programmes effectively;
- Ability to ensure that targeted beneficiaries are reached; and
- Ability to challenge societal vested interests that seek to re-appropriate the benefits that accrue to the intended beneficiaries.²²³

Some progress is being made in the first two areas. Questions remain about the choice and effectiveness of strategies to address the third. Many agencies possess a strong body of tacit knowledge about what might be a principled and pragmatic approach for achieving these aims. What they too often lack is a framework of intervention that supports and insists upon applying this knowledge in programme design and implementation. The “triumph of the project” too often overrules common sense.

Given the legacy of weak governance at all levels, this is not just a short-term transitional set of problems. Institutional ambivalence and aid-dominated programming must be seen as part and parcel of the relationships and structures that will frame rural livelihood strategies for the foreseeable future. The “weak state” question is not just an abstract

²²¹ HRRAC, op cit.

²²² Pain and Goodhand (2002) have suggested that Afghanistan may move in a similar direction as post-war Guatemala, which experienced an increase in rural violence after the formal cessation of hostilities.

²²³ Based on Johnson, C. and Start, D. *Rights, Claims and Capture: Understanding the Politics of Pro-Poor Policy*. Overseas Development Institute (ODI) Working Paper No. 145. London: ODI. 2001.

issue of debate for political scientists. Conflict and uncertainty are part of how a farmer decides to plant or not to plant a given crop, whether a land owner decides it is worth investing in maintaining soil fertility, whether a trader tries to enter into new and potentially more profitable markets and whether prospective returning migrants and refugees see agriculture as something they want to build their survival upon. These factors also frame the decision-making of donors who must choose whether or not it is worth investing in highly flawed governmental agricultural organisations, when the reform agenda is far from anchored at central levels and has yet to even be broached outside of Kabul.

Principles and pragmatism

Despite all this, the extraordinary growth in agricultural production over the past two years indicates that something is going well in rural Afghanistan. The scattered but disturbing signs that this growth has resulted in limited improvement in livelihoods among the majority of rural people gives cause for grave concern. We simply do not know much about what is happening with regard to the third condition for transforming pro-poor projects into pro-poor rural development. Fears of widespread and gross abuse of power in local processes related to farming suggest a need to design and monitor agricultural interventions in relation to rights and protection agendas. The question is how.

First, it is important to acknowledge that we do not know which factors enable poor people in Afghanistan to

benefit from production growth and which do not. There is no clear picture, at micro level, of what might create an enabling environment for the poor and landless to thrive and what might encourage further extortion and land grabbing. Some observers fear that “rich valleys generate political ambitions.”²²⁴ Others have found that rich valleys have been able to bribe local commanders, and thus avoid the ravages of conflict.²²⁵ Participatory platforms may be a way to resolve conflicts over resource tenure. They may, on the other hand, merely inflame existing tensions between pastoralists and settled farmers and between landowners and tenants as communities are pressured to arrive at a consensus on development priorities in order to access aid flows. A rights-based approach may help us learn more about who has power and how they are using it, but it may not provide much guidance on what should be done about it. A more lucid definition of rights may be useful in clarifying governmental responsibilities, but may say little about how to mobilise the needed human and financial capacity to live up to those responsibilities.²²⁶ Furthermore, a rights-based approach may be of little use in



Photo courtesy of Ian Christopoulos

²²⁴ Solidarités. *UNAMA Survey: Agriculture*. Kabul: Solidarités. 2001, 10.

²²⁵ Alden Wily, op cit.

²²⁶ Conway, T., Moser, C., Norton, A. and Farrington, J. “Rights and Livelihoods Approaches: Exploring Policy Dimensions.” *Overseas Development Institute (ODI) Natural Resource Perspectives* 78. March 2002.

searching for a middle ground between the grand assumptions about the roles and responsibilities of the state that most of the Afghan bureaucracy would like to pursue, and the narrow NPM vision of the NDF.

The underlying paradox of rural development efforts is that, on the one hand, the crisis narrative of the aid community suggests that development efforts can start from a blank slate. On the other hand, the statist visions of the government also encourage turning a blind eye to ongoing local processes and international market trends, since the visions of the past are assumed to still be valid and viable. Both remain rooted in a conviction that development interventions can create the missing social capital that will bind together rural development processes. Neither encourages looking at what is actually going on in Afghan villages and the markets and networks in which villages are entwined.

The challenge of getting local perspectives onto the agenda will only be met on a significant and sustainable scale if rural people, especially farmers, organise themselves and develop their own political capacity for joint action. This requires both institutional savvy and skills in financial management. The emergence of some form of farmer organisations would seem imperative. The community development efforts of most NGOs assume that they can fill a supposed void through sitting with *shuras*. The cooperative promotion efforts of MAAH assume that Afghanistan can merely pick up where it left off in the 1970s. Both approaches directly aim at organising the poor. Neither looks critically at the more important issue of the local level incentives that poor people have to organise and sustain their organisations.²²⁷ Both approaches give insufficient attention to how rural people – farmers, labourers and traders – have been getting on with their lives all along. Neither

the interventions of the NGOs nor the government are being mobilised with adequate capacity in either political or economic skills to catch up with the rehabilitation agenda that rural people themselves have been pursuing all these years. Farmer voice and empowerment will only start to emerge if programmes are based on empirical understanding of the political, economic and institutional underpinnings of their ongoing livelihood strategies. The collective experience of interventions in the sector during the past few decades could provide a basis for developing such an understanding. The various efforts to establish revolving funds and other processes based on the introduction of subsidised agricultural inputs could provide valuable information regarding if and how these types of aid can really contribute to the emergence of sustainable and equitable institutions. Analyses may also reveal whether programming actually causes more damage by reinforcing impressions that the aid community and the state intend to continue their provision of scattered and occasional largesse. This requires a strong commitment to learning, and a process of critical reflection on the narratives upon which these types of programmes rely.

There is also a need to acknowledge the limited scope that governmental and aid-financed services have in enhancing agriculture's impact on livelihoods. There is a need to acknowledge the power of local stakeholders to lead development where they may. In some types of programming, such as promotion of alternatives to opium production and efforts to influence gender roles, a degree of realism has taken hold. In others, the unbridled optimism of international narratives about "seamless transitions" between war and development clearly still hold sway. The following recommendations are intended as a framework for more pragmatic and

²²⁷ See Joshi, A. and Moore, M. *The mobilising potential of anti-poverty programmes*. IDS Discussion Paper No. 374. Sussex: Institute for Development Studies. 2000.

principled approaches to increasing the impact of agricultural development efforts on Afghan livelihoods. These suggestions acknowledge the power that history and current social, political and economic relations have in steering local development processes and in preserving national policy narratives. These recommendations also propose how these narratives must be confronted if development planning is to proceed in a manner that is cognisant of what can be done and what should be done in the current circumstances.

The central conundrum regarding the “light” NPM model and the older visions for a strong state is that Afghanistan cannot afford either. In financial terms, the country cannot afford the level of investment that would be required to create a strong public sector bureaucracy and to intervene to protect and provide services to promote the production of commodities such as cotton in Kunduz to compete with neighbouring countries. The extremely weak tax base and the lack of dynamism in the public sector mean that the resources are simply not there to establish a strong state in the foreseeable future.

At the same time, in socio-political terms, the Afghan state cannot afford the de facto *laissez faire* approach to rural development that inevitably accompanies a light state. It cannot afford to allow its potential agricultural recovery to fade due to unfair competition from imports. It cannot afford to let the opium economy continue to dominate commercial development. And it cannot afford to forfeit state legitimacy by failing to provide services and establish visible structures that counterbalance the power of the commanders in rural areas. Failure to address these challenges is likely to lead to the return of the centrifugal tendencies that have torn the country apart so many times in the past. Civil society and the private sector could (and should) fill some of the agricultural service provision breach, but their capacity and willingness to shoulder a greater burden is contingent on the stability

that can only be achieved through a stronger state in rural areas.

The solution for this conundrum is of course generally assumed to be aid. The international community is expected to ensure that these gaps can be filled, while waiting for the government’s own financial and human resources to get up to speed. But will a consistency of funding and political commitment be maintained over the next few crucial years? This paper echoes the critique of unfulfilled promises and inconsistent rhetoric from the donor community about what the Afghan state will and won’t be helped to do. Still, it may be pragmatically more appropriate to design approaches that are cognisant of the fickleness that the aid community has repeatedly shown in financing post-conflict rehabilitation and reconstruction throughout the world, and the short memory that has been demonstrated time after time in Afghanistan in particular. There is a need for advocacy and also for a degree of jaded realism. The following recommendations are presented in such a spirit.

Recommendations

Learn about and build consensus on the goals and the meaning of a facilitating and regulating state in agricultural development

Current policy formation efforts combine (and conflate) the needs for establishing efficiency through NPM approaches with enhancing equity in order to reverse the trends that have driven the conflict over the past decades. International experience has shown that efficiency and equity can be combined, but are not self-evident bedfellows. There is a need to move toward more evidence-based policies that combine principled commitments to efficiency and equity with pragmatic acknowledgement of trade-offs due to on-the-ground realities and the essential but limited impact that aid can

make on social, political and economic relations.

- Better coordination is both a prerequisite and a product of intra-agency learning. Sharing of knowledge is the most appropriate basis for ensuring greater agreement regarding what outside support farmers need and who the most appropriate actor is to provide this support.
- Improved programming relies on frank analyses of (a) the ability of different service providers to reach different target groups, (b) the cost efficiency and effectiveness of different methods, and (c) the potential sustainability of different institutional service structures.
- These analyses will probably point toward the need for a two-pronged approach to rural development (research and extension in particular), with growth and privatisation leading efforts in high potential and accessible areas, such as Kunduz Province, and a concern for basic food security and social protection in weakly integrated areas, for example, Hazarajat.
- There is a need to concretise the objectives of the National Development Framework by more specifically defining what support farmers should expect to receive, and by prioritising the use of public/aid resources to ensure that the goals of promoting both growth and equity are addressed in a more transparent manner.
- Given the extreme levels of rural destitution and vulnerability, this consensus can provide a basis for seeing how enhanced social protection programming can ensure both basic survival and the provision of resource flows that rural people can invest in production.

Reassess and reinforce the accountability of the private sector and civil society in agricultural development

In order to better define the role of the state, notions and normative aims regarding the private sector and civil society must be anchored in an understanding of what these sets of institutions really are. It is not enough to label the private sector or civil society as the solution. A frank assessment is needed of what agricultural services they provide and why they are providing (or failing to provide) services to different groups of farmers. Disaggregation between high and low potential areas and between wealthy and poor producers is a prerequisite to predicting where different strategies can be expected to succeed and who is likely to benefit.

- There is a need for clear and independent evaluation of current efforts to delegate responsibilities to *shuras*, cooperatives and other civil society institutions, and to assess the impact of efforts to transform these institutions into egalitarian and/or commercially oriented organisations.
- Investments in building civil society's capacities for channelling aid resources to agricultural development need to be coupled with more specific attention to if and how these institutions can be made more accountable to their communities.
- Civil society should be supported to strengthen the capacity of farmers to make demands, instead of just training *shuras* to manage the receipt of aid resources. This objective has been addressed in some sectors, but is still weak in agriculture.
- Initial efforts to encourage the private sector to provide agricultural services are encouraging, but are still dwarfed by the continued tendency of aid agencies to undercut the market for private service

providers, or are distorted by tendencies to favour a few chosen entrepreneurs with massive subsidies. This needs to be addressed through tighter coordination, in particular through good donorship.

- The greatest concern of farmers is the need to ensure that private input suppliers are held accountable for the services that they provide, including those selling fertilisers and pesticides and those providing veterinary medicines and vaccines. Priority should be given to enhancing the capacity of the state to carry out its regulatory responsibilities. Investment in this area would illustrate that public sector reform is not just an agenda to dismantle the state, but actually results in visible improvements in service provision.
- Critical consideration must be given to the need to apply “protection” concepts to assessing the likely intra- and inter-community impact of agricultural interventions, particularly irrigation. This should be done based on an understanding of how Afghan farmers, community leaders and commanders have dealt with conflict and tried to manipulate the outcomes to benefit their own livelihood strategies.

Put the market on the agenda

Apart from woes about the supposedly unassailable profitability of opium production, empirically grounded agro-economic and market thinking has not gained centre stage in policies and programming. Even those who have recognised the importance of diversification and market orientation have run into difficulties in identifying where and how to intervene. The challenges to gaining an overview of market forces in a country where such a large proportion of the market is illicit are admittedly enormous, but the dangers of continuing to leave these factors on the back burner are greater. The market

is not a panacea for equitable rural development, but recognition of its importance would be an important step in realigning programming with the prevailing livelihood strategies of rural people and the economic realities they face when trying to sell their crops.

- Efforts to promote export agriculture must be more cognisant of regional and international markets if they are to avoid leading farmers into unprofitable and unsustainable endeavours.
- Special attention should be paid to using capacity building to introduce alternative perspectives on what is possible and desirable in commercial development, as would guidelines to promote a do-no-harm-to-the-market frame of analysis in agricultural service provision.
- If market development initiatives are to be pro-poor, then priorities for aid investments must take into account the ways in which new market prospects may best stimulate the creation of off-farm, non-farm and large-farm employment opportunities.
- After recent successes in increasing production, attention should shift to the links between farm production and market demand. The most important of these factors is storage and processing.

Deal with risk

In light of the legacy of conflict and natural disasters, Afghans will inevitably make their decisions about how to integrate agriculture into their livelihoods primarily based on an assessment of risk. Fears of renewed conflict and natural hazards are at the core of traders', farmers' and rural labourers' choice of livelihood options. The actions of the state and the aid community already directly affect the parameters for these risk assessments. The relevance and effectiveness of agriculture programming would therefore increase

enormously if risk was given far greater prominence in policy formation. Instead of being seen as a factor that scares donors, risk awareness should be used to highlight priorities for protecting rural livelihoods.

- While it is important not to exaggerate the effectiveness of traditional or informal risk reduction institutions and mechanisms, planning should nonetheless recognise that they are the first line of defence in dealing with natural hazards and conflict, and that formal institutions for risk management (insurance, civil protection, governmental land use planning structures, etc.) will not emerge in the near future.
- Traditional mechanisms cannot, however, provide much protection against market uncertainty. In order to mitigate these risks, it is important to increase awareness among aid agency and government staff of regional and international market trends.
- A priority for helping farmers manage risk should be providing information on markets and weather. Market information services and meteorological information, including snow surveys, would help farmers predict what might be a profitable crop and how much irrigation water may be available.
- Diversification within and beyond traditional livelihoods through migration, commercialisation and other strategies has long been the most effective set of risk reduction strategies employed by rural Afghans. Aid may have little direct role to play in enhancing these strategies, but livelihood-focused programming must be anchored in an awareness of their importance.
- Efforts to combat the opium economy are centred on increasing the risks for poppy production relative to other livelihood options. This specific aspect of risk enhancement deserves greater prominence.

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Abbreviations and Acronyms

ADB	Asian Development Bank
AKDN	Aga Khan Development Network
AREU	Afghanistan Research and Evaluation Unit
CADG	Central Asian Development Group
DACAAR	Danish Committee for Aid to Afghan Refugees
DFID	Department for International Development (UK)
FAO	United Nations Food and Agriculture Organisation
FEWS	Famine Early Warning System
GoA	Government of Afghanistan
ICARDA	International Centre for Agricultural Research in the Dry Areas
ICG	International Crisis Group
IDP	Internally displaced person
ISAF	International Security Assistance Forces
MAAH	Ministry of Agriculture and Animal Husbandry
MRRD	Ministry of Rural Rehabilitation and Development
NDF	National Development Framework
NEEP	National Emergency Employment Programme
NGO	Non-governmental organisation
NPM	New Public Management
NRVA	National Risk and Vulnerability Assessment
ODI	Overseas Development Institute
UNAMA	United Nations Assistance Mission in Afghanistan
UNODC	United Nations Office on Drugs and Crimes
USAID	United States Agency for International Development
WFP	World Food Programme
WTO	World Trade Organisation

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