



Rethinking Rural Poverty Reduction in Afghanistan

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Introduction

Rural communities across large parts of Afghanistan are getting poorer. Despite years of development aid that have seen tangible improvements in education, healthcare and electricity, many rural households are still struggling to put food on the table and educate their children. This is especially true in the drought-hit North of the country, where the ban on opium poppy cultivation has coincided with prolonged and repeated droughts. The global financial crisis and volatile food and fuel markets have worsened the situation, pushing up prices of basic goods just when many families could least afford it. As a result, the livelihoods of many people in these areas are even less secure now than they were ten years ago.

Given the regional and international interest in Afghanistan's security and development, it is unsurprising that political expedience exerts a major influence on the country's policy agenda. In too many cases, this has led to programmes and strategies that are largely divorced from the interests and experiences of ordinary Afghans. One such example is how poverty reduction is losing ground to the promotion of economic growth in current policy agendas, such as the Afghanistan National Development Strategy (ANDS). As donor and government priorities shift in anticipation of the 2014 transition process, this policy note calls for a re-examination of poverty reduction strategy in Afghanistan. Drawing on AREU research, it argues for a revised understanding of poverty that goes beyond the issue of resource scarcity to address the social and economic structures that underpin it. Economic security for ordinary Afghans must be part of a responsible exit strategy, and can enhance stability. However, this will not happen without a guiding vision from the government and donor community that puts the Afghan people at its centre.

1. Addressing Rural Livelihood Security

There is little doubt that agriculture and the rural economy have a central role to play in promoting development in Afghanistan. However, market-oriented assistance to these sectors is unlikely to reach the substantial portion of rural households that are struggling to cope with high levels of uncertainty. Faced with the often cumulative effects of economic shocks and locked into dependent or unequal social relationships, these families are regularly forced into short-term coping strategies that threaten to undermine their long-term livelihood security. In such cases, diversification into nonfarm employment often does not represent a path out of poverty but a lack of alternative options. For these vulnerable groups, simply improving the availability of inputs or infrastructure—a major focus of many current interventions—will not suffice. Enabling them to make a lasting shift out of poverty will require a joined-up approach that stabilises livelihoods and ensures a basic level of food security, strengthens their capacity to improve their situation, and addresses the structural constraints and unequal social relations that limit their efforts to do so.

About the Research

This policy note is based on research conducted by AREU's "Afghanistan Livelihood Trajectories" project, funded by the UK's Economic and Social Research Council. The research was conducted in 2009-10 in 64 households in eight villages spread across Kandahar, Badakhshan and Sar-i-Pul Provinces, and also included supplementary data from Faryab Province. In revisiting households covered by previous AREU livelihoods research in 2003, the study aimed to track the course of rural livelihood security in these areas in the intervening years. For more information and a full list of papers, see the project's page on AREU's website.

Agricultural variability and viability

The challenges many rural households face in making even the most basic living off their land raise serious questions over the viability of agriculture as a primary route out of poverty. Inheritance practices that subdivide assets over generations mean that land sizes are declining, a particular problem in rainfed agricultural areas lacking adequate irrigation infrastructure (e.g. Sar-i-Pul, Badakhshan, Faryab). In areas of agricultural surplus (e.g. Kandahar), landholdings are often concentrated in the hands of wealthy and often predatory landlords, leading to a prevalence of unequal and insecure sharecropping arrangements. Other sources of risk to agricultural viability include pressures both natural, such as the frequent droughts besetting the country, and man-made, such as ongoing government attempts to curtail opium poppy production in the absence of comparable livelihood alternatives. In addition, access to agricultural inputs from state or NGO sources is often unreliable, not timed appropriately, and can be hijacked by local patronage networks. This leaves many households vulnerable in the face of plant diseases, pests, or livestock loss. Finally, an increasing need to engage with markets is causing considerable strain among many households without connections or market power. A deep distrust of often volatile markets means that many farm households are prioritising subsistence production to avoid relying on them to meet basic food requirements. Farm households ultimately need a secure base from which to make the risky move of intensifying market production.

Limits of diversification into nonfarm employment

The limited quantity and quality of job opportunities often constrains the effectiveness of nonfarm employment as a route out of poverty. Lack of resources and poor access to input and product markets mean that the basis for a strong nonfarm economy is particularly weak in remote areas, pushing many men to migrate for work. While many rural households are already highly diversified, diversification does not guarantee livelihood security. In many instances, households are driven to seek nonfarm employment by circumstances such as drought or landlessness. In this process of “distress diversification,” workers are often prepared to take higher risks or submit themselves to dependent relations to secure a source of income. In an often saturated labour market, this can drive down wages and reduce employment security. While limited options exist in urban and international labour markets, these are beset with their own challenges, highlighting the need to extend the horizons of rural development and labour protection to areas well beyond the village. While women’s contributions to household livelihoods are often vital in times of economic decline, gender norms continue to constrain the aspirations and abilities of women, negatively impacting household livelihood security and economic potential.

Understanding context and social hierarchies

Most programmatic interventions to address livelihood insecurity at the village level take little account of context: how villages are organised and the ways in which prevailing economic, political and social systems contribute to that organisation. In Afghanistan, regional identities and social orders have deep historical roots, which have proved highly durable and remain relevant to understanding Afghanistan’s political landscape. Within and across the country’s four main regions—focused around the historical centres of Herat, Balkh, Kandahar and Kabul—there are persistent contrasts between the relatively non-hierarchical subsistence social orders of the mountains and the more hierarchical social arrangements of the surplus-generating irrigated plains.

In most cases, the prevailing social order of a given village has a decisive impact on its capacity to produce and access public goods. For individual households, the nature and quality of village social relations, and their position within them, can determine whether they improve their conditions, cope with crises, or remain locked in poverty. Patronage and charitable relationships are important ways for some households to maintain livelihood security, while others invest heavily in maintaining informal networks of mutual support that offer access to interest-free credit. However, all of these safety nets are variable and can weaken in the face of economic decline. Poor households least endowed with able-bodied male labour are often particularly vulnerable, forced to invest in precarious forms of dependent relationships with local elites in order to survive. Currently, the ability of poor Afghans to mobilise collectively against the systemic insecurities they face remains minimal, since doing so runs the risk of social exclusion and curtailed access to vital resources obtained through social connections.

Further Reading

All available from www.areu.org.af

- Running out of Options: Tracing Rural Afghan Livelihoods
- Understanding and Addressing Context in Afghanistan: How Villages Differ and Why
- Securing Life and Livelihoods in Rural Afghanistan: The Role of Social Relationships
- Poverty in Afghan Policy: Enhancing Solutions through Better Defining the Problem

While existing forms of social assistance provided by the state, NGOs and communities themselves can offer a valuable source of respite for struggling households, prevailing social hierarchies put up obstacles that limit their accessibility or availability, especially for the poorest households. While charity is a commonly accepted way for communities to help their poorest households, donations are highly variable and individualised, and recipients often feel pressured to demonstrate their “worthiness” (e.g. poverty, willingness to serve) in order to ensure continued receipt. Cash-for-work programmes can guarantee several months of food security among poorer households. However, they are often unable to

reach households without adequate male labour, while their short-term and ad-hoc nature limits their potential to provide a base of security from which recipients can improve in the long run. And although limited sources of state social protection exist, labyrinthine application processes mean access is often limited to those with the requisite social connections. In all cases, there is a risk that capture or co-opting of aid by village elites—sometimes acting through the National Solidarity Programme’s Community Development Councils—can severely impede its ability to help the most vulnerable households.

2. Ways Forward

Improving rural livelihood security in Afghanistan requires an integrated programmatic approach that addresses agricultural risks, weakens existing supply- and demand-side constraints within nonfarm labour markets, and works both within and against the local social hierarchies that affect who benefits from aid. Informed by AREU’s evidence of the struggles that rural Afghans regularly engage in to achieve security, a range of broad recommendations in different intervention areas is provided below.

- **Recognise village preconditions:** Development actors in the field need to take more account of village variability in programme design, implementation and evaluation. This would include an assessment of how far village preconditions have contributed to programme impacts, as well as a more careful understanding of how interventions interact with what already exists, such as informal credit structures and local social inequalities. Donor encouragement of more context-sensitive programming allowing for more flexible implementation processes and assessment outcomes will be critical in driving this process.
- **Develop strategies to engage with elites:** It is particularly important to understand that political elites at both regional and village levels often maintain their positions by restricting access to resources through personal relations. Until such individuals are willing to allow more open competition, village social orders have no imperative to change. In some cases, there may be opportunities for programmes to build on elites’ existing philanthropic roles; in others, their potential to capture programme control and benefits needs to be neutralised, potentially entailing longer-term engagements in communities with the aim of creating alternative power centres.
- **Identify ways to provide access to resources that challenge existing inequalities:** Although approaches to agricultural growth that prioritise access to inputs or services may have immediate practical benefits, these are not guaranteed to be evenly distributed. Programme benefits can often be expropriated by existing patronage systems to serve alternative ends, such as the strengthening of social networks. Such efforts may thus end up supporting existing inequalities instead of challenging them, leaving the poor trapped in dependent relationships in order to secure access. There is a strong need for more rigorous monitoring and evaluation mechanisms, along with greater and more accessible information about the availability of state or NGO assistance and their qualifying criteria.

- **Harness the strength of collective organisations:** Collective organisations may provide an important means to challenge local social orders and improve livelihood security for poor rural residents, including women. Supporting the formation and strengthening of organisations of sharecroppers, agricultural workers or farmers producing for markets can be a way to improve bargaining power and market access. Organisations can also become a conduit for promoting joint production of small plots or sharing of assets such as draught animals to improve security of access. Separate organisations for women farmers or workers are needed to ensure they have space to define and act on their own interests.
- **Improve the outreach and effectiveness of programmes delivering agriculture inputs and credit:** Agricultural development programmes need to be geared toward the wide range of interests and goals rural Afghans prioritise. They must be more accessible to poorer farmers and sharecroppers and oriented to subsistence producer needs as well as those producing for markets. They must reflect the complementary nature of farm inputs and be delivered in coordinated ways, in line with seasonal calendars and with credit products designed to suit agricultural cash flows.
- **Provide a stable base from which farmers can take growth-oriented risks:** Farmers make rational decisions to produce for their own food needs in the face of a highly risky environment. Interventions need to be sequenced to first enhance food and basic livelihood security before supporting farmers to produce for markets or invest in new enterprises. This involves expanding provision of economic infrastructure (roads, communications, electricity) to both low- and high-potential areas, regularising and expanding work days available through food-for-work programmes, and ensuring social assistance reaches households lacking able-bodied male labour. Identifying ways to institutionalise traditional forms of charitable giving to make it less individualised and variable; enhancing saving opportunities and developing micro-insurance products are also ways to provide a base of security.
- **Improve the quality and quantity of nonfarm labour opportunities and rural residents' readiness for opportunities:** Efforts are needed to enhance job creation in rural and urban areas and in neighbouring countries. This involves improving infrastructure in rural areas to enhance investment potential, investing in urban development to ensure jobs and services are available to accommodate rising numbers of rural-urban migrants, and continuing efforts to gain bilateral labour migration agreements with Iran and Pakistan to manage flows and protect migrants. Other actions include advocating for minimum wage legislation and an informal sector labour code to document and protect worker rights; such efforts need to involve workers to build cohesion and organising skills. Finally, workers need the right skills to match demand from existing and new opportunities, such as in the extractive industries. The ability of the National Skills Development Program (a National Priority Program under the ANDS) to reach poorer clients, including women, needs to be improved to ensure these groups do not lose out.

About AREU

The Afghanistan Research and Evaluation Unit (AREU) is an independent research institute based in Kabul. AREU's mission is to inform and influence policy and practice through conducting high-quality, policy-relevant research and actively disseminating the results, and to promote a culture of research and learning. To achieve its mission AREU engages with policymakers, civil society, researchers and students to promote their use of AREU's research and its library, to strengthen their research capacity, and to create opportunities for analysis, reflection and debate.

AREU was established in 2002 by the assistance community working in Afghanistan and has a board of directors with representation from donors, the United Nations and other multilateral agencies, and non-governmental organisations. AREU receives core funds from the governments of Denmark, Finland, Norway, Sweden and Switzerland. Specific projects in 2011 have been funded by the European Commission (EC), the International Development Research Centre (IDRC), the Humanitarian Aid Department of the European Commission (ECHO), the UK Department for International Development (DFID), and UN Women.

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