Analysis of multidimensional poverty – Afghanistan

1. Executive summary: Analytical findings

1.1 Who is poor? How are people poor? Multidimensional poverty

Below, some of the main observations concerning poverty in the different dimensions are described, as well as vulnerabilities and groups that are seen as poor.

Poverty trends

- In 2013/14, as much as 39% of the Afghan population lived below the national poverty line, and another third of the population lives at risk of falling into poverty. Although no evidence exists, it is not unlikely that poverty has increased even further as a result of the continued economic situation and the inflow of returnees.
- Poor households are large, are less likely to have an educated head of household, possess few skills, own no or very little land, and rely on wage labour that often is seasonal. Poverty is mainly a rural phenomenon – 4 out of 5 poor live in the rural areas and the poverty rate is higher in rural than in urban areas (38 and 28% respectively). Chronic poverty is found in both rural and urban areas.
- There are regional differences with less than a third poor in four regions and as much as 50% in the Northeast. While poverty has decreased in all other regions between 2007/08 and 2011/12, it increased in the Northeast.
- Despite steady growth rates over 10% annually for the last 10 years, average poverty rates have not been reduced between 2007/08 and 2011/12. While the incomes of the poorest 25-30% of the population have decreased, the incomes of the rest of the population have increased and the richest 20% have seen annual growth rates of around 2% and higher.
- Multidimensional poverty is high but has been reduced. Access to social services has improved – both for poor and for non-poor Afghan households. The share of poor households experiencing three or more deprivations has gone down from 85% to 70% between 2007/08 and 2011/12. Girls’ access to education in rural areas has been affected by the security situation.
- Since most data is at household level, limited conclusions can be drawn on whether women are poorer than men.

Resources

- Access to basic services has improved 2007/08 to 2011/12. However, access to education is unequal and the education gap between poor and non-poor has widened.
- Poverty strongly correlates with lack of education and limited access to social services.
- Land ownership is highly skewed – in 2002, 2.2% of the population owned 19% of the land. 25% of the rural population owns no land and make their living as share-croppers or workers.
Poor households are often found among landless or near landless households. Almost all land is registered to the head of household and very few women own land.

**Power and Voice**
- People living in poverty rarely participate in local decision-making structures.
- 75% say that they would fear for their personal safety if they ran for a public office.
- Discrimination of women remains pervasive in several aspects – participation in public life, education, employment, early marriage, high illiteracy rates, very limited influence in how they spend their money. Women are therefore poor in this dimension.
- Violence and insecurity continue to restrict political activity, particularly outside urban areas. Afghan media continues to expand and diversify, but media workers face challenges including physical attacks and intimidation.

**Human security**
- The number of civilians killed or injured in the conflict is steady on a high level, up to September 2016 in total 8397 civilians had been killed or injured.
- Lack of security is a large and growing threat to Afghans. In 2016, more than two thirds of the population reported that they always, often or sometimes fear for their personal safety.
- A third of the population state that landmines or unexploded devices have caused accidents in their community the last year.
- Climatic models suggest that the impact of climate change will worsen in the years to come, mostly drought related included desertification and land degradation. This will impact severely on agriculture, that most poor people rely on for their living.

**Opportunities and choice**
- Afghan women and men identify unemployment as the biggest problem in their area.
- Vulnerable jobs dominate the labour market, and nationally less than 20% of jobs are formal.
- Nearly half of day labourers and 40% of the self-employed are poor, while only 25% of the self-employed outside agriculture and salaried employees within the private and public sector are poor.
- Only 13% of the Afghan women participate in the labour market.

**Vulnerabilities**
- Vulnerability of Afghan households to shocks is high and increasing. 84% of poor households experience at least one shock per year, and more than half of the poor households experience three or more shocks per year. Poor households are more likely to adopt harmful coping strategies, which perpetuates poverty.

**Groups particularly exposed to multiple deprivations**
- Rural people, especially landless, experience deprivations in several dimensions: they are more likely to be resource poor, less likely to be covered by basic social services, in some parts of the country experiencing a high degree of lack of human security, and less likely to participate in decision making structures.
- Internally displaced persons and returning refugees, children (especially girls), women and the ethnic minority Kuchis are poorer that the average. This comes from discussions with the team rather than from e.g. the World Bank’s analysis.
1.2 Why are people living in poverty? The development context

Below, some of the main conclusions explaining poverty in Afghanistan are described.

**Political and institutional context**
- Government remains weak in delivering services; budget expenditure of some ministries is unsatisfactory.
- Future elections are marred with uncertainties (related to election reforms as well as strengthening insurgency).
- Women have more challenges to exercise their constitutional rights.
- Former warlords remain strong; impunity from justice remains prevalent.
- It is more difficult for the poor and women to receive justice.
- Freedom of expression is a success story, yet achievements are fragile and depend on the survival of the political system.
- Women and the poor are less likely to receive any justice.
- Rules and formal institutions remain subordinate to informal networks.

**Conflict/peaceful context**
- The war is getting worse; civilian casualties have increased; insurgency is getting stronger.
- Armed forces are struggling to maintain security.
- War remains largely a rural phenomenon (though it is increasingly fought closer to some city centres).
- No proper peace process has been initiated, though ‘talks about talks’ continue to happen in different formats.
- A peace agreement was recently signed with one of the insurgent groups. It is seen as a positive step that could potentially replicated with other groups.
- There are no visible efforts by any group of working for transitional justice. Existing laws provide the base for provision of blanket amnesty.
- Rural poor are affected worse by the ongoing conflict.

**Economic and social context**
- Economic growth has slowed down in parallel with the transition period.
- Agriculture is an important sector in the economy, but it is threatened by climate related risks in absence of investments countering the effects.
- Former warlords and other politicians directly or indirectly dominate the private sector.
- High military expenditures take away precious resources from other sectors key to development.
- Investment climate has serious challenges.
- Child labour is very common.
- Important achievements have been made in education and health areas, but the substantive challenges still remain.
- Two third of the budget is funded from foreign aid
- Demographics information shows Afghanistan as one the youngest countries.

**Environmental context**
- Climate change has impacted the environment.
• Agriculture (being a very important sector for the economy) is threatened by climate-related risks.
• Rural poor are more at risk of climate issues.
• Air pollution, particularly in the capital, has reached hazardous levels.
• Environment issues and related institutions have been largely neglected in the past 15 years due to prioritization of security, economy and infrastructure issues.
• Investment in natural disaster risk reduction strategies will have direct impact on reducing the need for post-emergency humanitarian interventions.

Vulnerabilities

• Vulnerability is extremely high; small shocks can be devastating.
• Chronic poverty is wide-spread.
• Women, children, physically disabled persons and the elderly are specific groups of population that are more vulnerable to the various risks posed by the realities of life in Afghan society.
• Much of the achievements, including the survival of the government and its armed forces depend on continuous international assistance – in the absence of which there remains little hope of continuation of progress.
• Future elections will be key vulnerability-exposing and risky periods.
• Physical remoteness (mountainous areas and lack of connectivity) increases vulnerability of communities and their access to resources and markets.
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2. Introduction and overview of poverty and development in Afghanistan

2.1 An analysis of multidimensional poverty to inform the mid-term review of Sweden’s results strategy for Afghanistan

Sida has recently concluded an update of the concept of multidimensional poverty. Sida identifies four dimensions of poverty: resources, opportunities and choice, human security, and power and voice. The four dimensions – captured in the inner circle – help identifying the main ways in which poverty manifests itself and how it is experienced by people living in poverty. The underlying understanding is that poverty is complex. Multiple causes interplay to push people into a situation of poverty – and to keep them there. Knowledge about this complexity and how it is manifested for different groups of people is fundamental to be able to define effective policy measures and approaches to reduce poverty. All the dimensions are interlinked. To be defined by Sida as living in poverty, a person needs to be resource poor and poor in at least one other dimension.

The outer circle displays the development context, in which poor people live and act. Sida analyses the development context along four aspects – in terms of social, economic, political and institutional development as well as environment and conflict. A gender perspective permeates all these aspects. The outer circle is the explanatory framework for the degree and dimensions of poverty, and also contains the main elements of a development analysis that explains opportunities and constraints both for an inclusive and sustainable development as well as for people living in poverty to change their situation.

The main purpose of this analysis of multidimensional poverty in Afghanistan is to inform the mid-term review of the Results strategy for Sweden’s international development cooperation with Afghanistan 2014-2019. The mid-term review will take place in February 2017. The strategy has five main areas: education, empowerment, employment, economic integration and enterprise. Afghanistan is the largest partner country for Sweden with around 700 million SEK per year in aid. Gender is mainstreamed in all sectors. In 2019, the new Swedish strategy for Afghanistan 2020-2024 will be developed, and this MDPA will be updated to provide analysis for the new strategy.

2.2 Overview of the multiple dimensions of poverty in Afghanistan

Afghanistan is a poor country with 39 % of the population below the poverty line. According to UNDP’s Human Development Index, Afghanistan is at place 171 out of 187 countries. The value of the index (in 2015 it equalled 0,465) has continuously improved since 1980, mainly through the steady increase in life expectancy (10 years increase between 1980 and 2012), and the increase in education. According to the multidimensional poverty index (MPI), two thirds of the Afghan population is poor. What is
hidden in average statistics is the exclusion of women and girls from the society. Patriarchal structures and habits limit their right to decide on their own life trajectory, to get involved in politics and to work outside the household.

<table>
<thead>
<tr>
<th>Poverty and inequality overview</th>
<th>07/08</th>
<th>11/12</th>
<th>13/14</th>
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<tbody>
<tr>
<td>Poverty headcount ratio at national poverty line</td>
<td>36,3%</td>
<td>35,8%</td>
<td>39%</td>
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<tr>
<td>Poverty headcount ratio at international poverty line at $1.90</td>
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<td>Multidimensional Poverty Index headcount:</td>
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<td>Contribution to deprivation</td>
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<td>- Health</td>
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<td>- Education</td>
<td>45,6</td>
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<tr>
<td>- Living standards</td>
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<td>Human Development Index (rank)</td>
<td></td>
<td>171</td>
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<td>HDI (value)</td>
<td>0,448 (2010)</td>
<td>0,456 (2011)</td>
<td>0,465 (2014)</td>
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<td>- Life expectancy at birth</td>
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<td>- Mean years of education</td>
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<td>- GNI/capita</td>
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<td>Gender Inequality Index</td>
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<td></td>
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<td>Men 0,456</td>
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<td></td>
<td></td>
<td>Women 0,328</td>
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</table>

2.3 Trends in economic poverty indexes
This section is mainly based on the World Bank’s Poverty Status Update from 2015, based on two rounds of household surveys from 2007/08 and 2011/12. It is updated with information from the 2013/14 National Living Condition Survey, but since no comprehensive analysis exists on this latter survey, the analysis focuses on the changes between 2007/08 and 2011/12.

Around 39% of the Afghan population lives below the national poverty line of 1250 Afs per month. Around the same proportion is just above the poverty line. Given the high vulnerability to shocks (see below), these people are thus at risk of falling into poverty.

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1 WB data (http://data.worldbank.org/indicator/SI.POV.NAHC?locations=ML)
2 As well as relevant higher thresholds of $2.50 and/or $5.00.
3 The available analysis uses the Afghan national poverty line from 2007. It was calculated using the cost of basic need approach. With some rough calculations this poverty line corresponds to around 69 USD PPP (using the PPP conversion factor from 2011/12). At present, this is the only available poverty line.
Poverty has increased and inequality increases somewhat: Despite impressive growth over the last few years, poverty in Afghanistan basically remained unchanged between 2007/08 (36.3%) and 2011/12 (35.7%), and in 2013/14, it increased to 39%. As can be seen from figure 10, there are however regional differences in the situation 2007/08 and 2011/12. In four regions, less than a third of the population is poor, while in two regions (East and West-Central) more than 40% are poor and as much as 50% in the Northeast. While poverty has decreased in all other regions between the 2007/08 and 2011/12 surveys, it increased in the Northeast. Here, poverty instead increased sharply, by nearly 40%. There is limited analysis available of what has caused this dramatic change, but some issues around it are raised in the section on vulnerability and lack of inclusive economic development. Conflict related casualties have increased in the region, but are still low compared to other regions and the Northeast is thus not particularly affected by conflict. In the analysis, the World Bank refers to the three regions of East, West Central and Northeast as “lagging regions” in the sense that whatever development that has taken place in the rest of Afghanistan, it has not reached these regions. These three regions are all characterised by mountains, harsh winter, and lack of roads and insufficient infrastructure.

One explanation to why growth has not translated into reduced poverty nationally can be found in the figure (figure 14), depicting how inequality has increased between poor and rich. While the poorest 25-30% of the population have seen their incomes decrease between the two surveys, the rest of the population have benefitted from the growth with annual growth rates of their expenditures between 0 and 3%. The 5\textsuperscript{th} quintile (the richest 20%) has the most positive development, with annual growth rates of around 2% and higher. However, inequality measured by the Gini coefficient is traditionally not particularly high in Afghanistan but increased slightly to 31.6 in 2011/12. The Palma ratio\textsuperscript{4} verifies this picture of low inequality – the index amounts to 1.0 which is extremely low. This means that the richest 10% of the population has the same income as the poorest 40%. No other country classified as low human development has such a low ratio.\textsuperscript{5}

\begin{itemize}
  \item The Palma ratio depicts inequality by showing the relation between the income controlled by the richest 10% and the poorest 40% of the population. A high number shows great inequality. Sweden has a ratio of 0.9.
  \item As a comparison, Ethiopia lies at 1.4, DRC at 2.4, Bangladesh and Cambodia at 1.3.
\end{itemize}
Analysis by the World Bank shows that if inequality had remained constant, growth would have reduced poverty by approximately 4 percentage points between 2007/08 and 2011/12.

### People’s perception of poverty in Afghanistan

The most common answers when speaking about poverty are related to a situation of material deprivation (food, land, livestock). Most of the time, interviewees referred to a lack of food (“the poor are the ones with an empty stomach”) or an absence of surplus (“the poor are the ones who do not have enough milk to make yogurt”). Many people also refer to an absence or a lack of land or a lack of job opportunities which leads to extreme vulnerability.

The lack of perspectives and planning for the future was often associated to the definition of poverty. “The poor are the ones who can not foresee what will happen tomorrow”. It can also be a lack of access to health facilities, which makes people more vulnerable. One man in Bamyan province defined poverty, saying: “the poor are the ones who can be sick today and be dead the next day.” A woman in Herat stated “the poor are the ones who do not know what the next day will look like.”

Interestingly enough, some people defined poverty as a lack of social network: “the poor are the ones who do not have any relationships in their area.” According to a woman in Nangahar: “A poor woman is a woman who raises her children alone”. Some people also refer to the reduction of room for manoeuvre: “the poor do not have the choice, they accept any kind of work”.

Source: Research on Chronically Poor Women in Afghanistan, Groupe URD, March 2008

**Perceptions of poverty:** Afghans that were interviewed for a survey were asked what poverty means, and what it is like to be poor. Some of the answers are copied in the box to the right. This gives complimentary information on poverty in a specific context. Poverty is generally defined as lack of surplus, lack of predictability, lack of choice and lack of resources (physical and social).

**Who is poor?** There is rather limited analysis available on this topic. Poverty is highest in rural areas – around 37% of the rural population live in poverty compared to 29% in urban areas – and 4 out of 5 poor Afghans live in the rural areas.

Among the nomadic Kuchi population, poverty reaches as high as 54%. Comparing poor and non-poor, the former are less literate and the head of household has less education. Poor households are more likely to be day labourers or work in agriculture/livestock. The poorest Afghans thus often rely on wage labour, which in rural areas tends to be seasonal.

Poverty is also closely associated with larger households and high dependency rates, and therefore poverty among children is high. More than 3 million children are out of school and many of these are working. Poorer households have more children. Households that lose the husband – the main bread winner – usually merges with the parents or the in-laws, creating large vulnerable households. In contrast to many other countries, the concept of “female-headed households” is thus rare in Afghanistan.

The causes for chronic poverty are often related to the long years of war. Returning long-term refugees, without both physical and social assets, are vulnerable. Many households that saw household members being killed or suffering from disabilities are among the chronic poor. Chronic

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6 Chronic poverty is defined by its extended duration and chronically poor people experience deprivation at multiple levels. With this definition, a large part of those living in poverty in Afghanistan would be defined as chronically poor, probably also some of those above the poverty line but poor from a multidimensional perspective.
poverty is often associated with chronic disease or general ill-health. The poorest households seldom produce their own food and have little or no livestock.

High vulnerability to shocks: Poor households are more vulnerable to shocks – they are more likely to experience shocks, but they are also more likely to adopt harmful coping strategies. This risks perpetuating poverty – the high prevalence of shocks and the subsequent harmful coping mechanisms makes it more difficult to move out of poverty and makes it easier for nearly-poor households to fall into poverty as a consequence of a shock.

The vulnerability of Afghan households is high and increasing. Around 84% of poor households experienced at least one shock in 2011/2012, up from 71% in 2007/2008. More than half of the households also report experiencing three shocks or more, up from 45%. The World Bank notes that this far exceeds other comparable developing countries, although methods and instruments are not exactly comparable. For instance, 56% of rural households in Uganda and 67% of rural households in Uganda experience at least one shock, which is far below the rate in Afghanistan. As can be seen from the figure below, food price shocks dominate (more common in urban than rural areas), followed by water shocks (more common in rural areas), and agricultural and natural hazard shocks. Security shocks are less frequent than one would expect, less than 20% of rural households and around 5% of urban households experience security shocks. The World Food Programme has noted that Afghanistan is among the world’s most vulnerable countries to food price shocks, and both surveys (2007/2008 and 2011/2012) took place during periods when events triggered food price increases. In 2007/2008 the rise of international food prices, at the same time as drought and early snow melt caused bad harvests,

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7 Adverse contexts and household assetlessness: some keys to identify where and who the poorest people are. Field evidence from contrasting regions in Afghanistan. Johan Pasquet, Groupe URD, September 2008
8 This section is mainly based on the World Bank’s Poverty Status Update from 2015, based on two rounds of household surveys from 2007/08 and 2011/12.
9 Shocks include unexpected events like natural hazards, health problems, rising food prices.
drove up food prices and in 2011-2012 drought in the Northern part of the country reduced the wheat harvest by 24% compared to the previous year.

Shocks impact on poverty through the coping mechanisms that households apply to deal with the impact of the shock. Some coping mechanisms are more harmful in the sense that they are likely to increase the risk of poverty or have long lasting welfare impacts. 70% of the households that experienced shocks reported using at least one harmful coping mechanism. Rural households exposed to shocks were more prone than urban households to using harmful coping mechanisms. The most common coping mechanism was “reduced expenditure”, applied by more than half of the households, while the more harmful coping mechanism “reduced food quantity or quality” was second most common, applied by around 40% of households exposed to shocks. Households in the two poorest regions of the Northeast and West-Central suffer more shocks and are more likely to rely on harmful coping strategies. These regions are more prone to natural hazard shocks such as landslides, earthquakes, floods, and severe winters due to geography and terrain. The high dependency in these regions on rain-fed agriculture and the prevalence of vulnerable employment also contribute to the high vulnerability to shocks.

*High dependence on humanitarian aid:* Out of approximately 27 million Afghans, 9.3 million are in need of humanitarian assistance. The majority of needs are for essential health, nutrition and food-security. Women and children make 80% of all those in need of humanitarian assistance. This is higher than their share in the population. There is no analysis available that discusses if the people in need of humanitarian aid are those defined as living in poverty.

*Growth is not inclusive:* There has been substantive growth in Afghanistan for several years in a row. For 10 years (2003-2012), growth averaged 9.4% which translated into 6.9% growth per capita. The growth has been fuelled by the presence of international forces and by a large inflow of aid. While annual growth rates amounted to almost 10%, growth of private consumption was much more modest, around 1.2% per year. Growth was mainly driven by the large inflow of military and civilian aid and the accompanying investments in infrastructure and public services. Growth of the economy and private consumption is also closely associated with the agriculture sector – nearly half of the population has its income from agriculture, the manufacturing sector relies on processing of agricultural products and Afghanistan’s meagre exports are dominated by agricultural products. The growth has manifested itself in the creation of jobs, mainly vulnerable employment in the service sector. The service sector itself grew in importance – from 38% of GDP in 2002/03 to 54% in 2012/13. However, services remained largely unsophisticated, dominated by wholesale and retail services, transportation and government services. Since then, the Afghan economy has stopped growing.

Ordinary Afghans feel the pressure of a weakening economy acutely. In 2015, around 30% of the respondents to the Asia Foundation’s perceptions survey say that their household financial situation has grown worse over the past year, the highest rate since the survey began in 2004. In 2016, the share increased to 37%. The decrease in this indicator is dramatic – in 2008 it peaked at 28% but otherwise it has been around 10% since 2007.

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10 This section is based on *Afghanistan Humanitarian Needs Overview 2015*, OCHA
12 *The Asia Foundation: A Survey of the Afghan People, 2016*
Why hasn’t growth reduced poverty? The World Bank elaborates on this issue in a presentation of the poverty status update. They dismiss two theories – growth was not skill biased (there was no increasing return to education), and growth did not widen the rural/urban gap (growth was not concentrated to urban areas). However, they argue that growth instead increased the disparities between regions. The three “lagging regions” with initial high rates of poverty, experienced negative growth in a period when the rest of the country grew. The World Bank argues that households in these regions were more exposed to shocks, and due to high initial poverty were less able to cope with them. As described above, coping mechanisms often involve disposing of household assets or deferring expenditures for health and education, both of which have negative effects for future income.

3. Overview of the four dimensions of poverty in Afghanistan

Poverty in Afghanistan varies dramatically by region because of different terrains, climate, agriculture zones, altitudes and latitudes of the areas. It is highly correlated with seasonality. There is a huge difference in economic wellbeing of households during different seasons due to agricultural cycles and extreme temperature fluctuations such as droughts and severe winter that affect livelihoods of exposed communities and create snow blocks to the roads especially in high mountain areas.

3.1 The power and voice dimension

During 2014, due to uncertainty surrounding the political transition along with growing pressure from Taliban insurgents, respect of human rights declined throughout Afghanistan, from an already low level. Impunity for abuses by security forces, threats to women’s rights and to freedom of expression, and indiscriminate attacks that killed civilians – all increased during the year.

Possibilities of vulnerable groups to organise themselves politically or within civil society: The poorest people are rarely involved in the community institutions (e.g. shura, Community Development Councils), even as members, meaning that their decision-making power at community level is rather weak.

Recent developments – gender equality: Although women have formal rights to education and employment, and some participate in public life, discrimination and domestic violence remain

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13 This part of the analysis (chapter 3) was prepared in March 2016, and has been updated with data from 2013/14. A large part of the analysis in chapter 3 is based on the World Bank’s Poverty Status Update from October 2015. It compares two rounds of the National Risk and Vulnerability Assessment, done in 2007/08 and 2011/12. The NRVA has been conducted at irregular intervals since 2003, and a new round (named Afghanistan Living Conditions Survey) was done in 2013/14. Data from that last exercise has only partly been used in this analysis. For the 2011/2012 survey, 21 000 households were interviewed by male and female interviewers. Most sampled districts and provincial centres could be visited, only 4% of them could not be visited due to security problems. However, data collection remains challenging, especially in conflict-affected provinces and for modules which require a female enumerator. In 2011-12, the quality of food consumption data in two provinces was severely compromised by the increase in conflict, and consumption data collected in the two provinces were excluded from poverty and welfare analysis. Perception surveys by Asia Foundation from 2015 and 2016 are other sources. These are based on public opinion polls where nearly 10 000 Afghans are interviewed on what they think about corruption, security, the economy, women’s rights, the Taliban. This survey suffers from the same limitations as the NRVA household survey when it comes to accessing some provinces.

14 The Islamic Republic of Afghanistan: Updating and Improving the Social Protection Index, AsDB, 2012

15 World Report 2015: Afghanistan, Human Rights Watch

16 Adverse contexts and household assetlessness: some keys to identify where and who the poorest people are. Field evidence from contrasting regions in Afghanistan. Johan Pasquet, Groupe URD, September 2008
pervasive, with the latter often going unreported because of social acceptance of the practice. Women’s choices regarding marriage and divorce remain circumscribed by custom and discriminatory laws. The forced marriage of young girls to older men or widows to their husbands’ male relations is a problem, with UNICEF reporting that nearly 40 percent of Afghan girls are married before the legal age of 16. However, according to data from the NRVA, the share of marriages below age 18 is consistently dropping for each successive birth cohort in the last decade, as is the age difference between the husband and the wife. Both trends could be interpreted as a strengthening of the position of women within marriage. The gender gap in education is narrowing for the younger ages, but for children age 13-15, the gender gap increases in rural areas. The likely explanation is that parents fear for the security of girls. There is evidence that violence against women is increasing. The presence of female journalists in media is reducing due to higher insecurity and an increasing level threats against them.

Women and girls are a clear-cut group in the society with less of power, voice or representation. Their rights are violated with early marriage, their illiteracy proportion is higher than males, they have very little independence on how they spend their money and they are less represented in the labour market. Women’s rights are violated both at home and outside home and they are largely unreported due to lack of access and conservative family structures.

Recent developments – civil rights and the space for civil society: The constitution guarantees the rights to assembly and association, subject to some restrictions, but they are upheld erratically from region to region. Police and other security personnel occasionally use excessive force when confronting demonstrations. Violence and insecurity continue to restrict political activity, particularly outside urban areas, with regular attacks against government officials at all levels. The work of hundreds of international and Afghan nongovernmental organizations as well as more than 4000 other associations, is not typically constrained by the authorities in a formal sense, but these groups’ ability to operate freely and effectively is impeded by the security situation. Civil society activists, particularly those who focus on human rights or accountability issues, continue to face threats and harassment. Afghan media continue to expand and diversify, but media workers face major challenges, including physical attacks and intimidation. Despite a media law that is intended to clarify press freedoms and limit government interference, a growing number of journalists have been arrested, threatened, or harassed by politicians, security services, and others in positions of power. In the perception survey by Asia Foundation, 75% of the interviewed say that they would fear for their personal safety if they would run for a public office.

3.2 The resource dimension
Access to social services: Poverty in Afghanistan strongly correlates with lack of education and limited access to social services. Between 2007/08 and 2011/12, besides improved education, access to other services improved substantially. The share of the population with access to safe drinking water increased from 26.6 % to 45.5 %, and access to skilled antenatal care and electricity improved to the

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17 Freedom House, Afghanistan 2015
18 National Risk and Vulnerability Assessment 2011-2012, Central Statistics Organization, Afghanistan
19 Women’s chapter (page 180) Afghan Living Conditions Survey
21 Freedom House, Afghanistan 2015
22 The Asia Foundation: A Survey of the Afghan People, 2015
same extent. At the same time, approximately 40% of the population live in areas where there is no public health service coverage at all.\textsuperscript{23} To a large extent, access to basic services (safe drinking water, improved sanitation and electricity) is explained by area of residence, where urban residents enjoy a much higher access. The literacy of the household head is another important explanatory factor. Based on data from the household survey, the World Bank has looked at the number of households that are deprived in one or more of five aspects\textsuperscript{24}. The figure below shows that the number of households experiencing three or more deprivations has been reduced – both among poor (70%) and among non-poor (53%) households.

![Figure 16: Trends in overlapping dimensions of deprivation, poor versus non-poor.](image)

Access to opportunities has increased, both for poor and for non-poor at approximately the same rate. But still, 14% of the poor households experience deprivations in all five dimensions compared to 7% of non-poor. This is a substantive amount. The improvement in school attendance and access to safe drinking water is mainly explained with a general expansion in the services provided rather than with an explicit targeting of under-serviced groups. Access to sanitation and electricity on the other hand has partly improved due to targeting of underserviced areas and/or groups.

Malnutrition is not included in the above analysis. In Afghanistan, one million children need treatment against acute malnutrition, and one in ten pregnant and lactating women are malnourished, which increases the likelihood that their children will be malnourished. 1.57 million people are severely food insecure.\textsuperscript{25} 2016 nutrition surveys show global acute malnutrition (GAM) prevalence ranging from 10.9 to 20.7%. Severe acute malnutrition (SAM) has breached emergency thresholds in 20 of 34 provinces. 1.8 million people require treatment for acute malnutrition, of which 1.3 million are children under five.\textsuperscript{26}

\textsuperscript{23} Afghan Humanitarian Needs Overview 2015, OCHA
\textsuperscript{24} The five aspects include i) illiterate household head, ii) any child under 12 is not in school, iii) no access to electricity, iv) no access to improved sanitation and v) no access to safe drinking water.
\textsuperscript{25} Afghan Humanitarian Needs Overview 2015, OCHA
\textsuperscript{26} 2017 Humanitarian Needs Overview
Looking a bit closer at education, Afghanistan has made tremendous achievements: gross primary enrollment rates have risen from 19% in 2002 to 72.4% in 2011/12. Looking at changes between 2007/08 and 2011/12 (the figure to the left), it is however evident that access to education is unequal, and that the education gap between poor and rich has widened. The enrollment rate of richer households increases much faster than for poorer households, and while nearly 70% of children in the richest quintile are enrolled, enrollment in the poorest 20% of the Afghan households is only half of that. The enrollment gap between urban and rural Afghanistan remains unchanged. Mainly, this is due to deteriorating girls’ enrollment in rural areas. The enrollment gap between girls and boys is highest in rural areas, and increases with age. Increased insecurity poses a severe challenge to reducing the gender gap in education in rural areas, and together with poverty and early marriage it is the top obstacle to improving women’s education outcomes.

The 2013/14 living condition survey shows that literacy indicators show steady, but modest increases. More than half (52%) of the youth population aged 15 to 24 is now able to read and write, compared to 31% in 2005. Continuous small increases are observed for the adult literacy rate, from 26% in 2007/08 to 34% in 2013/14. More disconcerting results are obtained with regard to the development of school attendance ratios. The net attendance ratio for secondary and tertiary education still maintained upward trends: for secondary net attendance ratio increased from 16% in 2007/08 to 37% now. However, the net attendance ratio for primary education showed a decline to 55%, after a peak of 57% in 2011/12. The school attendance information suggests that 2.3 million primary school age children in Afghanistan miss out on education and on the opportunity to learn basic life skills. The absolute numbers of persons of secondary and tertiary education age who are not participating in education are in the same order of magnitude, 2.0 and 2.3 million, respectively.²⁷

There is no analysis available whether access to services is related to ethnicity. Neither are gender aspects of access to services analysed since the available analysis is made at the household level.

**Multidimensional poverty:** Looking at the multidimensional poverty index²⁸, poverty in Afghanistan is as high as 66%. This means that 66% of the population is deprived in at least one third of the weighted indicators. This finding is consistent with the analysis on multiple deprivations, referred to earlier in this paper. The two diagrams below show what the deprivations look like among the poor population.

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²⁷ Afghanistan Living Condition Survey 2013-2014, National Risk and Vulnerability Assessment, Central Statistics Office

²⁸ Global Multidimensional Poverty Index (MPI for short) is an international measure of acute poverty. The Global MPI has three dimensions (education, health and living standards) and 10 indicators, e.g. years of schooling, nutrition, sanitation, electricity. A person is considered as poor if s/he is deprived of a third of these weighted indicators. Source: [OPHI Country Briefing Dec 2015: Afghanistan](http://www.ophi.org.uk/), ODI
Economic security: According to a field study of chronically poor households, indebtedness is very common among the poor. There are chronically indebted households with debts between 5000 and 30,000 Afs (75-450 USD) in rural areas and sometimes much more in urban areas. On the other hand, some households never take out loans because they are not creditworthy. Loans are often used to cover food and other basic needs, and not for productive investment.

Social security: Formal social protection in Afghanistan is underdeveloped, fragmented and reaches only a fraction of those in need. The Asian Development Bank estimates that only 11% of those targeted by different systems are reached. Moreover, more than half of the public expenditures for social protection go to non-poor individuals. The social protection at hand for most households is the social network. Given the high vulnerability, social protection and insurance schemes could play a role in preventing harmful coping strategies, thereby reducing the risk of falling into poverty for households hit by shocks.

Access to land: Around 60% of the population depend on agriculture for their living. Only 12% of the total land area is farmable and around 45% of the land is pastureland. Outright landlessness is a very real feature in Afghanistan, as well as near-landlessness (owning too small plots to survive). Poor households are often found among the landless households – those households that do not own land and who cannot share-crop due to lack of oxen and who cannot pay for farm inputs. In rural areas, 25% of the population reports no ownership of land, while 65% report ownership of up to 2 hectares of land. However, there are large regional differences. Landless or near landless people provide a significant part of the production as share-croppers, workers or tenants. Land ownership is highly skewed. Data from 2002 suggest that 2.2% of the population owns 19% of the total land area. The exodus of Afghans to other countries during decades of conflict has been a significant cause of tenure insecurity. Afghans returning to Afghanistan find their land and houses inhabited by other families and communities. In other cases, changes in government result in loss of rights. Conflicts over land and

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29 Adverse contexts and household assetlessness: some keys to identify where and who the poorest people are. Field evidence from contrasting regions in Afghanistan. Johan Pasquet, Groupe URD, September 2008
30 The Islamic Republic of Afghanistan: Updating and Improving the Social Protection Index, AsDB, 2012
31 Adverse contexts and household assetlessness: some keys to identify where and who the poorest people are. Field evidence from contrasting regions in Afghanistan. Johan Pasquet, Groupe URD, September 2008
32 The Asia Foundation: A Survey of the Afghan People, 2015
land tenure insecurity has increased. Returning IDPs might have lost the right to their land, war-lords or clan heads grab communal land to exploit privately, and the Taliban create support by assuming the role of the Government in solving land conflicts.\textsuperscript{33}

Almost all land is registered in the name of the male head of household. In urban settings, female heads of household and widows are increasingly asserting their rights to land, but they are unlikely to try to register their rights formally because the process is time consuming and costly. The Constitution provides that women cannot be precluded from owning or acquiring property. Islamic law grants widows one-eighth of the property of the deceased spouse and daughters inherit half the share of land inherited by sons. Despite these formal provisions and customary laws that permit women to own land, few women do. Daughters tend to relinquish their inherited land rights to their brothers, especially at marriage. Widows who inherit land commonly transfer it to their sons' names. In the rare cases where women do retain control of inherited land, they usually have no brothers and are not married, and thus have no means of support. Limited studies suggest fewer than 2% of women own land and most of those women are widows.\textsuperscript{34}

**Access to capital:** Only 3.4 percent of firms in Afghanistan held a bank loan or line of credit in 2008 compared to 30 percent in South Asia on average, and only 1.4 percent of Afghan firms use banks to finance their investments, compared to a south Asian average of 15 percent. Micro and small enterprises also suffer from limited access to formal finance (bank loans).\textsuperscript{35} However, this is partly mitigated by funding from relatives and kin-based networks, and from mutual loans within clusters of craftsmen.\textsuperscript{36} Formal loans often require security in the form of land. The poorest rural households have no ability to diversify their income. They have few skills and tend to have the same skills. They also hardly ever have any production means other than basic farming tools such as sickles. In urban areas, the poorest households usually have no production means at all.\textsuperscript{37}

### 3.3 The human security dimension

**Physical security:** Lack of security is a large threat to Afghanistan and its people. According to the Global Peace Index, Afghanistan is the third least peaceful country in 2015.\textsuperscript{38} In 2015 and 2016, more than two thirds of the Afghans report that they always, often or sometimes fear for their personal safety.\textsuperscript{39} This is the highest rate since 2006. There are differences between how the ethnic groups respond – 77 \% of the Pashtuns fear for their personal safety while the rate for other ethnic groups are between 58 and 65 \% – and between regions (since regions are differently affected by conflicts). Roughly a third of the interviewed state that landmines or unexploded devices have caused accidents in their community at least several times a year. 6.3 million Afghans are at present affected by the conflict and between January and September 2015, 8 346 civilians were killed and injured.\textsuperscript{40} There are large regional differences – some provinces are not exposed to the conflict while others are dominated by it.

\textsuperscript{33} USAID Issue Brief: Land tenure and property rights in Afghanistan
\textsuperscript{34} USAID Country Profile, Property Rights and Resource Governance: Afghanistan
\textsuperscript{35} Project Appraisal Document, Access to Finance Project, World Bank, November 4, 2013
\textsuperscript{36} SIPRI/NIR: Impediments to Inclusive Private Sector Growth, 2015
\textsuperscript{37} Adverse contexts and household assetlessness: some keys to identify where and who the poorest people are. Field evidence from contrasting regions in Afghanistan. Johan Pasquet, Groupe URD, September 2008
\textsuperscript{38} Global Peace Index 2015
\textsuperscript{39} This paragraph builds on The Asia Foundation: A Survey of the Afghan People, 2015
\textsuperscript{40} Afghanistan Humanitarian Needs Overview 2015, OCHA
**Legal security:** The Afghanistan Independent Human Rights Commission (AIHRC) receives hundreds of complaints of rights violations each year. In addition to abuses by security forces, violations involve land theft, displacement, child trafficking, domestic violence, and forced marriage. The judicial system operates haphazardly, and justice in many places is administered on the basis of a mixture of legal codes by inadequately trained judges. Despite broad constitutional protections for workers, labour rights are not well defined, and currently no effective enforcement or dispute-resolution mechanisms are in place.

**Exposure to changes in the climate and environment:** According to a study from 2009 (and repeated in another recent report), climatic models suggest that the impact of climate change will worsen in the years to come. The most likely effects are drought related, including desertification and land degradation. Drought is, according to the study, likely to be regarded as the norm by 2030. This will impact severely on agriculture, a sector that most people living in poverty are dependent on. Agriculture is vulnerable to increased temperatures and to changes in rainfall patterns and snow melt. Investments in water management and irrigation will be necessary. Climate change is likely to compound existing food security issues. The distributional effects are likely to fall on women and children, and those involved in subsistence agriculture or pastoralism. Climatic shocks could also tip those living just above the poverty line into poverty.

### 3.4 The opportunities and choice dimension

Unemployment and lack of jobs come out as the number one response when Afghan men and women are asked about the biggest problem in the local area and in Afghanistan as a whole, the biggest problem facing youth, and the biggest cause of crime. Given the low labour market participation rate (52 %) and the high number of vulnerable jobs (see below), this is not surprising. Afghanistan has one of the world’s youngest population — almost half of the population are under 15 years of age and 60 % are under the age of 20 — which also adds to the urgency of creating jobs.

The Afghan labour market is characterised by a high degree of vulnerable jobs. Nationally, less than 20% of the jobs are formal. The informal jobs consist of self-employed (48 %, mainly agriculture), day labourers (20 %) and unpaid family workers (12 %). In urban areas, the formal jobs are more common (40 %) and divided equally between public sector and private sector employment. Informal jobs are associated with higher risk of poverty. While nearly half of the day labourers and nearly 40 % of the self-employed in agriculture were poor, only around a quarter of the self-employed outside agriculture and the private and public sector salaried employees were poor (based on data of male labourers). Female labour market participation is very low — nationally around 20 % and in urban areas as low as 13 %.

Migration of the male workforce is an important feature of poor rural livelihoods. It can take different forms — seasonal agriculture-related wage labour in wealthier regions and mid- to long-term migration abroad (Iran or Pakistan). Migrants are often the eldest sons of poor families, that have to make an

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41 Freedom House, Afghanistan 2015  
42 Socio-Economic Impacts of Climate Change in Afghanistan, Stockholm Environment Institute, 2009  
43 [http://www.wfp.org/sites/default/files/WFP_UNEP_NEPA_Afghanistan_Impacts_climate_%20change.pdf](http://www.wfp.org/sites/default/files/WFP_UNEP_NEPA_Afghanistan_Impacts_climate_%20change.pdf)  
44 This section is mainly based on the World Bank’s Poverty Status Update from 2015, based on two rounds of household surveys from 2007/08 and 2011/12.  
45 The Asia Foundation: A Survey of the Afghan People, 2016
often huge initial investment to cover smuggler fees and transport charges in the case of migration abroad.\textsuperscript{46} Lack of jobs is the main force driving migration.

The aid-led growth during the last 10 years has created some jobs. In the service sector, new jobs were mainly of low quality and informal character, while in the health and education sectors jobs were primarily for high skilled workers. People living in poverty, lacking the necessary education, have thus not gained access to better quality jobs. The public sector is characterised by nepotism and clientelism, which makes access to these jobs partly dependent on connections and affiliations.

3.5 Connections between poverty dimensions

As described in previous sections, poverty in Afghanistan is multifaceted. Available analysis suggests that people who are living in poverty in economic terms, are also more likely to suffer from multiple deprivations when it comes to basic social services as well as access to land, security etc. There is not much analysis available on ethnic or gender dimensions of different aspects of poverty. What is clear is however that poverty in all its dimensions is more common in rural areas, and probably also in conflict affected areas. In the sense that women are deprived of mobility and voice, they are poorer than men.

Government and donor efforts have helped expanding access to basic social services including health and education. Although equality of opportunity to these services is an issue, great advances have been made. However, the data indicates that poorer households are deprived in more aspects than non-poor households, which shows interlinkages between different dimensions of poverty. Improving the quality of jobs and creating more employment opportunities, especially for women and youth, remains as a key challenge to an inclusive development and to poverty reduction.

Different dimensions of poverty are also interlinked when poor households adopt harmful coping mechanisms. Removing a child from school or cutting down health expenditures as a way to cope with a shock increases poverty further.

The overarching challenge in Afghanistan relates to the lack of security in all its dimensions. Poverty is both a consequence of and a cause to conflict. Some examples of how conflict/lack of security leads to poverty – it reduces girls’ access to education, it causes internal displacement and loss of livelihoods, and it impacts negatively the will to invest in the country and thereby the possibility for inclusive economic development. On the other hand, poverty – or lack of development – is also causing conflict. If the government fails to improve the lives of the population, it’s legitimacy will decrease even further, which is a breeding ground for the armed opposition groups. The distrust will increase and the faith in the Government will fall even further if the richest share of the population continue to reap more benefits from the economic development.

Constant poverty rates, increasing inequality and the fact that the poorer segment of the population has seen shrinking incomes, are worrying signs for Afghanistan’s development, especially since this has taken place during a good growth spur. Afghanistan’s economic development has since then faded, and it remains to be seen how the poverty and inequality situation will develop in a low-growth period. The most recent round of a household survey (2013/14) is being processed and it will be an important

\textsuperscript{46} Adverse contexts and household assetlessness: some keys to identify where and who the poorest people are. Field evidence from contrasting regions in Afghanistan. Johan Pasquet, Groupe URD, September 2008
source of information to see how poverty and inequality has developed during a period of lower growth.

The main concern relates to increasing the resilience of poor households to reduce the extreme vulnerability and to the need to create an inclusive economic development to counter the increasing inequality. What growth path could Afghanistan embark on that would include people living in poverty in the growth process?

*Internally displaced people (IDPs) and refugees – a vulnerable group that is invisible in the analysis above:* Afghanistan’s long history of conflict has created a large number of internally displaced persons (IDPs). Today, nearly 1 million Afghans live as IDPs, mainly caused by the conflict that now present in all of the 34 provinces. Since 2002, nearly 20 % of the population has returned from neighbouring countries, mainly Pakistan and Iran. Together they stand out as a group that experience many different dimensions of poverty simultaneously, and whose vulnerability is high. However, one has to “lift them out of the analysis” to see them as a group, much of the reports that this analysis builds on does not include any specific discussion on IDPs and returning refugees.

The majority of Afghanistan’s IDPs are extremely vulnerable in socio-economic terms, given that displacement further erodes their resilience and ability to rebuild their lives. Joblessness and under-employment are widespread, and many displaced households go into debt to meet their basic needs. Half of Afghanistan’s overall population are children, but they account for around 60 % of all IDPs. Both women and children make 80% of the humanitarian caseload. Displaced children often miss out on their education. Many work in order to contribute to their families’ income, while others lack the documentation required to enrol in school.

IDPs tend to remain relatively close to their homes, moving from rural areas to the provincial capital or a neighbouring province. More than half of the IDPs live in urban areas. Most of the 40 000 inhabitants of Kabul’s fifty slum-like settlements are IDPs displaced by conflict or refugees who have returned from Pakistan and Iran. Rising poverty and unemployment in urban centres prevent them from reintegrating into society.

## 4. Multidimensional poverty and the development context of Afghanistan

### 4.1 Political and institutional context

*The political and institutional context* Afghanistan has had a turbulent contemporary history. The Soviets occupied the country in late 70s, which triggered a country-wide insurgency backed by countries in the region and much of the Soviet-opposing world. By 1992, the Soviet backed regime had collapsed and the various Jihadi fighting groups had entered into a bloody factional civil war among themselves. By 1996 a more brutal and medieval form of insurgents called the Taliban had taken over most of the country under their control.

During all these years (and perhaps continuing to this day) various forces, countries and agencies have promoted violent military interpretations of Islam in the region which, over the years, have resulted in

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47 This section builds on information from internal displacement monitoring centre and UNHCR.
all shades of and generations of extremists. Regional, ethnic, linguistic, and area-based rivalries among different groups; further complicates the conflict.

A new western-backed government was established following the collapse of the Taliban regime in late 2001. The new western-backed government always had a fight to win with the various shades of extremist forces of the past. This included fighting an active insurgency in the country with force as well as one that was/is fought within the system by introducing reforms, improving accountability, placing more technocrats, and sidelining the warlords. Yet at the same time it has to figure out how to make peace with and bring onboard (share space and power) those still fighting it.

**Elections** Establishment of the current government was the first experience of democratic transfer of power in the country which happened after a very lengthy and messy election process. It resulted in a weak coalition government. Parliamentary elections are long overdue; current parliament receives its mandate through a presidential decree. Future elections are faced with uncertainties posed by pending technical reforms in how elections are to be conducted, creating a new voting registry and more seriously the widespread insurgency in the country\(^48\). Challenged election verdict can very much, as shown in the past, cause instability.

Currently, elected representatives have very limited contact with their constituents, particularly the poor and women. This is because of insecurity in the provinces – officials hardly travel to provinces, particularly to remote areas. Even though elections have been fairly fair (considering the context in which they were held) it is normally the very rich and former warlords and their affiliates who can manage to pay the burden of campaign (costs of running campaign and being a member of parliament are high\(^49\)) – another fact separating electorate from the elected.

Despite constitutional right, women have more challenges to cast votes independently, stemming from traditional norms and barriers. In the 2014 presidential elections up to 36% of the votes were cast by women\(^50\). But in parts of the country women’s votes were reportedly cast in their absence by their male relatives or community elders\(^51\), effectively depriving them of their right despite their ballot being used.

The complex setup of the National Unity Government hinders progress and slows decision making. Nevertheless, government has outlined a clear and ambitious development and reform agenda for the next few years. While it remains to be seen if the new agenda and programs will materialize and improve living conditions for the poor, current situation remains dire. Particularly there is lack of information and growing concern about population living in the so called contested and insurgent control areas. Outreach scope of basic services, particularly health remains unclear. Record numbers of internally conflict-induced displaced and returnees from neighboring countries require further protection and resources.

**Rule of law, justice system, and mechanism for accountability and corruption issues** Rule of law, in general, is weak in the country. It is worse in rural areas, where local warlords, local militias, insurgents,
and criminality are realities of life. Before 2002, basically there was “no rule of law but rule of gun”. The World’s Justice Project Rule of Law Index ranks Afghanistan 111/113 globally.

Former warlords and regional strongmen still have significant influence over every aspect of society in their areas of control or even nationally. Impunity is still very common. There is little hope or chance for any justice of past (or current) atrocities; not least because of an existing impunity law in the country providing blanket amnesty to everything that had happened before 2001.

According to perception surveys, the judicial and law enforcement are the two most corrupt institutions in the country. Corruption and inability of authorities to deliver services push people to rely on informal mechanisms including those delivered by the insurgents. Political will, though, in comparison to the previous administration, to fight corruption and improve accountability is significantly high. Crucial reforms are underway and have started to yield results, particularly linked to revenue collection, judicial reforms and dealing with high-level corruption cases.

Women, particularly those from rural parts of the country, have little chance of accessing authorities or receiving justice. Similarly wide-spread culture of impunity, weak application of law and rich and empowered warlords, complicated and corrupt bureaucracy make it a steep battle for the poorest of the society to receive any justice when their rights are violated.

The role of informal institutions, power structures and norms Informal networks and institutions are believed to be stronger than formal institutions. Having the right connections are crucial to have access to resources, business opportunities or justice (or to evade justice). Institutions and regulations remain subordinate to personal relations and often serve as means of rubber-stamping decisions made outside of the institutions.

“Afghanistan is not governed by impersonal institutions or formal rules but is instead regulated by relationship-based networks of access that produce and regulate power through the distribution of resources. These networks are complex, encompassing not only those seen as ‘traditional’ power-holders, such as elders, but also radically new actors empowered through the decades of conflict and, importantly, through the post-2001 international intervention.”

“Approaches that focus on, for example, strengthening value chains are likely to have a limited rather than a transformative effect. While a given road or cold-chain mechanism may yield some positive benefits, such measures will always benefit some actors more than others and are vulnerable to manipulation if implemented without regard to the network dynamics at play. Ultimately, the international community’s starting assumptions were deeply flawed and led to largely ineffectual or sub-optimal interventions. ... So what would work better? At a minimum, a long-term, cohesive vision for the future and an understanding of how networks functions to better inform engagement is required, ensuring that this engagement extends not only to those networks that dominate the state but to those that have been excluded and groups on the periphery of these networks.”

52. http://data.worldjusticeproject.org/#groups/AFG
54. Aisa Foundation – A survey of the Afghan People 2016 and IWA – National Corruption Survey
55. Afghanistan’s position in the TI index has improved in 2017, for example.
**Freedom of expression, the right to freely state one’s opinions, and the freedom of association**

Afghanistan is ranked 120 out of 180 countries in the Reporters Without Borders (RSF) World Press Freedom Index for 2016. This reflects significant improvement in the past 15 years and since the Taliban era when there was practicality no press freedom at all. There is also relatively strong legal protection of press freedom in the country. But despite these achievements Afghanistan remains a dangerous place for media workers\(^\text{57}\) (as it is for everyone else). Certain topics remain too sensitive to be discussed in the media.

Similarly, there is a large, vibrant and growing pool of activists and civil society organizations largely focused around major cities. Yet they still need assistance from international actors in order to grow, become louder and to be eventually self-sustaining.

Situation is different though in rural and more remote areas, particularly for women, where there are fewer signs of and impacts of the bustling activism witnessed in the cities.

“Local community councils (Shuras) have a long tradition in Afghanistan, but these formally exclude half of the population (women) and are often not representative of the poor or marginalized groups.”\(^\text{58}\)

LGBTI groups are neither recognized nor protected by law. Applicable legislations and strong prevailing customs in the country criminalize same-sex relations. There is little information about this group in general.\(^\text{59}\) But it is clear that they have no voice or association whatsoever in the country.

**Looking forward – risks and opportunities** The Afghan national unity government remains weak. Internal rivalry between the two power sharing camps poses serious risks to the government and slows down progress and decision-making. As evident from the 2014 presidential elections, contested election results in the future can also pose serious risks of erupting violence. International military and financial presence and influence in Afghanistan were crucial to ensure the different forces opposing each other in the previous elections abstained themselves and their supporters from violence\(^\text{60}\). Early reduction of international community’s footprint in Afghanistan, coupled with any future repetition of the 2014 elections scenario will be recipe for disaster – wide-scale violence and collapse of civic order.

Government remains plagued with internal rivalry. It is unable to deliver quality basic socio-economic services particularly to more remote and/or insecure areas. Ministries have problems spending their allocated budgets. In November 7 ministers were sacked by the parliament for inability to spend their development budget to satisfactory levels. Although they continue to function in their offices as per presidential decree, their status is still subject to final verdict by the Supreme Court.

Corruption at the government is another persistent concern harming the public’s and donors’ trust in government’s control mechanisms. But there are signs of improvement with the start of this new government in the fight against corruption.

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There are many ifs and uncertainties regarding how political and security situation will evolve in Afghanistan which makes it difficult to assess future expectations. There are possibilities both for the situation to improve and stabilize as well as to get worse and further destabilize. But it will be very much unlikely for the situation to improve significantly, if at all, in the immediate future.

4.2 Conflict/peaceful context

Key concerns for national security: Afghanistan has been in a state of conflict for four decades. Currently its armed forces supported by a coalition of international forces fight an insurgency that aims at overthrowing the government and is growing in strength. While there is no good information, it is clear that the insurgents control more areas of the country than ever before since 2002. According to SIGAR reports as of August 28, 2016, only 63.4% of the country’s districts were under Afghan government control or influence, a reduction from the 72% as of November 27, 2015.

More global terrorists such as ISIS and other groups linked to countries in the region also have presence and activities in parts of the country. Old rivalries between the different warring Jihadi parties of the 80s still pose a threat to peace. Former warlords remain to enjoy significant power and impunity from law. Countries in the region and nearly all major world powers are very much involved both in the

conflict and peace efforts, which further complicates the scene considering their lack of consensus around objectives and opposing views on who is friend and foe.

Afghan National Army (ANA) is faced with multiple challenges in providing protection for its citizen due to technical difficulties, high rate of attrition as well as due to political weak leadership appointments⁶². Even though the ANA has managed to keep control of all provincial centers and major highways, the insurgents are increasingly gaining ground in rural areas. Afghan National Police (ANP) has increasingly become militarized, fighting insurgents and filling security gaps for ANA⁶³. Although conflict is more and more fought closer to large population centers (for example Kunduz, LashkarGah and Uruzgan), it still remains largely a rural phenomenon with the exception of targeted attacks in large cities. The rural poor farmers are largely the ones facing the brunt of the conflict. More than 600 000 were newly displaced in 2016. Although conflict is more and more fought closer to large population centers (for example Kunduz, LashkarGah and Uruzgan), it still remains largely a rural phenomenon with the exception of targeted attacks in large cities. The rural poor farmers are largely the ones facing the brunt of the conflict. More than 600 000 were newly displaced in 2016. There are an unknown number (possibly in hundreds of thousands) protracted IDPs across the country. There is gap of information, lack of access and presence of actors in the ‘difficult-to-reach’ areas. Although conflict is more and more fought closer to large population centers (for example Kunduz, LashkarGah and Uruzgan), it still remains largely a rural phenomenon with the exception of targeted attacks in large cities. The rural poor farmers are largely the ones facing the brunt of the conflict. More than 600 000 were newly displaced in 2016. There are an unknown number (possibly in hundreds of thousands) protracted IDPs across the country. There is gap of information, lack of access and presence of actors in the ‘difficult-to-reach’ areas. In 2016, on average around 1500 persons had to flee their homes on a daily basis.⁶⁴

Civilian casualties have continuously increased since UNAMA started recording the numbers in 2009.

On the other hand there are also potential strengths and factors that could positively contribute in moving the situation towards peace. They include: a higher and more serious political will at the highest level of the government for pushing towards and utilizing opportunities for peace. The recent peace agreement reached with HIG, though considered to have marginal effect on the fighting scene on the ground, is also seen an important step in broadening the political consensus and participation first achieved in Bonn 2001 – as that agreement had asked for such broadening of consensus⁶⁵. At the same time, it is hoped that it will serve as inspiration to other military groups to join peace talks. While there does not exist yet any clear peace (or negotiations)

⁶⁴ Humanitarian Response Plan 2017
process with the Taliban, pre-negotiations, ‘talks about talks’ do seem to be continuing. There also
seems to be a realization among the warring sides (or so it is portrayed in the media) that no side can
win militarily over the other – acknowledgment of a stalemate could also push the parties to the
negotiations table. While the risk is that each side would then want to delay entering into
negotiations hoping to improve their odds before entering into negotiations – further prolonging the
conflict.

The ongoing conflict is the main hurdle for Afghanistan’s development and prosperity. Conflict affects
livelihoods, trade and appetite for investment. Additionally, every cent spent on war is a cent taken
away from education, health and livelihood of the poor. This is while security expenditures make the
largest share of the national budget.

**Underlying stress factors and concerns for a peaceful development** Factors undermining state
legitimacy and by extension its ability to provide protection and bring peace stem from its overall
weakness. Pervasive corruption, general lack of public trust in the government (poor governance),
abusive police and its inability to deliver basic socio-economic services (particularly to remote rural
citizen); in addition to constantly deal with abusive, powerful warlords and powerbrokers undermining
state authority, further limit government’s abilities fulfilling its basic functions vis a vis its citizen. Lack
of coherence and consensus among vast number of intervening (or influential) countries in the
Afghanistan conflict further contribute to prolonged conflict.

At the grassroots level, masses of uneducated and unemployed youth frustrated with the general harsh
conditions of living with little hope for the future provide the perfect breeding ground for flourishing
extremist ideologies.

**Vulnerability and resilience for different groups and regions** People are extremely vulnerable. With
prevailing chronic poverty the slightest shock becomes devastating to persons affected by conflict.
Conflict further disrupts livelihood, income sources, increases social tensions, and adoption of negative
coping mechanisms.

Migration (to cities and abroad), reliance on family and tribal networks for support – in the absence of
any viable government social protection mechanism – is how communities deal with the impact of
conflict. Negative coping mechanisms not only include early child marriages, children dropping off
school but also include poppy cultivation, drug trade, joining the insurgents’ ranks and criminality.

Women, children, elderly, and disabled persons are the most vulnerable groups to impacts of war.

**Forward looking, risks, vulnerabilities** Risk posing Afghanistan is increased violence and death toll and
a fear of the worse i.e. a fear of repetition of the 90s full fledge civil war and complete collapse of civic
order following collapse of central government at the hands of insurgent groups. Additionally, at the
moment cost of the fight against insurgency is afforded almost exclusively by international donors. In

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66 http://foreignpolicy.com/2015/10/19/the-peace-opportunity-presented-by-the-new-stalemate-in-the-
afghan-war/
idINKCN11T20T
67 http://www.rand.org/content/dam/rand/pubs/research_reports/RR400/RR469/RAND_RR469.pdf
the long run, government’s inability to afford its costly war operations poses another significant risk and uncertainty, particularly if contributing countries, for any reasons, stop paying the bills.

World powers as well as regional powerful countries all have certain influence and interference in Afghanistan matters. It remains crucial whether involved parties in the Afghan affairs share a common consensus on what Afghanistan should look like and head for (or not) – consensus (or lack of it) among the multiple intervening/influencing countries is an important determinant indicator for the future of Afghanistan.\(^\text{70}\)

Considering the fact that poverty gap is increasing, and conflict affects disproportionately the poorest of the population, current trend of war situation in the country is more likely to further stress the socio-economic situation for the rural poor, forcing them into displacement, migration to cities and abroad and to increasingly rely on negative coping mechanism.

4.3 Economic and social context
Traditionally, Afghan economy (particularly before 1979) has been rural and largely informal. Since then and until 2002, illicit economy, and criminality were added to the informal economy and largely ruled the scene due to conflict and in the absence of any real functioning government structures.\(^\text{71}\) Post 2002, aid and war economy were added to the environment but not necessary replacing the old informal and illicit structures and players and to some extent it contributed to increasing their strength and influence. Since then large family business conglomerates either owned or linked with former warlords-turned-politicians/businessmen have emerged into the scene.

In terms of size, the Afghan economy was as its peak in 2012 with a GDP figure of 20.5 billion USD. Since then the transition process (deteriorating security situation, difficult political transition, and decline in aid has affected the economy. Economic growth fell to 1.3% and 0.8% respectively in 2014 and 2015, compared to an average 9.4% over 2003-2012.

\(^{71}\) Sipri - Afghanistan’s Private Sector – Status and ways forward
Afghanistan is a highly import-dependent country with little production. Agriculture provides any source of income for 61 percent of households and 44% of employment (self-employed and salaried)\(^\text{72}\) of all population but its share of GDP is far less at around 25%. This is while the majority of the poor population live in rural areas and largely depend on agriculture.

Persistent insecurity (security expenditures far outweigh other sectors), weak prospects for increased production or new investments, high import-dependence, weak institutions, high fertility rate, and mass displacement and return – all put together make any substantial growth prospects a steep fight for the country and growth of private sector. It is expected that Afghanistan will largely remain dependent on foreign aid – currently foreign aid share is close to two third of the national budget expenditures.

**Structure of the economy** Various services (transport, retail trade, financial services and telecom), followed by agriculture and industry are the main sectors. Agriculture is by far the largest economic sector (employing 44 percent of the work force), followed by the services sector (16 percent) and construction (14 percent).\(^\text{73}\) Up to 29% of the (5-17 year olds) are engaged in child labor. While mining sector has the potential for contributing significantly in future growth, currently (due to insecurity, lack of investment) mining’s share of GDP is marginal. Formal jobs represent only around 9% of the total share of employment in Afghanistan.\(^\text{74}\) Informal sector plays a substantive role in growth but undermines government’s ability to generate revenues which are then required for enabling environment for the private sector development.

**Fiscal situation** Government relies on foreign aid to fund nearly its two third of national budget. Basic socio-economic services are funded by the donors; the quality of these services remain very basic and they do not reach more volatile or remote areas. A high fertility rate (annual population growth of 3%) will further increase the scale of challenges. Multiple studies/findings\(^\text{75}\) have shown the government

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\(^{73}\) Living Conditions Survey


\(^{75}\) SIGAR reports
does not have the capacity or resources to fund operation and maintenance costs of numerous infrastructure investments made post-2002.

**Investments and labour market** Wide spread illiteracy (and lack of technical skills), and unfavorable environment for investment in production industries are main obstacles to productive employment. World Bank’s ‘doing business’ index rank Afghanistan at the bottom (183 out of 190 countries) for 2017 down one place from last year.

Lack of enabling environment (most importantly lack of security), dominance of the private sector scene by few large scale family business conglomerates linked with warlords – who undermine fair and rule-based playing field – in addition to weak human capital and tough competition from neighboring countries are main obstacles for private sector development.

Labor market is under stress. An estimated 400 000 Afghans join the labor market every year while 39% of population is not gainfully employed. Massive return of Afghans from neighboring countries is likely to add to the stress.

While only 29% of women are in the labor market, their role in unpaid household and agriculture work is not being well recognized or compensated.

**Health and education systems** Health and education are considered successful examples of the post-2002 period investment. Both health and education coverage were very minimal during the pre-2002 period. Today it is estimated between 6 – 8 million children are attending school, and basic health services reach majority of the country with some impressive improvements in some of the indicators such as maternal health. Yet challenges are significant – it is estimated that approximately 9 million people have limited or no access to essential health services. Children from poor families are more likely to drop out from school to start contributing to family income. Girls are more likely to come across obstacles related to traditional norms – demanding them to drop out, if at all allowed to attend any schooling (figure 4.3 below from UNFPA – State of the Youth Report 2014). Conservative norms make it also more challenging for women to seek early medical care – for reasons such as being confined at home, unable to travel alone (without a Mahram) and unable to see a male medical professional. Lack of female teachers and medical staff and their unwillingness to function in remote areas of the country further increases the magnitude of the challenges for women.
Quality of services both health and education remains very basic. Employability of graduates remains low.

There is a significant difference between rural and urban conditions. Education and health (both public and private) are well accessible in urban areas; similarly quality of services is higher in urban areas. But rural residents have less access and quality suffers in par with remoteness.

**Social security** There are basically no universal social security programs, efforts in the country. What exist are the various donor funded basic services and welfare programs whose outreach to remote areas and to those in highest need remains in question. Afghanistan’s national budget is largely donor funded and security expenditures remain the highest compared to other sectors.

Informal safety nets (reliance on relatives, kin and tribe) for support (lending money, helping hand in harsh times) is a crucial facet of Afghans coping mechanism but it can/does act as double edge sword – leaving the poor at the mercy of the stronger side. 76

**Demographic situation** 47.5% of Afghan population is under 15 years of age where elderly of 65 and older make only 2.6%. This proportion of under 15 population is the 3rd highest in the world. “The young age composition, driven by a high fertility of 6.3 children per woman (CSO 2010), contributes to a very high dependency ratio in the country: for every 100 persons in the main working age 15-64, there are also 100 persons in the less productive ages of under-fifteen and 65 and over, who are dependent for income and subsistence. This figure implies a significant burden for the prime working-age population and the economy at large…” 77 The overall sex ratio in the ALCS 2013-14 is 105.3.

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77 Living Conditions Survey
4.4 Environmental context

Afghanistan witnesses a large number of natural disasters every year. Earthquakes take the highest toll while drought and floods and landslides are more frequent. Global indices put Afghanistan among countries that are most vulnerable to and least ready for climate-related disasters. Environmental issues have always been over-shadowed by the prevailing security situation, economic and numerous competing priorities.

*Rural issues* “Climate change in Afghanistan is not an uncertain, “potential” future concern, but a very real, present challenge— whose impacts have already been felt for years by millions of farmers and pastoralists across the country.” Agriculture is by far the largest economic sector (employing 44 percent of the work force). But “by 2060, large parts of the agricultural economy will become marginal without significant investment in water management and irrigation.”

Over grazing, uprooting shrubs (either for fuel or preparing land for rain-fed agriculture), deforestation (Afghanistan loses an average of 29,400 hectares of forest per year) are other aspects of degrading environment further intensifying the negative impacts.

Afghanistan’s rural poor live on marginal lands. The most affected by climatic shocks are the poorest living on marginal lands and pastoralists directly and fully dependent on natural resources. Topographically, it is the highly mountainous (east, northeast and central) regions that inhabit higher number of the poorest Afghans. Other characteristics of these regions are lack of roads (connectivity to large population/business centers) and lack of agricultural land. Kuchis (a particular nomadic group

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78 WorldRiskReport 2016, Notre Dame Global Adaptation Index, Germanwatch Climate Risk Index 2017
79 http://www.wfp.org/sites/default/files/WFP_UNEP_NEPA_Afghanistan_Impacts_climate_%20change.pdf
80 ALCS 2013 - 14
81 http://www.wfp.org/sites/default/files/WFP_UNEP_NEPA_Afghanistan_Impacts_climate_%20change.pdf
82 http://unfccc.int/resource/docs/natc/afgnc1.pdf
of Afghans – 1.4 million people) are largely pastoralist directly depending on rain-fed pastures. They are among some of the poorest population group within the country and at direct risk of climate change.

Coping capacity is extremely weak both of communities as well as nationally of the government to deal with climate related risks. Communities’ coping capacity is so weak that smallest shocks cause devastation forcing populations relying on various negative coping strategies. At the national level Afghanistan had communicated to the Paris Conference that it will require 17.4 billion USD84 to respond to climate change between 2020-30 – this is while the country has almost no resources of itself to allocate to climate issues and climate change has never been a top priority for the government considering all its other persistent priorities. Similarly there are very few civil society organizations with specific environmental focus.

Urban issues City residents, particularly of capital Kabul, are at serious risk of air pollution due to solid fuel combustion, lack of greenery, and large numbers of cars on the street. Climate change (resulting in extreme weather conditions such as floods and drought) affects more the rural poor and undermines any developmental progress they have achieved pushing them further into poverty and reliance on negative coping mechanisms.

Legislation and institutions Afghanistan enacted its Environment Law in January 2007 and other relevant legislations are under development. Afghanistan National Environmental Protection Agency (NEPA) retains an overarching coordination and policy development role. The various line ministries generally manage natural resources. It is unclear to what extend rules and regulations are properly complied with though. Compliance with environmental regulations is even more important considering government’s intentions to develop more than 2085 water dams across the country. In general environmental issues have never been a priority for the Afghan government nor for its international development partners. That situation has resulted in weaker government bodies working with environmental issues. ANDMA (Afghanistan National Disaster Management Authority) and NEPA are believed to be some of the weakest institutions of the government at the national level.

Vulnerability Afghanistan and its population remain extremely vulnerable to adverse effects of climate change issues. Unless enough attention is given to environmental issues, the poorest Afghans will be at higher risk of various environment-related shocks. Furthermore, agriculture is the most important sector in the Afghan economy – climate change will have considerable negative impact unless enough attention and resources are provided to the area. While the conflict in Afghanistan is not directly linked to climate or natural resources, a deteriorating environmental environment definitely will negatively contribute in worsening the conflict situation.

Afghanistan’s natural environment has significantly deteriorated over the years due to over-consumption, war, lack of investment and lack of public awareness about the issues. Additionally global climate trends have also affected this region of the world. Future scenarios will largely depend

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84 http://www4.unfccc.int/submissions/INDC/PublishedDocuments/Afghanistan/1/INDC_AFG_Paper_En_20150927_.docx%20FINAL.pdf
how government focuses on environmental issues and how much resources will be allocated to the sector.

5. Conclusions

From this analysis, it becomes clear that poverty in Afghanistan is not only about lack of income – poverty is multidimensional. It is defined by lack of resources (basic social services, education, assets), lack of opportunities (e.g. limited employment opportunities), lack of security and lack of power and voice. The circumstances (living conditions) of the Afghan society are not ideal for anyone but they are worse for the poor. The poor are affected worse by socio-economic and environmental challenges facing the country. The poor are represented less (if at all) in the government. Government, politics and economy is led by a tiny elite, neglecting the poor and their voice and needs. Women are more likely to face challenges to exercise their election-related rights owing to social barriers. Similarly, while the poor are worse affected by the conflict, they have basically no input in the peace process/efforts. civilian casualties are increasing, and the war is fought largely in rural areas where the bulk of the poor live. Women and the poor are less likely to receive justice due to corruption and social barriers. There is a huge difference between living conditions in the cities and rural areas. Rural areas have benefited less from the economic growth and possibilities witnessed in the cities. Agriculture, an important sector for the rural population is threatened by climate change. Women come out as a particular group facing more challenges than men in all walks of life in Afghanistan. Their role and voice is supressed both at home and at the wider society. Yet there are provincial and regional differences in women’s situation in the country. There is scope for studying these differences to understand what the contributing factors were for success in some areas with the aim of then replicating them in other more traditional communities. Additional vulnerable categories of the population include children, the elderly and those physically disabled.

Extreme uncertainty and fragility are defining characteristics of Afghans’ living conditions. They stem from weak government, inability of government to provide protection, justice and basic resources, growing and encroaching insurgency and mass un/underemployment and perhaps more importantly any lack of hope for improvement. All this put together make the situation very reminiscent of the early 90s which further fuels fear among the public pushing people to migrate outside of the country (mainly to Europe).

Interestingly, one report discusses how current aid efforts in Afghanistan leave out chronically poor people. Aid efforts normally have a mid- to long-term perspective (water management, horticulture development projects), address community rather than household needs (such as the National Solidarity Program), and mainly benefit households that have some production means. If chronically poor households are to benefit from development efforts, they need short term help to (re)build their productive asset base. The study argues that it is equally important to protect those less poor from falling into chronic poverty by losing their productive assets in the event of a shock. One topic that merits further study is to what extent Sida’s interventions are targeting people living in poverty, and if they are adapted to the preconditions of the chronically poor. This is especially important for service delivery interventions, both by Government and by civil society.

Also, vulnerability and resilience of Afghan households stand out as topics to explore further. The fact that people living in poverty are affected worse by shocks, which could result in further erosion
of their assets and livelihood opportunities, highlights the need for to understand what could be
done to reduce vulnerability, for instance the vulnerability of rural households to recurring floods.

_How are Sida’s interventions addressing vulnerability, building resilience?_

From this analysis it becomes evident that the past 15 years of exceptional scale of international
intervention in Afghanistan has changed little the situation for the benefit of the weakest elements of
the society and they are still faced with looming uncertainty of the future. This fact should make it
imperative for development actors at all levels to put more efforts into understanding more and better
lessons learned – understanding what has worked, what hasn’t and why should by key preconditions
for designing future development interventions. Similarly, more efforts should be put into
understanding the informal networked nature of power, influence and authority in the Afghan society
with the aim of understanding better how development interventions interact with these networks
and how those at periphery of these networks could be supported more effectively.