Executive Summary

This report presents the findings and implications of an 18-month Rural Livelihoods Monitoring Research Project. The Afghanistan Research and Evaluation Unit (AREU) and seven partner non-governmental organisations (NGOs) implemented the research project, which involved the monitoring of 390 households in 21 villages in seven districts in seven provinces. Information was gathered at the village and household level on human, financial, physical and natural assets, with the aim of building understanding of rural livelihoods in Afghanistan and improving the monitoring and evaluation capacity of partner NGOs. This summary presents the key findings, implications and recommendations from this research.

Key findings, implications and recommendations

Livelihoods diversity
The majority of households, both rich and poor, have diversified income sources and many are involved in a combination of farm and non-farm activities. For wealthier households livelihood diversity is usually a strategy of accumulation, while for poorer households diversity is more of a coping mechanism.

The Government of Afghanistan (GoA), United Nations (UN) agencies, donors and NGOs should ensure that their activities support the multiple income strategies that poor households use and not encourage dependence on one sector, such as agriculture, as a livelihoods source. One way forward could be to design activities that support an entire household, rather than an individual.

Non-farm labour
For the poorest groups in 18 out of the 21 villages studied, non-farm labour was the most important source of income. The current importance of non-farm labour has significant implications for the agricultural focus of much rural programming and policy in Afghanistan.

The GoA, UN agencies, donors and NGOs must recognise and support the importance of nonfarm labour in rural livelihoods and look to:

- Monitor over time employment trends at the local level; Examine and support the skills people already possess;
- Build an understanding of the skills needed for non-farm labour for men and women;
- Explore providing skills training as part of public works programmes; and
- Ensure that national programmes directly benefit women and also develop women oriented strategies.

Labour migration
For over a quarter of all households labour migration, both inside and outside Afghanistan, is a critical income strategy. For wealthier households labour migration...
may be a strategy of accumulation. However, for the poor it is a crucial way of coping with uneven job opportunities inside the village and a way of seeking better-paid work.

The GoA, UN, donors and NGOs alike need to begin to view migration in a more positive light, rather than something negative that should be prevented, and undertake research on labour migration to provide a better understanding of why people migrate, where they migrate, how they migrate, etc.

**Indebtedness**
Many households are indebted, rich and poor alike, and indebtedness is a factor in both the creation as well as the perpetuation of poverty. For wealthier households, loans are often taken either for ceremonies such as weddings, where a large lump sum is needed, or for the purposes of production and investment. For poorer households, the majority of loans are taken out as a coping strategy to meet basic needs such as food and health care. Policy makers and practitioners, particularly from the government and microfinance providers should:

- Explore and monitor locally existing credit mechanisms;
- Monitor the level of indebtedness;
- Consider moving part of the money currently allocated for targeted transfers to the poorest to the MicroFinance Investment and Support Facility for Afghanistan (MISFA); and
- Study the possibilities of helping people recover assets.

**Gender**
Women in rural Afghanistan are involved in many production and income generating activities that contribute to the overall household income. However, very few women own resources such as land and livestock, and their income generating options are fewer in comparison to men. It is these inequities that make some female-headed households particularly vulnerable to poverty, as there are few activities that they can do which are sufficient to support a family.

Policy makers and practitioners from the government, donors and implementing organisations need to:

- Protect, support and develop the livelihoods of women;
- Recognise and support women’s role in agriculture at the policy and programme level; and
- Tackle the structural causes of gender inequity and look beyond traditional activities, such as poultry farming and embroidery.

**Health**
For the majority of households, health care is the second largest area of expenditure. Health is a livelihoods and social protection issue in that ill health, either physical or mental, has an enormous impact on livelihoods. Ill health is a major factor in creating indebtedness and leads to a depletion of assets, as households sell their assets to pay for health treatment. Ill health also impacts on livelihoods, as the person who is ill (and possibly their carer) is unable to engage in income generating activities. Health is also tied up with livelihoods through the negative effects of certain income generating activities such as carpet weaving or embroidery and because of the health risks associated with labour migration. Despite all of the above, the Ministry of Health (MoH) is not part of the Livelihoods and Social Protection Consultative Group (LSP CG).

The government, the LSP CG and/or implementing organisations should:

- Include the MoH on the LSP CG and institutionalise linkages between health and livelihoods and social protection;
• Provide advice on livelihood related health issues in health education activities; and
• More closely control pharmaceuticals and pharmacies to prevent the sale of ineffective medicine and ensure that drugs and antibiotics are only available by prescription.

Social Protection and the Poorest of the Poor
Most current policy and programmes do not target the very poor, who are likely to be those who are unable to work, lack assets, and obtain grain through begging. For women, those who are married too much older men are particularly vulnerable to poverty. While the Livelihoods and Social Protection (LSP) Annex of the Security Afghanistan’s Futures (SAF) document has empowerment of the most vulnerable as an aim, the programmes encompassed within the LSP are unlikely to reach the most vulnerable. The annex does recognise the need to understand and work with traditional mechanisms of support, for those not able to help themselves, but no strategy for doing this appears to have been developed.

Policy makers and practitioners in government ministries and/or NGOs should:

• Target resources to households with young children in which adults are not able to work;
• Use community workers to raise awareness of the long-term livelihoods consequence of women marrying much older men; and
• Build greater understanding of traditional social support mechanisms.

Agriculture
A majority of poor households access most of their grain from the market or from other means, and non-farm labour, rather than agriculture, is their most important source of income. This raises questions over the accuracy of the frequently cited “80 percent of the population is dependent on agriculture.” The findings of this research have major ramifications for agricultural policy and programming, as they demonstrate that the needs of the rural poor are currently being missed by the focus on agriculture.

Policy makers and practitioners need to recognise the discrepancy between the realities of rural livelihoods and the policy and programme focus on agriculture and:

• Distinguish between the asset portfolios of different rural households and individuals; and
• Understand the different natural resource base which households have access to before designing agricultural programmes.

Livelihoods monitoring
The findings of this research demonstrate the importance of monitoring livelihood trends. The majority of the NGOs who participated in this project found what they learned to be very valuable in assessing whether their programmes are responding to the realities of people’s lives, especially those of the poor. However, NGOs and their donors need to begin to look more at the outcomes (effects) of their projects and programmes, and where possible the impacts, rather than focusing on outputs. Long-term funding and investment in learning is also required to enable NGOs and others to begin to look at and tackle the causes of livelihood constraints and not only the symptoms.
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Current core funding for AREU is provided by the United Nations Assistance Mission in Afghanistan (UNAMA) and the governments of Sweden and Switzerland.

For more information and to order publications, contact AREU at:
Charahi Ansari (opposite the Insaf Hotel and Popolano’s restaurant)
Shahr-e-Naw, Kabul, Afghanistan
Tel: +93 (0)70 276-637 Web site: www.areu.org.af E-mail: areu@areu.org.pk