



Labor Markets, Livelihood Strategies, and Food Security in Afghanistan

A special report by the Famine Early Warning Systems Network (FEWS NET)

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GLOSSARY OF AFGHAN TERMS

<i>Chowk</i>	Main square or crossroads
<i>Kurut</i>	Dried yogurt
<i>Shura</i>	Village council

LIST OF ACRONYMS

AREU	Afghanistan Research and Evaluation Unit
CDC	Community Development Council
CSO	Central Statistics Office
FAAHM	Food, Agriculture and Animal Husbandry Information Management and Policy Unit
FAO	United Nations Food and Agriculture Organization
IANDS	Interim Afghanistan National Development Strategy
ILO	International Labor Organization
IRC	International Rescue Committee
ISCO	International Standard Classification of Occupations
LIWP	Labor Intensive Work Program
MAAH	Ministry of Agriculture and Animal Husbandry
MoLSA	Ministry of Labor and Social Affairs
MoPW	Ministry of Public Works
MRRD	Ministry of Rural Rehabilitation and Development
NGO	Non-governmental Organization
NRVA	National Risk and Vulnerability Assessment
NSDP	National Skills Development Program
NSP	National Solidarity Program
PRT	Provincial Reconstruction Team
UNAMA	United Nations Assistance Mission to Afghanistan
UNHCR	United Nations High Commissioner for Refugees
UNODC	United Nations Office for Drugs and Organized Crime
URD	Urgence, Rehabilitation, et Developpement (Emergency, Rehabilitation, and Development)
WFP	United Nation World Food Program

EXECUTIVE SUMMARY

The Famine Early Warning Systems Network's (FEWS NET), along with its local governmental and non-governmental partners; monitors, analyzes, and reports on food insecurity. For the traditional wheat producing provinces in the north, the performance of the wheat harvest strongly correlates with the food security situation of the local population during the following marketing year. In contrast, local production has less of an impact on household food security for populations of the south, southeast, southwest, central, and western sub-regions. In these areas, households have been responding to eight years of drought by diversifying their livelihoods strategies, particularly by expanding reliance on wage employment (e.g., in construction and poppy production). Wheat is the principle staple in these areas as well, but a large portion the wheat consumed is acquired through markets that are essentially supplied by imports from Pakistan. To effectively analyze and monitor the food security of these populations, it is important to consider factors other than, or in addition to, local production such as food prices, trade restrictions, wage rates and employment opportunities.

The aim of this study is to gain a better understanding of labor markets and labor-based livelihood strategies in southern and central Afghanistan with an aim toward improving food security analysis, assessment of vulnerability and early warning. The findings from this study will enhance food security monitoring and scenario development as well as and help identify appropriate food security interventions.

METHODOLOGY

The basis of the study was a review of existing literature and data sets on labor markets in Afghanistan (summarized in Annex A). Data on labor markets in Afghanistan are incomplete. Different organizations use different definitions and categories for occupations and different research methods. Resultant outputs are of varying reliability. Future data collection could be much more focused on directly answering labor market questions, such as identifying not only the main occupations households engage in, but also the proportion of household income derived from each occupation. The literature review was supplemented by a simple case study in Bamyan Province, where focus groups were conducted with three sets of casual laborers. Key informant interviews were conducted in Kabul and a two day workshop was held in October 2006 to bring together a variety of actors interested in labor markets and food security.

FINDINGS FOR CENTRAL HIGHLANDS

The Central Highlands (Wardak, Uruzgan, Ghor, Bamyan, and Daykundi Provinces) are a chronically isolated food insecure region where mountainous geography, impassable snows during winter and poor transport infrastructure limit economic growth, access to markets, and employment opportunities. Livestock is still a key livelihood strategy in the Central Highlands, although livestock ownership has been in decline for nearly a century due to competition for rangeland, conversion of rangeland to cropland, and degradation of rangeland due to deforestation. Agriculture is important in terms of providing food for household consumption, income from crop sales and agricultural wage employment opportunities (although share cropping is more common). However, landholdings are typically too small to sustain households, and non-agricultural employment such as manual daily labor in construction and loading and cart pulling in the bazaar is common. Employment opportunities are inadequate and levels of unemployment and underemployment are high. Seasonal and longer-term migration to urban centers, Iran, and, Pakistan is common, but seasonal migration is not as easy as in the south due to distance and poor transport infrastructure. Income generation through and trade and services is quite limited with the exception of Wardak Province, due to its close proximity to Kabul.

Some of the factors that contribute to food security in the Central Highlands and could serve as monitoring indicators include: the numbers of returnees from Iran and Pakistan coming into the region; local employment opportunities and the wage rates; employment opportunities in Kabul, Iran, and Pakistan; surpluses from the previous harvest and expectations for the upcoming harvest as both promote activities related to marketing and trade; and the number and magnitude of on-going and planned public works and NSP construction projects. Some signs of stress would be a sudden or abnormally high number of people gathering at the city plaza in search of day labor as well as significant numbers being unable to find work

through this means, or increased out migration during the summer months when typically there would be higher local demand for labor.

FINDINGS FOR THE SOUTHERN REGION

The provinces in the south, southwest, and southeast of Afghanistan (Paktika, Pakiya, Khost, Nangarhar, Nimroz, Helmand, Kandahar, and Zabul Provinces) have suffered from long-term drought and increasing conflict and insecurity, both of which have had a negative impact on food security and on labor markets. Opium production and trade are key sources of economic growth, livelihoods and labor opportunities across the southern region and particularly in Helmand Province. Southern provinces have larger Kuchi populations than the central provinces. Livestock is the most important income generating activity for the Kuchi, but in the south the Kuchi appear to have a more diverse income structure.

Trade and services are more common occupations in the south than in the Central Highlands due to better transport infrastructure and the fact that this region spans the border with Pakistan and some portion of the border with Iran, facilitating cross border trade. Engagement in trade is particularly common among urban dwellers. Unlike the Central Highlands, the south has two urban centers, Jalalabad and Kandahar, which also stimulate and facilitate trade. There is large-scale seasonal migration across the Pakistan border, and also longer-term migration to Pakistan and the Gulf states. The reliance on remittance is higher for the South than the Central Highlands as reported by the 2005 National Risk and Vulnerability Assessment.

Factors that affect food insecurity include: the numbers of returnees from Iran and Pakistan coming into the region; local employment opportunities and the wage rates; employment opportunities in Kabul, Iran, and Pakistan; and surpluses from the previous harvest and expectations for the upcoming harvest as both promote activities related to marketing and trade. While a number of the factors influencing food security in the Central Highlands are also important in the South, there are significant differences. Formal and informal policies promulgated by Pakistan or Iran and related to or influencing cross border activity affect the intensity and cost of legal as well as illegal trade. Opium eradication, especially if well enforced and deteriorating civil security also play a significant role.

MONITORING RECOMMENDATIONS

As part of this study a labor market monitoring table (Annex B) was developed. It describes the key labor markets in a given province, and suggests labor market indicators that could be used to monitor potential shocks or resultant crises. The table attempts to break monitoring down over a season or a year, suggesting when events are most likely and when corresponding indicator monitoring is most useful.

Data on wage rates for agricultural and non-farm labor are collected and monitored at the local level by a number of organizations on an ad hoc and long-term basis. There are many organizations operating in different provinces whose knowledge of local labor markets could be an invaluable input to the monitoring table. A number of these organizations are identified within the body of the report.

The establishment of a labor markets information network that would feed information on labor markets from a variety of different perspectives would benefit all actors interested in labor markets, livelihoods and food security. The input would also contribute to monitoring the yearly/seasonal indicators outlined in the labor monitoring table. In addition to regular monitoring activities, strategic periodic interviews with laborers and traders at key market locations and the border could provide useful insights on current and expected economic activities and hence labor opportunities.

1. INTRODUCTION

The aim of this study is to gain a better understanding of labor markets and labor-based livelihood strategies in southern and central Afghanistan with an aim toward improving food security analysis, assessment of vulnerability and early warning. The findings from this study will enhance food security monitoring and scenario development as well as help identify appropriate food security interventions.

For wheat producing provinces in the north, the performance of the wheat harvest correlates with the food security situation of the local population during the following marketing year. In contrast, local production has less of an impact on household food security for populations of the south, southeast, southwest, central and western subregions. In these areas, households have responded to eight years of drought by diversifying their livelihoods strategies, particularly by expanding reliance on wage employment (e.g., in construction and poppy production). To effectively analyze and monitor the food security of these populations in particular, it is important to consider factors other than, or in addition to, local wheat production such as food prices, trade restrictions, wage rates and employment opportunities.

Figure 1. Central Highlands and Southern Region of Afghanistan



Source: FEWS NET

This study aims to generate a better understanding of labor markets and labor-based livelihood strategies in southern and central Afghanistan in order to establish a more nuanced profile of labor markets and household opportunities and strategies to engage in labor markets, and thereby support the design of more tailored food security monitoring and scenario development, and more appropriate food security interventions.

Labor market information is of interest to a wide range of actors involved in humanitarian assistance and development in Afghanistan. Economic growth and development requires that labor markets respond to the needs of business and industry. Therefore, providers of both vocational training and business development services have an interest in collecting information on the demand and supply sides of labor markets. A number of studies and reports have highlighted the importance of labor markets, and especially unskilled daily

wage-labor, as a source of income and some have investigated the types of labor activities in which the poor engage in specific locations. But there has been no research directly addressing the link between labor market developments, such as fluctuations in availability of work and in wages, and livelihoods and food security.

The basis of the study was a review of existing literature and data sets on labor markets in Afghanistan (summarized at Annex A). Data on labor markets in Afghanistan are incomplete. Different sources use different definitions and categories for occupations and different research methods. Resultant outputs are of varying reliability. Future data collection could be much more focused on directly answering labor market questions, such as identifying not only the main occupations households engage in, but also the proportion of household income derived from each occupation. The literature review was supplemented by a simple case study in Bamyan Province, where focus groups were conducted with three sets of casual laborers. Key informant interviews were conducted in Kabul and a two day workshop was held in October 2006 to bring together a variety of actors interested in labor markets and food security.

Data on labor markets in Afghanistan are hard to find and are incomplete, especially if one considers the overwhelming dominance of the informal sector. A more comprehensive labor survey is required to adequately capture the labor market in a comprehensive way. However, there are a number of sources of labor market information in Afghanistan: surveys such as the International Rescue Committee's (IRC) 2003 Labor Market Information Survey and the 2003 and 2005 National Risk and Vulnerability Assessments (NRVA), monitoring reports such as Afghanistan Research and Evaluation Unit's (AREU) rural and urban livelihoods research. Availability of labor market information is expected to improve dramatically with the planned launch in 2007 of a comprehensive labor market survey by the National Skills Development Program (NSDP) in the Ministry of Labor and Social Affairs (MoLSA). The survey will be managed by the Labor Market Information Unit of the MoLSA and is slated to last one and a half years, and will be accompanied by the establishment of a system for long term data collection, analysis and dissemination of key labor market information. A table listing the available sources of labor market information, reviewed for this study, is included in Annex A.

Section 2 of this report provides an overview of the main types of labor in Afghanistan. Sections 3 and 4 provide a more detailed discussion of the types and availability of labor in the Central and Southern regions, respectively. These sections are designed to be read alongside the Labor Monitoring Table, included at Annex B. Section 5 presents data on wages and terms of trade; these data are discussed at the national level because disaggregation by region was not feasible. Section 6 presents the results of a short case study conducted in September 2006 in Bamyan Province, in the Central Highlands. Finally, Section 7 presents conclusions for monitoring labor markets and engaging partners.

2. TYPES OF LABOR IN AFGHANISTAN

2.1 IMPORTANCE OF AGRICULTURAL AND NON-FARM LABOR

The Afghan economy, and by extension Afghan livelihoods, are largely based on agriculture. In many areas, trade, services, and manufacturing are themselves dependent on the agricultural sector. Furthermore, since agriculture represents the largest share of gross domestic product (GDP) growth in Afghanistan, a reduction in productivity in this sector caused, for example, by drought, tends to have a secondary effect on other sectors. Despite the importance of agriculture to the economy and to livelihoods, a number of sources (e.g., AREU) have stressed the vital role of the non-agricultural labor strategies adopted by many rural families. For example, AREU reported in 2004 that the “majority of poor households access most of their grain from the market or by other means, and non-farm labor, rather than agriculture, is their most important source of income.”¹ AREU defines ‘non-farm labor’ as “work that is not agricultural, either on farm or off farm.”

Establishing accurate estimates of the extent of dependence on agriculture is difficult, and many estimates appear to be in use by different organizations. Eighty percent national reliance on agriculture is a widely cited figure. In contrast, the Interim Afghanistan National Development Strategy estimates that “almost half of all rural employment involves non-farm activities (such as construction, trade, manufacturing, transport, mining, and other services), but the type of non-agricultural employment differs by region.”² This assertion is based on the 2005 NRVA estimate that 47 percent of households were engaged in one or more agricultural activity as a main source of income. This compares to the 2003 estimate of 63 percent of Afghan households involved in one or more agricultural activities as a main income source. Thus, there is some evidence to suggest that reliance on income generating agricultural activities has been declining and this is confirmed by AREU’s rural livelihoods research. However, there is significant variation in the extent of household reliance on agriculture at the provincial, district, and even village level.

2.2 DEFINITIONS OF LABOR CATEGORIES

It is difficult to establish consistent and precise definitions for the different types of labor that make up livelihood strategies for Afghan households. Different organizations use different categories and definitions, and some do not provide detailed definitions of terms such as ‘on-farm’ and ‘non-farm’ labor. For example, AREU defines ‘non-farm labor’ as “work that is not agricultural, either on farm or off-farm.”³ However, there is not much room within the scope of the report to further break down this category, and the authors acknowledge that “it is unclear what exactly the category of non-farm labor actually entails. For example, while there was a separate category for remittances, [one implementing partner] found in their follow up research that the two categories had been confused.”⁴

The 2005 NRVA survey, on the other hand, breaks down labor into groups, as illustrated in Table 1. Agricultural labor activities are separated out from a number of non-agricultural activities. The ‘Agriculture’ category includes agricultural wage labor, and thus covers production on owned land, sharecropping on others’ land, and working on land owned by others for a daily wage in cash or in kind. Livestock activities are considered separate from agriculture, mostly to highlight or maintain the distinction between households engaged in crop production and households predominantly engaged in livestock, including pastoralist such as the Kuchi.

The most significant non-agricultural category that emerges in the NRVA data, in terms of importance as a source of income, is also one of the least precise categories. This is the ‘other labor’ category, which includes ‘skilled labor’ and ‘other wage labor.’ This category is likely to be dominated by manual labor in construction, loading or off-loading trucks, or cart pulling in the bazaar.

¹ AREU June 2004, Jo Grace and Adam Pain, *Rethinking Rural Livelihoods in Afghanistan*, p5

² *Interim Afghanistan National Development Strategy* Vol. I, p. 48

³ AREU June 2004, Jo Grace and Adam Pain, *Rethinking Rural Livelihoods in Afghanistan*, p31

⁴ *ibid*

Table I. Labor Categories in the 2005 NRVA	
Income Category	Income Sub Category
Livestock:	Production and sale of livestock and associated products
	Livestock production for home consumption
	Shepherding
Agriculture:	Crop production for home consumption
	Production and sale of field crops
	Production and sale of cash crops (non-opium)
	Production and sale of orchard products
	Agricultural wage labor (except when associated with poppy production)
Opium income:	Production and sale of opium
	Opium wage labor
Trading and services:	Sale of prepared foods
	Salary/Government job
	Small business
	Petty trade
	Cross border trade
	Firewood/charcoal sales
	Military service
	Taxi/transport
	Rental income
Manufacturing:	Mills
	Handicrafts
	Carpet weaving
	Mining
Remittances:	Remittance from seasonal workers
	Remittances from family members living permanently away from home
Other labor:	Other wage labor
	Skilled labor
Other:	Pension
	Other government benefits
	Sale of food aid
	Begging/borrowing
	Other

The International Rescue Committee (IRC) Labor Market Information Survey from 2003 uses the International Standard Classification of Occupations (ISCO) published in 1987, which classifies occupations into ten major occupational groupings, of which seven were felt to be applicable in Afghanistan. This has clear benefits for sharing information with other labor market information practitioners. However, these categories were used with businesses surveyed and not at a household level. When dealing with household incomes, the report did capture the heavy reliance on more than one income source (70 percent of families reported that they relied upon a second or third source of income). Instead, they only broke this down in the broadest of terms. The most common secondary occupation identified was “unskilled labor” at 41 percent; 29 percent identified a specific “occupation,” or described their alternative activity as “skilled.” Other significant sources of additional income were money from relatives (72 percent) and work abroad (11 percent).⁵ Again, the ‘skilled’ and ‘unskilled’ labor categories emerge as significant, but are not broken down in any more detail.

One complicating factor in categorizing occupations in Afghanistan is that many individuals involved in the ‘skilled’ and ‘unskilled’ labor categories are essentially self-employed. According to AREU’s urban livelihoods research, self-employment covers “a very diverse range of activities” that include mobile street vending and manual cart-pulling or operating animal drawn carts, which were found to be the single most important occupations for poor families surveyed in Jalalabad.⁶ Other laborers in these ‘skilled’ and ‘unskilled’ categories are casual wage laborers, who, while they are not defined as ‘self-employed,’ also do not draw a regular salary

⁵ Matthew Agnew, International Rescue Committee (IRC), September 2003, Afghanistan Labor Market Information Survey, p.30

⁶ Stefan Schuette, May 2006, AREU Case Study Series, *Gaining Some Ground: Urban Livelihoods in Jalalabad* p.19

from one employer, but receive daily wages for their labor from different employers depending on demand. This makes it difficult both to track the occupations engaged in by household members and to define them in standard terms of occupational categories.

Since the 2005 NRVA has the most comprehensive and up to date information relating to labor markets, the categories used in the report are referred to most frequently in this report. This report uses the agricultural labor definition used by the 2005 NRVA, and considers all the other categories to be ‘non-farm’ or ‘non-agricultural’ labor. Thus, ‘non-farm labor,’ as defined here, does not include agricultural wage labor or sharecropping. ‘Off-farm labor’ will not be used frequently in this report as it is preferable to break this category down into its specific components. ‘Off farm labor’ is a broader category that includes any work that does not take place on the household’s own farm and it include sharecropping and agricultural wage labor on other people’s land.

2.3 TYPES OF LABOR IDENTIFIED IN THE NRVA

The 2003 NRVA report summarized the main income generating activities identified by the survey in the following way:

Non-agricultural based income activities are linked to daily wage labor in urban centers (such as construction), and barter and trade, particularly in those provinces that lie across major road networks, or border with Iran and Pakistan. Barter and trade activities are undertaken throughout the year, with just a slight reduction during wintertime. Construction and harvesting of crops were the most frequently available laboring opportunities, but these typically offer only between 1 and 2 months of employment, regardless of wealth group.⁷

The 2005 NRVA tried to establish data on household income, labor, and expenditure. Analysts working on the data from the 2005 survey reported that much of the data collected from the household survey on income generation was inconclusive. It had been difficult to generate reliable figures for daily income and the number of days worked by household members. This was reportedly especially problematic for agricultural income. Such problems in collecting data are not unique to Afghanistan, but this does imply that the data on income sources should be treated with caution.⁸

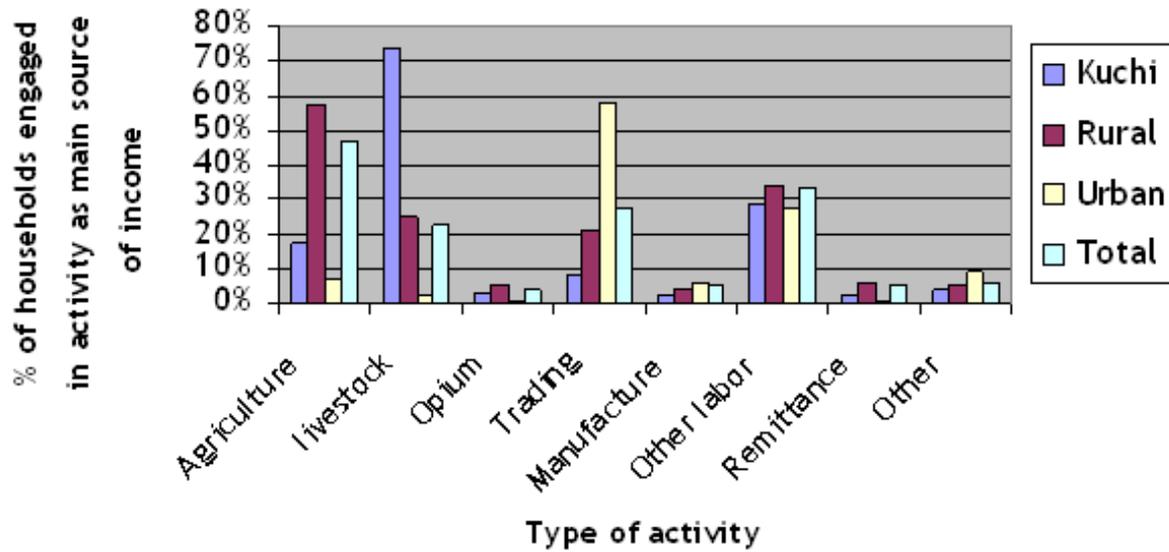
During the 2005 NRVA, household heads were asked to report all of their various sources of income out of a total of 32 possible sources, which were grouped in different categories in Table 1 above. The definitions of each category of labor are discussed in Section 2.2 above. The data from NRVA are used in this study. However, it is important to note that this data showed the proportion of households reporting a given occupation as one of their main sources of income, *not* the proportion of household income accounted for by each occupation. Future data collection could be more focused on directly collecting such as the proportion of household income accounted for by different occupations.

According to the national average figures for all groups from the 2005 NRVA, shown in Figure 1, the ‘other labor’ category was the second most important source of income after agriculture, with 33 percent of households engaged in these activities. This was followed by trading, except for urban households for which trading was the most important source of income. Twenty-seven percent of the total population engaged in trading and 23 percent in livestock which is the third most important source. Livestock was separate from the agriculture category in order to provide a more meaningful reflection of the income activities of the nomadic Kuchi people who often relied on livestock for a living, but were rarely involved in crop cultivation. National figures for opium-related income activities were suspiciously low — four percent — and, given other data on opium production, it is reasonable to assume that households did not fully report their opium activities. The manufacturing sector is not a significant source of income for any of the groups, and this is especially the case in central and southern regions as discussed below.

⁷ Islamic State of Afghanistan & World Food Program, December 2004, *The National Risk and Vulnerability Assessment 2003: Rural Afghanistan*, p 7

⁸ NSS Staff, Ministry of Rural Reconstruction and Development (MRRD)

Figure 2. Main Sources of Income: National Average, Kuchi, Rural and Urban Households



Source: 2005 NRVA

Agriculture was found to be the most important source of income in Afghanistan. A total number of 47 percent of all households are involved in one or more forms of agriculture, follow by non-farm labor (33 percent), trading (27 percent) and livestock (23 percent). Only 4 percent of households reported opium production as a source of income. This figure seems low and it may be assumed that many households gave the “socially desirable answer.” The rural population essentially engages in agriculture, non-farm labor and trading. In the urban areas, trading is the main income source, followed by other forms of wage employment. The Kuchi, as expected, concentrate on livestock, but nearly 30 percent reported income from other wage or skilled labor. Tables presenting the breakdown of income activities by population (rural, Kuchi and urban) and province are provided in the annex.

3. LABOR MARKETS IN CENTRAL AFGHANISTAN

Wardak, Uruzgan, Ghor, Bamyan, and Daykundi provinces, comprising the Central Highlands of Afghanistan, are subject to chronic food insecurity (see map in figure XX). This is due to geographic isolation, poor transport infrastructure, inaccessibility to markets, high population density relative to the natural resource base, cold climate, impassable snow during winter, and diminished livestock assets.⁹ Livestock ownership has been in decline for a century due to competition for rangeland, conversion of rangeland to cropland, and degradation of rangeland due to deforestation. Nonetheless, livestock is still a key livelihood strategy in the Central Highlands.¹⁰ Geography, climate, and poor transportation infrastructure limit economic growth, access to markets, and availability of employment. Agricultural incomes are important both in terms of crops for household consumption and sales. Households also engage in agricultural wage labor and, more commonly, share cropping. However, landholdings are typically too small to sustain households and non-agricultural labor such as manual daily labor in construction and loading and cart pulling in the bazaar is sought by many households. Employment opportunities are insufficient and levels of unemployment and underemployment are high. Seasonal and longer term migration to urban centers, Iran, and Pakistan is common, but seasonal migration is not as easy as in the south due to distance and poor transport infrastructure.

Figure 3. Central Highlands of Afghanistan



Source: FEWS NET

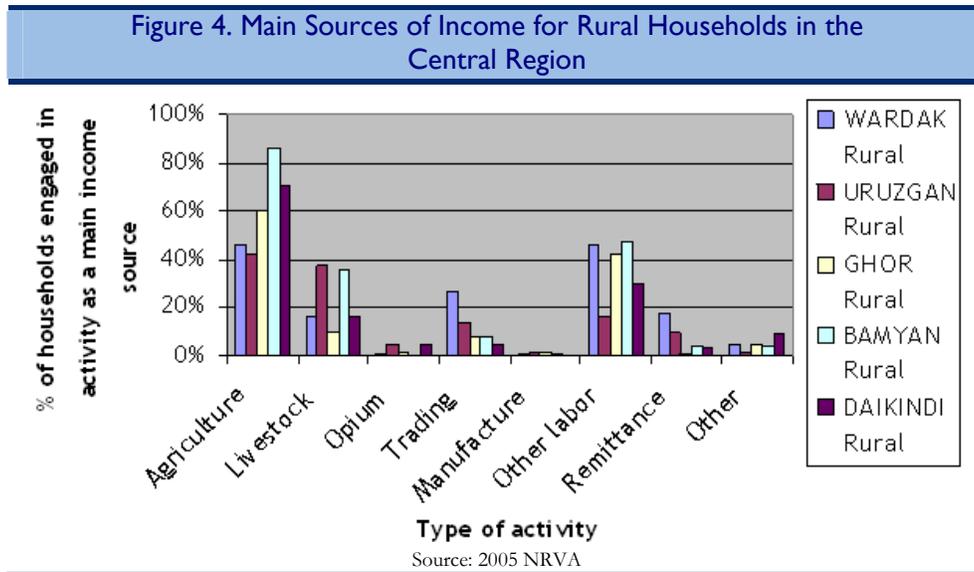
3.1 MAIN TYPES OF LABOR IN CENTRAL AFGHANISTAN

Figure 2 illustrates the high dependence on agricultural labor for household income in the central provinces. In fact, the 2005 NRVA data indicate that Bamyan Province has the second highest level of dependence on agriculture for household income in Afghanistan (86 percent), after Nuristan Province (88 percent). There is some doubt as to the accuracy of the Bamyan estimate, given the significant evidence that household land

⁹ F K Najimi, FEWS NET Presentation, 2006

¹⁰ Liz Alden Wily, *Land Relations in Bamyan Province: Findings from a 15 Village Case Study*

ownership in Bamyan is insufficient to support such an overwhelming dependence on agriculture alone. Closer inspection of the 2005 NRVA data suggests that the reliance on agricultural activities in the central provinces mostly comes from crop production for domestic use. This undoubtedly includes sharecropping arrangements, where households are working on land owned by others, in return for a share of the crop.

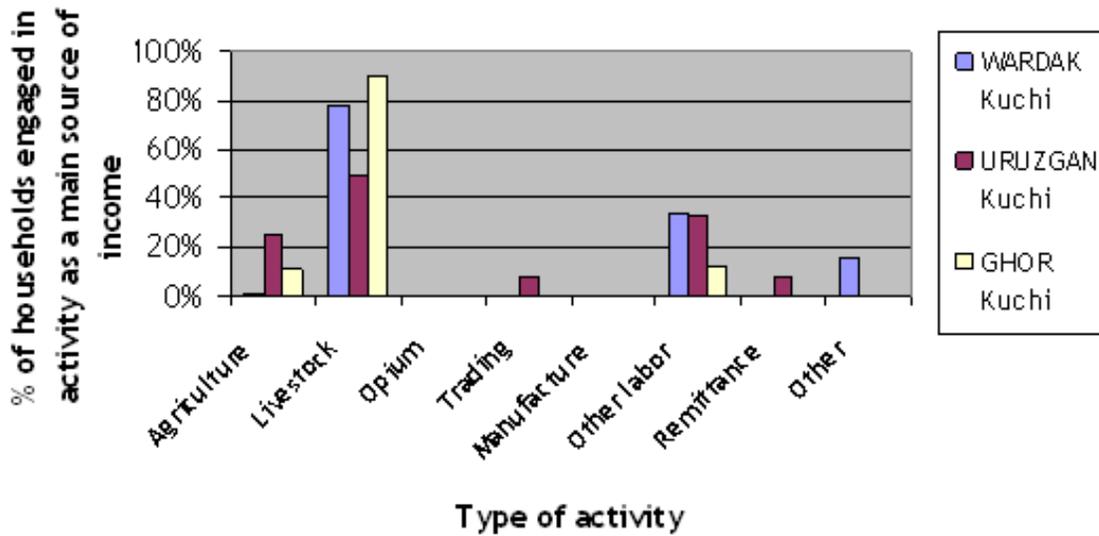


The ‘other labor’ category was the most important income generating category after agriculture for all provinces except Daykundi. This was borne out by the focus group study conducted in Bamyan Province (see Section 6 below) in which respondents reported high levels of reliance on daily manual labor in construction, loading and unloading of trucks and manual cart pulling, a self-employment activity. Construction work might take place on private, government, or NGO construction sites. Some construction laborers have their own tools, but those who do not are provided with tools by their employer. In most town centers, laborers gather at a market square, or *chowke*, or at the crossroads of major roads to advertise their availability for day labor. Unskilled work opportunities can be identified by word-of-mouth or with help of friends and relatives. In rural areas, word-of-mouth is likely to be the main method of securing labor. Many National Solidarity Program (NSP) projects requiring local labor find laborers through the Community Development Councils (CDCs). Lack of skills is an impediment to the employment of Afghans for more responsible or higher skilled construction labor. Some construction companies contracted to carry out work projects reportedly bring in their own skilled labor. In sum, unskilled job opportunities are irregular and the supply of labor (those looking for work) is greater than the demand, as was reported by respondents in Bamyan Province.

Trade and services are not a significant source of income in the central provinces according to the NRVA data. The Limited trade and services opportunities are influenced by the poor transport infrastructure in many of these provinces, which inhibits trade and transport. However, these constraints are less pronounced in Wardak Province due to its relative proximity to the capital, Kabul, a major center of economic activity. Manufacturing is also a weak sector in the Central Highlands, although there is some artisan mining in Bamyan Province – coal is currently being illegally mined.

The provinces in the central region of Afghanistan were not considered to have a sufficiently large urban center to merit a separate NRVA survey for urban households. Urban centers were defined as having populations of over 10,000 people. The southern region, on the other hand, does have urban centers, as outlined in Section 4 below. The Bamyan and Daykundi provinces did not have sufficient Kuchi populations to warrant a Kuchi household survey. Kuchis were surveyed in Wardak, Uruzgan, and Ghor provinces, as shown in Figure 3. The dominance of livestock is consistent and expected given that the Kuchi are largely pastoralist. The most important category after livestock is the ‘other labor’ category.

Figure 5. Main Sources of Income for Kuchi Households in the Central Region



Source: 2005 NRVA

Remittances

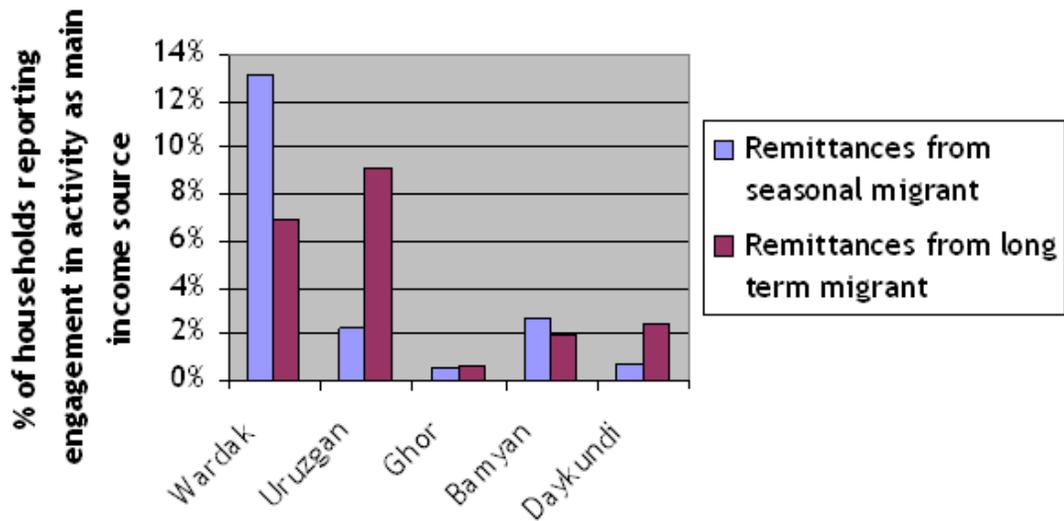
The low level of reliance on remittances by rural households (see Figure 2) is noteworthy. In general, remittances are an important source of income across Afghanistan. According to the Interim Afghanistan National Development Strategy (IANDS):

Household livelihood strategies that include international migration (mainly to Iran and Pakistan) were reported by 14 percent of rural households. Many household members are highly mobile and migrate to neighboring districts and provinces in search of seasonal work. This diversity and flexibility in livelihood appears to be a crucial strategy for the rural population in managing risks and uncertainties.¹¹

Levels of labor migration are difficult to estimate, as population growth figures are unreliable and most migrants cross borders informally. Figure 4 illustrates the reliance on long-term versus seasonal labor migration. However, these levels are suspiciously low, both for long-term and seasonal migration. Low levels of remittances reported in Bamyan Province seem to contradict the limited focus groups conducted by researchers (see Section 6). It is thought that diminishing labor opportunities during winter months leads to considerable seasonal migration both to cities within Afghanistan and to Iran or Pakistan. It is possible that the actual reliance on remittances were not accurately captured by the survey.

¹¹ *Interim Afghanistan National Development Strategy* Vol. I, p. 48

Figure 6. Rural and Kuchi Households in the Central Region Reporting Income from Remittances

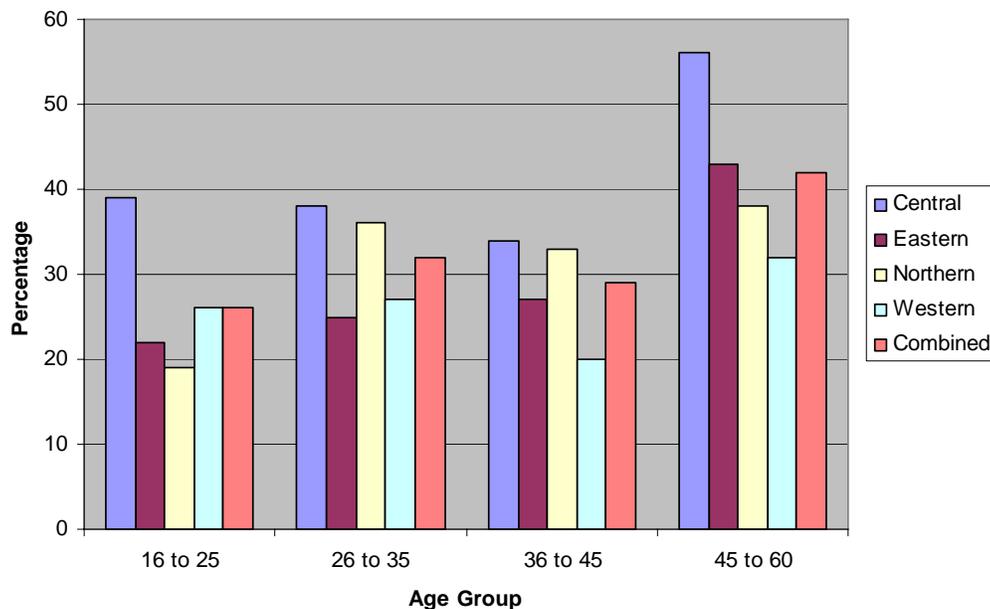


Source: 2005 NRVA

3.2 UNEMPLOYMENT, UNDEREMPLOYMENT, AND ACCESS TO EMPLOYMENT OPPORTUNITIES

There is a general lack of full time or regular labor opportunities fitting the skills of those seeking work within Afghanistan. This is especially pronounced in central provinces, as revealed in the IRC labor market survey of 2003.¹² Figure 5 is based on the IRC survey of *shuras*, or village councils, and hence is based on a relatively small sample of 77. Moreover, the accuracy of unemployment levels in the community reported by *shuras* may not be as reliable as household level surveys.

Figure 7. Unemployment by region



Source: IRC 2003

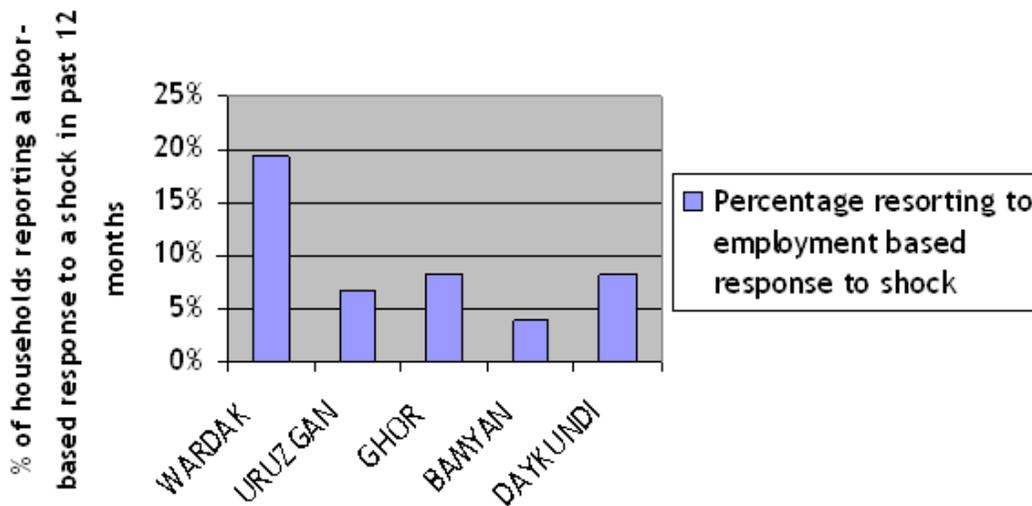
¹² Matthew Agnew, International Rescue Committee (IRC), September 2003, Afghanistan Labor Market Information Survey, p.71

There is pattern of poor access to public transportation in the central, northern, western, and northeastern areas of Afghanistan, especially in the Central Highlands. The areas in red and yellow in Figure 6 represent areas with the greatest percentage of the population living more than half a day away from public transportation.

3.3 LABOR MARKETS AND SHOCKS IN CENTRAL AFGHANISTAN

Households may respond to shocks by seeking employment locally or by migrating for work. Figure 7 shows the percentage of families experiencing shocks in the central provinces who reported that they had responded to those shocks by one or more of the following means: worked for food only; worked on relief programs run by the government, NGOs or international organizations; migrated to look for work; increased child labor; or sent their sons to work as indentured laborers.

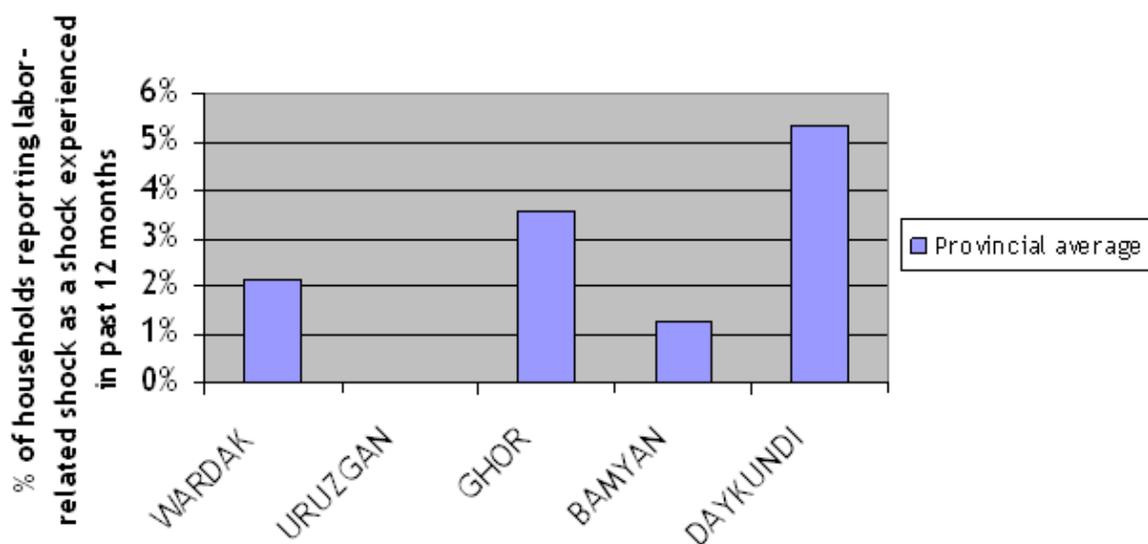
Figure 9. Households Responding to Shocks with Labor-based Coping Strategies: Central Region



Source: NRVA 2005

If families are and will remain dependent upon labor markets, shortages of jobs or loss of employment constitute important stresses or shocks: either covariant, affecting a large number of households at once (i.e., covariant shocks) or idiosyncratic (i.e., affecting individual households). The 2003 NRVA found that a national average of eight percent of the sample households had experienced the loss of employment of a family member, which constituted an idiosyncratic shock. The 2005 NRVA also asked households whether they had experienced shocks in the past 12 months, and what were the three main shocks. Figure 8 shows the percentage of families who reported loss of employment or the reduction in salary of a family member in the past 12 months. These figures are rather low, perhaps reflecting the fact that most Afghans do not have a permanent job with an employer and, therefore, losing one's employment or salary does not have quite the same meaning as if it were a regular full-time salaried job. Conversely, this could be reflecting a reporting bias as respondents may have been referring to loss of formal employment rather than informal employment that is so common and important.

Figure 10. Households Experiencing Labor-related Shocks: Central Region



Source: NRVA 2005

3.4 MONITORING LABOR MARKETS IN CENTRAL AFGHANISTAN

Some of the factors that contribute to food security in the Central Highlands and could serve as monitoring indicators include: the numbers of returnees from Iran and Pakistan coming into the region; local employment opportunities and the wage rates; employment opportunities in Kabul, Iran, and Pakistan; surpluses from the previous harvest and expectations for the upcoming harvest as both promote activities related to marketing and trade; and the number and magnitude of on-going and planned public works and NSP construction projects.

Some labor market indicators of food security stresses or shocks in the Central Highlands are:

- An unusual spike in levels of migration to Kabul, Iran, and Pakistan, especially during summer months when migration is normally less common.
- Increased numbers of laborers standing idle in the main square or at main crossroads.
- A significant decrease in daily wage rates for manual labor, especially a decrease which is not a typical seasonal pattern.
- Larger numbers of returnees to the region due to migration policies of Iran or Pakistan.
- Limited surpluses from the most recent harvest season that may reduce employment opportunities, particularly, those related to marketing and trade.
- Diminished number and magnitude of planned public works and NSP construction projects in the region.

The following methods could be used to monitor labor markets in central Afghanistan:

- **Establish a labor market information network** - In provincial capitals and municipalities, representatives from various agencies and organizations could share information and observations on labor markets and the general economic situation within a province. Taken together, these inputs could create a patchwork of existing information for improved labor market monitoring. Participating agencies and organizations would include: the Governor's offices, Provincial Reconstruction Teams (PRTs) (where they exist), United Nations Assistance Mission to Afghanistan (UNAMA) offices (where they exist), the Food and Agriculture Organization (FAO) (where it operates), as well as other UN agencies or NGOs running programs in the province. Vocational training providers, such as IRC, operate in some provinces and are more likely to have collected specific labor market information. The National Emergency Employment Program (NEEP) will also

have information in areas where it has operated. A next step could be to conduct key informant interviews with representatives of these organizations to explore possible participation in a labor market information network.

- **Periodic field interviews with laborers and farmers** - Agricultural wage labor can be monitored in provincial capitals and districts of interest by conducting focus groups or group interviews with laborers and farmers during sowing and harvesting seasons. These interviews could be conducted by a local NGO. Non-agricultural labor can be monitored by conducting interviews with laborers queuing for work or with those already working on a given project. Planned and existing reconstruction projects can be monitored through municipalities, the National Solidarity Program (NSP) and the other agencies mentioned as potential participants in the labor market information network.
- **Tracking infrastructure works** - The progress (or lack of progress) in road construction projects is important for short-, medium-, and long-term labor opportunities for the Central Highlands. Key informant interviews, and continued contact, with local officials and representatives from potential labor market information network agencies (listed above) could help to keep track of current and any planned acceleration of road infrastructure projects.

4. LABOR MARKETS IN SOUTHERN AFGHANISTAN

Paktika, Paktiya, Khost, Nangarhar, Nimroz, Helmand, Kandahar, and Zabul provinces, encompassing the south, southwest, and southeast of Afghanistan, have suffered from long-term drought and increasing conflict and insecurity, both of which have had a negative impact on food security and on labor markets.¹³ Opium production and trade is a key source of economic growth, livelihoods, and labor opportunities across the southern region and particularly in Helmand Province. Trade and services are more common occupations in the south than in the Central Highlands because of better transport infrastructure and the fact that this region spans the border with Pakistan and some of the Iranian border, which encourages and facilitates cross border trade. Unlike the Central Highlands, the south has two urban centers in Jalalabad and Kandahar, which also facilitates trade. There is large-scale seasonal migration to Pakistan, and also longer-term migration to Pakistan and the Gulf states.

Figure 11. Southern Region of Afghanistan



Source: FEWS NET

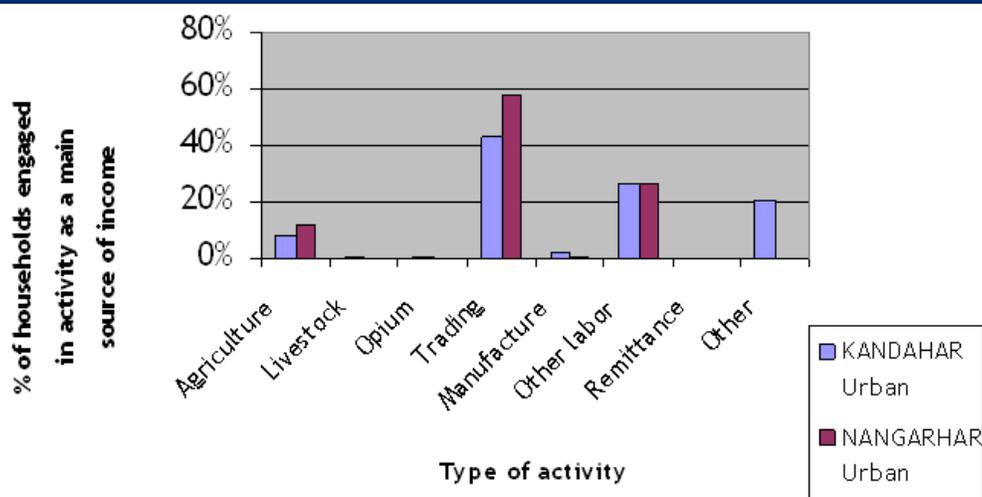
4.1 MAIN TYPES OF LABOR IN SOUTHERN AFGHANISTAN

The highest level of dependence on opium-related activities was reported in Helmand Province, where 41 percent of rural households claimed to be involved in various opium activities: this is consistent with opium production estimates of the UN Office for Drugs and Organized Crime (UNODC). However, as mentioned above, opium-related activities were probably under-reported in all provinces, including southern provinces.

There are two main urban centers in the southern provinces, namely Jalalabad in Nangarhar Province and Kandahar in Kandahar Province. Figure 9 shows main sources of income reported by urban households in these two provinces. The high proportion of households reporting trade as a main source of income for Jalalabad and Kandahar is clearly related to the fact that these centers are well connected to Pakistan and Kabul by road. Certain types of labor within the trade and services categories, such as private transport services like taxi driving, are more common in urban centers.

¹³ F K Najimi, FEWSNET Presentation, 2006

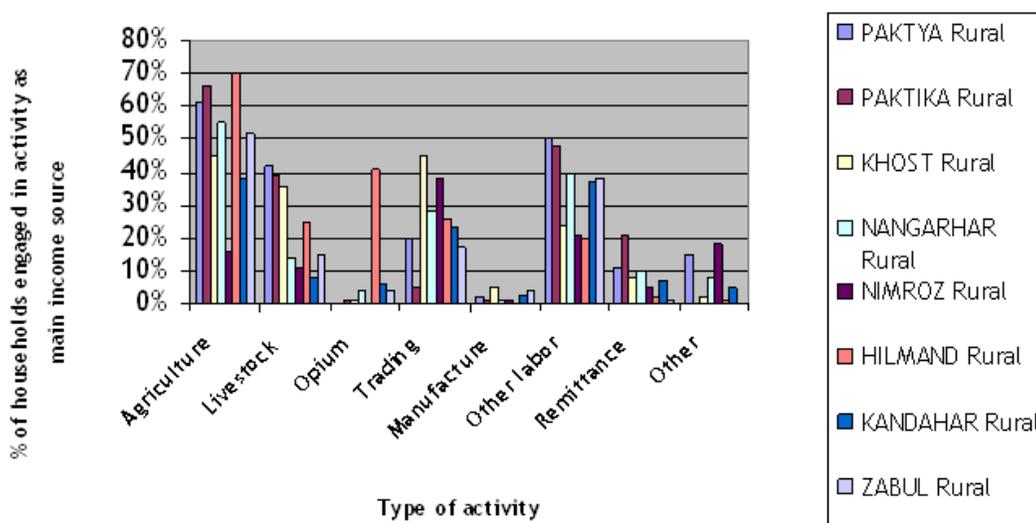
Figure 12. Main Sources of Income: Urban Households, Southern Region



Source: NRVA 2005

After trade, the ‘other labor category’ was the most important for urban households. This is confirmed by AREU’s urban livelihoods research in Jalalabad, which highlighted the importance of cart pulling to household income. In all five AREU case studies, cart pulling was the second most important income activity reported by households.¹⁴ This is a highly competitive occupation, and work could be difficult to find, especially when the cart puller did not have a fixed group of customers, or where markets were generally less busy. Unlike cart pulling or petty trade, daily wage labor offered a definite pre-arranged daily rate. However, according to the AREU research, the supply of daily laborers outstrips demand, so this option is unpredictable as well. Daily construction labor is also important in Jalalabad and Kandahar. However, Afghan laborers in urban centers in Afghanistan also face competition from Pakistani skilled construction laborers who migrate into Afghanistan for employment.

Figure 13. Main Sources of Income: Rural Households, Southern Region



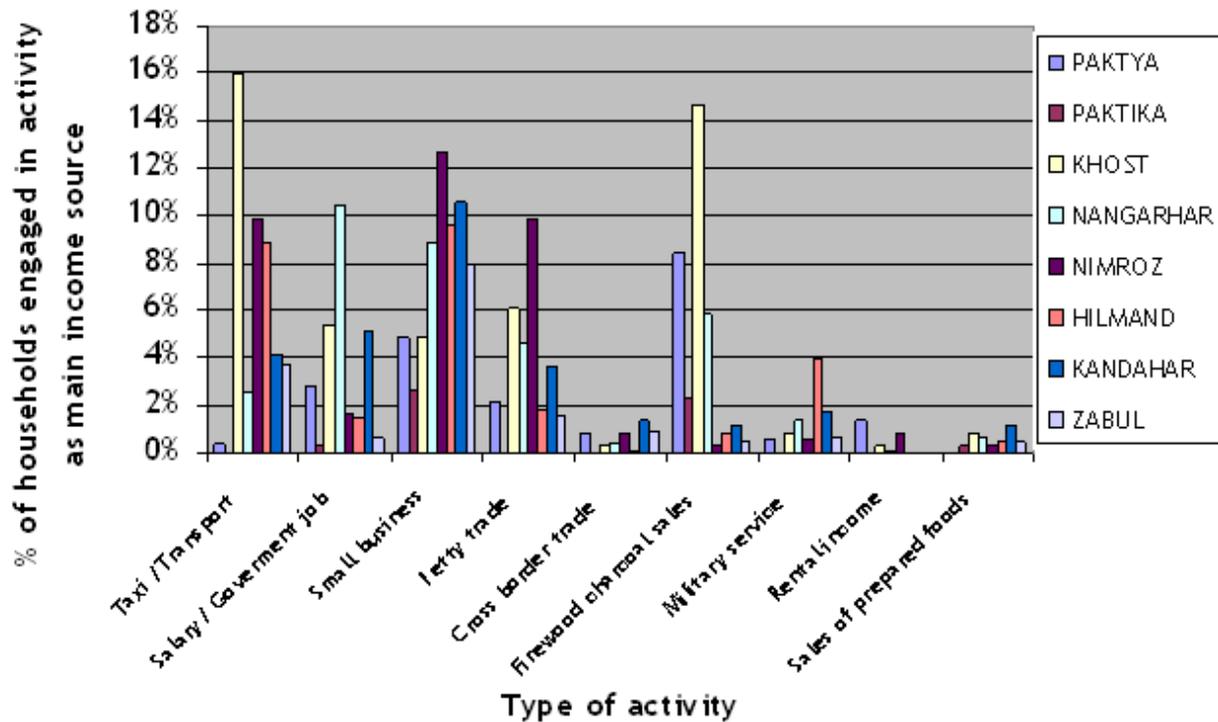
Source: NRVA 2005

Trade and services category of labor was much more significant, especially for rural and urban households (see Figures 9 and 10). This is particularly true for urban households, who exhibit a significant dominance of

¹⁴ Stefan Schuette, May 2006, AREU Case Study Series, *Gaining Some Ground: Urban Livelihoods in Jalalabad* p.19

employment in trading. As expected, rural households are most commonly employed in agriculture, livestock, and opium in the case of Helmand Province. However, there is significant involvement in trade and services as well. Because of the important role of trade and services, these categories have been further broken down and presented in Figure 11.

Figure 14. Households Engaged in Trade and Services: Southern Region



Source: NRVA 2005

Petty trade is an important non-agricultural income source for households in the southern provinces. AREU research on markets observed that there were a large number of marginalized households and individuals who engaged in mobile street vending (without fixed stalls), cross border trade, and other commercial activities on a small scale. Trade in a number of different commodities in Afghanistan has been used as a coping strategy, with small-scale agents buying and selling or reselling to other agents on a small scale, sometimes making negligible margins. Small-scale and marginalized actors encountered in the AREU research ranged from small-scale pharmaceutical or diesel fuel street vendors to small-scale diesel smugglers. Fuel smugglers were interviewed by researchers at two points near the border with Iran in Nimroz. They appeared not to make any margin themselves from the difference between the subsidized price of fuel in Iran and the higher fuel price in Afghanistan. It turns out, that these small-scale traders are actually not traders. Wholesalers and large-scale traders pay a flat rate to smugglers upon delivery of fuel and petrol. It's not clear whether wholesalers and traders broker or pre-finance the actual foreign transactions.¹⁵ The phenomenon of using marginalized agents and porters to transport commodities over borders has been noted by other researchers, and one has observed that children often act as porters carrying a range of commodities from scrap metal to drugs across the border at Torkham on the Jalalabad to Peshawar route.¹⁶

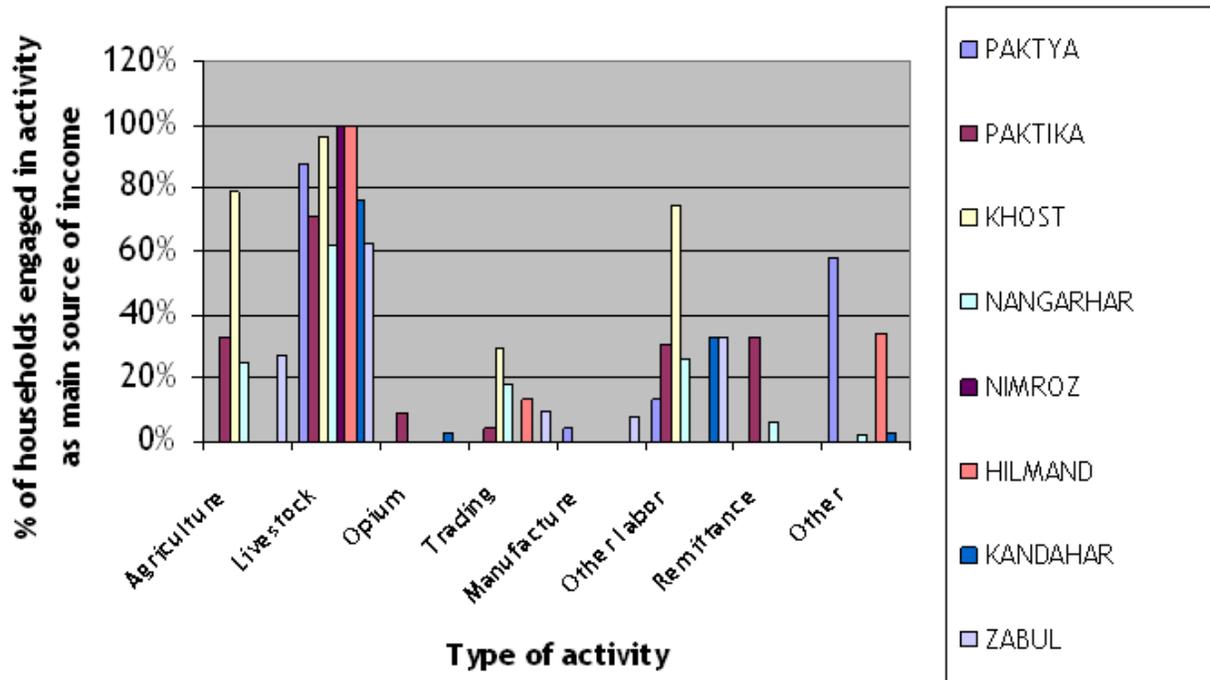
Southern provinces have larger Kuchi populations than the central provinces, and the 2005 NRVA surveyed Kuchi households in all southern provinces. As with the Central Highlands, livestock is the most important income category for Kuchi households. But, based on the data, Kuchi households in the south appear to have

¹⁵ Anna Paterson, July 2006, AREU Synthesis Paper, *Going to Market: Trade and Traders in Six Afghan Sectors*

¹⁶ Jonathan Goodhand, *Journal of Agrarian Change*, Vol. 5 No. 2, April 2005, pp.191-216. *Frontiers and Wars: The Opium Economy* Paterson, cited in July 2006, *Going to Market: Trade and Traders in Six Afghan Sectors in Afghanistan*. p 210

a more diverse income structure than those in the Central Highlands, with more households reporting engagement in other main sources of income, notably 'other labor' and trade and services (see Figure 12).

Figure 15. Main Sources of Income: Kuchi Households, Southern Region

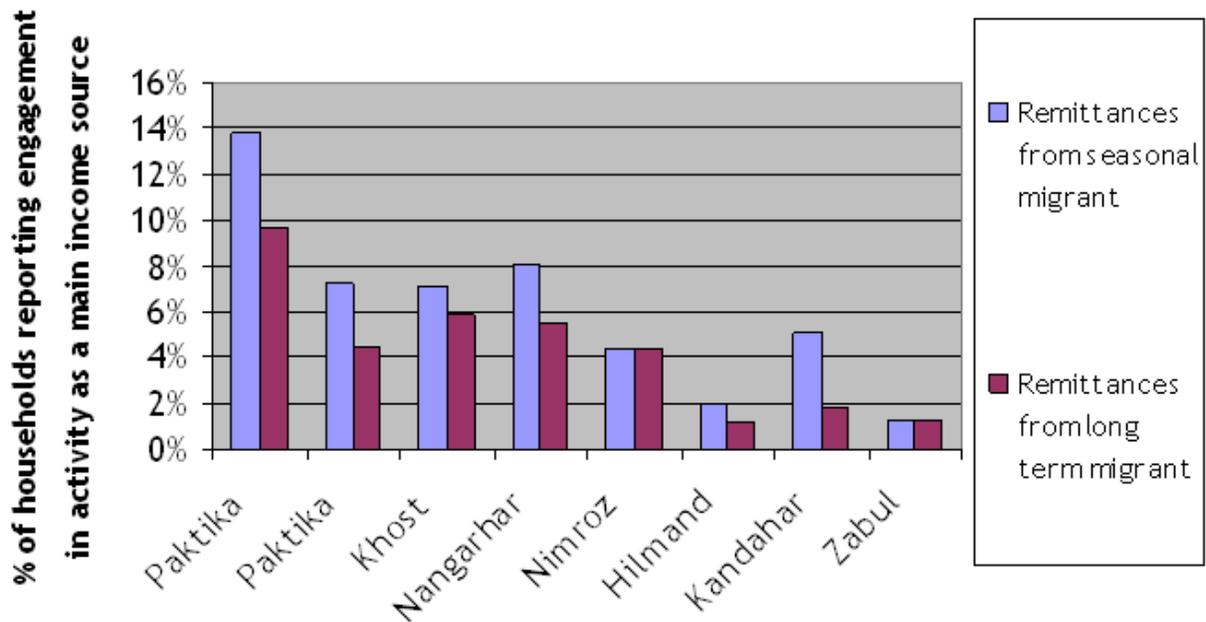


Source: NRVA 2005

Remittances

Provincial average levels of reliance on remittances reported for the southern provinces in the 2005 NRVA were higher than for the Central Highlands as shown in Figures 9, 10, and 12. However, the fact that urban households in Nangarhar and Kandahar provinces reported no reliance on remittances as a main source of income is suspicious. Anecdotal reports from organizations operating in the south suggest a heavy reliance on remittances from family members living in the Gulf States such as United Arab Emirates. This is in addition to the frequent seasonal and longer term migration to Pakistan and Iran. Figure 13 shows the provincial average figures broken down into types of remittances, and displays slightly higher levels of reliance on remittances than reported in central provinces.

Figure 16. Income from Remittances: Southern Region



Source: NRVA 2005

These southern provinces all share a border with Pakistan, and Nimroz Province also shares its western border with Iran, so there is easier access to these countries for seasonal and longer-term migration. Transportation infrastructure here is also better than in the Central Highlands. Closeness to an international border also makes longer distance migration to Arab countries easier than other parts of Afghanistan. Pashtun and Baluch communities on the Afghan side of the Pakistan/Iran border have strong kinship ties with Pashtun and Baluch communities in Pakistan and Baluch communities in Baluchistan, Iran. Seasonal migrants often find accommodation with extended family members living on the other side of the border.

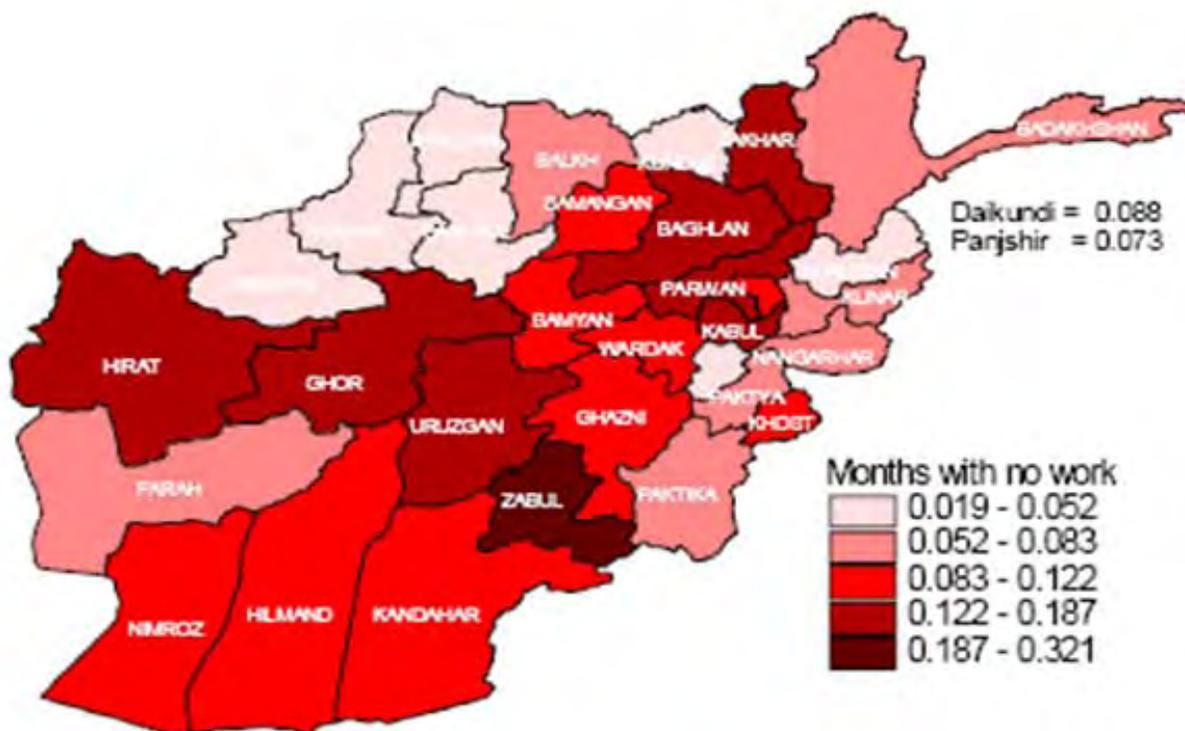
4.2 UNEMPLOYMENT AND ACCESS TO EMPLOYMENT

There are no data from the IRC 2003 Labor Market Information Survey on unemployment in the southern provinces because the region was not included in the survey due to security reasons. However, qualitative evidence suggests that there is low demand for labor in the southern provinces, which is partially offset by widespread seasonal and longer-term labor migration and remittances.

Figure 14, based on 2005 NRVA data used in the IANDS, shows the number of months per year that households are not engaging in their main sources of income. Households may be earning income over that period, but not from their main source of income. Unemployment may not be fully captured here as households might have *some* income coming in from one member, but still other household members who are interested in work may be unemployed.

Figure 14 suggests that households in southern provinces and eastern provinces such as Paktiya, Paktika, and Nuristan, and Bamyan in the Central Highlands, spend the fewest number months of the year engaged in their main income earning activity. The province reporting the greatest amount of time with “no work at all” was Zabul in the south, followed by Hirat in the west, Ghor and Uruzgan in the Central Highlands and Kabul, Parwan, Baghlan, and Takhar in central and northern Afghanistan. Other information suggests that higher levels of engagement in trade and services may make the south less prone to the kind of seasonal variations in employment experienced in the Central Highlands. Trade is a more year-round activity than agricultural labor or construction. Better transport infrastructure and a warmer climate in the south also make trade and transport services more feasible during winter months as compared to other parts of the country.

Figure 17. Average Number of Months that Households are Unemployed



Source: NRVA 2005

There may be more cultural resistance to women working outside the home in southern provinces than in the Central Highlands. Nonetheless, the two regions are similar in that households relying on the labor of women, disabled members, children, or old men are more vulnerable to unemployment or underemployment. According to AREU's Urban Livelihoods case study in Jalalabad, the number of people in the household who can work is perhaps the most reliable indicator of vulnerability:

The number of workers a family can put into the workforce, relative to dependents, is a key indicator of vulnerability, because households with few workers lack the flexibility to withstand most forms of shocks...many of the 42 households over the study months can be characterized by low shares of workers. For six percent of the 443 interview periods, families reported having no male labor (child or adult) in the household. These households were among the most vulnerable to poverty, more than female-headed households in general, who may have access to male labor, or those with some but not all female workers, since women have such difficulty obtaining well-paid activities.¹⁷

4.3 LABOR AND SHOCKS IN SOUTHERN AFGHANISTAN

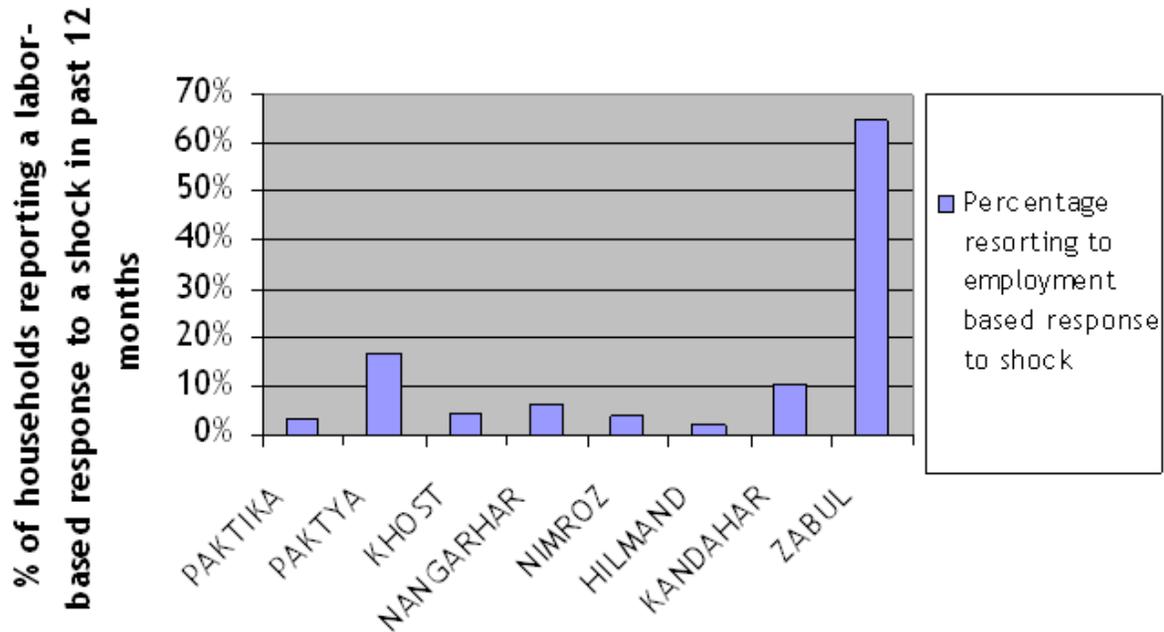
Figure 15 shows the percentage of families in southern provinces who reported that they had experienced shocks in the past 12 months and responded to those shocks by one or more of the following means: worked for food only; worked on relief programs from government, NGOs, International Organizations; migrated to look for work; increased child labor; sent their sons to work as indentured labor. The results are generally similar to the Central Highlands, with the exception of the large spike represented by Zabol Province: significantly higher than any other province in the whole of Afghanistan. It is not clear whether this is an anomaly in the data.

Figure 16 shows the percentage of families who reported a loss of employment or the reduction in salary of a family member as a result of shock experienced in the past 12 months. Nimroz and Kandahar provinces show higher levels of labor-related shocks than the other southern provinces and the Central Highlands. It is

¹⁷ Stefan Schütte, May 2006, AREU Case Study Series, *Gaining Some Ground: Urban Livelihoods in Jalalabad*, p.23

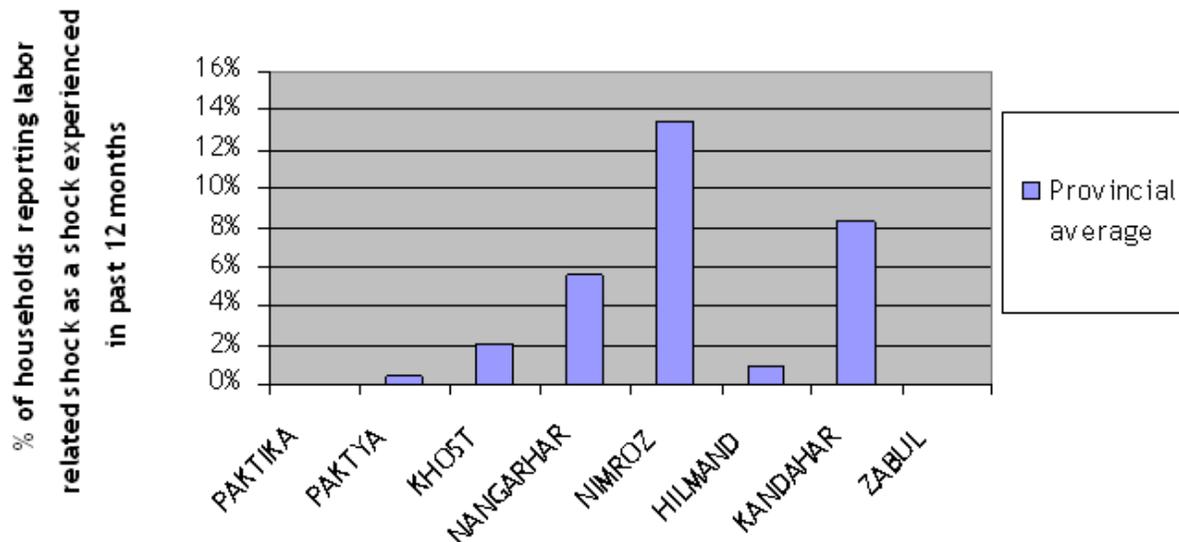
difficult to say whether this is accurate. However, a higher level of shocks caused by loss or reduction in employment might have been expected in Helmand, where opium eradication efforts caused a contraction in opium-related jobs in 2004-2005 (although opium production has since bounced back with vigor).

Figure 18. Households Responding to Shocks with Labor-based Coping Strategies: Southern Region



Source: NRVA 2005

Figure 19. Households Experiencing Labor-related Shocks: Southern Region



Source: NRVA 2005

4.4 MONITORING LABOR MARKETS IN SOUTHERN AFGHANISTAN

Factors that affect food insecurity include: the numbers of returnees from Iran and Pakistan coming into the region; local employment opportunities and the wage rates; employment opportunities in Kabul, Iran, and Pakistan; and surpluses from the previous harvest and expectations for the upcoming harvest as both

promote activities related to marketing and trade. While a number of the factors influencing food security in the Central Highlands are also important in the South, there are significant differences. Formal and informal policies promulgated by Pakistan or Iran and related to or influencing cross border activity affect the intensity and cost of legal as well as illegal trade. Opium eradication, especially if well enforced and deteriorating civil security also play a significant role.

Some labor market indicators of food security stresses or shocks in Southern Afghanistan are:

- An unusual spike in levels of migration to Iran, and Pakistan, and the Gulf States. Increased numbers of laborers standing idle in the main square or at main crossroads.
- A significant decrease in daily wage rates for manual labor, especially a decrease which is not a typical seasonal pattern.
- Larger numbers of returnees to the region due to migration policies of Iran or Pakistan.
- Limited surpluses from the most recent harvest season that may reduce employment opportunities, particularly, those related to marketing and trade.
- Changes in formal and informal policies promulgated by Pakistan or Iran and related to or influencing cross border activity - the intensity and cost of legal as well as illegal trade.
- Increased numbers of laborers standing idle in the main square or at the main crossroads.
- Increased or more effective enforcement of opium eradication policies.
- Deteriorating security, conflict, and political insecurity.

The following methods could be used to monitor labor markets in southern Afghanistan:

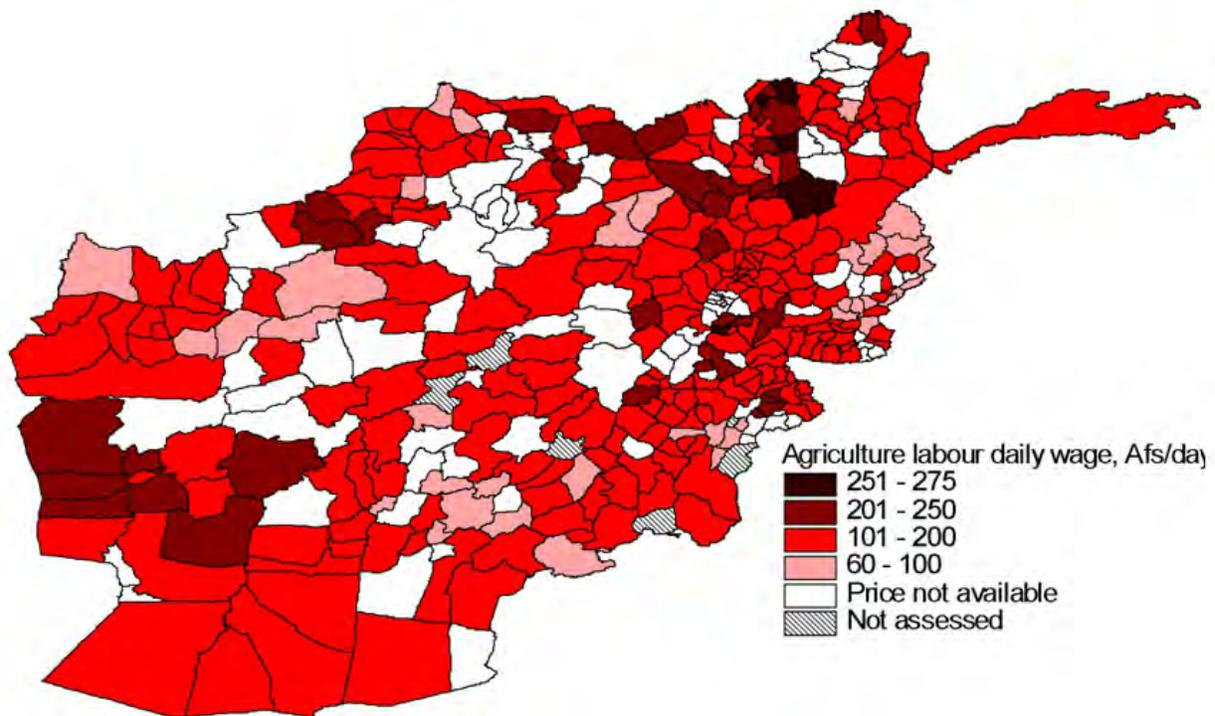
- **Establish a labor market information network** - The same officials and agencies should be approached in southern provincial capitals as in the central region (municipalities, governor's offices, PRTs, UNAMA, FAO, INGOs such as IRC, and local NGOs such as the Tribal Liaison Office) for their comments and observations on labor markets and the general economic situation in the province and wider region.
- **Periodic field interviews with laborers and farmers** -As with the Central Highlands, agricultural wage labor can be monitored by conducting focus groups or group interviews with laborers and farmers during sowing and harvesting seasons, ideally, again, by partnering with a local NGO. Non agricultural labor can be monitored by conducting focus group or group interviews with laborers queuing for work, especially in the urban centers of Nangarhar and Kandahar. Trade and services occupations, such as street vending, can similarly be monitored through focus groups or group interviews with fuel and pharmaceuticals vendors similar to those conducted as part of AREU's political economy and markets research
- **Monitor border activity** - Border ports can supply a general picture of seasonal migration and cross border trade. Interviews with customs houses and other agencies (e.g., UNHCR) operating on borders can be supplemented with focus group and group interviews with cross border traders, where this is not too sensitive.

5. WAGES AND TERMS OF TRADE

Data on wage rates for agricultural and non-farm labor are collected and monitored at the local level by a number of organizations on an ad hoc and long-term basis. These sources include the Food, Agriculture and Animal Husbandry Information Management and Policy Unit (FAAHM), within the Ministry of Agriculture and Animal Husbandry (MAAH), FAO, PRTs, municipalities, NGOs, and construction companies conducting one-off studies ahead of planned construction projects.

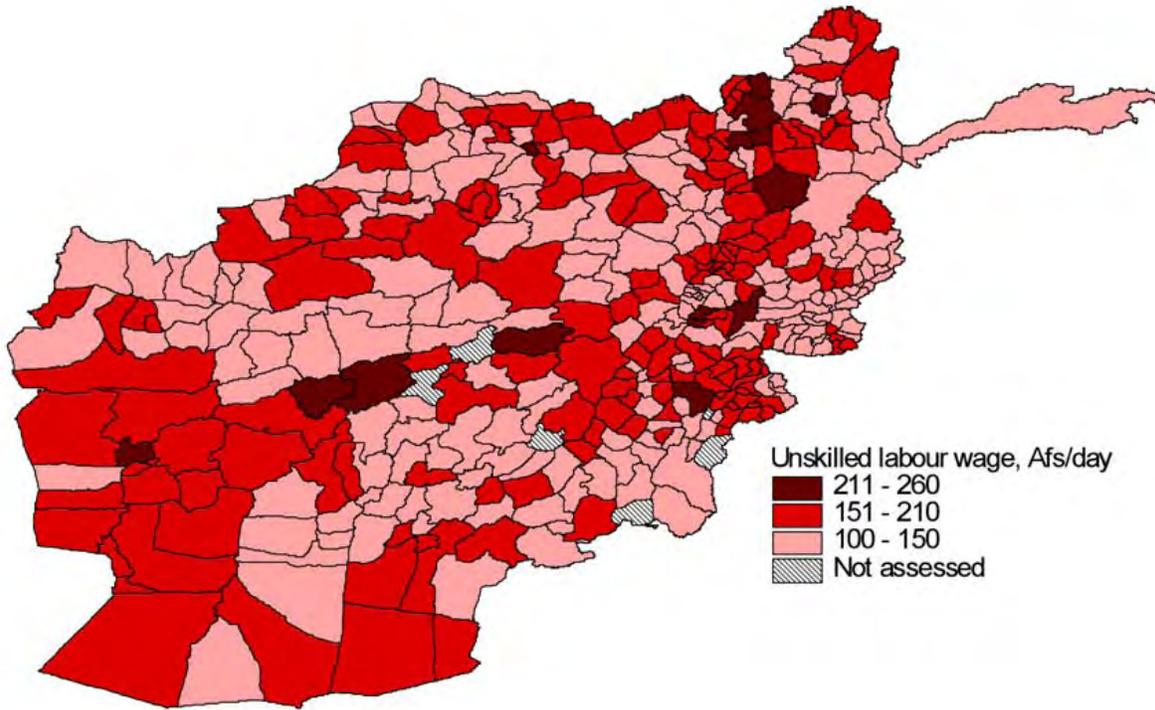
If households are increasingly supplementing subsistence production with reliance on a number of farm and non-farm income generating activities in order to buy food on the market, then the amount of food they can buy for their earnings is an important determinant of their food security status. Figures 17 and 18 show daily wages for agricultural and unskilled daily labor, respectively, in June/July 2005.

Figure 20. Daily Wage for Agricultural Labor, June – July 2005



Source: NRVA 2005

Figure 21. Daily Wage for Unskilled Labor, June – July 2005



Source: NRVA 2005

Agricultural labor wages ranged from 60 to 275 Afghanis per day, with the highest agricultural wages recorded in Takhar and Kabul districts, which were the highest producing areas during the main harvest period recorded in the NRVA survey. Relatively high wages in Hirat and Farah in the west were attributed to the large numbers of workers migrating to neighboring Iran.¹⁸

According to the NRVA, 'unskilled labor' in Figure 18 mostly relates to construction work. Daily wages ranged from 100 to 260 Afghanis per day, with the highest wages earned in certain districts of the northern regions of Takhar, Ghor, Badakhshan, Farah, and Balkh provinces. There was some speculation that the higher wage rates for unskilled labor in these areas were linked to competition with the harvest and, in particular, the opium harvest. This is an important reminder that changes in the supply or demand for one type of labor is likely to impact the supply or demand for other types of labor. The lowest wages were recorded in certain districts of Nuristan, Kunar, Nangarhar, Kandahar, and Sar-i-Pul provinces, which were identified as remote and where labor opportunities were few.¹⁹

The wage rates discussed above were collected during the harvest period and may not, therefore, be representative wage rates over the year and seasonal wage rate patterns and trends. The FAAHM, which is developing an Agricultural Statistics and Market Information System collects and uses data on wages for agricultural and unskilled manual labor. While there are large seasonal variations in agricultural wages, linked to harvests, FAAHM identified some counter-intuitive patterns in unskilled labor in 2004:

Of course demand for labor tends to stagnate in winter due to climate conditions, especially in the construction sector which is expected to stall during the rainier months of the year. But even a slower labor market did not stop real wages from growing in mid winter at the

¹⁸ December 2005, Central Statistics Office (NSS Unit) & Ministry of Rural Reconstruction and Development (Vulnerability Analysis Unit, in collaboration with FEWS NET), *National Risk and Vulnerability Assessment (NRVA) 2005 – District Market Prices*

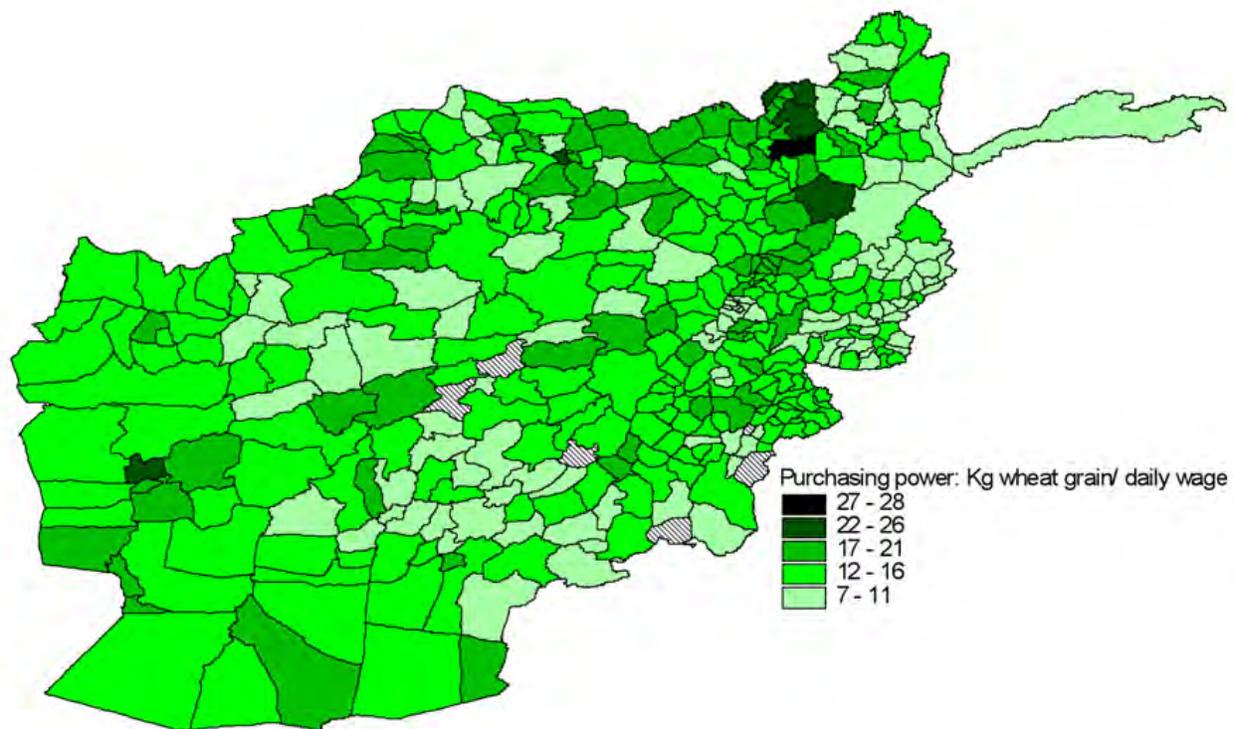
¹⁹ *ibid*

beginning of 2003, and won't probably stop them either in 2004... The general conclusion of this analysis... is that the seasonal pattern of prices and wages in Afghanistan is not only governed by the seasons of the year or the crop cycle. Other contributing factors are macroeconomic in nature, concerning mostly factors foreign trade, poppy revenue, monetary policy, investment and general economic activity.²⁰

The IRC survey from 2003 noted a seasonal change in incomes, identifying an overall increase of 10.4 percent in income across all of the businesses surveyed in all categories²¹ However, the business income survey does not directly capture daily wage incomes for laborers.

Figure 19 shows the relationship between the 'unskilled daily labor wage' and the average of the three prices of wheat grain (local, imported and food aid) by province. This answers the question: How many kg of wheat grain could be bought with the daily wage for unskilled labor? When compared with the 'unskilled labor wage' map (Figure 18), a stronger correlation with high unskilled labor wages, rather than the low price of wheat, leads to positive terms-of-trade for the consumer in the northeast as well as one district each in Balkh and Farah provinces. While in districts near Kabul and in the Central Highlands, "high daily wage rates for unskilled labor (211 to 260/Afghanis per day) were confronted with high prices for wheat grain (100 to 150 Afghanis per kg). All categories showing the lowest category for terms of trade (7 to 11kg wheat grain/one daily range) belong to the lowest daily wage rates (100 to 150 Afghanis per day)."²²

Figure 22. Terms of Trade: Unskilled Labor/Wheat Grain, June – July 2005



Source: NRVA 2005

²⁰ Hector Maletta, January 2004, The Food, Agriculture and Animal Husbandry Information Management and Policy Unit (FAAHM), Ministry of Agriculture and Animal Husbandry (MAAH), *Winters of Discontent, Seasonal changes in wages and food prices in Afghanistan, 2002-2003*

²¹ Matthew Agnew, International Rescue Committee (IRC), September 2003, Afghanistan Labor Market Information Survey, p.71

²² December 2005, Central Statistics Office (NSS Unit) & Ministry of Rural Reconstruction and Development (Vulnerability Analysis Unit, in collaboration with FEWS NET), *National Risk and Vulnerability Assessment (NRVA) 2005 – District Market Prices*

6. CASE STUDY: BAMYAN PROVINCE

Sections 3 and 4 highlight the need for more comprehensive qualitative and quantitative data and information on labor markets and livelihoods. Qualitative research, including key informant interviews and focus groups, can assist in the interpretation of quantitative data. To this end, a brief study was conducted in Bamyan Province in early September 2006 as part of this labor market review. The field work was limited by time and travel constraints and was only intended to supplement the other sources reviewed and mentioned above. It yielded anecdotal evidence that provides a snapshot of laborers in a food insecure province. The field work helped personalize and concretize the situation of high levels of unemployment and underemployment in the Central Highlands, which has emerged in quantitative data discussed above in Section 3.

Bamyan Province, located at the geographical center of Afghanistan as well as the center of the Central Highlands, is typical of the chronic food insecurity suffered by this region as a whole. Food insecurity is the result of geographic isolation; poor transport infrastructure; lack of access to markets; a high population density relative to resources; long and harsh winters with impassable snow; and livestock resources that appear to have been in steady decline for as long as a century due to diminishing access to, and quality of, rangeland.²³ Inhabited by the largely Shia Hazaras, the province is between 2,000 and 4,000 meters above sea level (with the Koh-i-Baba ridge rising to 5,000 meters) within the Hindu Kush range and is made up of seven districts with around 2,000 villages and hamlets inhabited by around half a million people. Population figures are not entirely reliable because the population is constantly in flux due to a significant number of returnees and out-migration. Most Bamyan residents are farmers, and towns are few. Cultivation of the main crops - wheat, potatoes, barley, beans, and fodder crops - is dependent on river-fed irrigation, partial irrigation from high ponds or springs, and rainfall²⁴

The province has always had the fewest hectares of irrigated farmland in Afghanistan. Livestock remains a key activity, but ownership of livestock has been in decline over the past century. There are both landowning and landless households. Farm size has reduced over time with population pressure, but there is considerable variation in landholdings across and within districts. Landlessness is significant and may be increasing. Data from the World Food Program's (WFP) 2003 vulnerability analysis at the district-level suggested levels of landlessness in Bamyan of between 12 - 34 percent. There are also a large number of near-landless farmers, who own insufficient land to meet household needs. Landless and near-landless households constituted over half the households interviewed during the above mentioned AREU case study of land relations in Bamyan. Agriculture in Bamyan has traditionally relied upon landless laborers and sharecropping. Sharecropping opportunities may have decreased due to population pressure and persistent drought.²⁵

According to FEWS NET's Afghanistan Rural Livelihood Profiles, most of Bamyan Province lies within the East-Central Agro-Pastoral Livelihood Zone (Zone 32), a highland area reliant on livestock and cultivation of wheat, maize, and potatoes. Small areas of the province lie within the Central Cash-Crop and Livestock Livelihood Zone (Zone 29) and the South-Central Agro-Pastoral and Labor-Based Livelihood Zone (Zone 12). Households within all of the these livelihood zones rely on income gained from work for others, including work for local landowners, construction, other off-farm manual labor, and employment in Iran and, to a lesser extent, Pakistan.

According to FEWS NET, in livelihood zone 32:

The wealthier households can offer the poorer only some 20 percent of the employment they need to make up their survival budgets, so that they have to find work down the hill in Kabul or elsewhere. For the middle group too, their local resources do not afford a comfortable

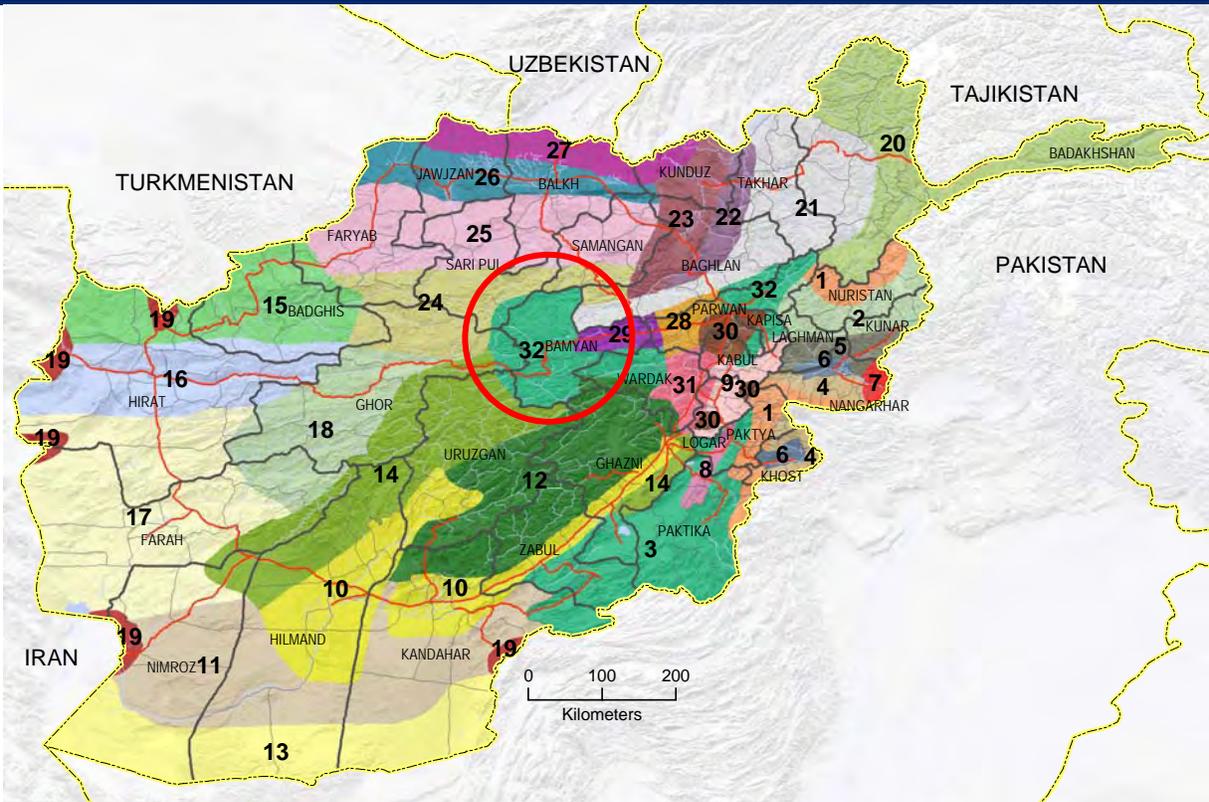
²³ Liz Alden Wily, *Land Relations in Bamyan Province: Findings from a 15 Village Case Study*

²⁴ Background information drawn from Liz Alden Wily, *Land Relations in Bamyan Province: Findings from a 15 Village Case Study*

²⁵ WFP, Afghanistan Countrywide Food Needs Assessment of Rural Settled Populations 2002-2003, WFP Vulnerability Analysis Mapping Unit, 2003, cited in Liz Alden Wily, *Land Relations in Bamyan Province: Findings from a 15 Village Case Study*, pp. 4-20 & 62-74

living, and they particularly depend on remittances from family members in salaried employment or business in Kabul and elsewhere, notably in Iran.²⁶

Figure 23. FEWS NET Afghanistan Rural Livelihood Zone Map



Source: FEWS NET

In general, the case study bore out these observations, especially the inability of richer landowners to provide sufficient incomes for poorer households, insufficiency of other labor opportunities and prevalence of migration to Kabul or Iran.

6.1 AGRICULTURAL AND OFF-FARM LABOR

All the laborers interviewed were involved in non-farm, non-agricultural labor. Potatoes were being harvested in Bamyan city while the research was being conducted (the potato harvest was slightly later in neighboring districts). It appeared that all the laborers involved in the actual harvest were either landowners or sharecroppers. The only casual labor was related to loading sacks of potatoes onto trucks for transport to Kabul. Laborers noted that sack loading was poorly paid and strenuous as the sacks were heavy. There is a strong tradition in certain districts of making handicrafts such as felt carpets. Production and trade of dairy products, such as dried yogurt or *kurut*, and gathering and trading wild plants and firewood were other common income earning strategies, but those involved in these activities could not be contacted and interviewed.

6.2 CASUAL MANUAL LABOR

Focus groups were conducted with three sets of casual laborers, two sets within Bamyan city, the provincial capital, and a third set on the road between Bamyan city and neighboring Yakawlang District.

²⁶ September 2005, FEWS NET, Afghanistan Rural Livelihood Profiles, p.114

Those seeking casual employment opportunities in Bamyan city congregate in the main square, or *chowk*, where prospecting employers come to pick out laborers on a daily basis. One group of three cart pullers and eight manual laborers seeking construction work was interviewed near the *chowk*. They indicated the daily wage rate was between 150 and 200 Afghanis.

Another group of ten laborers were interviewed as they were working on a road construction site in the Shar-e-Naw area of Bamyan city. These laborers had been selected by the employer from the *chowk*. They reported that an NGO was paying for the road construction, which was being carried out by a contracted company. Researchers could not verify the source of funding for the road, but an Afghan construction company was carrying out the work. All those interviewed initially claimed that they were from landless households, although one admitted later that he did own a small plot, and they all stated that they were the main earners in their households. The reported size of their households varied from five to 12. They had been working on the site for three days at a daily rate of 200 Afghanis per day. Agricultural daily labor was available during wheat and potato sowing from April to June and during the wheat and potato harvest in August and September, respectively. However, agricultural labor was harder to secure as it was often based on family or personal relationships. Construction work was available from May to September. The one laborer who admitted that he owned a plot of land said he was engaging in construction work to help repay a debt of 15,000 Afghanis taken to pay for his daughter's wedding.

'I was born in Wardak province. I spent 20 years in Iran during the conflict years and after that, three years in Kabul. In both places, I was involved in construction work. I left Kabul as my rent there was 1,500 Afghanis per month and I could not afford to stay. I have been staying here for one month in a room with 12 other family members. I have been working on this construction site for two days. Other than this work, I worked on land owned by a local landowner for six days in the past month, for 100 Afghanis per day. One of my sons lives in Iran from where he sends home around 20,000 Afghanis per year, and the other son has been working in the Bamyan hotel, Bamyan city, for one month.'

Source: Landless laborer, Barkiy Shaida Village, Bamyan District

The fact that so many laborers reported congregating at the *chowk* indicates that monitoring laborers at these locations may be a useful way of supplementing labor market information and identifying unusual levels of unemployment.

Public works had been a key source of unskilled labor for local laborers. The municipality reported that the construction of the main road in the Bamyan city bazaar had involved some 200 laborers for three months. A forthcoming urban development program for the Shar-e-Naw area of Bamyan city would offer more opportunities for unskilled laborers. Researchers heard some anecdotal reports (and complaints) that construction companies contracted to undertake certain projects, such as the airstrip in Bamyan city, had been affected by a lack of skilled labor in Bamyan and had brought in a number of skilled laborers from outside.

Another possible monitoring mechanism is the National Solidarity Program (NSP) – whereby communities elect Community Development Councils (CDCs) and decide on appropriate development projects for their communities. Development projects were identified as a key source of employment opportunities at the village level, albeit on a one-off basis. It is possible to identify where and when public works and NSP projects are planned for any given province. Given the general state of employment opportunities in these provinces, it can be expected that where there are projects that are coming to a close without start ups of new projects, unemployment and underemployment will likely rise.

Researchers interviewed one group of laborers working on an NSP primary school construction project. The laborers were encountered in Barkiy Shaida village on the road from Bamyan city to neighboring Yakawlang District. Approximately 30 laborers were working on the site. Ten were able to answer questions and indicated that the daily wage was 220 Afghanis per day. Four members of the group reported that their households did not own land and one reported that he was homeless and living temporarily in the house of one of the village elders. Those who did own land said that other male family members were working on the land while they engaged in construction labor. The project was scheduled to last four months, but the number

of laborers involved would decrease as the project progressed. Laborers were selected by the CDC, who offered the labor opportunities to the neediest local households with able men.

6.3 ACCESS TO EMPLOYMENT OPPORTUNITIES

Local officials at the municipality and the governor's office as well as donor representatives and NGOs confirmed that the availability of employment opportunities had diminished and that unemployment was a large-scale problem. This was confirmed by all the laborers interviewed, who reported that employment opportunities were less than one year ago, and also less than five years ago. This was partly because there were more people seeking employment and partly because there were fewer construction projects. Faced with loss of employment or unavailability of casual labor opportunities, laborers reported almost unanimously that they reverted to informal credit in order to fill the gap in household income. Reduction in food intake was also reported, with one laborer reporting that the family would eat a diet of bread only, often reducing the amount of bread, when labor was unavailable.

Of the laborers interviewed, old men were reported to be the most likely to lose their job or lack employment options. Older, sick, or disabled workers gathered in the main square were less likely to be employed as they appeared to be less productive to employers. Respondents indicated that families with fewer working-age men are particularly vulnerable to shocks. Researchers did observe women (women working outside the home is culturally more acceptable in Bamyan than in some other provinces) and children working as sharecroppers in the potato harvest and some children were observed collecting small amounts of potatoes remaining in the fields after the main crop had been harvested. Women and children are believed to be involved in collecting and trading wild plants and firewood, and they engage in certain handicraft activities, but researchers did not observe any of these activities.

6.4 SEASONALITY OF LABOR AND LABOR MIGRATION

Unemployment was a larger problem during winter, since both agricultural and construction employment was unavailable. Trade was also affected by winter since the already poor road network was even more difficult to navigate during winter. Those who could afford the travel costs went to Iran for work during the winter.

6.5 METHODOLOGY AND FUTURE MONITORING

Relevant local officials, governmental and NGOs, which have information or comments on labor markets in Bamyan include the municipal offices, the governor's office, UNAMA, FAO, UN-HABITAT - the leading local facilitating partner for the National Solidarity Program, Agha Khan Development Network, *Solidarites* a French NGO, and local NGOs such as Spring of Construction, Rehabilitation, Cultural and Social Organization (SCRC SO). It appears that there has not been significant coordination of labor market information.

Conducting group and focus group interviews with laborers and cart pullers in the *chowk* was easy and could be repeated during relevant seasons. The possible pitfalls of this method include inaccurate responses and, over time, fatigue and disillusionment amongst respondents.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 KEY FINDINGS

While the study identified some general characteristics of Afghan labor markets, the more interesting and useful findings are those related to the two key study areas: the Central Highlands (Wardak, Uruzgan, Ghor, Bamyan, and Daykundi Provinces) and Southern Afghanistan (Paktika, Pakiya, Khost, Nangarhar, Nimroz, Helmand, Kandahar, and Zabul Provinces).

The Central Highlands are a chronically isolated food insecure region where mountainous geography, impassable snows during winter and poor transport infrastructure limit economic growth, access to markets, and employment opportunities. Livestock is still a key livelihood strategy in the Central Highlands, although livestock ownership has been in decline for nearly a century due to competition for rangeland, conversion of rangeland to cropland, and degradation of rangeland due to deforestation. Agriculture is important in terms of providing food for household consumption, income from crop sales and agricultural wage employment opportunities (although share cropping is more common). However, landholdings are typically too small to sustain households, and non-agricultural employment such as manual daily labor in construction and loading and cart pulling in the bazaar is common. Employment opportunities are inadequate and levels of unemployment and underemployment are high. Seasonal and longer-term migration to urban centers, Iran, and Pakistan is common, but seasonal migration is not as easy as in the south due to distance and poor transport infrastructure. Income generation through and trade and services is quite limited with the exception of Wardak Province, due to its close proximity to Kabul.

The provinces in the south, southwest, and southeast of Afghanistan have suffered from long-term drought and increasing conflict and insecurity, both of which have had a negative impact on food security and on labor markets. Opium production and trade are key sources of economic growth, livelihoods and labor opportunities across the southern region and particularly in Helmand Province. Southern provinces have larger Kuchi populations than the central provinces. Livestock is the most important income generating activity for the Kuchi, but in the south the Kuchi appear to have a more diverse income structure.

Trade and services are more common occupations in the south than in the Central Highlands due to better transport infrastructure and the fact that this region spans the border with Pakistan and some portion of the border with Iran, facilitating cross border trade. Engagement in trade is particularly common among urban dwellers. Unlike the Central Highlands, the south has two urban centers, Jalalabad and Kandahar, which also stimulate and facilitate trade. There is large-scale seasonal migration across the Pakistan border, and also longer-term migration to Pakistan and the Gulf states. The reliance on remittance is higher for the South than the Central Highlands as reported by the 2005 National Risk and Vulnerability Assessment.

7.2 ENGAGING PARTNERS IN THE USE OF THE LABOR MARKETS MONITORING TABLE

A labor market monitoring table (Annex B) was developed based on the review of literature and short case study. It describes the key labor markets in a given province, and suggests labor market indicators that could be used to monitor potential shocks or resultant crises. The table attempts to break monitoring down over a season or a year, suggesting when events are most likely and when corresponding indicator monitoring is most useful. The table will help identify trends over a season or a year to ensure that 'abnormalities' that may be associated with increasing food insecurity or a food crisis do not go unnoticed and are can be readily integrated into on-going food security analysis and early warning.

There are many organizations operating in different provinces whose information on local labor markets could be invaluable in the monitoring table. For example, one participant at the workshop held with key stakeholders in Kabul in September 2006, noted that project in particular had encountered a surprising lack of available labor, reportedly because a larger than usual proportion of workers had migrated in response to drought. Such observations could be useful in food security monitoring and early warning, were they recorded in a timely fashion.

Partners and sources of information that could be engaged on a provincial and district level to monitor labor markets and livelihoods through the indicators outlined in the Labor Monitoring Table, include:

- Provincial, district and household level data from NRVA and the Vulnerability Analysis Unit (VAU) of the Ministry for Rural Reconstruction and Development (MRRD)
- Provincial and district level data from the Central Statistics Office (CSO)
- The National Emergency Employment Program, NEEP, (now National Rural Access Program NRAP) in the Ministry of Public Works (MoPW), which has collected data on labor markets at a local level.
- Municipalities and Governors' offices.
- IRC provincial offices have anecdotal information about labor markets in provinces where IRC was providing vocational training.
- Provincial Reconstruction Teams (PRTs) are likely to collect some labor market information on a provincial level.
- Where The UN Assistance Mission to Afghanistan (UNAMA) has a provincial office, this is likely to have information about the provincial economy, including labor markets.
- UN High Commissioner for Refugees (UNHCR) for data on returnees and IDPs and their impact on labor markets.
- Demobilization of Illegally Armed Groups (DIAG) representatives.
- National Solidarity Program (NSP) facilitating partners. NSP Community Development Councils (CDCs) as a source of information on village level.
- Local, national, and international non-governmental organizations (NGOs) operating in the province/district/village.

7.3 ENGAGING PARTNERS FOR A LABOR MARKET INFORMATION NETWORK

There is an increasing amount of data on labor markets, the demand and supply for on-farm and non-farm labor, terms of trade, labor-related shocks, and general and seasonal availability of work. It is difficult to identify trends in much of this data, however, since the degree of knowledge in each of these categories is uneven, data has come from different sources, using different methodologies, and much of the data that is being generated on labor markets is not being fed into a central system of collection and analysis. Many labor related questions in the 2003 NRVA were asked in a different form in the 2005 NRVA, making it difficult to draw out trends in a direct fashion. It is important to identify trends both over a season or year and longer-term trends about reliance on different types of labor. For example, a trend of increasing reliance on non-farm labor and migration year after year would make populations increasingly vulnerable to changes in migration policy, or increases in unemployment over time.

The process of researching this study and the workshops conducted highlighted the desirability of establishing a labor markets information network to provide information from and reflect the interests of those looking at labor markets from a variety of different perspectives from vocational training to livelihoods and vulnerability to construction projects. This would assist in monitoring the yearly or seasonal indicators outlined in the Labor Monitoring Table. A network would also be the best forum for discussing longer-term trends in Afghan labor markets and their livelihoods implications.

Partners that could be engaged in a Labor Market information network in Kabul include:

- The Vulnerability Analysis Unit (VAU) of the Ministry for Rural Reconstruction and Development (MRRD)
- The Central Statistics Office (CSO)
- The Food, Agriculture and Animal Husbandry Information Management and Policy Unit (FAAHM), within the Ministry of Agriculture and Animal Husbandry (MAAH)

- The Ministry of Labor and Social Affairs (MoLSA), perhaps the labor market unit planned within the MoLSA, may be the most appropriate organization to lead on establishing such a network, which would complement the National Skills Development Program (NSDP) survey to be conducted over the coming year.
- The International Labor Organization (ILO), which resumed activities in Afghanistan in 2002, including provision of capacity building assistance to the Ministry of Labor and Social Affairs (MoLSA).
- The National Skills Development Program (NSDP), in the MoLSA. The forthcoming Labor Market Survey conducted by NSDP and the planned labor market information unit in the Ministry of Labor and Social Affairs (MoLSA) will provide good platforms for a network on labor market information in Kabul, that can also feed in provincial level information.

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ANNEX A: SOURCES OF INFORMATION ON LABOR IN AFGHANISTAN

Name	Year	Geographic Coverage	Rural, Urban, Pastoralist	Remarks
<i>Survey Reports</i>				
NRVA	2005	All 34 provinces of Afghanistan	Rural, Urban, Kuchi	Some data from the 2005 survey have been published in the form of the Central Statistics Office (CSO) and Ministry of Rural Rehabilitation and Development (MRRD) NRVA report on District Market Prices (March 2006). This publication includes data and trends for agricultural and unskilled daily labor. The main NRVA 2005 report is being prepared for publication, but some published and unpublished data from this survey are included in this paper.
NRVA	2003	All of Afghanistan's provinces (then 32)	Rural, Urban, Kuchi	Various reports were produced based on NRVA data, including the Report on <i>Findings from the 2003 National Risk and Vulnerability Assessment in Rural Afghanistan</i> , widely cited in this report.
WFP Labor and Trade Survey	2001		Rural, Urban, Kuchi	
IRC Labor Market Information Survey	2003	42 districts in 13 provinces of Central, Eastern, Western and Northern Afghanistan	Rural, Urban	Useful information on all aspects of labor markets. Some data should be supplemented with qualitative research, since <i>shuras</i> , for example, may not have an accurate picture of levels of local unemployment. Data were not collected in Southern Afghanistan.
National Skills Development Program Labor Market Survey (forthcoming)	2007+	Unknown	Unknown	
<i>Monitoring Reports</i>				
AREU Rural Livelihoods in Afghanistan	2004	21 Villages in 7 districts in 7 provinces: Badakhshan, Ghazni, Herat, Laghman, Faryab, Saripul and Kandahar.	Rural	This report found that in 18 of the 21 villages studied, non-farm labor was the most important source of income for poorer wealth groups. In addition, this research highlighted the importance of seasonal and more permanent labor migration as a very important income strategy for a quarter of households monitored. The authors called for greater monitoring of employment trends over time at the local and national level. ²⁷
AREU Urban Livelihoods in	2006	One year long	Urban	

²⁷ AREU June 2004, Jo Grace and Adam Pain, Rethinking Rural Livelihoods in Afghanistan

Name	Year	Geographic Coverage	Rural, Urban, Pastoralist	Remarks
Afghanistan		research in Kabul, Herat and Jalalabad. Short term studies in Mazar-e-Sharif and Pul-e-Khumri		
Ministry of Agriculture and Animal Husbandry (MAAH)	Ongoing			The Food, Agriculture and Animal Husbandry Information Management and Policy Unit (FAAHM), within the MAAH is developing an Agricultural Statistics and Market Information System, and collects and uses some labor market information.
Other Reports				
ILO In Focus Program on Crisis Response and Reconstruction publication <i>Afghanistan: Current Employment and Socio-Economic Prospects</i>	2002		Rural, Urban, Kuchi – broad overview	This report charts the changes to the Afghan economy during the conflict period, the vested interests involved, and the livelihoods strategies that households adopted. The report makes initial recommendations for employment generating reconstruction. ²⁸
JICA Report: <i>Women in Small and Medium Scale Enterprises</i>	2003	Case studies in Kabul, Faizabad, Wardak,	Rural, Urban	
CARE Evaluation of its Labor Intensive Works Program	2004	12 provinces: Faryab, Ghazni, Ghor, Logar, Bamiyan, Nimroz, Nuristan, Uruzgan, Zabul, Paktika, Badghis and Balkh		The LIWP was a program implemented through the Ministry of Public Works (MoPW) and Ministry of Rural Reconstruction and Development (MRRD).
UNHCR/Altai consulting report on returnees and labor markets (forthcoming)	Unknown	Unknown		Study of the impact of returnees on various (mostly urban) labor markets. This report is being prepared for publication on the UNHCR website.

²⁸ 2002 ILO In Focus Programme on Crisis Response and Reconstruction publication, J Goodhand and Adam Pain, *Afghanistan: Current Employment and Socio-Economic Prospects*

ANNEX B: LABOR MARKET MONITORING TABLES

Central and Southern Afghanistan Household Income Generating Activities

District	Population ²⁹	Sources of household income ³⁰		
		Rural	Urban	Kuchi
Ghor	Total: 574,800 Rural: 569,300 Urban: 5,500	Agriculture: 60% Livestock: 10% Opium: 2% Trading & Service: 8% Other (skilled & unskilled) labor: 42% Manufacture: 2% Remittance: 1% Other 5%	N/A	Agriculture: 11% Livestock: 90% Other (skilled & unskilled) labor: 12%;
Uruzgan	Total: 291,500 Urban: 8,000 Rural: 283,500	Agriculture: 25% Livestock: 50% Trading & Service: 8% Other (skilled & unskilled) labor: 33% Remittance: 8%	N/A	Agriculture: 42% Livestock: 37% Opium: 5% Trading & Service: 14% Other (skilled & unskilled) labor: 16% Manufacture: 2% Remittance: 10% Other 2%
Bamyan	Total: 371,900 Urban: 10,000 Rural: 361,900	Agriculture: 86% Livestock: 36% Trading & Service: 8% Other (skilled & unskilled) labor: 47% Manufacture: 1% Remittance: 4% Other 4%	N/A	N/A
Wardak	Total: 496,700 Urban: 2,400 Rural: 494,300	Agriculture: 46% Livestock: 16% Opium: 1% Trading & Service: 27% Other (skilled & unskilled) labor: 46% Manufacture: 1% Remittance: 18% Other 5%	N/A	Agriculture: 1% Livestock: 78% Other (skilled & unskilled) labor: 34% Other 16%
Day Kundi	Total: 383,600 Urban: 2,900 Rural: 380,700	Agriculture: 71% Livestock: 16% Opium: 5% Trading & Service: 5% Other (skilled & unskilled) labor: 30% Remittance: 3% Other 9%	N/A	N/A

²⁹ CSO population statistics by province, 2004

³⁰ Source is NRVA 2005 unless noted otherwise. Data records the percentage of households engaged in an income generating activity as one of their main sources of income.

Central Highlands Labor Markets Monitoring Table

District	Monitoring Indicator	Monitoring Period	Considerations for Interpretation	Sources of Data
Ghor	<ul style="list-style-type: none"> • Surpluses from last harvest. • Expectations for next harvest. • Levels of out-migration • Numbers of returnees • Wage rates for daily agricultural labor. • Wage rates for daily construction labor. • Numbers of laborers standing idle at main squares and crossroads. • Labor demand and supply and migration policies of Iran. 	<p>January to April</p> <ul style="list-style-type: none"> • Wage rates for agricultural and non agricultural labor,. • Numbers of laborers at main squares and finding day jobs • Migration flows and policies <p>September to December</p> <ul style="list-style-type: none"> • Marketable surpluses from last harvest • Wage rates for agricultural and non agricultural labor • Numbers of laborers at main squares and finding day jobs • Migration flows 	<ul style="list-style-type: none"> • Poor harvests cause a contraction in labor markets for agriculture production, marketing and trade related opportunities. . • Changes in migration policies in key destination countries have an impact on a provincial and district level migration and income earning. 	<ul style="list-style-type: none"> • Many organizations collect labor wage information: on either a one off or continuous basis. • Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices • NSP facilitating partners on hiring of local labor for projects.
Uruzgan	<ul style="list-style-type: none"> • Surpluses from last harvest. • Expectations for next harvest. • Levels of out-migration • Number of returnees. • Wage rates for daily agricultural labor. • Wage rates for daily construction labor. • Daily wage rates for cart pullers and other manual laborers. • Numbers of laborers standing idle at main squares and crossroads. • Labor availability in and migration policies of Iran and Pakistan. 	<p>January to February</p> <ul style="list-style-type: none"> • Wage rates for agricultural and non agricultural labor,. • Numbers of laborers at main squares and finding day jobs • Migration flows and policies <p>September to December</p> <ul style="list-style-type: none"> • Marketable surpluses from last harvest • Wage rates for agricultural and non agricultural labor • Numbers of laborers at main squares and finding day jobs • Migration flows 	<ul style="list-style-type: none"> • Agricultural labor and trade in agricultural products is dependent upon harvests. • Changes in migration policies in key destination countries have an impact on a provincial and district level migration and income earning. • Unusually high levels of labor migration indicate a possible crisis. 	<ul style="list-style-type: none"> • Many organizations collect labor wage information: on a one off or continuous basis. • Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices • NSP facilitating partners on hiring of local labor for projects.
Bamyan	<ul style="list-style-type: none"> • Surpluses from last harvest. • Expectations for next harvest. • Levels of out-migration • Number of returnees. • Wage rates for daily agricultural labor. • Wage rates for daily construction labor. • Daily wage rates for cart pullers and other manual laborers. • Numbers of laborers standing idle at main squares and crossroads. • Labor availability in and migration policies of Iran and Pakistan. 	<p>January to April</p> <ul style="list-style-type: none"> • Wage rates for agricultural and non agricultural labor,. • Numbers of laborers at main squares and finding day jobs • Migration flows and policies <p>October to December</p> <ul style="list-style-type: none"> • Marketable surpluses from last harvest • Wage rates for agricultural and non agricultural labor • Numbers of laborers at main squares and finding day jobs • Migration flows 	<ul style="list-style-type: none"> • Changes in migration policies in key destination countries have an impact on a provincial and district level migration and income earning. • Unusually high levels of labor migration indicate a possible crisis. 	<ul style="list-style-type: none"> • Many organizations collect labor wage information: on a one off or continuous basis. • Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices • NSP facilitating partners on hiring of local labor for projects.
Wardak	<ul style="list-style-type: none"> • Surpluses from last harvest. • Expectations for next harvest. 	<p>January to April</p> <ul style="list-style-type: none"> • Wage rates for agricultural and non 	<ul style="list-style-type: none"> • Changes in migration policies or terms of trade of key destination countries 	<ul style="list-style-type: none"> • Many organizations collect labor wage information on a one off or continuous

District	Monitoring Indicator	Monitoring Period	Considerations for Interpretation	Sources of Data
	<ul style="list-style-type: none"> • Levels of out-migration • Number of returnees. • Wage rates for daily agricultural labor. • Wage rates for daily construction labor. • Number of construction companies in operation. • Daily wage rates for cart pullers and other manual laborers. • Numbers of laborers standing idle at main squares and crossroads. • Labor availability in Kabul. • Labor supply and demand and migration policies of Iran and Pakistan. 	<p>agricultural labor,</p> <ul style="list-style-type: none"> • Numbers of laborers at main squares and finding day jobs • Migration flows and policies September to December • Marketable surpluses from last harvest • Wage rates for agricultural and non agricultural labor • Numbers of laborers at main squares and finding day jobs • Migration flows 	<p>can be expected to have an impact on a provincial and district level.</p> <ul style="list-style-type: none"> • An unusual reverse in the trend of returning migrants might indicate a possible crisis. • The link between Wardak and Kabul is stronger than the link with other central provinces, due to proximity. 	<p>basis.</p> <ul style="list-style-type: none"> • Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices • NSP facilitating partners on hiring of local labor for projects. • IRC runs vocational training in Wardak.
Day Kundi	<ul style="list-style-type: none"> • Surpluses from last harvest. • Expectations for next harvest. • Levels of out-migration • Number of returnees. • Wage rates for daily agricultural labor. • Wage rates for daily construction labor. • Daily wage rates for cart pullers and other manual laborers. • Numbers of laborers standing idle at main squares and crossroads. • Labor supply and demand and migration policies of Iran and Pakistan. 	<p>January to March</p> <ul style="list-style-type: none"> • Wage rates for agricultural and non agricultural labor, • Numbers of laborers at main squares and finding day jobs • Migration flows and policies October to December • Marketable surpluses from last harvest • Wage rates for agricultural and non agricultural labor • Numbers of laborers at main squares and finding day jobs • Migration flows 	<ul style="list-style-type: none"> • Poor harvests cause a contraction in labor markets across the board. • Changes in migration policies or terms of trade of key destination countries can be expected to have an impact on a provincial and district level. • Unusually high levels of labor migration indicate a possible crisis. 	<ul style="list-style-type: none"> • Many organizations collect labor wage information: on a one off or continuous basis. • Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices • NSP facilitating partners on hiring of local labor for projects.

Southern and Southwestern Afghanistan Household Income Earning Activities

District	Population ³¹	Sources of household income ³²		
		Rural	Urban	Kuchi
Nimroz	Total: 135,900 Urban: 20,600 Rural: 115,300	Agriculture: 16% Livestock: 11% Trading & Service: 38% Other (skilled & unskilled) labor: 21% Manufacture: 1% Remittance: 5% Other 18%	N/A	Agriculture 0% Livestock: 100%
Helmand	Total: 767,300 Urban: 42,600 Rural: 724,700	Agriculture: 70% Livestock: 25% Opium: 41% Trading & Service: 26% Other (skilled & unskilled) labor: 20% Remittance: 2% Other 5%	N/A	Agriculture: 0% Livestock: 100% Trading & Service: 13% Other 6%
Kandahar	Total: 971,400 Urban: 311,800 Rural: 659,600	Agriculture: 38% Livestock: 8% Opium: 6% Trading & Service: 23% Other (skilled & unskilled) labor: 37% Manufacture: 3% Remittance: 7% Other 5%	Agriculture: 8% Livestock: 1% Opium: 1% Trading & Service: 43% Other (skilled & unskilled) labor: 27% Manufacture: 2% Other 21%	Agriculture: 0% Livestock: 76% Opium: 3% Other (skilled & unskilled) labor: 33% Other 3%
Zabul	Total: 252,700 Urban: 9,500 Rural: 243,200	Agriculture: 52% Livestock: 15% Opium: 4% Trading & Service: 17% Other (skilled & unskilled) labor: 38% Manufacture: 4% Remittance: 1%;	N/A	Agriculture: 27% Livestock: 63% Trading & Service: 10% Other (skilled & unskilled) labor: 33% Manufacture: 8%
Paktiya	Total: 458,500 Urban: 19,200 Rural: 439,300	Agriculture: 61% Livestock: 42% Trading & Service: 20% Other (skilled & unskilled) labor: 50% Manufacture: 2% Remittance: 11% Other 15%	N/A	Agriculture: 0% Livestock: 88% Manufacture: 4% Other 58%
Paktika	Total: 362,100 Urban: 2,200 Rural: 359,900	Agriculture: 66% Livestock: 39% Opium: 1% Trading & Service: 5%	N/A	Agriculture 33% Livestock: 71% Opium: 9% Trading & Service: 4%

³¹ CSO population statistics by province, 2004

³² Source is NRVA 2005 unless noted otherwise. Data records the percentage of households engaged in an income generating activity as one of their main sources of income.

District	Population ³¹	Sources of household income ³²		
		Rural	Urban	Kuchi
		Other (skilled & unskilled) labor: 41% Manufacture: 1% Remittance: 21%		Other (skilled & unskilled) labor: 31% Remittance: 33%
Khost	Total: 478,100 Urban: 9,100 Rural: 469,000	Agriculture: 45% Livestock: 36% Opium: 1% Trading & Service: 45% Other (skilled & unskilled) labor: 24% Manufacture: 5% Remittance: 8% Other 2%	N/A	Agriculture: 79% Livestock: 96% Trading & Service: 29% Other (skilled & unskilled) labor: 75%
Logar	Total: 326,100 Urban: 7,700 Rural: 318,400	Agriculture: 39% Livestock: 16% Trading & Service: 30% Other (skilled & unskilled) labor: 46% Manufacture: 2% Remittance: 8% Other 3%	N/A	Agriculture: 10% Livestock: 78% Opium: 1% Trading & Service: 15% Other (skilled & unskilled) labor: 47% Manufacture: 1% Remittance: 1% Other 2%
Nangahar	Total: 1,237,800 Urban: 165,700 Rural: 1,072,100	Agriculture: 55% Livestock: 15% Opium: 4% Trading & Service: 28% Other (skilled & unskilled) labor: 40% Manufacture: 1% Remittance: 10% Other 8%	Agriculture: 12% Livestock: 0% Trading & Service: 58% Other (skilled & unskilled) labor: 27% Manufacture: 1%	Agriculture: 25% Livestock: 62% Trading & Service: 18% Other (skilled & unskilled) labor: 26% Remittance: 6% Other 2%

Southern and Southwestern Afghanistan Labor Market Monitoring Table

District	Monitoring Indicator	Monitoring Period	Considerations for Interpretation	Sources of Data
Nimroz	<ul style="list-style-type: none"> • Surpluses from last harvest. • Expectations for next harvest. • Size of opium harvest in southern provinces. • Levels of out-migration and returnees. • Frequency of security incidents. • Wage rates for daily agricultural labor. • Wage rates for daily construction labor. • Daily wage rates for cart pullers and other manual laborers. • Numbers of laborers standing idle at main squares and crossroads. • Labor supply and demand and migration policies of Iran and Pakistan. • Levels of controls and restrictions on the Iranian and Pakistani borders. 	<p>August to December</p> <ul style="list-style-type: none"> • Marketable surpluses from last harvest • Wage rates for agricultural and non agricultural labor • Numbers of laborers at main squares and finding day jobs • Migration flows <p>May to November</p> <ul style="list-style-type: none"> • Incidences of violence and insecurity 	<ul style="list-style-type: none"> • Changes in migration policies or terms of trade of key destination countries can be expected to have an impact on a provincial and district level. • Unusually high levels of labor migration indicate a possible crisis. • A reduction in the opium harvest in the South would affect trading opportunities in Nimroz. • Attempts to improve policing of borders would affect labor migration, smuggling and border related services 	<ul style="list-style-type: none"> • Organizations collect labor wage information: on a one off or continuous basis. • Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices • NSP facilitating partners on hiring of local labor for projects. • MoLSA department dealing with labor migration in Kabul. • Provincial and border port customs houses.
Helmand	<ul style="list-style-type: none"> • Size of the opium harvest. • Frequency of security incidents. • Levels of out-migration and returnees. • Wage rates for daily agricultural labor. • Wage rates for daily construction labor. • Numbers of laborers standing idle at main squares and crossroads. • Labor availability in and migration policies of Iran and Pakistan. • Levels of controls and restrictions on the Pakistani border 	<p>February, March and April, before the opium harvest</p> <ul style="list-style-type: none"> • Marketable surpluses from last harvest • Wage rates for agricultural and non agricultural labor • Numbers of laborers at main squares and finding day jobs • Migration flows 	<ul style="list-style-type: none"> • Opium eradication efforts in 2004/5 had a significant effect on provincial labor opportunities. • Resumption of poppy eradication efforts will affect provincial labor opportunities. • The availability of labor will be linked to the security situation. • Changes in migration policies of key destination countries can be expected to have an impact on a provincial and district level. • Attempts to improve policing of borders would affect labor migration, smuggling and border related services. 	<ul style="list-style-type: none"> • Many organizations collect labor wage information: on a one off or continuous basis. • Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices • NSP facilitating partners on hiring of local labor for projects. • MoLSA department dealing with labor migration in Kabul. • Provincial and border port customs houses.
Kandahar	<ul style="list-style-type: none"> • Size of the opium harvest. • Fruit harvests. • Frequency of security incidents. • Levels of out-migration and returnees. • Wage rates for daily agricultural labor. • Size of opium harvest in southern provinces. • Wage rates for daily construction labor. • Daily wage rates for cart pullers and other manual laborers. 	<p>January to February</p> <ul style="list-style-type: none"> • Wage rates for agricultural and non agricultural labor, • Numbers of laborers at main squares and finding day jobs • Migration flows and policies <p>August to December</p> <ul style="list-style-type: none"> • Wage rates for agricultural and non Marketable surpluses from last harvest • Wage rates for agricultural and non 	<ul style="list-style-type: none"> • Deteriorating security may negatively affect labor opportunities and increase out-migration. • Opium has a significant affect on labor opportunities. • Changes in migration policies of key destination countries can be expected to have an impact on a provincial and district level. • Unusually high levels of labor 	<ul style="list-style-type: none"> • Many organizations collect labor wage information: on a one off or continuous basis. • Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices • NSP facilitating partners on hiring of local labor for projects. • MoLSA department dealing with labor

District	Monitoring Indicator	Monitoring Period	Considerations for Interpretation	Sources of Data
	<ul style="list-style-type: none"> Numbers of laborers standing idle at main squares and crossroads. Labor availability in and migration policies of Iran, Pakistan and Gulf states. Levels of controls and restrictions on the Pakistani border. 	<p>agricultural labor</p> <ul style="list-style-type: none"> Numbers of laborers at main squares and finding day jobs Migration flows 	<p>migration indicate a possible crisis.</p> <ul style="list-style-type: none"> Attempts to improve policing of borders would affect labor migration, smuggling and border related services. 	<p>migration in Kabul.</p> <ul style="list-style-type: none"> Provincial and border port customs houses.
Zabul	<ul style="list-style-type: none"> Size of the opium harvest. Levels of out-migration and returnees. Frequency of security incidents. Wage rates for daily agricultural labor. Size of opium harvest in southern provinces. Wage rates for daily construction labor. Daily wage rates for cart pullers and other manual laborers. Numbers of laborers standing idle at main squares and crossroads. 	<p>January to April</p> <ul style="list-style-type: none"> Wage rates for agricultural and non agricultural labor, Numbers of laborers at main squares and finding day jobs Migration flows and policies <p>October to December</p> <ul style="list-style-type: none"> Marketable agriculture surpluses Wage rates for agricultural and non agricultural labor, Numbers of laborers at main squares and finding day jobs Migration flows and policies 	<ul style="list-style-type: none"> Deteriorating security may negatively impact on labor opportunities. Opium has a significant effect on labor opportunities. Unusually high levels of labor migration indicate a possible crisis. Attempts to improve policing of borders would affect labor migration, smuggling and border related services. 	<ul style="list-style-type: none"> Many organizations collect labor wage information: on a one off or continuous basis. Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices NSP facilitating partners on hiring of local labor for projects. MoLSA department dealing with labor migration in Kabul. Provincial and border port customs houses.
Paktiya	<ul style="list-style-type: none"> Size of the opium harvest. Extent of Deforestation. Levels of out-migration and returnees. Frequency of security incidents. Wage rates for daily agricultural labor. Wage rates for daily construction labor. Numbers of laborers standing idle at main squares and crossroads. Labor availability in and migration policies of Iran and Pakistan and the Gulf states. 	<p>January to March</p> <ul style="list-style-type: none"> Wage rates for agricultural and non agricultural labor Numbers of laborers at main squares and finding day jobs Migration flows <p>October to December</p> <ul style="list-style-type: none"> Marketable agriculture surpluses Wage rates for agricultural and non agricultural labor, Numbers of laborers at main squares and finding day jobs Migration flows and policies 	<ul style="list-style-type: none"> Opium has a significant effect on labor opportunities. Unusually high levels of labor migration indicate a possible crisis. Attempts to improve policing of borders would affect labor migration, smuggling and border related services 	<ul style="list-style-type: none"> Many organizations collect labor wage information: on a one off or continuous basis. Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices NSP facilitating partners on hiring of local labor for projects. MoLSA department dealing with labor migration in Kabul. Provincial and border port customs houses.
Paktika	<ul style="list-style-type: none"> Size of the opium harvest. Extent of Deforestation. Levels of out-migration and returnees. Frequency of security incidents. Wage rates for daily agricultural labor. Size of opium harvest in southern provinces. Wage rates for daily construction labor. Daily wage rates for cart pullers and other manual laborers Numbers of laborers standing idle at 	<p>January to February</p> <ul style="list-style-type: none"> Wage rates for agricultural and non agricultural labor Numbers of laborers at main squares and finding day jobs Migration flows <p>October to December</p> <ul style="list-style-type: none"> Marketable agriculture surpluses Wage rates for agricultural and non agricultural labor, Numbers of laborers at main squares and finding day jobs 	<ul style="list-style-type: none"> Opium has a significant effect on labor opportunities. Deteriorating security may negatively impact on labor opportunities. Unusually high levels of labor migration indicate a possible crisis. Attempts to improve policing of borders would affect labor migration, smuggling and border related services. Changes in migration policies or terms of trade of key destination countries can be expected to have an impact on a 	<ul style="list-style-type: none"> Many organizations collect labor wage information: on a one off or continuous basis. Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices NSP facilitating partners on hiring of local labor for projects. MoLSA department dealing with labor migration in Kabul. Provincial and border port customs

District	Monitoring Indicator	Monitoring Period	Considerations for Interpretation	Sources of Data
	<ul style="list-style-type: none"> main squares and crossroads. Labor availability in and migration policies of Iran and Pakistan. 	<ul style="list-style-type: none"> Migration flows and policies 	<ul style="list-style-type: none"> provincial and district level. Unusually high levels of labor migration indicate a possible crisis. 	<ul style="list-style-type: none"> houses. Tribal Liaison Office (TLO).
Khost	<ul style="list-style-type: none"> Size of the opium harvest. Extent of Deforestation. Levels of out-migration and returnees. Frequency of security incidents. Wage rates for daily agricultural labor. Size of opium harvest in southern provinces. Wage rates for daily construction labor. Daily wage rates for cart pullers and other manual laborers. Numbers of laborers standing idle at main squares and crossroads. Labor availability in and migration policies of Iran and Pakistan. 	<p>January to February</p> <ul style="list-style-type: none"> Wage rates for agricultural and non agricultural labor Numbers of laborers at main squares and finding day jobs Migration flows <p>November to December</p> <ul style="list-style-type: none"> Marketable agriculture surpluses Wage rates for agricultural and non agricultural labor,. Numbers of laborers at main squares and finding day jobs Migration flows and policies 	<ul style="list-style-type: none"> Opium has a significant effect on labor opportunities. Deteriorating security may negatively impact on labor opportunities. Unusually high levels of labor migration indicate a possible crisis. Attempts to improve policing of borders would affect labor migration, smuggling and border related services. Changes in migration policies or terms of trade of key destination countries can be expected to have an impact on a provincial and district level. Unusually high levels of labor migration indicate a possible crisis. 	<ul style="list-style-type: none"> Many organizations collect labor wage information on a one off or continuous basis. Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices NSP facilitating partners on hiring of local labor for projects. MoLSA department dealing with labor migration in Kabul. Provincial and border port customs houses.
Logar	<ul style="list-style-type: none"> Labor availability in Kabul. Wage rates for daily construction labor locally and in Kabul. Wage rates for private transport services. Petrol and Diesel prices. Daily wage rates for cart pullers and other manual laborers locally and in Kabul. Numbers of laborers standing idle at main squares and crossroads locally and in Kabul. Frequency of security incidents. 	<p>January to February</p> <ul style="list-style-type: none"> Wage rates for agricultural and non agricultural labor Numbers of laborers at main squares and finding day jobs Migration flows Employment opportunities in Kabul <p>September to December</p> <ul style="list-style-type: none"> Marketable agriculture surpluses Wage rates for agricultural and non agricultural labor,. Numbers of laborers at main squares and finding day jobs Migration flows Trade policies and trade flows Employment opportunities in Kabul 	<ul style="list-style-type: none"> There is more available information on the labor market in Kabul than elsewhere in Afghanistan. Any shocks in the Kabul labor market are likely to affect neighboring provinces. Competition with other labor migrants, especially skilled laborers from Pakistan is significant. 	<ul style="list-style-type: none"> Many organizations collect labor wage information on a one off or continuous basis. Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices NSP facilitating partners on hiring of local labor for projects.
Nangahar	<ul style="list-style-type: none"> Harvests and fruit yields. Availability of refrigeration. Extent of Deforestation. Frequency of security incidents. Wage rates for daily agricultural labor locally and in Kabul Wage rates for daily construction labor. Wage rates for private transport services. Petrol and Diesel prices. Daily wage rates for cart pullers and other manual laborers. 	<p>January to February</p> <ul style="list-style-type: none"> Wage rates for agricultural and non agricultural labor Numbers of laborers at main squares and finding day jobs Migration flows <p>September to December</p> <ul style="list-style-type: none"> Marketable agriculture surpluses Wage rates for agricultural and non agricultural labor,. Numbers of laborers at main squares 	<ul style="list-style-type: none"> Agricultural labor and trade in agricultural products is dependent upon harvests. Cross border trade issues such as any attempts to enforce border controls could impact on informal trade. Unusually high levels of labor migration indicate a possible crisis. 	<ul style="list-style-type: none"> Many organizations collect labor wage information on a one off or continuous basis. Other sources of labor market information at a local level include: UNHCR, NRVA DIAG/ANDP Offices NSP facilitating partners on hiring of local labor for projects. MoLSA department dealing with labor migration in Kabul.

District	Monitoring Indicator	Monitoring Period	Considerations for Interpretation	Sources of Data
	<ul style="list-style-type: none"> • Numbers of laborers standing idle at main squares and crossroads. • Border controls at Torkham and along the Pakistani border. 	<p style="text-align: center;">and finding day jobs</p> <ul style="list-style-type: none"> • Migration flows • Trade policies and trade flows, especially related to Pakistan 		<ul style="list-style-type: none"> • Provincial and border port customs houses.

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