



**12** YEARS  
OF HIGH-QUALITY  
**RESEARCH**

**Secure Livelihoods Research Consortium  
Annual Seminar**

**January 26, 2014**

**Serena Hotel**

**Kabul, Afghanistan**

**Summary Note**



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## Introduction

The Secure Livelihoods Research Consortium Afghanistan (SLRCA), a joint three-year research programme of the Overseas Development Institute (ODI) and the Afghanistan Research and Evaluation Unit (AREU), being financially supported by the European Union convened a half-day seminar to discuss livelihoods and governance on January 26 in Kabul. Working across seven countries, the SLRC aims to provide a stronger evidence base about how people make a living, educate their children and access other basic services in fragile and conflict affected situations. Such understanding has direct policy relevance to donors seeking to help provide better access to basic services and social protection, and support to livelihoods and the gaining of improved welfare of people affected by conflict. This in turn is seen as contributing to peace and state building processes in such contexts.

The agenda of the SLRC Afghanistan research program, building on earlier AREU research has three components:

- The first aims to provide better understanding of context and the ways in which programmatic interventions designed to build public good provision and livelihood support engage at village level
- The second is investigating regional political structures and the extent to which they provide core public goods and the incentives that drive this and
- The third is focused on building better understanding of economic life and livelihood trajectories. The program began in February 2013 and will run through June 2015.

The seminar brought together key experts in subnational governance, livelihoods and rural development, and included representatives from the Afghan governance, national and international NGOs, UN agencies and research organisations. The seminar aimed to stimulate a discussion around two broader issues that are seen to be central to the research agenda and policy: the logic and performance of governance structures; and approaches to rural markets.

## The Logic of Existing Structures: de facto and de jure institutions

Opening remarks by Ashley Jackson framed the discussion around the assertion that programming and policy on governance - and indeed other sectors - has been based on a fundamental misunderstanding of the 'way things work'. This misunderstanding has at times been driven by wishful thinking, misplaced ambition, unrealistic timeframes and disparate, conflicting donor ideas of how things should work - ignoring the incentives and relationships at the core of how access to public goods, economic opportunities and power are regulated. Although governance efforts have been highly centralised, subnational governance has received greater attention from donors in recent years. Initial efforts were marked by competing and often poorly coordinated donor programmes, although there was some recognition that donor coordination had improved in recent years with subnational governance reform.

At district level competing programs, driven by different donors, have created a patchwork of different district assemblies and bodies, with different names, mandates

and budget allocations, ranging from Afghani Social Outreach Program (ASOP) shuras to the National Area Based Development Programme (NABDP) District Development Assemblies (DDAs). Within government appointments, efforts by the Independent Directorate of Local Governance (IDLG) with regard to merit based appointments have had mixed results and the best intentions for reform have often been coopted and manipulated. The rationale seems to be that there is simply much more to be gained from gaming the system than playing by the rules, rules which often only exist on paper and in donor documents.

At provincial level, elections and appointments have been an opportunity for 'legitimacy' and consolidation of power gained for power holders seen by some as warlords or strongmen - and, in doing so, have disenchanted many Afghans. Examples of more technocratic governors, who relied on slow, often corrupt government systems, were contrasted with strongmen who were able to draw on their power base and resources in order to bypass the system. The governance style of the Former Nangarhar Governor, Gul Agha Sherzai, was contrasted with that of the more technocratic Bamiyan Governor, Habiba Sorabi. The weakness of systems - for example, provincial budgeting - has bolstered the position of these figures, creating new opportunities for rent seeking and patronage. From the village level to the national level, formal structures have failed to displace the informal networks of patronage and relationships that so often determine access to economic opportunities and services. At village level, the National Solidarity Programme (NSP) was used as an example of how things work drastically differently from village to village, and previous AREU research on village context analysis was referred to as helping to explain why villages 'perform' or respond differently to international interventions.

With the drawdown of troops and elections on the horizon, discussants were asked to think about 'what happens next' both in terms of dangers (the decrease in donor funding and negative impact in basic services, employment and other areas) as well as opportunities. Less aid and military money presence may provide the opportunity, at least with regard to governance, to refocus and re-evaluate what has worked well and what has not, and to better understand the incentives that drive good governance.

This example also illuminated the fragmented and localized nature of the dynamics and outcomes, and that they often vary from village to village, district to district and province to province. One key point made was the need to understand relationships as the key to understanding the form of governance, access to resources by ordinary Afghans and political maneuvering in general.

It also illustrated that understanding the impact of 'transition' is far more complex than simply looking at troop withdrawal, but requires in-depth analysis over time. Participants raised the need to look at where powerbrokers turn to acquire resources, including the capture of mineral resources/mines (in places like Khas Kunar and elsewhere) and local conflicts and competition (as in Faryab and Ghazni). Other participants felt that as national programmes become one of the few major sources of aid money, they will be targeted for greater capture by elites.

The discussion turned to how these dynamics have been created and perpetuated since 2001. Some asked, given the distorted political settlement at Bonn, how could it be any other way? The accommodation of warlords at national level was replicated, subsequently, at provincial, district and village level. But patterns of local settlement have varied. In some places this settlement requires only a single strongman; in others, no one individual is strong enough to dominate and so power is shared between a group of the elite.

## The Market and Economic Life

Nader Naderi provided opening remarks and Giulia Minoia helped to frame the issue, with Deputy Minister of Rural Rehabilitation and Development (MRRD), H.E Mohammad Tariq Ismati provided commentary throughout the session. The discussion provided both a high level theoretical exploration of our understandings of markets in Afghanistan as well as an overview of Afghan government policies and programmes targeting rural development and markets.

Discussion focused in part on how Afghan markets have been conceptualised. Much of the narrative around market development is premised on the view that if the poor have increased access to finance through credit and savings for example and can gain better access to markets through being more aware of prices and information and have access to the opportunities in global value chains, then this will lead to improved welfare outcomes - more diversified opportunities and greater livelihood stability. Inclusion in the market is seen as a key component of poverty reduction. But few questions are raised about whether participation in the market, and on what terms, actually leads to better outcomes for Afghans. There is not only unfavourable trade terms for Afghanistan internationally and multiple barriers to market entry at all levels, but informal regulation of the market and relationships play a key role in determining the terms of access and the distributions of returns from market participation.

There was lengthy discussion of the ways in which Afghan government programs have targeted rural communities and markets, including NSP, the National Area Based Development Program (NABDP) and others. While NSP was seen as widely positive, there was a recognition that more needed to be done if the positive impacts of the program were to be carried to other aspects of village economic life. Rural access to credit and encouraging savings was widely discussed, not only as a means of building social safety nets and encouraging entrepreneurialism but as a way of reducing aid dependency at the village level.

A recurring theme was high expectations, and the unrealistic notion that interventions will work perfectly and uniformly at village level and that radical change can be achieved within a 1-2 year time frame. The issue of marginalized populations, such a kuchis, was also raised in terms of understanding those that may be excluded from broad based national programs.

The larger issue of agricultural transformation was also raised, and how Afghanistan might be able to more effectively compete with its neighbors in terms of agricultural production and products. This is more of a legal and policy issues, but one that participants felt nonetheless kept farmers in a cycle of poverty. Several participants felt that in many ways opium, given the highly organized nature of producers, strong market demand and high market value, offered perhaps to most promising avenue to spur agricultural transformation. Eradication only destroys the lives and livelihoods of farmers, and because those who profit most off of the opium economy send their profits abroad little is reinvested in the Afghan economy.



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