Welfare of Young Adults amid COVID-19, Conflict, and Disasters:

Evidence from Afghanistan

Vidya Diwakar
May 2022

Afghanistan Research and Evaluation Unit
Research for a better Afghanistan

Chronic Poverty Advisory Network

ODI

Afghanistan Research and Evaluation Unit

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In 2018, AREU was awarded Best International Social Think Tank by Prospect Magazine.

About the Author

Vidya Diwakar is a mixed-methods researcher in the Chronic Poverty Advisory Network, with 10 years of experience working in development research at universities and think tanks. Her work focuses on gender-disaggregated drivers of sustained escapes from poverty, and the role of armed conflict in creating poverty traps. Vidya has authored and reviewed journal articles, book chapters and reports on human development, conflict, and poverty dynamics in South and Southeast Asia, sub-Saharan Africa, and the MENA region. She has also led various policy-oriented multi-country, multi-year, and multi-partner research projects on poverty dynamics for international organizations and bi-lateral aid agencies.

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Foreword

The Afghanistan Research and Evaluation Unit (AREU) is pleased to bring to its highly respected audience a highly rich and analytical working paper: *"Welfare of Young Adults Amid COVID-19, Conflict, and Disasters: Evidence from Afghanistan"* which has been authored by Dr Vidya Diwakar. The research for this paper was developed by the Chronic Poverty Advisory Network (CPAN) and supported by AREU, through the FCDO-supported IDS Covid Collective partnership.

The paper explores the fact that Afghanistan has experienced decades of conflict-related insecurity and disasters. COVID-19 is one of the latest developments that further threaten the livelihoods and welfare of the Afghan population. The poverty rate rose from 38.2% in 2011 to 54.5% in 2016. Just before the pandemic, it was estimated to be 43.7% in the fall of 2019 before rising again to 51.0% during the onset of COVID-19 in Spring 2020. A similar share (49.4%) of the population is multidimensionally poor, which in Afghanistan is defined according to dimensions around health, education, living standards, work, and presence of negative shocks. Regarding the latter, the pandemic coincided with increased political instability, prolonged drought as well as a series of flash floods, and a weakened economy, all of which threaten to derail progress on poverty reduction.

Young adults (aged 18-35) and children constitute 80% of the Afghan population. Young people represent opportunities for the future but experience considerable compounding challenges that increase their vulnerability to poverty, especially during COVID-19. State-imposed lockdowns coupled with border closures severely constrained access to employment and remittances for the working-age population, including its large share of young adults, with negative effects on welfare. Addressing these sources of vulnerability among young adults is thus important in tackling poverty and ensuring that poverty reduction can be sustained into future generations.

This paper draws on the Income, Expenditure, and Labour Force Survey (IE&LFS) 2019-20 to quantitatively analyse poverty and welfare loss in Afghanistan before and during COVID-19, alongside other shocks and stressors. It asks: How did COVID-19 affect welfare and labour markets for young women and men in the context of an economic downturn during COVID-19, violent conflict, and political instability? The paper employs logistic regressions to examine key correlates of poverty and welfare loss, alongside simultaneous quantile regressions to investigate correlates of per capita expenditures across the welfare distribution. Given the myriad of shocks and stressors affecting households, it also examines coping responses to these shocks. Across these areas, the analysis focuses on the experiences of youth-headed households and young men and women within these households.

I am confident that this rich and highly analytical paper will be a significant contribution to policymakers and those who are interested in livelihood activities in Afghanistan. I would like to thank and express my gratitude to Dr Vidya Diwakar for her painstaking work, the anonymous peer-reviewer and all those who contributed to the enrichment of this comprehensive paper.

Sincerely yours,

Dr Orzala Nemat, AREU Director

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Acronyms

CPAN	Chronic Poverty Advisory Network
IE&LFS	Income, Expenditure, and Labour Force Survey
NSIA	National Statistics and Information Authority
WDI	World Development Indicators
WPP	World Population Prospects

Abstract

Afghanistan has experienced decades of conflict-related insecurity and disasters, a situation that has been exacerbated by the onset of the novel coronavirus disease (COVID-19). This paper employs the Income, Expenditure, and Labour Force Survey (IE&LFS) 2019-20 to quantitatively analyse poverty and welfare loss in Afghanistan. This analysis hence covers the period before August 2021, offering an important baseline to examine deteriorating situations in subsequent years. It finds that rates of poverty and welfare loss increased during the onset of the pandemic, especially among poor households, potentially reflecting new impoverishment as well as destitution processes. Though these rates were comparable across age groups, in absolute terms, they represent approximately 4.7 million young adults living in poverty in 2019-20. Youth-headed households were disadvantaged in terms of a lower asset base. Though they had more years of schooling, and higher rates of salaried employment and migration that both helped protect against poverty, during COVID-19 they were more likely to record a temporary layoff, reflecting the precariousness of youth employment.

Disasters, insecurity, and a range of negative shocks and stressors alongside COVID-19 contributed to welfare loss, and, in some situations, were amplified during the pandemic. Many households reduced expenditures and the quality or quantity of food in response to these shocks, particularly during COVID-19. Food insecurity was a related consequence, heightened during the pandemic, especially among youth-headed households. Other responses common during COVID-19 included an increase in work-related strategies, potentially substituting a decline in social capital within the community. Though the rate of economic activities among women in general was strikingly low, there was a slight increase in employment during COVID-19 among women in poor households, and among women in households experiencing disasters or in insecure areas amid COVID-19. This may point to a potential narrowing of the gender differential in employment in crisis contexts, though this itself is a sign of distress where women in poverty may have no recourse but to engage in precarious work and uphold an increased work burden to meet household needs in times of distress.

Introduction

Afghanistan has experienced decades of conflict-related insecurity and disasters. COVID-19 is one of the latest developments that further threaten the livelihoods and welfare of the Afghan population. The poverty rate rose from 38.2% in 2011 to 54.5% in 2016.[1] Just before the pandemic, it was estimated to be 43.7% in Fall 2019 before rising again to 51.0% during the onset of COVID-19 in Spring 2020.[2] A similar share (49.4%) of the population is multidimensionally poor, which in Afghanistan is defined according to dimensions around health, education, living standards, work, and presence of negative shocks.[3] Regarding the latter, the pandemic coincided with increased political instability, prolonged drought as well as a series of flash floods, and a weakened economy, all which threaten to derail progress on poverty reduction.

Young adults (aged 18-35) and children constitute 80% of the Afghan population.[4] Young people represent opportunities for the future but experience considerable compounding challenges that increase their vulnerability to poverty, especially during COVID-19. State-imposed lockdowns coupled with border closures severely constrained access to employment and remittances for the working-age population, including its large share of young adults, with negative effects on welfare. Addressing these sources of vulnerability among young adults is thus important in tackling poverty and ensuring that poverty reduction can be sustained into future generations.

This paper draws on the Income, Expenditure, and Labour Force Survey (IE&LFS) 2019-20 to quantitatively analyse poverty and welfare loss in Afghanistan before and during COVID-19, alongside other shocks and stressors. It asks: How did COVID-19 affect welfare and labour markets for young women and men in the context of an economic downturn during COVID-19, violent conflict, and political instability? It employs logistic regressions to examine key correlates of poverty and welfare loss, alongside simultaneous quantile regressions to investigate correlates of per capita expenditures across the welfare distribution. Given the myriad of shocks and stressors affecting households, it also examines coping responses to these shocks. Across these areas, the analysis focuses on the experiences of youth-headed households and young men and women within these households.

Section 2 next outlines the context of growth and poverty reduction in Afghanistan, followed by a presentation of datasets and methods of analysis in Section 3. Section 4 presents the results of the quantitative analysis. The conclusions and policy implications are finally summarized in Section 5.

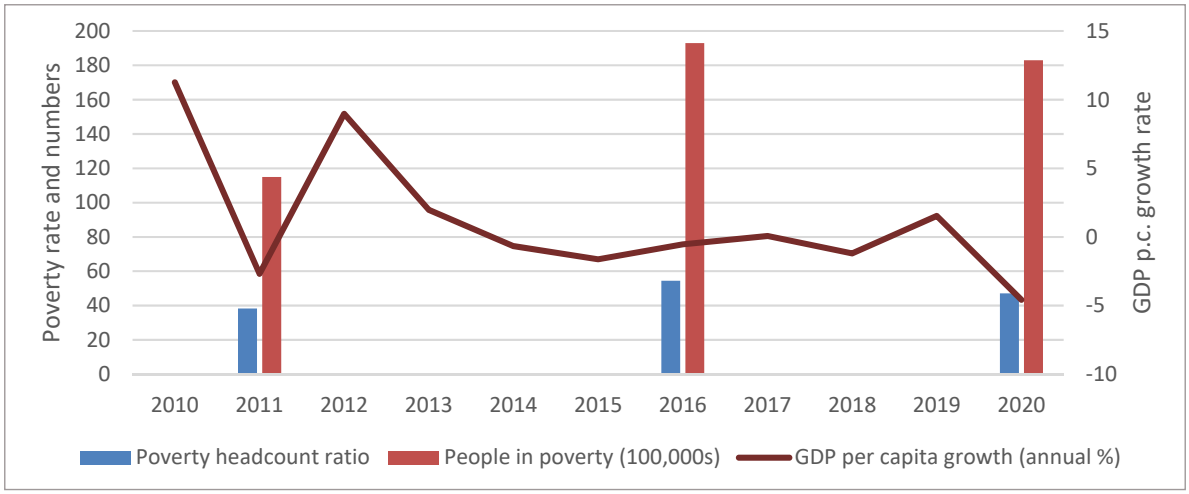
1 World Development Indicators database, 2021. https://databank.worldbank.org/source/world-development-indicators.
2 NSIA. 2021. Income and Expenditure & Labor Force Surveys Report 2020.
3 Ibid.
4 World Population Prospects database. 2019. https://population.un.org/wpp/Download/.

Contextual Drivers of Poverty in Afghanistan

A range of factors have been identified to contribute to poverty in Afghanistan. At the macro level, growth has been highly volatile in Afghanistan in the last 10 years. The start of the decade saw high growth rates, for example reaching 11.2% in 2010, albeit narrowly concentrated in the population.[5] However, the security transition in 2014 and accompanying reduction in aid was followed by a string of negative growth years, marked by weakening security, high rates of displacement, and rising food insecurity.[6] By the time of the pandemic, gross domestic product growth per capita dropped to -4.6% in 2020.[7]

Periods of negative growth have also coincided with large increases in poverty. The poverty rate using national poverty lines[8] stood at 38.2% in 2011, equivalent to 11.5 million people in poverty. However, poverty soared to 54.5% by 2016, representing an additional 7.7 million people living in poverty.[9] Though it fell to 47.1% of the population by 2020, this only represented a decline of 0.9 million people in poverty.[10]

Figure 1: Growth and Poverty in Afghanistan over the Last Decade



GDP = gross domestic product.

Source: Based on data from WDI, 2021; IE&LFS, 2020.

Protracted conflict, economic and political instability, inequality, and high rates of displacement have contributed to a context of growth volatility, dire humanitarian needs, and a persistently high

5 World Bank. 2018. https://www.worldbank.org/en/country/afghanistan/publication/unlocking-potential-of-agriculture-for-afghanistan-growth; Floreani et al. 2016. https://openknowledge.worldbank.org/bitstream/handle/10986/25309/WPS7864.pdf ?sequence=1&isAllowed=y.

6 World Bank. 2018. https://www.worldbank.org/en/country/afghanistan/publication/unlocking-potential-of-agriculture-for-afghanistan-growth

7 WDI. 2021. https://databank.worldbank.org/source/world-development-indicators.

8 In 2020, the absolute poverty line was 2,268 Afs per person per month, equivalent to US$0.94 per person per day. World Bank. 2021. https://www.worldbank.org/en/country/afghanistan/overview#1; NSIA, Income and Expenditure & Labor Force Surveys Report 2020.

9 author's calculation based on WDI, 2021.

10 author's calculation based on NSIA, Income and Expenditure & Labor Force Surveys Report 2020; WDI, 2021.

poverty rate.[11] There are an estimated 3.5 million people internally displaced within Afghanistan, including an additional 665,000 between January and September 2021 alone.[12] Interestingly, despite the prevalence and intensity of conflict, poverty rates have typically been lower in the south and southwest of the country, which have historically been richer areas. This has also been attributed to a larger presence of troops and aid flows, which offset the negative impact of conflict on consumption.[13] Relatedly, other studies find an increase in conflict itself to still be associated with higher food insecurity,[14] negative perceptions of future wellbeing among the poorest households,[15] and reduced employment opportunities.[16] The political change in mid-August 2021 has heightened vulnerability of women. Though the Taliban has promised to uphold women's rights, women had been asked to stay home for security reasons, amid various other restrictions in politics, labour markets, and education.[17]

Other shocks and stressors have also had negative effects on poverty. For example, repeated drought has compromised food security and contributed to poverty as well as conflict over water resources.[18] One study of drought in Herat province found that it reduced the availability of employment for unskilled workers.[19] The more recent 2018 and 2019 drought displaced over 400,000 people, while the flash flooding in 2019 further displaced another 42,000 people in the country.[20] Flash floods in early 2019 also damaged infrastructure and agricultural lands in several districts.[21] More generally, floods in the country have also been identified to reduce consumption and increase the probability of poverty and food insecurity.[22]

COVID-19 has also contributed to a rise in poverty, where during the initial months alone in Spring 2020, the poverty rate rose to 51.0%.[23] The poverty rate was further expected to increase to up to 72% during 2020.[24] COVID-19 disrupted regional labour markets and the flow of remittances, compromising livelihoods and further exerting a negative toll on the 80% of those employed who are in vulnerable and insecure employment.[25] For example, remittances, which soared from US$219.4 million in 2012 up to $828.6 million by 2019, fell to $788.9 million by 2020.[26] It has also contributed to rising food insecurity, made worse by a significant spike in food prices during the first half of 2020.[27] UNDP moreover estimates that as much as 97% of Afghans could be living in poverty by the middle of 2022.[28]

11 World Bank. 2018. https://www.worldbank.org/en/country/afghanistan/publication/unlocking-potential-of-agriculture-for-afghanistan-growth; ATR Consulting. 2018. https://reliefweb.int/sites/reliefweb.int/files/resources/aid_effectiveness_in_afhganistan_march_2018_0.pdf.

12 UNHCR. 2021. https://www.unhcr.org/afghanistan-emergency.html.

13 Floreani et al. 2016. https://openknowledge.worldbank.org/bitstream/handle/10986/25309/WPS7864.pdf ?sequence=1&isAllowed=y;
V. Bove and E. Gavrilova, "Income and Livelihoods in the War in Afghanistan," World Development 60 (2014): 113–31.

14 Anna D'Souza and Dean Jolliffe. 2013. "Conflict, Food Price Shocks, and Food Insecurity: The Experience of Afghan Households," Food Policy 42: 32–47.

15 Michael Callen, Mohammad Isaqzadeh, James D. Long, and Charles Sprenger, "Violence and Risk Preference: Experimental Evidence from Afghanistan." American Economic Review 104, no. 1(2014): 123–48.

16 Tommaso Ciarli, Chiara Kofol, and Carlo Menon. 2015. "Business as Unusual. An Explanation of the Increase of Private Economic Activity in High-Conflict Areas in Afghanistan." LSE Research Online Documents on Economics 65015. London: London School of Economics and Political Science.

17 UNDP. 2021a. https://www.undp.org/publications/economic-instability-and-uncertainty-afghanistan-after-august-15; Graham-Harrison and Makoii. 2021. https://www.theguardian.com/world/2021/sep/03/afghanistan-women-defiant-amid-taliban-crackdown.

18 World Bank Group, 2021.

19 M.W. Iqbal, S. Donjadee, B. Kwanyuen, and S.Y. Liu, "Farmers' Perceptions of and Adaptations to Drought in Herat Province, Afghanistan," Journal of Mountain Science 15, no. 8 (2018).

20 OCHA, "Afghanistan Integrated Drought Response,' February 2019. United Nations Office for the Coordination of Humanitarian Affairs. https://reliefweb.int/sites/reliefweb.int/files/resources/drought_response_dashboard_20190327.pdf; ReliefWeb. 2019. Afghanistan: Flash Floods – Mar 2019. https://reliefweb.int/disaster/ff-2019-000018-afg.

21 IFRC. 2021. https://reliefweb.int/sites/reliefweb.int/files/resources/MDRAF005efr%20%281%29.pdf; World Bank Group, 2021.

22 Oskorouchi and Sousa-Poza. 2021. https://onlinelibrary.wiley.com/doi/full/10.1111/agec.12610.

23 NSIA, Income and Expenditure & Labor Force Surveys Report 2020.

24 World Bank Group, 2020.

25 IFRC, 2021.

26 GMDAC remittances https://www.migrationdataportal.org/infographic/remittances-afghanistan-2012-2020

27 World Bank Group. 2020; Samuel Hall. 2020. https://reliefweb.int/sites/reliefweb.int/files/resources/afg_sh_covid19_research_brief_july_2020.pdf.

28 UNDP. 2021b. https://www.undp.org/press-releases/97-percent-afghans-could-plunge-poverty-mid-2022-says-undp.

However, it is important to recognize that even before COVID-19, there was long-term evidence of increasingly limited options in the rural economy over the last 2 decades.[29] This has pointed instead to the existence of a distributional economy rather than a productive one, where many farmers derive little income from agriculture, exacerbated by high rates of landlessness.[30] This long-term decline of livelihood security has been revealed and exacerbated during COVID-19 and the economic crisis after August 2021.

Finally, the shocks and stressors at national and subnational levels often overlap. For example, smallholders in the country face risks to agricultural production stemming from continuous insurgencies, which are often amplified by climate change, and contribute to rising vulnerability.[31] These shocks may be considerably worsened through supply-side distortions during the pandemic, particularly if they generate price hikes that further compromise household welfare.

29 World Bank, "Islamic Republic of Afghanistan: Agriculture Sector Review: Revitalizing Agriculture for Economic Growth, Job Creation and Food Security" (Washington, DC, World Bank, 2014); A. Pain and D. Huot. 2018. "Challenges of Late Development in Afghanistan: The Transformation that Did Not Happen," https://online.ucpress.edu/as/article-abstract/58/6/1111/25054/Challenges-of-Late-Development-in-AfghanistanThe?redirectedFrom=fulltext

30 Pain and Huot, 2018.

31 Omerkhil et al., 2020. https://www.sciencedirect.com/science/article/abs/pii/S1470160X1930857X

Data and Methods

The IE&LFS, which in previous iterations was known as the Afghanistan Living Conditions Survey and National Risk and Vulnerability Assessment, took place between October 2019 and September 2020, including a month-long disruption due to COVID-19, and is representative at national and provincial levels and was stratified by season.[32] It interviewed 18,344 households, across all provinces, and its modules of interest in our analysis include those around household income and expenditures, labour, food security, health and education, and shocks and coping strategies.

The survey data stretch into the pandemic, and thus allow us to compare pre-pandemic with in-pandemic data within the survey. We accordingly rely on this survey to understand how COVID-19 overlaid with conflict may affect wellbeing across subnational geographies and sub-populations, the latter with a focus on women and young adults. Our empirical methods involve logistic regressions and simultaneous quantile regressions to investigate correlates of poverty and wellbeing across the welfare distribution. Across models and descriptive analysis of the data, we only comment in the text on results that are statistically significant at conventional levels.

Our logistic regression is employed to understand correlates of poverty and welfare mobility:

$$Pr(\beta, v_i) = F(\beta_0 + \beta_1 Head_i + \beta_2 Region_i + \beta_3 H_i)$$

for $v_i = (1, Head_i, Region_i, H_i)$ we have

Welfare$_i$ as the probability of the household being under the poverty line in model 1, and the probability of the household experiencing reduced welfare over the year leading up to the survey in model 2,

Head is a vector of variables defining the characteristics of the household head,

Region is a set of dummy variables stating in which region the household resides, and

H is a vector of household specific controls.

Alongside the main model presented above, we run a set of auxiliary regressions to better understand correlates related to economic activities, and also to shocks and stressors affecting households, both in keeping with our conceptual focus. We then focus on the interaction between climate, security, and COVID-19 and its relationship with welfare loss, before examining how these interactions may vary by youth headship of households. We define youth as individuals aged between 18-35 years using common conventions in the literature, including in Afghanistan's National Youth Policy.[33] We finally descriptively examine coping strategies to household shocks and stressors, disaggregating strategies by the months preceding COVID-19 compared to during the pandemic, and by gender and poverty status where relevant. We avoid disaggregating our results by female headship, given that only 1.6% of the sample comprised female-headed households, the lowest globally based on available data.[34]

In addition to the logistic regression above, the same correlates are used in simultaneous quantile regressions. We undertake the latter from a recognition that any poverty line is to an extent arbitrary, and so we attempt to nuance our discussion by investigating correlates of welfare in different parts of the expenditure distribution. In this model, the left-hand side of the equation is identified by per capita household expenditures (rather than poverty status). Results, presented in Annex A4, are largely similar to the logistic regressions so we avoid commenting on it in the text for brevity.

32 NSIA, Income and Expenditure & Labor Force Surveys Report 2020.

33 ANYP. 2014. https://www.youthpolicy.org/wp-content/uploads/library/2014_Afghanistan_National_Youth_Policy_Eng.pdf

34 WDI, 2021.

There are limitations to our approach. For example, a focus on the months of COVID-19 overlapping with the spring and summer season is likely to overestimate impacts given the plethora of shocks and stressors that often co-existed or interacted with the pandemic in complex ways. The aim of this analysis is not to quantify COVID-19 impacts, but rather to examine relationships and understand how the confluence of different shocks and stressors may act to amplify economic precariousness during the period corresponding to COVID-19. Even so, a risk of endogeneity remains, insofar as poverty and the shocks and stressors examined may be mutually reinforcing.

In addition, there are limits to what our measures can tell us about drivers of poverty. Our measure of welfare loss is based on self-reported retrospective data, and so may be biased. Panel data would have been more effective to tease out temporal variations in wellbeing. Even so, the measure of poverty is examined alongside the welfare loss indicator, and so allows us to develop a fuller understanding of wellbeing and how it has varied during the survey period in Afghanistan. Furthermore, poverty has a wider range of causes that can only be partly understood by using household-level survey data to examine characteristics of being poor. For example, in Afghanistan, relational dimensions beyond the household can have positive and negative consequences on economic security.[35] We attempt to mitigate this issue by focusing on subnational insecurity and disasters, though are unable to assess the role of social networks with the available data. These are areas for further research in the current context, which can be aided through the use of qualitative data within a mixed methods approach to understanding poverty dynamics.[36]

35 P. Kantor and A. Pain, " Social Relationships and Rural Livelihood Security in Afghanistan," Journal of South Asian Development 7, no. 2 (2012): 161-182.

36 See CPAN website https://www.chronicpovertynetwork.org/what-we-do

Results

This section first outlines the context of poverty in Afghanistan before presenting regression results examining correlates of welfare in the country.

Poverty and welfare in Afghanistan

Estimates of poverty, vulnerability, and welfare loss

Key messages

- A majority (91.7%) of the population were either poor, or vulnerable to poverty with per capita expenditures falling within two times the poverty line (equivalent to US$1.88).
- Respondents interviewed during COVID-19 were more likely than others to be poor, and to record their economic situation being slightly or much worse compared to the preceding year, with rates of welfare loss higher among poor households relative to non-poor households, potentially reflecting new impoverishment as well as destitution processes.

As noted above, almost half (47.1%) of the population lived under the poverty line in 2020. The national poverty line is equivalent to $0.94. Another 32.0% of the population were near poor, with per capita expenditures falling between 1 and 1.5 times the poverty line, while 12.6% had incomes that fell between 1.5 and 2 times the poverty line. In other words, **a staggering 91.7% of the population were either poor or vulnerable to poverty** (Table 1). Even these upper thresholds were still lower than the international $1.90 poverty line. The share of poor and near-poor populations was only slightly lower in urban compared to rural areas. Finally, almost half (49.4%) of the population is multidimensionally poor, which in Afghanistan is defined according to dimensions around health, education, living standards, work, and presence of negative shocks.[37]

Table 1: Poverty According to Various Thresholds

Category	Expenditure thresholds	Poverty headcount rate		
		National	Rural	Urban
National poverty line	Afs2,268 / person/month ($0.94/ person/day)	47.1%	47.6%	45.5%
Up to 1.5x poverty line	Afs3,402 / person/month ($1.41/ person/day)	79.1%	80.1%	76.0%
Up to 2x poverty line	Afs4,536 / person/month ($1.88/ person/day)	91.7%	92.5%	89.1%

Source: Author's calculation based on IE&LFS 2019/20 data.

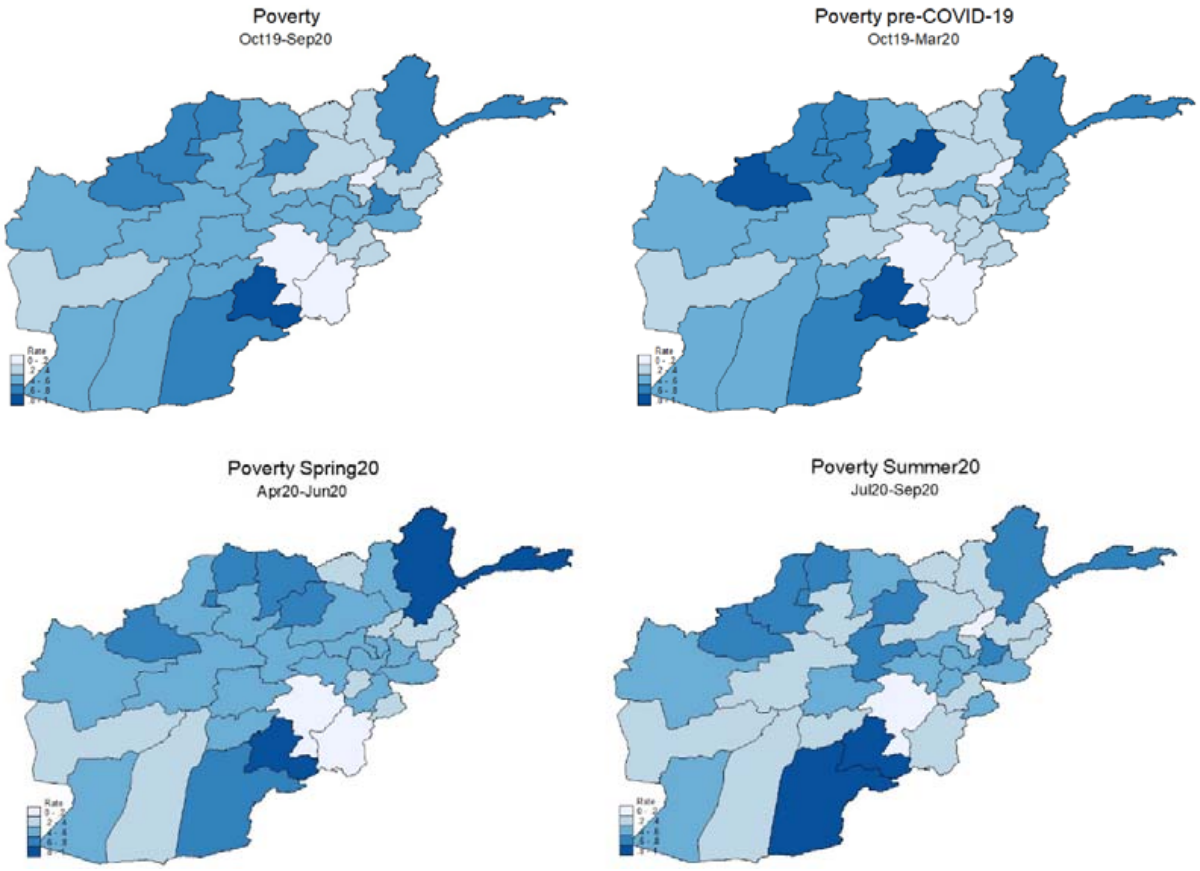
There are also spatial and temporal variations underlying these figures. Poverty in Afghanistan has typically been more of a rural than an urban phenomenon, where for example 42.3% of the rural population lived under the poverty line in 2011 compared to 24.6% of the urban population. **By the latest 2019-20 survey, however, the rural-urban difference in poverty had been almost eliminated** on account of a decline in rural poverty (from 58.6% in 2016 to 47.6% by 2019-20) alongside an increase in urban poverty (from 41.6% in 2016 to 45.5% by 2019-20).[38] At the same time, it is worth recognizing that many households are multi-locational stretched across the rural-urban divide, which

37 NSIA, Income and Expenditure & Labor Force Surveys Report 2020.
38 Ibid.

somewhat blurs this binary assessment.

Poverty rates also vary across provinces: many areas with poverty rates above 60% of the population are concentrated in the northern and south-western provinces. By survey season (Figure 2), pre-COVID-19 between October 2019 and March 2020, poverty was highest in Zabul, Badghis, and Samangan provinces. However, **with the onset of COVID-19 during spring 2020 (April to June), poverty considerably increased**, especially in the Central and Southern regions (e.g., Bamyan, Paktya, Kabul, Kapisa). Finally, by summer 2021 (July to September), poverty rates increased particularly in Central and South/Southwestern regions (Logar, Maydan Wardak, Khost, and Kandahar), overlapping in certain areas like Logar and Kandahar with lockdowns.

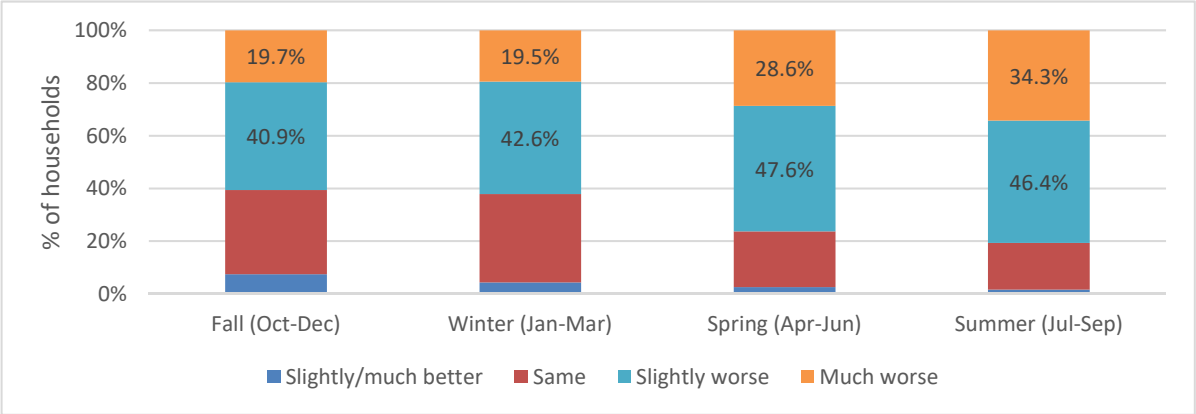
Figure 2: Spatial Variation of Poverty before and during the Pandemic



Source: Author's visualisation of IE&LFS 2019/20 data.

The survey also asked male and female respondents how they would compare the household's economic situation compared to a year preceding the survey, thus allowing some insights into welfare mobility. Men were more likely to report the situation today being slightly or much worse (58.3% of men), compared to women (47.5%). There were no significant differences by youth headship. By survey season, **respondents interviewed during COVID-19 were much more likely than others to record their economic situation being slightly or much worse compared to the preceding year**, with the perceived situation deteriorating over time (Figure 3).

Figure 3: Self-reported Economic Situation Today vs 1 Year Ago



Note: As the question was asked to men and women, for the graph above the worst response was recorded.
Source: Author's calculation based on IE&LFS 2019/20 data.

Finally, 75.9% of poor households perceived that their economic situation was slightly or much worse compared to the preceding year. This contrasted with 65.4% of non-poor households. This difference was due to a large share (31.4%) of households in poverty reporting that their economic situation was much worse than the preceding year, compared to 20.8% among non-poor households. An even higher share (34.6%) of households under the food poverty line reported their situation being worse at the time of the survey. These differences by poverty status may point to processes of new impoverishment as well as destitution of those already in poverty.

Wellbeing of young adults

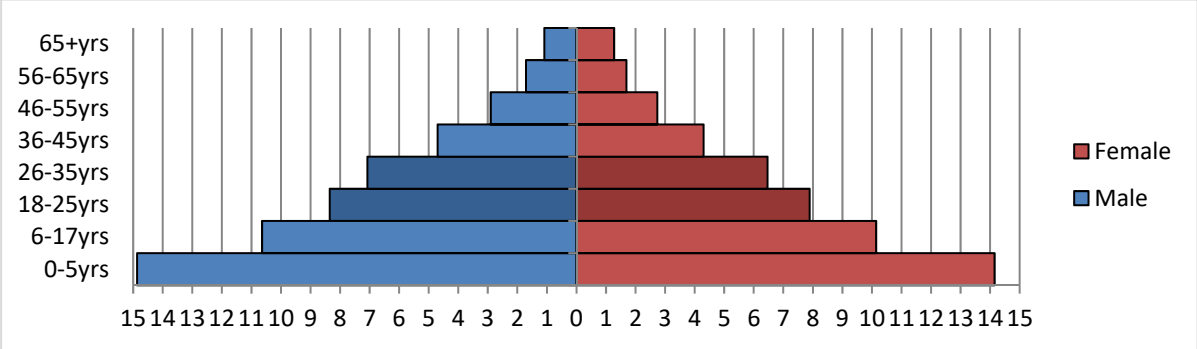
Key messages

- **There is a large youth population in Afghanistan, with youth-headed households especially disadvantaged in terms of a low asset base, and higher food insecurity.**
- **In spite of these disadvantages, youth-headed households tend to have more years of schooling particularly at secondary levels, and based on their life course stage also live in smaller households with lower dependency shares that may provide opportunities for additional income generation in pathways out of poverty.**

Rates and poverty and welfare loss are similar across ages, though slightly higher among household heads just past young adulthood (i.e., past the age of 35 years).[39] However, even if poverty rates are comparable across groups, in absolute terms this represents a large number of young adults (Figure 4). In particular, **approximately 4.7 million out of 11.3 million young adults were poor in 2019-20**, compared to 3.4 million out of 7.8 million older adults.[40]

39 However, there is a risk of age-heaping and so results should be viewed with caution for the 36-45-year age group.
40 Author's analysis using WPP (2019) and IE&LFS 2019/20 data.

Figure 4: Population pyramid by age group



Source: author's calculation based on WPP, 2019.

The rates of youth-headed households moreover marginally increased between the pre- and mid-COVID-19 seasons, from 38.0% in autumn and winter, to 40.1% by the spring and fall seasons. Overall, 1.4% of youth headed households were headed by women, which is similar to the shares of women headship in the full population. **It is worth drawing attention to youth-headed households in the context of a shifting age distribution of the population**, even though joint households remain prevalent more generally. Nevertheless, there are likely to be mutual interdependencies between households reflecting the distributional nature of the rural economy that limits a sounder understanding of youth headship, and provides areas for further investigation.

When focusing on **youth-headed households in poverty, we observe disadvantages especially in their asset base. This may perhaps be a function of their life cycle stage where they are beginning to develop assets, a hypothesis for further investigation. Nevertheless, the low asset base limits their potential to escape poverty and is observed to contribute to heightened food insecurity**. For example, the value of the consumer durable assets they own is less than half (40.1%) compared to older household heads less than 65 years of age living in poverty. They also have fewer livestock, are less likely to own cultivable farmland, and less access to electricity (Table A1). As a result of their limited asset base, youth-headed households are much more likely to report food insecurity across indicators, ranging from increased worry, relying on fewer, less nutritious foods, skipping meals, and going hungry for a day.

However, there is scope for optimism, as poor youth-headed households have more years of schooling, are more likely to migrate, and oversee smaller households, all relative to other poor households. On the former, 18.2% of youth-headed, poor households have some level of secondary education, compared to 11.1% of older household heads less than 65 years of age. Internationally, completion of at least lower secondary education has been identified as a key contributor to sustained escapes from poverty, including in South Asia.[41] In addition, youth-headed households are more likely to have heads that have migrated for at least one month in the year preceding the survey, regardless of poverty status, relative to other heads of households under 65 years old. This mobility is often an important component of developing diversified livelihoods in pathways out of poverty including in South Asia,[42] though it is likely to be severely restricted during the pandemic.[43] Finally, young adult households including those in poverty are also likely to be smaller (seven members on average, compared to nine members in households headed by older adults). Smaller households have been observed to be associated with a lower probability of chronic poverty in other studies including in South Asia.[44] However, this is likely to be a function of the life cycle, where these households may just be forming and could still grow over time.

41 V. Diwakar and A. Shepherd, "Sustaining Escapes from Poverty," World Development 151(2022): 105611.

42 Diwakar and Shepherd, "Sustaining Escapes from Poverty".

43 Simpson. 2020. https://reliefweb.int/report/afghanistan/covid-19-creates-new-challenges-migrants-afghanistan-and-abroad

44 Diwakar and Shepherd, "Sustaining Escapes from Poverty".

Thus, even though young adults are not less likely to be living in poverty compared to older heads of households, the youth-headed households who do live in poverty possess fewer assets, and experience higher food and economic insecurity. The situation is likely to have worsened given the economic precariousness experienced more generally by households during the pandemic period. This motivates our focus on young adults in the analysis that follows, prefaced by a general examination of characteristics of households in poverty.

Micro-Correlates of Welfare

Key messages

- **Though young heads of households (aged 18-25) are less likely to be in poverty, they remain highly vulnerable to welfare loss.**
- **Completion of secondary education, higher value of consumer durables, access to electricity, and livestock were all assets associated with a lower probability of poverty and welfare loss. Ownership of cultivable farmland was also associated with a lower probability of welfare loss.**
- **In terms of economic activities, engagement in agriculture was associated with a higher probability of poverty, while ownership of a non-farm enterprise was associated with a lower probability of poverty but a higher probability of reduced welfare reflecting its risks as well as rewards. Migration and access to salaried employment were both protective factors against poverty and slightly more common among youth heads of households. Across activities, however, there are stark gender differences in favour of men, with women strongly underrepresented in economic activities.**
- **However, during COVID-19, of household heads that were not working or looking for a job, more were likely to record a temporary layoff than pre-COVID-19, especially youth heads of households, reflecting the precarity of youth employment.**

This section summarizes the results of the logistic regressions examining correlates of poverty and welfare loss in Afghanistan (Annex Table A2).

Household demographics and asset base

In terms of demographic correlates, in the main model (Table A2, columns 1-2), household size and female headship was associated with a higher probability of poverty, with the latter also associated with a higher probability of welfare loss with larger effect sizes. Descriptively, a very small share (1.6%) of households were reported to be headed by women. In terms of age of household head, **households across the age spectrum are less likely to report welfare loss relative to the youngest group of youth-headed households (aged 18-25 years)**. However, slightly older (26-35 years) youth-headed households are more likely to be in poverty relative to this reference group, as are households just beyond youth years, at least partly a function of larger household size. Interestingly, though, household heads aged 55 and above are less likely to be in poverty relative to the reference group. These results together suggest that, though young households are less likely to be in poverty compared to non-youth-headed households, they remain highly vulnerable to welfare loss.

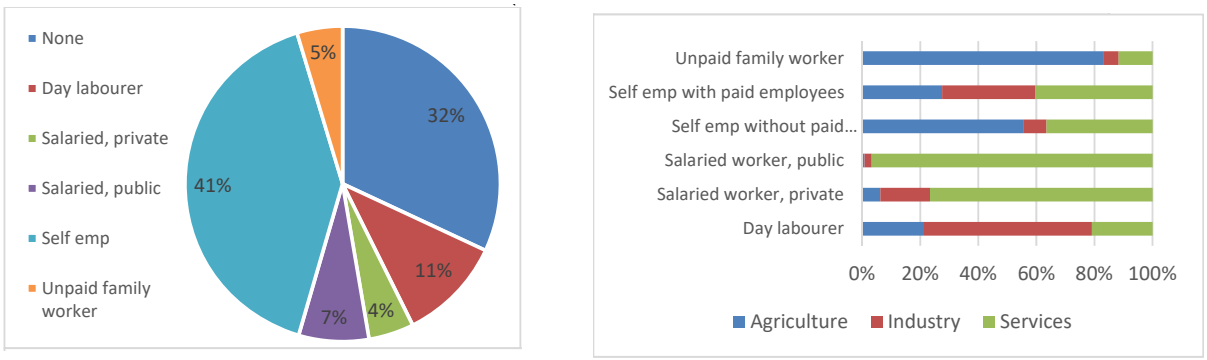
In terms of assets, there is a range of tangible and intangible assets that can protect against the probability of poverty. Education, and especially completion of at least secondary levels, was associated with a lower probability of poverty and of reduced welfare. The higher levels of education among young adults as noted in the previous section is cause for optimism in this regard. In terms of tangible assets, a higher value of consumer durables, access to electricity, and livestock were all associated with a lower probability of poverty and also of reduced welfare. Interestingly, ownership of cultivated farmland was only associated with a lower probability of reduced welfare. This suggests

that land may offer a cushion on which to fall back in times of distress, even if it may be unable on its own to contribute to improved welfare. Unfortunately, though, as noted above, youth heads of households were less likely than older household heads to own the range of these assets, restricting their potential to escape poverty.

Economic activities

We also examine economic status and sector in the week leading up to the survey. Most household heads were self-employed (41%), mainly without paid employees, with over half of this share working in agriculture (Figure 5). Many of these individuals in agriculture are often paid in kind and not cash. The next most common activity was day labour, particularly in the construction sector. Of salaried workers, a large share (71%) was engaged in community, social and personal services. Certain economic activities that household heads engaged in within the year preceding the survey in turn had mixed relationships with poverty and welfare changes. **Engagement in agriculture was associated with a higher probability of poverty, while ownership of a non-farm enterprise was associated with a lower probability of poverty but a higher probability of reduced welfare**. The former might reflect the reality where poverty remains concentrated in rural areas where agriculture is the predominant economic activity. The mixed results around non-farm enterprises may reflect the risks as well as rewards associated with these enterprises, that may contribute to high volatility of income even if it may help households escape poverty. In terms of other activities (Table A2, column 2), salaried employment and self-employment both are associated with a lower probability of welfare loss, while engagement in day labour is associated with a higher probability of welfare loss. Finally, a head who had migrated for at least 1 month in the year preceding the survey also experienced a lower probability of poverty (Table A2, column 1), while remittances also helped safeguard against welfare loss (Table A2, column 2).

Figure 5: Employment in Week Preceding the Survey, Overall (Left) and by Sector (Right)



Source: Author's calculation based on IE&LFS 2019/20 data.

Out of the activities mentioned above, there were some differences by youth headship. Salaried employment was slightly more common among young adults (16.8% engagement among youth heads, compared to 13.5% among other heads of households under the age of 65), as was day labour (26.8% of youth heads engaged in day labour, compared to 18.8% of other heads under 65), and migration (14.7% among youth heads, compared to 8.8% of other heads under 65). These results suggest that, though youth-headed households in poverty may possess fewer assets, **there are some opportunities, particularly through migration and access to salaried employment, in which youth were able to engage that bring a significant potential to escape poverty**. Even so, the absence of a strong asset base may obstruct the effectiveness of these pathways, for example, by limiting the availability of capital needed to support a successful migration, even in cases where informal credit remains critical in financing migration. Moreover, when examining occupations among women compared to men within households, less than 2% of women engaged in day labour, salaried employment, and migration, regardless of youth status. Rates of engagement were slightly higher in agriculture (9.6%

of women), but still far less than that of men (30% of men engaged in agriculture), pointing to limited employment-related pathways out of poverty among women.

Finally, just under a third of household heads were not working in the week preceding the survey, much more common among women (65.0% of female heads, compared to 31.5% of male heads), mainly on account of housekeeping activities not being included under the list of economic activities. A small share of heads (5%) was only temporarily absent from their work. Of those who did not look for work, a majority recorded being retired or too old (39.4%), followed by perceptions that there was no chance to get a job or no jobs available (15.2%), waiting for the busy season (10.1%), temporary layoff (9.3%), and illness or injury (8.8%). The main difference by COVID-19 period was that **more households were likely to record a temporary layoff during the months of COVID-19 (12.0%) compared to prior to the pandemic (6.8%)** (Table 2). This response moreover was much more common among youth heads of households compared to older heads, potentially reflecting the precariousness of youth employment.

Table 2: Top 5 Reasons Household Heads Did Not Look for Work in Month Preceding Survey

Rank	Youth heads	%	Female heads	%	During COVID-19	%
1	No jobs available	29.5%	Housewife/ housekeeping	61.4%	Retired/too old	37.9%
2	Waiting for busy season	18.6%	Retired/too old	24.6%	No jobs available	14.9%
3	Temporary layoff	17.3%	No jobs available	6.7%	Temporary layoff	12.0%

Source: Author's calculation based on IE&LFS 2019/20 data.

Though the analysis above pointed to some protective factors against poverty and welfare loss, contexts of instability, i.e., those marked by COVID-19, conflict, and disasters, could offset the effectiveness of these strategies, and may have differential effects that could amplify economic precariousness among poor youth. These contexts are investigated in the next section.

Compounded Contexts of COVID–19, Conflict and Disasters

Key messages

- **Regression results indicate that households interviewed during the 2020 spring and summer seasons in overlapping with the pandemic had a higher probability of poverty.**
- **Certain shocks and stressors had negative effects that were amplified during COVID-19. For example, shocks related to disasters,[45] agriculture, or food/farm prices heightened the risk of poverty and welfare loss particularly during summer 2020. Insecurity and displacement were associated with a high probability of welfare loss during the summer.**
- **The relationship between disasters and COVID-19 particularly disadvantages younger households. Instead, the relationship between insecurity and COVID-19 tends to disadvantage older heads of households, who may be less able to flee conflict-affected areas.**

Regression results indicate that households interviewed during the spring season overlapping with the pandemic had a higher probability of poverty, compared to households interviewed between October 2019 and March 2020 (Table A2, column 1). Households interviewed during the spring and summer seasons of COVID-19 were also more likely to report that their overall economic situation had deteriorated compared to a year prior to the survey (Table A2, column 2). By quintile (Table A2), a larger share of poorer segments of society appear to have experienced per capita expenditure losses during COVID-19 compared to those with higher expenditures,

45 This refers to a range including earthquakes, landslides, avalanches, extreme weather conditions, and livestock epidemics.

perhaps on account of their lower welfare to begin with. Urban residence was surprisingly associated with a higher probability of poverty, potentially reflecting a climate of insecure livelihoods alongside these COVID-19 disruptions. In all cases, we also control for the harvest period (pre-harvest lean season, harvest, or post-harvest) to help reduce confounding due to harvest-related welfare loss.

Of course, COVID-19 was not the only shock to affect households. More generally, **an increase in the number of types of shocks experienced by households was associated with a higher probability of welfare loss**. The same was true when disaggregating by type of shock, as presented in Table A3 (column 2). The presence of a revenue shock, for example due to loss of employment or business bankruptcy, was associated with a 14-percentage point increased probability of households reporting reduced welfare in the year leading up to the survey, relative to not experiencing the shock. Such shocks were also more common during the spring and summer months corresponding with the pandemic. Health shocks and price shocks had the next largest effect sizes, associated with an 8-percentage point increased probability of welfare loss, followed by conflict and theft. Price shocks were also more common during COVID-19 than preceding months. Descriptively, households experiencing environmental or agriculture-related shocks were more likely to be poor and to experience declines in their economic mobility, though this did not translate into significant regression correlates. This is intuitive, given that the negative consequences of these types of shocks may have instead been captured through the price and revenue channels.

We are also able to examine the role of political and social processes related to violence. The survey asks households to rate the security situation of their district, and whether they have been displaced because of violence or insecurity. The results are presented in Table A3 (column 3). **Insecurity and displacement are associated with an especially high (10-12 percentage points) probability of welfare loss**. Descriptively, households who recorded insecurity were less likely to be poor, but more likely to experience reducing welfare loss with the potential to contribute to this impoverishment over time.

Of course, some of these processes are likely to be interlinked, where, for example, COVID-19 may intersect with conflict, or with climate shocks and stressors to amplify their effects. Indeed, interactions of these variables point to the presence of compounding effects. In particular, shocks related to disasters, agriculture, or food/farm prices heightened the risk of poverty overall, and of welfare loss (Figure 6, left). This probability of poverty was amplified by these shocks before the pandemic, and also into the summer. **The relatively marginal increase in the probability of welfare loss due to environment- and agriculture-related shocks during the onset of COVID-19 might reflect a lag in the pandemic's effects on the agriculture sector**. For example, during the onset of the pandemic, its impact on agricultural commodities was estimated to be moderate.[46] Instead, during the summer period when Kuchi herders typically transhumance across borders internally and internationally, the lockdown imposition affected their ability to practice their livelihood.[47] Indeed, reduced availability of grazing areas and of Kuchi migration routes, alongside a reduction in drinking water common during the summer, was particularly pronounced during the summer relative to spring periods of the survey.

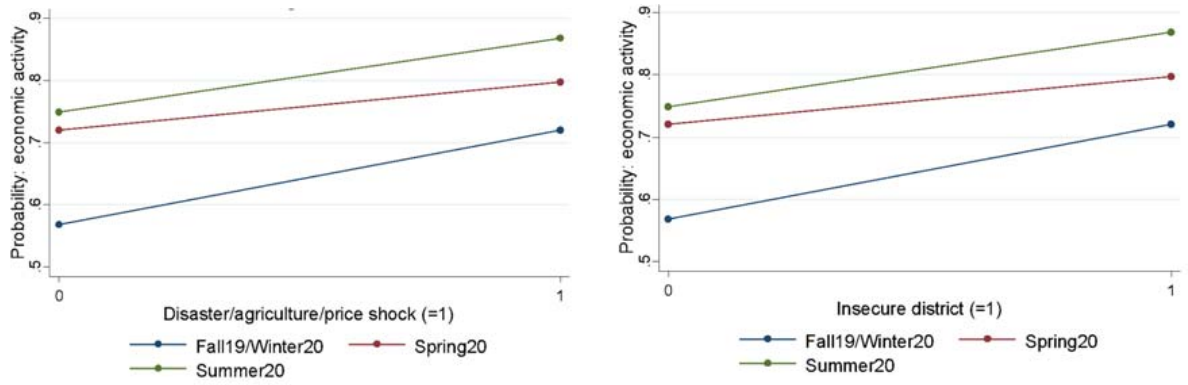
A similar relationship was observed with the presence of insecure or very insecure districts and COVID-19. Descriptively, there was a significant difference in the rate of insecurity in interviews conducted during compared to before COVID-19. In the regression results, too, **all seasons experienced a heightened probability of welfare loss in insecure areas, but the predicted probability of welfare loss was even higher in insecure areas during pre-COVID-19 months and by the summer** (Figure 6, right)**.** The summer 2020 period corresponds to deteriorating security conditions, where households in slightly over half of Afghanistan's provinces felt that the security situation in their district was insecure or very insecure. This rise in insecurity could also account for some of the distress experienced in the agricultural sector, which coincided with the onset of the pandemic.[48]

46 World Bank, 2020.

47 FAO. 2020. https://reliefweb.int/sites/reliefweb.int/files/resources/COVID-19%20Appeal%20-%20MAY%20update%20 2020.pdf.

48 IPCC, "Afghanistan: IPC Acute Food Insecurity Analysis, August 2020–March 2021," https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1152907/;
FAO. 2021. https://www.fao.org/3/cb3846en/cb3846en.pdf.

Figure 6: Predicted Probabilities of Welfare Loss, by Disaster and Season



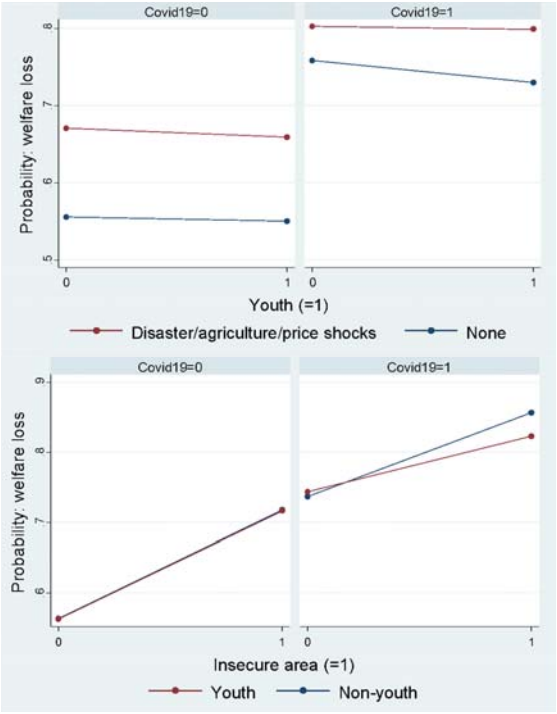
Source: Author's calculation based on IE&LFS 2019/20 data.

When examining the intersection of COVID-19 and other shocks (disasters or conflict) variably among youth (i.e., a triple interaction), there are two important observations. First, **the relationship between disasters and COVID-19 particularly disadvantages young adult-headed households**. In particular, the statistically significant marginal effect of disasters on welfare loss during COVID-19 is approximately 7 percentage points among youth-headed households, but only 4 percentage points among other households (Figure 7, left). This is mainly due to youth-headed households during the pandemic being slightly less likely to experience welfare loss compared to other household heads, in the absence of disasters.

Second, **the relationship between insecurity and COVID-19 instead tends to disadvantage older heads of households**, where the predicted probability of welfare loss is higher for these households relative to youth-headed households, with the marginal effect statistically significant at conventional levels (Figure 7, right). This could reflect the heightened vulnerability of older people to the conflict in Afghanistan. They may be less able to flee situations of violence on account of strong bonds to their homes as well as potentially limited mobility, thus remaining in insecure areas.[49]

49 The Lancet. 2021. https://www.thelancet.com/journals/lanhl/article/PIIS2666-7568(21)00210-5/fulltext.

Figure 7: Predicted Probabilities of Welfare Loss, by Disaster, Insecurity, and COVID-19



Source: Author's calculation based on IE&LFS 2019/20 data.

The discussion so far has pointed to contexts of insecurity, stemming from the pandemic, political instability, and environmental shocks and stressors. We next examine household coping strategies during these volatile times.

Coping Strategies to Negative Shocks

Key messages

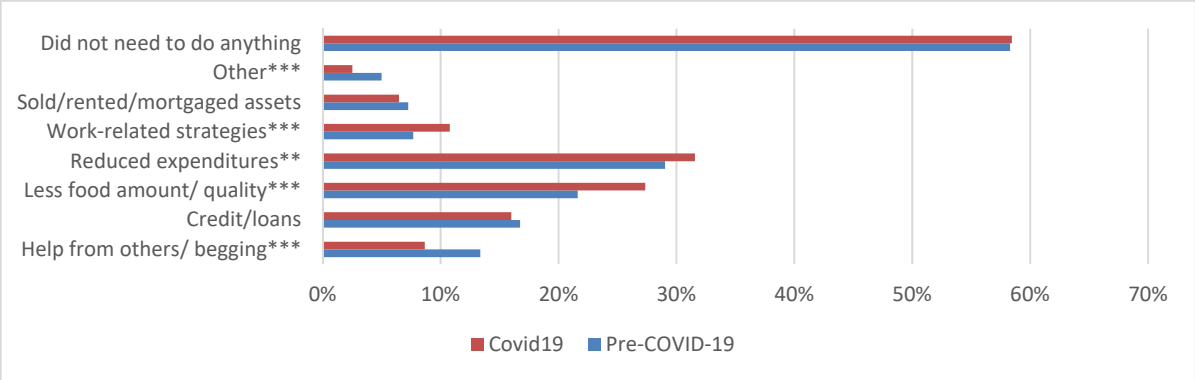
- **In response to negative shocks, many households reduced expenditures and the quality or quantity of food, especially during COVID-19. Other responses more common during COVID-19 included increasing work-related strategies to overcome a decline in community social capital.**
- **Work-related strategies in response to negative shocks were also more common during COVID-19. Though the rate of economic activities among women is strikingly low, there was a slight increase in employment during COVID-19 among women in poor households, and especially among women in households experiencing disasters or insecurity during the pandemic, which may point a potential narrowing of the gender differential in employment though with potential precarity of work.**

In response to a range of negative shocks affecting households in the year preceding the interviews, many households felt that they did not need to do anything to compensate (Figure 8). Out of the active coping strategies recorded, **reduced expenditures were most common, followed by reducing the quality or quantity of food. Not surprisingly, these strategies were more common during COVID-19.**[50] There were no significant differences by youth-headship; instead, whereas non-poor households were relatively more likely to spend less mid-COVID-19 compared to pre-COVID-19

50 Similar results were seen in Afghanistan in response to the 2007/08 food price crisis; D'Souza and Jolliffe, "Conflict, Food Price Shocks, and Food Insecurity".

months, poor households became more reliant on reduced food quality and quantity during the pandemic. Finally, households reporting that their district was insecure were more likely to rely on reducing food quality or quantity, adopting work-related strategies, and selling assets, compared to households in relatively safer parts of the country. It is worth emphasizing that these strategies are not alternatives, but may co-exist in any individual household.

Figure 8: Primary Coping Strategies of Households to Negative Shocks, by COVID-19 Period

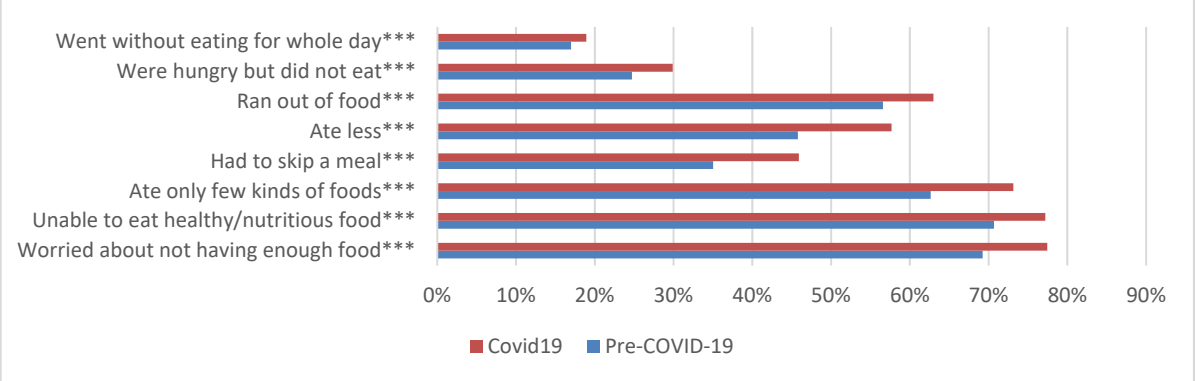


*** p<0.01, ** p<0.05, * p<0.1

Source: Author's calculation based on IE&LFS 2019/20 data.

We can examine food insecurity in more detail based on the questionnaire's food security module. From this, **we observe heightened food insecurity across indicators during the pandemic months, and also for households in insecure districts.** Food insecurity, however, was very pronounced before and during the pandemic. The biggest difference compared to pre-COVID-19 levels was in terms of households relying on less food, skipping a meal, or eating less variety of food (Figure 9). Youth, and especially youth-headed households in poverty, were much more likely than other households to experience food insecurity. During COVID-19, moreover, youth-headed households were more likely than other households to skip meals.

Figure 9: Food Insecurity, by COVID-19 Period



*** p<0.01, ** p<0.05, * p<0.1

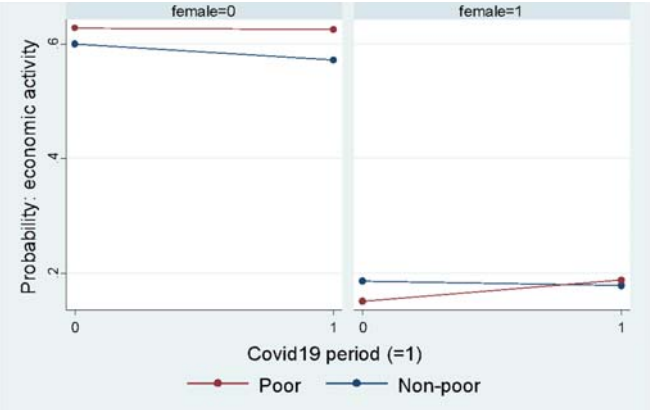
Source: Author's calculation based on IE&LFS 2019/20 data.

Also common during COVID-19 was a reliance on work-related strategies, such as getting work money in advance, getting children to work, or increasing work and work hours (Figure 8, above), with relatively comparable shares of poor and non-poor households adopting these strategies. Instead, reliance on help from locals or begging (the latter at negligible frequency) was much less common during COVID-19, for poor and non-poor households, and young and older household heads

alike. This may reflect social capital being spread thin in communities impacted by the pandemic. Though receipt of transfers was not included as a response category under coping strategies in the questionnaire, we are also able to examine household receipt of grants from NGOs or the UN (excluding food) from a separate module. Just 1.2% of households recording having received grants in the year preceding the survey, with the share slightly higher during the pandemic months. This finding is in line with other evidence indicating that non-humanitarian, non-contributory flagship social assistance programmes at the individual or household level covered just 0.9% of the population prior to COVID-19.[51] Indeed, despite years of aid, there has been limited gains for many Afghans.[52] Perhaps a result of these trends, a strong substitution away from reliance on community or international support toward economic strategies appears to have emerged.

Given the emphasis on more or new work as an economic strategy to negative shocks experienced during COVID-19, we also examine economic activities of young women and men over time. Interestingly, **though the rate of economic activities among women is strikingly low, in some cases we observe slight increases in engagement in economic activities during COVID-19 among women in poor households**, even when controlling for a range of covariates. For example, the diagram on the right of Figure 10 shows a higher probability of economic activities among women in poverty during COVID-19, compared to women in poverty prior to COVID-19. Instead, among men in poor households, aggregate engagement in economic activities was relatively constant overall before and after COVID-19. By activity, the marginal effect of COVID-19 was to contribute to an increase in agriculture and NFE activities for men and women in the 12 months preceding the survey, and for self-employment additionally for women over the same period (which could also cover engagement in NFEs). Finally, the predicted probability of economic activities among young adults in non-poor households during COVID-19 is considerably lower for men compared to pre-pandemic levels, relative to the difference for women. Instead, it is women in poor households who are becoming more 'economically active'.

Figure 10: Predicted Probability of Economic Activity, by Gender, Poverty, and COVID-19 Among Youth



Note: female=0 refers to men, female=1 refers to women
Source: Author's calculation based on IE&LFS 2019/20 data.

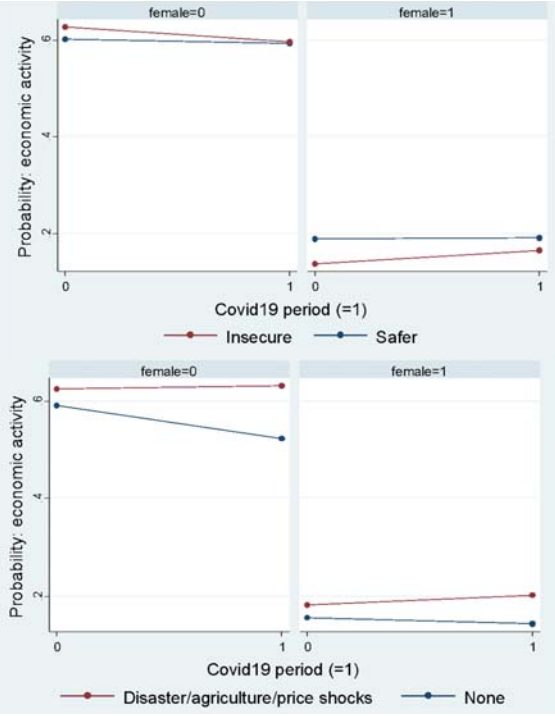
However, given that COVID-19 was not the only stressor affecting households, it is also important to understand the relationship between other shocks and stressors and employment of young women and men (Figure 11). **The results point to a potential narrowing of the gender differential in engagement in economic activities among youth in poverty during COVID-19, especially in areas of insecurity amid the pandemic months**. In particular, Figure 11 (left) indicates that in insecure areas, young men during COVID-19 were less likely to engage in economic activities compared to young men during pre- COVID-19 months. Though young women were less generally likely to be working in

51 Burattini. 2020. https://www.unicef.org/rosa/media/10061/file/Afghanistan.pdf.
52 Pain. 2012. https://assets.publishing.service.gov.uk/media/57a08a9ced915d3cfd000852/SLRC-WP3.pdf.

insecure areas relative to safe areas of the country, during COVID-19 young women in insecure areas increased their engagement in economic activities. The reduced gender differential may itself be a sign of moving deeper into poverty. For example, during a major drought between 2006 and 2008, households sold assets and took on more debt, laborers migrated for work, and women intensified income-generation activities to survive, which has continued into the years preceding the pandemic.[53]

When examining the presence of environmental, agriculture, or price shocks, young men not experiencing these shocks during COVID-19 had a lower probability of engagement in economic activities, especially compared to months preceding the pandemic and also when compared to young men experiencing these shocks during COVID-19 (Figure 11, right). This might reflect the area of household residence, where **urban residents were understandably less likely to record agriculture-related shocks given different livelihood profiles, but during COVID-19 may have been more susceptible to layoffs**. A similar relationship was observed among women but with smaller effect sizes. Finally, these relationships persisted when focusing on the subset of young women and men in poverty.

Figure 11: Predicted Probability of Economic Activity, by Gender, Disasters, or Conflict, and COVID-19 Among Youth



Source: Author's calculation based on IE&LFS 2019/20 data.

53 D. Huot and A. Pain, "Afghanistan Livelihood Trajectories: Life on the Margins in Sar-i-Pul Province'. SLRC Working Paper 54 (London: Secure Livelihoods Research Consortium 2017).

Conclusion and Policy Implications

This paper examined poverty and welfare loss in Afghanistan, prior to and during the initial months of the COVID-19 pandemic in 2020, in an attempt to understand the broader effects of COVID-19 among other crises, just before the regime change. It found that rates of poverty and welfare loss increased during the onset of the pandemic, especially among poor households, potentially reflecting new impoverishment as well as destitution processes. Alongside the pandemic, there were a range of negative shocks that contributed to welfare loss, and in some situations were amplified during COVID-19. For example, shocks related to disasters, agriculture, or food/farm prices heightened the risk of poverty and welfare loss particularly into summer 2021. Insecurity and displacement were also associated with a high probability of welfare loss during this time.

The paper moreover sought to understand more disaggregated effects on particular groups, with a focus on women and young adults. From our analysis, youth-headed households were disadvantaged particularly in terms of a lower asset base. Though youth heads had more years of schooling, and higher rates of salaried employment or migration that both helped protect against poverty, during COVID-19 they were more likely to record a temporary layoff, reflecting the precarity of youth livelihoods. Moreover, when faced with environmental and agricultural shocks during COVID-19, youth-headed households were more likely to be in poverty and experience welfare loss compared to other households. Insecurity instead tended to relatively disadvantage older heads of households more in terms of its welfare implications, who may be less able to flee conflict-affected areas.

In response to these shocks, many households reduced expenditures and the quality or quantity of food in response to these shocks, particularly during COVID-19. Food insecurity was a related consequence, heightened during the pandemic, especially among youth-headed households. Other responses common during COVID-19 included an increase in work-related strategies substituting a decline in social capital within the community. Though the rate of economic activities among women in general was strikingly low, there was a slight increase in employment during COVID-19 among women in poor households, and among women in households experiencing disasters or in insecure areas amid COVID-19. This may point a potential narrowing of the gender differential in employment, though it itself is a sign of distress where women in poverty may have no recourse but to engage in precarious work and uphold an increased work burden to meet household needs in times of distress.[54]

Policy implications

Based on these results, what are the potential policy and programme levers going forward? Our results point to the need for a two-pronged approach to improve youth welfare, focused on developing assets and social protection to mitigate negative effects of loss of economic activities, and to generate or re-establish demand for workers. The latter might include a focus on expanding social protection floors, as well as social insurance to cover informal workers, while deploying mass enrolment campaigns to enrol Afghans in a registry.[55] At the same time, the increase in economic activities of women in poverty should also be accompanied by a targeted solution in response to the care crisis. This might include providing or increasing monthly child allowance payments, introducing cash benefits for parents affected by day care closures, and work-sharing arrangements.[56] Among women in poverty, moreover, the conditions that prompt an increase in vulnerable forms of employment also need to be better understood and addressed.

More generally, COVID-19 relief efforts in the country need to be directed to poor and near-poor

54 CARE. 2020. https://reliefweb.int/report/afghanistan/afghanistan-rapid-gender-analysis-covid-19.

55 Burattini. 2020. https://www.unicef.org/rosa/media/10061/file/Afghanistan.pdf.

56 UN Women. 2020. https://data.unwomen.org/sites/default/files/inline-files/Whose-time-to-care-brief_0.pdf

households, though this may be challenging in areas of insecurity or disasters where access may be compromised. This plethora of shocks and stressors reinforces the need for risk-informed development in Afghanistan, which acknowledges and responds to the interactions between multiple threats.[57] Already, there is international recognition of the shocks facing Afghanistan.[58] Part of a risk-informed development response would certainly focus on shock-responsive social protection, as was already a priority pre-COVID-19, and which could help mitigate the effects of negative coping strategies on poor and near-poor households.[59]

As part of this approach, it is also critical to understand and respond to immediate food needs alongside the underlying drivers of food insecurity, which was high before the pandemic and higher still today.[60] Focusing on food production and distribution responses accordingly has to be prioritised. This may be embedded more generally within wider agricultural support including for livestock development in ways that promote diversification within agriculture and into nonfarm activities. A focus on revitalising the agricultural sector should also pay attention to the enabling environment, such as through expanding irrigation facilities, investing in rural loads and local infrastructure, and promoting reliable and affordable access to energy.[61] Such responses also need to account for power structures in the market and distributional outcomes that can influence access and in turn the economic security of households reliant on agriculture.[62] These efforts have the potential to provide relief in particular for the poorest people under the food poverty line, while developing their assets in ways that can counter destitution.

57 S. Opitz-Stapleton, R. Nadin, M. Calderone, A. Quevedo, K. Peters, and L. Mayhew, "Risk-informed Development: From Crisis to Resilience" (London: ODI, 2019).

58 OCHA. 2019.

59 WFP. 2019.

60 Townsend and Gautam. 2021. https://blogs.worldbank.org/voices/responding-stark-rise-food-insecurity-across-poorest-countries.

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62 G. Minoia and A. Pain, "Understanding Rural Markets in Afghanistan" (London: ODI, 2019).

Annexes

Table A1: Average values overall and by poverty status

Variable	All	Households in poverty	Non-poor households	Youth heads	Other heads
Households in poverty (%)	42.49%	N/A	N/A	38.44%	44.94%
Per capita expenditure	2,783.58	3,672.31	1,580.91	2,894.71	2,718.51
Household size	7.26	6.68	8.05	5.75	8.25
Female head (%)	1.55%	1.25%	1.96%	1.38%	1.67%
Head aged 18-25 years (% of households)	9.36%	10.62%	7.66%	23.97%	0.00%
Head aged 26-35 years (% of households)	29.70%	31.13%	27.75%	76.03%	0.00%
Head aged 36-45 years (% of households)	27.05%	24.42%	30.62%	N/A	44.39%
Head aged 46-55 years (% of households)	16.35%	15.58%	17.39%	N/A	26.83%
Head aged 56-65 years (% of households)	10.87%	11.45%	10.09%	N/A	17.84%
Head aged 65+ years (% of households)	6.67%	6.79%	6.50%	N/A	10.94%
Head completed primary education (%)	9.41%	9.90%	8.75%	10.44%	8.63%
Head completed secondary or higher education (%)	23.14%	30.25%	13.48%	29.93%	18.71%
Household cultivates farmland (%)	39.99%	40.37%	39.48%	37.49%	41.69%
Head engagement in agriculture (%)	33.60%	32.10%	35.63%	35.10%	32.66%
Household ownership of NFE (%)	15.43%	15.47%	15.38%	15.24%	15.63%
Household received remittances (%)	9.26%	9.39%	9.09%	8.26%	9.89%
Log (asset value)	10.28	10.62	9.83	10.08	10.41
Household has electricity (%)	42.01%	44.44%	38.73%	37.92%	44.68%
Number of livestock	7.60	7.10	8.27	6.28	8.45
Number of types of shocks	2.10	2.03	2.19	2.08	2.11
Urban residence (%)	25.06%	26.12%	23.63%	21.81%	27.14%

NFE= non-farm-enterprise.

Source: Author's calculation based on IE&LFS 2019/20 data.

Table A2: Logistic regressions

Variable Outcome	Poor (1)	Welfare loss (2)
Calendar season [reference group= Fall and winter]		
Spring	0.0654***	0.1183***
	(0.0216)	(0.0190)
Summer	0.0229	0.1687***
	(0.0198)	(0.0173)
Harvest period [reference group=pre-harvest]		
Harvest	-0.0441**	-0.0538***
	(0.0176)	(0.0180)
Post-harvest	-0.0109	-0.0218
	(0.0211)	(0.0176)
Age of head [reference= 18-25 years]		
26-35 years	0.0093	-0.0298**
	(0.0160)	(0.0144)
36-45 years	0.0166	-0.0181
	(0.0180)	(0.0151)
46-55 years	-0.0328*	-0.0115
	(0.0185)	(0.0167)
56-65 years	-0.0786***	-0.0289
	(0.0210)	(0.0192)
65+ years	-0.0809***	-0.0094
	(0.0215)	(0.0220)
Household size	0.0537***	0.0017
	(0.0020)	(0.0015)
Female head	0.0662*	0.0135
	(0.0362)	(0.0452)
Primary education of head	-0.0395***	-0.0258
	(0.0144)	(0.0159)
Secondary or higher education	-0.1147***	-0.0959***
	(0.0130)	(0.0114)
Cultivates farmland	0.0130	-0.0346***
	(0.0125)	(0.0120)
Engagement in agriculture	0.0345***	-0.0140

	(0.0119)	(0.0117)
Ownership of NFE	-0.0277*	0.0176
	(0.0149)	(0.0140)
Received remittances	0.0092	-0.0284*
	(0.0153)	(0.0157)
Log (asset value)	-0.1683***	-0.0211***
	(0.0122)	(0.0050)
Electricity	-0.0417***	-0.0138
	(0.0138)	(0.0144)
Livestock	-0.0004*	-0.0013***
	(0.0002)	(0.0002)
Number of types of shocks	-0.0027	0.0374***
	(0.0032)	(0.0031)
Urban residence	0.0930***	-0.0264
	(0.0179)	(0.0190)
Province controls	Yes	Yes
Observations	17,664	17,664
Wald chi2	1449.31	1292.03
Prob > ch2	0.0000	0.0000
Pseudo R-Sq	0.2469	0.1343

Standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1; NFE= non-farm enterprise

Source: Author's calculation based on IE&LFS 2019/20 data.

Table A3: Logistic regressions, additional variables [outcome= welfare loss experienced]

Variable Focus□	Employment (1)	Shock (2)	Security (3)
Engagement in day labour	0.0517***		
	(0.0111)		
Engagement in salaried employment	-0.1033***		
	(0.0142)		
Engagement in self-employment	-0.0383***		
	(0.0137)		
Engagement in NFE activity	0.0190		
	(0.0157)		
Migrant	-0.0032		
	(0.0137)		
Health shock		0.0774***	
		(0.0168)	
Environment/agriculture shock		0.0082	
		(0.0105)	
Price shock		0.0772***	
		(0.0112)	
Revenue shock		0.1449***	
		(0.0119)	
Conflict/theft shock		0.0663***	
		(0.0129)	
Other shock		0.0437	
		(0.0275)	
Insecure district			0.1193***
			(0.0105)
Displaced household			0.1024***
			(0.0163)
Household controls	Yes	Yes	Yes
Province controls	Yes	Yes	Yes
Observations	17,664	17,664	17,540

Wald chi2	1,319.85	1,377.19	1,391.03
Prob > ch2	0.0000	0.0000	0.0000
Pseudo R-Sq	0.1425	0.1440	0.1515

Standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1; NFE= non-farm enterprise

Source: Author's calculation based on IE&LFS 2019/20 data.

Table A4: Simultaneous quantile regressions

Variable Outcome□	(1) PCE	(2) q20	q40	q60	q80
Calendar season [reference group= Fall and winter]					
Spring	-0.0886***	-0.0494***	-0.0613***	-0.0755***	-0.1134***
	(0.0242)	(0.0129)	(0.0117)	(0.0130)	(0.0166)
Summer	-0.0490**	-0.0139	-0.0231**	-0.0417***	-0.0738***
	(0.0232)	(0.0128)	(0.0108)	(0.0133)	(0.0173)
Harvest period [reference group=pre-harvest]					
Harvest	0.0688***	0.0404***	0.0485***	0.0469***	0.0482***
	(0.0204)	(0.0104)	(0.0082)	(0.0098)	(0.0126)
Post-harvest	0.0110	-0.0072	0.0057	-0.0042	-0.0350**
	(0.0243)	(0.0122)	(0.0117)	(0.0126)	(0.0160)
Age of head [reference= 18-25 years]					
26-35 years	-0.0052	-0.0327**	-0.0326**	-0.0435***	-0.0546***
	(0.0147)	(0.0144)	(0.0134)	(0.0142)	(0.0141)
36-45 years	-0.0274*	-0.0411**	-0.0465***	-0.0666***	-0.0741***
	(0.0163)	(0.0173)	(0.0146)	(0.0140)	(0.0136)
46-55 years	0.0494***	0.0297*	0.0306**	0.0194	-0.0107
	(0.0165)	(0.0167)	(0.0150)	(0.0157)	(0.0189)
56-65 years	0.0984***	0.0501***	0.0649***	0.0722***	0.0678***
	(0.0198)	(0.0176)	(0.0172)	(0.0189)	(0.0219)
65+ years	0.0783***	0.0485**	0.0452**	0.0639***	0.0592***
	(0.0246)	(0.0220)	(0.0183)	(0.0207)	(0.0221)
Household size	-0.0611***	-0.0676***	-0.0657***	-0.0619***	-0.0568***
	(0.0022)	(0.0018)	(0.0018)	(0.0017)	(0.0016)
Female head	-0.1632***	-0.1590***	-0.1399***	-0.0960**	-0.0604
	(0.0339)	(0.0496)	(0.0324)	(0.0410)	(0.0708)

Primary education of head	0.0537***	0.0490***	0.0468***	0.0535***	0.0747***
	(0.0153)	(0.0170)	(0.0129)	(0.0140)	(0.0178)
Secondary or higher education	0.1711***	0.1091***	0.1222***	0.1324***	0.1709***
	(0.0129)	(0.0095)	(0.0100)	(0.0126)	(0.0134)
Cultivates farmland	0.0192	0.0409***	0.0233***	0.0118	0.0327***
	(0.0124)	(0.0080)	(0.0075)	(0.0081)	(0.0095)
Engagement in day labour	-0.0997***	-0.0612***	-0.0739***	-0.0807***	-0.0973***
	(0.0125)	(0.0097)	(0.0087)	(0.0098)	(0.0109)
Salaried employment	0.0336**	0.0209**	0.0105	0.0191	0.0235*
	(0.0139)	(0.0103)	(0.0095)	(0.0122)	(0.0138)
Self-employment	0.0087	0.0015	-0.0163	-0.0123	-0.0046
	(0.0156)	(0.0112)	(0.0108)	(0.0101)	(0.0124)
Engagement in agriculture	-0.0489***	-0.0631***	-0.0669***	-0.0483***	-0.0716***
	(0.0124)	(0.0089)	(0.0070)	(0.0073)	(0.0097)
Ownership of NFE	-0.0252	0.0207	0.0134	0.0030	0.0263
	(0.0200)	(0.0130)	(0.0111)	(0.0117)	(0.0161)
Received remittances	0.0021	0.0123	-0.0065	-0.0171	0.0180
	(0.0146)	(0.0101)	(0.0100)	(0.0109)	(0.0151)
Log (asset value)	0.1314***	0.2046***	0.1912***	0.1680***	0.1137***
	(0.0094)	(0.0054)	(0.0061)	(0.0078)	(0.0059)
Electricity	0.0822***	0.0911***	0.0613***	0.0514***	0.0639***
	(0.0162)	(0.0094)	(0.0089)	(0.0092)	(0.0137)
Livestock	0.0004*	-0.0000	0.0001	0.0003	0.0005***
	(0.0002)	(0.0002)	(0.0002)	(0.0002)	(0.0002)
Number of types of shocks	-0.0010	0.0017	0.0013	-0.0029	-0.0081***
	(0.0034)	(0.0024)	(0.0024)	(0.0021)	(0.0027)
Urban residence	0.2358***	0.1654***	0.1947***	0.2146***	0.2386***
	(0.0229)	(0.0124)	(0.0111)	(0.0116)	(0.0141)
Province controls	Yes	Yes			
Observations	17,664	17,684			
Pseudo R-Sq	0.5024	0.3202	0.2964	0.2858	0.2813

Notes: Bootstrapped SE (100 reps); *** p<0.01, ** p<0.05, * p<0.1; NFE refers to non-farm enterprise.
Source: Author's calculation based on IE&LFS 2019/20 data.

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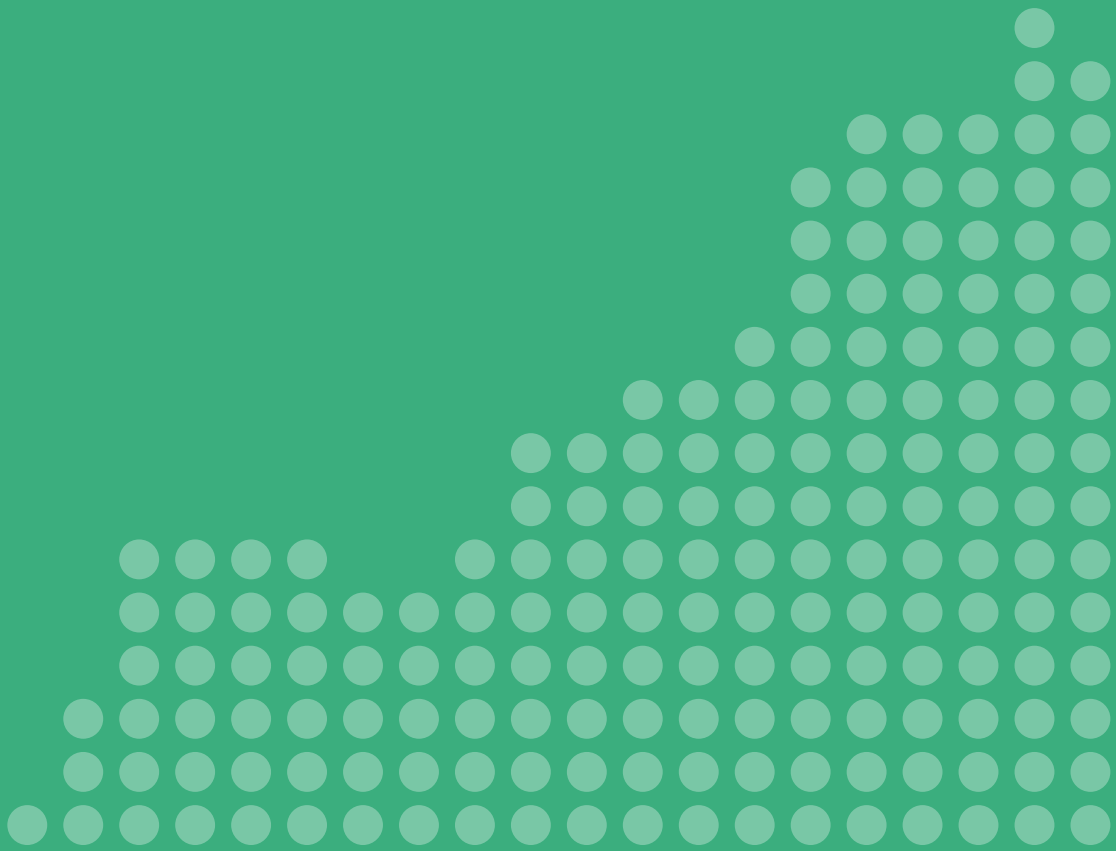

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