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Nexus in South Asia**

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**Migration, Remittances and
Development Nexus in
Afghanistan**

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Introduction

- Internal and external migration is a long standing phenomenon in Afghanistan
- Migration has always been a key social risk management strategy in search of better employment opportunities and better security conditions.
- Large numbers of returnees who have been living in camp situations need to be absorbed to the Afghan economy

Introduction cont.

- very little number of studies have looked into the impact of migration in Afghanistan, especially due to extreme data gaps and limitations.
- National Risk and Vulnerability Survey (NRVA) 2003 and 2005

Afghanistan Socio-Economic Condition

- High economic growth (8% in 2004)
- Lower Human Development Index (HDI)
- Low life expectancy (43 years)
- 34 % of literacy rates among 15-24 years old group
- The largest contribution to the economy is production, processing and trading of opiates
- The economy is significantly supported by subsistence farming
- Lack of infrastructure is a major barrier
- Human capital in short supply
- Women are more disadvantaged

History of the conflict in Afghanistan and outflow of refugees

- The first wave of refugees fleeing Afghanistan began in 1978 with the conflict between the People's Democratic Party of Afghanistan (PDPA) and the non-leftists intellectuals and other community groups.
- The presence of the Red Army led to escalation of the cold war which led to large outflow of people into the neighboring countries (1979)

History cont.

- The survival of Najibullah's Government and the continued fighting led to further large outflows of Afghan refugees (1986-1992)
- The next wave of outflow of refugees from Afghanistan was fuelled in April 1992 when Mujahideen forces marched into Kabul and deposed Najibullah's Government.
- Taliban emerged as a recognized body in November 1994. By the end of 1996 the Taliban had captured Kabul and other major cities such as Herat and Jalalabad. This fearsome force created large outflow of people.

What are the Refugee Numbers from Afghanistan?

- By early 1980s there were some 3 million Afghan refugees
- In 1989, 6 million refugees (60% of the Worlds refugees)
- Once the Mujahideen took over government in 1992, 4 million had returned from Pakistan and Iran by 1997
- During 1994-2000, about 3 million (officially) and 5 million (unofficially) Afghan refugees worldwide

Cont.

- 1 million people have been internally displaced since 1999 (Jazayery, 2002).
- By 2002, there were 5.6 million Afghan refugees, with 2.3 million in Iran and 3.3 million in Pakistan and 1 million people were internally displaced.
- By the end of 2006 the Afghan refugee population was estimated at 73,000 in Europe and 36,000 in North America and Australia (UNHCR, 2007).
- In 2003-06 UNHCR monitored the return of approximately 5,000 Afghans from Western countries

Determinants of Migration and Destination Countries

- Economic reasons (in search of employment opportunities)
- Political reasons (in search for asylum)
- 16% of households have at least one migrant member (NRVA 2005)
- Pakistan, Iran, Germany, Netherlands, Canada, Britain, Saudi Arabia, Australia, Turkey, UK
- 57 % of the total estimated migrants migrated to Iran (NRVA 2005)

- Afghan refugee statistics (2005) shows that there is a tremendous increase in the number of asylum seekers arriving in industrialized countries

Asylum Applicant in selected Countries					
Country	2000	2001	2002	2003	2004
Germany	5,400	5,850	2,750	1,450	900
Netherlands	5,050	3,600	1,050	500	700
U.K	5,550	9,000	7,200	2300	1400
Austria	4,200	12,950	6,650	2350	750
Hungary	2,200	4,300	2,350	450	50
Denmark	3,750	3,750	4,200	650	300

Return Migrants to Afghanistan

- four groups of Refugees
 - Refugees who live in camps or those who live in the worst conditions.
 - Willing to return to Afghanistan
 - Need more assistance
 - Refugees who have been self sustaining and naturalize into host countries.
 - Self sustaining and naturalized to host countries
 - Refugees those who have been living on remittances from abroad.
 - Keen on coming back to home land
 - People who in the wider Diaspora (those who are not living as refugees)
 - mix feelings about the desirability to return

Cont.

- As of mid September 2007, a total of 347,000 persons returned to Afghanistan. Of this, 144,000 were registered Afghans (341,500 have returned from Pakistan and 5,500 from Iran)
- Still, over 3 million registered Afghans remain in Pakistan and Iran (UNHCR 2007).
- Reluctance to return back to homeland is a common phenomenon
 - housing problems
 - livelihood problems
 - security reasons
 - other personal reasons.

Reasons for not Intending to Return - 2005

(Census of Afghans in Pakistan 2005)

Reasons	Number of migrants	%
Shelter	1,440,363	57.2
Livelihood	458,503	18.2
Security	447,247	17.8
Personal	78,565	3.1
Other	92,880	3.7

- Most of the destination countries are following restrictive rules on Afghan migrants.
- On 2 August 2007, the Islamic Republics of Pakistan, Afghanistan and UNHCR renewed the Tripartite Agreement on the voluntary repatriation of Afghans in Pakistan.
- The Tripartite Agreement, signed on 27 February 2007 Iran, extended the Joint Programme until 19 March 2008
- Pakistan has closed of if its major refugee camps in 2007
- Government of Iran has increased its 'no go areas for Afghans' in 2007

Embeddedness of Return Migrants in Afghanistan

- Question remains, how returnees who left their western host societies without the personal desire to do so become re-embedded in a post conflict society in which the security and socio-economic conditions remain weak.

Dimensions of embeddedness are two folds:

- Social embeddedness
- Economic embeddedness

Indicators of the level of economic embeddedness of returned migrants

- Ownership of assets (housing, land, savings, means of transportation and working material),
- Stability, independency and sufficiency of income
- Professional status
- Access to education
- Health care facilities

Score on economic embeddedness

Economic embeddedness	Number	Percentage
Low (0-40)	13	46%
Middle (41-70)	12	43%
High (71 – 100)	3	11%
Total	28	100 %

Source: Remigration monitoring study Afghanistan

- About 46% were less embedded while only 11% was highly embedded to the Afghan life after returning
- Majority of returnees score low on these indicators- only a few are highly economically embedded
- Embeddedness is analyzed in terms of employment status, housing conditions and the level of income

Professional Status during Migration Cycle

Professional Status	Pre-migration	Host-society	Post-migration
Unemployed	7%	29%	50%
Daily wage	4%	0%	7%
Temporary wage labour	11%	64%	22%
Unpaid work for relative	7%	0%	0%
In school	21%	0%	0%
Entrepreneur	14%	0%	14%
Permanent wage labour	36%	7%	7%
Total	100%	100%	100%

- 50% of the surveyed returnees are unemployed
- 29% of surveyed returned migrants are in insecure employment status (daily wages and temporarily employed)
- Only around 7% of returnees are employed in secure and stable jobs
- 21% of migrants were still schooling when they migrated
- Employment status of the migrants have degraded after returning back to homeland

Housing Conditions during Migration Cycle

Housing	Pre-migration	Host-society	Post-migration
Housing paid by host govt./ emergency housing	0%	7%	0%
Asylum Centre	0%	43%	0%
Living in house of family	78%	18%	71%
Rented house	4%	32%	29%
Own house	18%	0%	0%
Total	100%	100%	100%

Source: Remigration monitoring study Afghanistan

- Majority of returnees share housing with family members -71%
- 29% live in rented houses
- House ownership is a pressing issue for returnees due to lack of financial viability
- only a small number of returned migrants have re-embedded and established themselves - Insufficient post returned financial aid is one of the major reasons for this drawback

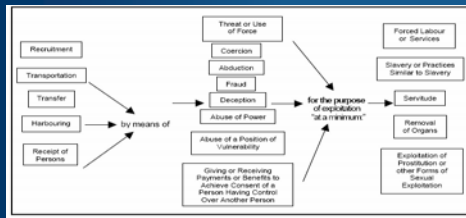
Trafficking in Persons in Afghanistan

- Trafficking in human beings has become a global issue- It is the third largest and fastest growing criminal industry in the world
- It is estimated about 800,000 to 900,000 people are trafficked across the world each year
- Unfortunately Afghanistan is confronted with a significant trafficking problem
- Trafficking in Afghanistan can be looked into in terms of Afghanistan as a country of origin, transit and destination
- All three forms of trafficking mostly takes place among Afghanistan, Pakistan and Iran.
- The main reasons for trafficking:
 - unemployment
 - lack of opportunity
 - gender inequality
 - economic disparities
 - civil and ethnic violence
 - absence of legal instruments to combat trafficking or
 - limited implementation of existing legislation.

Forms of trafficking :

- Exploitation of prostitution (forced prostitution and prostitution of minors)
- Forced labour
- Slavery and practices similar to slavery (abduction for forced marriage, marriage for debt relief, and exchange of women for dispute settlement)
- Servitude (Sexual servitude and domestic servitude)
- Removal of organs

Trafficking Process



- Most Afghans fill the unskilled labour market of the destination countries - often they are subject to long working hours, hard work and low wages and are highly exploited
- The profile of these migrants - largely young, single, males, primarily from villages in Western Afghanistan
- Trafficking originating from Afghanistan mostly goes to Pakistan and Iran especially for forced prostitution and trafficking for organ removal
- Evidence show that many women have been abducted by the Taliban and sold in Pakistan for forced prostitution
- Underage boys are often trafficked to Pakistan and Iran for labour
- Another common trafficking phenomenon in Afghanistan is early marriages for debt alleviation
- The Afghanistan Independent Human Rights Commission (AIHRC) has received information on alleged victims of trafficking for organ removal and forced conscription of persons in the South
- Forced labour for Poppy cultivation, which is a highly labour intensive form of cultivation has fuelled this situation further
- Forced drug couriering is also playing a major role in increasing trafficking

Remittances and Economic Impact of Migration

- Remittances are the most tangible result of migration and the direct link to development
- The impact of remittances on the national economy can be divided to microeconomic impact and macroeconomic impact
- Evidence show that international remittances has direct positive impact on poverty alleviation, access to education and health facilities
- A typical migrant household in Afghanistan:
 - younger family members have a higher probability to migrate
 - Most of the migrants do not usually take their families along
 - Funding dependents back home is a crucial obligation

Quality of Data on Remittances

- For Afghanistan neither national offices nor international finance organizations record remittance inflows
- No available estimates of remittance inflows to Afghanistan
- The available information on remittance flow is inconsistent and the sources are unreliable
- Therefore, household survey data like NRVA gives more accurate sense of remittance flows to the country

Survey Data

- NRVA 2003
 - NRVA 2003 is the first data set which measures the consumption expenditure and poverty. It examines various issues related to rural poverty.
 - This survey has covered 11,227 households in Afghanistan. NRVA 2003 provides information about both internal and external migration. Out of the total number of households, 2332 number of households had at least one member who migrated during the last year
- NRVA 2005
 - The NRVA 2005 was the second national survey conducted in Afghanistan on risk and vulnerability factors affecting afghan population.
 - The main objective of the NRVA 2005 was to gather information to update and guide policy makers in their developmental decisions.
 - Between June and August 2005, a national survey was carried out with a sample of 30,822 households in 34 provinces
 - The NRVA 2005 was based on the NRVA 2003 results and some of the recommendations of policy makers made for NRVA 2005.
 - The NRVA is based on a household questionnaire, which consisted of 18 sections. One of the key areas of the questionnaire was “migration, remittances and social networks”

Remittance Inflows

- As per NRVA (2003) on average a rural Afghan household received US \$ 165 remittances per year
- In 2003, remittances were 8 percent of migrant households' income -explains the importance of remittance to the Afghan Economy

Remittances by Wealth Groups

	Better off	Poor	Poorest	All Rural
Remittances per households (US \$)	265	111	26	165
Remittances per capita (US \$)	38	16	4	24

Poorest households receive on average US \$ 26 per year while, better off households receive about US \$ 265 per year on average

Frequency in Reception of Remittances by Households (%)

Type of migration	Never	Once a year	2-4 times a year	>4 times a year	No. weighted observations
Seasonal	15	50	26	9	372,031
Permanent	20	52	22	6	183,104
All					555,135

Source: NRVA,2005

- Approximately, 50 % of households with migrants receive remittances once a year
- 15-20 % never receive any kind of payments from their migrant family members
- Less than 10 % receive more regular payments of 4 or more times a year .
- Although NRVA data do not include the information about the use of the remittances, qualitative data shows that, remittances are mainly used for consumption purposes rather than productive investment purposes

Sources of Income

- NRVA 2005 identified eight groups of sources of income
- The most prominent sources of income in Afghanistan are:
 - agriculture (47%)
 - non-farm labour (33%)
 - trade (27%)
 - livestock (23%)
- Receipt of remittances:
 - Rural -19%
 - Kuchi -7%
 - Urban 15
- High prevalence of remittance receipts in rural areas reveal the lack of employment opportunities in the area
- Rural and urban migration (equally distributed) within the country is predominantly seasonal (90%)

Source of Income Reported by All Households (%) by Province

Province	Agriculture	Livestock	Opium	Trade and services	Manufacture	Non-farm labor	Remittances	Others
Ghazni	57	49	0	17	2	28	18	7
Kapisa	62	19	0	32	2	36	12	9
Kunarha	74	48	1	33	2	28	11	6
Paktika	65	40	1	5	1	48	21	0
Paktya	59	44	0	19	2	49	11	17
Uruzgan	40	38	5	14	2	18	19	2
Wardak	43	21	1	24	1	45	16	6
National	47	23	4	27	5	33	11	6

- Paktika, Ghazni, Kandahar, Wardak, Kunarha and Paktya provinces have the highest contribution from remittances as a source of income

Remittance Channels

- Due to an extensive period of conflict, formal financial sector is nearly non-performing
- Main constraints faced by financial institutions in Afghanistan:
 - an outdated legal, regulatory and operational framework for banking activities
 - unskilled managerial and technical staff
 - non-existent banking hardware and software
 - poor payments telecommunication network
- Hawala system plays an important role in Afghan economy - In the absence of formal banking system, informal financial sector has become more important for the remittance transfer business
- Afghan migrants use two main channels to send money
 - use of money changers or businessman
 - physical carriage by relatives, friends or other personal contacts
- It is evident that most international aid institutions operating in Afghanistan use hawalas to move funds into and around the country - more than US \$ 200million have been channeled through *Hawala* in the form of humanitarian relief, emergency aid, and development financing for the Afghan people

Role of Afghan Diaspora in Development

- In the recent past, the role of Afghan Diaspora towards the development of the home country is significantly emphasized
- There are at least three major channels through which the Diaspora can get involved in development- through, channeling remittances while in host country, returning back to engage in productive work towards nation building - brain gain, and other development efforts via networks
- Return of Qualified Afghans (ROA) Programme
 - Initiative to get the skilled Afghans worldwide to fill HR needs in homeland
 - 7,000 applicants in 2002
- Afghans4tomorrow (A4T) Programme
 - US based diaspora initiative for the development and reconstruction of Afghanistan
 - Focus areas are education, agriculture and health

Government Efforts to Manage Migration

- Bonn Agreement (2001)
 - Focus areas are human capital and social protection; physical infrastructure; and enabling environment for development
 - National Solidarity Programme (NSP) and the Afghanistan Stabilization Programme (ASP) were introduced
- Policy emphasize on return and reintegration of refugees, IDPs and rejected asylum seekers into Afghanistan is important
- UNHCR and IOM are playing an important role
- Return Reception of Afghan Nationals to Afghanistan (RANA) Programme
- Reconstruction Trust Fund (RTF) Expatriate Service Programme
- The National Return, Displacement and Reintegration strategy which includes the establishment of a Reintegration Unit within Ministry of Rural Rehabilitation and Development (MRRD) was approved in 2003
- Guiding Principle 29 in Afghanistan - Principle 29 is reflected in the 2001 Decree on Dignified Return, which states that all moveable and immovable property shall be restored to its rightful owner. Similarly, the Afghan National Development Strategy "supports the right of all Afghans to return to their homes, and repossess property"

Government Action for Counter Trafficking

- National Development Plan (2003-05) has completely ignored anti-trafficking measures
- Participation in regional dialogues to discuss trafficking matters
- Ratification of Committee on the Elimination of Discrimination against Women CEDAW - Convention against the Elimination of All forms of Discrimination against Women
- Regulation of Jirgas/Shuras -the Judicial Commission has initiated a law banning the practice of exchanging women as a form of compensation in the settlement of disputes
- Inter-ministerial Commission – An inter-ministerial commission has been set up to review trafficking in person, draft domestic legislation banning trafficking and to review international instruments relating to trafficking.
- Afghan Independent Human Rights Commission – The objective of this commission is to review existing codes and submit recommendations to the Judicial Commission on provision to combat trafficking.
- Counter Trafficking Office at the Ministry of Interior – This office is responsible for law enforcement efforts to halt smuggling and trafficking in persons, including organ trafficking.

Afghanistan National Development Strategy: An Interim Strategy for Security, Governance, Economic Growth and Poverty Reduction (I-ANDS)

- I-ANDS sets the vision for the next 15 years the national development plans of Afghanistan
- biggest policymaking and strategy development exercise in the history of modern Afghanistan
- One of the primary goals of this development exercise is to achieve the millennium Development Goals in the next 15 years



Challenges

- Unlike in the case of the other South Asian neighboring countries, migration is closely linked with refugees and asylum seekers in Afghanistan – makes a special case
- The biggest challenge for Afghanistan is the brain drain and the absorption capacity of large number of returnees especially the refugees into the Afghan Economy – sustainable return and sustainable embeddedness.
- Even though, Afghan economy is growing fast, its absorption capacity of large number of returnees is still questionable
- With a highly under-developed financial system, attracting remittances to the formal sector is crucial
- A significant number of Afghan migrants dislike returning back to their homeland due to a number of economic, political and social reasons
- Challenges and obstacles to realizing Guiding Principle 29 in Afghanistan - Restoring property to displaced Afghans is a formidable challenge. Given the prevalence of landlessness, overlapping claims and inequitable property distribution, focusing solely on restoring land to its 'original owners' is unlikely to meet the needs of IDPs, returnees and their neighbors.
- Working with the *shura* and *jirga* is essential in formulating formal policies and bringing them into the mainstream policy making as these bodies enjoy local legitimacy and good networking among the local communities

Thank You

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