

Abstract

Afghanistan, with its largely desert terrain, has never offered more than bare subsistence. The Afghan economy has thus depended on the ability of the population to secure income earning opportunities in Pakistan and Iran. The various refugee flows to both countries since the early 1980s have embedded Afghans more deeply into their economies. As refugees have repatriated, there has been a pattern of the younger men returning again to Pakistan or Iran in search of work. In so doing, they benefit from remaining family links, from contacts who can find them work and a knowledge of how systems and processes can be manipulated to their advantage. It is far from easy to build up the necessary contacts and knowledge in Afghanistan following repatriation and the high price of urban accommodation acts as a major disincentive.

**The importance of regional diaspora to the Afghan economy**

Introduction

The purpose of this paper is to help inform discussion on the various issues relating to the Afghan and Somali diaspora communities. In considering the question of diaspora in relation to Afghanistan, we have to first consider two key factors – that there has been economic migration to Pakistan and Iran for many decades and that the conflict in Afghanistan has led to a protracted refugee situation on a very large scale. Before we look at both of these in detail, it may be helpful to look at the nature of the Afghan economy and the consequent need for income to be generated by diaspora populations.

The Afghan economy

Although it is impossible to secure accurate data to clearly establish poverty indicators for Afghanistan, UNDP's Global Development Report has drawn on what data exists to conclude that Afghanistan is bottom of the list of the 177 countries included. The indicators for maternal mortality (1,600 per 100,000 live births), infant mortality (115 per thousand) and child mortality (172 per thousand) are particularly high.

The World Bank report on Afghanistan published in September 2004 found that one fifth of families were facing food insecurity throughout the year. These were often landless or dependent on wage labour or sharecropping. A further 50-60% were "doing a little better" while remaining poor and vulnerable to falling deeper into poverty. These were said to be dependent on the employment of different household members in different areas of activity: agriculture, non-farm wage employment and labour migration. This group were said to be better than the extreme poor but not by a large margin.

As a large mountainous desert, Afghanistan offers few opportunities for cultivation and the population is largely dependent on subsistence agriculture. This is largely derived from the production of wheat, barley, grapes and fruit, combined with pastoralism. A severe drought from 1999-2002 decimated the livestock population and it has been necessary for much of the nomadic (Kuchi) population to look to sedentary options to secure an income.

The potential for industrial growth is extremely limited. Historically, there has been some manufacture of cement and this is again being revived. Agricultural processing, aimed to produce dried apricots and raisins for the export market, existed before the Soviet military intervention and is being further developed. The carpet industry, based on manufacture in the home, is now being linked to global markets but there is a long way to go before it can be regarded as providing a significant income for the population. Although Afghanistan has some mineral reserves, these would be costly to extract and potential investors have shown a reluctance to take the necessary risks while insecurity in the country remains at a high level.

However, the extra-legal economy has created a small wealthy elite. The production of opium and heroin for the global market is the major element in this economy. Afghanistan has produced around 75% of the world's opium in recent years and has increasingly developed a capacity to also produce heroin. However, the income from this is of very little benefit to the smallest producers. A high proportion of these are sharecroppers who have entered into contracts with landowners with the explicit purpose of producing opium. Loan repayment terms tend to be highly punitive and such sharecropper producers often find themselves having to grow opium again in order to repay loans.

Another important element in the extra-legal economy is cross-border smuggling. The Afghan Transit Trade Agreement drawn up between Pakistan and Afghanistan permits the latter to bring goods across Pakistan free of duty. However, these are then smuggled back into Pakistan and sold in what are termed bara markets near to the border.

Timber smuggling is yet another element. Afghanistan has very little timber left and the exploitation of timber reserves over the past few decades has caused considerable environmental damage. However, the Afghan Government has had only marginal success in its efforts to curb this.

The opium trade alone represents one third of total GDP and the other elements will take the proportion of the extra-legal economy even higher.

A major impact of the extra-legal economy has been on the price of accommodation. Although the arrival of the international community, en masse in 2002, stimulated demand for property enormously and contributed to spiraling inflation in the property market, this has been further fuelled by a clear trend for those who have secured incomes by extra-legal means to invest in property.

This has meant that the poorest households have had to share with relatives in order to pay for rent increases. It has also meant that such households have had to look for accommodation in the areas of the cities where there are fewer water supply and sanitation facilities. In Kabul, these tend to be on the edge of hillsides. A major consequence has been that it has been almost impossible for those without relatives in the cities to find accommodation and, therefore, look for work

In spite of this, the urban centers of Afghanistan have seen a very rapid expansion since 2001. Kabul, for example, has increased from three quarters of a million to over four million. Many of these are returning refugees who, having lived within an urban environment in Pakistan or Iran for many years, are reluctant to go back to their villages and also take the view that they no longer have the skills to engage in agriculture. After over twenty years in exile, a high proportion of refugees will have been born outside Afghanistan and many of those who built up agricultural skills before the exodus will now be too old to use these.

### Economic migration

As a result of the historical stresses within the Afghan economy, a high proportion of the Afghan population have looked for income earning opportunities in Pakistan and Iran. This has been a pattern for many decades, particularly during periods of drought or poor harvests. The Dari speaking population of north and central Afghanistan have looked to Iran for this purpose, in view of the strong similarity between Farsi and Dari. The Pushtuns of southern Afghanistan have opted for Pakistan as a source of income because fellow-Pushtuns on the Pakistan side of the border have been able to provide them with various forms of support.

In interviews with labourers to the north of Kabul during a study conducted by the author in 2004, it was interesting to note that many of them would look for work in Pakistan rather than Kabul if they could not secure this in their local areas. They commented that the price of accommodation was much lower in Pakistan. Many also had relatives left in Pakistan with whom they could stay.

However, the most important factor was the existence of contacts who could find them work. They stated that it was very difficult to survive if you did not have such contacts and that it was far from easy to build up new contacts in Afghanistan in a highly competitive labour market. For many, it was, therefore, easier, to return to Pakistan where they could rely on pre-established networks.

This was in spite of the fact that the authorities in Pakistan, and to a much greater degree in Iran, were hostile to Afghans and were placing restrictions on their ability to access work and to also access basic health and education services. One consequence of this hostility was that men would tend to leave their families in Afghanistan while they sought work in one or other of the neighbouring countries. Similarly, when families returned from Pakistan or Iran, having been refugees, the men would place them under the protection of relatives and return again to Pakistan or Iran to look for work. As various

studies conducted by the author and others have shown, it is almost the norm for families to have one or more men working in one of the neighbouring countries.

A minority of Afghans have been able to work in Saudi Arabia and the Gulf States but these have tended to come from particular parts of Afghanistan, building on networks of contacts, rather than across the country. The province of Paktia, in south-eastern Afghanistan, has been a particular source of Afghan migrants for the Arabian peninsula.

### Refugee flows

The pre-existing pattern of economic migration has been greatly accentuated by the fact that over six million found themselves outside Afghanistan's borders as a consequence of the conflict which started in 1978. Before we examine the question of diaspora populations arising from the various refugee flows, it may be useful to document why people moved and where they travelled to.

The coup orchestrated by the People's Democratic Party of Afghanistan (PDPA) in April 1978 provoked an early resistance as the new government sought to impose reforms on a highly conservative population. The Soviet Union, which had already invested heavily in Afghanistan strategically, politically and economically, intervened militarily in December 1979 to protect its interests. This intervention by what was seen as a secular force, combined with fear arising from the use of violence by this force, was regarded as justifying an exodus from Afghanistan on religious grounds. During the early 1980s, around three million people took refuge in Pakistan where they were accommodated in camps the length of the border and provided with food rations, together with water supply, sanitation, education, health and other services. A similar number fled to Iran but, for the most part, had to fend for themselves within the urban and rural economies and find their own accommodation. In seeking employment, they were restricted to designated menial occupations. However, they were able to access education and health services, together with subsidies on basic essentials, on a par with Iranians and these tended to be of a much higher quality than those provided to Afghans in Pakistan.

Resistance to the 1978 coup also came from within the ranks of the PDPA as divisions emerged regarding the pace of reform. In response, the PDPA Government initiated purges of fellow socialists and other intellectuals. Thousands were killed and many other thousands opted to seek refuge in North America and Europe. An important Afghan diaspora community emerged in Fremont, California, and other, smaller, communities established themselves in Germany and the UK, in particular. At this stage, the host governments in both North America and Europe were relatively welcoming to Afghans and exiles were able to bring their families.

After the fall of the Soviet-backed government in April 1992, refugees started to return to Afghanistan from Pakistan and Iran. However, these retained their links with their countries of exile and it was the pattern, even at this stage, for the able-bodied men to deposit their families in their areas of origin and return almost immediately to Pakistan or Iran to look for work. Those families with land in Afghanistan might leave some men to

cultivate it but concerns were expressed by returning refugees in studies conducted by the author in 1995 and 1996 that there were not enough men in the villages to carry out the heavy labouring work.

There were also further refugee outflows to Pakistan and Iran in response to renewed outbreaks of conflict over the 1992-2001 period, including the struggle for power within the Mujahidin government of 1992-96, the Taliban advance of 1994 – 2000 and the US-led military intervention of October 2001. However, the new arrivals found that conditions in the host countries were far from conducive to their survival. Iran had been progressively reducing the rights of Afghan refugees to access employment, education and health care from 1992 onwards and Pakistan refused to register those who fled the Taliban advance in the autumn of 2000. Similarly, those who crossed into Pakistan in response to the US-led military intervention in late 2001 were forced to live in camps in extremely inhospitable areas.

The US-led intervention led Pakistan and Iran to put further pressure on their Afghan populations to encourage them to return. Over three million have repatriated from Pakistan and 1.3 million from Iran. However, the Afghan population in Pakistan, based on a census carried out early in 2005, is still three million, the figure that was officially given for the Afghan population in 2002. This suggests that the level of economic migration to Pakistan has equated to the numbers who have crossed into Afghanistan. It is likely that, as families have returned, the proportion of single men amongst the Afghan population of Pakistan will have increased, thus replicating a pattern which has existed in Iran.

The refugee experience has been beneficial to the process of job seeking in that it has enabled Afghans to embed themselves more deeply into the neighbouring economies and become more street wise in operating within the local employment markets.

Another important outcome of the refugee experience has been that the relatively good access to health care in both Pakistan and Iran has meant that survival rates amongst the population at large, and particularly among infants and women giving birth, has been much higher than normal. Certainly, returning refugees report that the population in their villages is larger than it was before the war and that the agricultural economy can no longer sustain the population.

There have also been further outflows to the West. A major exodus to North America and Europe was provoked by a targeting of liberals and intellectuals by the Taliban, particularly following the US air strikes on Afghanistan of August 1998. However, many of these were not able to bring their families as host governments took an increasingly unsympathetic view of applications for asylum. The hijack of an Ariana Afghan Airlines plane to Stanstead in February 2000 appeared to bring about a dramatic downturn in successful applications for asylum by Afghans in the UK.

It has also been the case that European governments have been working much more closely together in recent years to inhibit entry into Europe and to encourage return to

Afghanistan. The British Government has, in addition, implemented a policy of dispersing newly arrived refugees to the regions of the UK. The Afghan population in the UK has, in consequence, been even more fragmented than pre-existing political divisions might have dictated.

Those who have sought refuge in Europe in recent years have also needed to pay agents to smuggle them into one or other country. This has inevitably favoured those with the resources to pay the many thousands of pounds needed. Smuggling into the US or Canada has been much more difficult but the US Government had a much more open approach to welcoming Afghans during the Taliban period than did European governments. Canada has taken a significant number of Afghans under its immigration programme but these have tended to be those with a reasonable level of education and skills.

### Remittances and financial flows

From studies carried out by the present author in Iran, Pakistan and Afghanistan, it would appear to be the case that Afghans supporting families in Pakistan or Iran have not, generally, been in a position to send remittances to family members in Afghanistan. Because they have needed to provide ongoing protection to their families, they have been reluctant to look for work on major building projects where the workers would live on site for months at a time. They have tended, therefore, to look for daily labouring opportunities and these have, for the most part, been intermittent in nature. They have also had to pay for accommodation for their families. There has, therefore, been, little capacity to generate surplus income. However, men working in Pakistan or Iran without their families have been more flexible and many have been able to live on site and so avoid accommodation costs. Some of these have sent remittances home through agents, with an inevitable risk that these do not always arrive. Others have waited until they returned and carried the cash with them. A pattern which became evident from the interviews was that the young men of the family would each do a stint in Iran or Pakistan of less than a year and then return to their families, leaving the next son in line to go and work in one of the neighbouring countries. An additional element in the pattern was that some of the young men would use the income earned to pay for their weddings and equip their homes to receive the new bride.

Those Afghans who have found exile in Europe and North America have inevitably come under significant pressure to send remittances back to Afghanistan and very many have done so. Many have also had to repay the fees paid to agents who smuggled them into Europe. It is arguable that it is not the very poorest households which have benefited from these remittances but this does not mean that they have not been struggling financially. Those sending money back from Europe and North America are likely to use the hawala system which is well developed in Afghanistan.

Some of the Afghans who have lived in Europe or North America have opted to invest in the business sector in Afghanistan. Interviews with key informants in Afghanistan would suggest that it is the Afghan diaspora which is primarily being targeted by the Afghan

Government to help build the private sector. The indications are that other potential investors remain discouraged by the adverse security situation.

### Social networks, diaspora communication and organization

From interviews carried out in Pakistan and Iran, it was clear that Afghans tended to be concentrated in specific geographical areas, even if they were not in camps. Particular neighbourhoods had particular concentrations. One neighbourhood in Mashhad, Iran, was almost a township on its own. However, within those, it was not necessarily the case that individual households supported each other. Many of the families interviewed gave every indication that they felt very isolated in their daily struggle to survive and certainly could not rely on members of the extended family, if it existed, to help them. Interviews in refugee camps in Pakistan found ample evidence of vulnerable households depending on charitable handouts from neighbours rather than ongoing support from their relatives. A comment frequently made was that other family members were too poor to help them.

On the other hand, in Fremont, California, it would appear that the community is quite organized to both arrange events and also provide support. This suggests that a certain minimal level of income is necessary for diaspora groups to be mutually supportive.

### Mobility and migration

The Afghan population is clearly highly mobile in response to income-earning opportunities. It is also the case that the average household has to be quite dispersed in order to ensure that the family as a unit secures enough income. The ability of Afghans to cross into Pakistan and Iran will depend on the ease with which they can bribe border officials. Their ability to remain will, in turn, depend on whether the authorities in the country concerned are clamping down on Afghans and either detaining or deporting them. Iran deports tens of thousands of Afghans each year and keeps the pressure on the Afghan population by detaining a proportion in one of two detention centers where the conditions are known to be appalling. Like Iran, Pakistan also engages in heavy police harassment of Afghans. The Afghan population is therefore made continually aware of the precariousness of their stay in either Iran or Pakistan.

The ability of Afghans to access Europe or the USA has been increasingly constrained in recent years and many feel vulnerable to deportation in response to steps, taken by the UK Government among others, to forcibly return Afghans.

### Political engagement in countries of origin: transnationalism and identity

Afghans have never enjoyed political rights in Pakistan or Iran and have only enjoyed them in Europe and North America if they have been granted citizenship. In Iran, Afghans have always been regarded as second-class citizens, even before 1978, and are often scapegoated as the source of criminal behaviour and other societal ills. They also have to suffer frequent abuse from Iranians. At no time have they been made to feel that they are in Iran on anything but a highly tenuous basis. There has never, therefore, been

the opportunity for Afghans to view themselves as Iranian. The situation in Pakistan has been slightly better in that, although Afghans have been publicly scapegoated, the more successful entrepreneurs have been able to engage very actively in the Pakistan economy. They have also been able to benefit from the transnational links that exist between Pakistani and Afghan traders. This gives them a certain amount of political clout in proportion to the resources that their business enterprises generate. There are no indications that Afghans who have grown up in Pakistan would identify themselves as Pakistani. However, a proportion of these have taken on an international Islamist identity arising from a combination of madrasah education in the refugee camps, exposure to particular radical organization and the existence of causes such as the US interventions in Afghanistan and Iraq, Palestine and Chechnya. The Taliban were one outcome of this phenomenon. The disruption of traditional social networks that has arisen from the refugee experience has thus provided a psychological predisposition to look for other forms of identity.

### Conclusions

It is clear from various studies undertaken by the author and others that the Afghan economy continues to depend very heavily on the ability of individual Afghans to secure incomes outside the country. For the most part, this income is derived within the region rather than in Europe or North America. Whether individuals look for work in Afghanistan's growing urban sector or within Pakistan or Iran will depend on such factors as the availability of personal contacts who can help the process along and the existence of relatives who can provide accommodation. It is likely that this dependence on income-earning opportunities external to Afghanistan will continue for the foreseeable future. However, if the present trend of Pakistan and Iran making it increasingly difficult for Afghans to remain within their borders continues, the Afghan economy could come under considerable strain.