



Islamic Republic of Afghanistan
Ministry of Rural Rehabilitation and Development
Afghanistan Institute for Rural Development (AIRD)

A Proposal
for
Afghanistan Rural Development Report ۲۰۰۶
By: AIRD

Introduction:

After three decades of conflict and destructions, Afghanistan is in a transition phase moving from an initial period of rehabilitation into a development phase which requires a comprehensive and integrated development process. Rural development and empowerment are at the core of this process. The tremendous task of rebuilding the country needs to be guided by comprehensive policies developed and formulated based on reliable data subjected to appropriate analysis. The policy framework for rural development and community mobilization and empowerment should comprise coherent policies generated by MRRD and different concerning ministries and other Government agencies.

There is therefore a need to strengthen the capability of the Government to review, develop and formulate policies based on a rich picture which is founded on reliable information and analysis on rural life in Afghanistan. This need has been reaffirmed by the Afghan government and stakeholders alike and has led to subsequent calls for the establishment of an Afghanistan Institute for Rural Development (AIRD) to fulfill these functions.

AIRD is to facilitate the design and implementation of a “comprehensive rural development report” in Afghanistan by seeking to maximise consultation and participation of stakeholders and beneficiaries

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to get a rich picture of contemporary situation of rural life in Afghanistan and current trend of changes.

It is envisaged that the report would be able to capture the different rural development initiatives taken in the Afghanistan. It is expected that the reader would be able to have a image of progress with respect to rural development in Afghanistan through their varying and common RD schemes. This report would demonstrate the impacts of rural development interventions through implemented programmes and activities. Through this experience AIRD is trying to develop an index to show the overall progress in the rural areas during last four years in Afghanistan.

The Objectives are to keep the policy makers planners and practitioners in the field of RD in Afghanistan informed of current situation and changes along with rural development policies and strategies adopted and implemented. The information could be considered as a source of information for comparison analysis between Afghanistan and regional or neighboring countries. The outlines and structure of the report is proposed to be shared and get the first impressions of the stakeholders and concerning beneficiaries.

Brief Chapter Outlines of RDR

Chapter I: A brief Overview of National Economic Development

This chapter will cover in brief the:

۱. National Economic performance,
 ۲. Sectoral compositions and growth of GSP,
 ۳. Industrial growth agricultural performance,
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۴. Growth Rate of Value added and in Agriculture and non – agricultural activities, natural and environment.

Chapter II: Dynamics of Rural Development Structure and processes in Afghanistan

۱. Detailed Description of the current status of rural development,
۲. Definition and main characteristics, indicators,
۳. Importance and its role in national development and legitimacy,
۴. Components and Limitations.

Chapter III: Rural Development policies and institutions

The content of this chapter include:

۱. Introduction,
 ۲. Macroeconomic Policies,
 ۳. National Development
 ۴. Strategies and Rural Development Policies and Strategies,
 ۵. Current State of the Art of RD in Afghanistan,
 ۶. Rural Development interventions development programmes and Activities,
 ۷. Institutional Interventions (Govt., Private, NGOs),
 ۸. Technological interventions,
 ۹. Targeted interventions (disadvantaged / groups),
 ۱۰. Institutional Mechanism in Rural Development:
 ۱۱. Major concerns and Future perspectives
 ۱۲. Existing/ Current Institutional Support for Rural Development,
 ۱۳. Operational Outreach,
 ۱۴. Functional Orientation and Operational Procedures,
 ۱۵. Operational Efficiency of institutions,
 ۱۶. Major Constraints and problems affecting Rural Development in Afghanistan,
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١٧. Rural Development and its importance in post ward and construction period,
 ١٨. A Conceptual Framework for Rural Development,
 ١٩. Policy Direction and Strategies,
 ٢٠. Institutional set up with focus on leading MRRD as national institute among the other ministries and organization responsible for rural development in Afghanistan.
 ٢١. Role of AIRD in the policy formulation and training of lessons learnt and exploring alternatives and way ahead

Chapter III: Rural Development Index: Measures and Indicators to cover the Methodological Issues.

This chapter will cover in brief the:

١. The Rural Development Index (RDI)

Through this experience AIRD is trying to develop an index to show the overall progress in the rural areas during last four years in Afghanistan. For the development of a suitable index, AIRD indicators to be included, parameters/variables required and detailed methodology for the construction of the index. It is expected that AIRD will prepare a composite index covering as much indicators as possible by using recent available and reliable data. AIRD is proposing the following indicators, which was followed in estimating Rural-Urban Disparity Index (RUDI).

The proposed rural development index (RDI) will be based on the following group of indicators. For each group/sub-group, there will be separate index.

- I. Performance of Rural Economies and Resources for future Growth
 - a) Economic Performances of Agriculture Sector
 - Share of Agriculture in GDP
 - Index of Food Dependency
 - Share of Agriculture Expenditure in Total Public Expenditure
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b) Performance of Agriculture Holdings

- Agriculture GDP per Agriculture Worker
- Unemployment Ration

II. Sustainable Management of Natural Resources and Ecosystem

a) land Use

- Ratio of arable land and permanent crop land to total agriculture land
- Concentration of land (GINI Coefficient)
- Ratio between the area under permanent crop land to total of arable land and permanent cropland

b) Other Natural resources use

- Livestock per capita
- Capacity reservoir/exploitable water resources
- Natural reserves and protected land/ Total Areas

c) Land and Water

- Share of irrigation in arable land
- Part of the effective agricultural land areas irrigated by gravity

III. Human development and Conditions of Rural Life in Afghanistan

a) Demographic situation

- Life Expectancy at birth
- Ratio of dependent population
- Child mortality rate

b) Livelihoods

- Share of rural population in total population
- Sources of livelihoods
- Electrification ratio
- Ratio of access to drinking water

c) Cultural Background

- Literacy rate
 - Net enrollment in primary education
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- Net enrollment of female in primary education
- IV. Fighting Poverty and Food Insecurity
- In-equality of income (proxy may be per capita GDP)
 - Poverty ceiling
 - Undernourished population
- V. Social Cohesion and revitalization of rural communities
- Electricity consumption per capita
 - Per capita expenditure
 - Public debts/GDP

For the construction of index, fix minimum and maximum values for each of the indicators need to be established. For example:

- Real GDP per capita (PPP\$); \$100 and \$40,000
- Adult literacy rate: 0 percent and 100 percent
- Life expectancy at birth: 20 years and 80 years
- Access to safe water: 0 percent and 100 percent
- Access to hygienic sanitation: 0 percent and 100 percent

For any component X_{ij} indices (I_{ij}) will be computed by using the general formula:

$$I_{ij} = \frac{\text{Actual } x_{ij} \text{ value} - \text{minimum } x_{ij} \text{ value}}{\text{Maximum } x_{ij} \text{ value} - \text{minimum } x_{ij} \text{ value}}$$

The construction of the income index adopts the HDI approach. The global average income of \$0.990 (PPP\$) in 1990 is taken as the threshold level (y^*) and income above the threshold is discounted using Atkinson's formula for the utility of income:

$$\begin{aligned} W(y) &= y^* \text{ for } 0 < y < y^* \\ &= y^* + \gamma [(y - y^*)^{1/\gamma}] \text{ for } y^* < y < \gamma y^* \\ &= y^* + \gamma (y^*/2)^{1/\gamma} \text{ for } \gamma y^* < y < \gamma^2 y^* \end{aligned}$$

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The discounted value of the maximum income of \$۴,۰۰۰,۰۰۰ (PPP\$) in \$۶,۳۱۱.

The composite index RDI value will be a simple average of the components. Similarly, separate estimate should be provided for urban areas and rural-urban differences should be calculated based on the methods given in Appendix-۱.

Chapter V: Rural vs Agricultural Development

In this chapter detailed analysis on the progress of the agriculture sector on the basis of the index value computed in the preceding chapter and its contribution to the rural development in Afghanistan.

Chapter VI: Development of Non-farm sector

This chapter will discuss:

۱. Present status of the non farm sector,
۲. Provision of knowledge, technologies and other interventions to enhance production and productivity of non-farm sector,
۳. Contribution of the sector to enhanced income and employment levels particularly for the resource-poor along with positive impact on their poverty levels,
۴. Potential for beneficiary participation in the design, implementation, operation and maintenance of relevant field-level actions,
۵. Improved use of financial and other resources through training and development of management skills, and closer linkage among research and other relevant organizations in the country.

Chapter VII: Rural Health and Sanitation

Status of Health and Sanitation, Access to Public Health Facilities and Services, Nutritional Status and Access, Access to Sanitation and Water, Organization of Public Health and Medical System in Rural Areas, Financing to Health, Key Policy Issues and Action Required.

Chapter VIII: Human Development Structure in the Rural Areas

This section covers:

١. Strategies adopted for human development in rural areas through formal, informal education system and training.
٢. The coverage, gap; organizational and management aspects, private sector and public sector involvement, financing of human development,
٣. Key policy and actions required.

Chapter IX: Work and Employment in the Rural Areas

١. Present status of Work and Employment in rural Afghanistan,
٢. Structure and Growth of Workers and Labors force, Workers and labourers,
٣. the status of self employment,
٤. Ratio of employment in different sector within rural communities, and
٥. Ratio of under-employment among different geographical regions and age groups.

Chapter X: Income, Consumption and Poverty

١. Level and Growth of Income,
 ٢. Level and Consumption of income at household level,
 ٣. Distribution of income,
 ٤. ownership structure and use of productive resources,
 ٥. income earning opportunities of vulnerable group (e.g. women),
 ٦. level and structure of consumption including housing structure,
 ٧. structure of household savings and investment, scale, trends and correlates of household indebtedness,
 ٨. incidence of poverty (including concepts, measurement techniques, trends in poverty and correlates of poverty),
 ٩. government policies, priorities,
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۱۰. financing and performance.

Chapter XI: Rural Governance

۱. Rural Governance status,
۲. Decentralization and role of community based institutions in the process of decision making.
۳. Level of people's participation in the process of rural development.
۴. Empowerment of local people by government's community development programs.

Chapter XII: Rural Development: Future Perspectives and Directions especially in the context of globalization.

The rural urban disparity index

The Rural Urban Disparity Index (RUDI) is based on differences between rural and urban areas in three basic indicators of quality of life: entitlement, human capital and basic physical facilities. The choice of indicators has largely been guided by two considerations-the universality of the indicators across the country and the availability of comparable data. The degree of entitlement is measured by real GDP per capita (PPP\$). The progress in achievements in human capital is approximately by the adult literacy rate. The access to basic physical facilities is measured by combination of life expectancy at birth (۵۰ percent weight) and access to safe water and hygienic sanitation (۲۵ percent weight each). The methodology of construction of the RUDI closely follows that of UNDP's human development index (HDI). The index is first constructed separately for rural and urban areas.

For construction of the index, fix minimum and maximum values for each of the indicators have been established.

- Real GDP per capita (PPP\$): \$۱۰۰ and \$۴,۰۰۰
 - Adult literacy rate: ۰ percent and ۱۰۰٪
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- Life expectancy at birth: 50 years and 55 years
- Access to safe water: 10 percent and 100 percent
- Access to hygienic sanitation: 10 percent and 100%

For any component X_{ij} value indicates (I_{ij}) are computed by using the general formula:

$$I_{ij} = \frac{\text{Actual } X_{ij} \text{ value} - \text{minimum } X_{ij} \text{ value}}{\text{Maximum } X_{ij} \text{ value} - \text{minimum } X_{ij} \text{ value}}$$

Where ‘i’ refers to indicators and ‘j’ to location (rural, urban).

The construction of the income index adopts the HDI approach. The global average income of \$ 0,990 (PPP\$) in 1990 is taken as a threshold level (y^*) and income above the threshold is discounted using Athinson’s formula for the utility of income:

$$\begin{aligned} W(y) &= y^* \text{ for } 0 < y < y^* \\ &= y^* + \frac{1}{2} [(y - y^*)^{1/2}] \text{ for } y^* < y < 2y^* \\ &= y^* + \frac{1}{2} (y^{1/2}) + \frac{1}{2} [(y - 2y^*)^{1/2}] \text{ for } 2y^* < y < 4y^* \end{aligned}$$

The discounted value of the maximum income of \$ 4,000 (PPP\$) is \$6,311.

The composite index value is taken as a simple average of the three components. For computing RUDI, the rural composite index value (R) and the urban composite index value (U) is combined using the formula:

$$RUDI = (1 - R/U) * 100$$

The construction of RUDI is illustrated with the example of Nepal. For Nepal, the information on the indicators is as follows:

Life expectancy at birth	Real GDP per Capita	Adult literacy rate	Access to safe Water	Access to hygienic sanitation
Year	PPP\$	1990	1990	%

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	۱۹۹۰		۱۹۹۰						۱۹۹۰	
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	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
	۰۴,۰	۷۱,۳	۱,۰۰۴	۲,۲۸۷	۲۰,۶	۴۲,۹	۶۰,۰	۸۸,۲	۱۲,۰	۰۸,۰

Income Index

Since both rural and urban incomes are less than the threshold level (y*), no adjustment necessary.

$$I_{rural} = \frac{1,004 - 1.0}{6,311 - 1.0} = \frac{9.4}{6,211} = 0.146$$

$$I_{urban} = \frac{2,287 - 1.0}{6,311 - 1.0} = \frac{2,187}{6,211} = 0.352$$

Literacy Index

$$I_{rural} = \frac{20,6 - 0}{100 - 0} = \frac{20,6}{100} = 0.206$$

$$I_{urban} = \frac{42,9 - 0}{100 - 0} = \frac{42,9}{100} = 0.429$$

Basic facilities index

This is a weighted average of three indexes: life expectancy index, access to safe water index and access to sanitation index.

Life expectancy index

$$I_{rural} = \frac{54,0 - 20,0}{80,0 - 20,0} = \frac{29,0}{60,0} = 0.483$$

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$$I_{\text{urban}} = \frac{71,3 - 20,0}{80,0 - 20,0} = \frac{51,3}{60,0} = 0,855$$

Access to safe water index

$$I_{\text{rural}} = \frac{60,0 - 0}{100,0 - 0} = \frac{60}{100,0} = 0,600$$

$$I_{\text{urban}} = \frac{88,2 - 0}{100,0} = \frac{88,2}{100,0} = 0,882$$

Access to hygienic sanitation

$$I_{\text{rural}} = \frac{12,0 - 0}{100,0 - 0} = \frac{12,0}{100,0} = 0,120$$

$$I_{\text{urban}} = \frac{58,0 - 0}{100,0 - 0} = \frac{58}{100,0} = 0,580$$

Basic Facilities Index

$$I_{\text{rural}} = [2 (0,855) + 1 (0,600) + 1 (0,120)]/4$$

$$I_{\text{urban}} = [2 (0,882) + 1 (0,882) + 1 (0,580)]/4$$

Composite Index

$$I_{\text{rural}} = [0,146 + 0,206 + 0,422]/3$$

$$I_{\text{urban}} = [0,302 + 0,429 + 0,702]/3$$

The RUDI is computed as

$$RUDI = [1 - (0,274/0,011)] * 100$$