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EMERGING TRENDS
IN URBAN LIVELIHOODS

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About the author

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About the Afghanistan Research and Evaluation Unit

The Afghanistan Research and Evaluation Unit (AREU) is an independent research organisation that conducts and facilitates action-oriented research and learning that informs and influences policy and practice. AREU also actively promotes a culture of research and learning by strengthening analytical capacity in Afghanistan and by creating opportunities for analysis and debate. Fundamental to AREU's vision is that its work should improve Afghan lives.

AREU was established by the assistance community working in Afghanistan and has a board of directors with representation from donors, UN and multilateral agencies and NGOs.

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* Names of respondents have been changed to protect their anonymity.

Contents

1. Introduction

To date, little information has been gathered about the ways in which poor urban dwellers in Afghanistan lead their lives and how they secure their living in cities increasingly characterised by crammed living conditions, highly competitive and unreliable job markets, widespread tenure insecurity and abundant health risks. As lack of rural employment opportunities, internal displacement and the return of refugees to urban areas accelerate, government actors and the international aid community alike must consider feasible ways of supporting the urban poor in Afghanistan and designing policies and programmes that are effective in assisting people to build on their assets and gain access to livelihood opportunities.

The Afghanistan Research and Evaluation Unit (AREU) is conducting long-term urban livelihoods research in the cities of Kabul, Herat and Jalalabad to build a better and more complex understanding of existing urban livelihood strategies at the a household and community level. AREU seeks to better understand how poor urban livelihoods change over time, in order to support a more informed, pro-poor policy formulation process that builds on the strengths, needs and priorities of poor urban populations.

Prior research carried out in Afghanistan and elsewhere[1] indicates that households adapt and respond to changing circumstances and conditions differently, and that their efforts to remove barriers to their wellbeing take on different forms. These efforts can be represented by a continuum: from struggling for making a living (endurance), to achieving longer-term wellbeing (security), to moving out of poverty altogether (growth). It is a central aim of the overall research to identify indicators of upward or downward movements in this continuum and to isolate characteristics and determinants that shape and differentiate various situations of the urban poor in Afghanistan.[2] The primary questions this study asks are:

- What are the most important household and community assets that poor households draw upon to manage their livelihoods?

- Are there different livelihood strategies being followed by households of different ethnicities, different composition, and in different locations?

- Have their adopted livelihood strategies eroded, maintained or built assets?

- What are the coping strategies that different households apply in the face of risk and insecurity?

- What are the most important factors determining degrees of vulnerability and livelihood security of different households?

This preliminary working paper is unable to answer these questions at this time, but it does seek to identify trends that have emerged from community discussions and the first four months of empirical fieldwork in each city under study. It does not yet aim to introduce longitudinal data and to deal primarily with the question of change of livelihood strategies. Rather, the paper identifies key features of urban livelihood

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[1] S. Schütte, 2004, *Urban Vulnerability in Afghanistan: Case Studies from Three Cities*, Kabul: Afghanistan Research and Evaluation Unit; J. Beall and N. Kanji, 1999, *Households, Livelihoods and Urban Poverty,* Urban Governance, Partnership and Poverty, Theme Paper 3, London: London School of Economics.
[2] This is more comprehensively covered in a paper on the conceptual framework of this project, available at www.areu.org.af.

security in Afghanistan that are valid for households in all cities studied.[3] These three central and interrelated themes include:

- **Access to regular sources and different forms of credit**. In the face of unreliable and erratic urban labour markets, finding access to financial assets in the form of credit becomes a crucial strategy for the urban poor. The vital question of ensuring "access" as a livelihood resource in itself gains particular importance in this respect, and it is clear that gaining a hold on the tangible asset "credit" happens mainly through effective social relations.

- **Security of housing and tenure**. Most urban poor live in informal settlements and face the constant threat of eviction. Accordingly, secure housing and tenure is perceived as a central issue among all households and communities studied. Again, it was found that a functioning network of social relations helps facilitate access to housing and tenure. Likewise, using own housing as collateral helps people to access credit, and available credit sources are crucial in getting hold of housing or land in the first place.

- **Maintenance and quality of social relations.** The study found that it is social assets and the ability to acquire resources by virtue of membership in social networks that assume the greatest importance for the urban poor who lack secure income opportunities and material assets. In fact, functioning social relations sustained by trust, common values, levels of reciprocity and solidarity potentially triggers access to material resources and can be critical for accessing credit or housing.

Each of these major themes is elaborated upon in this paper. The next section provides a brief introduction to the methodological approach to the research and a basic overview of the household sample. The paper concludes with a discussion of how these three themes relate to livelihood security.

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[3] Later in 2005, a series of city-specific case studies focusing on household situations in Kabul, Herat and Jalalabad will be published by AREU as additional outputs of this research.

2.   Context

2.1   Conditions of urban coping economies

Over the past 25 years, war, conflict and insecurity have profoundly shaped the political economy of the country. There are several regional economies within Afghanistan with different and interrelated types of political–economic systems that have emerged during the generation of conflict and war. Pain and Goodhand (2002) characterise these systems as the dominant war economy, whose functioning has shaped a strong black economy and the coping economies of survival.[4] Urban coping economies across the study sites tend to be characterised by the following conditions:

- *Environmental conditions* such as cramped neighbourhoods without basic infrastructure, lack of adequate housing and high population density, and significant health risks, especially in winter.[5]

- *Human and social conditions*, shaped by widespread illiteracy and child labour, leading to long-term negative effects on health status and education, and fewer income-earners per dependents.[6]

- *Economic conditions*, shaped by the existence of almost-saturated labour markets that do not provide many employment opportunities.[7] The informal economy is made up mostly of the urban poor and vulnerable, often leaving them with insufficient income in the commoditised urban economy.

- *Political conditions*, arising from an evolving and largely uncoordinated policy environment, poor governance and widespread insecurity of tenure and housing.[8]

A pilot study for the current research, carried out in early 2004, explored urban vulnerability contexts in Kabul, Herat and Jalalabad, using a focus group approach. This study found that the major risks in having to make a living in urban coping economies in Afghanistan are: loss of income; food insecurity; poor physical and mental health; and social disintegration. Strategies to cope with these risks vary, but are often not very sustainable and in many cases lead to what has been called the "asset vulnerability" of the urban poor.[9] The pressure generated by unfavourable external conditions and the attendant risks to livelihood security prevalent in Afghan cities often weakens people's capacity to deal with the constraining factors of their environment, resulting in an internal condition of defencelessness and inability to

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[4] A. Pain and J. Goodhand, *Afghanistan: current employment and socio-economic situation and prospects*, InFocus Programme on Crisis Response and Reconstruction, Working Paper 8, Geneva: ILO, 2002.

[5] See also J. Grace, 2003, On*e Hundred Households in Kabul. A study of winter vulnerability, coping strategies, and the impact of cash-for-work programmes on the lives of the "vulnerable"*, Kabul: Afghanistan Research and Evaluation Unit.

[6] World Bank, 2005, *Afghanistan. Poverty, Vulnerability and Social Protection: An Initial Assessment.* Human Development Unit, South Asia Region.

[7] A. Opel, 2005, Bound *for the City: A Study of Rural to Urban Labour Migration in Afghanistan*, Kabul: Afghanistan Research and Evaluation Unit.

[8] J. Beall and D. Esser, 2005, *Shaping Urban Futures: Challenging to Governing and Managing Afghan Cities*, Kabul: Afghanistan Research and Evaluation Unit.

[9] C. Moser, 1998, "The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies," in: *World Development* 26(1): 1–19.

cope with threats to livelihood security.[10] It appears that it is not the social group itself that is vulnerable, but certain households and individuals belonging to these groups – challenging the widespread assumption that there are "vulnerable groups" in cities. Not all people with disabilities, not all widows, refugee returnees, or people living in areas with relatively worse services are poor or vulnerable.[11] People have different endowments and different capacities to deal with vulnerability and structural constraints, and in order to assess, understand and capture the factors likely to determine levels of vulnerability and livelihood security, the household, rather than the broad category "social group", needs to be the critical unit of analysis.

2.2 Methodology

This study takes on a long-term perspective to explore the nature of household livelihood strategies and systems, and how they change over time. A qualitative approach has been applied, which looks at the same 40 urban households in each study site over the period of one year, mainly using a semi-structured conversational interview approach. The actual data collection started in late December 2004, with an initial standardised baseline survey in a larger sample. All selected households are visited on a roughly monthly basis.

Focus group discussions in neighbourhoods and with community councils, as well as collaboration with grassroots and NGOs working in the areas, were used to identify the households.[12] Often the communities selected potential research participants by applying indicators for poverty such as:

- Households that are not able to afford the white piece of cloth (*kaffan*) required for a funeral to cover the dead;

- Households with no male income earners, or those in which children or people with disabilities are the main breadwinners;

- Households that cannot afford proper treatment in case of illness;

- Households that rely on irregular work opportunities (e.g. in the bazaar or by waiting on the crossroads for labouring work); and

- Those households living in tents or inadequate makeshift housing.

In addition to these local criteria, the researchers sought to include different types of households in the sample: different ethnicities; female-headed households; returned refugees and internally displaced persons (IDPs); as well as people living in different neighbourhoods to cover spatial characteristics. A broad sample of 100 households in each locality was initially selected and assessed by means of a standardised questionnaire which covered basic household structural information, aspects of household economics, health and education, social relations, governance

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[10] See R. Chambers, 1989, "Vulnerability, coping and policy," in: *IDS Bulletin* 20:1–7; and F. Krüger and E. Macamo, 2003, "Existenzsicherung unter Risikobedingungen – Sozialwissenschaftliche Analyseansätze zum Umgang mit Krisen, Konflikten und Katastrophen" in: *Geographica Helvetica* 58(1): 47–55.

[11] There are, however, issues that might expose whole groups to a state of vulnerability, as is the case with *kuchis* living in Shadayee Refugee Camp near Herat, or Hazaras living in a specific settlement in Mazar-i-Sharif (see Beall and Esser, 2005, p. 31–40).

[12] While this study recognises that households tend to be dynamic, changing shapes frequently, for the purpose of this research a household is defined as a group of people who live together and share the same cooking pot.

and perceptions of wellbeing.[13] The questionnaire also included a "retrograde approach" to understand the ways in which livelihood trajectories have changed in the last decade. The initial sample was then reduced to 40 households in each city for implementation of long-term qualitative research. Ultimately this research aims to identify indicators that can locate different households on the continuum of endurance, security and growth.

A summary of the characteristics of the households taking part in the study is provided in Table 1.

Table 1. Basic characteristics of the sample households

	Kabul	Herat	Jalalabad
Returned refugee	13	13	9
IDP	12	13	13
Long-term resident	15	14	18
Female-headed	11	12	4
Headed by PwD*	5	3	8
Nuclear household	32	26	15
Extended household	6	1	4
Generational extended household	2	13	21
Women working	12	35	8
Children working	17	29	17
Pashtun	8	8	32
Tajik	24	21	7
Hazara	8	4	0
Turkmen	0	4	0
Uzbek	0	1	0
Other	0	2	1
Main income source			
Self employment	17	17	17
Casual work	15	11	10
Regular work	6	6	9
Other**	2	6	4

*person with disability
**such as remittances, house rent, charity, begging, livestock

Recurrent monthly visits to these 40 selected households look at different themes, such as household histories, neighbourhood life, asset and activity portfolios, internal household relations, perceptions of risk and vulnerability and issues of local governance. During these repeated visits, the central focus is change: how households respond to an evolving urban environment, and what capacities they have to induce change themselves. However, the initial focus groups and first three rounds of household interviews in the three cities, on which this paper is based, mainly investigated immediate living environments,[14] household structures and histories, as well as household activity and asset portfolios.

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[13] In Kabul, only 75 households had been assessed initially with a questionnaire. This was mainly because of movement constraints caused by unfavourable weather conditions and heavy traffic, which did not allow the research team to proceed as quickly as planned.
[14] Geographically, these households are spread throughout each city. In Kabul, nine city districts and fourteen neighbourhoods are covered; in Jalalabad, four city districts and nine neighbourhoods are covered; and in Herat, nine city districts and seventeen neighbourhoods are under study.

3. Key emerging themes

The three major themes emerging from the initial research — access to credit, security of housing and the influence of social networks — are all heavily influenced by the manner in which the selected households in all three cities are able to earn a living. For most of these households, occupations in the informal urban economy are seldom secure and reliable. Likewise, urban incomes show a high degree of fluctuation and depend on variables such as seasonality, dependency rates, household composition (in terms of gender, labour force and health status), degree of income diversification, education, or skills, and also on social integration in the neighbourhood or in the community, which facilitates access to credit, job opportunities and material resources.

3.1 Work strategies

- **Self-employment:** In most of the households under study, significant income sources are derived from self-employment activities. Most prominent among these is running a wheelbarrow (*Karachi*) or a pulling-cart in the bazaar, being involved in petty trade of goods, foodstuffs or recycling material, or manual transportation work. Apart from vending and transport, selling cooked food prepared in the home, like beans, peas or sweet dishes, is the third most important self-employment activity among the households, followed by shoe-cleaning and repairing or similar service-oriented micro-occupations. A number of households in Jalalabad and Herat are also involved in livestock keeping (mainly sheep and cow) or driving a horse or motor rickshaw. Two run very small grocery shops. These jobs are usually performed by male household members, but in some cases women are involved in petty trade, for example carrying bangles or beauty products purchased in the city to nearby villages and selling them there for a little profit. Other self-employment activities carried out by women cover a range of home-based work: carpet-weaving, processing dried fruits, tailoring work, running a home bakery (in all three cities), small handicraft and petty trade production, peeling pistachios, or cleaning cotton (mainly in Herat).

- **Casual labour:** Casual labour is the second main way in which the poor urban households under study generate their income. It has more predictable and usually higher returns than self-employment, but opportunities are scarcer and there is high competition in this seasonal market, especially in the area of construction (currently the biggest job market for casual wage labour). That is why many households maintain a twofold strategy: in the early mornings members may wait a couple of hours at the crossroads for a possible employer, and if there is no assignment negotiated, as is the case more often than not, people will go out to do their petty trade, pull their cart, or another self-employment activity.

- **Regular labour:** Regular labour promises a safe and accountable income, but apart from the security of a constant income stream, the regular work activities referred to by members of the sample households were mostly cheap labour. In fact, many regular jobs are carried out by children who work as assistants to mechanics, in garages, or as shop-boys. There are only a few examples of adults involved in this sector (in about 5% of the households studied), who work as neighbourhood waste-pickers being paid by the

community, as guards or cleaners in government or private offices, or as shop helpers or drivers for local offices.

- **Working children.** In about 40% of the households under study, children have to work; even if their contribution is only marginal, it is still felt as needed. Most working children who have not managed to get a regular job are involved in the petty trading of foodstuffs or newspapers, shoe-polishing and washing cars, or begging with their pot of *esphand* (wild rue, considered to be a holy plant able to drive away ghosts). For their parents this is often a source of worry – children go alone long distances from their homes to the bazaars in town, come home late and in winter often after dark. With fear of kidnapping always being an issue of concern, sending children out in the street is a strategy that reveals a degree of despair. In some cases there appears to be little choice, and young boys are the sole breadwinners of a household. However, even under these difficult conditions, many of the children who work actually manage to attend school as well – keeping up hope for a better future (Box 1).

Box 1: Child as breadwinner

Eleven-year old Jamil became the household's sole breadwinner when his father was disabled in an accident. For two years, Jamil has had the responsibility of providing for his family. He earns about 80 Afs a day plus food at the Jalalabad car wash where he works as a helper. This meagre income is hardly enough for the household, but Jamil is happier now than he was when he worked as a shoe-cleaner. He feels that he has a comparatively secure income and is able to eat one proper meal a day at work. Jamil has managed to stay in school and is now in the second grade. He and his father hope that an education will enable him to find a better more secure occupation.

Often households struggle to raise sufficient cash by means of employment alone – petty trade depends to a high degree on weather conditions, as do casual work opportunities. At the same time, returns from most regular jobs are not sufficient to meet basic household needs either, let alone to allow households to cope with shocks. In these times of frequent and in many cases constant financial crisis, other means of obtaining cash or finding access to basic necessities like food and shelter become important. Some of these strategies observed in the study sample included the following:

- **Adjusting food intake/expenses** to rely on cheap staple food that can be covered by a very small income.

- **Adjusting household size and composition.** This mainly occurs in response to internal crises and changes, such as death, marriage or migration. Changes in the household structure are an important means of coping with crisis (such as death), although some adjustments can put a burden on an absorbing household as well.

- **Selling physical and productive assets.** In the majority of households studied, people actively aim to acquire valuables such as jewellery, carpets and antiques, which can then be easily pawned in times of emergency. Some of the study sample reported that they had to sell some of their physical belongings in order to get hold of cash, both for regular consumption as well as for emergencies.

- **Making early marriage arrangements for daughters.** The practice of asking for a bride price is still very common among urban households and constitutes a major income-generating strategy. In some exceptional cases, daughters are married at a very young age.

3.2 The importance of accessing credit for urban livelihood security

> **Box 2: Types of credit used in Afghanistan**
>
> - *Qars-ulhasana*: Roughly translatable as "loan for goods", *qars-ulhasana* refers to money or goods borrowed without any interest, on most occasions from relatives or close friends, although often from an employer as well.
>
> - *Sud*: *Sud* can be translated as "interest" and implies the notion of "profit". People who give *sud* do it for their own benefit and charge some interest on the money.
>
> - *Ograyi*: *Ograyi* refers to a system of purchasing goods for trade on a credit basis, and involves in-kind instalments, but no cash. It is probably the most widely used form of credit for trade in Afghanistan: all informal small-trading activities among the sample households in all cities are done through *ograyi*.
>
> - *Mozarebat*: *Mozarebat* is a partnership agreement, in which one party will provide money or productive assets, the other time and work, with the profit being shared.
>
> - *Geravi*: *Geravi* is a loan against security, and for households in possession of valuable physical assets, especially housing, it is a way of obtaining substantial cash amounts.
>
> - *Loan from an NGO*: NGOs working in the microfinance sector do offer small-scale credits. Most of these credits are conditional in the sense that they should be used for a business activity, and often users have to pay a fee for the credit.

In the face of insecure and unreliable work opportunities, access to credit becomes a crucial asset for urban livelihood security.[15] Not surprisingly, the study found that most households accumulate and maintain a certain level of debt – both in smaller amounts to enable sufficient consumption, and in larger amounts to afford lifecycle festivities, health expenses, investments in house construction, and indeed often to pay the bride price. There is rarely any totally debt-free time for most households. Similarly, virtually all self-employment activities involve trade work on a credit basis: it can be safely stated that credit is a critical livelihood component for the urban poor in Afghanistan, in spite of the role that attendant levels of debt play in creating or perpetuating poverty.[16]

Being indebted to many different creditors is indeed a rather common phenomenon.[17] Repayment of credit either takes place in steps and on an agreed day once a month or once a week, or the whole amount is repaid on a certain date. A certain degree of amiability towards the creditor is common, allowing him to repay according to his own schedule. In some cases the whole debt is dropped. Most respondents reported that they face great difficulties in credit repayment, being forced to delay it frequently and thereby putting relations under pressure. Many forms of credit are closely related to the quality of family relations and other social networks. The

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[15] See also Grace, 2003.

[16] J. Grace and A. Pain, 2004, *Rethinking Rural Livelihoods in Afghanistan*, Kabul: Afghanistan Research and Evaluation Unit.

[17] The highest number of different credit sources employed by a household at one particular time encountered during fieldwork was six.

existence of functioning networks is critical to gaining access to this type of credit, and *access*, established via the social assets one possesses, becomes an important resource in itself.

3.3   The importance of tenure for urban livelihood security

In Kabul and Jalalabad, approximately 60% of the households have built their own homes,[18] with the rest renting (20%) or staying for free on a charity basis (20%). This highlights the capacity of many urban dwellers in Afghanistan to establish cheap housing, and is in line with UNICEF's estimation that around 80% of the new houses constructed in Kabul in the 1990s have been self-built. However, mostly people have done so on land which they encroached upon, and for which they do not have a legal title.[19]

As is apparent from this, one of the most critical issues in urban Afghanistan, both from a grassroots and a policy perspective, is widespread land and tenure insecurity: in all of the larger cities in the country there are so-called informal or squatter settlements. One of the greatest challenges to government, municipalities and city planners is to find a sustainable solution to the land question that acknowledges the situation of the urban poor, and the fact that housing is one of the most important livelihood assets in urban areas.

In many of the households studied, the sense of insecurity discourages people from improving their housing. Being forced to move homes frequently prevents them from developing a neighbourhood identity and a sense of belonging to one place:

> *I was born in Kabul, but spent most of my life in Pakistan. I was so excited to come back to my birthplace, but now I am rather disappointed about the whole situation here. We have no place to stay, because my father sold his house in Khair Khana before leaving, and during the last year we lived for rent in four or five different houses which some relatives organised for us. It is exhausting, and we wish to stay somewhere for longer, but there is no place where we could build our own house. If the situation does not get better we might go back to Peshawar.*

> Sadiq, Karte Ariana, Kabul

Informal settlements remain neglected by infrastructure development and service delivery. There are parts of Kabul and Jalalabad in which informal settlements proliferate, and most of the households in the study living in these areas must cope with the attendant insecurity of tenure and recurring threat of evictions. Achieving long-term tenure security is perceived as one of the highest priorities among the urban poor in all cities, as it would give them protection in the urban environment and a solid base on which to build.

Many households in Kabul and Jalalabad are well aware of their precarious status: "we are outside the map" is an often-repeated saying that refers to this circumstance. However, there is a difference between the situation in Herat

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[18] Many of these homes are makeshift and do not provide sufficient shelter in cold or rainy weather.
[19] For a discussion of the terms "Illegality" and "informality" with regard to human settlements in developing cities, see A. Durand-Lasserve and J. Tribillon, 2001, *Coping with illegality in human settlements in developing cities*, ESF/N-AERUS Workshop, Leuven and Brussels.

Box 3: From squatter to formal settlement

The "formalisation story" of a squatter settlement of 265 houses in Jalalabad, formerly called Nau Abad and today known as Abdul Haq Mena, is a prime example of how a process of negotiation between community and municipality can lead to mutual agreement and finally to a successful process of land titling.

Abdul Haq Mena is located in southwest Jalalabad near the Farmi Hada canal. The first settlers arrived during the reign of Najibullah, establishing a small tent colony and building makeshift houses. In time the neighbourhood grew to accommodate migrants, IDPs, and returnees from many different areas of Afghanistan. During the past fifteen years, the various governments have repeatedly intervened, destroying houses and threatening inhabitants, while people have continued to live in tents or basic makeshift dwellings that do not require much investment.

The latest significant eviction threat occurred in 2003, when officials sent by the municipality showed up in the colony and proclaimed that they would come back the next day to destroy the settlement. A delegation of four elders sought assistance through the international community, and informed UNHCR about the matter. The governor of Nangarhar was also approached, and he came up with a compromise that required the destruction of houses built very close to the Farmi Hada canal, which marks the southern border of Jalalabad City. Seeing no other way out, the people agreed, held a general meeting and immediately started evacuating and destroying the houses in close proximity to the canal to show their willingness to cooperate with the government. Those evacuated were accommodated in tents, and they later rebuilt their makeshift houses. In spite of this action, bulldozers still threatened the community, but UNHCR interfered in time and prevented the destruction. After this incident and further intervention from the governor, negotiations between the municipality and a community delegation began, with frequent visits to the Ministry of Urban Development and Housing in Kabul. These efforts eventually resulted in a detailed map of the settlement on which allotted plots for housing are marked, as well as the implementation of projects such as new roads, a school, a mosque, a public bath and a health post.

Inhabitants of Abdul Haq Mena did pay substantially to be "on the map" – each household made an initial contribution of 4,000 Afghanis for the planning and mapping process and the assignment of plots. The plot itself and the legal title to it cost 60,000 Afghanis – a significant sum for people who mostly make their living by pulling carts, petty trading or minor livestock keeping. Moreover, the neighbourhood reconstruction process will need further investment, as old houses are going to be destroyed to make space for roads and communal buildings before being reconstructed on assigned plots. Inhabitants used different and often combined means to get hold of the required sum, including depleting their savings, taking on further debts, selling their assets, marrying off daughters earlier than planned and speculating on opium.

The example of Abdul Haq Mena and its successful formalisation shows that community activity and community solidarity can influence policy. However, there is also high potential for corruption in such a process – signs of which are already showing in the settlement. It appears that along with the land titling process for the original inhabitants, a significant part of the area has been grabbed by relatively wealthy people. These "new influential people", as they are referred to by some original dwellers, have already constructed high boundary walls to protect their land, while those who had to face destruction of their original houses are struggling to afford to build new homes out of self-made mud bricks on their assigned plots. Older dwellers said that the new settlers grabbed multiple and bigger plots of land by exploiting their relationship with government or other powerful actors involved in the process.

It will be interesting to follow how the practical aspects of the formalisation will be implemented, and to note lessons learnt from this example. The municipality of Jalalabad already seems eager to reproduce the process in another informal area outside the master plan in the near future, but is not allowed to allot land titles in informal neighbourhoods located inside or near the inner city.

old IDP camps in district five near the city centre, such rapid emergence of new settlements as in the two other locations has not taken place. That is presumably why among the sample members in Herat only 33% have managed to construct their own houses, and living on rent (37%) or charity (30%) is more widespread than in the other towns.

Apart from inhabitants of the IDP camps and unlike in the other study sites, most Herat respondents renting or living on charity are not aware of the status of their tenure, and assume that there is no immediate threat to move.

3.4   The importance of social relations for urban livelihood security

Much has been written about the role social relations and networks play in managing risk, gaining access to opportunities, or buffering shocks and crises for poor urban and rural populations throughout the developing world.[20] Comparatively little is known, however, about how social networks support the livelihoods of poor urban residents in Afghanistan. The thrust of existing studies is that social networks in urban Afghanistan were fractured significantly through periods of war and displacement,[21] and the pilot study for this research identified social disintegration as a major risk to livelihood security faced by urban dwellers. However, preliminary findings from the current study challenge the view of overall deteriorating states of social relations and suggest that existing social networks and levels of solidarity in Afghan cities are much stronger than is commonly thought. Moreover, the findings show that using the relations one has is crucial, if not essential, for urban poor in securing their livelihoods. In the absence of formal employment opportunities and difficulties in raising sufficient income to feed the family, resources acquired by virtue of effective social networks are of critical importance and often represent the last alternatives available.

Social networks do work in different ways and for different ends. Most importantly in the urban Afghan context, they serve as "insurance" against risk and crisis situations; further they facilitate access to shelter and job opportunities, and in some cases are used as a means of self-empowerment.

Although social bonds can be crucial for securing a livelihood, the assets obtainable through dense social networks in poor communities seldom allow participants to rise above their poverty and in many cases may literally be the last resort. Finding access to greater opportunities is more likely to be successful when channelled via bridging social relations, encompassing people beyond the immediate family or community.

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[20] See M. Woolcock, 1999, "Managing Risk, Shocks, and Opportunity in Developing Economies: The Role of Social Capital", Mimeo, World Bank; V. Kozel and B. Parker, 2003, "A Profile and Diagnostic of Poverty in Uttar Pradesh", in: *Economic and Political Weekly*, (25.01.2003):385–403; and S. Schütte, 2003, "Soziale Netzwerke als räumliche Orientierungssysteme. Konstruktionen von Raum und Lokalität der Wäscher von Banaras." *Studies in Development Geography*, Vol. 23, Saarbrücken: Verlag für Entwicklungspolitik.

[21] See Beall and Esser, 2005, and UN Habitat, 2003, *Preliminary Study of Land Tenure Related Issues in Urban Afghanistan with Special Reference to Kabul City*.

3.4.1 Social networks as livelihood insurance

Importance of proximate family relations

The basic social network in Afghanistan is the household and the extended family – and in spite of the heterogeneity and enormous growth rates of urban centres, family relations within and beyond cities seem to be largely present and intact. This emphasises the critical importance of the family as the basic social safety net – it has an important role to play in securing livelihoods and potentially acts as a short-term shock absorber long before outside assistance is sought. Widespread displacement and poverty certainly put pressures on this function of the family, but about 75% of the households studied in all three cities studied actually do live in close proximity to family-related households, even if they only returned recently from a neighbouring country or came to settle in the city from a rural district. Apparently, urban households in all cities attempt to follow a certain spatial practice, actively attempting to cluster in or around a certain neighbourhood. People feel that it is beneficial to have nearby close relations, not only for assistance in times of need, but also for maintaining contact on a more regular basis than would be possible with more distant relatives:

> *My sister, my brother, and my elder son and their families live just around here. We see each other very often, almost every day; sometimes we eat together with some of them. It is very good this way, and especially my son helps us whenever we are in need. I have another brother living in Baticot – it is not very far from here, but I do not have money for the transport and I haven't been there in two years now. But thank god, whenever he comes to the city he visits me.*

<div align="right">Dial Jhan widow, Toop Ghondie, Jalalabad</div>

However, the tendency to live in close proximity to family correlates somewhat with the emergence of informal settlements in the last fifteen years or so, especially in Jalalabad and Kabul. For instance, in the 18-month-old Kabul hillside neighbourhood of Brishnakot, which mainly accommodates returned refugees, most new dwellers learned of urban land being allocated there from their relatives. Also more generally in the study sample, on most occasions housing is found or land is encroached upon with the help of relatives or friends.

Table 2 shows the number of households who have family connections in their vicinity, and who found their housing via social relations.

Table 2: Proximate social relations and access to housing (total = 40 in each city)

	Kabul	Herat	Jalalabad
Number of households with relatives in same neighbourhood or in close proximity	28	30	31
Number of households which found housing via social connections	24	31	33

Buffering shocks

Family networks are the first approached in times of need and difficulty. Relatives are often the first to assist if income failure and food scarcity occur, even when they themselves do not have much to share in the first place:

Since my husband died one year ago I am totally dependent on my brother. He often has work, and he feeds me and my small children, buys school books for them and he spared a room for us in his house. I feel bad when I see how hard he works for us, how tired he is when he comes back in the evening. I do not know how long this can go on, but what can I do – my own son is still too small to work.

<div align="right">Jamila, widow, Deh Mahzang, Kabul</div>

Accounts like this were frequent among all the households studied and show the family working as a buffer against shocks and crises such as the death of a breadwinner, loss of housing, health problems or income failure.

Early widowhood is a risk faced by many young women who marry considerably older men, sometimes as a second or third wife, but more often after the death of a former wife. This happens quite often and leads to a high number of women left alone without a breadwinner at a very early age, without grown-up children who can work for an income. On many occasions it was found that a younger brother or another relative of the deceased husband had married the widow, or close relatives had often accommodated a household without any income source.

Widows who do not remarry and become heads of their households were also found to be largely dependent on regular assistance from relatives, especially where there is no son who can provide for the household. However, in many female-headed households women do actually work for an income, for instance by running a home bakery for other households in the neighbourhood.

Among most households studied it was found that the wider family could be approached as a source of support to a certain extent, even if this sometimes happened out of obligation rather than a true willingness to cooperate. However, there were cases where even the closest relations were unable to offer assistance. Eight households in Herat, fourteen in Jalalabad and thirteen in Kabul reported that they could not expect any kind of assistance from their relatives; this was mainly because their relatives were in similar situations, so were unable, rather than unwilling, to do so.

The role of distant networks

The maintenance of effective inter-household relations requires that sufficient time is spent together, which is why the livelihood strategy of clustering of related households takes on additional significance: cultivating relations does not require great mobility and time, people see each other often, and these proximate networks are therefore easier to use and maintain. This does not, however, mean that distant relations are not important. On the contrary, distant networks are crucial for the wellbeing of the urban households studied, especially in terms of remittances received from those household members working both in other Afghan cities and rural areas as well as in Iran or Pakistan.[22]

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[22] For more details see: Collective for Social Science Research, 2005, *Afghans in Karachi: Migration, Settlement and Social Networks*, Kabul: Afghanistan Research and Evaluation Unit; A. Monsutti, 2004, "Cooperation, Remittances, and Kinship among the Hazaras," in: *Iranian Studies* 37(2): 219–40; E. Stigter, 2005, *Transnational Networks and Migration from Herat to Iran*, Kabul: Afghanistan Research and Evaluation Unit; and E. Stigter, 2005, *Transnational Networks and Migration from Faryab to Iran*, Kabul: Afghanistan Research and Evaluation Unit.

Family members who leave the country in search of work usually benefit from existing social relations in those locations; in fact, these relations usually define the destination of labour migration:

> *I went to Isfahan because I knew one of our relatives was living there. I found him after two days, and he gave me a bed and after a week or so he organised a job for me as well. I stayed with him for more than a year and came back to Kabul with quite a bit of savings.*
>
> Baba Jhan, Cement Khana, Kabul

Similarly, distant networks can be important for accessing credit, accommodating children and providing rural wage-labour opportunities in the harvesting season for urban dwellers.

Solidarity with the poor: the role of good neighbourly relations and receiving alms

While neighbourhood and kin overlap to a certain extent in urban settings, this study observed a strong degree of social cohesion transcending kinship in urban informal settlements, arising out of being exposed to a common situation, and facilitating collective action such as negotiations with municipalities or government offices. At the same time, good relations with neighbours can be a valuable source of support and resources:

> *My parents both died already, and I borrowed almost 20,000 Afghanis from our immediate two neighbours almost four years ago. Because I am a female orphan and neither myself nor my younger sister can afford to repay it, our neighbours both agreed that they would not ask for the money until my brother Jomagol, who is now thirteen, finishes school and gets some regular income. Also they are helping us always with food, clothes and other things.*
>
> Aziza, 20-year-old household head, Herat

This last example illustrates the role institutional practices play in potentially supporting the urban poor, especially the act of traditional alms-giving. The study found a surprisingly high incidence of this practice both in relation to important Islamic festivals (referred to as *zakat)*, but also on a more regular and continuous basis (referred to as *sadaqa*). In fact, for many urban poor both acts are indeed a very predictable source of cash, food or other forms of assistance:

> *Almost 50% of our consumption is provided by our neighbours. You saw it — since you came here to talk to me, already two neighbours came in and brought us food and clothes.*
>
> Abdul Rahman, Jadae Eidgah, Herat

> *We are lucky that we have cooperative neighbours. Last* Eid *they collected 5,000 Afghanis for us, and we get food all the time from them.*
>
> Mowladad, Koche Turkmenha, Herat

These practices are features of important Islamic festivals – giving *zakat* is stipulated in the Koran as an obligation of the wealthy – but the practice of providing continuous support by wealthier neighbours through *sadaqa* is a voluntary and, as it seems, very widespread form of charity. It points to the existence of a high degree of solidarity and cooperativeness in urban Afghan society as a whole, and certainly has a role to play in securing the livelihoods of the urban poor.

Box 4: A threat to livelihood insurance: disturbed intra-household relations

Households are not only a site of cooperation, but also of conflict, competing interests and unequal burdens. There are a number of examples in the households under study where social relations do not work out to be beneficial, and on the contrary pose threats to household members. The quality of internal relations has crucial significance for the distribution of resources and capabilities among household members, and their overall wellbeing. "Opening up" the household and looking at its inner workings and dynamics is important in understanding how households adapt to changing outside influences, but also how different members have different burdens, and how gendered inequalities may influence individual states of livelihood security and vulnerability.

Important in this respect is the evidence of disturbed intra-household relations that lead to domestic violence – most commonly affecting women and children. There are a variety of reasons why violence occurs; frustration, unemployment, drug addiction, mental illness or simply male oppression have been reported by women as reasons for violence against them. Often, this is a matter of poverty-related circumstances – income failure, dependence on others, or difficult living conditions put intra-household relations under high pressure.

Disturbed intra-household relations may also have wider consequences, as the following example of a female-headed household in Herat shows:

> I am afraid of my younger son. He is working, but never gives me the money he earns. If I ask him, he will beat me. He is very cruel and I am sure he is taking drugs, and he gave a bad reputation to our family in the neighbourhood. My brother helped us before, but stopped doing that because he does not want to support this son anymore. Now I make my own food for me and my daughter from what I earn by washing clothes and peeling pistachios.
>
> Parwin, Payin Ab, Herat

Households as social units managing work, income and reproduction do not always act with common interest, and some members may be subject to oppression, disregard and violence: this may been seen as "invisible" vulnerabilities within households. The degree to which this happens might also be conceived as an indicator of household livelihood security.

3.4.2 Social networks and access to opportunities

In terms of going beyond immediate support networks to find new opportunities, it was found that social relations that reach beyond the immediate family or community are most important, especially for accessing jobs and credit. While there is difficulty in establishing these bridging relations – or as most respondents stated, "we do not have any relation to the powerful" – existing weak ties binding poor urban households to wealthier and influential people can prove to be quite beneficial. For instance, many women in Herat work as cleaning staff for richer households, and apart from earning an income this enables many of them to approach new credit sources or to find better jobs for their sons:

My son was selling biscuits on a Karachi and got only very low and irregular income. With the help of my employer he now found permanent work as a guard.

Hanifa, Koche Pashm, Herat

We get a lot of help of my employer – he gives us credit, food, clothes for our children – what shall I say, without him our life would be much more difficult.

Gowher, Pole Rangina, Herat

These ties established through labour relations can be critical, especially as there is hardly any incidence of bridging social relations among the households studied that would support people gaining access to greater opportunities. On a collective level, however, community-based organisations have already shown their potential to successfully carry out negotiations with city governments (see Box 5).

Box 5: Community-based organisations as a means to empowerment

Self-initiated community organisations of the poor are still a rare phenomenon in urban Afghanistan. Unlike in some other countries, where poor urban dwellers have formed self-help groups or organised credit-cycle schemes, in Afghanistan people tend to rely more on kinship and lineage than on more formalised community structures. There are some exceptions, however, including grassroots-level activities among people with disabilities in Kabul and Jalalabad. This group is at a comparatively high risk of experiencing social disintegration in public spheres as well as within their own families. As a response, there have been examples of them forming their own organisations – recently in Kabul, as already referred to in the pilot study – and more than ten years ago and with a more active membership in Jalalabad.

A major problem for these community organisations is the lack of tangible resources; nevertheless they have become significant institutions, organising self-help activities, articulating their demands and enabling them to link up with formal governance structures. The Jalalabad disabled union has appointed fifteen neighbourhood representatives – three in every district of the city (it also has members in rural districts of Nangarhar province) – which organise activities from their homes. A focus group discussion with eighteen participants in December 2004 revealed the following benefits of their institution:

- Dignity;
- Skills building;
- Health education and hygiene awareness;
- Prevention of disability;
- Arrangement of marriages;
- Enforcing interests and raising awareness in the society;
- Self-help; and
- Preventing exploitation of disability.

For many people with disabilities in Jalalabad, their union has already proven beneficial, and people who act as representatives of the network are clearly proud to do so.

Other examples of community-based activities include: efforts by poor urban dwellers to secure tenure, and groups acting as local decision-making bodies where needed. These activities do not happen in a very formalised manner – there are no registered groups facilitating collective action – but rather they are often a spontaneous reaction to a sudden threat. Even so, such collective neighbourhood actions have proven their potential to succeed in lobbying for their own interests, as was the case with the Abdul Haq Mena settlement in Jalalabad.

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4.   Linking themes to urban livelihood strategies

How do the interconnected issues of credit, tenure security and social networks affect urban vulnerability and livelihoods in Afghanistan? An important finding of the research carried out to date is that social assets and the ability to acquire resources by virtue of membership in social networks assume great importance for those urban poor who lack secure income opportunities and material assets. Effective social relations sustained by trust, common values, levels of reciprocity and solidarity are critical to: accessing to credit and alms; potentially enforcing collective interests; and mobilising tangible resources in times of crisis, including food assistance, shelter or job opportunities. At the same time, they are important for accessing housing and for securing tenure, as the case study of Abdul Haq Mena has shown.

The quality of social networks a household is able to maintain is critical to sustaining its livelihood, especially when it has insufficient tangible assets. The family as the basic social safety net has the most important role to play in this respect, and it is social relations beyond the family that usually provide an extra buffer in times of shocks and crises. For many households, social relations are a last resort in supporting them under extreme conditions of poverty, however these relations are not usually sufficient to allow them to rise above their poverty.

Social relations are both an asset and a livelihood strategy. People make use of these assets in accessing material resources, and, most importantly, social networks allow people to access to credit as a financial asset that assumes great importance for sustaining livelihood security. Under conditions of poverty, access to credit is often the only means of accessing of cash, which is reflected by the fact that virtually every household in the study sample accumulated a certain level of debt in order to make a secure living in the city. Smaller amounts of credit are, in many cases, crucial for ensuring food security, while petty trading and shopkeeping are completely dependent on functioning credit relations. Still, being in debt can be a major problem and in some cases put a heavy load on inter-household social relationships. Households usually attempt to not keep debts open too long, sometimes shifting them from one person to another to avoid overusing social networks. Many credit relations, however, resemble acts of charity, where the loan-giver does allow a household to repay according to its own situation.

Similarly, access to housing and tenure is facilitated through social relations and it is clear that housing is the most important physical asset for the poor in urban areas. Owning housing and secure tenure are perceived as the highest priority among poor urban residents, especially in view of continually rising rents, but even more so in gaining a secure footing in the urban economy.

Table 3. Urban livelihood strategies in relation to three key areas

Key areas	Social relations	Accessing credit	Land and tenure security
Livelihood strategies:	*Spatial clustering of family-related households* Relatives attempt to live in same neighbourhood *Maintaining family relations* Visiting each other, participating in lifecycle events *Establishing measures of mutual support* Collective childcare and cooking, emergency help, cooperation *Building informal neighbourhood groups (*shuras*)* Decision-making and problem-solving bodies, negotiating with municipalities, collective activities *Building vertical relations* Establishing relations with employers, traders, wealthy neighbours	*Accessing multiple sources* Avoiding overuse of networks, shifting of debts, raising bigger amounts *Accessing multiple types* Credit for emergencies, for regular consumption, for bride price, lifecycle events, for investment, for self-employment, both in cash and in kind *Different household members attempt to access different sources/types* Women working outside access new sources, good relations with local shopkeepers for regular food assistance, employers/dealers as emergency sources	*Physical asset building to secure tenure* Investing in solid housing in spite of uncertain future developments, aiming to guarantee tenure *Negotiating compromises with officials* Resisting forceful eviction, discussing with municipalities and government departments, attempting to enforce own interests *Readiness to invest in housing once tenure security is in place* Building solid housing in steps, gradually self-upgrading and extending living space, establishing a base in the urban environment
Livelihood strategies facilitate:	Risk-management Emergency assistance Enforcement of interests Empowerment Access to jobs Access to housing Access to alms	Emergency assistance Self-employment Food security Investment in housing and tenure	Social cohesion Social inclusion Foothold in urban economy Willingness to invest in solid housing Long-term urban perspective Capacity to construct durable self-built housing

Livelihood outcomes are influenced by a variety of factors. As this research progresses, meaningful indicators will emerge that will allow for a better understanding of livelihood outcomes and their impact on future activities, assets and conditions. Important in this respect is the question of change. Livelihoods are dynamic, and ongoing in-depth exploration of the different ways households manage and cope with immediate changes in a quickly evolving urban environment will be important in building deeper understanding of the potential capacities and strengths of the urban poor, and about the constraints that exist to realise this potential.

The preliminary findings of the study lead to the following:

- Households which are well endowed with social relations in a functioning family or clan network have easier access to credit and can rely on regular support and emergency assistance in times of shocks and crisis.

- Informal settlements are characterised by considerable social cohesion that seldom reaches beyond the immediate community.

- Social cohesion is facilitated by the livelihood strategy of spatial clustering of family-related households in an area.

- The urban poor living in heterogeneous neighbourhoods and those who establish good relations with an employer often can rely on predictable assistance in the form of alms and charity.

- Women with less restriction on mobility and working outside the home are better networked and are able to access additional sources of support.

- Access to different types of credit is crucial for securing a livelihood.

- Access to credit relies to a great extent on the quality of social relations.

- When given the opportunity, many urban poor develop the capacity to build their own solid housing.

- In some cases investment in housing serves as a strategy to secure tenure.

- In most cases, it is not rational for people to invest in housing under conditions of tenure insecurity.

- Own housing in a secure place provides a foothold in the urban economy and facilitates livelihood security (saving on rent, possibility renting out rooms, better chance to develop good neighbourly relations and build up social networks, facilitating home-based income-earning activities, stimulating investment in solid and permanent housing, possibility to gradually upgrade and extend own housing according to capacity, accommodating future generations, easing credit access, maintaining kitchen gardens, possibility of keeping livestock).

4.1   Relevance of preliminary findings

A number of implications for policy and practice can be derived from the preliminary findings of this research, particularly the crucial issues of securing housing and tenure rights and possible ways of delivering finance to the urban poor.

4.1.1 Informal settlements, housing and tenure

"The 'informal' is here to stay"[23] – this statement made in reference to the urban context of Mozambique is equally true for urban Afghanistan. It points to the fact that informal settlements are not necessarily illegitimate, but merely lacking regularisation. Instead of seeing the informal as illegal or non-conforming, it appears more appropriate to view informal settlements as an integral part of the city, a part that if supported can develop the potential to play a positive role in urban development. Evidence from preliminary findings clearly shows that dwellers in these settlements wish nothing more than to be granted a regular status, to which they also would be willing to contribute. This is in line with the goals set in the National Urban Programme (NUP), the main urban policy initiative in Afghanistan,

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[23] P. Jenkins, 2001, *Regularising "informality": turning the legitimate into legal? Land reform and emerging urban land markets in post-Socialist Mozambique*, N-Aerus Workshop "Coping with Informality and illegality in human settlements in developing cities", Leuven.

where an immediate objective is to raise awareness of the issues around informal settlements, and to seek solutions with relevant stakeholders. However, these issues around informal settlements – insecurity, not belonging, dislocation from wider urban infrastructure, makeshift housing, insufficient shelter, no access to basic services – are well known to its inhabitants. What is lacking so far is the political will to address these points directly and to start establishing a form of longer-term security for people living in informal settlements. Action needs to be taken from lead authorities like the Ministry of Urban Development and Housing and local municipalities – in spite of unclear relationships and apparent lack of coordination between the two, especially in Kabul.[24] Given the evidence arising from the preliminary findings of this study, the following steps forward appear most appropriate:

- ***Establish some form of long-term security of tenure by increased formalisation activities***. Secure housing and tenure rights are essential prerequisites for improving living standards and livelihood security among the urban poor. Any policy approach seriously aiming to build on the needs and priorities of poor urban dwellers in Afghanistan has to recognise this fact and to implement formalisation measures to turn the legitimate into the legal. Such undertaking potentially acts as a means of alleviating poverty, as it can set off a positive chain – with tenure security leading to increased economic opportunities (for instance access to greater credit with physical collateral, or saving on rent), which in turn may increase levels of physical consolidation of housing, and lead to neighbourhood identity, social cohesion and building of new social networks.[25] This process has already commenced in the new Kabul settlement of Brishnakot, where people have invested in solid housing to ward off eviction. Further, examples like the formalisation of Abdul Haq Mena in Jalalabad should have the potential to be replicated elsewhere. Initiating a process of widespread tenure regularisation would be an important step in removing constraints for the enhanced wellbeing of "informal" urban dwellers.

- ***Recognise the capacity of poor urban dwellers to construct their own houses, and harness these skills for urban development by enhancing service delivery to integrate informal settlements into greater urban life***. Building on these strengths and capacities requires creating a sense of belonging to the city – which can be achieved by increased regularisation and by connecting non-serviced areas to basic urban infrastructure. If given the chance to stay and to build with a long-term perspective, dwellers would be more inclined to allocate their resources to improving their housing. Supporting these efforts will foster internal social cohesion in neighbourhoods as well as wider integration into urban economy and society. In line with the long-term objectives of the NUP, this would be a first step towards recognising "informal" dwellers as full urban citizens. As such it should be considered how the construction of self-help housing could be encouraged and supported rather than posing recurrent threats of eviction. Urban planning approaches need to accept informal settlements as a fact, as a phenomenon which is here to stay and needs to be dealt with.

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[24] See Beall and Esser, 2005.
[25] See A. Kagawa (no date), *Policy Effects and Tenure Security Perceptions of Peruvian Urban Land Tenure Regularisation Policy in the 1990s*, Enschede, for the Peruvian context.

- ***Engage in communication with community delegations in informal settlements and seek solutions***. The example of Abdul Haq Mena in Jalalabad has shown that involving the community on equal terms in a negotiation process is crucial to finding feasible compromises for land titling approaches. Efforts to do replicate this process in other locations should be made. For example, a very urgent case is the IDP-camps in Herat City, which are in a very fragile state. People have no information at all about what will happen to them and their homes in the near future – they are only aware of the threat of imminent eviction. There are community councils present in the IDP camps, and these institutions need to be approached and peoples' needs and priorities taken seriously in order to find a solution to the problem.

  More generally, the label "IDP" needs to be removed from people living in those camps, not only in Herat. Many of these camps, Farmi Hada in Jalalabad being another example, have existed for more than a decade and people are now well adapted to urban life after their forced displacement. The term "IDP" connotes a temporariness that does not correspond with the fact that the dwellers having no intention of leaving. Removing that stigma would show a commitment to accept people as full urban citizens and not as a transitory phenomenon.

4.1.2 Pursuing integrated development approaches

This study highlights how social assets are key to many households managing a living in the city and coping with crisis and adversity. It is clear, however, that it is very difficult to impose social assets "from above" and that it is more beneficial to work with and support existing network structures. Given that secure income-generating opportunities are among the least accessible assets for poor urban populations and that infrastructure needs to be developed in informal settlements, ways to pursue integrated development approaches addressing multiple needs should be considered. These could employ communities to carry out much-needed infrastructure development in their own neighbourhoods, at the same time as providing income, infrastructure and social relations among people working together to improve their neighbourhood. Such schemes and interventions rely on the prior establishment of improved land policies that strengthen the rights of the urban poor and aim to integrate the informal into urban life.

4.1.3 Building financial capacity and social networks

Credit is crucial to the urban poor in making and improving a living in the city. The study found that most people are able to access smaller credit, but many often face difficulties repaying it, which in turn may force them to engage in asset depletion, early child marriage or illicit activities. Moreover, inability to repay loans places high pressure on social networks and relations. The Microfinance Investment Support Facility for Afghanistan (MISFA) aims to build up financial capacity by offering conditional, small cash loans to be used for business activities. These loans involve a "service charge", which may make them difficult for the urban poor to access.

The study observed many strategies of accessing credit on a non-cash basis. Interestingly, it is these non-cash credits like *ograyi* and sometimes also *mozarebat* that are mainly used for business activities, whereas cash credits such as *qars-ulhasana* (which may also involve in-kind credits such as food from shopkeepers) are mainly used for consumption purposes, lifecycle events, health expenditure or

emergencies. It is worth considering ways of leveraging these existing non-cash "credit for business" strategies, for example by providing loans in the form of productive assets such as livestock, wheelbarrows or shop equipment in order to promote income-generation activities.

Access to cash, however, remains crucial in the urban economy, and one way of creating greater opportunities to access cash would be if communities raised finance among themselves and redistributed it through their own initiative. That this indeed is possible among low-income groups is evident in the example of the washermen caste in the north Indian city of Varanasi, which runs a number of collectively organised credit cycle or savings schemes. A large number of households participate in these schemes which are able to raise substantial sums of cash by pooling small amounts of money on a monthly basis. The pooled money is redistributed regularly to two participating households at a time which then receive a considerable sum of money, and the scheme continues until every household has had its turn of being paid from the common cash pool.[26] This system requires high levels of trust and responsibility as well as good organisational skills, but at the same time it builds up these attributes. Apart from increasing financial capacity, it also contributes to social cohesion and the building of social networks.

Could it be possible to learn from this successful Indian example, and to set up similar schemes in Afghan cities? What would be needed is an initiative to set up, promote and guide the credit cycle schemes until communities develop the capacity to run them independently. Given the degree of social cohesion already present in many urban neighbourhoods, there may well be a good chance to do so.

4.2   Outlook

Field research is ongoing, and monitoring the households under study through the coming winter (2005–06) will provide further evidence of livelihood strategies and how they evolve over time. This will enable an assessment of the factors influencing individual households' movements along the continuum of endurance, growth and security, leading to a set of reliable indicators that are better able to explain varying livelihood situations among the urban poor in Afghanistan.

Apart from further exploring the key issues dealt with so far, important questions that will be addressed in the course of remaining research include:

- What are the immediate changes in people's lives (in activities, endowments, conditions and outcomes), how these are induced, what and who induces them, and how do people cope with and adapt to change?

- How do other factors not explicitly dealt with in this paper influence livelihood security, for example: human assets (health, education, skills, local knowledge); household composition (in terms of gender and labour force); and varying degrees of income diversification and income security?

- How do intra-household relations and dynamics influence livelihood security both on the individual and household level?

- How do household economics develop and change over time?

- What significance do urban–rural linkages have for urban livelihood security?

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[26] For more detail, see Schütte, 2003.

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