Afghans have been enduring the adverse consequences of forced displacement for decades, way before the current “refugee crisis” gained the international spotlight with the surge of asylum seekers trying to escape conflict in Syria. Afghanistan is not only the country with the largest number of refugees in protracted exile, but it is also facing a sharp increase in displacement trends due to the escalation of internal conflict. It is estimated that 2.5 million registered Afghan refugees remain in neighboring countries, with a possibly equal number of undocumented migrants with similar protection needs in Iran and Pakistan. Internal displacement is no less of a problem, with an estimated 1.2 million IDPs’ population potentially in need of humanitarian assistance.

Despite the continuous deterioration of the security situation within Afghanistan, a shrinking asylum space within the international community and changes in the geopolitical equilibrium at the regional level have recently spurred the return (mostly involuntary) of thousands of refugees and asylum from Pakistan and, in lower numbers, from Iran and Europe. As of September 7th, returns from Pakistan alone account for 98,000 registered and 135,000 undocumented Afghans; additional 400,000 are expected to return by the end of the year joining the growing stock of IDPs.

The need for managing and protecting displaced populations is taking place in a country lacking a system of safety nets and suffering from a severe economic crisis that has pushed at least 1.3 million additional Afghans into poverty, and triggered a three-fold increase in unemployment between 2012 and 2014. Can Afghanistan manage the ongoing displacement challenge? Can the country absorb and successfully reintegrate displaced populations under the current security and economic circumstances? What priorities should the government and the international community address?

To answer these questions it is necessary to assess Afghanistan’s past experience with conflict and displacement, as well as the main structural challenges that shape the country’s future.

**LEARNING FROM THE PAST**

**Afghanistan has a long history of protracted international displacement.** Afghans fled by the millions—mostly towards Iran and Pakistan—in the aftermath of the Soviet invasion of 1979; some returned to Afghanistan in the early 1990s following tightening of asylum conditions in receiving countries, while Afghanistan’s civil war and the advent of the Taliban reignited a new exodus to neighboring countries. The toppling of the Taliban regime in 2001 marked the beginning of a massive wave of returning Afghans. Between 2001 and 2015, UNHCR assisted the return of 4.8 million Afghans, and many more returned without official assistance. An estimated 20 percent of the total population currently residing in Afghanistan is made up of returnees.
FRAGILITY AND POPULATION MOVEMENT IN AFGHANISTAN

Returns were concentrated in time and space, thus posing a disproportionately large challenge to the absorption capacity of some districts and provinces (Figure 1 and 2). While the local impact of a massive influx of refugees, and the capacity to reintegrate, depends on a range of factors, one thing is clear: local absorption capacity certainly has a limit. Once the limit—which could vary by time and area depending on local circumstances—is reached, competition over resources could trigger or reinforce pre-existing causes of conflict, especially since institutions are weak. In 2007, districts that had received the largest influx of returnees relative to the local population were more likely to suffer higher insecurity (Figure 3). Over time, intensification of conflict and saturation of local absorption capacity have also determined the progressive increase in secondary displacement among returnees. Tellingly, the incidence of internal displacement among the returnees who came back in 2013 is twice as high compared to those who returned in 2002, despite the fact that returnees in 2002 were almost 50 times more than in 2013 (Figure 4).

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**Figure 1** Assisted returns to Afghanistan

![Assisted returns to Afghanistan](chart1)

Source: UNHCR Assisted Returns

**Figure 2** Share of returns up to 2007, by district

![Share of returns up to 2007, by district](chart2)

Source: UNHCR; CSO population statistics

**Figure 3** Incidence of returns and severity of conflict at the district level, 2007

![Incidence of returns and severity of conflict at the district level, 2007](chart3)

Source: Authors’ calculation based on UNHCR and SIOCC-UNDSS data

**Figure 4** Share of secondary displacement, by year of return

![Share of secondary displacement, by year of return](chart4)

Source: Authors’ calculation based on ALCS 2013-14

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The increase in secondary displacement among returnees is a strong sign that the country’s capacity to absorb and reintegrate additional inflows of returnees was already overstretched before the surge of recent months’ returns. While no data are currently available on the incidence of secondary displacement among post-2013 returns, there is no reason to believe trends will be reversed: **a higher number of returns from abroad will likely result in an increase of internal displacement.** In particular, the continued deterioration of the security situation and the economic crisis in Afghanistan are likely to further challenge the reintegration of more recent returns. Moreover, the increased competition for humanitarian assistance at the global level, together with a shrinking space for asylum internationally are likely to further complicate the management of Afghanistan’s current displacement crisis.

**RECOGNIZING STRUCTURAL AND PRESENT CHALLENGES**

Afghanistan’s capacity to manage displacement has to be appraised in relation to the country’s structural and present challenges.

**Fragility and conflict** are Afghanistan’s first structural challenge. If peace and stability are pre-requisite for development to take place, Afghanistan is (still) missing both. According to the Global Peace Index, in 2016 the country ranks the fourth less peaceful after Syria, South Sudan and Iraq. Moreover, decades of conflict have had a destabilizing effect on the social cohesion of the country, exacerbating ethnic divisions and weakening government institutions and rule of law. Similarly, decades of conflict have depleted Afghanistan’s physical and human capital which, despite the progress achieved since 2001, will constrain its growth prospects for decades to come.

Second among its structural challenges is **Afghanistan’s demographic profile.** With a total fertility rate of about 5.3 children per woman in 2014, and a population growth rate of approximately 3 percent per year between 2010 and 2015, Afghanistan has the youngest population in South Asia: **48 percent of Afghans are below the age of 15.** Equally, Afghanistan has the highest youth bulge of any country in the region, and the third highest youth bulge worldwide after Uganda and Chad: **more than one fifth of the adult population in Afghanistan is aged between 15 and 24.** A young and growing population can be both a challenge and an opportunity, depending on a country’s ability to invest in human capital and productively employ its growing labor force.

**Figure 5** Youth Dependency ratio and youth bulge in Central and South Asian Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>(0-15)/(Total Pop.)</th>
<th>(15-24)/(15+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>37.8</td>
<td>29.4</td>
</tr>
<tr>
<td>Pakistan</td>
<td>35.0</td>
<td>28.8</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>34.8</td>
<td>27.6</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>32.7</td>
<td>26.0</td>
</tr>
<tr>
<td>Nepal</td>
<td>31.1</td>
<td>26.2</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>31.4</td>
<td>28.8</td>
</tr>
<tr>
<td>India</td>
<td>29.4</td>
<td>27.5</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>26.7</td>
<td>26.0</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>26.1</td>
<td>26.7</td>
</tr>
<tr>
<td>Maldives</td>
<td>28.8</td>
<td>26.9</td>
</tr>
<tr>
<td>Bhutan</td>
<td>26.9</td>
<td>26.7</td>
</tr>
<tr>
<td>Pakistan</td>
<td>26.4</td>
<td>26.7</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>24.6</td>
<td>23.6</td>
</tr>
<tr>
<td>Iran</td>
<td>20.4</td>
<td>20.8</td>
</tr>
</tbody>
</table>

Sources: ALCS 2013-14 and UNDESA (2015)
In the case of Afghanistan, a young and growing population poses tremendous challenges to its public finances, already stretched by limited revenues potential and massive security spending needs. Fiscal analysis shows that, with the current population growth, Afghanistan will need to increase human capital investments by 12 percent every year just to maintain current (inadequate) education outcomes. Similarly, a growing labor force requires the labor market to absorb approximately 400 thousands new entrants per year. Labor demand strong enough to be able to accommodate this many workers requires sustained economic growth, which, at the moment, is beyond the country's capacity given its fragility and security constraints.

Afghanistan is currently facing a deteriorating conflict and a severe economic crisis which further limits the fiscal space for development spending and targeted social assistance. Violence increased to a post-2001 high of 18,414 incidents and 6,791 civilian casualties in 2015, while an increasing proportion of Afghanistan's territory either fell under control of the anti-government elements or is currently affected by conflict. Decline in international spending due to the drawdown of international military forces, together with the deterioration of the security situation, led to severe contraction in growth. GDP growth rate was 1.3 percent in 2014 and 0.8 percent in 2015 compared to an average of 9.8 percent per year from 2003 to 2012.

A sharp increase in poverty has accompanied the slowdown in growth. Lacking any safety net system able to help households manage the economic downturn, the poverty rate increased from 36 percent in 2011–12 to 39 percent in 2013–14. Similarly, labor market indicators deteriorated markedly, with a three-fold increase in the unemployment rate over the same period. In 2013–14, the national unemployment rate was 22.6 percent and youth unemployment was 28 percent, representing one-half million male youth unemployed, two-thirds of which were living in poor rural areas. High male-youth unemployment is a concern because of its potential to increase poverty and conflict. A growing body of literature recognizes the direct correlation between youth bulges, lack of socio-economic inclusion and conflict. An in-depth analysis of the effects of youth bulges on a variety of conflicts between 1950 and 2000 shows that youth bulges can cause conflict. Further, the risk of domestic armed conflict from a youth bulge becomes more severe when combined with economic stagnation and institutional fragility.
Conflict and narrow economic opportunities are familiar to Afghans. For decades, Afghans have coped with shocks from protracted conflict, insecurity, and the inherent uncertainty associated with agricultural livelihoods. Faced with frequent shocks and uncertainty, Afghan households have developed a set of risk management strategies and risk coping mechanisms. Traditionally, migration is at the core of the risk management strategies adopted by Afghan households. Approximately two in three Afghans have changed residences during their lifetimes. Over the past decades, millions of households have moved internationally to seek shelter from conflict. In the process, they established a complex network of socio-economic ties with neighboring countries, notably within Iran and Pakistan. Whole Afghan households have also abandoned rural areas in favor of urban areas in search of greater security, better employment opportunities, and access to services. This has contributed to exponential growth of major urban centers, especially Kabul, Afghanistan’s capital city. Young, productive men have also migrated on their own—either within Afghanistan or internationally—to diversify income sources and support their households through remittances.

Given the complex and intertwined set of challenges faced by the Afghan population, motives of migration are hardly univocal. Migration is part of a broader livelihood strategy at the household level aimed at counterbalancing insecurity and the lack of local employment opportunities. Analysis shows that households who feel more insecure in their district of residence are more likely to have economic migrants abroad; but increase in real violence actually decreases the likelihood to have a single member migrate, possibly due to increased need for protection, or due to the fact that the entire households decides to move. Households with better economic outcomes are less likely to rely on economic migration; on the other hand, households with higher labor market vulnerability or with excess labor are more likely to diversify income sources through the migration of a male household member.

Results of the analysis also confirm that economic migration is a strategy more easily accessible to households who can “afford its costs”. In particular, having access to migration networks—which is likely for returnee households or households who have directly experienced economic migration—reduces the costs of migration and increases the probability of household members working abroad. Similarly, relatively richer households are more likely to have individual migrants as they are more likely to have resources to support the costs of sending migrants abroad.

These findings suggest that, despite overall benefits, migration might have less positive outcomes for the poorest and most vulnerable segments of the population. International evidence shows that while migration reduces poverty, the poor tend to migrate less or to migrate to low-return destinations because they lack opportunities or resources (monetary or human capital) to take advantage of better paying jobs. Moreover, migration outcomes are likely to differ depending on the forced versus voluntary nature of the decision to move.

Poverty and protection needs are widespread and largely unmet in Afghanistan. With 39 percent of the population unable to satisfy basic food and non-food needs (that is, are “poor”), and in the absence of formal safety nets to help households cope with shocks, migration is seldom the result of voluntary choice. Rather, migration is primarily the result of “push factors” related to insecurity and lack of socio-economic opportunities. In this context, mobile households are not the only vulnerable segments of the population, and the structural factors that cause poverty in the general population overlap with those afflicting migrants.
TAKE STOCK OF THE EVIDENCE

Displaced populations

Forced displacement has been a tragic consequence of past decades of conflict in Afghanistan and it is likely to connote its immediate future due to deteriorating security and regional equilibrium. Assessing the welfare and integration of displaced households that are currently living in Afghanistan provides important insights on the challenges that future IDPs and prospective returnees might face.

Household mobility—irrespective of its forced and/or economic motives—is associated with urbanization (Figure 8). IDP and returnee households predominantly settle in urban centers, joining a throng of economic migrants escaping rural areas in search for jobs and better access to health and education. IDP and returnee households are also more likely to have a literate household head compared to households who did not move and to households who have moved for economic reasons, reflecting better access to education returnees might have had in asylum. However, IDPs—similar to non-mobile households—have very limited labor market outcomes. Heads in IDP households are in fact more likely to be either engaged in vulnerable forms of employment or to be unemployed and/or underemployed. Returnee households are more likely to have a member working abroad and sending remittances, possibly taking advantage of networks established while in asylum.

Poverty and vulnerability are widespread in Afghanistan. Mobility—irrespective of its forced and/or economic motives—is associated with a lower risk of poverty (Figure 9); returnee households have a significantly lower poverty risk compared to non-mobile households. The poverty rate among returnee households is 29.4 percent compared to 40.5 percent among non-mobile households. This lower poverty risk, however, is entirely explained by differences in literacy and in urbanization, with refugee households being more likely to have a literate household head and to live in an urban area compared to non-mobile households.
Evidence suggests that literacy and human capital of mobile households are the main determinants of their socio-economic inclusion. Further, the risk of poverty for mobile households—irrespective of the motives for migration—depends on the same factors that affect the risk of poverty in the Afghan population as a whole. As a matter of fact, nearly 70 percent of the working age population in Afghanistan is illiterate, with illiteracy being widespread among the poorest segments of the population. Abysmally low literacy and overall poor human capital of the adult population are impediments to poverty reduction in Afghanistan. With conflict and displacement likely to continue in the near future, the relevant policy question is: how does mobility, and forced displacement in particular, affect human capital accumulation?

There is no a priori answer to this question, as the effects depend on balance between improved access to services as mobile households settle in urban areas and the migration’s costs (economic, social, psychological among them) that decrease investment in human capital. Available evidence from the study of former refugees residing in Afghanistan in 2013–14 shows that mobility during the decades before the fall of the Taliban had a positive effect on returnee literacy. Despite progress during the last decade, Afghanistan’s education supply and quality lag—that of neighboring countries. As a result, Afghans who were born abroad had better access to education than same-aged Afghans who did not move, particularly for older returning Afghans.

On the other hand, internal displacement has a negative impact on children’s human capital accumulation. In particular, regression analysis shows that children aged six to 15 in IDP households are 8.5 percent less likely to be enrolled in school, and that such disadvantage is particularly severe for the first two years of residence in a new destination. Such result is in line with findings of previous analysis showing that poorest and most vulnerable households in Afghanistan are more likely to adopt harmful coping strategies, such as selling their productive assets or taking children out of school, when hit by a shock. In this sense, displaced households might be more vulnerable to the risk of engaging in harmful coping strategies in the years immediately following displacement while adjusting their livelihoods to the new destination.
Individual economic migration

There is a paucity of data to study the importance of individual economic migration as a livelihood strategy\(^6\). In line with anecdotal evidence and prevailing cultural norms, economic migration is an exclusively male, and mostly youth, phenomenon. The incidence of economic migration has varied over time, in line with the overall performance of the Afghan economy and its labor market (Figure 11). Interestingly, while migration has been increasing in recent years, the number of economic migrants in 2013–14 was 40 percent less than that in 2007–08. This may be due to increased difficulty in accessing resources for leaving the country, or due to deterioration of economic opportunities in Iran\(^9\), which nevertheless remains the most likely destination for Afghans seeking work abroad (Figure 12).

![Figure 11 Trends in individual economic migration](image1)

![Figure 12 Destination of migrant workers, by survey year](image2)

The number of migrants choosing to migrate to “Other” farther away destinations (mainly Europe and Australia) is much higher in 2013 than it was in 2007, increasing from ten to almost 19 thousand, reflecting the deteriorating economic and political environment in neighboring countries and possibly the availability of new migration routes spurred by the Syrian refugee crisis. Afghans choosing to seek employment opportunities abroad come predominantly from rural areas, a tendency that has been strengthening along with deterioration of economic and security conditions outside urban centers.

The education profile of migrants reflects the predominance of “push factors” in migration choices, with no evidence of positive self-selection\(^7\). In particular, using the male population aged 15–35 as a reference, migrants have less education whether they come from rural or urban areas. Such findings could also suggest that migration options and networks are more broadly available for low-skilled occupations\(^8\), particularly in neighboring Iran and Gulf Countries. Migrants choosing farther destinations are more likely to be educated. Sorting into destinations based on migrants’ education is likely to reflect higher costs associated with the journey (transport, smugglers, time...) as well as the skills and connections necessary to obtain

Economic migration is a male-youth phenomenon.
The importance of individual economic migration in Afghan households’ livelihood strategy is confirmed by data on remittances. The vast majority of economic migrants send remittances. In 2013–14, 80 percent of Afghans who left the household seeking employment opportunities abroad had sent remittances, contributing on average about 70 percent of total labor income to their household. Such numbers are striking, especially when considering that the information on remittances is collected on household members who left just during the year preceding the survey. This implies that over a very short period of time the vast majority of migrants were able to find employment and contribute to the welfare of their households in Afghanistan. Remittances’ amounts vary by destination country, reflecting differences in the education profile of migrants and in local wages. On average, remittances are approximately 8600 Afhs per month, in line with the average monthly income of a male worker below the age of 35 in Afghanistan. However, the median value of remittances is 20 percent lower, confirming the prevalence of low-skilled workers among migrants.
MAIN MESSAGES AND RECOMMENDATIONS

Afghanistan is facing a severe security and economic crisis. This crisis is taking place in a context already complicated by an explosive mix of population growth, excess labor supply, widespread poverty, poor governance and lack of government capacity and financial resources to respond to the needs of its citizens. While Afghans have traditionally relied on migration to navigate times of distress, their options are shrinking at a time when needed the most; Iran is slowly recovering from an economic crisis, Pakistan is imposing strict border controls, and Europe is struggling with a political backlash resulting from the large mixed-migratory flows from Syria, Afghanistan and Sub-Saharan Africa.

The available evidence suggests that “push factors” are the primary motivators for migration both within and outside Afghanistan. While migrants might choose where to go depending on available opportunities, leaving is more of a necessity, rather than a choice. With rampant unemployment and escalating conflict, security and economic motives are two sides of the same coin. Can these flows be contained or reversed? The past history of displacement and returns to Afghanistan indicates the potential destabilizing effects of increasing population pressure on limited local resources. Given the increase in secondary displacement among more recent waves of returnees, local absorption capacity appears already overtaxed. Additional returns from Pakistan, Iran, or Europe are likely to result in further secondary displacement, unemployment, and instability. In such context, the international community should increase its advocacy to ensure voluntary, safe, dignified, and phased returns as further population shocks could undermine civilian and military aid efforts and further escalate conflict. Peace and stability in Afghanistan are not only a pre-requisite for its development but also a global public good. If no country or institution alone has the capacity to help Afghanistan manage its displacement issues, the international community as a whole should mobilize resources to assist those countries such as Pakistan and Iran who have shared the burden for decades, conditioned on continued willingness to host refugee populations. Similarly, the international community as a whole should support the development of legal channels for temporary economic migration and more effective management of asylum requests which could help Afghanistan overcome its current crisis and ease its structural challenges.

Second, evidence suggests that factors affecting poverty risks among mobile households are the same as the one observed in the general population. As Afghanistan’s context is characterized by widespread poverty and the degree of destitution among mobile households is not dissimilar from the rest of the population, targeting needs should be preferred to targeting categories, not to create perceptions of unequal treatment that may exacerbate social fragmentation. Such approach might be particularly important as the government and international community move towards a developmental approach in the management of displacement issues. As the fiscal space for social spending shrinks, consolidation of interventions should contribute to the development of a nationwide safety net system aimed at helping household cope with risk and, possibly, at reducing some of the causes of displacement.
Third, particular attention should be devoted to minimizing any possible negative impact of displacement on human capital investments for future generations. Evidence suggests that the lack of human capital is the main determinants of the risk of poverty and that households are likely to respond to negative shocks by pulling children out of school. While a comprehensive safety net system could help mitigating such negative consequences, bureaucratic barriers such as residency status and transferability of school records could negatively impact displaced or, more generally, mobile populations. Moreover, given the prevalence of mobility and displacement in Afghanistan, greater focus should be devoted to investing in functional literacy and skill-development programs that display greater portability and provide displaced individuals with greater access to economic opportunities, wherever they end up being.

Lastly, evidence suggests that migrants will likely continue to converge towards Afghanistan’s urban centers as they seek better security, jobs, and services. Urbanization trends require immediate intervention by local authorities to increase shelter capacity and access to services. National and provincial authorities should further recognize that, in the medium and long term, local integration in urban and semi-urban areas is inevitable and it requires adequate planning to maximize the returns from urban agglomeration, for example by investing in connectivity and accessibility, while ensuring access to basic services and a minimum standard of living.

ENDNOTES

2. Based on UNHCR assisted returns data, 78 percent of returns occurred between 2002 and 2006. Districts with “high” intensity of returns in 2007 had an average share of returnees over the population of 70 percent.
3. Returnee households are considered to have “reintegrated” successfully if they were able to return to the place where they used to live before displacement, and if they were able to achieve—on average—socio-economic outcomes and legal protection in line with those of the local/host population. Household ability to reintegrate successfully might depend on several factors related to the social, economic and institutional conditions prevailing in the host community, as well as on the physical, human and social capital accumulated by returnee households while in asylum, and on their returns “on arrival”.
4. According to NRVA 2007–08 data, approximately 85 percent of Afghan households reported to have been negatively affected by a “large influx of returnees” during the 12 months preceding the survey.
5. Demographic and Health Survey (2014).
6. The youth bulge is defined as the share of youth aged 15–24 to the adult population aged 15+.
7. Growth is expected to remain slow over coming years, reflecting weak demand, increasing output gap and the lack of fiscal space for increasing social transfers in order to boost short-term economic growth (World Bank, 2016; Navigating Risk and Uncertainty in Afghanistan).
9. Low-technology, rain-fed agriculture remains the country’s primary sector of employment, especially for its poorest and more vulnerable people.
11. Probability of having a household member abroad was estimated using a Linear Probability model and ALCS 2013–14 data. Controls include a dummy indicating whether the household feels insecure in the district of residence; the number of security incidents per thousand inhabitants in the district of residence; composition and employment outcomes at the household level; dummy variables identifying returnee households, IDP households and households migrating for economic reasons; a dummy indicating urban residence and quintiles of a wealth index to proxy for household welfare.

13. The share of literate household heads in IDP households decreases to 43 percent when excluding secondary displacement, i.e. returnees who have been internally displaced upon return and that were IDPs at the time of the survey.

14. Due to a relatively small sample size, the poverty rates of IDP and economic migrant households are estimated with lower precision, and therefore the difference in poverty rate compared to non-mobile households is not statistically significant.

15. Afghanistan is characterized by sizeable differences in access to education between rural (low) and urban areas (high). As detailed in the 2015 *Poverty Status Update* report, urban/rural differences account for approximately one-third of differences in education opportunities for Afghan children.

16. Probability of being in school was estimated using a Probit model and ALCS 2013–14 data. Controls include sex and age of the child; composition and employment outcomes at the household level; dummy variables identifying returnee households and IDP households; whether the household has migrants and receives remittances; quintiles of a wealth index; urban residence and quintiles of an index indicating the severity of conflict in the district of residence.


18. Some useful information can be obtained from the three available and comparable rounds of the Afghanistan Living Conditions Survey (ALCS) conducted in 2013–14, 2011-12 and 2007–08 which collect information about household members who have left the household in the 12 months preceding the survey and about their reason for migrating.

19. The collapse in oil prices had a strong impact on Iran’s economy, further magnified by international sanctions imposed in 2011. Limited employment opportunities, a weaker exchange rate, and progressive reduction in universal subsidies (notably electricity) might have affected the returns of economic migrants choosing Iran as a destination, and possibly the choice of trying to reach Europe.

20. Unfortunately, information on the education and employment outcomes of individual migrants was only collected in 2007-08, so it is not possible to assess any changes in migrants’ profiles.

21. In 2007–08, migrants abroad were mostly employed as day laborers (82 percent) and salaried employees in the private sector (12 percent).