



## Center for Strategic & Regional Studies

Kabul

### **Weekly Analysis**-Issue Number **185** (December 3-10, 2016)

Weekly Analysis is one of CSRS' publications, which significantly analyses weekly economic and political events in Afghanistan and the region. The prime motive behind this is to provide strategic insights and policy solutions to decision-making institutions and individuals in order to help them to design best policies. Weekly Analysis is published in local languages (Pashto and Dari) and international languages (English and Arabic).

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## Preface

Recent surveys show that the level of people's pessimism in the Afghan government is increased and very little number of people believes that the country is moving in the right direction. In 2015, more than 36% of Afghan believed that the country is moving in the right direction, while in 2016, this number is decline to less than 30%.

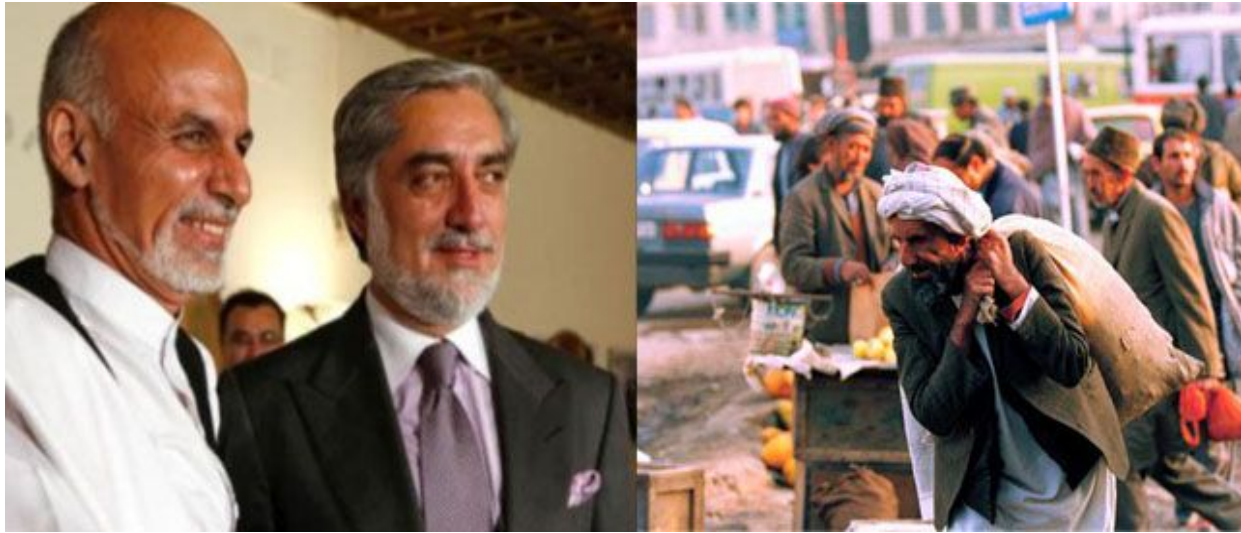
Public loses confidence in the government while the country is confronted with challenges in various areas. The NUG's peace policies, largely, has failed, casualties are on the rise, economy situation is deteriorating and the government has also failed in its struggle against corruption.

What was the situation in the country in 2016? In which fields have people lost confidence in the government? Moreover, what were the government's policies in these fields? These questions are answer in the first part of the analysis.

In the second part of the analysis, you would read about the high rate of unemployment in the country. The increasing rate of unemployment in the country is also one of the areas that the NUG has failed to tackle. In a ceremony attended by many Afghan youth, President Ghani promised to the Afghan youth that he would seriously work to provide work opportunities for them. What is the unemployment rate in the past one and a half decade? What has the government done to address unemployment? In addition, what constructive measures should have been held to create job opportunities?

In the last part of this issue, you would read a brief announcement about the completion of the CSRS's research and analytical report- "Afghanistan in the past one and a half decades".

## 2016 and lack of public confidence in the NUG



For the past ten days, some remarks are made and the findings of some researches are released about Afghanistan. In the two-day meeting of NATO members' foreign ministers in Brussels, where the Afghan foreign minister Salahuddin Rabani had also participated, and three demands were made from the Afghan government, one of which was to tackle corruption in Afghan governmental administrations.

In the meanwhile, the Integrity Watch of Afghanistan (IWA) also released its fifth national survey on corruption. According to the survey, compared to 2014, corruption and bribery has 50% increased this year.

On the other hand, Asia Foundation has also released its 2016 survey of the Afghan people, which shows that 29.3% of the people believe that the country is moving in the right direction, the lowest level of optimism since 2004. In response to this survey, the Afghan presidential palace also released its statement saying in some areas people's trust in the government has increased and this survey was conducted while there is war in the country. "The high level of people's expectations from international community and the Afghan government plays an

important role in people's perception from the situation... but the Asia Foundation has paid little attention to this aspect,"<sup>1</sup> stated the statement.

How is the general situation of the country? In which areas people do not have confidence in the government? In addition, how were/are the NUG's policies in these areas? These are the questions that are answered here.

### **General situation in the country in 2016 and areas of people's mistrust**

Compared to 2015, in 2016, the general situation in the country improved in some areas and deteriorated in some other areas, which are analyzed here:

#### **Economy:**

Based on the reports of the World Bank and Asian Development Bank, in 2015, the country's GDP growth was 0.8% and in 2016 it increased to 1.2%. Although in 2015, prices were gradually falling, but in 2016, due to higher prices of energy and food and devaluation of Afghani, prices began to rise. In 2015, the Afghan government's revenue was equal to the 10% of the country's GDP; but in the first eight months of 2016, the Afghan government's revenue was 30% more than the same period in 2015. Even though, no exact surveys and statistics regarding unemployment rate in the country are in hand, but Asia Foundations' survey signifies that unemployment is the second major problem of the people and the first major problem of youth.

It is due to the above mentioned economic situation that according to Asia Foundation's 2016 survey 65.9% of the people believe that the country is moving in the wrong direction. After security situation, unemployment (27.5%), deteriorated economy (10.4%), lack of reconstruction (4.8%) and higher prices (2.9%) were the main factors behind people's pessimism.

#### **Security:**

From January to 15 August 2016, approximately 16132 security incidents have occurred in the country, 61.3% of which was armed conflicts and 17.96% was

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<sup>1</sup> Read the presidential palace's statement here:  
<http://president.gov.af/ps/news/288322>

explosions<sup>2</sup>. In 2015 and 2016, the Taliban's spring and winter operations did not change. In addition, in 2015 and 2016, Taliban's war tactics changed and besides remote areas, they began to capture cities and tried to keep their control over the captured regions. Based on this tactic, the Taliban captured Kunduz city twice in the past two years and they had almost captured Laghman, Helmand, Farah and Nimroz's centers as well. That was the reason why the foreign troops were deployed to Kunduz, Helmand and Kunduz to conduct operations.

Furthermore, from January to 30 September 2016, approximately 8397 civilians died and injured, which indicates a 1% increase compared to 2015<sup>3</sup>. On the other hand, in 2015, overall 5000 Afghan soldiers were killed and 15000 others were wounded while in 2016 their casualties have 20% increased and only in July 2016, 900 Afghan soldiers were killed<sup>4</sup>.

For the same reason, the Asia foundation's 2016 survey from the Afghan people shows that security was the biggest problem in all over the country. Based on the survey, 73.6% of the people believed that security is the main reason behind people's migration from the country.

### **Peace:**

In 2015 and 2016, many efforts were made to ensure peace in the country. In 2015, the Urumqi and Murree direct talks were the most important peace efforts; but in 2016, Quadrilateral Coordination Group's (QCG) meetings were the main peace efforts. The QCG had five meetings regarding the Afghan peace process, but despite the promises of Pakistan, the Afghan government did not enter into direct talks with the Taliban nor did Pakistan fulfilled its commitments made in the QCG meetings regarding taking tougher measures against the groups that were not ready to join the peace process. Thus, lack of sincere peace efforts resulted in people losing confidence in the government.

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<sup>2</sup> United Nations, General Assembly, The situation in Afghanistan and its implications for international peace and security, A/70/1033/-S/2016/768 (7 Sep 2016), p: 4-7

<sup>3</sup> UNAMA released its report on civilian casualties in the first nine months of the years, read more in tolo news's website: <http://www.tolonews.com/pa/afghanistan/27886-un-release-new-report-over-civilians-casualties-calls-for-protection>

<sup>4</sup> Although these statistics are provided by NATO and no third party has confirmed it, read more here: AFP, Casualty rate soars for Afghan security forces: NATO, Daily Mail, 25 August 2016, see it online: <http://www.dailymail.co.uk/wires/afp/article-3758859/Casualty-rate-soars-Afghan-security-forces-NATO.html>; Abdul Wali Arian, Casualties Among Security Forces on the Rise, Tolo News, 1 Sep 2016, see it online: <http://www.tolonews.com/en/afghanistan/27044-casualties-among-security-forces-on-the-rise>;

## **Corruption:**

Before the formation of the National Unity Government (NUG), Afghanistan was ranked the second most corrupt country in the world in the corruption index of Transparency International. But after the formation of the NUG, due to some measures taken by the government, Afghanistan fell in the ranks of the most corrupt countries and was positioned the fourth most corrupt country in the world for better. But later due to unstable and uncoordinated anti-corruption policies of the government, once again, Afghanistan lost scores in fight against corruption.

In addition, IWA released its fifth national report on corruption. The report shows that people have spent \$3bn in bribing officials, which signifies a 50% increase compared to 2014<sup>5</sup>. This amount of bribe is more than the amount that the Afghan government has announced to have collected as a revenue in 2016.

The Asia Foundation and IWA's surveys, therefore, show that after insecurity and unemployment, corruption is the third major problem of the people.

## **Evaluation of the NUG's policies**

The NUG has made some efforts in the above mentioned areas. For instance, the Afghan government had some achievements in economic fields such as TAPI and CASA-1000 projects, Chabahar port deal, trade between Afghanistan and China through railway, the Afghanistan-Turkmenistan railway, the railway between Afghanistan and Iran, the reconstruction of some dams, finalizing the Lappis Lazuli route agreement, the "National Employment Program" to end unemployment in the country. But due to government's inefficiency, the ongoing situation in the country and environmental reasons, the country's economic growth level was very low. The Afghan Ministries did not spend their budgets properly and, therefore, 7 Afghan ministers were dismissed by the Afghan parliament. Based on

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<sup>5</sup> See IWA's statement about its 2016 survey here:  
<https://iwaweb.org/ncs2016u/>

the media reports, up to 14000 posts are still unoccupied while people are migrating to Europe due to high rates of unemployment in the country<sup>6</sup>.

The Afghan government's peace efforts were, to a great extent, regional and mostly relied on Pakistan. The armed oppositions in Afghanistan has strongly opposed and rejected peace talks through regional countries; therefore, the NUG failed in its policy of peace. But recently, it seems that the Afghan government is paving the way for face to face talks with the Taliban. News had been published in the media that the Afghan Taliban have met the Afghan government's representatives in Qatar. Moreover, uncoordinated peace policies of the NUG were another challenge that the NUG was confronted in its peace efforts.

Concerning its security sectors, the Afghan government still, largely, relies on foreigners, that are why after the first and the second collapse of Kunduz and during the war in Lashkargah in Helmand, the foreign troops returned to the battlefield and saved these regions from falling. The NUG has many failures in areas of security, which are the consequences of poor leadership in military ranks, failure of the peace policies, corruption and incoordination between the government and security forces.

Although the NUG has held some measures to fight corruption, but corruption in the Afghan administrations is yet to decrease. Moreover, the NUG's uncoordinated and contradictory anti-corruption policies and its failure in delivering its promises have led many people to lose confidence in the NUG's anti-corruption struggle.

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<sup>6</sup> Read Kabul News report here: [http://kabulnews.af/pashto/index.php/afghanistan/8927-2016-10-01-14-20-23?keepThis=true&TB\\_iframe=true&height=&width=40&caption=%D9%BE%D9%87+%D8%AD%DA%A9%D9%88%D9%85%D8%AA+%DA%A9%DB%90+%DB%B1%DB%B4+%D8%B2%D8%B1%D9%87+%D8%AF%D9%88%D9%84%D8%AA%D9%8A+%D8%A8%D8%B3%D8%AA%D9%88%D9%86%D9%87+%D8%AE%D8%A7%D9%84%D9%8A+%D8%AF%D9%8A](http://kabulnews.af/pashto/index.php/afghanistan/8927-2016-10-01-14-20-23?keepThis=true&TB_iframe=true&height=&width=40&caption=%D9%BE%D9%87+%D8%AD%DA%A9%D9%88%D9%85%D8%AA+%DA%A9%DB%90+%DB%B1%DB%B4+%D8%B2%D8%B1%D9%87+%D8%AF%D9%88%D9%84%D8%AA%D9%8A+%D8%A8%D8%B3%D8%AA%D9%88%D9%86%D9%87+%D8%AE%D8%A7%D9%84%D9%8A+%D8%AF%D9%8A)

## Unemployment in Afghanistan, factors behind it and the Government's policies



Speaking in a ceremony entitled “encouraging for employment”, the Afghan President Ashraf Ghani vowed that the government would take serious measures to create job opportunities for the Afghan youth. “Currently Afghanistan needs work in various fields and each and every young Afghan is the symbol of the country’s future,” the President said. According to government’s plan, ten thousand educated afghan youth will be hired in government administrations<sup>7</sup>.

The leaders of the National Unity Government (NUG) have always stressed on creating job opportunities for the Afghan youth, but still there are hundred thousands of unemployed young people in the country. On the other hand, unemployment in the country had led the Afghan youth population to seek income through illegal means and commit heinous crimes.

Employment situation in the country, the main factors behind increasing unemployment and the government’s policies to tackle it are issues that are analyze here.

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<sup>7</sup> Read here VOA’s report about Ghani’s remarks:

<http://www.darivoa.com/a/president-ghani-says-we-dont-beg-anyone/3626302.html>



## The Unemployment in Afghanistan

Unemployment is a social issue and has negative consequences for individuals and societies. An individual who is looking for a job but not finding one is unemployed.

In the past one and a half decade, beside other issues, unemployment was also one of the main challenges of the Afghan people, which are directly related to insecurity in the country. Despite billion dollars of international community's aid to Afghanistan, the necessary steps for sustainable employment are yet to be taken.

Based on the statistic of the World Bank, in 2001, 4.6% of the Afghan work force had been unemployed, in 2002 and 2003 this number was respectively 4.6% and 4.9%. In 2004, the percentage of unemployed work force fell to 4.5%, but in 2005, it rose to 8.5% and after that, unemployment rate was on the rise in Afghanistan<sup>8</sup>.

In 2014, the Afghan Ministry of Labor, Social Affairs, Martyrs and Disabled announced that from 10 million labor force in Afghanistan, 800 thousand are absolutely unemployed<sup>9</sup>. In the meanwhile, some statistics show that 23% of the Afghan population, most of them youth, are unemployed and the National Union of Unemployed People has declared this number to be more than 50% of the labor force.

Tens of thousands of youth are graduated from public and private universities in the country and due to lack of working opportunities and widespread corruption in the governmental administrations, most of them are unemployed. At the beginning of 1395, the Afghan officials reported about the 25 thousand unoccupied posts in Afghan ministries and administrations while hundred thousands of Afghan educated youth were unemployed.<sup>10</sup>

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<sup>8</sup> "Afghanistan in the past one and a half decades", CSRS's research and analytical report, edition 1395.

<sup>9</sup> BBC, a glimpse to the work and worker situation in Afghanistan:

[http://www.bbc.com/persian/afghanistan/2014/05/140502\\_k05\\_afghan\\_worker\\_day\\_law](http://www.bbc.com/persian/afghanistan/2014/05/140502_k05_afghan_worker_day_law)

<sup>10</sup> Read more here:

<http://da.azadiradio.com/a/27644311.html>

## Reasons behind the rise of unemployment

- **Security situation:** insecurity and continuation of war is one of the main factors behind the rise of unemployment. Currently, war continues in various regions, which is not only destroying infrastructure but it has discouraged investors from investing in the country. Lack of investments in infrastructures, which could create many jobs, has confronted Afghanistan with an unemployment crisis.
- **Corruption and weak governance:** while poverty and unemployment is increasing in the country, due to its weak capacity, the Afghan government cannot fully capitalize or spend the international community's aids. The failures of Ministries in spending their development budget triggered the Afghan Members of Parliament's rage and thus they summoned 17 ministers who had spent less than 70% of the development budgets of their respective ministries. The Parliament dismissed 7 of these ministers. Corruption has also resulted in unemployment of hundred thousands of educated youth with tens of thousands posts unoccupied or occupied by imaginary employees in Afghan administrations.
- **Decreased foreign aids and withdrawal of foreign forces:** with the withdrawal of the major part of the foreign forces from Afghanistan, international community's aid to Afghanistan has also decreased. Since international community's billions of dollars of aid was not properly used in creating job opportunities, the unemployment rate rapidly rose with the decreasing aids. Tens of thousands of those Afghan who were working with foreigners were also added to the unemployed people in the country after their withdrawal.
- **Increase in qualified population and repatriation of migrants:** 500 qualified youth are added to the labor force every year<sup>11</sup>. On the other hand, based on the reports of United Nations High Commissioner for Refugees (UNHCR), around 6 million Afghans have returned to their country since 2002, which also added to the unemployed labor force in the country and the government do not have fundamental employment program for them.

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<sup>11</sup> "Afghanistan in the past one and a half decades", CSRS's research and analytical report, edition 1395.

- **Existence of foreign workers:** thousands of foreign workers are working in various sectors in Afghanistan. The current educational curriculum and low quality of education and higher education in the country has resulted in the lack of experts and capacity, which in turn has forced Afghan administrations to employ foreign workers.

### **NUG's policies to decrease unemployment**

Creating job opportunities was one of the promises that the leaders of the NUG had made during their 2014 Presidential election campaigns. In the first year of its formation, due to internal differences, the NUG was unable to take effective measures to address unemployment in the country and finally in Aqrab 1394 (Afghan Solar year), the Afghan President Ashraf Ghani announced the National Employment Program (NEP).

The NEP had five parts including agriculture and improvement in irrigation system, cleaning cities, city and house building projects, construction of roads to villages, construction of dams and raising the electricity production of the country. The Afghan Ministry of Rural Rehabilitation and Development announced its scheme of implementing this program in three stages. The first stage of the program created 235 thousand short-term jobs in 12 provinces. The second stage started in summer this year in five provinces and more than 1500 development projects were launched. Its third stage, with 2.7 billion Afghanis expenditures, will start in March 2017<sup>12</sup>.

If one studies this program, one will find out that it cannot solve the unemployment issue effectively in the long run. Decreasing unemployment requires creating long-term jobs, which is directly related with the expansion of industrial sector. While industry is the main driving factor of the countries' economies, the Afghan government has not paid the required attention to it.

Based on the new program of the Afghan government (Encouraging for Employment), which will begin in 2017, the applications of more than hundred

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<sup>12</sup> Read more here:

<http://mrrd.gov.af/fa/news/119570>

thousand youth would be gathered and 10 thousand of them would be hired in Afghan government's administrations.

Since the Afghan government is mostly focused in the battlefield and war has also barred the economic development of the country, one can say that solving unemployment requires to maintain peace in the country. Unless the government realistically tries to secure peace in the country, efforts in economic fields would not be beneficial. In addition, corruption is also resulted in worsening the unemployment situation in the country and until the government does not take decisive measures against corruption, the unemployment issue would not be resolved.

## The research and analytical report on “Afghanistan in the past one and a half decades” is completed

CSRS’s research and analytical report about the country’s various sectors in the past one and a half decade is completed. This report is to be officially published in the upcoming days.

This report is composed of peace, foreign policy, corruption, migrants, economy (national economy, trade, energy, industry, agriculture and livestock), security and crimes, education and higher education chapters, which are analytically studied. The findings about the developments, failures and the challenges to these sectors are brought-up in this report. Besides that, the center’s recommendation is also included.

Researchers in the CSRS had conducted both qualitative and quantitative researches in 1394 and 1395 and a survey was conveyed in the major cities of the country in order to gather the opinions of the Afghan elites/intellectuals about the above-mentioned sectors.

A historical background of each sector is included in the report and then the situation in each section is studied in details in the post 2001 years. It should be noted that more focus has been put on the situation in 1394.



Although various national and international organizations publishes their annual reports about the situation in Afghanistan every year; but the characteristic of the CSRS's report is that it is not limited to any sector or any particular year and it has impartially studied the overall post-2001 situation.

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**Note:** Please let us know your feedback and suggestions for the improvement of Weekly analysis.

