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Surviving the Crisis: A Socioeconomic Assessment of the Middle Class in Kabul

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Outline

- Context
- Methodology & Sample
- Main findings
 - Employment/Unemployment
 - Household Income/Spending
 - Investments and Coping Strategies
 - General and Mental Health
 - Basic Freedoms
 - Experience of the collapse
 - Attitude Toward Migration
 - Group level Cooperation
 - Social Stigma

Context

- Prior to Taliban's takeover of Kabul, the Afghan economy was already set to a lower growth path.
 - Growth fell to under 2% per year after the Security Transition (2012-2014)
 - Poverty rose to more than 50% prior to the Covid-19 pandemic
- With August 2021 political collapse, fundamental institutional changes occurred:
 - Transition away from democratic to autocratic institutions
 - The 2004 Constitution was dissolved
 - Deprivation from basic human rights (incl. women's right to work & education)
- Acute humanitarian crisis following Taliban's takeover (UN-OCHA, 2023)

Context

- Significant economic impact of the 2021 political collapse:
 - GDP shrunk from \$20 billion to \$15 billion within less than a year (UNDP, 2022)
 - Millions of jobs vanished overnight, particularly in the public sector and in Kabul city
- Vulnerabilities and adaptability of the Rural vs Urban:
 - While both rural and urban populations have their own vulnerabilities, the rural population in Afghanistan is expected to be less vulnerable to shocks in non-agriculture sectors and to shocks to urban labor markets.
 - The rural poor also develop over the years diverse insurance mechanisms to cope with economic shocks, while urban population is less able to adapt.
- Kabul's urbanite middle income?

Research Objectives

- A socioeconomic assessment of the urbanite & educated middle class in Kabul
 - employment, consumption & saving patterns, coping strategies...
 - mental health status, perceptions of basic freedoms, perceptions on migration...
- Understand how Kabul's middle class coped with radical institutional changes and persistent economic shocks since the Taliban takeover in August 2021
- Undertook a mix of quantitative & qualitative surveys between May and July 2023

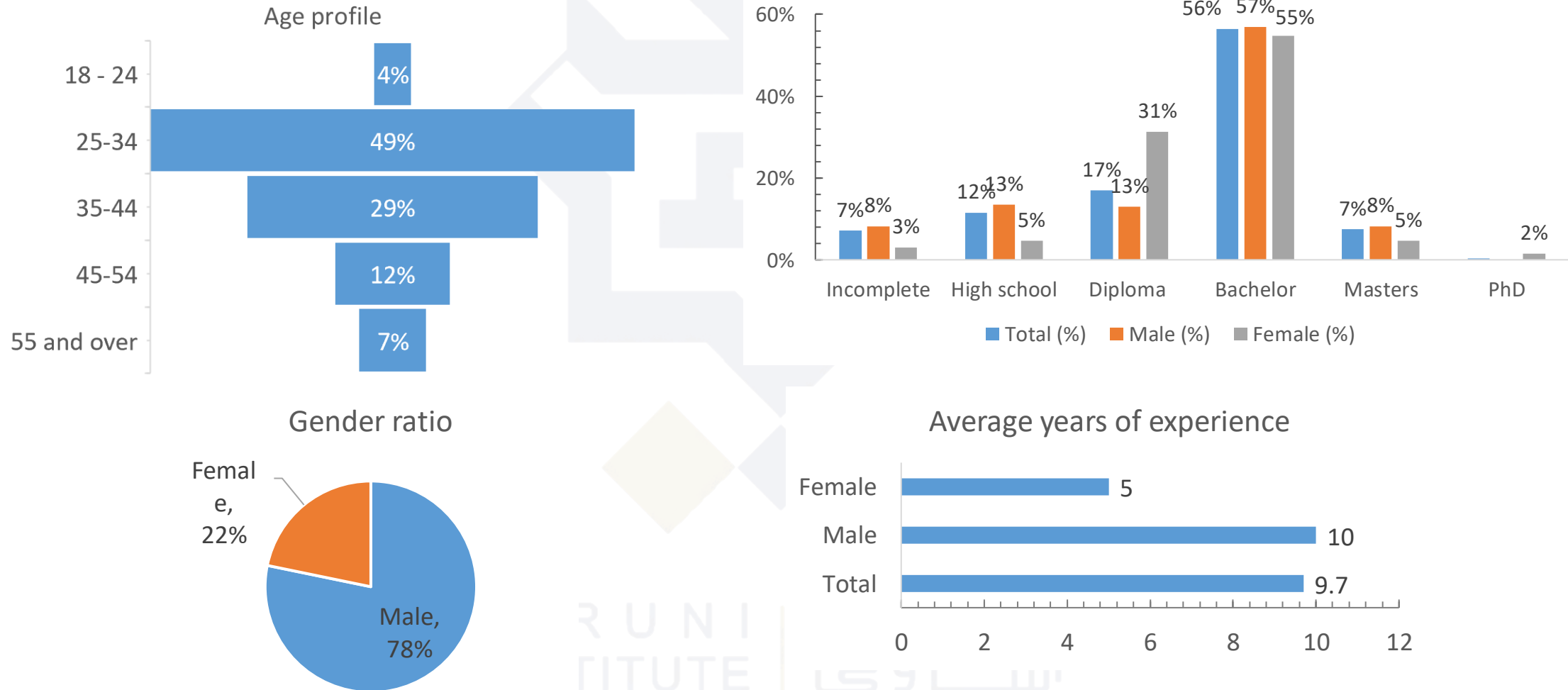
Methodology

- In-person survey of nearly 300 individuals in Kabul city
- Semi-structured interviews with 24 participants
- Target population: education & urbanite middle-income residents of Kabul, who were economically active prior to the 2021 crisis.
- Collected information on their current status and 'comparatively' to 2 years ago
- To reduce recalling error, we asked the respondents how they compared their current situation with that in July 2021.

Methodology

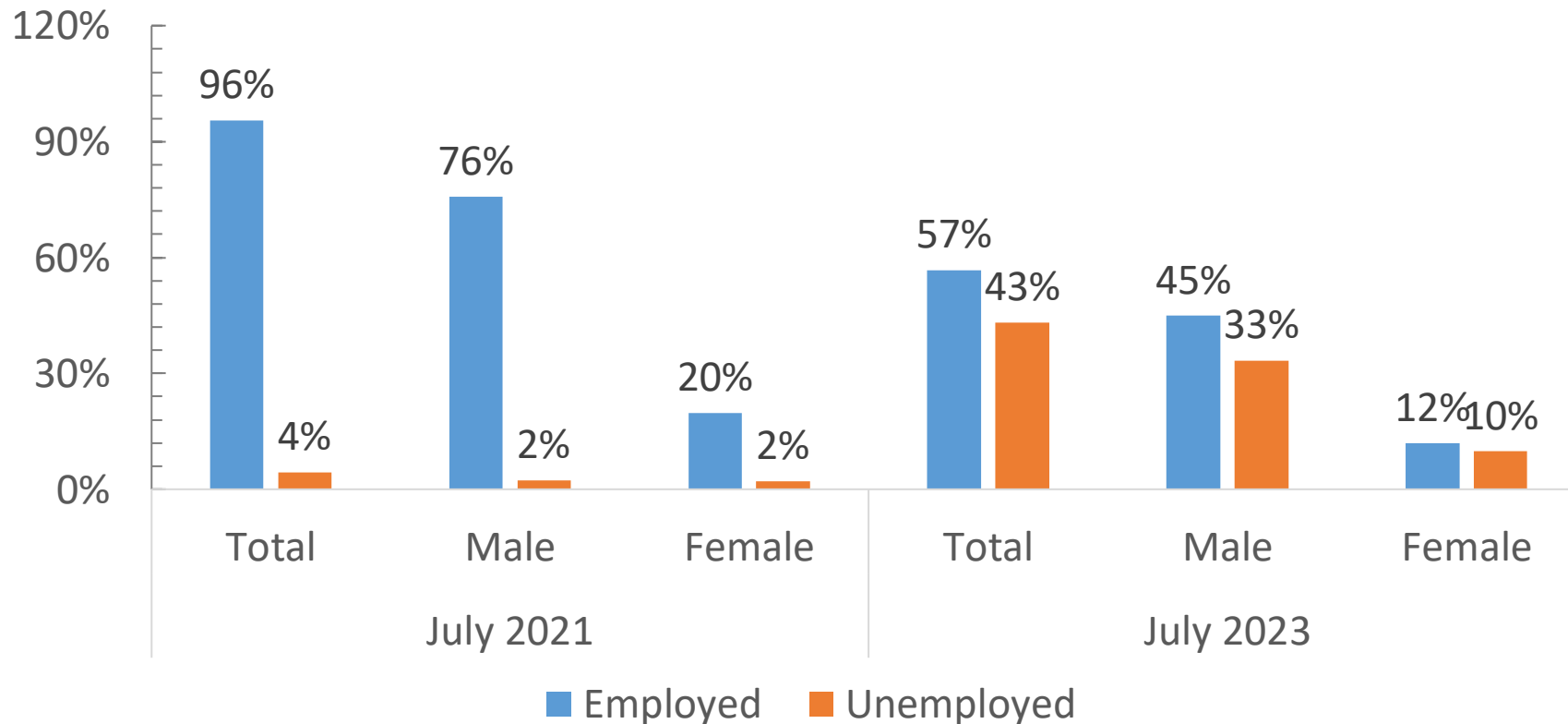
- Random sample survey is unfeasible given the current political situation in the country:
 - Security risks
 - Narrowly defined target population requires a sampling frame
- A plausible alternative: a snowball sampling
 - Minimize security/political risks
 - Establish an element of 'trust'
- Limitations:
 - Subject to sample bias
 - Results cannot be representative of the total population

Sample: economically active, within working age, qualified, and experienced.

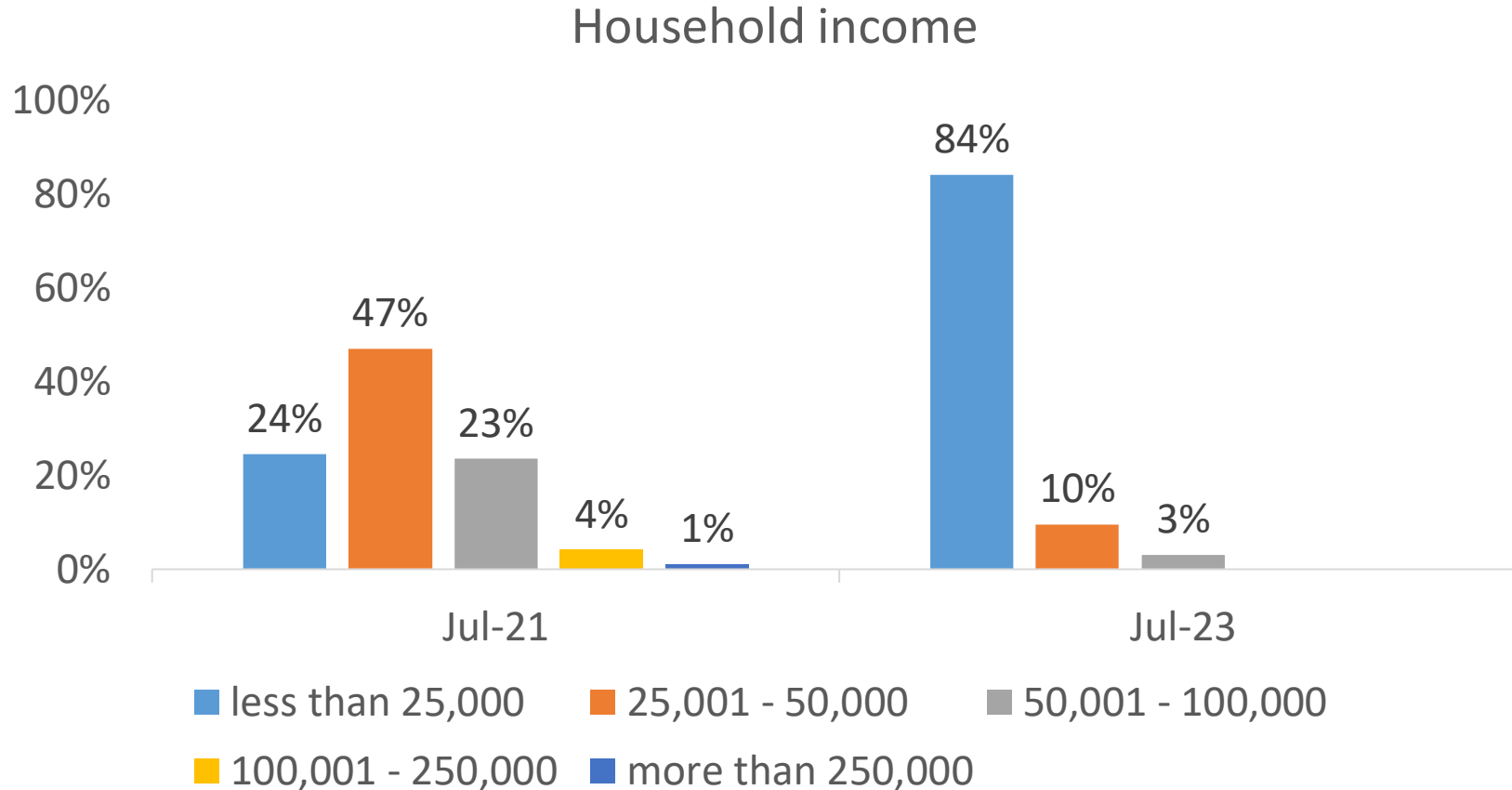


Unemployment: 43% of participants were identified as unemployed in July 2023, compared to only 4% in July 2021

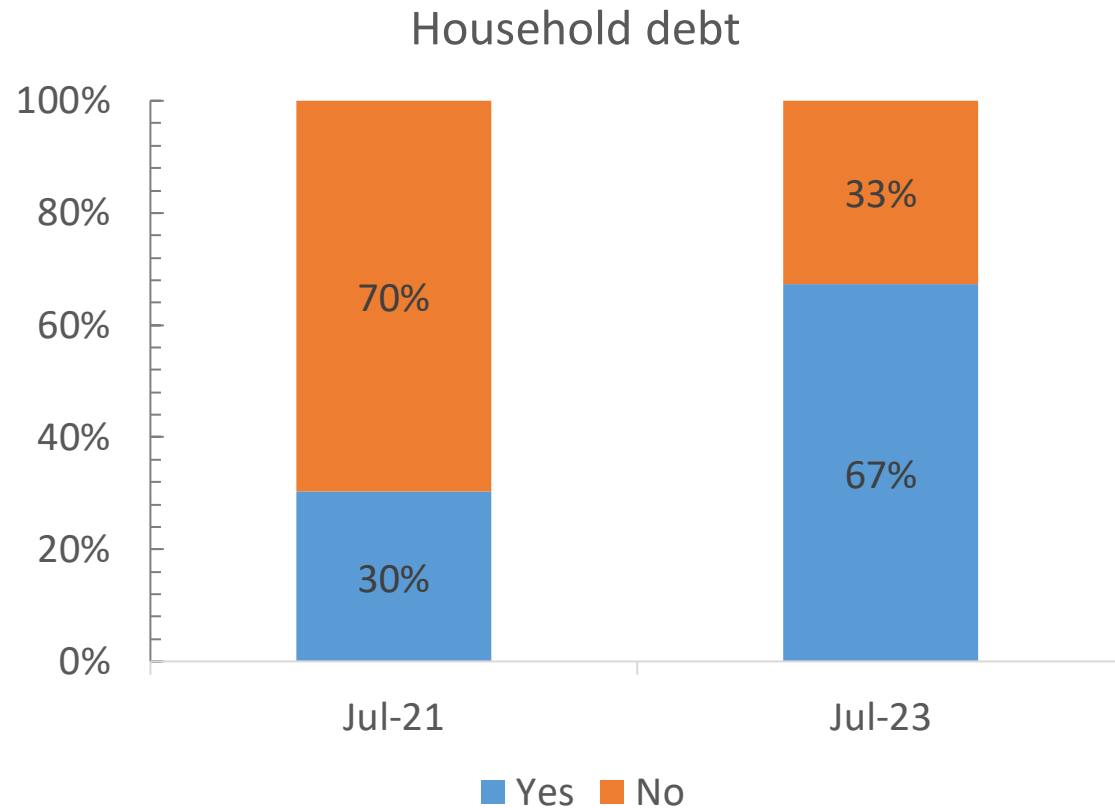
Unemployment/Employment



Household income: share of HHs earning a monthly income of less than 25,000 AFN (\$287) increased by 60 percentage points



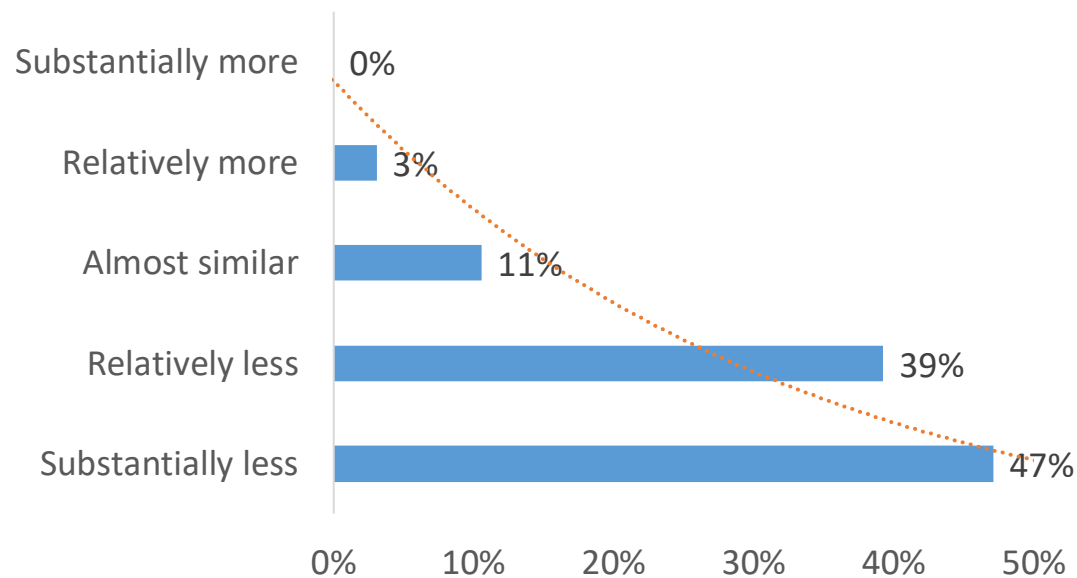
Household debt: share of indebted HHs increased from 30% in July 2021 to 67% in July 2023, more than doubling



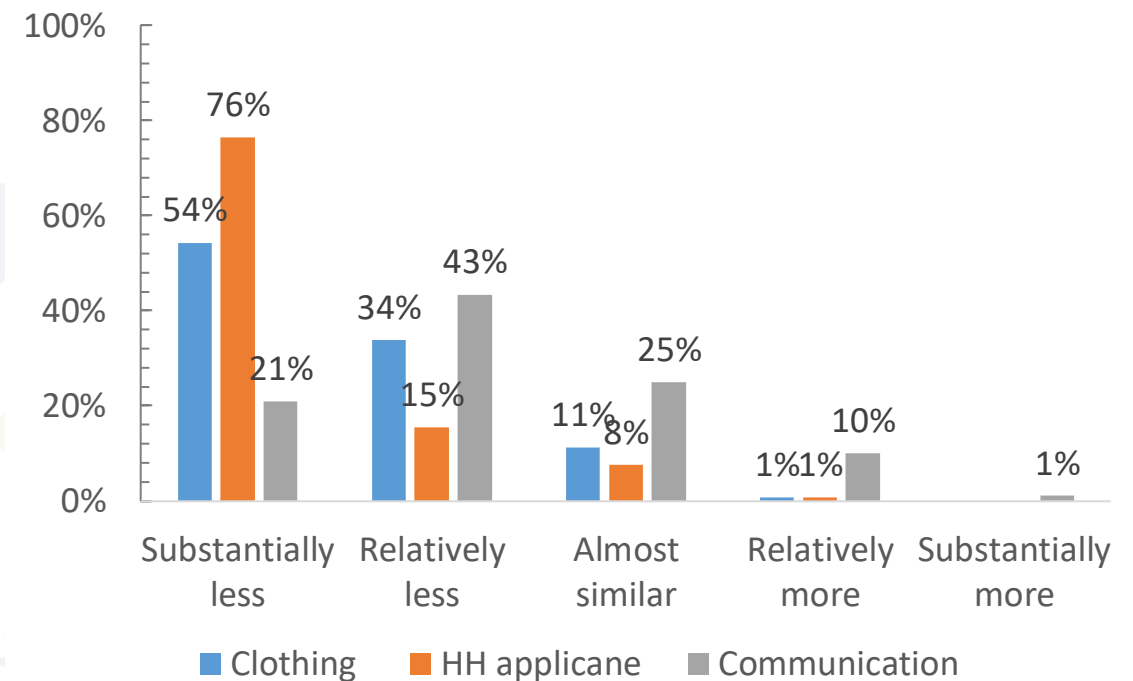
	Jul-21	Jul-23
Mean	\$ 3,595	\$ 3,916
Std. dev.	\$ 7,517	\$ 12,894
Kurtosis	\$ 45	\$ 77

Consumption: household spending on food and non-food items has 'substantially' decreased over the past 2 years

Current spending on food items (1-month average) compared to July 2021

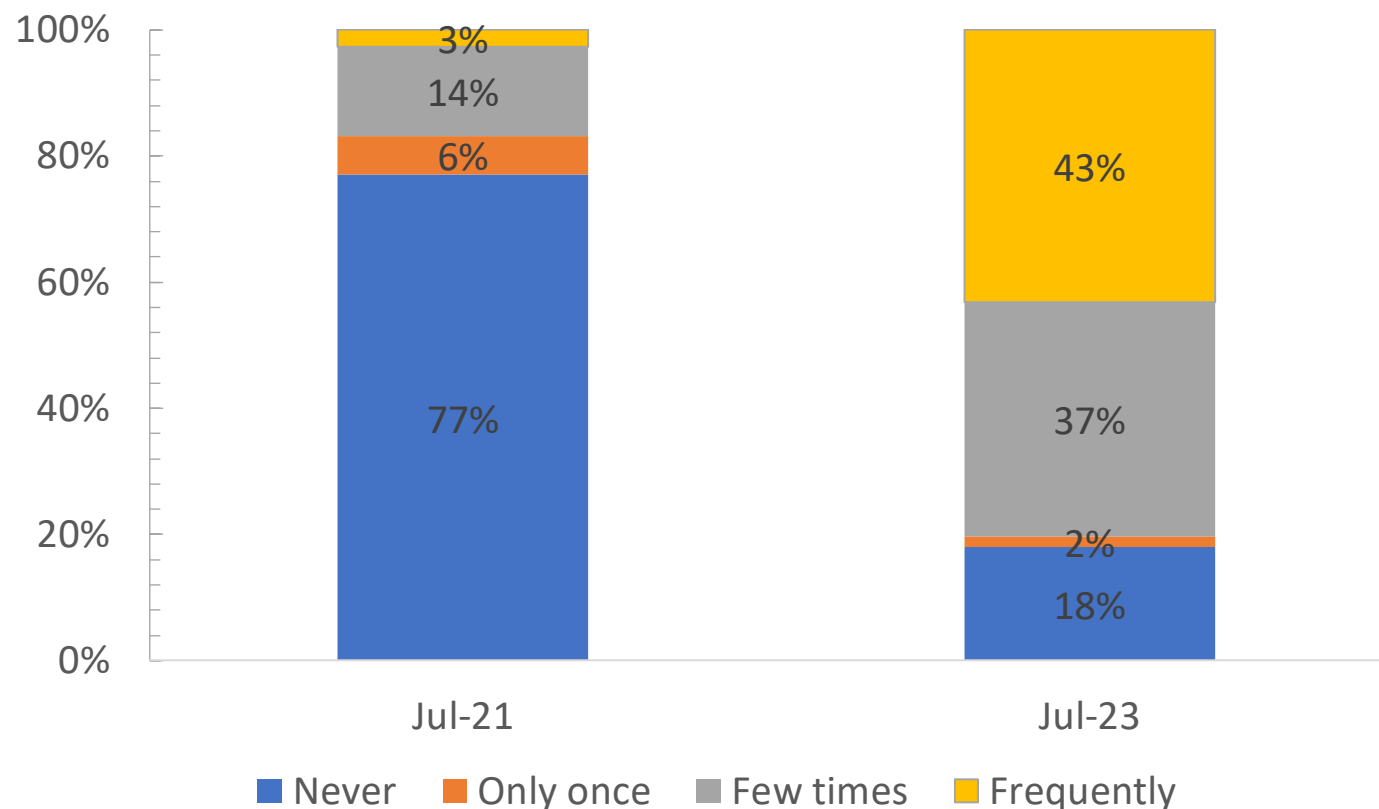


Spending on non-food items (1-month average) compared to July 2021

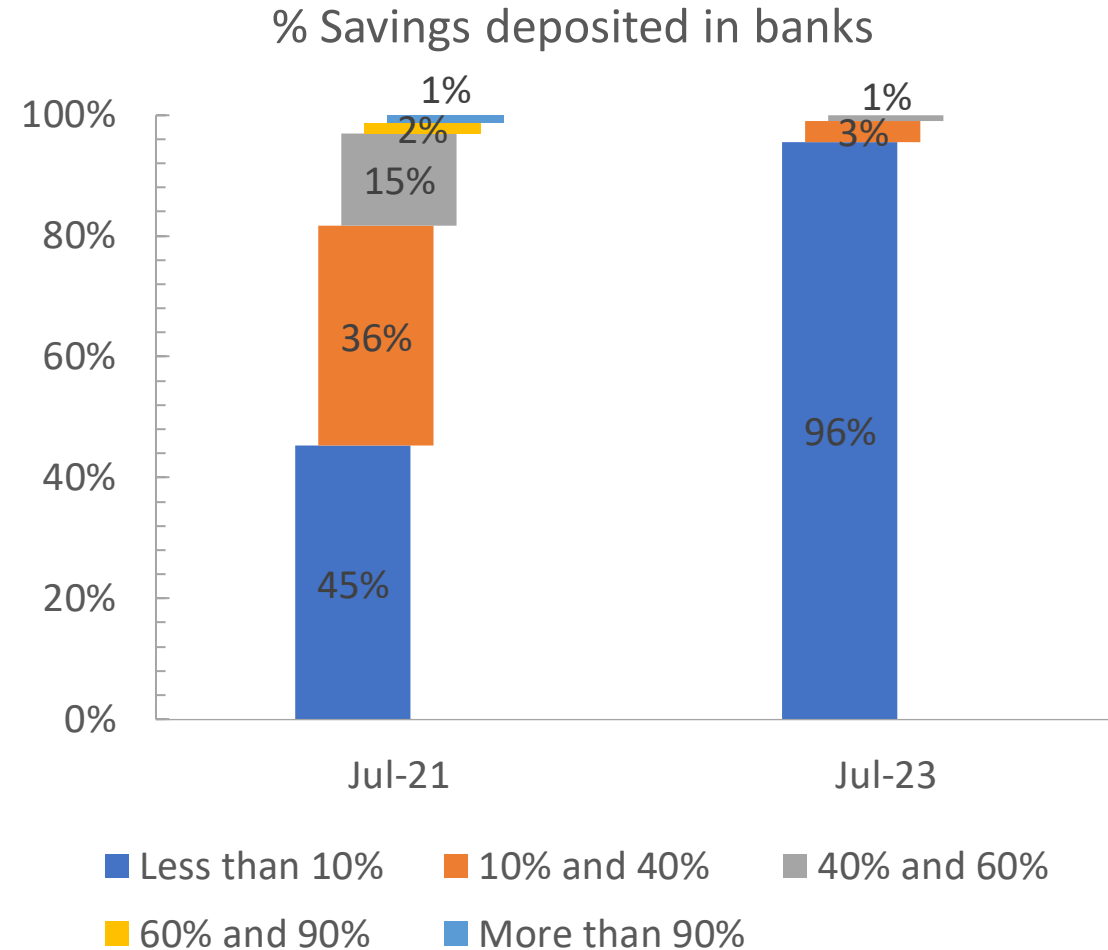


Consumption: Participants found it increasingly more difficult to meet their monthly expenses or purchase food necessities

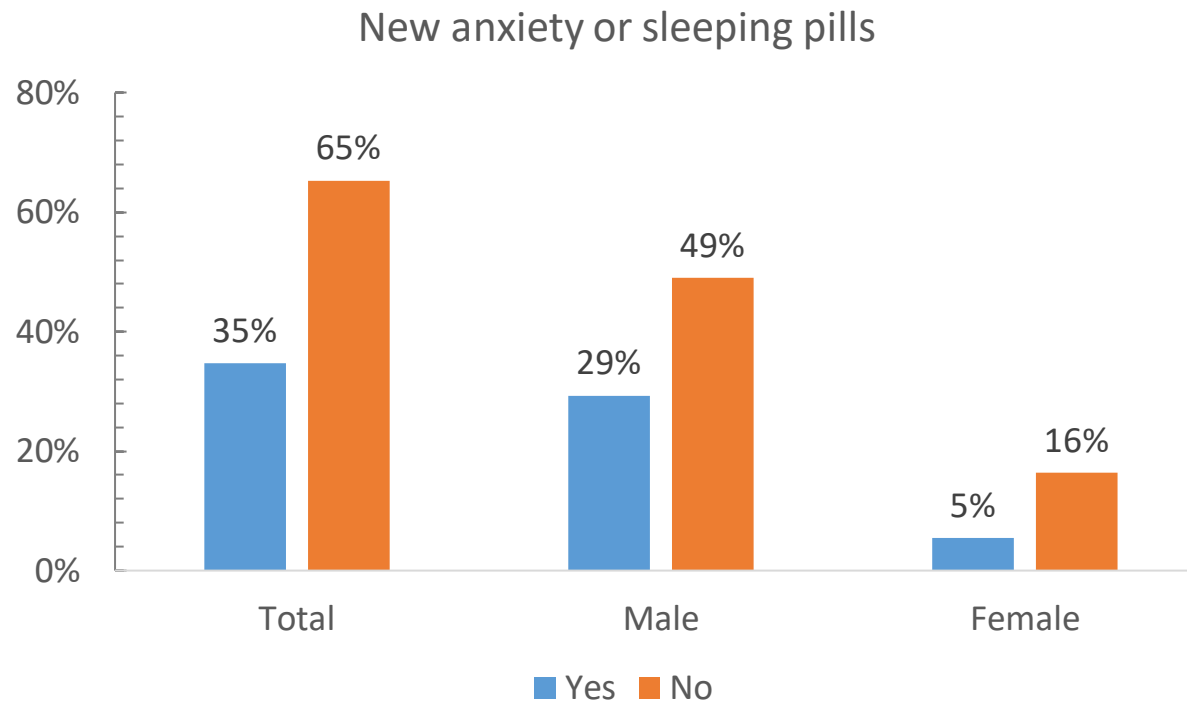
Difficulty meeting household expenses



Trust in banking sector: Increasingly lesser proportions of savings is being deposited in commercial banks

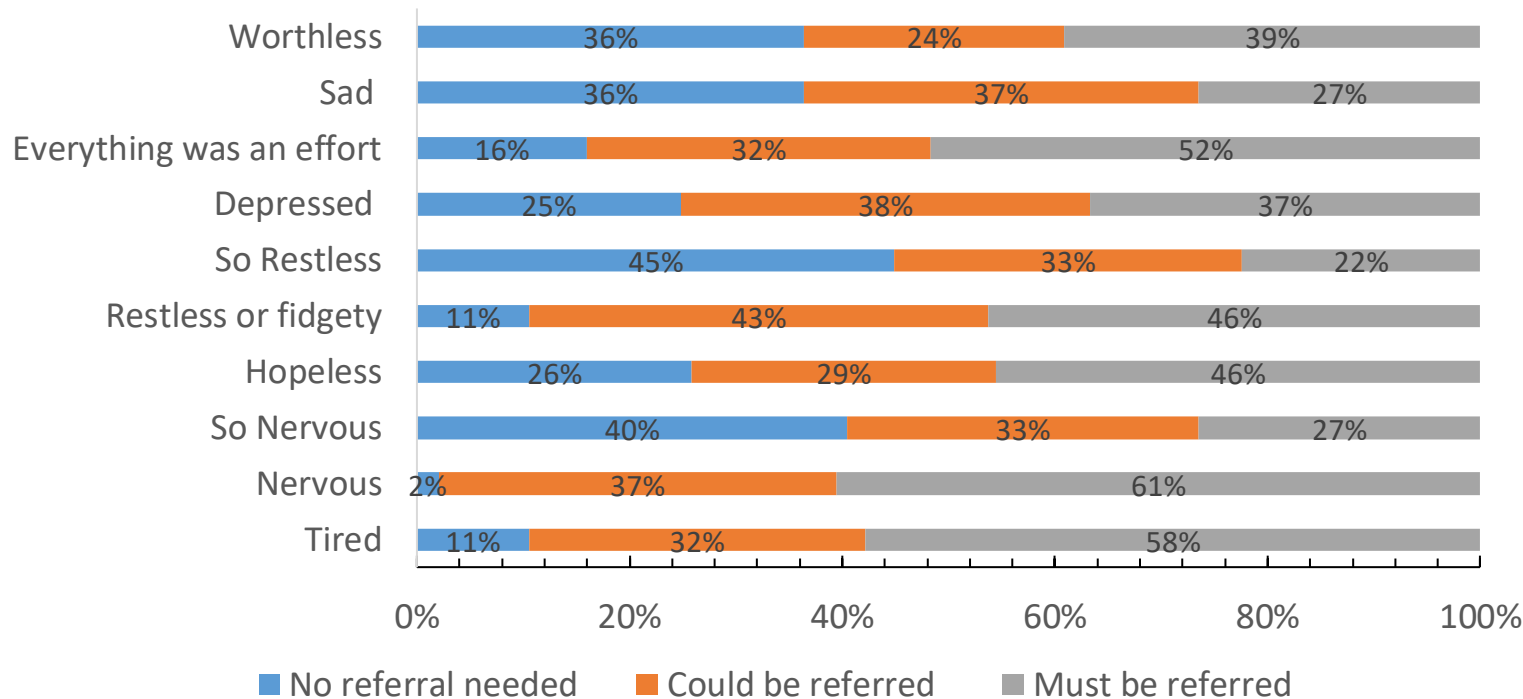


General health: 35% of the sample say they have developed a new anxiety or have started taking sleeping pills since August 2021.

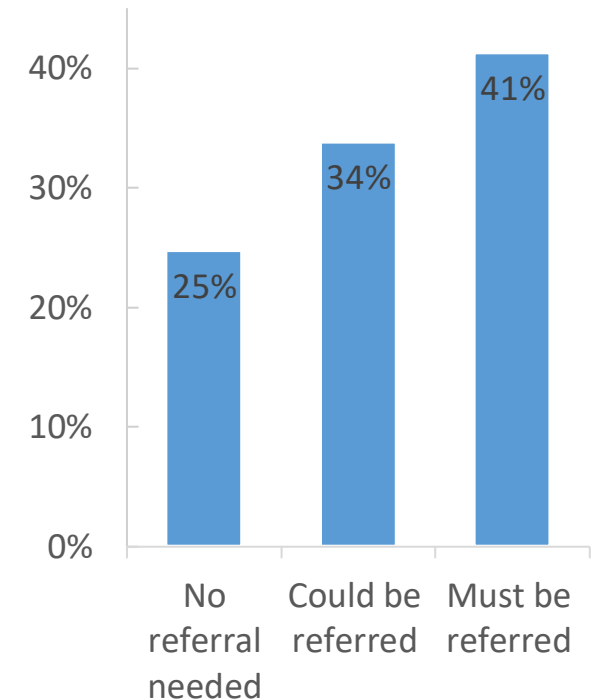


Mental health: 41% of the sample “must be referred” for further psychological evaluations and another 34% could “benefit from early intervention” based on a measure of depressive and stress symptoms.

Clinical interpretation of K10 measure

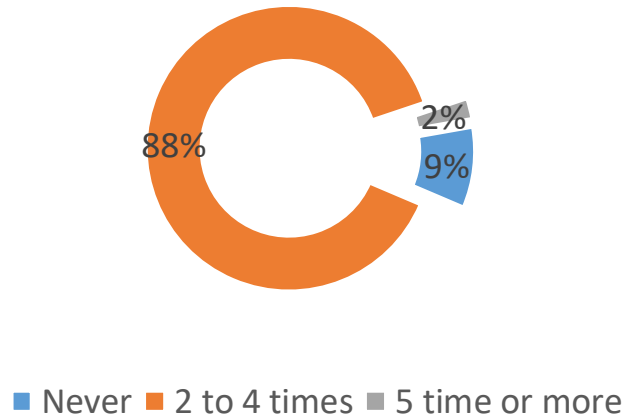


Psychological referrals

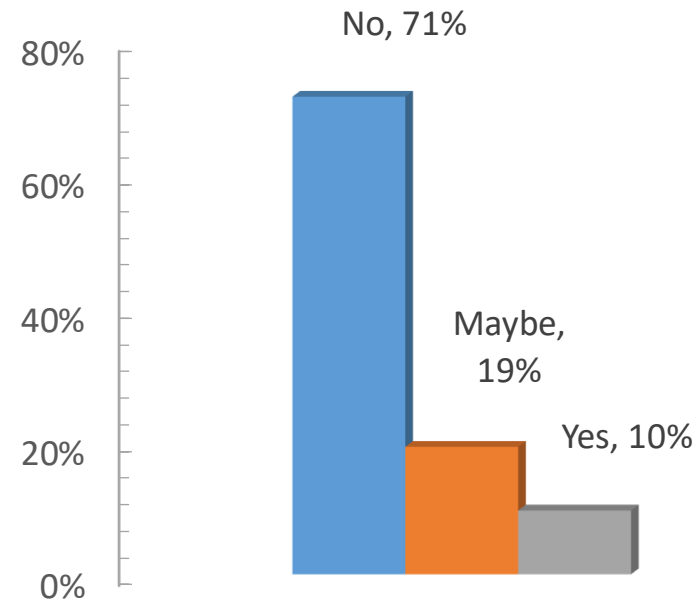


Basic freedoms: safety at home, rule of law, freedom of expression, individual identity and property rights.

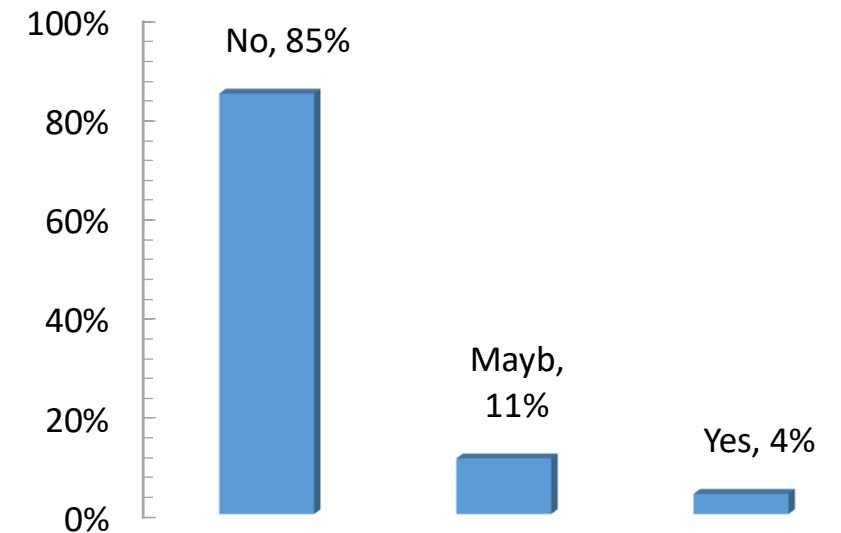
House searched by the Taliban



Resolving disputes to courts



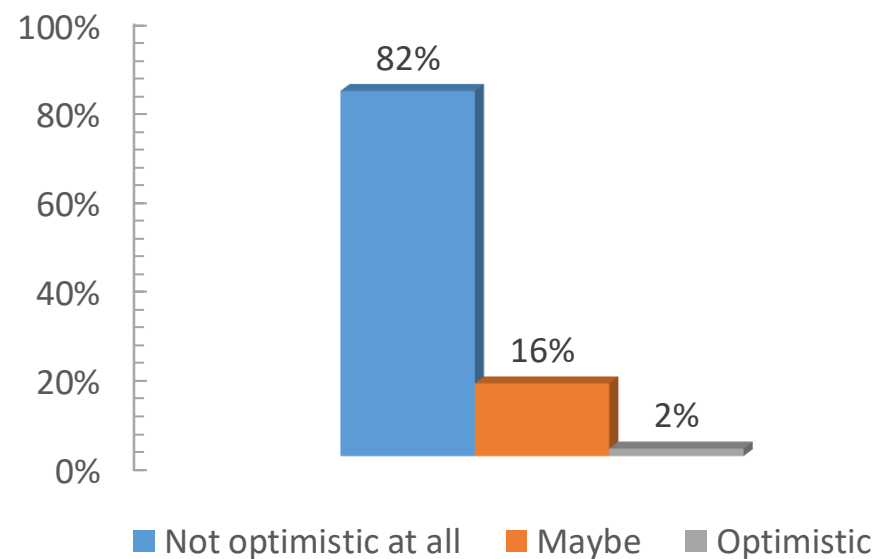
Freedom to express religious or political views



General experience of the collapse: deep sense of loss and disillusionment even two years after the collapse.

- Lack of economic and political optimism about the future
- No personal safety
- Shifting public discourse toward Talibanism
- Segregation in public spaces, strict societal rules
- Increasing living costs
- Shifting demographics with new intolerant families moving to Kabul

Economic and political optimism

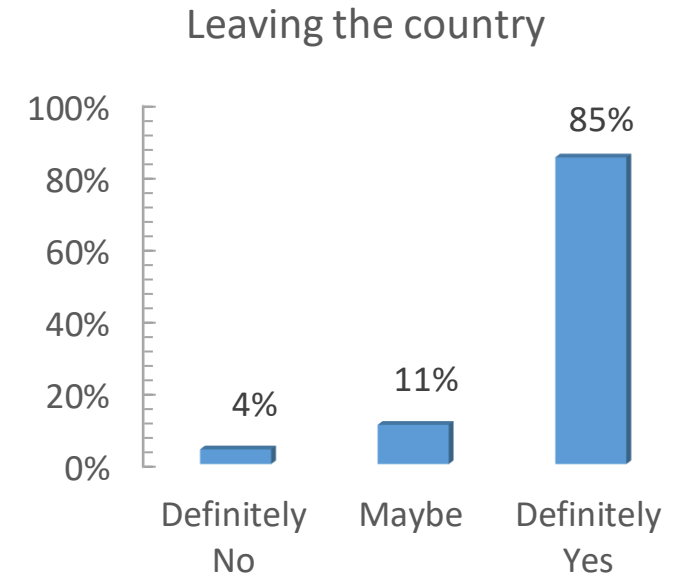


Migration: 85% respondents want to leave the country.

Reasons mentioned include:

- Fear of being prosecuted
- Personal safety
- Uncertainty of daughter's / children future
- Loss of individual freedoms
- Racial and language-based discrimination
- Lack of economic opportunities
- Fear of a civil war

“Anyone of them [i.e., the Taliban] can come and take you the next morning and no one is able to ask why. This is absence of rule of law at its peak and it is scary. I miss sleeping without stress of having to wake up the next morning.”



Cooperation: perceived intra-group cooperation increased while that of inter-group declined.

Perceived dividing/uniting dimensions:

- Ethnicity
- Language
- Sect
- Income distribution
- Neighbourhood
- Social status

“If you don’t attend someone’s funeral once and twice, if you don’t go to people’s house on Eid and don’t take the time to invest on this a bit more, these family ties break apart. This is what happened to us in Kabul. Now is the time to re-ignite those ties.”

Social stigma: loss of jobs and influx of new arrivals from the Taliban heartland, has marginalized participants.

- Social norms and etiquettes
- “City culture”
- “Isolation”
- “low self-esteem”
- “lack of socializing”
- “Verbal” and “physical abuse” for being too “liberal” or “open-minded”

Thank you.

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