



**Community and Enterprise  
Development Organization**  
مؤسسه انکشاف اجتماعی و تشبثات  
د تشبثاتو او ټولنيزې پراختيا مؤسسه

# **Community and Enterprise Development Organization (CAEDO)**

## **Study on the Livelihoods and Potential Opportunities for the Returnees From Pakistan and Iran**

October 2024

Kabul, Afghanistan

## Executive Summary

Since 2023 Afghanistan has experienced a significant influx of returnees from neighboring countries, particularly Pakistan and Iran, who face numerous challenges in rebuilding their lives. In response to this situation, the Community and Enterprise Development Organization (CAEDO) conducted a study to assess the livelihoods, needs, and opportunities of these returnees. The study was conducted with a small sample of returnees in Kabul, Maidan Wardak, and Parwan provinces, aiming to identify the economic, social, and financial barriers faced by returnees and to explore potential pathways for their economic empowerment.

Key findings reveal that most returnees struggle with low incomes, limited income-earning opportunities, high debt burdens, and restricted access to markets and financial resources. Even those who possess skills such as tailoring, carpentry, and driving face significant challenges in turning these skills into sustainable income-generating activities, further complicating their efforts to rebuild their livelihoods and integrate into their communities.

Despite these challenges, many returnees expressed a desire to start small businesses, particularly in sectors like shopkeeping, tailoring, and livestock management. The returnees identified financial support, skill training, and market access as key enablers if they are to be successful.

The study underscores the need for targeted interventions to support the reintegration of returnees into Afghanistan's economy. To address these needs for the poorest returnee families, CAEDO recommends an approach called “Targeting the Ultra-Poor”, or “Ultra-Poor Graduation”. The approach uses asset transfers, skill training, social inclusion interventions, and links to markets to help the very poor graduate out of extreme poverty and create sustainable livelihood opportunities. While this approach focuses on families, it is essential to include women given the extra barriers they face and their essential role in the household.

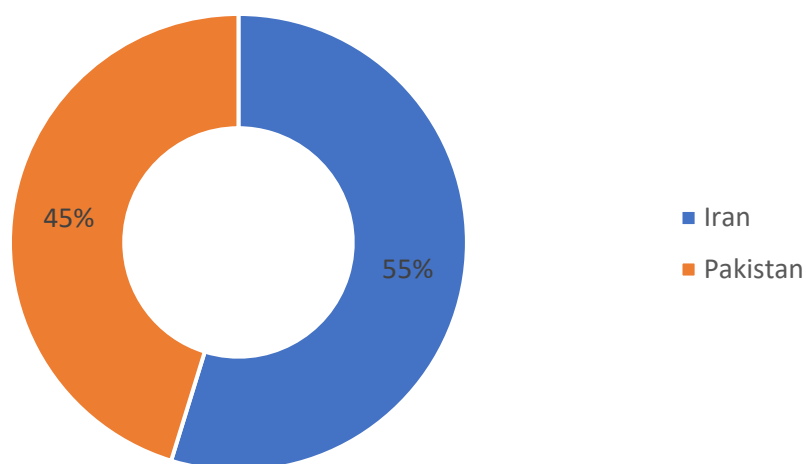
The Ultra-Poor Graduation approach has been widely recognized as a successful model for poverty alleviation, originally pioneered by BRAC in Bangladesh and subsequently adapted in various countries worldwide. In Afghanistan, the World Bank implemented this approach, achieving notable outcomes in supporting the ultra-poor. Reports by the Development Impact Evaluation (DIME) team at the World Bank and the Afghan Ministry of Economy provide clear evidence of the program's long-term impact, demonstrating sustained improvements in the livelihoods and resilience of participants even years after the program's completion. These evaluations underscore the Graduation approach's effectiveness in driving meaningful and lasting change for vulnerable populations.

## Introduction

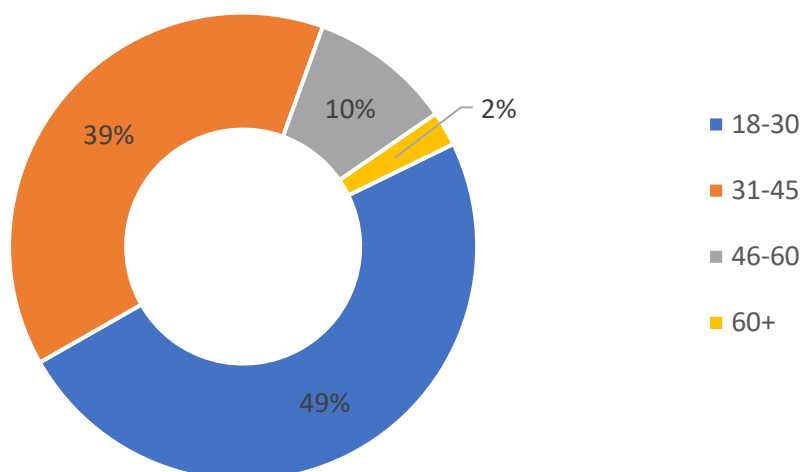
Afghanistan has experienced a significant influx of returnees from Pakistan and Iran, many of whom continue to face challenges in reintegrating into the local economy even after a year or more.

CAEDO undertook a study with a small sample of returnees in Kabul, Maidan Wardak, and Parwan provinces, aiming to identify the economic, social, and financial barriers they face and to explore potential pathways for their economic empowerment.

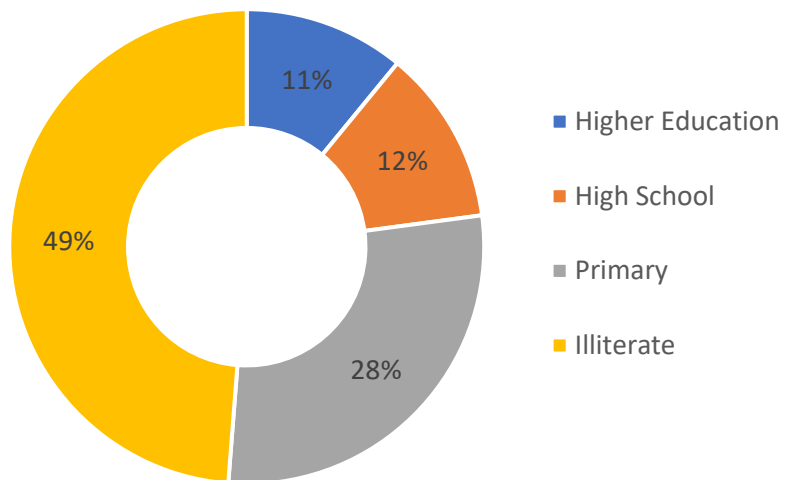
### Where the Families Returned From?



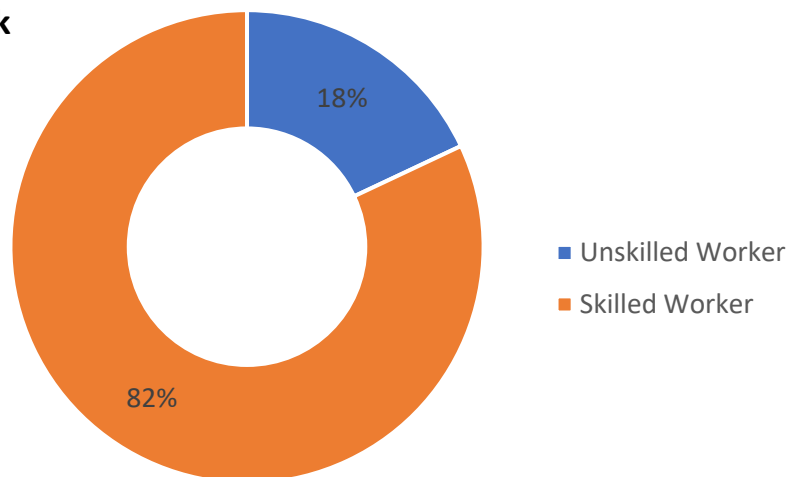
### Age Distribution of the Respondents



### Education Level of the Respondents



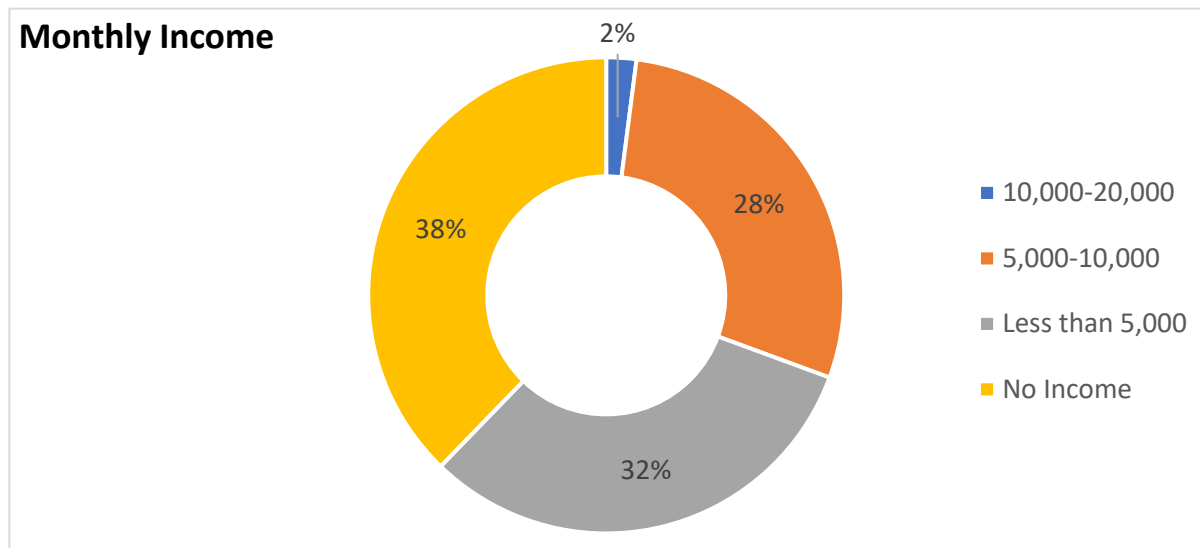
### Occupations of Returnees While Abroad Skilled vs Unskilled Work



The majority of respondents (82%) indicated that their occupations while abroad were skilled roles, such as agriculture farming, livestock farming, tailoring, carpentry, baking, computer skills, healthcare activities, and driving. In contrast, the remaining 18% reported working in unskilled roles, including working in a construction site, shopkeeping, or having no specific skills.

## Current Livelihood Situation

A majority of respondents (84%) indicated they had not received any support after returning, while only a small portion (16%) reported receiving aid, averaging AFN 3,000 from various humanitarian organizations.

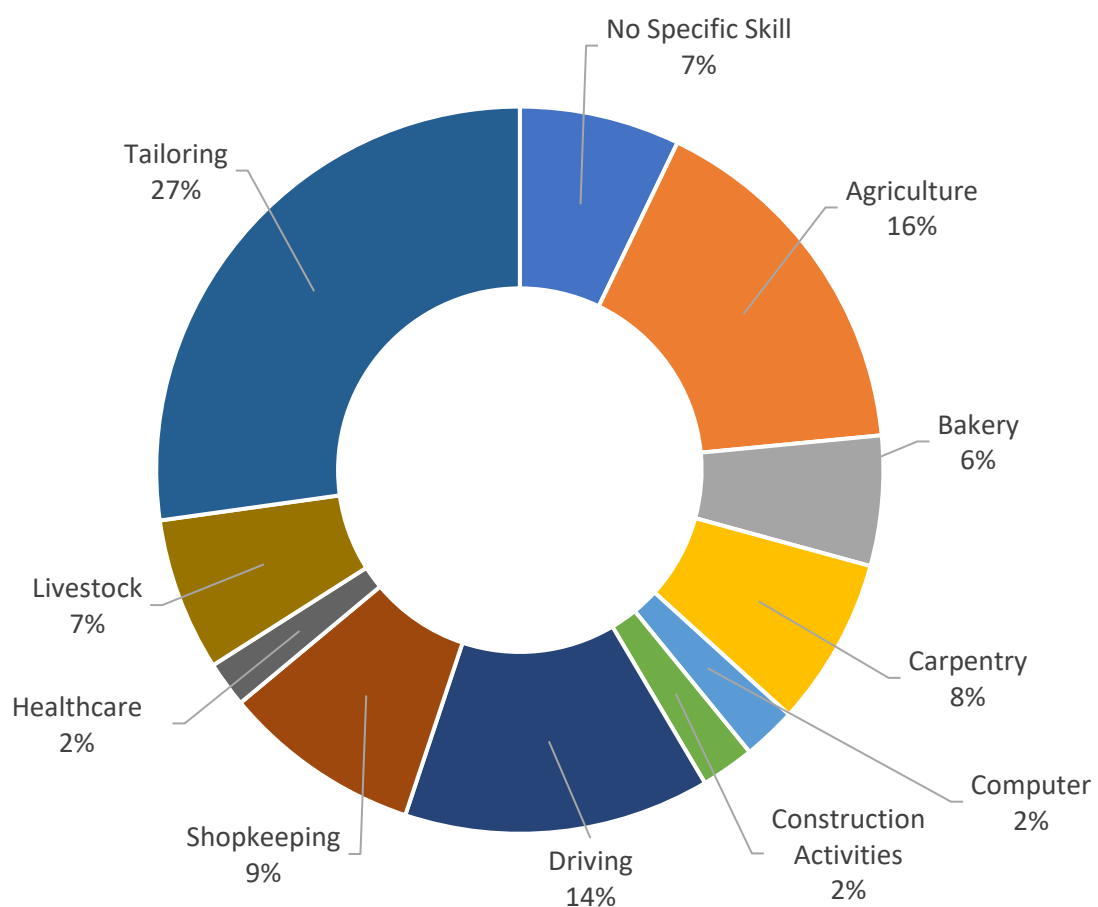


A significant 38% of respondents indicated that they have no regular monthly income, while another 32% reported earning less than AFN 5,000 per month from low-income jobs, including driving, agriculture, painting, carpentry, tailoring, and livestock.

## Skills and Abilities

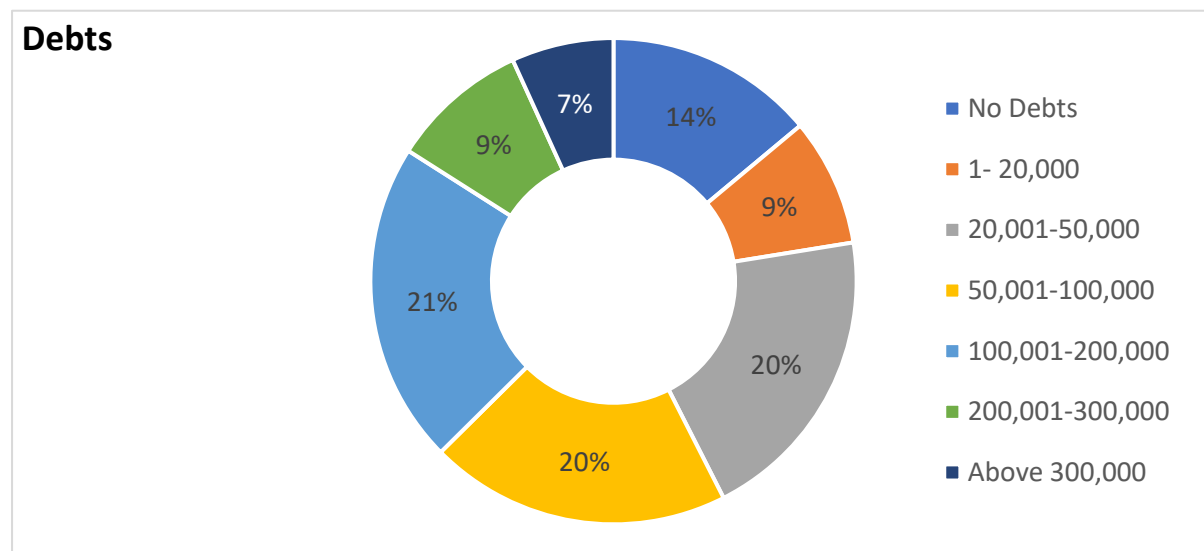
The majority of respondents (82%) indicated that their occupations while abroad were skilled roles, such as agriculture farming, livestock farming, tailoring, carpentry, baking, computer skills, healthcare activities, and driving. In contrast, the remaining 18% reported working in unskilled roles, including construction work, shopkeeping, or having no specific skills. When asked about their interest in acquiring new skills, most of them responded positively, showing a strong willingness to expand their skill set.

### Skills and Abilities



## Access to Resources

Only 18% of respondents reported having access to at least one of the following resources: land for agriculture, water for irrigation, livestock, seeds/plants, agricultural tools, workshop/tools for crafts, internet/computer, transportation, financial services, or business networks. However, due to ineffective utilization of these resources and a need for further investment, the impact on their monthly incomes and financial stability was minimal. Meanwhile, 82% lacked access to any of these essential resources, highlighting significant limitations in their ability to pursue sustainable livelihoods or business opportunities.

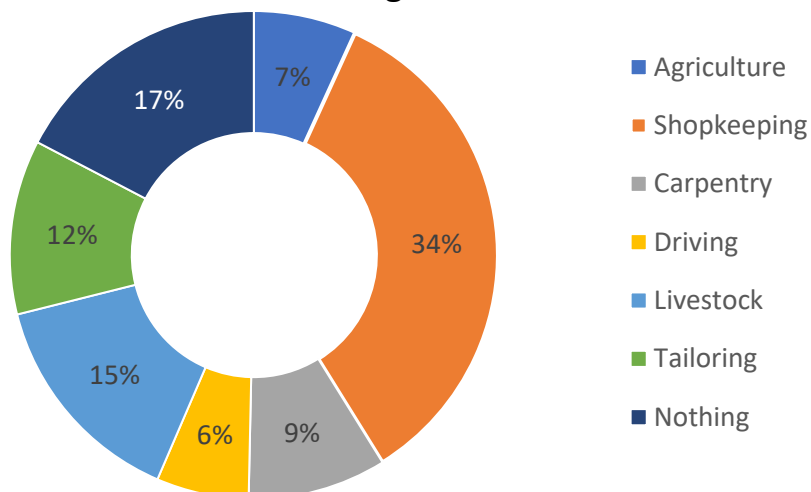


A large majority of respondents (86%) reported having debts, while only 14% indicated that they currently have no debt. The distribution of debt amounts is shown in the figure above. All respondents with debts stated that they are unable to repay their loans due to insufficient income.

## Business Interests and Opportunities

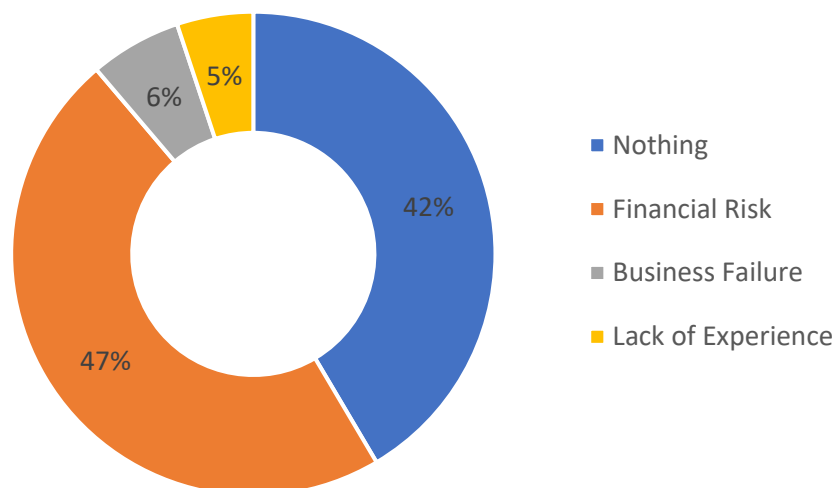
The figure below shows the distribution of responses regarding primary interests in earning a livelihood. Many returnees expressed eagerness to learn new skills that would support them in earning a sustainable livelihood.

**Primary Interest of Returnees in Terms of Earning a Livelihood**



Regarding market access, some respondents indicated they have access to markets, both local and national. However, market access remains a challenge for half of the respondents.

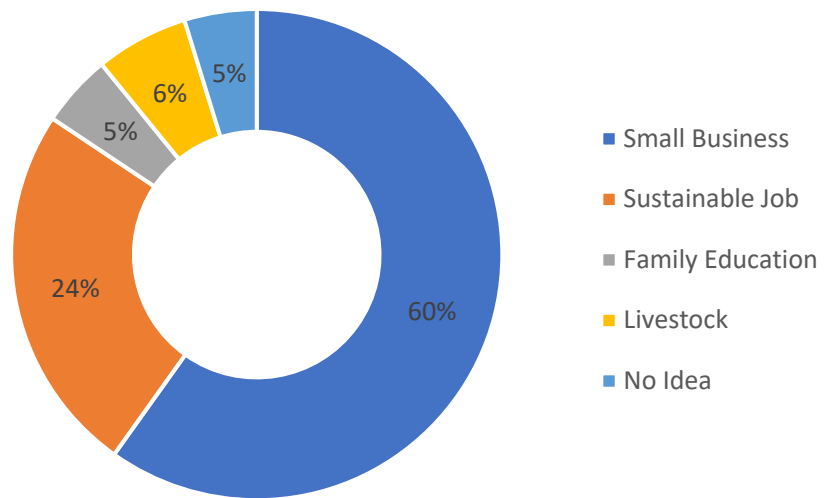
**Primary Business Concerns Among Returnees**



A majority of respondents identified financial risk as their biggest business concern, followed by fears of business failure and a lack of experience. However, a significant portion of respondents indicated that they do not have any specific business concerns. This reflects a mix of caution and optimism among the returnees, with many worried about financial stability while others feel more confident in their business prospects.



### Respondents' Long-Term Goals



The majority of respondents stated that owning a small business is their primary long-term goal, followed by securing a sustainable job and ensuring family education as their second and third priorities. However, a small portion of respondents indicated that they have not yet considered long-term goals. The table above provides a detailed breakdown of respondents' long-term goals, highlighting their aspirations for stability and self-reliance.

## Key Findings and Recommendations

1. **Access to Financial Resources:** The survey revealed a need for financial support or assets to help returnees establish or expand their businesses. This is likely to mean some form of grant since they have relatively large amounts of debt already and are not in a position to borrow. Without adequate financial backing, their entrepreneurial efforts are likely to remain limited, perpetuating their financial instability.
2. **Skill Development Programs:** The data indicated that many returnees would benefit from vocational training and skill development programs tailored to their existing abilities. Training focused on in-demand skills like tailoring, carpentry, and agriculture could improve their employability and income generation potential.
3. **Improved Market Access:** The survey findings show that returnees face significant challenges in accessing local and national markets. There is a need for initiatives that facilitate better access to markets, enabling returnees to sell their products or services. Cooperative networks among returnees could help reduce transportation and distribution barriers.
4. **Business Mentorship and Guidance:** The survey revealed a strong demand for ongoing business mentorship, particularly in the initial stages of launching a business. Partnerships with local businesses, NGOs, and experienced entrepreneurs could provide returnees with the guidance needed to navigate business operations and market entry.
5. **Debt Management Assistance:** The survey data indicates that many returnees are burdened by debt, with a significant portion unable to repay their loans due to limited income. Developing programs that provide training on effective income management and strategies for saving toward debt repayment could help alleviate this financial pressure, empowering returnees to work toward financial stability.
6. **Gender-Inclusive Initiatives:** Although women made up a small proportion of the survey sample, the findings suggest that more gender-inclusive opportunities are needed. This includes women-specific financial programs, training, and support networks. There is also a need to design future interventions that reach and include more women.