

MANAGED LABOR MIGRATION IN AFGHANISTAN: EXPERIENCE AND EVIDENCE WITH INTERNATIONAL AFGHAN LABOR MOBILITY AT MICRO LEVEL



Daniel Garrote Sanchez

Background Paper BGP 2b to the World Bank Project on
"Afghanistan: Managed International Labor Mobility as
Contribution to Economic Development and Growth"

STANDARD DISCLAIMER:

This volume is a product of the staff of The World Bank. The findings, interpretations, and conclusions expressed in this paper do not necessarily reflect the views of the Executive Directors of The World Bank or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

COPYRIGHT STATEMENT:

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly. For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, USA, telephone 978-750-8400, fax 978-750-4470, <http://www.copyright.com/>. All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank, 1818 H Street NW, Washington, DC 20433, USA, fax 202-522-2422, e-mail pubrights@worldbank.org

**Managed Labor Migration in Afghanistan:
Experience and Evidence with International
Afghan Labor Mobility at Micro Level**

Daniel Garrote Sanchez¹

Background Paper BGP 2b to the World Bank Project on
“Afghanistan: Managed International Labor Mobility as
Contribution to Economic Development and Growth”

Washington, D.C and Beirut
January 2018

Abstract

This paper analyzes Afghanistan’s migration phenomenon from a microeconomic perspective. Given the elevated pressures in the labor market, a common tool to sustain livelihoods is migration, affecting 16 percent of Afghan households, both current migrants and returnees. Compared to nonmigrants, returnees are more educated and have higher earnings, while the opposite is true for out-migrants. For most of them, remittances represent a supplement to their income, particularly for those families that currently have a member abroad. Comparing earnings of Afghans abroad to those of similar workers in Afghanistan, wide wage gaps are observed, creating strong pull factors for migration. A strong self-selection of migrants also occurs across countries. Overall, migration represents an opportunity to improve livelihoods, although under its current form it does not incentivize upskilling, as most irregular Afghans find jobs in neighboring countries like Iran in low-skilled sectors where returns to education are low.

¹ The author is now a senior researcher at the Lebanese Center for Policy Studies. He was a labor economist and migration specialist at the World Bank’s International Labor Mobility Team, Social Protection and Jobs Global Practice, Washington, DC, when the initial draft of the paper was written.

Table of Contents

Abbreviations and Acronyms	iii
1. Introduction	7
2. Labor Market Conditions in Afghanistan	9
3. Profile of International Afghan Returnees, Seasonal Migrants and Families with Members Abroad: the Afghanistan Living Conditions Survey (2013/2014)	13
3.1 Type and Size of Migration in Afghanistan	13
3.1.1 Refugee Returnees	15
3.1.2 Out-migrants	17
3.2 Comparison Between International Migrants and Nonmigrants	18
3.3 Drivers of Current International Migration Flows	26
4. Profile of International Migrants Abroad	27
4.1 Afghan Migrants Living in Iran	27
4.2 Afghan Migrants Living in the United States	30
4.3 Afghan Migrants Living in Other OECD Countries	32
References	36

List of Boxes

Box 1: Definition of different labor market measures	11
---	----

List of Figures

Figure 1: Unemployment and labor force participation rates by gender and age group.....	10
Figure 2: Refugee returnees by year of arrival, 2002–2013.....	16
Figure 3: Share of households with refugee returnees by region.....	16
Figure 4: Percent of refugee returnees who resettle in a new geographic location post-migration.....	17
Figure 5: Share of households with out-migrants by region.....	18
Figure 6: Wage differentials between groups and regions and refugee resettlement.....	22
Figure 7: Primary source of income for Afghan households.....	24
Figure 8: Comparison of monthly income of nonmigrant Afghans, Afghan migrants in Iran, and returnees from Iran.....	30
Figure 9: Comparison of monthly income of Afghans in the United States and Afghanistan.....	32
Figure 10: Education and labor market outcomes of Afghan migrants in OECD countries.....	33
Figure 11: Correlation between education and employment rates of Afghan migrants in OECD countries.....	34

List of Tables

Table 1:	Labor market conditions in Afghanistan.....	9
Table 2:	Share of international migrants among households and the total population in Afghanistan..	14
Table 3:	Place of destination for Afghan international migrants (percent).....	15
Table 4:	Characteristics of international migrants.....	19
Table 5:	Educational attainments of households with international migrants (for those above 15 years old)	19
Table 6:	Labor market conditions (for those above 15 years old) (percent).....	20
Table 7:	Sectoral and skill composition in the labor market (for those above 15 years old).....	21
Table 8:	Income distribution of international migrant household (percent).....	23
Table 9:	Annual returns to schooling among Afghan population (%).....	25
Table 10:	Returns to schooling among Afghan men (%).....	26
Table 11:	Profile of Afghans in Iran.....	27
Table 12:	Educational attainments of Afghans in Iran.....	28
Table 13:	Labor market outcomes of Afghans in Iran.....	28
Table 14:	Profile of Afghans in the United States.....	30
Table 15:	Educational attainments of Afghans in the United State.....	31
Table 16:	Labor market outcomes of Afghans in the United States.....	31

Acronyms and Abbreviations

ALCS	Afghanistan Living Conditions Survey
GCC	Gulf Cooperation Council
GDP	Gross domestic product
OECD	Organisation for Economic Co-operation and Development
UN DESA	United Nations Department of Economic and Social Affairs
UNHCR	United Nations High Commissioner for Refugees

1

Introduction

This paper analyzes the profile of Afghan migrants and returnees from a microeconomic perspective, as well as the drivers and incentives that they face to migrate from or return to their home country. Section 2 provides a first brief overview of the current situation of the labor market in Afghanistan based on the Afghanistan Living Conditions Survey (ALCS). Section 3 analyzes the size and profile of migration by: (1) distinguishing between different types of migration – e.g., voluntary versus forced (economic migration and refugees), and returnees versus current migrants; and (2) comparing migrants with the size and profile of those who never left the country. Due to incomplete information for the former in the ALCS, section 4 complements the analysis with different databases of Afghan migrants abroad, mainly in Iran and the United States. To determine their incentives to migrate and whether migration promotes further education and skills enhancement, the section examines the differential labor market performance, earnings, and wages of migrants abroad compared to similar Afghans who stayed in the country.

The main findings are that:

- The Afghan labor market is under significant stress in terms of unemployment (20 percent of the active population), underemployment, and vulnerability of jobs. The returns to education are moderate so incentives to become educated are weak.
- In this context, migration is an important instrument to sustain livelihoods, with 16 percent of households having a member who either previously lived or is currently living abroad. Most of them are returnees but 3 percent of households currently have family members living abroad and 2.3 percent have international seasonal workers.
- Compared to nonmigrants, returnees are more educated and, while facing higher unemployment, they are more likely to be employed in higher-skilled jobs (31 percent in white-collar jobs compared to 23 percent of nonmigrants). They resettle in urban areas like Kabul where wages are higher, which explains their somewhat higher income. After controlling for regional distribution, both refugee and economic returnees' earnings are similar to those of nonmigrants.
- Households with out-migrants usually have lower education and worse labor market outcomes. Income is sustained by remittances that compensate for their lower earnings. Seasonal workers also have a more disadvantaged background, although they use temporary migration to increase their income.
- Strong pull factors exist for migration: wage gaps are very large in several host countries (e.g., Iran and the United States, where average income is three and a half and ten times higher, respectively, than in Afghanistan,).
- Regarding the country of destination, most returnees lived in Iran and Pakistan, although new waves of economic migration also go to Gulf Cooperation Council (GCC) (18 percent) and Organisation for Economic Co-operation and Development (OECD) countries (16 percent).

- Migrants are a strongly self-selected group. The profile of Afghan migrants is very different depending on which countries they move to: while in Iran they have low levels of education although somewhat better than in Afghanistan, in the United States they are highly educated. The picture across OECD countries is highly differentiated, but the most recent migration wave to Europe is characterized by a high number of children and lower levels of education compared to more educated Afghans in previous cohorts of migration.
- Overall, migration helps to sustain the income and living conditions of Afghan households. However, current types of migration might not be a catalyst to increase education levels. In main destination countries like Iran, returns to education are very low, and the main benefits are obtained from working in low-skilled jobs.

2

Labor Market Conditions in Afghanistan

Afghanistan's labor market is under stress, with labor demand finding it increasingly difficult to fully absorb the large number of new, young entrants. According to the ALCS (2013/2014, around 15 million Afghans are of working age of 15 years or above. Among those, barely more than half actively participate in the labor market (54.5 percent), with large differences between men and women (Table 1). While only one in five male Afghans are inactive, up to 70 percent of women are not engaged in the labor market, a very large gender gap even by international standards. The participation rate is higher for household heads, among whom the vast majority are men, with only one in ten inactive. In the absence of social protection systems, high labor force participation among household heads can be understood more as a survival strategy.²

Table 1: Labor market conditions in Afghanistan (in percent of total)

Status	Total +15	Household Head	Male	Female
Employed	32.8%	59.0%	51.0%	14.0%
Underemployed	9.7%	17.3%	15.0%	4.2%
Unemployed	12.0%	11.9%	12.1%	11.9%
Inactive	45.5%	11.9%	21.8%	70.0%
Skill Level				
High-skilled White-collar	6.4%	7.8%	6.8%	4.8%
Low-skilled White-collar	17.8%	23.2%	22.6%	2.0%
High-skilled Blue-collar	55.5%	41.6%	44.9%	90.6%
Low-skilled Blue-collar	20.3%	27.4%	25.7%	2.5%
Sector				
Agriculture & Mining	45.5%	36.9%	39.3%	66.5%
Manufacturing	8.2%	2.8%	3.4%	24.4%
Construction	13.5%	17.9%	17.3%	1.0%
Trade	11.2%	14.7%	14.3%	0.9%
Services	21.4%	27.7%	25.7%	7.3%

Source: ALCS 2013/2014.

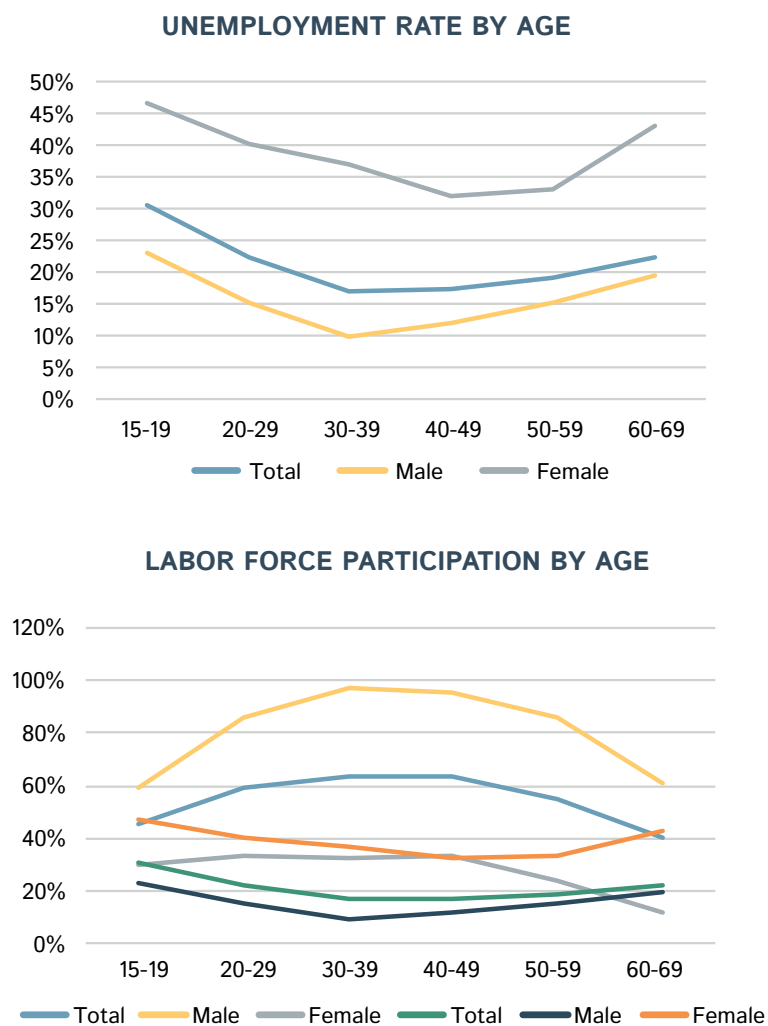
The unemployment rate in 2013/2014 was around 22 percent of the Afghan labor force.³ This figure is significantly higher than the 8 percent estimated from the National Risk and Vulnerability Assessment (NRVA 2008), pointing to a clear worsening in recent years, particularly in urban areas. This trend could be affected by the country's substantial slowdown in economic activity and the reduction of aid flows, coupled with the rise in uncertainty derived from Afghanistan's political and security situation. Again, wide differences arise by gender, with a 15.5 percent unemployment rate among men and 40 percent among women. Therefore, not only do women participate significantly less, but those that look for jobs face more difficulties finding them.

² Social protection is an additional source of income for disadvantaged families. However, it also has an impact on labor supply, and thus economic activity.

³ Based on International Labour Organization (ILO) definitions, the unemployment rate is calculated by dividing the total number of unemployed by the corresponding labor force, which is the sum of the total persons employed and unemployed. The unemployed are considered all persons above 14 years old, who during the week prior to the survey were either without work or worked less than eight hours, and were both available and seeking work. For a definition of the different categories in the labor force, see Box 1.

Unemployment disproportionately affects youth, reaching over 30 percent for the cohort aged 15–19 years and slowing down to half of that ratio (16 percent) for those aged 30–39 years (left panel of Figure 1). Even if unemployment figures have worsened, they must be interpreted with caution, as in a country like Afghanistan with no social safety nets and a high poverty incidence, people cannot afford to be unemployed, particularly “bread-winners” who support their extended families.

Figure 1: Unemployment and labor force participation rates by gender and age group



Source: ALCS 2013/2014.

Box 1: Definition of different labor market measures

The ALCS 2013/2014 uses the following definitions of labor market measures:

Employed: All persons aged 14 and over who, during the reference period of one week, were in paid employment or self-employed and who worked at least eight hours. It also includes those who were not working because they were on holidays, or those who were in apprenticeships or military service.

Underemployed: All persons aged 14 and over who, during the reference period of one week, were: (a) working less than 40 hours; (b) available and willing to work additional hours.

Gainfully Employed: Employed people who are not underemployed.

Unemployed: All persons aged 14 and over who, during the reference period of one week, were: (a) without any work or working less than eight hours, and (b) seeking work. It also includes those who were waiting for the high season to look for jobs.

Four in five economically active Afghans are employed, but this figure masks problems of underemployment, informality, and vulnerability. Almost one in four Afghans who are employed work less than the average 40 hours per week and would be willing to work more but do not find additional work. As a result, only 60 percent of the economically active are “gainfully employed” (that is, working the equivalent of a full-time government position (40 hours)) or do not want to or cannot work more hours, with the other 40 percent either unemployed or working less than they would like. In a context where the vast majority of workers are either farmers or daily laborers, the inability to work enough hours is another sign of stress in the labor market.

By occupation levels, three-quarters of Afghans work in manual jobs, primarily as farmers or low-skilled daily laborers.⁴ The other 25 percent of the workforce work in nonmanual, white-collar jobs, most of them lower-skilled positions like clerks and service workers; only 6 percent work in the top high-skilled, white-collar jobs (Table 1). Agriculture is the main sector of employment, comprising around 45 percent of the total workforce, in a context of a still highly rural and agrarian population. The presence of women in agriculture is even higher, with two out of every three working in that sector, while the rest mostly work in manufacturing. Since mobility outside the home is limited for cultural reasons, women are primarily involved in home-based, income-generating activities. In contrast, men’s work is spread more across sectors, with 40 percent in agriculture, 17 percent in construction, and 25 percent in services. In particular, the labor-intensive construction sector occupies a significant proportion of urban workers, although due to the economic slowdown, labor demand may have reduced.

⁴ Following the ILO International Standards Classification of Occupations (ISCO), which is a widely used measure of skill composition based on the definition of employment structure and the relative share of educated and non-educated workers in total employment, four categories are identified:

1. White-collar high-skilled: includes legislators, senior officials, managers, professionals, technicians, and associate professionals.
2. White-collar low-skilled: includes clerks, service workers, shop and market sales workers.
3. Blue-collar high-skilled: includes skilled agricultural and fishery workers, craft and related trade workers.
4. Blue-collar low-skilled: includes plant and machine operators, and assemblers and elementary occupations.

3

Profile of International Afghan Returnees, Seasonal Migrants and Families with Members Abroad: the Afghanistan Living Conditions Survey (2013/2014)

3.1 Type and Size of Migration in Afghanistan

Like previous rounds of the NRVA (2007/08 and 2011/12), the ALCS collects data on “in-migrants” and “out-migrants.” An international in-migrant is defined as someone who lived outside the country, whether it was in 2011, in 2001, or when he/she was born, and currently lives in Afghanistan, or someone who stated that he/she returned from refuge overseas. As foreign migrants are rare in Afghanistan, the term “in-migrant” refers to Afghan returnees from overseas migration. In contrast, “out-migrants” are those members of the household who moved abroad during the last year. The ALCS can also capture seasonal migrants who currently live in Afghanistan but spend several months of the year abroad. By this definition, and due to the structure of this survey, which is only carried out in Afghanistan, the actual size of the Afghan diaspora currently residing overseas is underestimated, particularly that of refugees, as the survey is not able to capture entire households that migrate to other countries.

International migrants can be classified as in-migrants or out-migrants, or as voluntary (economic) migrants or forced displaced migrants (refugees). Throughout this paper, four types of international migrants are thus differentiated: (1) refugee returnees (refugee in-migrants); (2) economic migrant returnees (economic in-migrants); (3) economic out-migrants/emigrants (those households that report having a member currently residing abroad); and (4) international seasonal workers (considered economic out-migrants, but with a more temporal pattern).

For the purpose of this work, international migrants are considered refugees if: (1) they report having returned from displacement; (2) they were born or lived abroad due to security reasons or natural disasters (forced displacement); or (3) they were born or lived in a refugee camp. Refugees are mostly all in-migrants as they usually leave with their families; out-migrants are thus not captured by the survey (those Afghan families that currently reside abroad). Therefore, it underestimates the size of the refugee population, although it provides a good measure of the magnitude of return migration.

In turn, international migrants are considered economic migrants if: (1) they report having lived or been born abroad for other reasons apart from conflict, violence, or natural disasters; (2) they are seasonal international workers; or (3) they have a household member living abroad for economic reasons (out-migrant). Since by definition emigrants are not available to respond to the survey, resident households are asked for information on previous household members who left the household in the last 12 months to live abroad.

Another important distinction arises between individuals who migrate/migrated compared to families reporting having family members who are migrants (the analysis can be done both at the individual and the household level). Among the former, the ALCS can only directly survey current seasonal migrants, while the rest of current labor migrants are either reported on indirectly through other household members who stayed or are left unreported (when all household members have left the country).

This procedure allows taking into consideration the complexity of migration in Afghanistan, as it can capture different reasons for migration within a household or even for a person (for example, a refugee returnee can also be a seasonal economic migrant; as such that person/household would be captured as both a refugee and an economic migrant – these are not mutually exclusive).

Of the total 3.8 million households in Afghanistan in 2013/14, a sizeable proportion (16 percent) can be considered international migrants.⁵ This figure comprises 9.3 percent of households that were refugees and returned to their home country, and 11.2 percent that were economic migrants (Table 2). Interestingly, about 4.5 percent of households have family members who were both force-displaced and economic migrants. Among economic migrants, the majority are categorized as in-migrants, with 6.7 percent of households having members who returned from abroad, while only 2.9 percent have a member currently abroad (out-migration) and 2.3 percent have an international seasonal worker. Among returnees, close to three out of four refugee households report that the whole family fled the country and later returned; this is in contrast to economic returnee households where this applies to only 2 percent of the concern. This shows the different nature of forced and labor migration: the former move whole families to escape conflict and natural disasters while the latter is more tied to families' economic strategies to diversify and increase their income and usually takes the form of individual migrants. Taking into consideration individuals and not households, around 8.1 percent of Afghans are migrants, comprising 7.5 percent refugees and 2.5 percent labor migrants. Close to 2 percent had been both refugees and economic migrants throughout their lives (almost one in four of all migrants), pointing again to the complex and diverse range of reasons to migrate in Afghanistan.

Table 2: Share of international migrants among households and the total population in Afghanistan

	International Migrants					
	Total	Refugees		Economic Migrants		
		Returnees	Total	Returnees	Seasonal workers	Current Member abroad
% Households	16.0%	9.3%	11.2%	6.7%	2.3%	2.9%
Among which all members migrants	40.4%	71.5%	1.3%	2.4%	0.0%	0.0%
% individuals	8.1%	7.5%	2.2%	1.0%	0.6%	0.6%
Number of individuals	2,267,772	2,101,517	696,888	616,445	168,121	160,497

Source: ALCS 2013/2014.

Most migrants live in neighboring countries of Iran and Pakistan, although the GCC has gained importance among the current wave of economic migrants (Table 3). Refugee returnees come mostly from Pakistan (60 percent) and to a lesser extent Iran (36 percent), in line with aggregate data on Afghan returnees from the United Nations High Commissioner for Refugees (UNHCR). Labor migrant returnees also overwhelmingly come from neighboring countries (96 percent) but in similar shares between Pakistan and Iran. Current economic migration, on the contrary, shows Pakistan's minimal role as a destination country. As such, more than four in five seasonal migrants work in Iran, compared to 8 percent in Pakistan and GCC countries. Regarding current migrants abroad, more than half reside in Iran, while another significant portion is in GCC (18 percent) and OECD countries (16 percent). Overall, while returnees (particularly refugee returnees) mostly arrive from Pakistan, more recent waves of economic out-migrants primarily go to Iran and, to a lesser but still significant extent, GCC and OECD countries, whose favorable earning differentials and better economic opportunities attract workers.

⁵ A household is considered an international migrant if any member left the country and returned or is currently residing abroad.

Table 3: Place of destination for Afghan international migrants (percent)

Note: MENA = Middle East and North Africa

Share Host Country	International Migrants					
	Total	Refugees	Economic Migrants			
		Returnees	Total	Returnees	Seasonal workers	Current Member abroad
Pakistan	52	60	34	48	8	4
Iran	43	36	57	48	83	61
Gulf & other MENA	2	1	5	1	8	18
OECD	3	2	4	2	0	16
Other	1	1	1	1	1	1

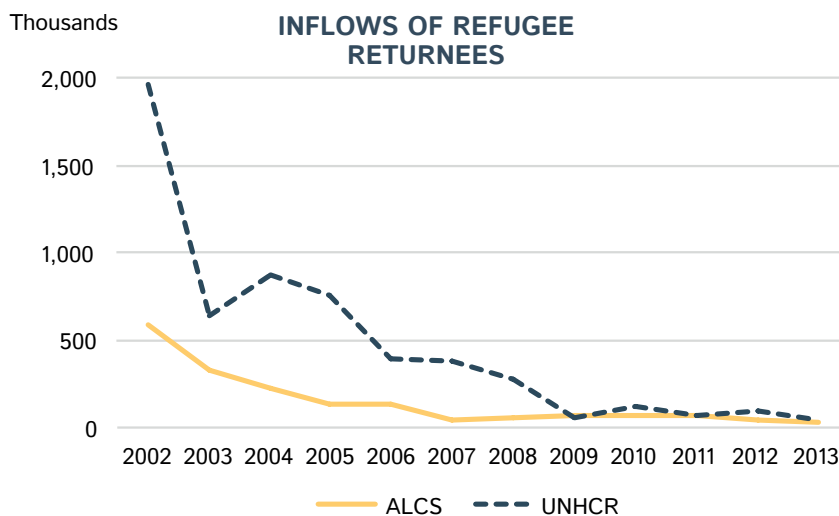
Source: ALCS 2013/2014.

The average refugee stays abroad around 10 years, with similar lengths for those in Pakistan (10 years) and Iran (11 years). On the contrary, and reflecting its temporary nature, international seasonal migrants spend half a year working abroad but those who go to GCC countries stay longer (8 months) compared to those going to neighboring countries.

3.1.1 Refugee Returnees

According to the ALCS, 2 million refugees have returned to Afghanistan since 2002 (Figure 2). This figure is significantly lower than the close to 6 million returnees reported by the UNHCR. In 2002 in particular, among the 2 million refugees reported by UNHCR to have returned to Afghanistan in that year, only 600,000 were still in Afghanistan in 2013. Part of this discrepancy is due to the sampling design of the ALCS, which is representative of the total Afghan population but not of the returnees' population. In particular, as shown in next paragraphs, the returnee population settles in urban areas to a greater extent than the rest of the Afghan population, which translates into an underestimation of the size of the returnee population in the ALCS. Additionally, in line with previous studies, the discrepancy could also be partially explained by an overestimation of returnees' flows in UNHCR figures, as some refugees took the assistance offered by UNHCR and went back to host countries (what has been called the "recyclers"). Regardless of the source used (ALCS / UNHCR), the scale of return migration decreased in the most recent years, driven by the deteriorating economic and security situation in Afghanistan and by the fact that those refugees who were more prone to return to Afghanistan had already left.

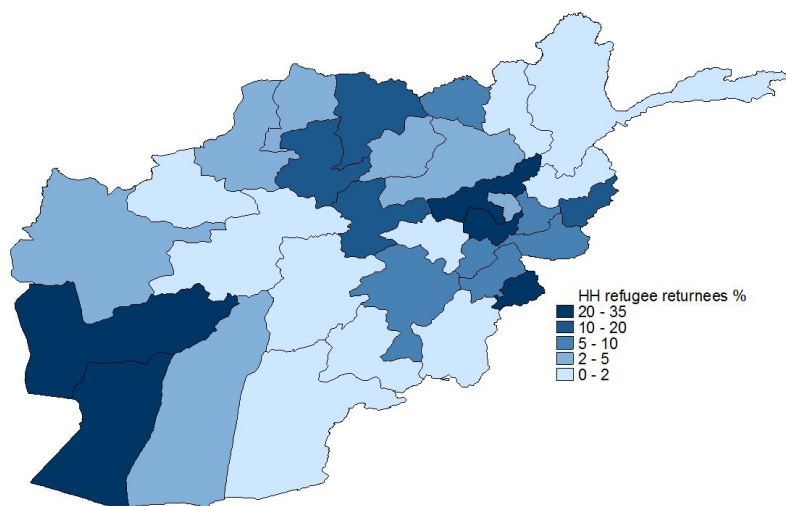
Figure 2: Refugee returnees by year of arrival, 2002–2013



Source: ALCS 2013/2014.

Refugees have returned disproportionately to Kabul and parts of the border with Iran and Pakistan (Figure 3). While they represent 9.3 percent of the households in the country as a whole, in regions like Kabul, neighboring Parwan, or Khowst (on the border with Pakistan), they comprise more than 20 percent of the population. Similarly, in the provinces of Farah and Nimruz near the border with Iran, returnees represent a very high share of the population. In contrast, other provinces in the center and northeast barely host refugee returnees.

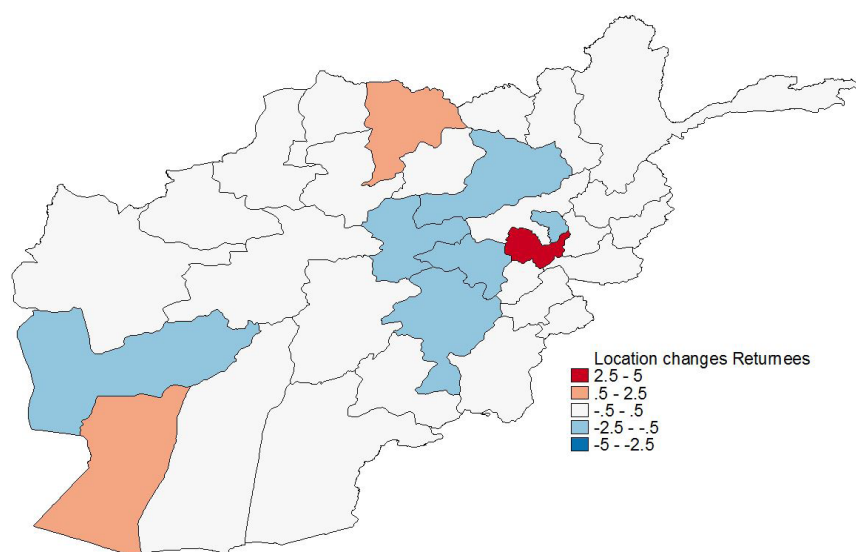
Figure 3: Share of households with refugee returnees by region



Source: ALCS 2013/2014.

Most of the geographical differences associated with where the refugees return are not due to a new pattern of resettlement but to disparities in the province of origin before leaving the country. As such, many refugees lived disproportionately in the capital and border provinces with Iran and Pakistan prior to migration, although some of these patterns were reinforced after their return. For example, close to 4 percent of refugee returnees settled in Kabul instead of where they lived before migrating, as did 2 percent in Nimruz in the border with Iran (Figure 4). These regional breakdowns suggest that force-displaced households tended to locate either in the capital or provinces near the border before migrating overseas, a tendency that was reinforced upon return, albeit driven by different factors, like proximity, economic opportunities, or links to past networks or land titles.⁶

Figure 4: Percent of refugee returnees who resettle in a new geographic location post-migration



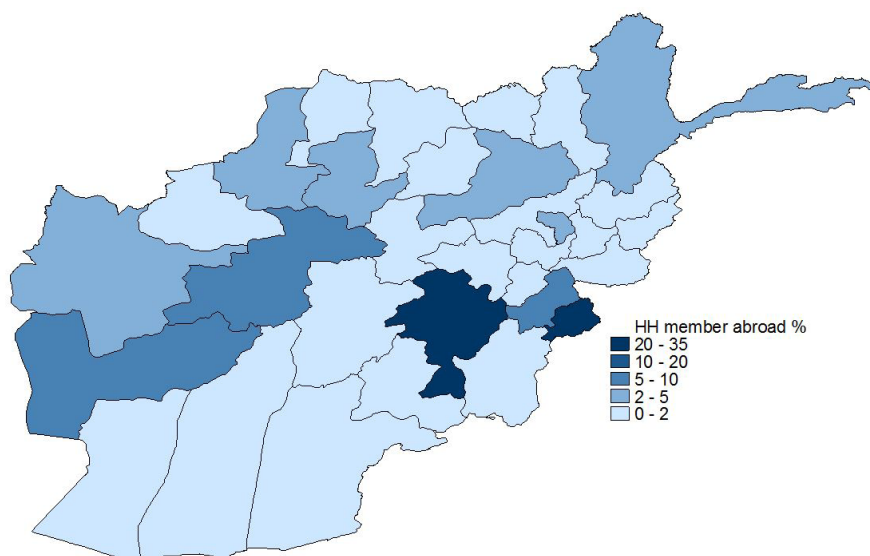
Source: ALCS 2013/2014.

3.1.2 Out-migrants

The ALCS collects information about current emigrants through their relatives residing in Afghanistan. This indirect method yields an estimate of 160,000 emigrants during the year 2013/14. The profile of current economic migrants is mostly men (above 95 percent) in their 20s (more than two in three), sons or brothers of the household head who leave the household in search of job opportunities to complement the family income. By province, the areas with the most households with out-migrants differ significantly from the areas to which most refugees return. As such, Kabul or Nimruz barely have out-migrants, while in other provinces like Ghazni and Khowst, more than 20 percent of households experience out-migration in their families (Figure 5).

⁶ Besides these geographical patterns in sending and return migration in Afghanistan, a further analysis of the different profiles of migrants in urban and rural areas is outside the scope of this paper. Other studies like the recent World Bank-UNHCR (2016) report address the issue of within-country migration patterns in more depth.

Figure 5: Share of households with out-migrants by region



Source: ALCS 2013/2014.

3.2 Comparison Between International Migrants and Nonmigrants

International migrants have slightly smaller households and are somewhat older than the nonmigrant population. While nonmigrant households have 7.4 members on average, that figure is reduced to 7.2 among refugee returnees, 6.1 among economic returnees, and 5.6 among households with seasonal workers. On the contrary, households with an out-migrant are bigger (7.8 members). While 51 percent of nonmigrants are men, this rate increases to 99 percent of seasonal international migrants and 95 percent of out-migrants, indicating the huge gender gap in the nature of current economic migration. Families with refugee or economic returnees have a more similar gender composition to nonmigrant households (although the lack of disaggregation at the individual level prevents an understanding of the gender composition of returnees within the household). The age structure of migrants also differs widely: while half of nonmigrants are under 14 years old, only 40 percent of refugees and 32 percent of economic returnees are children, and this share is negligible among seasonal migrants and economic out-migrants. As a result, the average age of out-migrants is clearly higher than nonmigrants (28 years for seasonal workers and 25 years for those currently abroad, while the average is only 20 years for those who did not migrate), differences that are statistically significant.

Table 4: Characteristics of international migrants

	Non Migrant	International Migrant					
		Total	Refugee	Economic Migrant			
				Total	Eco. Return	Seasonal	Member Abroad
Household Size	7.4	7.0	7.2	6.8	6.1	5.6	7.8
Male	51%	54%	52%	56%	58%	99%	95%
Age	20.3	22.5	22.4	21.9	21.7	28.1	25.4
Age 00-14	49%	39%	40%	38%	32%	0%	1%
Age 15-24	20%	24%	24%	29%	38%	42%	51%
Age 25-64	29%	33%	33%	31%	29%	57%	48%
Age +65	3%	3%	3%	2%	1%	0%	0%

Note: A grey colored cell indicates that the value is statistically different from that of nonmigrants at the 5% significance level.

Source: ALCS 2013/2014

In-migrants are more educated than the general population, while the opposite is true for households with seasonal workers.⁷ In any case, the overall education for all groups is very low. Two-thirds of Afghans above 15 years old from nonmigrant households are illiterate and have not had any formal education. This figure is similar for out-migrant families, while for in-migrant returnees (both economic and refugees) the literacy rate is higher, reaching 50 percent. Most Afghans with formal education have no more than primary or some secondary school, while only 5 percent have some tertiary education. Among in-migrant families the ratio rises to 8 percent while for out-migrant families it is negligible (2–3 percent). In spite of their higher educational attainments, fewer returnee households send their children (younger than 15 years) to school than do nonmigrant families (58 percent compared to 62 percent). The most concerning group is households with seasonal workers, among which only two in five children currently attend formal education.

Table 5: Educational attainments of households with international migrants (for those above 15 years old)

	Non Migrant	International Migrant					
		Total	Refugee	Economic Migrant			
				Total	Eco. Return	Seasonal	Member Abroad
Years of Education	2.9	3.8	4.5	3.8	4.6	2.1	2.7
Illiterate	67%	59%	53%	59%	53%	71%	66%
No education	68%	58%	52%	58%	51%	72%	69%
Primary	7%	11%	12%	11%	12%	11%	7%
Secondary	20%	25%	28%	25%	28%	15%	21%
Tertiary	5%	7%	8%	6%	8%	2%	3%
Children at school	62%	57%	58%	57%	58%	42%	63%

Note: A grey colored cell indicates that the value is statistically different from that of nonmigrants at the 5% significance level.

Source: ALCS 2013/2014

⁷ Families with members currently residing abroad do not have statistically different education levels compared to nonmigrant families.

Table 6: Labor market conditions (for those above 15 years old) (percent)

Total Population	Non Migrant		International Migrant				
	Total	Refugee	Economic Migrant				
			Total	Eco. Return	Seasonal	Member Abroad	
Employed	33.2	30.6	32.7	29.2	29.7	28.8	26.5
Underemployed	9.6	9.9	8.6	9.9	10.0	10.8	10.5
Unemployed	11.0	16.9	15.9	17.6	17.6	22.8	16.4
Inactive	46.1	42.5	42.8	43.2	42.7	37.5	46.7
Unemployment Rate	20.4	29.4	27.9	31.0	30.7	36.5	30.7
Underemployment Rate	22.5	24.5	20.8	25.4	25.2	27.3	28.3
Male							
Employed	52.0	46.3	49.6	44.1	46.3	44.3	36.1
Underemployed	15.2	14.1	12.5	13.6	12.2	16.2	16.9
Unemployed	11.2	16.4	14.7	17.5	15.7	23.0	19.0
Inactive	21.5	23.2	23.2	24.9	25.8	16.5	28.0
Female							
Employed	14.0	14.0	14.6	13.4	11.7	10.9	16.9
Underemployed	3.9	5.5	4.4	6.0	7.7	4.6	4.2
Unemployed	10.8	17.4	17.2	17.8	19.6	22.5	13.7
Inactive	71.4	63.0	63.8	62.8	61.1	62.0	65.2

Note: A grey colored cell indicates that the value is statistically different from that of nonmigrants at the 5% significance level.

Source: ALCS 2013/2014

Among those employed, migrant households have a different profile in terms of occupational skill level and sector of activity. On one hand, returnees are overrepresented among the higher nonmanual/white-collar jobs (31 percent compared to only 24 percent among nonmigrants), in line with their better educational achievements.⁸ By sector, in-migrant families are more employed in services, while agriculture is less relevant. Returnees also have somewhat better job conditions, with a higher share of salaried workers (25 percent compared to 17 percent among nonmigrants)⁹ and higher wages (US\$203–212, compared to US\$154 for nonmigrants). On the other hand, households with out-migrants have less access to highly qualified jobs, with only 10 percent of their population in nonmanual work. Three in five out-migrant families work in the agriculture sector, which yields lower earnings (US\$112). Families with seasonal workers also work in low-skilled jobs both in construction and agriculture (39 percent in each sector).

⁸ Among manual/blue-collar jobs, nonmigrants have a higher share of high-skilled jobs, but only because the ALCS considers most farmers as skilled, thus boosting that category.

⁹ As opposed to more uncertain daily labor, self-employment, or unpaid family jobs.

Table 7: Sectoral and skill composition in the labor market (for those above 15 years old)

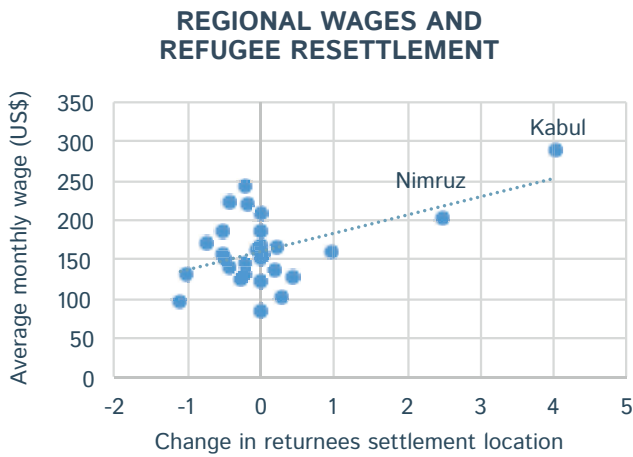
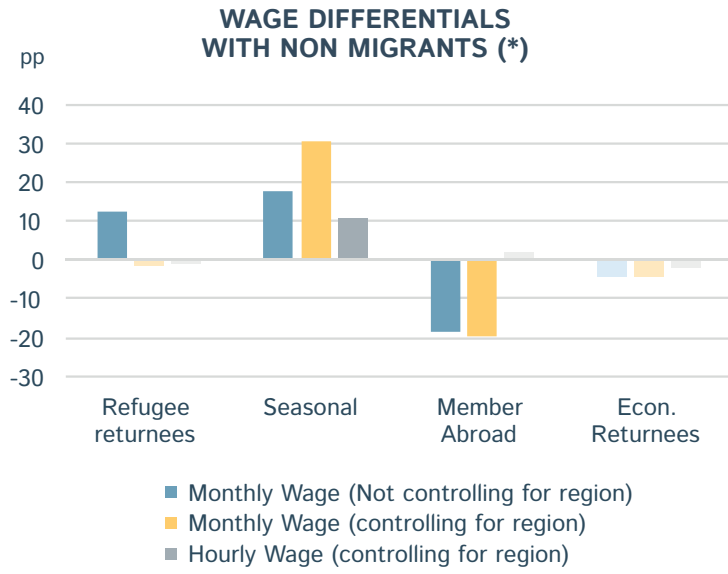
Skill level	Non Migrant	International Migrant					
	Total	Refugee	Economic Migrant				
			Total	Eco. Return	Seasonal	Member Abroad	
High-skilled White-collar	6.2%	7.2%	9.2%	6.9%	9.7%	1.0%	3.3%
Low-skilled White-collar	17.8%	17.9%	21.6%	16.6%	21.7%	9.5%	8.3%
High-skilled Blue-collar	56.2%	52.0%	47.6%	52.3%	46.4%	47.2%	71.5%
Low-skilled Blue-collar	19.8%	22.9%	21.7%	24.2%	22.2%	42.2%	16.9%
Monthly Wages (US\$)	154	192	212	181	203	144	132
Sector							
Agriculture & Mining	46.9%	38.7%	34.1%	37.9%	29.1%	39.1%	61.1%
Manufacturing	7.7%	10.9%	10.8%	11.9%	14.6%	6.6%	8.1%
Construction	13.0%	16.2%	13.5%	17.7%	14.3%	39.1%	13.1%
Trade	11.2%	11.3%	13.0%	11.3%	14.1%	7.5%	6.1%
Services	21.2%	22.9%	28.7%	21.2%	27.9%	7.7%	11.7%

Note A grey colored cell indicates that the value is statistically different from that of nonmigrants at the 5% significance level.

Source: ALCS 2013/2014

In-migrants families have earnings similar to those of nonmigrants after controlling for other relevant factors. Refugees earn 13 percent more than nonmigrants, even after taking into consideration differences in socioeconomic characteristics like gender, age, and education (left panel of Figure 6). However, these differences become insignificant after controlling for regional disparities, which suggests that returnees are able to earn higher salaries because they disproportionately resettle in areas with higher economic opportunities like Kabul (right panel of Figure 6). Regarding out-migrant families, seasonal workers heads of household earned between 10–30 percent more during the month prior to when the ALCS survey was run, once taking into consideration their more disadvantaged background. Therefore, international seasonal work is a relevant complementary source of income for these families. Finally, households with members currently residing abroad have significantly lower monthly wages, but this is due to fewer hours worked, as their hourly wage is not significantly different from that of nonmigrant households.

Figure 6: Wage differentials between groups and regions and refugee resettlement)



Note: (*) The wage differentials are based on an earning equation controlling for a rich set of socioeconomic characteristics. Blurred lines mean that estimates are not statistically different from zero.

International migrant returnees are clustered disproportionately on the higher quintiles of income and spending, thus showing better economic conditions than the overall population in the country. For example, only 12 percent of returnees (both refugees and economic migrants) belong to the poorest quintile of the income distribution, while 31 percent are in the top 20 percent. Households with seasonal workers show the opposite pattern, indicating a more disadvantaged background. Interestingly, despite earning lower wages, families with members abroad are more prone to be among the higher quintiles in income, which could suggest the important role played by other sources of income, such as remittances. Figure 7 confirms this hypothesis: while only 1 percent of nonmigrant households have remittances as their main source of income, half of all out-migrant families rely mainly on remittances instead of earnings. Both returnees and households with seasonal workers have a higher share of remittances as a main source of income (5 percent and 17 percent, respectively) than do nonmigrant families, but these are lower than for families with out-migrants. Overall, in-migrants and out-migrants do better in income than in earning terms compared to nonmigrants, benefiting from foreign networks that send remittances that complement their income.

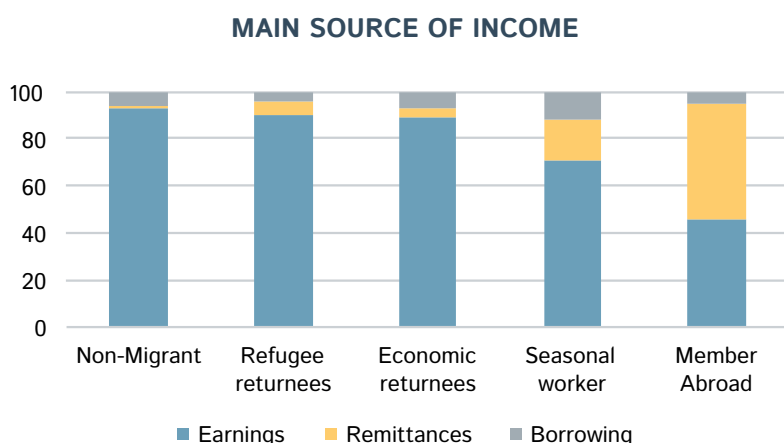
Table 8: Income distribution of international migrant households (percent)

		Non Migrant		International Migrant			
			Total	Refugee	Economic Migrant		
					Total	Eco. Return	Seasonal
Spending							
Quintile 1	21	15	12	15	13	22	18
Quintile 2	20	16	14	17	14	24	16
Quintile 3	20	19	19	19	19	19	20
Quintile 4	20	23	24	22	23	19	21
Quintile 5	20	27	31	27	32	16	24
Income							
Quintile 1	21	15	12	14	12	18	18
Quintile 2	18	14	14	13	12	21	12
Quintile 3	20	19	18	20	21	22	16
Quintile 4	20	23	22	23	23	25	21
Quintile 5	21	30	33	29	32	14	34

Note A grey colored cell indicates that the value is statistically different from that of nonmigrants at the 5% significance level.

Source: ALCS 2013/2014

Figure 7: Primary source of income for Afghan households



Note A grey colored cell indicates that the value is statistically different from that of nonmigrants at the 5% significance level.

Source: ALCS 2013/2014

Afghans have returns to education of 3.9 percent annually,¹⁰ which are below estimates for other low-income or neighboring countries.¹¹ Wide disparities arise by gender, though, with men having a mere 3.3 percent return compared to an 8.6 percent return for women. The particular scarcity of educated women may cause their higher returns to school. In a context of generally low education levels, with two-thirds of the adult population having no schooling at all, returns to primary education are slightly higher than those from secondary schooling (5 percent annually, compared to 3.3 percent), but still modest by international standards, pointing at labor demand constraints. However, in spite of these moderate results at the micro level, improvements in the low literacy rates and educational attainments could have higher returns at the macro level fuelled by positive externalities associated with education, which can occur through different channels such as increased technological progress, reduction in crime and welfare participation, or more informed political decisions (Krueger and Lindahl 2001).

Abundant evidence documents education externalities in developing countries, particularly within the family. The education of parents, and in particular mothers, impacts the education, health, and nutrition outcomes (mortality rates, weight, etc.) of their children (Glewwe 1999; Currie and Moretti 2003; Chou et al. 2010) as well as fertility rates (Lavy and Zablotski 2015; Osili and Long 2008). These investments in education thus enhance the next generation’s expected earnings in the labor market. The link between health and education might be particularly strong in low-income countries where malnutrition levels are higher and work is based to a greater extent on physical strength and endurance (Strauss and Thomas 1998). Other studies find significant externalities at the community/village-level: Wantchekon, Klačnjaja, and Novta (2015) observe strong positive spillovers of education in Benin, as the descendants of uneducated citizens in villages with schools do better than similar uneducated people in villages without schools. Foster and Rosenzweig (1995) document how in India successful implementation of higher-yield crops or production methods among educated farmers benefits other villagers who might copy the innovations.

¹⁰ Among manual/blue-collar jobs, nonmigrants have a higher share of high-skilled jobs, but That is, for every extra year of education, wages increase by 3.9 percent. The returns to education are obtained through a standard equation regressing years of education on wages, controlling for regional and other socioeconomic characteristics (age, age² –that is used as a proxy to control for experience–, marital status, and household size).

¹¹ The returns in low-income countries worldwide are around 10.5 percent, and slightly lower in the South Asia region (9.6 percent) (Montenegro and Patrinos 2013).

Table 9: Annual returns to schooling among Afghan population (%)

	Annual returns (Significance level)	
All education levels	3.9%	(***)
Male	3.3%	(***)
Female	8.6%	(***)
Primary education	5.0%	(***)
Secondary education	3.3%	(***)
Tertiary education	4.7%	(***)

Note: One (two/three) asterisks means that the returns to education are statistically significant at the 10% (5%/ 1%) level. The returns to education are obtained through an equation regressing years of education on earnings, controlling for location and other socioeconomic characteristics (age, age², marital status, and household size).

Returns to education are slightly higher for in-migrant men compared to nonmigrant men, although they are only statistically significant for economic returnees. While men from nonmigrant households have returns of 3.2 percent, male refugee returnees have returns of 4.3 percent, and economic returnees, 6.1 percent. In both cases the higher returns are observed for those who lived in Pakistan, while returns for those who lived in Iran or GCC countries are similar or even lower than those of the nonmigrant male population.¹² Returns to schooling among seasonal male workers as well as households with out-migrants are lower, between 1.5–3 percent, although not statistically different from those of nonmigrants. Therefore, only economic returnees and general returnees from Pakistan have higher returns, while the rest of Afghan migrants do not seem to benefit more from schooling. In the current environment, the work opportunities of most Afghan migrants in Iran or GCC countries are limited to low-skilled jobs; these migrants have barely any education, thus limiting the returns to schooling both in the host country and once they return.¹³ This is important to note as the current migration might not provide enough incentives to become educated, thereby failing to improve education levels in the country.

¹² The higher returns to education that returnees from Pakistan obtain in the Afghan labor market might be due to accessing better or more valued education while abroad, or its possible complementarities with access to higher-skilled occupations in Pakistan or upon return. In particular, they are more prone to work in the service sector, which offers higher salaries.

¹³ See next section for a more detailed analysis of Afghan migrants in Iran.

Table 10: Annual returns to schooling among Afghan population (%)

RETURNS TO EDUCATION (MALES)			
Total		3.3	
Non Migrants		3.2	
	Individuals who migrate/ed		Family members who migrate/ed
Migrants		4.2	4.3
Refugee Returnees		4.3	4.5
From Pakistan		5.1 (*)	5.3 (*)
From Iran		2.8	3.0
Economic Migrants		4.1	4.3
Economic Returnees		6.1 (*)	4.8
Seasonal workers		1.4	3.2
Member Abroad		-	1.8
From Pakistan		5.9	5.8
From Iran		2.1	2.4
From Gulf		2.3	2.4

Note: An asterisk means that the returns to education are statistically different from those of nonmigrants. The returns to education are obtained through an equation regressing years of education on earnings, controlling for location and other socioeconomic characteristics (age, age², marital status, and household size).

3.3 Drivers of Current International Migration Flows

As previously mentioned, the profile of current international economic migrants depicted in the ALCS is that of young men in their 20s who are either sons or brothers of the head of the household. Yet other key features of the households and region also determine the likelihood of migrating. Based on a probit regression that determines the probability of having a household member abroad, the following characteristics are highlighted:

1. Compared to the poorest, being a middle-income household increases the likelihood of migrating. This finding is in line with other studies that find that the poorest households do not have enough means to deal with the initial costs of migration. On top of this income effect, education does not seem to determine the patterns of migration, although having some basic education seems to increase the chances of migrating compared to having no education.
2. Households that face higher unemployment or underemployment are more prone to have a member abroad, suggesting that migration can be used as a livelihood support mechanism within the household.
3. By sector of activity, families employed in the service or trade sector are less likely to have a member abroad compared to those employed in the agriculture, construction, or manufacturing sector.
4. Networks seem to play a role in which households send a family member abroad. Controlling for other characteristics, refugee households that returned to Afghanistan (usually some years ago) are more likely to have one member who left the country within the last year. This illustrates the complex nature of migration in Afghanistan, which can be reinforced by long-lasting networks abroad that facilitate the arrival of new migrants.
5. Even taking into account all the previous factors, significant variations arise in rates of out-migration between provinces, suggesting the role of other factors like location (proximity to the border), ethnicity, and language.

4

Profile of International Migrants Abroad

As the ALCS cannot fully inform about the profile of Afghans currently living abroad,¹⁴ this section complements the previous analysis with different surveys and censuses of the Afghan diaspora. Given the key importance of Iran as a destination not only of long-term refugees but also of more recent waves of labor migration, the following analysis focuses on Afghan migrants in Iran. It also draws from other surveys of Afghans in the United States and other general profiles of Afghans in OECD countries.

4.1 Afghan Migrants Living in Iran

For the purpose of the analysis of Afghans living in Iran, two databases are used: (1) the Minnesota Population Center, which provides a sample of the Iranian Census of 2006, with 19,218 individuals nationally representative of the 950,000 documented Afghans living in Iran; and (2) the Ahmedinejad (2011) survey of 10,889 Afghans living in Iran, most of whom are documented but the survey also includes undocumented migrants (15 percent of the sample). This second survey contains sociodemographic variables similar to those of the Minnesota sample and additional information on income/consumption.

The age distribution and household size of the population of Afghans in Iran are similar to those of returnees in Afghanistan (Table 11). According to the Iranian Census, two in five Afghans in Iran were children, the same as the profile of returnees in the ALCS, and smaller than the figure for Afghans who stayed in the country (50 percent). Afghans in Iran have a smaller household size (around six members) compared to Afghans in Afghanistan, again in line with the profile of returnees. However, this family size is larger than that of Iranians. The average migrant lives in Iran for an extended period of time. Only one-third of Afghans in the Iranian Census had been living in Iran for less than 10 years, and half were born in Iran (second-generation migrants). Among heads of households, the Ahmedinejad survey (2011) shows an average length of stay in the country of 20 years. Undocumented migrants (who are usually economic migrants or new waves of refugees who were not granted or lost their status of refugee) have been in the country for a shorter period of time (13 years). As the Government of Iran does not grant citizenship, no Afghan immigrants have Iranian nationality, not even those born in Iran.

Table 11: Profile of Afghans in Iran

	Iran Census	Ahmedinejad
Household Status		
Legal Status		85%
HH Size	5.86	6.26
Male	54%	51%
Age		
Mean	21.5	23.7
0-14	39.3	33.4
15-64	58.6	64.2
≥65	2.1	2.4
Marital Status		
Single	56%	49%
Married	41%	48%
Time in Iran		
Less 10 years in country	32%	-
Aver Year in Iran	-	20
Foreign born	49%	-
Iranian citizenship	0%	0%

Source: Minnesota Population Center 2015 and Ahmedinejad 2011

¹⁴ It only provides indirect information on age, gender, and location of out-migrants through their relatives living in Afghanistan, and it cannot reach entire families internationally displaced.

Afghans in Iran have a higher literacy rate than those who stayed in Afghanistan but among them, fewer are highly educated (Table 12). Compared to Afghans returnees in the ALCS, the literacy rate of Afghans in Iran is similar, although there are less with higher levels of education (secondary and, in particular, tertiary school). This may indicate a certain pattern of self-selection of Afghans between those who decided to stay in Iran and those who returned to Afghanistan, with somewhat more educated people deciding to return.

Table 12: Educational attainments of Afghans in Iran

	Total Population	Male	Female	Children
Literacy rate	53%	56%	49%	72%
Illiterate	47%	44%	51%	28%
Primary or less	39%	41%	36%	55%
Secondary	12%	13%	11%	16%
More than secondary	1%	1%	1%	1%

Source: Minnesota Population Center 2015..

Unemployment rates among Afghans in Iran are very low (6.5 percent) and the gender gap in labor force participation is even higher than in Afghanistan¹⁵ (Table 13). While only two in ten men above 15 years old are inactive in the labor market, more than 90 percent of women are. Male employment rates are very high (72 percent), and close to nine in ten heads of households have a job. Regarding occupation levels, less than 10 percent of Afghans work in white-collar jobs, with the vast majority occupied in manual jobs. The sectoral composition of employment is also different than in Afghanistan, with two in five Afghans working in the construction sector and less than 20 percent in agriculture. A structural transformation seems to have occurred in occupational skills, from agriculture to basic, low-skilled construction jobs. All of these developments in Iran's labor market are shaped by restrictions imposed by the government. For example, refugees in Iran are allowed to work legally if they have a temporary work permit, for which only Afghan men aged 18–60 years can apply. The job areas in which permits can be granted are set by the Ministry of Labor and Social Affairs and are restricted to manual labor. This limits Afghans' access to more qualified jobs as well as the capacity of women to enter the Iranian labor market.

Table 13: Labor market outcomes of Afghans in Iran

Employment Status	Total Population	HH Head	Male	Female
Employed	43%	87%	72%	7%
Unemployed	3%	3%	5%	1%
Inactive	54%	10%	23%	92%
Student	16%	1%	15%	17%
Housewife and other	39%	9%	9%	75%
Skill level				
High-skilled White-collar	2%	2%	2%	3%
Low-skilled White-collar	6%	7%	6%	6%
High-skilled Blue-collar	40%	36%	38%	60%
Low-skilled Blue-collar	53%	55%	54%	31%
Sector				
Agriculture & Mining	18%	18%	18%	24%
Manufacturing	21%	16%	19%	45%
Construction	41%	44%	43%	12%
Trade	12%	13%	13%	6%
Services	8%	9%	7%	12%

Source: Minnesota Population Center 2015 and Ahmedinejad 2011

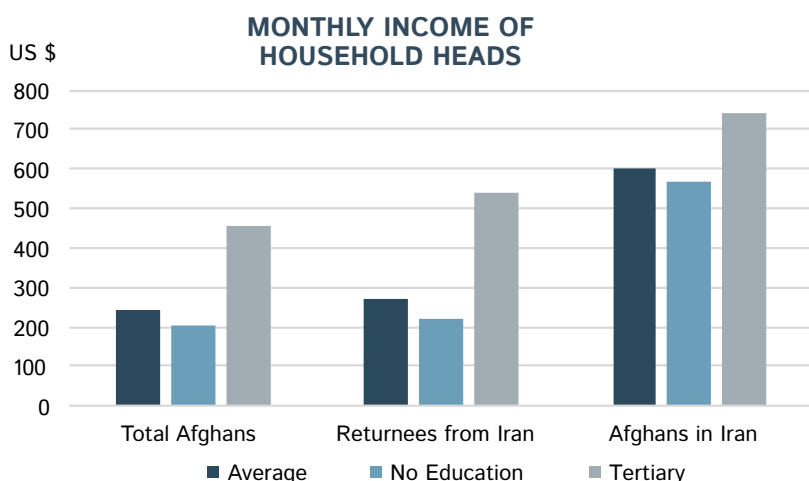
Given the restrictions that Afghans face in the Iranian labor market, returns to schooling are minimal, around 1 percent per year of education, which is lower than those observed in Afghanistan.¹⁵ The very low returns are similar for men and women, although the latter earn 30 percent less. Significant differences exist in earnings among different Afghan ethnic groups, and having legal status in Iran also increases earnings by 6 percent. Among types of education, returns to basic education are higher (around 3 percent), while returns to higher education are barely significant. Thus, Afghans have no strong incentives to be educated beyond basic reading and writing given the Iranian labor market's concentration on manual jobs. Interestingly, education obtained in Iran by Afghans yields the same low returns as education obtained in Afghanistan. Regarding labor market experience, employers only consider relevant experience gained in Iran (with returns to professional experience in Iran of 2.4 percent per year compared to almost zero for experience obtained in Afghanistan). This finding might be explained by a lack of accreditation of skills gained in Afghanistan or by the high degree of sectoral shift (from agriculture to construction) that makes past experience less valuable.

Despite working in low-skilled jobs, Afghans in Iran have significantly higher income than those who stayed in the country, thus wage gaps exert a strong pull factor. As Figure 8 shows, the average monthly income for household heads who stayed in Afghanistan is less than US\$200, while it is close to three times higher for those living in Iran (US\$600). This highlights the attractiveness of the Iranian economy vis-à-vis the sluggishness of the Afghan economy, leading to a "pull" pressure to migrate.¹⁵ Wage differentials are particularly high for low-skilled workers while less pronounced for those with higher education. Therefore, Iran's labor market structure attracts mainly low-skilled Afghans. Interestingly, the incomes of migrants returning from Iran are similar to the incomes of those who stayed in Afghanistan but lower than if they had stayed in Iran. Several factors might be at play in the decision to return to Afghanistan: (1) self-selection, in that voluntary returnees might be those who experienced more difficulties in the Iranian labor market; (2) non-economic considerations like family reunification or the value of returning to one's homeland; or (3) forced return and deportation by Iranian authorities.

¹⁵ As wages are not available, a measure of spending is used as a proxy. As in the previous analysis with the ALCS, returns to education are obtained controlling for other socioeconomic characteristics (age, legal status, ethnicity, marital status, and household size). The use of spending or income variables as opposed to wages can underestimate the true value of returns to education when those with lower education and income have a higher share of non-earning income (as remittances, donations, etc.). For example, returns to education obtained with the ALCS when using income and spending variables are around 3 percent, compared to 6.7 percent when using wages.

¹⁶ This finding is in line with other previous studies like that of Majidi (2008).

Figure 8: Comparison of monthly income of nonmigrant Afghans, Afghan migrants in Iran, and returnees from Iran



Source: ALCS 2013/2014 and Ahmedinejad 2011.

4.2 Afghan Migrants Living in the United States

In the United States, the Minnesota Population Center, which is a sample of the 2010 U.S. Census, provides information on the profile of Afghans in the country. According to this census, 45,800 first-generation Afghan immigrants reside in the United States, as do an additional 30,000 second-generation migrants (those born in the United States but with Afghan parents). Afghan migrants have been in the United States for a long time, with an average duration of more than 17 years. Around three in five Afghans have already acquired U.S. citizenship, with no intention of returning to their country of origin.

The age structure of Afghans in the United States follows a pattern similar to that of U.S. citizens and contrary to that of their peers in Afghanistan. Afghan households are smaller in size (4.7 members) and have fewer children, resulting in a lower share of the population under 14 years old (29 percent). The dependency ratio, measured as the number of children or retired people compared to the working-age population, reaches 50 percent (Table 14).

Table 14: Profile of Afghans in the United States

Age	First Generation	First & Second
0-14	8.4	29.3
15-64	84.9	66.6
+65	6.7	4.1
Dependency Rate	0.18	0.5
Marital Status		
Single	29%	56%
Married	64%	39%

Source: Minnesota Population Center 2015

Afghans in the United States are highly educated, with almost universal literacy and tertiary education rates similar to those of U.S. citizens. Only 10 percent of Afghans are illiterate (Table 15), while more than one-third have some higher education, whether college or vocational education. Another important difference with respect to Afghans in Afghanistan is that barely any gender disparity exists in educational achievement, with Afghan women benefiting almost equally from educational opportunities in the United States..

Table 15: Educational attainments of Afghans in the United States

	Total Population	Male	Female	Children
Literacy rate	90%	93%	87%	86%
Illiterate	10%	7%	13%	14%
Primary or less	16%	17%	15%	28%
Secondary	37%	39%	37%	35%
More than secondary	37%	38%	36%	23%

Source: Minnesota Population Center 2015

In the U.S. labor market, Afghans have high-skilled jobs although unemployment is more prevalent than for natives. The unemployment rate stands at 15 percent and male participation (Table 16), even among household heads, is somewhat lower than in Afghanistan. On the contrary, women participate more actively in the labor market (56 percent), although the gap is still much larger than among U.S. natives. The most dramatic difference stands in the level of skill sophistication of occupations held by Afghans in the United States. Contrary to the situation in Afghanistan, more than 90 percent work in nonmanual jobs, and among them, close to half are highly skilled workers. By sector, most Afghans work either in services (67 percent) or trade (28 percent), with marginal participation in manufacturing, construction, and agriculture. Therefore, the profile of Afghans in the United States is one of highly educated and qualified workers, as opposed to the skills held by Afghans in Afghanistan or neighboring countries.

Table 16: Labor market outcomes of Afghans in the United States

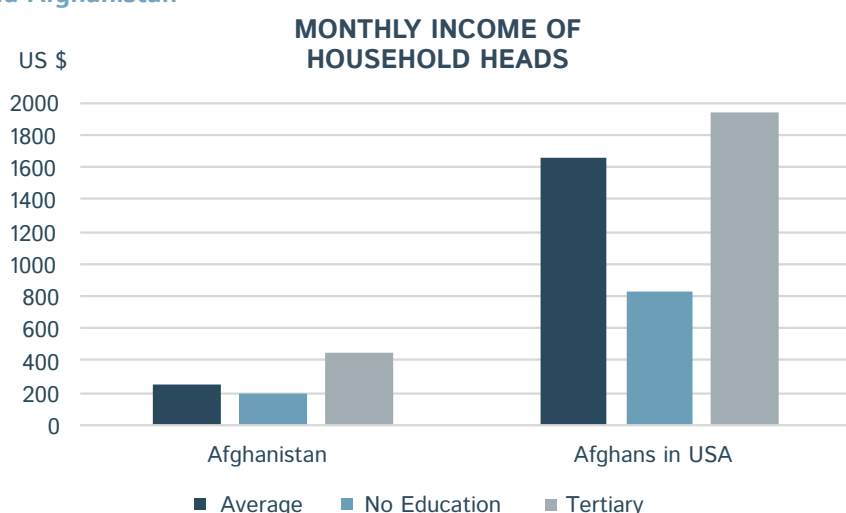
Employment Status	Total Population	HH Head	Male	Female
Employed	48%	66%	58%	39%
Unemployed	9%	13%	13%	6%
Inactive	43%	21%	29%	56%
Student	-	-	-	-
Housewife and other	-	-	-	-
Skill level				
High-skilled White-collar	38%	48%	42%	31%
Low-skilled White-collar	53%	38%	46%	62%
High-skilled Blue-collar	3%	6%	4%	2%
Low-skilled Blue-collar	6%	8%	8%	4%
Sector				
Agriculture & Mining	0%	0%	0%	1%
Manufacturing	4%	6%	6%	2%
Construction	1%	0%	1%	0%
Trade	28%	17%	31%	24%
Services	67%	77%	62%	73%

Source: Minnesota Population Center 2015

Returns to education for Afghans living in the United States are around 4–5 percent annually, somewhat lower than in Afghanistan but higher than in Iran. Among household heads the rate increases to 7 percent. Returns to education obtained in Afghanistan versus in the United States are similar. On the contrary, experience obtained in the United States has returns of around 7 percent annually, more valuable than the experience gained in Afghanistan.

Earnings and income of Afghans in the United States are, on average, ten times higher than in Afghanistan (Figure 9).¹⁷ Part of these differences are due to the different profile of Afghans in the United States, who are much more skilled than those in Afghanistan. However, wide differences persist for those with the same level of education. As such, Afghans in the United States with no education have an income six times higher than the non-educated in Afghanistan, while the ratio is even higher for highly skilled workers with tertiary education (7:1). Adjusting for differences in purchasing power, non-educated Afghans in the United States have a 110 percent higher income, and highly educated ones 130 percent higher, compared to non-educated Afghans who stay in Afghanistan. These are strong incentives (pull factors) for Afghans to migrate to the United States, particularly for the highly educated.

Figure 9: Comparison of monthly income of Afghans in the United States and Afghanistan



Source: ALCS 2013/2014 and Minnesota Population Center 2015.

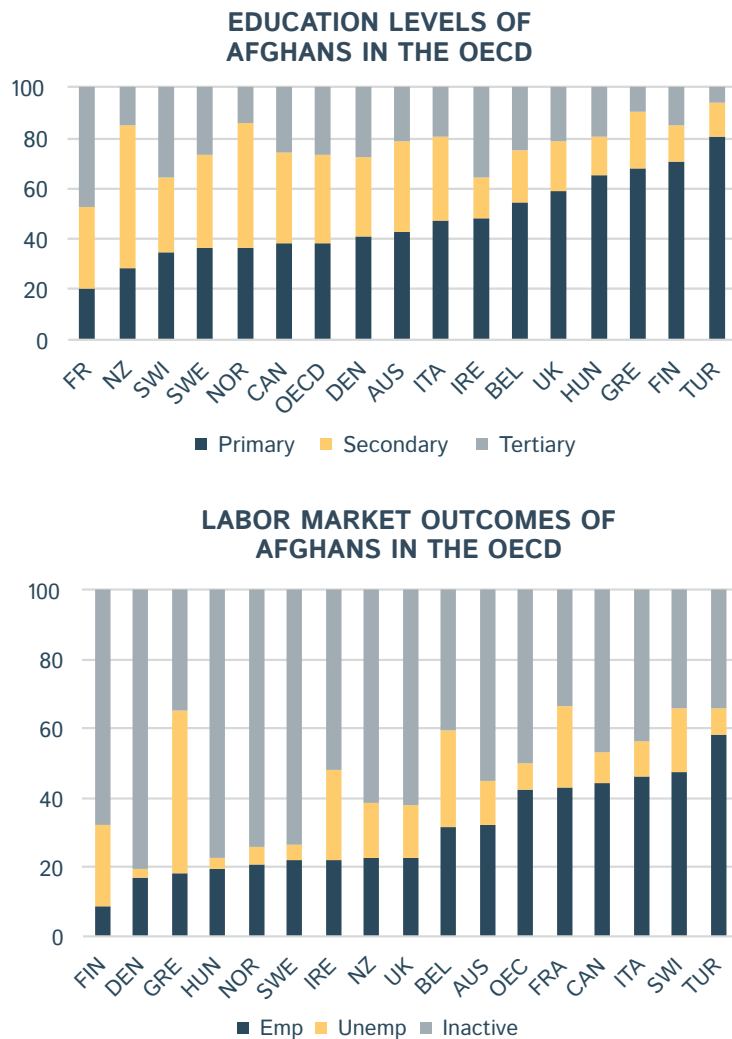
4.3 Afghan Migrants Living in Other OECD Countries

The Database on Immigrants in OECD Countries (DIOC) provides information on the education and labor market outcomes of Afghans living in developed countries. As it uses information collected from different censuses from the beginning of the 2000s, it does not provide details on the most recent wave of migration flows.

¹⁷ This figure is in current international dollars and does not take into consideration differences in purchasing power. Once taken into account, the gap is reduced to more than three times higher, but is still very relevant.

The profile of migrants in the OECD diverges widely from country to country, based on different factors, such as migration policy and geographical location. In terms of education levels, close to 30 percent of Afghans in OECD countries have a tertiary education and 70 percent have at least a secondary school education (Figure 10). Afghans are highly qualified in countries like France or Switzerland. On the contrary, less than 10 percent of Afghans in Turkey have a tertiary education, with the vast majority having attended primary education at most. In Finland, which mostly accepted Afghan refugees from Iran, Afghan migrants' education levels are very low and comparable to those of Afghans in Turkey.

Figure 10: Education and labor market outcomes of Afghan migrants in OECD countries



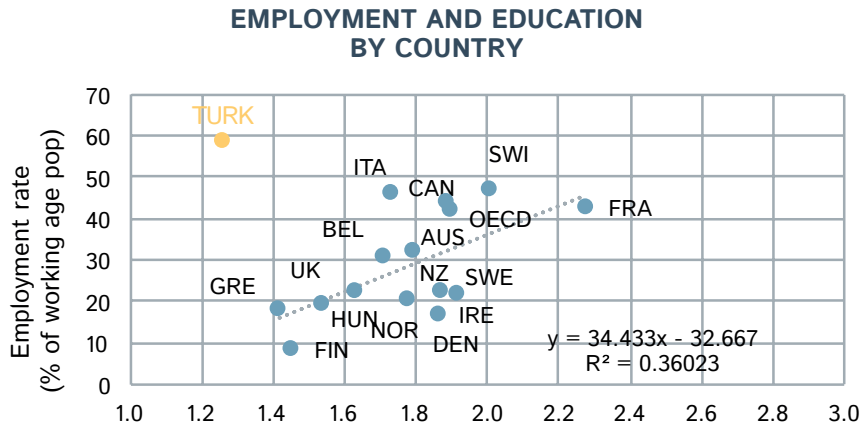
Note: The OECD average does not include Germany.

Source: DIOC OECD.

Differences in the skills of Afghans across OECD countries are one of the drivers behind their different performance in the labor market (Figure 11). In Nordic countries, Afghans have lower school levels and very low employment rates (no more than 25 percent), while in France both their level of education and employment rates are higher. However, other factors like the availability of safety nets can be at play. For example, Afghans in Turkey with similar or even lower levels of education than those in Greece exhibit employment rates three times as high (close to 60 percent, compared to 20 percent). This might suggest that Afghan immigrants in countries with a low or absent welfare state work more as they cannot rely on other sources of income.

According to UNHCR (2016) the most recent wave of Afghans arriving to Europe through the Mediterranean shores at the beginning of 2016 was characterized by a high share of children below 18 years old (40–45 percent of the total arrivals). Regarding gender, around 60 percent of them were men. The newest wave of Afghans is also lower educated –half of them have at most a primary school education and less than 10 percent have a college degree.

Figure 11: Correlation between education and employment rates of Afghan migrants in OECD countries



Note: The OECD average does not include Germany.
 Source: DIOC OECD.

References

Afghanistan Living Conditions Survey (ALCS). 2013/2014. Central Statistics Organization (CSO), Government of Afghanistan. Kabul.

Ahmedinejad, M. 2011. "Multidimensional Poverty and Vulnerability

Assessment: Case of Afghan Refugees in the Five Most Refugee Populated Provinces of Iran." 4th European Public Health Conference, 10-12 November, EUPHA, Copenhagen.

Chou, S.-Y., J.-T. Liu, M. Grossman, and T. Joyce. 2010. "Parental Education and Child Health: Evidence from a Natural Experiment in Taiwan." *American Economic Journal: Applied Economics*, Vol. 2(1): 33–61.

Currie, J., and E. Moretti. 2003. "Mother's Education and the Intergenerational Transmission of Human Capital: Evidence from College Openings." *Quarterly Journal of Economics*, Vol. 118(4): 1495–1532.

Foster, A., and M. Rosenzweig. 1995. "Learning by Doing and Learning from Others: Human Capital and Technical Change in Agriculture." *Journal of Political Economy*, Vol. 103(6): 1176-1209.

Glewwe, P. 1999. "Why Does Mother's Schooling Raise Child Health in Developing Countries? Evidence from Morocco." *Journal of Human Resources*, Vol. 34(1): 124-159.

Krueger, A., and M. Lindahl. 2001. "Education for Growth: Why and For Whom?" *Journal of Economic Literature*, Vol. XXXIX: 1101–1136.

Lavy, V., and A. Zablotski. 2015. "Women's Schooling and Fertility under Low Female Labor Force Participation: Evidence from Mobility Restrictions in Israel." *Journal of Public Economics*, Vol. 124: 105-121.

Majidi, N. 2008. "Research Study on Afghan Deportees from Iran." Altai Consulting, commissioned by ILO/ UNHCR, Kabul.

Minnesota Population Center. 2015. Integrated Public Use Microdata Series, International: Version 6.4 [Machine-readable database]. Minneapolis: University of Minnesota. Extracts from the Iranian Census of 2006 and the U.S. Census of 2010.

Montenegro, C., and H. Patrinos. 2013. "Returns to Schooling around the World." Background Paper for the *World Development Report 2013*, World Bank, Washington, DC.

National Risk and Vulnerability Assessment (NRVA). 2007-2008 and 2011-2012. Central Statistics Organization (CSO), Government of Afghanistan. Kabul.

Organisation for Economic Co-operation and Development (OECD). Database on Immigrants in OECD Countries. OECD, Paris.

References

Osili, U. O., and B. T. Long. 2008. "Does Female Schooling Reduce Fertility? Evidence from Nigeria." *Journal of Development Economics*, Vol. 87(1): 57–75.

Strauss, J., and D. Thomas. 1998. "Health, Nutrition and Economic Development." *Journal of Economic Literature*, Vol. 36(2): 766-817.

United Nations High Commissioner for Refugees (UNHCR). 2016. "Profiling of Afghans on Greek Islands." February, March 2016. UNHCR, Geneva.

Wantchekon, L., M. Klačnja, and N. Novta. 2015. "Education and Human Capital Externalities: Evidence from Colonial Benin." *Quarterly Journal of Economics*, Vol. 130(2): 703-757.

World Bank and UNHCR. 2016. "Fragility and Population Movement in Afghanistan." October. World Bank and UNHCR, Washington, DC, and Geneva.

Wright, R. 2010. "Securing Human Dignity: The Need to Extend Labour Protection and Security to Afghanistan's Informal Workers." Human Rights Research and Advocacy Consortium, Kabul.

