

Researching livelihoods and  
services affected by conflict

# **“90% real” – The rise and fall of a rentier economy:**

## **Stories from Kandahar, Afghanistan**

Working Paper 38

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# About us

Secure Livelihoods Research Consortium (SLRC) aims to generate a stronger evidence base on how people make a living, educate their children, deal with illness and access other basic services in conflict-affected situations (CAS). Providing better access to basic services, social protection and support to livelihoods matters for the human welfare of people affected by conflict, the achievement of development targets such as the Millennium Development Goals (MDGs) and international efforts at peace- and state-building.

At the centre of SLRC's research are three core themes, developed over the course of an intensive one-year inception phase:

- State legitimacy: experiences, perceptions and expectations of the state and local governance in conflict-affected situations
- State capacity: building effective states that deliver services and social protection in conflict-affected situations
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# List of acronyms and glossary

## Acronyms

ANP	Afghan National Police
ANSF	Afghan National Security Forces
AREU	Afghanistan Research and Evaluation Unit
BSA	Bilateral Security Agreement
CIDA	Canadian International Development Agency
DFID	Department for International Development
GIRoA	Government of the Islamic Republic of Afghanistan
IDP	Internally Displaced Person
ISAF	International Security Assistance Force
KAF	Kandahar Air Field
NATO	North Atlantic Treaty Organization
NDS	National Directorate of Security
NGO	Non-Governmental Organisation
PRT	Provincial Reconstruction Team
SIGAR	Special Inspector General for Afghanistan Reconstruction
TLO	The Liaison Office
UN	United Nations
UNAMA	UN Assistance Mission to Afghanistan
UNDP	UN Development Programme
UNODC	UN Office on Drugs and Crime
US	United States
USAID	US Agency for International Development

## Glossary

Balti	Intermediary
Irtibati	Informant
Lagharyan	Smuggler
Marcha	Buying and selling of second-hand mobile phones
Nahia	Sub-district
Wakeel	Representative
White beard	Elder

# Executive summary

This ethnographic study started as an enquiry into the employment opportunities rural migrants have found on the informal margins of Kandahar's urban economy. It broadened into a more general investigation into the rise and fall of the city's economy since 2001, including interviews with businessmen and others familiar with the reconstruction boom the city experienced.

The study in the informal sector focused on three sub-sectors of the street vendor economy: the selling of tarpaulins, clothes and mobile phones. It found that many of those who had secured a foothold in it were migrants from Kandahar's rural districts, and they were often landless, driven out by insecurity and a lack of employment owing to drought. They had also been pulled into the city at a time when prospects were better. They found the entry barriers to becoming a street vendor were relatively low and relationships of solidarity enabled access and in many cases direct provision of starting capital. Initially, in the boom years, being a street vendor provided a significantly better living than people had had before. But now times are harder, insecurity is greater and there has been a general economic downturn. In addition, people face major risks as a result of the actions of the police and municipal authorities in the city. The police see vendors as a potential security threat and the municipality treats them as illegal. Steps are being taken to regulate their presence but this will not secure better economic prospects.

In the higher reaches of the city economy, the flow of funds from the military and reconstruction economy created an extreme rentier economy. This was captured and regulated by powerful figures to their advantage, with access to the economy being subject to their control. However, there were sufficient flows of resources for those reasonably well connected to prosper even if they had to pay to do so. Now this reconstruction boom has collapsed and the legacy in terms of key public goods – notably electricity and water – is limited.

The fortunes of these different players in the urban economy may be likened to two different games of snakes and ladders. The first is a street game where everyone is in a roughly equal position as a player. However, the ladders are few and far between and are constantly being shortened, offering few opportunities to prosper, and there are many traps and snakes to undermine the unlucky or unwary. There is a second elite game with longer ladders and greater rewards but there are strict entry requirements, with an entrance fee and continued payments required to stay in the game. This game is likely to become even more exclusive as the available revenues shrink.

A recent report on the private sector in Afghanistan argues that the Afghan government, supported by international donors, must provide the preconditions for an inclusive, productive, rule-based and formalised market economy. However, the basic political preconditions are not in place. The challenge is to work out the first steps to move away from an economy characterised by social regulation, power and predation.

# 1 Introduction

The day before we arrived in Kandahar city in early November 2014, the 32-year-old Deputy Governor Abdul Qadeem Patyall was killed by a gunman in a classroom at Kandahar University. While we were chatting with a businessman, the conversation moved from markets to politics and personalities and this led into a conversation about the killing. Our interlocutor had his opinions on who was likely to be responsible; when we asked him about the veracity of his sources, his answer was, 'What you hear in the bazaar is 90% real.'

Some of the stories we heard in November came from the upmarket suburb of Aino Mina. This gated community was built by a company owned by the Karzai brothers, allegedly on land that had been grabbed, and was seen by those with funds as an opportunity to reinvest profits from Kandahar's grey economy. This has left a visible legacy of the wealth circulating in the city in the form of monumental architecture, spacious roads and sidewalks, fountains and shops set against a background of rocky mountains. Some contractors who did business with the International Security Assistance Force (ISAF) and the Provincial Reconstruction Team (PRT) have left; even if they have not, their accumulated capital has. A few are still living in Aino Mina, where they have bought properties and live, gated and guarded.

Here, we met the businessman. His story speaks for those who were attracted by and could access Afghanistan's reconstruction funds. He returned to Kandahar from Pakistan with his family in 2002 and found employment with the UN Development Programme (UNDP) as a project manager. However, as he said, *'There was money and opportunities to contribute to the reconstruction of the country and I started my own business.'* The years 2005-2011 saw the peak of his business activity; since 2014 the company he runs has had no new contracts. He says today, *'We (can only) hope for the best'* (Key informant interview #7).

Leaving Aino Mina and moving to the old town and its crowded and dusty bazaars, we met the street vendors that have been trading at the margins of the urban economy over the past 12 years. One of them worked with US Special Forces. After leaving his district to escape rising violence in 2007, he became a street vendor. He initially sold ready-made garments for women. In 2009, he moved into selling mobile phones, which was *'more profitable'* at that time. He is now 28 years old: *'Around 2008/09, getting into the business of second-hand mobile phones was a good option to make a living and it was a cheap and easy way to overcome debt, and not to be in the war.'* As with many others, he now wished to find a job in a non-governmental organisation (NGO) because of the decline in second-hand mobile phones sales, fuelled by the import of cheap phones from China (Vendor #12).

These accounts, which we will hear more of, are two versions of a fairly consistent story of the rise and fall of the city economy since 2001. The study started out as an investigation of employment opportunities for rural-urban migrants as street vendors, drawing on earlier findings that moving into the urban economy had offered a chance to prosper for the rural poor from Kandahar's surrounding districts (Pain, 2012). The core part of the paper thus not only explores questions of access to trading opportunities and networks within each sector but also examines the broader risks of working in the informal sector, which remains illegal for the authorities.

However, the study broadened into a wider enquiry of Kandahar's city economy over the past decade, what has driven it and who has benefited. This cast light on a different group: the contractors and those who have been doing business in the higher reaches of the city's rentier economy. They were attracted by the ready opportunities for business but today the situation has turned sour, as times have changed with the withdrawal of ISAF and reconstruction funds. Kandahar's urban economy has crumbled and

the rural economy in its hinterland remains in poor health. The injection of reconstruction funds that Kandahar experienced attracted many, but what has been left behind?

This paper then speaks to two broad issues. The first is that of agrarian transitions and the links between Afghanistan's rural and urban economies. As will be clear, insecurity and a failing rural economy have driven most of the migrants into the city and into self-employment on the service margins of a bubble economy. These are not the conditions that are likely to create enduring employment opportunities or the decent work that the Government of Afghanistan (GIROA, 2014) aspires to. Second, while much of the literature on Afghanistan's private sector speaks to the enabling condition for the private sector to develop (e.g. Ghiasy et al., 2015), what the evidence points to (supported by a companion paper on the politics of Kandahar: Jackson, 2015) are more the political constraints to growth (Williams et al., 2009): even the basic conditions for growth – absence of predation, control of rent-seeking behaviour and sufficient investment in public goods – are not in place.

The paper first describes the methods used in the study and presents the two groups of informants it draws on – businessmen and street vendors (Section 2). It then moves on in Section 3 to outline the broader dynamics of the rise and fall of Kandahar's economy, what fuelled it and its informal control and regulation. It examines this in more detail through the accounts of two businessmen who prospered in the construction boom but who are now struggling to maintain their businesses. Section 4 draws on accounts from two contractors who benefited from the reconstruction effort. Section 5 examines three sectors of the urban economy in which street vendors are active – tarpaulins, garments and mobile phones – and the accounts of vendors who have been drawn into it, before looking at common themes, highlighting the drivers behind their move into the urban economy and the risks and hazards associated with it. It examines in particular the challenges of being able to prosper. Section 6 explores the evolution of the troubled relationship that street vendors have with the city authorities and the police around issues of legality and security. Section 7 concludes.

## 2 Methods

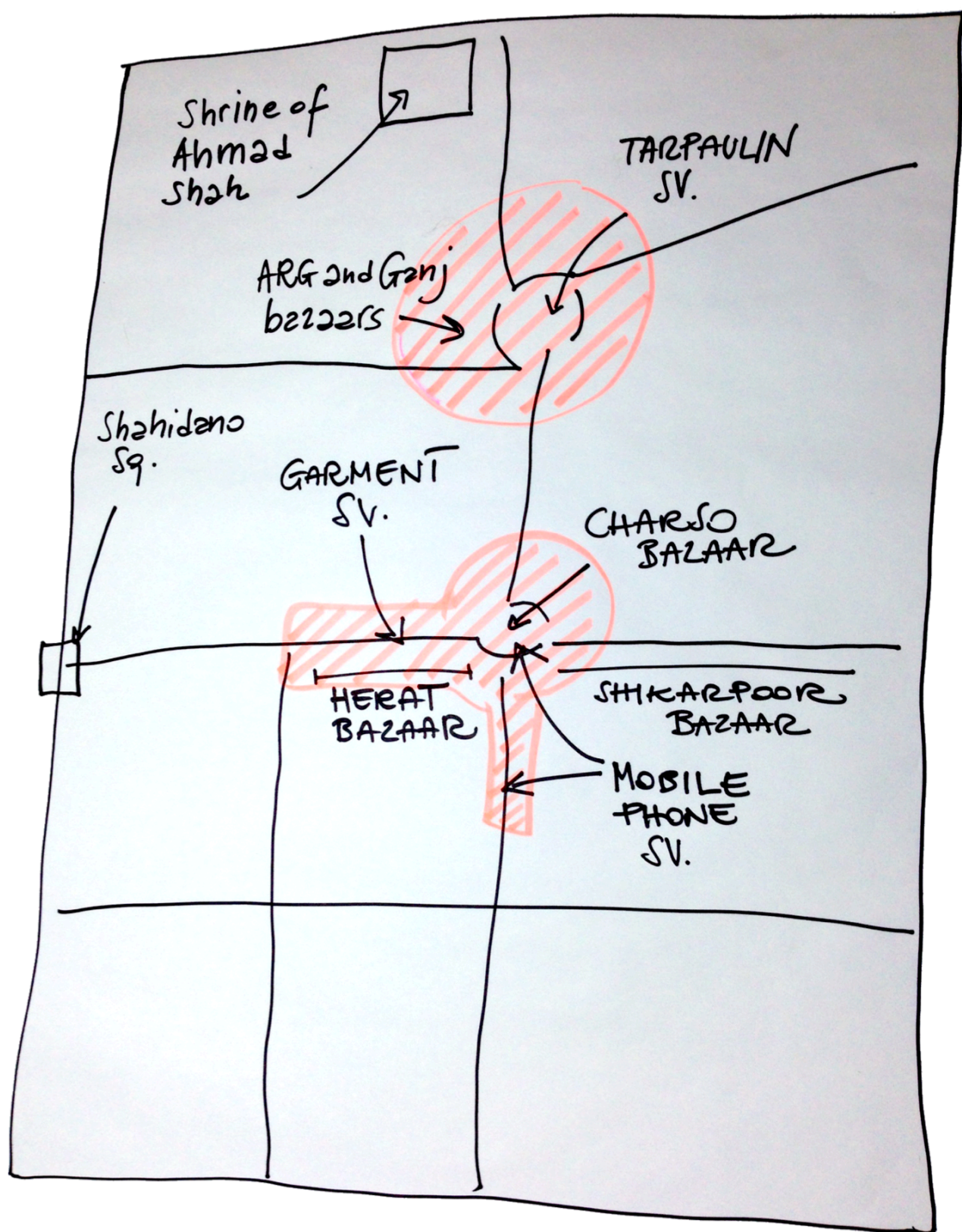
This paper draws on the findings of an ethnographic study and interviews of 61 informants over three rounds of fieldwork. These were undertaken in Kandahar city between mid-August and early December 2014 by research staff from the Afghanistan Research and Evaluation Unit (AREU).

Forty-seven of the informants were street vendors, retailers and wholesalers (see Annex 1). A further 14 respondents were interviewed as key informants. This second group included businessmen, representatives of the UN and civil society and government officials. This group provided the information on the wider picture of the dynamics of Kandahar's economy.

The first round of fieldwork was a scoping study designed to map the diversity of street vendor activities and the locations in which they traded. The sectors covered included fruit and vegetables, food stalls, garments and shoes, tarpaulins, money exchange and mobile phones. It sought to map the spatial distribution of street vendors in the city and to grasp the logic behind this. It also collected estimates of the numbers of street vendors trading in urban Kandahar and identified the migration patterns between districts and the urban area. Questions asked during this preliminary round focused on supply chains and credit relations, life histories, districts of origin and location in Kandahar, familial ties to the districts or other provinces and migration patterns to and from Pakistan. It combined street observation and interviews with 10 informants.

The second and third rounds of fieldwork were held between the end of August and December 2014, with delays resulting from uncertainty over the presidential election results. A sub-sample of three sectors in which street vendors traded were selected to provide contrasts in terms of the size of the sector and the number of traders, the geography of the supply chain, credit relations, social origins and identity and the history of the specific commodity. The first sector was a small group of tarpaulin sellers who had strong internal ties of kinship that extended to the wholesalers in Kandahar city and in Chaman (the Pakistani border town on the way to Quetta). The second sector contained a larger group of garment sellers who had no specific kinship ties but had well-established relationships of patronage with the bazaar retailers. The third sector was mobile phone sellers, mostly of second-hand mobiles. These again were a disparate group who were newcomers to street vending and who accessed a booming market during the years of the military surge (2005-2010), although this is a market that has now fallen on hard times. These three groups are located in different parts of the old city, mainly in sub-districts (*nahia*) 1 and 4. The tarpaulin sellers are to be found mainly in Arg bazaar and Ganj, whereas the garment sellers and the second-hand mobile phone sellers are in Herat and Charso bazaar (see Figure 1). Other groups of street vendors active in these markets are vegetable and fruit sellers, money exchangers, soap and cosmetics sellers and vendors of costume jewellery for women.

Figure 1: Map of the city showing the main bazaars where street vendors (SV) are located



Interviews were held with street vendors, retailers and wholesalers from each of these three sectors following a set of themes, as follows:

- 1 Personal history and reasons for entry into a particular market sector: what factors contributed to the 'choice' of sector to work in? What relations and networks did individual street vendors draw on to establish access to a specific sector of the market and to maintain their foothold within it? What changes have they experienced working in that specific sector?
- 2 The socioeconomic organisation of the sector and relations between street vendors, retailers and wholesalers.
- 3 Potential for economic mobility: what resources would make it possible for them to improve their economic circumstances? What do they see as their future trajectory?
- 4 Risks and uncertainties in the sector, including attempts to regulate street vendors: to what extent have security measures in urban Kandahar affected street vendors' lives? What ongoing attempts are there to regulate street vendors and how do the different actors involved (police, municipality, retailers, wholesalers and street vendors) perceive these?

During the scoping phase of fieldwork, a group of women selling second-hand clothes in Herat bazaar was selected as part of the sub-group of garment sellers and as a way of exploring the gendered dimensions of access to trading activities. However, it proved impossible for the interview team to meet the group in a private space because of the cultural constraints imposed by *purdah*. Although the team initially negotiated for the selection of a sheltered space to conduct the interviews, and noting that female street vendors are already exposed to the public while trading in the bazaar, the interviews were ultimately refused.

The AREU team had access to key informants, in particular businessmen, in Kandahar through the introduction of international journalists working for several years in the south of the country.

### 3 Context

The city of Kandahar has historically been a crossroads on trading routes between India and Iran, as well as a battlefield, given its key position between two empires during the Mugal era. During the Taliban rule, it maintained its position as a trading city, importing goods tariff-free through Pakistan and from Iran and then re-exporting through smuggling routes back to Pakistan. Televisions were reported to be a significant re-export to Pakistan at that time. By 2011, the city economy was linked to shop-keeping and trade, with food items, import-export businesses with Pakistan, China and Iran, the opium poppy trade, daily wage labour, NGO employment, agriculture and transportation (TLO, 2009, 2011). Profits from the opium economy, the major cash crop of the province, particularly since 2001, have not only provided major support to rural livelihoods but also generated a significant surplus, part of which has been reinvested in the urban economy.

Two additional key sources of revenue have flowed into the city since 2001. The first is custom revenues, which have largely been captured by local elites and, as Jackson (2015) reports, have been central to elite politics and local power struggles. According to one informant, Abdul Raziq and his men regulate imports of mobile phones, cars, electronics and oil into Kandahar (even though the main entry point for oil is Islam Quala). Informants reported that there was a weekly auction to select the pool of traders who could import from Pakistan through the border at Chaman. The weekly income of the border police at Spin Boldak from this informal taxation was reported to be \$80,000. In addition to this, informants reported that, *'Raziq's brother is making \$1,000 per each truck passing through Chaman.'* About 300 trucks pass daily through Chaman, according to one source (Key informant interview #9).

*As a consequence of the informal agreement between the border police and traders noted above, cartels were created that excluded many potential wholesalers from importing into Kandahar (especially in the market for electronics). Many of the mobile phone wholesalers were smuggling phones through the border avoiding taxes. By keeping the volume of the (second-hand) mobile phones they traded low, not more than 10 at a time, there was no conflict with the market regulation in the city or the cross border trade cartels that worked on a much bigger scale.*

The second, and undoubtedly larger, flow has been that from the reconstruction funds. While these are difficult to quantify in total, at the peak of the military surge in 2010 the US was reported to have spent \$650 on each Kandahari, which, given an approximate city population of about half a million, amounts to about \$325 million for one year alone. This figure amounts to three times the per capita annual income of Afghanistan (Aikins, 2012; Surkhe, 2011). This has had both direct and indirect effects on the city economy and local structures of power. As noted by Jackson (2015), the process of buying local power-brokers for security purposes developed from the early phases of military intervention in 2001. Those practices post-2001 set the path for the city's economy in following years (Forsberg, 2009).

The effect of these resource flows was to create a cash-rich economy. Military expenditure, reconstruction efforts and development funds fuelled a booming economy and increased demand for services. Those in power effectively captured the higher reaches of the economy in construction, trade and security service provision.

One account from a former Roshan manager noted that, even though between 2005 and 2009 there was rising demand for communication services, contracts were mainly distributed among those close to the Karzai family (Key informant interview #9). *'There were some great opportunities for business in the city related to communications and services, for example in the opium poppy eradication campaign, funded by the North Atlantic Treaty Organization (NATO). To open up an advertising company was a great business, but many had to leave after receiving threats from the Karzai clan'* (Key informant interview #4).

These contractors and key informants also suggested that, while proximity to the Karzai clan allowed access to business contracts, Raziq controlled the cartels regulating cross-border trade. As he put it, *'The Karzais are controlling the business and Raziq is controlling the border'* (Key informant interview #9).

Even at the lower end of the market there were opportunities for those without land and connections to improve their economic circumstances (Pain, 2010). However, there have been major push factors driving people out of rural areas into the urban economy. One key one has been, as we will discuss, increasing levels of violence and insecurity as a result of the insurgency. Between 2006 and 2010, for example, there was a major struggle for control of the districts of Panjwai and Arghandab. Meanwhile, drought coupled with the over-exploitation of water resources for the intensive cultivation of opium poppy and severe inequalities in landholdings has meant the many land-poor rural households have found employment in agriculture insufficient to meet household needs.

While there have been investments made seeking to improve the city infrastructure and support its economic development, these have failed to become fully operational. The Canadian International Development Agency (CIDA), for example, invested in the Dahla Dam to improve water supply. The dam was designed to provide water to Shawalikot, Arghandab, Panjwayi, Dand, Daman and Kandahar city and to fuel a hydraulic power system. However, it has never become fully operational. Equally, investment in the Kajaki Dam to provide reliable electricity has failed to deliver and the city still functions on very unreliable power delivery from generators. A joint attempt to provide electricity to Kandahar city by the US Agency for International Development (USAID) and Da Afghanistan Breshna Sherkat gave birth to the Kandahar Power Initiative, lately renamed the Kandahar-Helmand Power Project. The investment cost \$266 million in 2010. The US was to provide funding to transfer management to the government in 2013 (SIGAR, 2012 and 2015) but this has not happened. The consequence of this is that the city economy has remained focused largely on trading and services.

The city itself is structured in nine *nahias*. There are two main bazaars: Shah bazaar (with around 2,000 shops) and Herat bazaar (with around 2,000 shops) located in *nahias* 1 and 2, respectively south and west of the governor's house. Loya Wiala in *nahia* 9 is one key area to which incomers from the districts migrate, and there has been an informal settlement there since 2003 when UN-Habitat started working in the area under the National Solidarity Programme. According to the Afghan National Security Forces (ANSF), Loya Wiala is regarded with suspicion and requires constant patrols to monitor potential insurgent activities in the city (Gopal, 2014a). Loya Wiala has also been sheltering many of the migrants who are escaping violence in the districts or searching for better wages.

## 4 The upper reaches of Kandahar's economy

Before turning to examine the street vendor economy of Kandahar, this paper draws on accounts from two contractors who benefited from the reconstruction effort. Both live in the upmarket suburb of Aino Mina and their stories provide detailed accounts of the trajectory of Kandahar's economic environment and the reasons it once attracted so many aspiring individuals to Kandahar city. But they also indicate that the economic and political processes that allowed them and others to find opportunities for 'doing business' for 12 years in Kandahar have vanished along with the withdrawal of NATO troops from the south.

According to the contractors, after 2001 the economic rise of Kandahar was shaped mainly through the investments of ISAF and the PRT. The PRT, with its 250 military and 47 non-military personnel, made investments in military and civilian infrastructure such as Kandahar Air Field (KAF) and Dahla Dam on the Arghandab River. When the PRT shifted to the Canadian authorities in 2005, the priorities were chosen in close collaboration with the military in order to facilitate Canadian and US operations in the districts. However, the PRT mission also considered issues of development and reconstruction, bearing in mind the aim of the Canadian government, which was stated as being supportive of development rather than aiming to conquer territory, as the Canadian government asserted after the closure of Operation Athena in 2011.<sup>1</sup>

However, the peak of investments in the south followed the curve of the conflict and expanded along with the military presence. From 2009 and 2010, aid funds for the south grew along with the Karzai family's power over the city. The economic boom created by the war economy and the grey economy fuelled by opium injected a cash flow into construction as is visible today in the upmarket suburb of Aino Mina. Even though it has been represented as a source of employment and profits for the whole city, the Aino Mina project has been controversial. The land on which it was built once belonged to the Afghan Ministry of Defence and was bought by a company in which former President Karzai's brothers Ahmed Wali and Qayum had a share (Jackson, 2015). Cases of illegal land grabbing have been widely reported as part of the real estate enterprise practice. Today, the residents of the suburb are mainly ex-contractors who established political or financial relationships with the Karzais or westerners in Afghanistan. It was in Aino Mina that we met two contractors whose fortune, as they reported, had risen and declined along with the military and aid intervention.

Both of the contractors signed contracts with ISAF, the PRT and development agencies during the decade 2001-2011. The number of contracts decreased sharply in 2012 after the closure of the PRT. The first contractor started his account when his family moved back from being refugees in Pakistan in 2002. He saw the amount of investment flooding into post-Taliban Kandahar was creating economic opportunities and a possibility to contribute to what was seen as a new beginning for the country: *'There were many opportunities to contribute to the reconstruction of our country'* (Key informant interview #7).

This contractor reported that he was initially employed, in 2002, as a project manager by UNDP. But, as he sensed investments were growing, he decided to shift into construction and he opened his own company in 2004: *'I wanted to have my own business,'* he said. Opportunities to be a businessman and to make profits with the reconstruction funds were possible at that time. In fact, the most profitable time for construction in the city and around KAF started after the PRT moved under Canadian control: *'Between 2005 and 2011 we had big projects. I was doing everything with my company, from construction to maintenance.'* By 2014, however, his company had no new projects contracted. He is

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<sup>1</sup> [www.parl.gc.ca](http://www.parl.gc.ca)

nonetheless reluctant, as many others are, to consider that NATO has left for good and that, with the foreign troops leaving, contracts for construction will cease and aid funds will diminish.

On the contrary, he saw the collapse of the construction market as a side-effect of the political transition that the whole country experienced in the second half of 2014: *'In the past seven months the government situation was not good because of some political issues and the BSA [Bilateral Security Agreement] was not signed'*. Although he referred to the second half of 2014 and the presidential elections as a critical phase of transition for the country, his vision of the future reflects a widespread attitude where Afghans are *'hoping for the best'*. But his experience also shows the effects of the military withdrawal: of the 100 people he used to employ, only 70 are still working with him. As he explained, out of around 30 projects they were contracted for in a year between 2005 and 2011, around 70 percent were reconstruction projects linked to ISAF.

Even though he sees the province as in need of infrastructure, industries and electrification, his judgement on the outcomes of 10 years of foreign investments fuelling the local market was extremely positive:

*I can see many changes in the city. In 2002 there was nothing in Kandahar: one or two roads, and only few schools inside the city. There were only a few female teachers and only a few female members of government departments. If we see today Kandahar is still having many problems: people are jobless, there are no factories and we do not have electricity. Aino Mina has been a good thing for business [though]. It has been creating jobs.*

The second contractor also celebrated the Aino Mina venture as a success, talking proudly about the construction in the area. He welcomed us to his large marble house; the female members of the family occupied a second villa built behind the first building. In his view, the investments he and others had made in Aino Mina real estate benefited the city as a whole while creating job opportunities (for non-Afghan labour):

*In 2007-2011, constructions in Aino Mina were at their peak and there were about 5,000 Pakistani labourers working here. They were coming either from Quetta via Spin Boldak or through Torkham border. Labour from Pakistan was more expensive but better skilled than the Afghan one. Afghan labour is cheap. They get paid \$2-3 per day but they can build only mud houses. They cannot do what we did here in Aino Mina* (Key informant interview #8).

There is continuing investment in the area and the price of land has not yet decreased, even though the money has left the region and ex-contractors are leaving themselves or planning to do so: *'The money has already left Kandahar and it has gone to Dubai. I am looking for opportunities in Europe myself'* (Key informant interview #8).

In contrast with the property market in other areas of Kandahar city, prices in Aino Mina are still increasing. The Afghanistan Independent Land Authority reports that a plot of 1 m<sup>2</sup> is now sold for \$40-100; in 2011, a plot of land in Aino Mina was sold for \$22 per m<sup>2</sup> (Key informant interview #11). Outside Aino Mina the economic downturn has been starting to show its effects: prices of land decreased by about 50 percent after the closure of the PRT in 2011. In non-commercial areas, land that was sold for \$100 per m<sup>2</sup> in 2011 and it is now sold for \$50 (Key informant interview #8).

Daily wages have also not decreased, despite the uncertain economic environment, although the base level is low. Given the investment climate of 2014, wage rates for unskilled labour are high. Daily wage rates in Kandahar grew steadily until 2010, declined in 2012 and rose again towards 2014. This trend suggests that the return of the opium poppy economy may fill the cash vacuum left by the PRT (Fishstein, 2014), but more recently there has been a decline in opium area in the region, forcing the land-poor to migrate out of marginal rural areas (Mansfield, 2015).

## 5 The street vendor economy of Kandahar

In this section, we investigate the main features of three groups of street vendors selling in the old town of Kandahar. Kandahar municipality was of the view that there are about 600 street vendors in urban Kandahar (Key informant interview #14). However, there may be considerably more than this, according to figures received from informants in the city bazaars. These estimated at least 30-50 tarpaulin street vendors, 300 garment street vendors and 250 mobile phone street vendors in Kandahar city (totalling 600 alone, not taking into account the other sectors in which street vendors are engaged).

Moving to urban Kandahar in search of a better income than in the districts has been a pull factor attracting the rural poor to the city (Vendor #7). Street vending, according to our informants, offers a better income than the average daily wage available for unskilled labour looking for casual work in the city. The Danish Refugee Council (2013) found that internally displaced persons (IDPs) moving from the districts to urban Kandahar for casual work could make a daily income of \$1-1.50. Of the three groups we interviewed, mobile phone sellers reported the greatest net income, saying they could make between \$4 and \$20 daily; mobile phone wholesalers reported a maximum of \$100 income per day. Garment street vendors declared a daily income of between \$1.50 and \$2 for second-hand clothing and \$5 for ready-made clothing; wholesalers suggested a maximum daily income of \$30. Tarpaulin sellers had the lowest reported income of street vendors and wholesalers. Street vendors indicated a daily income of \$2 to \$5; wholesalers reported a maximum of \$20 per day.

### 5.1 Tarpaulin street vendors

Locally sold under the label of 'parachute cloth', tarpaulins are used in agriculture to protect the fodder from the rain in winter or to provide shade in summer and to cover trucks and pick-ups. The sale of it is largely confined to Arg Market in the vicinity of the tomb of Ahmad Sha. The market is located around and within Roshan Plaza building and is adjacent to the municipality offices. As well as its trading within the city and its surrounding districts, the Kandahar tarpaulin market attracts wholesalers from other Afghan provinces, especially Helmand, Uruzgan, Kunduz, Herat and Mazaar (Vendor #39).

The municipality of Kandahar built Roshan Plaza between 1992 and 1999, during the Taliban regime. The shops of the three-storey mall were then sold through a system called *sar qulfi*. This is an informal agreement between the municipality and the buyers that leaves the municipality with the responsibility of reconstructing the building if some natural disaster occurs. There is a high wall dividing Arg Square from the compound occupied by the municipality and the governor's office. The area is therefore heavily guarded by the Afghan National Police (ANP). As one street vendor selling in Arg told us,

*One of the back doors of the governor's office is located on Roshan Plaza and this is why [during his governorate] Shirzai gave another place to vegetable and fruit sellers (Vendor #16).*

Shirzai is well remembered among the street vendors as he tried to keep them outside the old town, but they eventually filtered back. The same respondent also observed that the tarpaulin street vendors are 'more vulnerable as compared with other street vendors'. The market's proximity to the local authorities has led to frequent raids by the municipality officials on Arg bazaar, with the street vendors periodically chased out as they are seen to be illegal. In other markets, such as Herat and Charso, street vendors can see the police or the municipality coming and take evasive action. But in Arg they cannot do this and their tarpaulins are often seized, loaded onto trucks and taken away.

An estimated 50 tarpaulin wholesalers have their shops in the basement of Roshan Plaza, and a further 40-50 tarpaulin street vendors squat around the perimeter of the building. The majority of street vendors and wholesalers trading in Arg bazaar are from Dand and Panjwai districts. Wholesalers of tarpaulin in the

border bazaar of Waish, in Chaman and in Quetta, Pakistan, are also from Panjwai district. These familial ties have helped many street vendors and wholesalers who wanted to enter the market without having the financial capital to do so (initial capital for a wholesaler is around \$450 (Vendor #39)).

There is another separate and small group of tarpaulin street vendors in Gang bazaar who are from Spin Boldak and not under the patronage of the wholesalers from Panjwai. This second group has stayed in the same market where they were previously renting shops to sell plastic materials. They became street vendors out of debt and property loss. We counted four or five sellers scattered on the ground in the little square of the market. It was also reported that there is a further small group of tarpaulin wholesalers with shops in Kabul bazaar, an area originally occupied by the Indian moneylenders of Kandahar before they left around 1978, but their origins are not known.

According to informants, Kandahar's tarpaulin market started flourishing towards the end of the Taliban era and has expanded rapidly during the past 12 years, in '*Karzai's time*'. Between 1992 and 1999, tarpaulins were imported from the US. After 2001, imports from South Korea started, providing a fabric that was resistant enough and for a cheaper price compared with imports from the US. After 2005, imports from China took over and – '*because it's cheap and people are poor*' – now almost all wholesalers are buying tarpaulin from China (Vendor #10) via Pakistan.

The wholesalers in Arg, as noted, are from Panjwai, the same district of those trading in the border market of Waish. The traders in Arg deal with their suppliers in Waish either directly or through intermediaries (called *balti*). As the following account shows, the road between the border at Spin Boldak and Kandahar city is not seen as particularly insecure, as trading in tarpaulin is not seen to compromise the traders in the eyes of the Taliban. However, it does require some informal taxation to be paid to the police:

*In the past 12-15 years, I never faced any issue related to security. Sometimes I even travel with money to Spin Boldak (Waish Market) and sometimes I go to my home (Panjwai) with money. I never faced any issue related to security. The Taliban are not interested in traders, they know we are doing our trade and we are not involved with the army, the police, the US and NATO. We faced the Taliban three or four years ago while going to our homes and they were asking us what our occupation is; after telling them that we are selling parachutes in the city they didn't harm or bother us. We are from this province, we know people and people know us, even in our village everyone is aware that I'm a trader so no worry about security. We are paying our taxes to the government and doing our business without any trouble. The police do not ask for bribes – after buying parachutes at the border we give them to the truck driver, fix the fee and then pay the fee in Kandahar. If they pay a bribe to police on the way it is their responsibility, not the trader's responsibility. As far as I know, only in two places do police take some money but not much. In Waish, truck drivers pay AFS100-200(\$2-4) and they pay the same amount when they are entering in Kandahar city. I heard this from some truck drivers, I never paid myself (Vendor #39).*

The wholesalers sometimes sell on retail, when the tarpaulin rolls are damaged. These are easily sold through cutting them into rolls of smaller lengths (another option for selling the damaged rolls is to lower the price to street vendors). Some shops selling plastic materials also have tarpaulin rolls but the tarpaulins are mostly sold through street vending and the wholesale market.

The following account of a young street vendor appears to reflect a common trajectory among his group and the historical and social background of their lives. Born in Pakistan in the 1980s to a father who was a sharecropper in the district of Daman, he returned after 1992, '*when father thought: the war is finished*'. Low rural wages and the deterioration in security forced the migration of first one member and then the entire household to Kandahar city, where the father sold vegetables and fruit on his cart. The respondent started selling tarpaulins in Arg bazaar in 2005, at the age of 16, when his father managed to establish a relationship with a wholesaler to support his first move into the market. A year

later the father suddenly became severely ill and unable to work. The informant at the age of 17 became responsible for the entire family. His daily income is today around \$4, enough to survive, he commented, but not to accumulate (Vendor #16).

## 5.2 Garment street vendors

The garment sector in Kandahar is bigger than that of tarpaulins and it has a clear structure of wholesalers, retailers and street vendors. There are an estimated 50 garment wholesalers doing business in the city and 20 have their shops in the China Market building. This building also contains about 200 of the estimated 500 garment retailers doing business in Kandahar. However, China Market is a location where retailers and wholesalers do not want petty traders, and they are kept away from the stairs and sidewalks. Located at the intersection between Herat and Charso bazaar, the mall is about two years old. It was built by Haji Hayat Khan, who was previously involved in PRT-funded construction projects. He is now selling and renting shops (Key informant interview #9). A retailer pays around \$50 a month for the rent; the rent paid by wholesalers reaches \$200-300 a month.

A further 80 retail shops sell clothing for men and women, shoes and cosmetics in Herat bazaar, with the remainder scattered through the city. It is here that the majority of mobile garment vendors are based in an area leading towards Shaidano Square. Herat bazaar is on one busy road that leads towards the western provinces and garment street vendors squat on the footpath and park their three-wheel carts across the open sewage drains on the side of the road. This market used to be the market to buy traditional embroidery and for shopping for Kandahari hats. It has kept part of its original identity and it still attracts customers searching for ready-made clothing.

According to informants, there are around 300 (50 women) street vendors selling garments on mobile carts in the streets of the bazaars of Kandahar's old town. They sell both second-hand clothing but mostly ready-made Chinese garments for children, women's underwear, jackets, coats and accessories. The mobility of the garment street vendors (in contrast with the tarpaulin street vendors) means they are likely to change their location temporarily if officials from the municipality chase them to confiscate their goods, and they reported this had often happened.

Retailers buy their stocks from wholesalers in China Market. However, there are different supply chains for commodities imported from China and Pakistan. Wholesalers trade directly with Pakistan; only a few trade with China as the investment required would be too high. Informal taxation on the way from Quetta is reported to be common:

*Most of the stock is from Pakistan. On the way I have to give some items (like socks, sweaters and hats) to the police. But not only one piece of these items, they are taking a dozen. For example, in one time they take one dozen hats, the second time they take one dozen sweaters or one dozen socks. The police from both countries (Pakistan and Afghanistan) are taking money even if I pay taxes for these commodities (Vendor #9).*

Those who trade with China usually have land in the family (e.g. in Spin Boldak). They work as a first tier of wholesalers and sell products to garment wholesalers in Kandahar. Trading with Pakistan remains the easiest way to do wholesale business, as it can be done importing directly or using a transport agent (*balti*) who pays the customs official and unofficial taxes.

However, margins are thin. One of the retailers in China Market said with regret that he had had to leave the sector of ready-made clothing for women as the competition from India and Pakistan was too high. He moved to bedding sets (less risky) thanks to support from his family and by sharing 50 percent of the profits with his uncle (Vendor #47). For both retailers and wholesalers, financial support from their family or the more extended familial and tribal network has been a key asset to initiate their business.

For the street vendors, access to the market depends heavily on retailers and their benevolent protection. Without retailers' patronage, there is no space for petty trade; without the retailers, there is no protection and space to hide from the municipality and the ANP. These petty traders need to be accepted by the neighbouring shopkeepers when occupying a spot in the market as they will then get shelter for their goods in case the police or municipality arrives. Retailers also use street vendors' carts to exhibit their goods to passing customers, an element of the patron-client relationship between the two groups. Petty traders therefore establish a long-lasting relationship with retailers and they will usually trade around the same few shops for many years.

Street vendors admit their merchandise is actually less expensive than the same quality available in the shops and that is why they attract 'people from the districts':

*All the poor people who cannot afford to buy commodities in shops with good quality they come from districts (such as Sperwan, Pashamol and Zangawa).*

*They buy commodities from us because our commodities are less expensive than in shops. The shop owner pays a rent so he needs to increase the price to take out the rent for his shop and his income. [...] But in our case we do not pay rent so we add only our margin to the commodities (Vendor #7).*

Thus the garments street vendors place themselves in the market as low-quality suppliers for those who cannot afford the retail market and usually come to the city for seasonal shopping. These low-income consumers are those the street vendors in Herat bazaar aim to attract (Vendor #28). They use a few tactics to do so. For example, 'differentiating' is the key to being competitive (Vendor #7). Another tactic can be to buy off the whole stock of a clothing piece in demand from the wholesaler. More generally, though, the accounts of street vendors speak of principles of solidarity. In fact, they often refer a customer to a colleague if they do not have a specific clothing item.

The geographic origins of garment street vendors are diverse. Those who are not from Kandahar come from the peri-urban district of Dand (Vendors #33, 28, 7). One young street vendor (Vendor #7) grew up in a village in Dand – to which he returns every night. His family does not own any land and lives in a rented house. In Dand, he was doing some work on a daily wage in brick factories, sharecropping, gardening and harvesting. The wages were not enough to feed his family, and he finally had to move to the city:

*Finally I discuss this issue with my friend, I told him I am heartbroken with my job, I may not be able to continue it and it is very heavy job with low income. What should I do to leave this job and start new job with reasonable income to support my family? Then my friend suggested to me to become a street vendor for garments. [...] Not only he suggested he also loaned me \$150 to buy a cart and take some stock and put it on the cart (Vendor #7).*

The same informant was earning \$1-2 a day as a daily labourer in Dand and he doubled this to \$2-4 by moving to Kandahar city as a street vendor.

### **5.3 Mobile phone street vendors**

There are an estimated 250 street vendors in Kandahar city selling mobile phones, most of which are second-hand and imported from Pakistan. Around 40 of the street vendors are in Herat bazaar and another 100 are in Charso bazaar. The rest of them are scattered through the city. There are around 350 retailers and of these 100 shops for electronic goods are distributed between Herat and Charso bazaar. The majority are in Al Jadeed and in Muslim Ishaq Market in Herat bazaar. The other retailers have occupied different malls built in the city during the past five to seven years. Muslim Ishaq Market, however, is where 10-15 wholesalers are located. In Kandahar city, the estimated number of wholesalers of mobile phones is around 20, although these are trading in different ways.

Al Jadeed was built by Haji Ahmad, a well-known businessman in Kandahar (Key informant interview #9). Muslim Ishaq Market was inaugurated in 2014. It is owned by Haji Lala Jan (Noorzai tribe, arrested and released for narcotic trafficking) in partnership with Rais Khuda Dad. Lala Jan has been the only owner since the National Directorate of Security (NDS) arrested his partner.

Among the wholesalers of mobile phones we can identify three different groups: the first buys from China, South Korea, Pakistan and India. The second group buys from the first group of wholesalers and they sell on retail as well. Then there is a third group, which is importing mainly from Pakistan via Spin Boldak. These traders are identified with the name of *lagharyan*. This last group, that has around 15-20 members in Kandahar, is characterised by having no shops – and for this reason is very close to street vending. They smuggle into Afghanistan a small number of mobile phones from Pakistan through the Chaman border and sell these to shopkeepers. They can be seen walking the bazaar carrying the mobile phones in a plastic bag:

*This experience of lagharyan is good. I go to Pakistan once a month and bring 5-10 mobiles and sell them to shopkeepers. After six months I bought a kawat [a box made of wood and glass for displaying goods] and started selling mobiles in the bazaars. But I didn't stop importing mobiles from Pakistan. Now I go to Pakistan once a month and sometimes after two months and buy 10 mobiles to sell in Kandahar. Right now I am doing both trades: street vending and importing mobiles from Pakistan (Vendor #45).*

Around 2008/09, entering the mobile phone business was a cheap and easy way to try to earn an income, settle debts and escape violence in rural areas. The sellers' geographic origins are more diverse compared with the other two groups (Kakhrez: vendor #45; Panjwai: vendor #26; Kandahar city: vendor #2). The life histories of these vendors reveal previous lives in shop-keeping, employment with the US Special Forces and debt.

*I started looking for a place and I noticed that this place [in Herat bazaar] was empty. It was not fully empty but there was enough space to accommodate another street vendor. I asked the shopkeepers and they had no objection. At the same time I asked the police because I was an army officer before as I worked with the US in the Special Forces. There are two reasons why I picked mobile street vending: this trade needs little money to start and one of my friends selling Kandahari handicrafts clothes in this area suggested I start this business. When I started mobile selling five years ago there was much demand. It was very successful if I compare it with my experience of ready-made garments for women (Vendor #12).*

The second story we report here comes from a 32-year-old street vendor. After the failure of his dry fruit shop in Argh bazaar, he worked as a daily labourer for a few shopkeepers in the same market but was unable to earn enough money to survive and to feed his family. He moved into second-hand mobile phone street vending 10 years ago, when there were very few mobile sellers in Charso bazaar:

*When I become a second-hand mobile street vendor there were a few mobile street vendors in Charso bazaar and no one in Herat bazaar (Vendor #2).*

This vendor specialised in second-hand sales. He explained to us there were many different ways to engage with the second-hand market sector as a street vendor. Street vendors work mainly through their close connections with retailers and wholesalers, answering the needs of customers who want a more upmarket version or a newer version of the same technology without buying a new model. They charge \$3-5 for the exchange.

The street vendors buy second-hand from wholesalers and retailers who sell new models and buy the old ones (this relationship and market exchange is called *marcha*). Street vendors buy and exchange second-hand mobiles on their own as well. Street vendors also buy in old broken mobiles at a very low price and repair them and put them back on the market (Vendor #2).

Easy access to the petty trade of mobile phones around 2005-2009 may have been a side-effect of the lively urban economy. One street vendor said he made \$20-24 per day selling seven to 10 mobile phones in 2011 and now can barely sell a phone per day (Vendor #26).

## 5.4 Common themes

Common to the accounts of the three street vendor sectors described above was the constant threat of harassment by the authorities and the dangers of losing their stock. The following section addresses this broader issue of relationships with the authorities.

The accounts of all the informants make clear there are common reasons why individuals have become street vendors. First, many of them are rural-urban migrants, with common factors driving them out of the rural economy, such as drought and its general poor health. Insecurity has also been a major factor, as a result of the post-2001 counterinsurgency in Kandahar. This is particularly true for street vendors from Panjwai and Arghandab, where after 2006 there was significant violence caused by clashes between ISAF troops and the Taliban sheltering in local villages. Respondents from these two districts reported that they left Panjwai after 2007 and Arghandab after 2008. These accounts are consistent with other sources, including those of the failure of Operation Medusa and of the government to gain control over Panjwai (Forsberg, 2009; Smith, 2014). At that time, the escalation of violence and the presence of insurgents in the area of Arghandab and Panjwai forced many to flee the area, as the vendors' accounts show:

*We were not able to work openly, every day there was fighting between government and anti-government (Vendor #27).*

*Security in Panjwai was not good and the Taliban were targeting families of army and police. Because of my job [with the police] my family was facing threats. I left my job but it was difficult to stay in the village because of the influence of the Taliban in the area. Then we moved to Kandahar city (Vendor #14).*

Even though being in the city was safer than being a truck driver or being in the army (Vendor #33), the security situation in urban Kandahar has affected street vendors too, although in a slightly different way. Street vendors, retailers and wholesalers describe security as one of the determinants of their economic prosperity, and government stability or instability is seen as having a decisive impact on their income:

*Now we all, street vendors, retailers and wholesalers, are in a 'survivor mood'. There is no selling in the market – a lot of people come and just ask the price but they do not buy. Neither the retailer nor the wholesalers nor the street vendors have customers. The reason behind is the government instability (Vendor #9).*

What the street vendors say is security – in the districts and the city – is one of the requirements for trading. For example, it affects the ability of customers to come to the city:

*Although security is good in Kandahar city in some of the districts security is still not good and for us when security is good people visit more and do more shopping. So security has a direct effect on our business. Right now people from Kandahar and secure areas are coming to the city to shop but if security was good people would come to the city and do more shopping and that would increase our sales (Vendor #16).*

Security is, not surprisingly, a constraint for those trading in the streets, as informants we met in the bazaar told us. While mobile street vendors did not define their customers as urban or rural dwellers, those doing street vending in the garment sector trade with people from the districts who come to city for their seasonal shopping. Tarpaulin customers come often from the districts too, as the plastic cloth is used in agriculture. Tarpaulin wholesalers also trade with people coming from outside urban

Kandahar, either from the districts or from other provinces. Kandahar works as a hub for tarpaulin wholesale because, even though Waish is a well-known market, it would be too risky for a non-Kandahari to cross the districts. This highlights how security is here shaping market opportunities (Vendor #40).

But balancing the reasons to move out of the districts are factors that have enabled people to move into the urban economy and street vending. In part, this has been because the entry barriers are low and relationships of solidarity have enabled access as well as, in many cases, direct provision of starting capital. Initially, in the boom years, particularly in mobile phones, vending provided a significantly better living than people had before.

But there are also examples of failed retailers becoming street vendors. Some of the mobile phone sellers were ex-shopkeepers who had lost their business owing to market price fluctuations or because they were unable to pay back a loan they had taken (Vendors #12, 2, 26). Two brothers who were tarpaulin sellers in Ganj bazaar told us they started street vending after the shop they were renting was lost by the owner:

*We belong to Spin Boldak district. We have a lot of land in our district but in the time of the Taliban there was a heavy drought in our district for many years. We were cultivating our land but the harvest was not enough to feed our families. As a result, me and my brother decided to leave the district and come to Kandahar city. At that time, we rented a shop in Ganj area, where we were selling plastic. At the beginning, we did not have a lot of commodities in this shop; then, when the market and the sales were at their peak, we had a good income (Vendor #1).*

A few months ago the life of these two brothers changed. The land where their shop was built belonged to a widow who was taken to court as a case was issued against her. As a result of the trial, she lost the land and they lost their shop.

One of the other informants in Ganj Market now selling tarpaulins on the street fell into debt because credit he had extended was not repaid. He talked of money given to 'some people from the districts' that they never got back, so they are doing street vending to come out of debt:

*We are not sitting to do street vending here, we are sitting to find shops and start shop-keeping again. We are doing street vending in order to collect the credit we gave to people from the districts (Vendor #11).*

Access to credit is essential to starting up as a street vendor and being able to re-establish relationships with a wholesaler.

*In the beginning, wholesalers are not giving credit to street vendors. Street vendors should start on cash and then they can take commodities on credit. Maximum credit is \$1,000. Vendors pay back the credit weekly. Each instalment can be around \$100. The wholesaler sends a person each Thursday to collect the instalments and sometimes when they are going to buy a new stock they can pay back their credit (Vendor #11).*

Start-up capital often comes from friends and family but once connections are made with a wholesaler the use of a credit system called *ograi* (the practice of being repaid at the end of the week) comes into play. This allows street vendors to pay back only half of the credit they have taken and at the same time protects the wholesaler from losing the total amount of money he lent.

But while access to the bottom end of trading is possible, prospering through being a street vendor has been much more difficult. Many of the retailers and wholesalers come from landed families, whereas a common attribute of street vendors is that they have little or no land and come from a rural or urban background with no capital, either as sharecroppers in the districts (e.g. in Karz village in Dand district) or as daily labourers in the city. In contrast, retailers and wholesalers reported life histories where the

familial ties and ownership of land in the districts (Arghandab and Panjwai) play a significant role in their access to market opportunities.

One 21-year-old garment seller told us the story of how he entered the market. A friend and his brother introduced him to the owner of a shop in Herat bazaar in front of which he is sitting today (Vendor #7). His friend went to the shop owner and spoke for him ('and for my good behaviour') so he could have that spot. After spending eight years in this bazaar he aspires for a better job but there are certainly limitations to his ability to gain enough capital to be able to rent a shop:

*I want to get a promotion in this business. [...] I want to become a retailer, but I do not have such an opportunity because now the rent of a shop is higher than my capacity (Vendor #7).*

The monthly rate for a shop in Herat bazaar appears to be about \$50-100, with a year's rent paid in advance to the owner. One informant – as with many others in his position – does not have the capital to make such an investment; nor he can ask for a loan:

*If I get this amount on loan I will not have enough of money to pay the stock to the wholesaler and the wholesaler will not give me the stock on credit unless I pay half of it. [...] I am not able to save money, and I have ill people in my house, so I have to take them to the doctor and as a result I am not able to save money (Vendor #7).*

His elder brother is also a street vendor in Herat bazaar who is trying to save money to rent a shop one day and become a retailer. He is already paying \$60 per month to rent a place that in the future can become his shop, not knowing for how long he can afford this expensive investment: 'He would like to become a retailer,' the younger brother said, 'but does not have the opportunity.'

Street vendors identified two major constraints in the attempt to become retailers. The first is getting a loan to pay the rent:

*A street vendor can become a retailer if he has an amount of money of about \$4,000-5,000. Only in this case will he be able to become a retailer.*

*But no one will give this amount of money on loan to the street vendor (not the family, cousins or friends) because everyone knows the street vendor will not be able to pay the loan back – as a result it will be impossible for a street vendor too become a retailer (Vendor #28).*

If receiving a loan is not an option for street vendors, there is the possibility of establishing a formal partnership, but this is also problematic because they feel partners could easily betray them:

*Partnership in a business with another person? [...] Illiterate people should not do this. The first priority for partnership is literacy. The reason behind this? In partnership everything should be documented and everything should be written (Vendor #2).*

Physical security and access to credit are therefore key issues that emerge from these accounts. But moving into the informal economy of Kandahar also carries other risks associated with the attitudes and actions of the authorities in relation to street vendors. They have to deal with the municipality, who treat their actions as illegal, and the security forces, notably the ANP, who see them as a security threat.

## 6 Dealing with the authorities

*In Kandahar power stays with the police, not with the municipality (Vendor #45).*

This statement was followed by many others describing Lieutenant Raziq as the person who had brought security to Kandahar city: street vendors, retailers and wholesalers agreed that during the past two to three years security had become better in the city thanks to Abdul Raziq and his men. Much has been written on the public figure of Raziq (see Jackson, 2015) and the methods he has been using in counterinsurgency. Traders living in the bazaars described him as the most influential person in Kandahar city. However, even though stories of violence and the extortion of money and goods by the ANP were very often part of the accounts we received, Raziq's name was never associated with the extortion his men practised.

The police see street vendors as a source of security threat but also as a potential source of valuable information. A few incidents occurred during April 2014, probably related to the elections (Respondent #41). Although Kandahar was peaceful during the most recent polls compared with those of 2009, the reports we received talked of explosives often being left in the proximity of street vendors carts (Respondent #41). Feeling unable to control the street vendors, the ANP clear the streets of them each time a high-profile official is visiting. This perception of street vendors as a threat is related to the imperative the authorities feel to reduce the presence of insurgents in the urban area. Many said Raziq had Kandahar city law and order as a key priority.

Raziq's spokesperson explained in detail why the local authorities perceived the position of street vendors as sensitive and why the police see them as a potential threat:

*Our concern regarding street vendors is not how much space has been grabbed by them [...]. Our major concern is that, if we do not control street vendors, it will increase insecurity in the city. Street vendors may provide information to the opposition or help them [the insurgents] in different attacks. This is why our police checkpoints keep an eye on street vendors. And if we notice anything suspicious we do our investigations (Respondent #41).*

Kandahar municipality then decided to register and distribute licences to each vendor in an attempt to control their presence and numbers on the street. Each cart was to be numbered and monitored by the police. The registration process, starting with the identification of *wakeels* (representatives) for each *nahia*, should be completed within a year. It is planned that there will be around two street vendors representatives for each bazaar. At the time of fieldwork, only one *wakeel* had been selected, following a consultation process among other petty traders of the bazaar.

As the municipality head of inspection told us, the decision on how to manage the petty traders of Kandahar city has been hard to make:

*The municipality is doing regular campaigns against street vendors but these campaigns are not very serious because the municipality was told by the Governor's Office not to bother street vendors too much otherwise they will join the insurgents and will affect the security of Kandahar (Respondent #46).*

Some rumours in the bazaar said Hashmat Khalil Karzai (cousin of former President Hamid Karzai) himself went to Raziq and asked him to tell his men not to '*disturb the poor people*' (Vendor #39). Whether or not Hashmat Khalil had an influence on the municipality decision to register street vendors, the collaborative turn the relationship between police and street vendors has taken may justify the police shift of behaviour.

The decision to register the vendors seems to have stopped the weekly harassment by the police and municipality. They are now paid less attention. As one garment vendor said:

*Street vendors came together and selected one person as head of the garment sector. Other commodity street vendors did the same. Then we went to the police. The head of the police station gave us a form. The form asked for a contact number, address, national identity card and picture. After receiving the information the police gave us a card, like a licence. On the basis of that the police do not disturb us (Vendor #7).*

Street vendors are in fact often police informants (*irtibati*), given their privileged perspective on what is happening in the streets. Street vendors might also benefit from this deal, having better treatment from the municipality and privileges from the police or money (Respondents #41, 42, 43, 46).

The only official street vendor recognised as *wakeel* and *irtibati* by the police and the municipality has been in the bazaar for 20 years. He meets regularly with the head of the police station of *nahia* 1 (Arg and Ganj bazaar) and he has regular meetings with the NDS. But there are others in the city who work sporadically to give information to the police ‘to inform them if there is a newcomer’ (Vendor #45).

The ANP position in this regard is fairly clear: the security of Kandahar city might benefit from street vendors’ collaboration. Supporting this view, an ANP officer from the police station of *nahia* 2 (responsible for Herat and Shikarpoor bazaars) says that what allows reliable security in Kandahar city nowadays comes not only from efforts made by Raziq. He added that ‘regular patrolling and search operations are another good reason for good security’ (Respondent #43):

*There are a lot of people in Kandahar city and district linked personally with General Raziq and they are providing very good and on time information to the police headquarters, which helps in the prevention of insurgency. The same approach has been adopted by police stations in the city as well and they have two or three irtibati in each bazaar and city district (Respondent #43).*

The difficult relationship between local authorities and street vendors speaks of problems related to security and management of the public space in urban Kandahar. These issues have been always managed with customary methods, and ‘white beards’ (elders) have been the intermediaries between the street vendors and the police, the only ones able to solve disputes, as this street vendor from Ganj bazaar reported:

*When we were thrown out of our shops and each of was sitting in front of our shops as street vendors, new people came and rented our shops without saying anything to us. The police asked us to leave. [...]*

*But the day after, my father and other parachute street vendors and some white beards [shopkeepers] from the area went to the police station (the nearest) and requested to the person in charge to give them permission to do street vending in Ganj. The police never bothered him after that time (Vendor #11).*

While adopting street vendors as informants may be useful to the police and could lower the level of violence that street vendors experience, it may not benefit petty traders as a group. Those who are not recognised by local authorities lobby for the interests of their group with no outcomes. For example, they asked for electricity and renovations in Roshan Plaza in Arg bazaar: ‘The municipality promised to solve this issue very soon but nothing has happened’ (Vendor #39).

## 7 Conclusions: snakes and ladders in Kandahar city

Snakes and ladders is a classic children's board game and a game of chance: if you throw a lucky six with the die and end up on the right square you can climb a ladder to move quickly to the winning post. But throw an unlucky five or one and you can end up on the wrong square, fall into a trap, slither like a snake back downslope to the beginning and have to start all over again. Snakes, ladders and traps as an analogy for the life chances of poor people is memorably deployed by Kabeer (2004) in her account of livelihood trajectories in rural Bangladesh. It can be applied with even more force in Kandahar.

As has been seen, some people come to the Kandahar economy with a degree of choice and opportunity. Many others come because they are impelled to do so, driven out of the rural economy by insecurity, poverty and lack of opportunity. Some remain on the absolute margins of the urban economy as casual labour, unable even to join the game. For our informants, there have been short ladders with three or four rungs to climb. With help from friends and relatives who have been able to give them small loans of capital, introductions to key people and moral support our informants have been able to get onto the first rung of the ladder and become a small petty trader. But their ability to climb to the second or third rung and become a little more prosperous has been variable. In good times, when money was flowing through Kandahar and there were customers, they could climb several rungs and increase their income. More recently, people have had to work harder and harder for less and it has been difficult to get beyond the first rung of the ladder.

This street-based game has also been biased in the sense that there are not an equal number of ladders and traps. There are few sponsors to directly fund the ladders and, as a result, there are many more traps and snakes than ladders. In addition the ladders have got shorter with fewer rungs and difficulties in climbing from one rung to the next have increased as opportunities have disappeared through economic decline and insecurity. Another risk is that a ladder may be pulled from beneath someone as they stand on it: thus a ladder may become a snake and the person will slither back to where they started or worse. The municipality may sweep into the streets and confiscate a person's goods and the police may demand payments, for example. But there is a sense that at least all the players of this game are in a roughly equal position, although some may seek protection and gain advantages through informal alliances with the authorities.

There is, however, a second, elite, snakes and ladders game that has been played in Kandahar, with longer ladders with many rungs. The stakes have been greater with opportunities to secure large reconstruction projects and significant rentier income allowing further investments in property in the city and abroad. This game has been heavily funded by some major sponsors but it is now in trouble, as many of the funders have withdrawn, severely reducing resource flows. This decline has had major spillover effects for the street-based game. Before, multiple resource flows made the elite game an opportunity worth playing for. But the sponsors gave contradictory messages about the rules of the game, allowing key players to reframe them to their advantage. As a result, there were strict entry requirements, often with a high entry fee to join, to gain access to the main game, limiting the number of players. Continued participation in the game required further fee payments. Moreover, the dice were heavily loaded so only the select few could throw sixes while lesser players had to make do with fours and twos. More threatening opponents might be done away with altogether. Now the lesser players no longer have access to it, as there is less to share. The good times are over. The rules of the game, such as they are, are still in place. For the street game, there are still many who wish to or are compelled to join. But they play it subject to the effects of the way the elite snakes and ladders game is played.

In the classic formulation of an agrarian transformation, something strongly aspired to by Afghan's policy-makers, both national and international, rising agricultural productivity generates a surplus and promotes growth linkages with developing urban centres. This in turn creates productive employment and jobs for those moving out of agriculture and rising profits, which promotes further investment in agriculture, driving further productivity gains and surplus. This has not happened in Kandahar. Even the windfall profits from opium, the one agricultural commodity that until recently bucked the trend, have not contributed to strengthened rural-urban linkages. Nor have the windfall profits made from a decade or more of Kandahar's extraordinary rentier economy done much to put in even the basic building blocks of more secure and stronger rural-urban linkages.

Instead, there has been a consolidation of the very political factors that will block growth (Williams et al., 2009) – predation, rent-seeking behaviour and lack of investment in public goods. A recent report on the private sector in Afghanistan (Ghiassy et al., 2015) argues that the Afghan government, supported by international donors, must provide the preconditions for an inclusive, productive, rule-based and formalised market economy. The question is, given what exists, what are the first steps to be taken to move towards that goal?

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## **Annex 1: List of respondents – vendors – in Kandahar interviewed during Round 1 (13–19 August 2014)**

<b>S.No</b>	<b>Activity</b>
a	Sandals Seller
b	Vegetable Seller
c	Curtain Cloth Seller
d	Fruit Seller
e	Readymade Food Seller
f	Garment Seller
g	Soap, Washing Powder and Shampoo Seller
h	Tarpaulin Sellers
i	Money Exchange
l	Mobile Phone Seller

## Annex 2: List of key informants

No	Key informant	Date
#1	Municipality Kabul	Oct 21st 2014
#2	UNDP, Kabul - Justice and Human Rights Afghanistan (JHRA)	Oct 23rd 2014
#3	Independent Directorate for Local Governance, Kabul - General Directorate Municipal Affairs	Oct 26th 2014
#4	Businessman, Kabul - originally from Kandahar	Oct 28th 2014
#5	MP - from Kandahar, Dand district	Oct 29th 2014
#6	Human Rights Commission, Kandahar	Nov 3rd 2014
#7	Businessman, Kandahar	Nov 3rd 2014
#8	Businessman, Kandahar	Nov 4th 2014
#9	Civil Society Network, Kandahar	Nov 4th 2014
#10	Businessman, Kandahar	Nov 5th 2014
#11	Afghanistan Land Authority ARAZI, Kabul	Mar 11th 2015
#12	Kandahar Provincial Governor Office	Nov 4th 2014
#13	Businessman, Kandahar	Nov 5th 2014
#14	Kandahar Municipality - Kandahar Mayor Office	Nov 3rd 2014
#14b	Afghanistan Revenue Department	Feb 19th 2015

## Annex 3: List of respondents – vendors – in Kandahar interviewed during Rounds 2 and 3

Code (#)	Group	Activity	Rounds of interviews undertaken by the informant (Round 2: 22 Sept to 2 Oct 2014) (Round 3: 3 to 15 Nov 2014)	Age of respondent
1	Tarpaulin	Street Vendor	2 and 3	22
2	Mobile phones	Street Vendor	2 and 3	32
3	Mobile phones	Street Vendor	2	20
4	Mobile phones	Street Vendor	2	24
5	Garments	Street Vendor	2 and 3	30
6	Garments	Street Vendor	2	45
7	Garments	Street Vendor	2 and 3	21
8	Garments	Street Vendor	2	50
9	Garments	Wholesaler	2 and 3	22
10	Tarpaulin	Wholesaler	2 and 3	45
11	Tarpaulin	Street Vendor	2 and 3	30
12	Mobile phones	Street Vendor	2 and 3	28
13	Mobile phones	Wholesaler	2 and 3	40
14	Mobile phones	Wholesaler	2 and 3	30
15	Garments	Wholesaler	2 and 3	37
16	Tarpaulin	Street Vendor	2 and 3	25
17	Mobile phones	Street Vendor	2	32
18	Tarpaulin	Street Vendor	2	40
19	Mobile phones	Street Vendor	2	28
20	Garments	Street Vendor	2	60
21	Tarpaulin	Wholesaler	2	38
22	Garments	Street Vendor	2	80
23	Tarpaulin	Street Vendor	2	40
24	Mobile phones	Retailer	3	25
25	Mobile phones	Retailer	3	38
26	Mobile phones	Street Vendor	3	21
27	Mobile phones	Street Vendor	3	25
28	Mobile phones	Street Vendor	3	25
29	Garments	Street Vendor	3	22
30	Mobile phones	Street Vendor	3	25
31	Mobile phones	Retailer	3	26
32	Garments	Street Vendor	3	20
33	Garments	Street Vendor	3	26
34	Garments	Retailer	3	28
35	Garments	Retailer	3	25
36	Garments	Wholesaler	3	48
37	Mobile phones	Wholesaler	3	26
38	Tarpaulin	Wholesaler	3	35
39	Tarpaulin	Wholesaler	3	40
40	Tarpaulin	Wholesaler	3	35
41	Police	Chief of police office	3	
42	Police	Police station 1	3	
43	Police	Police station 2	3	
44	Vegetables	Representative	3	
45	Mobile phones	Street Vendor	3	33
46	Municipality	Investigation & Taxation Department	3	
47	Garments	Retailer	3	25



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