

Conflict-sensitive Employment under Construction: Peace and Stability Strategies for the Private Sector in Afghanistan

Summary of the project proposal

An international researcher-practitioner consortium, including Afghan and Pakistani researchers, will carry out empirical research on the drivers and challenges of conflict-sensitive employment (CSE) strategies and investment in the labor intensive construction, infrastructure, and transport (CIT) -sector in Afghanistan. In close cooperation with selected companies, pilot schemes on CSE will be established with a particular focus on vulnerable groups. As the key result a concrete strategy how to embed CSE in an investment-strategy will be developed and communicated to key decision-makers in Afghanistan and beyond. The consortium includes three institutions with a strong record of work-experience in conflict settings: BICC brings in its research capacities, TLO is a leading NGO of grassroots research in Afghanistan and IA brings in its wide network of international stakeholders.

The project is:

- innovative, in three ways. First, it aims to combine findings from the empirical research with the implementation of pilot schemes within CIT-companies. Second, it goes deliberately beyond the bulk of research, which focuses on employment creation in conflict societies at a point when they are in transition towards more stability, whereas Afghanistan is currently in a transition towards more instability. Third, it considers the regional dimension of investment and conflict-settings in the CIT-sector by including cross-border and regional interactions with regard to employment strategies.
- relevant, because it fills the research gap of systematic, micro-socioeconomic research on employment at the company level in conflict-settings.
- policy-oriented by developing a CSE framework which could guide future development and investment policies.

Description of the project

a) Background and rationale

The Peace and Reconciliation process in Afghanistan has assumed a link between employment and stability and attempted to lure young men away from insurgency in exchange for jobs. More than one decade of international intervention has induced a national growth rate in Afghanistan of over 8% caused by a boom in the construction, infrastructure and transport sector (CIT). Up to 10% of the working population benefited from aid-funded job opportunities in the CIT-sector. However, there is no clear evidence that this strategy has been successful in the past, given the constant rise in insecurity. What is more, the conflict sensitivity of employment in the CIT-sector is questionable – it includes short-term jobs only, focuses on unskilled labor, with migrants mostly from Pakistan occupying skilled jobs. At present, the ILO classifies over 90% of the jobs in Afghanistan as ‘vulnerable employment’, with hundreds of mostly small CIT-companies facing possible extinction due to insecurity, corruption and weak governance. This is why the reduction in donor funding after 2014, stipulated by the military drawdown, is expected to have a direct negative impact on the CIT sector, and an

indirect one on the conflict situation, associated with (a) less investment in the CIT sector and a subsequent significant increase in unemployment; and with (b) young unemployed men being pushed into seeking jobs in illicit economies or joining non-state armed groups.

Although the Afghan government stresses the need for investment in the CIT sector, a conflict-sensitive investment and employment strategy is missing. This project fills this gap, departing from the research finding that employment generation will be more successful if it is embedded in conflict-sensitive and employment-oriented government policies in which donor support is firmly integrated. The project aims to find out how CIT-companies could adopt a Conflict Sensitive Employment Framework (CSEF), which can be promoted within a larger development and investment strategy.

b) Objectives

This project is asking (a) what a CSEF should look like and (b) how it can be implemented within a larger development and investment framework. The consortium will:

- (1) Carry out empirical grassroots research within companies of the labor intensive CIT-sector in Afghanistan with/without cross-border operations in order to understand which factors drive a conflict-sensitive employment framework and which factors challenge it;
- (2) Conduct research with stakeholders from the investment and development community in order to understand the experiences, risks, opportunities and prospects for investment in the CIT sector in Afghanistan;
- (3) Establish a pilot scheme on CSEF with a particular focus on vulnerable groups;
- (4) Provide a plan for how to embed CSEF in an investment-strategy, which will be communicated to key decision-makers in Afghanistan and beyond.

Explanation with regard to 'vulnerable groups':

International assistance has mainly targeted insecure rural areas, hence rewarding instability. In the context of this proposal, however, we focus on employment in urban areas. We define vulnerable groups as IDP, nomadic groups (Kuchi, Jogi/Jat), returnees who have failed to adequately re-integrate into the economy, young un- and under-employed people, and ex-combatants. With regard to our focus on the CIT sector, we consider them vulnerable because they are likely to be marginalized from employment opportunities there, and hence more susceptible to employment in illicit markets and/or insurgencies. These groups – and particularly employment in urban areas – have been neglected so far.

The International Crisis Group warned about the impact of "rapid urbanization that is contributing to rising poverty, unemployment and criminality" (ICG 2009: I) that may drive young men into the arms of the insurgency or other armed groups (see also UNHCR Solutions Strategy). Schmeidl et al. (2010) highlighted the fact that IDPs that do not receive assistance will find protection from local strongmen if needed and warned

that IDPs are easy prey for armed and insurgent groups. Anti-government groups in Afghanistan, but also pro-government militia, are getting increasingly young. The focus on urban employment within this project emphasizes the importance of working in secure areas with these groups.

In this project, the intermediate target groups are the employers of CIT-companies operating in Afghanistan who will be reached through objectives 1-3. They will contribute to the development of, and be asked to test a CESF that has the potential to revolutionize their employment practices for the betterment of Afghan security and stability. The ultimate target groups are unemployed or disaffected young men who will be reached through the implementation of a CESF by private companies in the CIT sector in Afghanistan and beyond.

c) Research questions, conceptual framework, and methods

This project asks the following research questions:

- Who/what are the main challenges for key stakeholders (e.g. CIT companies, investors, etc.) with respect to developing and implementing a CSEF?
- Who/what are the key drivers for realizing such an approach and what are concrete institutions and interfaces where investors can cooperate with the private sector to realize the implementation of a CSEF?
- What are the core principles of a CSEF and how could such a framework be embedded in an overall development and investment strategy?

To answer these questions, our research methods are

- trans-disciplinary by continuously involving stakeholders in the activities of the project, from designing the research questions in a kick-off workshop, to conducting the research, to testing of a CSEF, and to communicating the results,
- interdisciplinary by combining a micro-economic approach with other social science methods such as qualitative, semi-structured interviews, conflict assessments, analysis of historical pathways and context analyses.

The project departs from the assumption that there is a link between employment and stability, especially with regard to the society-related dimensions. Norms enhancing social cohesion and inclusion as well as security of persons and property are assumed to become more entrenched in social interaction if the majority can expect to get a secure income from employment.

In Afghanistan, un- and under-employment reach 80%-90% in some regions, affecting mostly the 67% of the population below 25 (National Vulnerability Study, 2011-12). Employment is one of the top demands of the Afghan population. Research by TLO found that internally displaced people (IDP) lacking protection and jobs were susceptible to joining local security forces and/or the insurgency (TLO & Brookings Institution 2010). Whereas unemployment has increased the likelihood that people joined an insurgency in Afghanistan, economic incentives rarely have been the sole reason for this. As the role of ideology among the Taliban is decreasing, there may be more room for economic incentives to influence the decision to join.

We do not claim that the employment-stability link is causal, linear or even clear, but we do believe that a link exists (see Collier, World Bank). However, we have deliberately chosen not to scrutinize the employment-stability nexus, but our focus is on the drivers and challenges determining employment strategies of the private sector in FCAS. This will not preclude us from documenting any findings on the link between employment and stability and on conditions producing different outcomes across Afghanistan. Indeed, we intend to gain a better understanding of the nature and complexity of the employment – stability nexus in the course of our research on drivers of employment strategies.

Conceptual framework

We aim to test the assumption that employment creation can contribute to stability if certain conditions are met. Our goal is to identify such conditions through creating and testing the implementation of a conflict-sensitive employment framework (CSEF). The approach of this project builds on the insight that short-term employment, favoritism and/or marginalization of one group over another for employment have the potential to create or exacerbate tensions among these groups, thus enhancing instability. 'Conflict sensitive' employment (CSE) strategies take this into consideration and consciously take steps to avoid employment contributing to instability. CSE requires an understanding of the context a company operates in; how this company interacts with its context; who are the stakeholders in the context; which stakeholders benefit or lose by its current operations; how to ensure that employment will not detriment, but instead benefit a diverse range of stakeholders.

A CSEF details the strategies or steps necessary to incorporate these aspects into employment practices. The long-term goal of a CSEF is to help increase social capital (recognition/ status/ protection/ entitlements), support social cohesion (inclusivity/ social justice/ partnerships/ networks), strengthen political voices (local conflict dispute mechanism/ civil society links/ cross-regional and national linkages), foster positive mobility (geographical focus/ urban centers/ borderlands/ cross-border) and manage 'grey'/ shadow economies that often compete directly with formal private sector or donor-funded initiatives for employment of vulnerable groups. Our research intends to clarify how this can be adjusted to the structures of the CIT sector, so that we can elaborate the conceptual framework further.

The methodology accounts for conflict dynamics by a) involving a wide range of stakeholders from the CIT sector with varying interests in the stability and security of Afghanistan; b) distributing our research across several provinces to ensure that different dynamics are taken into consideration; and c) carefully selecting interview participants and emphasizing their right of refusal to participate in interviews.

d) Research activities

This project includes three types of activities:

1. empirical field research in combination with a stock-taking of the relevant literature
2. a pilot scheme to test and analyze a CSEF
3. knowledge sharing activities (separately outlined under e).

Not only does Afghanistan-related policy determine the CIT-sector, but regional dynamics have to be considered, as well. Skilled employees are mostly coming from abroad; the head-offices of companies operating in Afghanistan are often located in neighboring countries (e.g. Pakistan, Iran, India, Dubai); and the financial flow is cross-border. Moreover, the CIT-sector has to be seen in light of large investment policies, which are currently undertaken or prepared in the whole region by the building of long distance, cross-country traverses (e.g. pipelines, roads, railways, dams, etc.) entering into Afghanistan.

This is why the project design systematically addresses CIT-companies and investors both within Afghanistan, and at a regional level. Within Afghanistan, companies of several regional hubs of the CIT-sector will be chosen (e.g. Kabul, Herat, Mazar-i Sharif).

- Ad 1. The empirical research aims to analyze the particular challenges for key-agencies in the CIT-sector. Small and medium private companies stand in the center of the research. Assuming that their business is strongly dependent on large-scale investment strategies, we will also shed light on stakeholders who define development and investment policy in the CIT-sector such as international donors and development agencies (World Bank, ADB, etc.), governmental institutions, as well as private investors.

Micro-economic research stresses the importance of context. However, research so far does not identify which criteria for employment are necessary to contribute to conflict mitigation. We assume that within CIT-companies, as well as within the wide range of investors, diverging perceptions of the core challenges for CSEF exist, and therefore different criteria for a CSEF will be highlighted. We may consider the key challenges for defining a CSEF to be

- the exposure of the different agencies to the conflict-environment: The employers and the employees of companies as well as different investors face diverging conflict constellations and perceive certain drivers of conflict in a different way. Therefore, our research will include an agency-related conflict-assessment (incl. an account of past experiences),
- different agendas of the respected agencies: Interests of the different agencies range from 'just getting jobs' (employees) to 'profit' and 'market-control' (employers; private investors), to 'create stability' (development agencies) and 'to provide public goods' (government).

In addition to the mapping of agency-related challenges, our research will identify the key drivers among these agencies for advocating and implementing a CSEF and possible acceptable institutions (e.g. award procedures; long-term contracts) and interfaces (e.g. regular meetings; reporting) for improving the significance of a CSEF within a investors' driven development and investment strategy. Furthermore, the project will take stock of the extent to which CSEF has been implemented in FACS.

In sum, this part of the project should provide the empirical evidence for the elaboration of a CSEF, which will become the main task of the next project phase.

- Ad 2. The second part of the project aims to develop a context-specific CSEF, which should be tested within CIT-companies. The results of the overall project will be summarized in academic formats.

A CSEF will be developed by analyzing

- hard and smooth criteria for a CSEF. This should address key questions such as (i) whom to employ (e.g. social/ethnic/regional balance; vulnerable groups; coping with patronage networks) (ii) how to employ (e.g. period of contracting; means of apprenticeships; salary structure, etc.) and (iii) how employment (in)directly contributes to stability (e.g. perspectives on civil life; on job training of mediation techniques)?
- what are the key challenges (conflict settings, agenda settings) of the agencies, which have to be considered as interfering variables for the criteria catalogue of a CSEF?
- what are instruments and interfaces for investors to propagate a CSEF?
- who are the drivers for advocating and implementing a CSEF?

Under the guidance of the research team, the task will be to test the extent to which CSEF works for about 12-14 months with selected companies on the ground, and local impact will be monitored as follows:

- Bi-weekly project evaluation by questionnaire for managers including mainly quantitative indicators (e.g. development of employment, effects on the conflict-setting, means of apprenticeships, inclusion of vulnerable groups).
- Monthly meetings with employers' and employees' representatives of the pilot companies, local stakeholders and project staff to discuss the findings.
- Quarterly (every three months) interviews and focus groups about the involvement of external actors such as investors, lobby groups (e.g. trade unions, chamber of commerce), security actors (e.g. police, militias, gangs) and local communities.

On the basis of the test phase, two peer-reviewed journal articles will be compiled, one for an economic journal, one for a journal of Peace & Conflict Studies.

Rationale for the focus on private corporations

The project considers private investment in large-scale regional projects in Afghanistan and the region as an opportunity for corporations to contribute to spread CSE practices. Making employment opportunities in the CIT sector more inclusive and enhancing social cohesion between "stable communities" and groups at risk presumably enhances stability in society. The planned pilot scheme ideally develops employment patterns creating inclusion and specialization opportunities for groups at risk and others. Evaluation in stakeholder workshops involving members of "stable communities" contributes to understanding the challenges that encourage or prevent companies from adopting employment strategies benefiting larger parts of the marginalized population.

Whilst businesses can cause conflict when failing to consider the impact of their practices on communities, they themselves are also badly affected by conflicts and instability. At the same time, the business sector has a unique, comparative advantage to address these conflict risks within society. If mobilized with appropriate technical support, it is well-placed to build community cohesion and resilience to radicalization through conflict-sensitive business practices and concerted strategic relationship-building.

As opposed to other sectors, the CIT sector is rarely scrutinized for their lack of conflict-sensitive business practices. The project will provide an opportunity to see an impact of a CSEF on the CIT sector. However, for the CSEF to be effective, a response from the government as well as donors in addition to commitment from the CIT sector itself will be required. Therefore, a strong advocacy component has been incorporated within the project.

e) Knowledge-sharing activities

The knowledge-sharing activities include two dimensions:

- Within the team, a series of workshops will enable intensive communication and jointly conducted research. Bi-weekly Skype-conferences of the research team will take place. Three M.Sc.-students will be trained on a daily basis and guided by more experienced researchers. Self-evaluation, which takes place in a mid-term workshop as well as at the end of the project, will not only be result-driven, but will keep an eye on the interaction with stakeholders as well as within the research team. The final workshop should also discuss ways ahead to continue activities on the topic.
- The project follows a trans-disciplinary approach by involving practitioners consistently in its activities. Emphasis is given to the dissemination of our results to stakeholders within the development and investment community. Within Afghanistan, TLO takes the lead on knowledge-sharing, within the international donor community and in other FACS, IA and its regional offices will communicate our results (by backdoor talks, workshops e.g.); BICC will share the results in academic circles and through our project website (incl. regular blogs) and participation in related networks. A series of short practice-oriented policy papers will be published and shared at launch events with key stakeholders in Afghanistan (also published online). A final project report will summarize key findings.

f) Strengthening capacity

The project has three dimensions of capacity-building:

- involvement of Afghan Master researchers under international supervision until graduation,
- creating practical experience and awareness of the benefits of a CSEF within CIT companies and local communities participating in the test phase,
- CIT stakeholders, government authorities, line ministries, donors and development agencies witnessing the whole process will gain CSEF capacities.

The project staff combines abilities of academic supervision, conducting training in conflict-sensitive methodology, and advising policy processes.

Due to the trans-disciplinary approach, the project aims to strengthen the awareness as well as the capacities for CSEF within the companies and investor community. A more direct outcome is the capacity-building of young students. Two of the three foreseen M.Sc degrees will be carried out by Afghan students with a background in micro-economics and social sciences.

g) Risk mitigation plan

The project design is flexible in the local selection of the companies. Due to the high local contextualization of conflicts in Afghanistan, the project always includes the option to shift to a more stable place within the country; particular hubs of the CIT-sector such as Herat and Mazar-i Sharif, which we consider for our research, have been quite stable over the last decade. Even in the worst-case scenario of a return to countrywide civil war, the project is not under risk due to our strong regional component, considering the fact that many CIT-companies are operating from outside of Afghanistan.

Moreover, our research focuses on key urban areas and not on rural areas where security is most likely to decrease. TLO has extensive networks across informal settlements in Afghanistan, where some of this research will be conducted, and also with groups of Kuchi, Jogi/Jat, and has conducted research in these areas since 2010. Working with TLO as local partner will help mitigate risks, as they have experience in using a conflict-sensitive research methodology to facilitate research across Afghanistan in challenging security environments and on sensitive topics. The use of Afghan field researchers and trusted local focal points to introduce the researchers to the interviewees increases the acceptability and therefore security of the researchers in the communities.