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## The Role of Agriculture in Afghanistan's Economy

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### Abstract

This thesis comprehensively analyzes the role and significance of agriculture in Afghanistan's economy. Agriculture constitutes a significant portion of the country's Gross Domestic Product (GDP), employs a large segment of the population, and plays a critical role in ensuring economic stability. However, the sector faces challenges such as inadequate infrastructure, water resource management issues, and limited competitiveness in international markets. The study proposes strategies for modernizing agriculture, diversifying production, and fostering international cooperation to drive economic growth. The paper aims to highlight the future potential of Afghanistan's agricultural sector.

**Keywords:** Afghanistan, agriculture, economic growth, modernization, diversification, export, socio-economic factors, infrastructure, international cooperation.

**Introduction:** The General Role of Agriculture in Afghanistan's Economy Agriculture is the backbone of Afghanistan's economy, contributing approximately 30.6% to the country's GDP and employing 45.7% of the workforce. It ensures food security, supports export revenues, and promotes social stability. Afghanistan's diverse climatic and geographical conditions, including fertile valleys and mountainous regions, provide favorable opportunities for agricultural production. However, decades of conflict, infrastructure deficiencies, and economic dependency have hindered the sector's development. This thesis examines the economic significance of agriculture, its challenges, and prospects for growth.

**Agriculture's Contribution to the Economy.** Agriculture is a cornerstone of Afghanistan's economy, accounting for 30.6% of GDP in 2020, making it the second-largest sector after services (53%) and ahead of industry (12%). Key agricultural products, such as fruits, nuts, wheat, and other grains, meet domestic demands and contribute to export earnings. For instance, pomegranates, grapes, and pistachios are highly sought after in international markets. However, export volumes remain low, reaching only \$776.7 million in 2020 compared to \$5.8 billion in imports. Diversifying agricultural products and enhancing export capacity are critical for reducing the trade deficit and fostering economic growth.

**Socio-Economic Factors in Agriculture.** Agriculture is the lifeblood of Afghanistan's socio-economic fabric, serving as the primary source of income and sustenance for a significant portion of its 38.9 million population, the majority of whom reside in rural areas. According to 2020 estimates, approximately 45.7% of Afghanistan's workforce is employed in agriculture, making

it the largest employer in the country. This high level of participation underscores the sector's critical role in ensuring social stability, reducing poverty, and fostering community resilience, particularly in a nation marked by decades of conflict and economic fragility.

**Employment and Livelihoods.** Agriculture provides livelihoods for millions of Afghans, particularly in rural regions where alternative employment opportunities are scarce. Rural households, which account for roughly 70% of the population, rely heavily on farming and livestock rearing for their income. Crops such as wheat, rice, maize, and high-value products like pomegranates, pistachios, and almonds are central to these livelihoods. Livestock, including sheep, goats, and cattle, also plays a vital role, contributing to household income through dairy, meat, and wool production. The sector's labor-intensive nature ensures that it absorbs a significant portion of the workforce, including low-skilled workers, thereby acting as a buffer against unemployment and social unrest. However, the reliance on subsistence farming means that many households operate at low productivity levels, limiting their ability to generate surplus income or invest in improved practices.

**Poverty Reduction and Social Stability.** Agriculture is a key driver of poverty reduction in Afghanistan, where approximately 54% of the population lived below the poverty line in recent estimates. By providing employment and food security, the sector helps mitigate the impacts of poverty, particularly in rural areas where access to education, healthcare, and other services is limited. For instance, the cultivation of cash crops like saffron and almonds has enabled some farmers to increase their incomes, contributing to local economies and reducing dependency on humanitarian aid. Moreover, agriculture fosters social cohesion by supporting community-based practices, such as cooperative farming and shared irrigation systems, which strengthen local networks and resilience. However, the sector's potential to alleviate poverty is constrained by low yields, limited market access, and vulnerability to external shocks such as drought and conflict.

**Gender Dynamics in Agriculture.** Women play a significant but often underrecognized role in Afghanistan's agricultural sector. They are involved in various activities, including planting, harvesting, livestock care, and post-harvest processing, particularly in household-based farming systems. Estimates suggest that women constitute up to 40% of the agricultural workforce, yet they face significant barriers, including restricted access to land ownership, credit, and markets due to cultural and legal constraints. For example, only a small percentage of women own land, which limits their ability to make independent farming decisions or benefit from agricultural profits. Initiatives aimed at empowering women, such as microfinance programs and training in agro-processing, have shown promise in regions like Herat and Bamyan, where women-led cooperatives produce dried fruits and dairy products. Expanding such programs could enhance women's economic contributions and promote gender equity in rural communities.

**Food Security and Self-Sufficiency.** Agriculture is critical to Afghanistan's food security, providing staple crops like wheat, rice, and maize that form the backbone of the national diet. The country's ability to produce these crops reduces reliance on food imports, which accounted for \$5.8 billion in 2020, a significant burden given the trade deficit. However, food insecurity remains a pressing issue, with over 40% of the population facing acute food insecurity in recent years, exacerbated by drought, conflict, and economic instability. Improving agricultural productivity through better seeds, irrigation, and farming techniques could enhance self-sufficiency and stabilize food prices. For example, wheat production, which covers approximately 70% of domestic demand, could be increased through investments in irrigation infrastructure and drought-resistant crop varieties, reducing the need for costly imports.

**Challenges of Traditional Practices.** The reliance on traditional farming methods is a significant socio-economic constraint. Many farmers use outdated techniques, such as flood irrigation and low-yield seeds, which result in inefficiencies and low productivity. For instance, wheat yields in Afghanistan average around 2 tons per hectare, significantly lower than global averages of 3.5–4 tons per hectare. The transition to modern practices is hindered by limited access to technology, inadequate extension services, and low literacy rates among farmers, particularly in remote areas.

Additionally, the historical cultivation of opium, driven by high profitability, has diverted resources from food crops, although its production has declined in recent years due to government restrictions and international pressure. Shifting to alternative crops requires substantial support, including access to markets, credit, and training, to ensure economic viability for farmers.

**Impact of Conflict and Instability.** Decades of conflict have profoundly impacted the socio-economic role of agriculture. War has destroyed irrigation systems, displaced rural communities, and disrupted supply chains, reducing agricultural output and access to markets. For example, damaged canals and water management systems have led to a 20–30% reduction in irrigable land in some provinces. Conflict has also limited farmers' ability to invest in their land, as insecurity deters both domestic and foreign investment. The resulting economic instability has pushed some farmers toward illicit crops like opium as a coping mechanism, further complicating efforts to promote sustainable agriculture. Rebuilding rural infrastructure and restoring security are essential to revitalizing the sector's socio-economic contributions.

**Opportunities for Socio-Economic Development.** Addressing these socio-economic challenges requires targeted interventions. Expanding access to microfinance and agricultural credit, particularly for smallholder farmers and women, can enable investments in better seeds, fertilizers, and equipment. Training programs focused on modern farming techniques, such as integrated pest management and organic farming, can improve productivity and sustainability. Cooperatives and farmer associations can enhance market access by pooling resources and negotiating better prices. Additionally, government and international support for rural education and vocational training can empower the next generation of farmers, fostering innovation and resilience. For example, programs supported by organizations like the FAO have trained thousands of farmers in sustainable practices, leading to measurable increases in crop yields in pilot regions.

In summary, agriculture's socio-economic importance in Afghanistan lies in its role as a source of employment, poverty reduction, and food security. However, challenges such as traditional practices, gender disparities, and conflict-related disruptions limit its potential. By addressing these issues through modernization, inclusive policies, and international support, agriculture can serve as a catalyst for broader socio-economic development, improving livelihoods and fostering stability across the country.

This expanded section provides a deeper exploration of the socio-economic factors, incorporating additional details on employment, poverty, gender, food security, traditional practices, conflict impacts, and potential solutions, while maintaining relevance to Afghanistan's agricultural context. Let me know if you need further elaboration or additional sections expanded!

**Challenges Facing Agriculture.** The agricultural sector in Afghanistan faces several significant challenges:

- **Infrastructure Deficiencies:** Outdated irrigation systems, poor road networks, and inadequate storage facilities reduce product quality and limit export potential.
- **Water Resource Management:** Water scarcity and inefficient irrigation systems lower yields, particularly in arid regions.
- **Global Market Competitiveness:** Low product quality and non-compliance with international packaging standards restrict export growth.
- **Limited Financial Resources:** According to the World Bank, private sector credit accounts for only 3% of GDP, limiting investment opportunities.
- **Political Instability and Conflict:** Decades of war have damaged agricultural infrastructure and deterred investment.

These challenges prevent the sector from realizing its full economic potential.

**Opportunities for Modernization and Diversification.** Modernization and diversification are pivotal for unlocking the potential of Afghanistan's agricultural sector. Initiatives such as the

“Friendship Garden” project, developed in collaboration with Uzbekistan, aim to promote intensive horticulture and increase fruit production. Such projects can diversify agricultural output and boost export revenues. Introducing modern irrigation systems, such as drip irrigation, could improve water efficiency and increase yields by up to 30%, according to regional studies. Additionally, adopting advanced agricultural technologies, such as high-yield seeds and mechanized farming equipment, can enhance productivity. Training programs for farmers, particularly in sustainable farming practices and post-harvest processing, are essential for improving product quality and market competitiveness. International partnerships, such as those with the World Bank and regional neighbors, can provide funding and expertise to support these initiatives. Diversification into high-value crops, such as saffron and almonds, offers opportunities to reduce reliance on traditional crops and capture niche markets. Moreover, promoting agro-processing industries, such as juice production and dried fruit packaging, can add value to raw agricultural products and create additional jobs, particularly for women and youth in rural areas.

**International Cooperation and Enhancing Export Potential.** Afghanistan’s agricultural products, including pomegranates, pistachios, grapes, and dried fruits, have significant potential in international markets, particularly in South Asia and the Middle East. However, realizing this potential requires overcoming barriers such as poor logistics, limited compliance with international quality standards, and high trade costs. For instance, improving cold storage facilities and transportation networks could reduce post-harvest losses, which currently affect up to 40% of perishable crops. Joining international trade agreements and liberalizing trade policies can enhance market access and reduce tariff barriers. Strengthened cooperation with neighboring countries like Uzbekistan, China, and India can facilitate knowledge transfer, infrastructure development, and market access. For example, Uzbekistan’s expertise in modern irrigation and India’s experience in agro-processing could be leveraged through bilateral agreements. Additionally, international organizations like the FAO and USAID can provide technical assistance and funding to improve certification processes, enabling Afghan products to meet global standards. By aligning with regional trade blocs, such as the South Asian Free Trade Area (SAFTA), Afghanistan can increase its agricultural exports, contributing to economic growth and reducing the trade deficit.

**Future Prospects and Recommendations.** The future development of Afghanistan’s agricultural sector hinges on the following strategies:

- **Infrastructure Investments:** Develop modern irrigation systems, storage facilities, and transportation networks.
- **Education and Capacity Building:** Provide training programs for farmers on modern agricultural techniques.
- **International Collaboration:** Expand joint projects with donor organizations and neighboring countries.
- **Diversification:** Transition from illicit crops like opium to high-value alternatives like fruits and vegetables.
- **Sustainability:** Adopt green economy principles to ensure environmental sustainability.

These measures can transform agriculture into a key driver of Afghanistan’s economic growth.

**Conclusion.** Agriculture is a vital pillar of Afghanistan’s economy, contributing significantly to GDP and providing livelihoods for millions. Despite its importance, the sector faces challenges such as inadequate infrastructure, water scarcity, and limited global competitiveness. By prioritizing modernization, diversification, and international cooperation, Afghanistan can unlock the full potential of its agricultural sector. These efforts will not only meet domestic needs but also position Afghan products as competitive players in global markets, fostering economic stability and improving living standards.

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