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AFGHANISTAN FOOD SECURITY MONITORING PROGRAM

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WAGES OF WAR, WAGES OF PEACE: Food prices and unskilled labour pay in Afghanistan, 1996-2002

A discussion paper²

Kabul, December 2002

¹ Senior Food Security Advisor, FAO, Afghanistan. Opinions expressed in the paper are however the author's sole responsibility. A preliminary version with the title "The wages of war" was circulated in October 2002. The present version has been updated with information up to November 2002, and has also incorporated many comments received. This work was undertaken under project OSRO/AFG/111/USA, implemented by FAO with funding from a US trust fund in support of agricultural recovery and food security surveillance in Afghanistan.

² The author thankfully acknowledges the cooperation of the World Food Programme Afghanistan office, and especially its Vulnerability Assessment and Mapping (VAM) unit, which collected price and wage information across the country even in difficult times, on a weekly basis, with only minor and understandable interruptions in times or places where conditions did not allow data collection to be performed. Support of WFP for this work was ensured by Burkard Oberle (Country Director), Susana Rico (Deputy Country Director) and Gretchen Bloom (Programming Chief), in the context of FAO/WFP joint programme to develop a Food Security Information System. Sher Mohammad Walizada, head of the VAM/Kabul regional office, helped assemble and organize the statistical information. Also, the author is very grateful for comments received from several FAO and WFP officers such as Erminio Sacco, John Burns, Scott Ronchini, Agnes Dhur, Richard China and Christian Romer Lovendal, and participants at the Food Aid Forum held at the WFP, Kabul, in October 2002. Comments from Adam Pain (AREU) were especially helpful. The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

SUMMARY

This paper contains the main results of a FAO study on staple food prices and real wages in Afghanistan during the period 1996-2002, based on information systematically collected weekly by WFP in all major cities (Kabul, Kandahar, Jalalabad, Herat, Mazar-e-Sharif and Faizabad). The main conclusion of the study are as follows:

- Large fluctuations have been registered in food prices. However, the fluctuations were mostly due to changes in the value of currency, i.e. in the exchange rate. Food prices in dollars have been remarkably stable, especially during the years 2001 and 2002.
- During the war years, disrupted markets and international isolation caused prices to be well above international levels. But during 2001 and 2002 prices of wheat have been in line with international prices.
- There is no evidence that increased production and increased food aid in 2002 may have depressed domestic prices. Wheat price in dollars in 2002 has been approximately the same than in 2001, in spite of large increases in food aid and an even larger increase in domestic production. Commercial imports have acted as price regulators, keeping domestic prices more or less stable.
- The purchasing power of wages for unskilled urban labour (in terms of bread) has remained remarkably stable from 1998 to 2001. One day's wage has been equivalent to the cost of approximately 4 Kg of bread, with a slightly better situation in Kabul than in other cities. Faizabad was the city with wages at the lowest level of purchasing power.
- During the first half of 2002 the purchasing power of wages (i.e. the **real** wage level) increased significantly in all cities, reaching a level of 7-8 Kg of bread at mid-year.
- During the last months of the year (September-December) there has been no further increase in real wages, except in Faizabad that has continued recovering. In the case of Kabul, real wages have fallen significantly in October-November, back to the levels of 2001, i.e. about 5 Kg of bread equivalent per day.
- This indicates saturation of the urban labour market, and increased food insecurity of the urban population.
- The study recommends urgent start of labour-intensive public works to help improving the real wage of urban workers, and therefore reducing food insecurity in urban areas.

Introduction

War has been a quasi-permanent state of affairs for the people of Afghanistan for most of the recent decades. Since King Zahir Shah was deposed by his cousin Prince Daud in 1973, through the ousting (and killing) of the latter by a pro-Soviet revolution in 1978, on to the subsequent Soviet invasion in 1979, and ever afterwards up to the Taliban regime of 1996-2001, war and domestic strife raged without pause. Nationalist *mujaheddin*, with American help, fought against the Soviets and the Soviet-protected government for more than a decade. They succeeded in deposing the pro-Soviet government of President Najibullah in 1992, only to enter an internecine war between competing parties and tribes that went on till late 2001, with a high point in 1996 when the Taliban faction took Kabul, executed the long-deposed Najibullah, installed the semblance of a government in the capital, and imposed an extremely reactionary regime marked by gross violations of human rights. After several years of continuing civil strife, and in the wake of the September 11 events, a coalition of nations led by the US ousted the Taliban regime near the end of 2001 and installed a transitional, and so far peaceful, regime, which is however hampered and weakened by the subsistence of several powerful regional warlords that barely refrain from attacking each other or the central Government.

This prolonged situation of violent conflict and political instability created serious problems with economic activity, especially because domestic inter-regional trade was seriously disrupted by road blockages, lack of guarantees for long-haul transportation generally, and the coexistence of different (regional) currencies.³ Though peasants in the various regions continued practicing their traditional subsistence production of wheat and other cereals, and husbanding their livestock as best they could, their livelihoods were highly insecure and unstable. Millions took refuge in neighbouring countries (Pakistan and Iran) and a comparable number found themselves displaced within the country, mainly to cities far from home, escaping war and hunger.

On top of all this, a most severe and prolonged drought hit the country in 1999-2001, continuing up to the first half of 2002 in the Southern and South Eastern parts of the country, and causing a reduction of about 50% in the country's cereal output from 1998 to 2001. The nation's cereal output recovered in 2002 almost to its pre-drought level, but population has increased in the meantime (not least because the large inflow of returnees in 2002) and food shortages persist in many places.⁴ The dramatic drop in food supply, at a time of great disruption in domestic and foreign trade, created a severe food emergency and motivated a large increase in foreign food aid. More than six million people received food aid in 2001 and about seven million are expected to receive it in the year from March 2002 to March 2003.

³ The Northern region, of which Mazar-I-Sharif is the main city, uses its own currency, the Northern Afghani, worth one half the Kabul Afghani, and widely accepted throughout the North. People in areas near the Pakistan border are often loath to accept any Afghan currency and prefer the Pakistani *kaldar*.

⁴ Details on the crop situation may be found at the recent **Crop and Food Supply Assessment Mission Report** jointly produced by FAO and WFP by mid 2002, and available at both organizations' Web sites, www.fao.org and www.wfp.org. Earlier similar reports are also available since the late 1990s.

No thorough evaluation has been done of the impact of war and drought on the Afghan economy. Apart from infrastructure having been badly damaged or destroyed, and people's livelihoods destroyed, disrupted or only precariously allowing them to survive, there have been widespread preoccupation in the international aid community about the impact on welfare of the sharp fluctuations in exchange rates, especially after the terrorist attack in the US on 11 September 2001, which caused large increases in food prices. There have also been worries about the possible impact of increased food aid on prices received by farmers.

This paper presents some information about the behaviour of food prices and unskilled labour wages since 1996, the year the Taliban regime was established, through November 2002, assessing the behaviour of staple food prices and wages. The main conclusion, surprisingly, is that food prices and wages have been remarkably stable once exchange rate fluctuations are discounted away. Increased food aid or variations in domestic production seem not to affect the price of wheat or its products (flour and bread). It is also seen that real wages increased significantly in 2002, though they have stopped growing since mid-year and suffered a noticeable decline in the late months of 2002, especially in Kabul, signalling a saturation of the labour market and increased unemployment.

Wheat prices

The only wheat prices available in Afghanistan are those collected at city *bazaars*, and they are then **retail** rather than wholesale or farm-gate prices. The ratios between those different prices are usually supposed to be stable, though in the case of Afghanistan these ratios may have suffered some changes along the way. Even so the retail price may serve as a useful trend indicator. However, caution should be used in drawing conclusions about farm-gate prices based on data about retail prices. This paper is not concerned at all with farm profitability, but with trends in real wages for the urban poor.

The Afghan economy has suffered significant inflation and currency fluctuations in recent years. During 2001, in particular, the Afghani exchange rate suffered extreme swings, going from 28,000 to the dollar up to 150,000 and then back to below 40,000. In 2002 the exchange rate has remained about 40,000 but climbed to above 50,000 in September-October. The reasons for the wide fluctuations in the exchange rate are both political and macroeconomic, not particularly related to the price of grain or the level of wage rates. In the present context, those fluctuations are taken as a given, to concentrate the discussion on the relative trends of food prices and wages. The instability of exchange rates, of course, caused (or was accompanied by) disruption in markets, increased uncertainty, and great variability in nominal prices and wages, which are denominated in domestic currency. Figures 1 and 2, for instance, show the fluctuations in the price of wheat along the latest seven years.

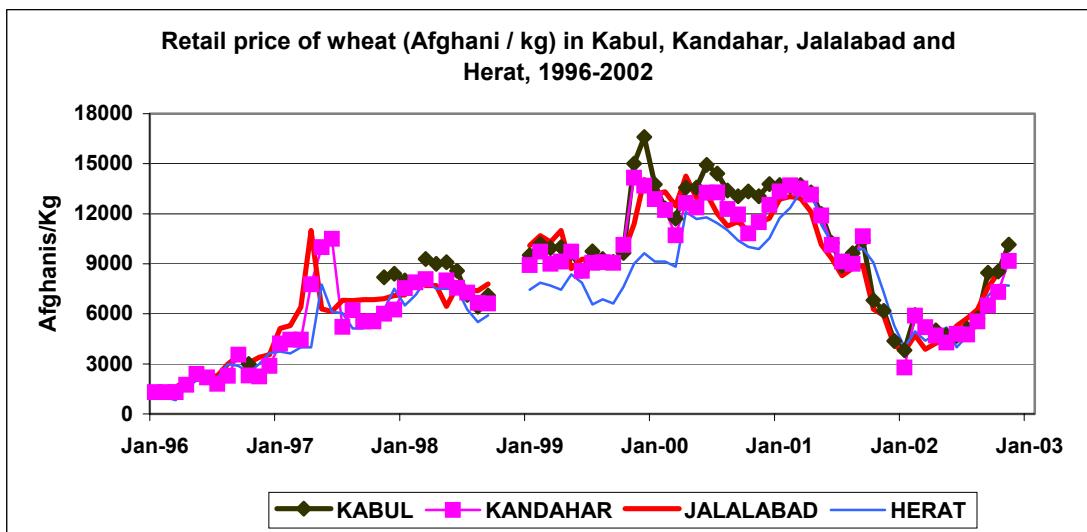


Figure 1

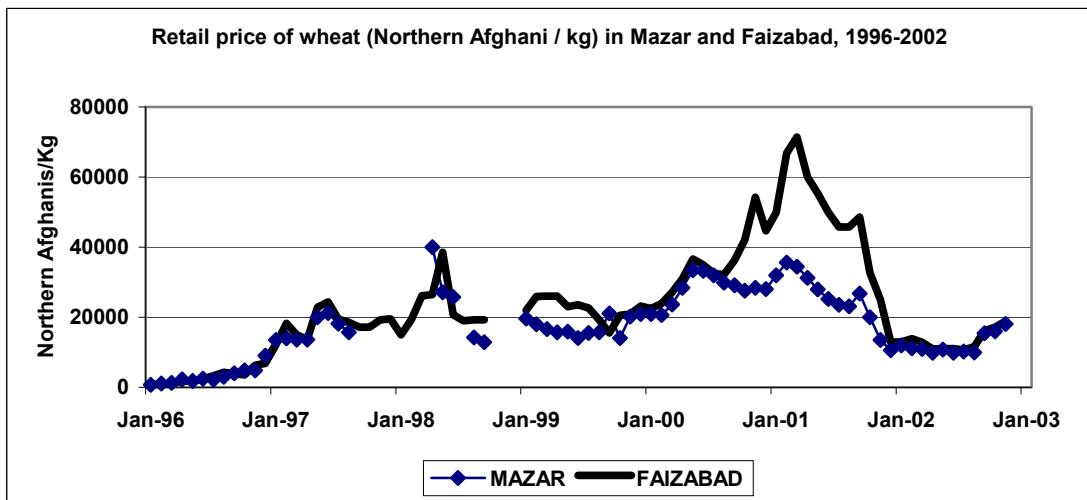


Figure 2

As shown in the figures, the price of wheat experienced large fluctuations, going generally up from 1996, in a rising trend that went on up to 2000 in the cities of the Centre and South of Afghanistan, and up to 2001 in the North, to enter then a declining trend during 2001. In 2002 prices have been going up in the South and Centre, while remaining relatively stable in the North.

This behaviour alone should cast some doubt on the idea that the price of wheat has been brought down by the large increase in food aid during 2002. In fact, the decline occurred mainly during 2001, and the price remained fundamentally stable in 2002. Also, there is dubious support to the idea that the price rise before the recent drop was caused by the prolonged drought that afflicted the country. In fact, the drought started in 1998, but prices remained more or less stable in most cities up to the beginning of 2000, and declined in 2001 at the worst stage of the drought when production was only one half of the 1998 level. Instead, prices did not drop further in 2002 in spite of the large upsurge in production this year (in addition to increased inflow of food aid). On the contrary, they showed a tendency to rise along the year, especially in cities where the Kabul currency circulates.

However, the story told by these precedent figures refers only to **nominal** prices, which are of course affected by inflation and currency fluctuations. During these latest years Afghanistan experienced wide variations in exchange rates. Figure 3 and 4 show the Southern and Northern Afghani exchange rates to the US dollar, compared with the prices of wheat in the main cities of each region. It looks clear that the price of wheat has generally followed the price of the US dollar.

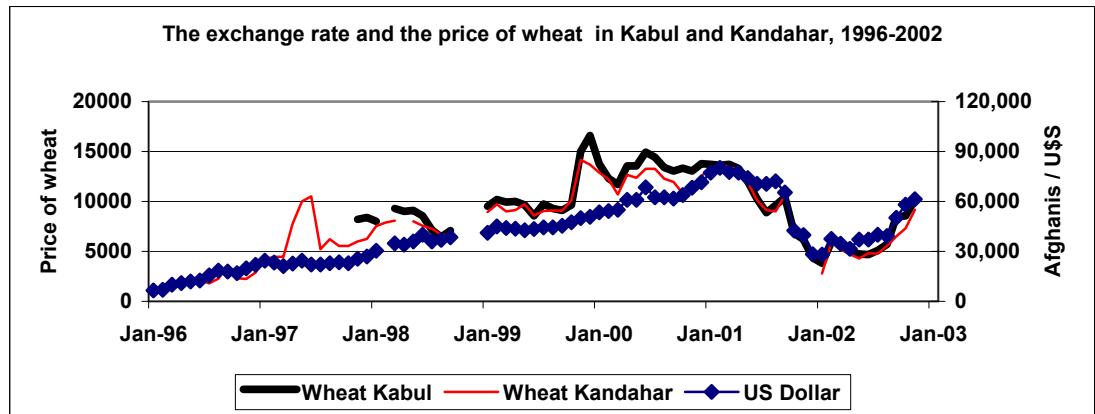


Figure 3

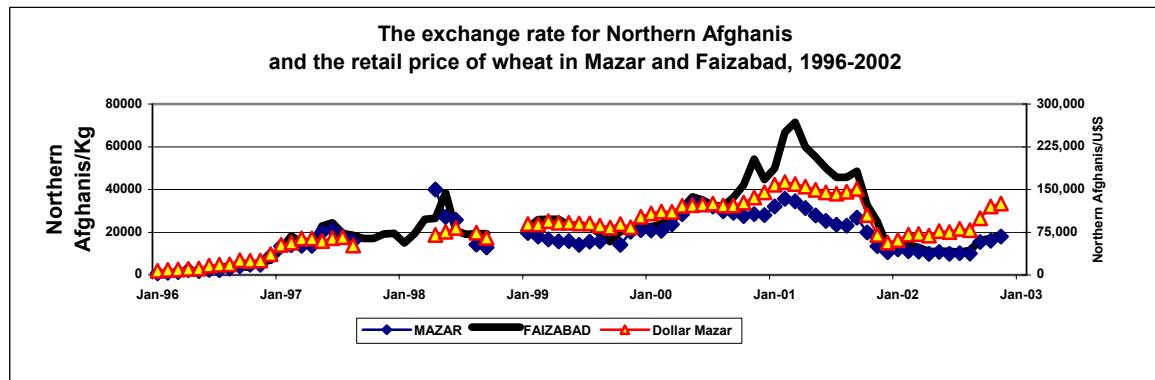


Figure 4

The price of wheat in dollar terms, in fact, has remained remarkably stable through the turbulent 2001 and the significant political and macroeconomic changes in 2002, as shown in Figure 5 and in the tables in the Statistical Annex.

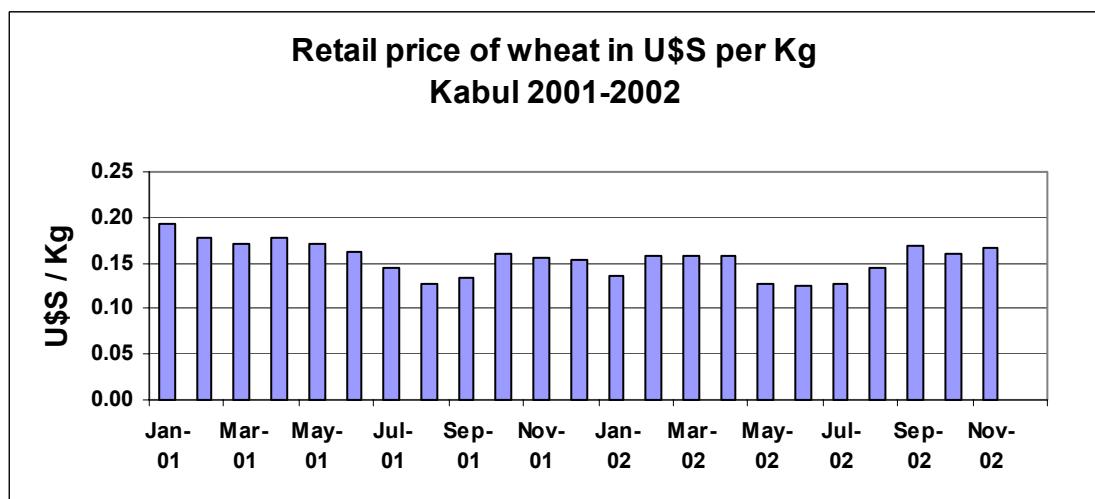


Figure 5

Large inflows of food aid and an 82% upsurge in the cereal harvest of 2002 (compared with 2001) were unable to move prices much, beyond normal seasonal oscillations or fluctuations in international prices. The retail price of wheat is in line with international export prices, and bears little relation to changes in domestic production. Thus the seasonal post-harvest price drop in the summer of 2001, with an extremely poor harvest, was of similar magnitude than the corresponding drop in 2002, when a much larger output hit the domestic market. In both cases the price dropped in the summer from about \$0.15 to \$0.13, rising again to the previous level during the autumn.

In a longer-term view (Figures 6 and 7), prices were mostly falling during the good agricultural year 1998, from \$0.30 to \$0.20 per Kg. They remained remarkably steady around \$0.20 from mid-1998 to late 2000, with only a temporary surge during the two last months of 1999. Prices then decreased steadily since September 2000 and along 2001, falling from around \$0.20 to around \$0.15, even briefly touching bottom at \$0.13 in the aftermath of the harvest by August-September 2001. Since then to late 2002 they have been fluctuating around \$0.15. The relative stability of prices is remarkable, since very few plunges or upsurges are detected through the deep fall in production due to the prolonged drought of 1999-2001 and the large increase in production in 2002 after three years of dismal harvests due to drought. Probably, the difference between prices prevailing in 1998-2000 and those of 2001-2002 is mostly due to interruptions of trade between regions in the former period, and also changes in international prices.

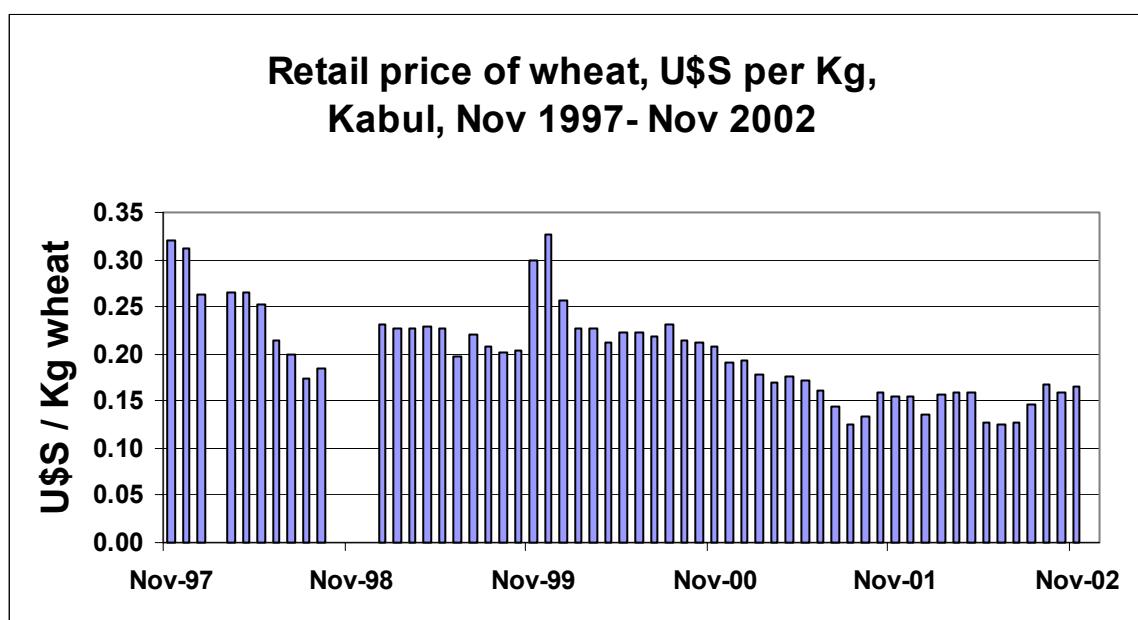


Figure 6

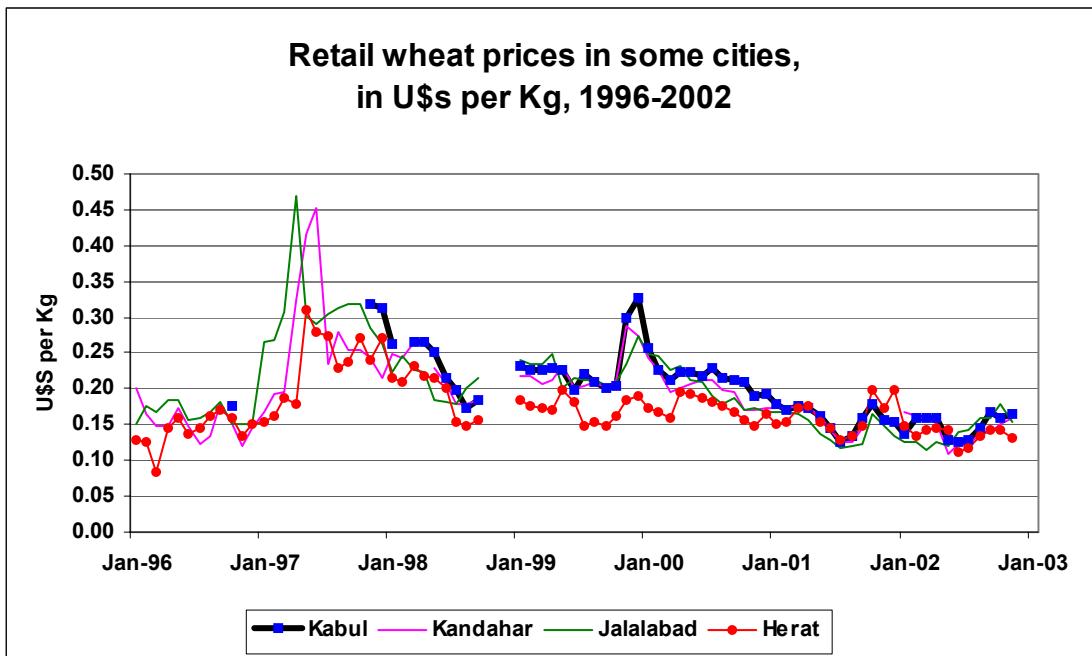


Figure 7

Prices in the provinces of the East, South and West followed closely the levels of Kabul. Only during some very short periods in early 1997 prices in Kandahar and Jalalabad briefly deviated from prices elsewhere, going up to about \$0.45 per Kg of wheat. The story is somewhat different in the North. The city of Mazar (included in Figure 8) generally followed the same pattern of Kabul and other cities, though in 1998 it briefly showed higher prices in the spring. Only the North Western part of the country showed a somewhat more differentiated pattern. Faizabad, the capital of the North Western province of Badakshan, had a distinctly higher and more volatile pattern, as shown also in Figure 8. Its dollar prices have been at much higher levels than the rest of cities at various periods, most notably in 2001, in which the war developments cut it completely from the rest of the country. In 2002, however, as domestic trade tended to normalcy, prices in Faizabad moved down to the levels observed in Kabul and other cities, which are more in line with international prices. Transport and communications problems with that province, never controlled by the Taliban and a stronghold of the Northern Alliance, are evident in the behaviour of wheat prices there. Temporary price hikes in Mazar in 1998, as those of Herat and Jalalabad in 1997, are also more connected with political than economic events.

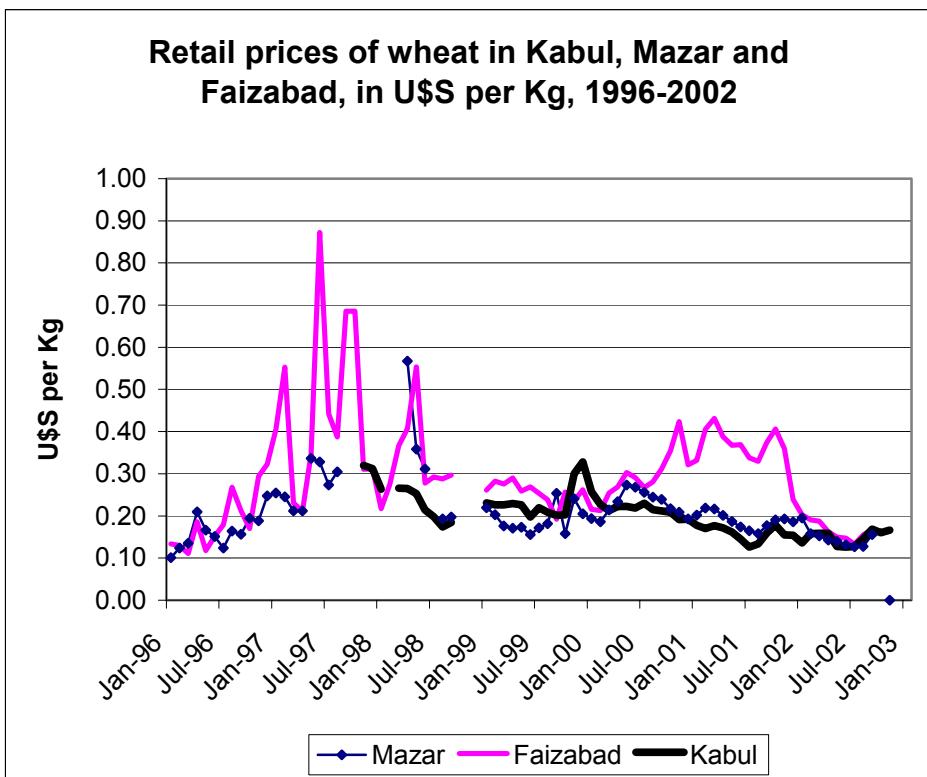


Figure 8

Domestic and international prices

Some of the changes observed in the domestic price of wheat are due to fluctuations in international prices. A thorough assessment of this hypothesis would involve a study of border prices (chiefly at the Pakistan border), plus the cost of bringing the grain through border customs and get it transported and delivered at every major city. An updated study of grain trade and markets is still pending. For the time being, a simple comparison of domestic wheat prices with international wheat prices at major world markets will suffice.

The adequate international reference price for Afghanistan is not easy to get. Most imports come from Pakistan, so prices at the main border entry points would be best, but a complete monthly series of such prices is not available. Import prices in Karachi (Pakistan) could also be used, but again complete series are not at hand. As the types of wheat differ, and so do their prices, only prices for the adequate variety of wheat should ideally be used. Unfortunately that is also unavailable. Figure 9 uses, as a general reference, the export price of US Red Winter wheat (hard and soft varieties), as reported by the International Grain Council and the US Department of Agriculture. These kinds of wheat are more expensive than the varieties consumed in Afghanistan, and thus the reported prices (Table 9, Statistical Annex) represent an overestimate of the relevant international price.

As Figure 9 shows, domestic prices have been far above the reference price since 1998 to 2000. They have come down along 2001 to stay just above the international price in late 2001 and thru 2002. Note that the observed increase in domestic prices in September 2002 closely mirrors (with one month lag) a similar increase occurred in

international prices.⁵ Such close resemblance as observed lately between domestic and international price movements reflects the greater openness of the economy in 2002, as compared with the situation in years past, in which domestic market disruption caused domestic prices to vary independently of the world price. The increase in international prices registered in the second half of 2002 was immediately reflected in Afghan domestic prices, as also its growth was stopped accompanying the small reduction in international prices registered since late October.

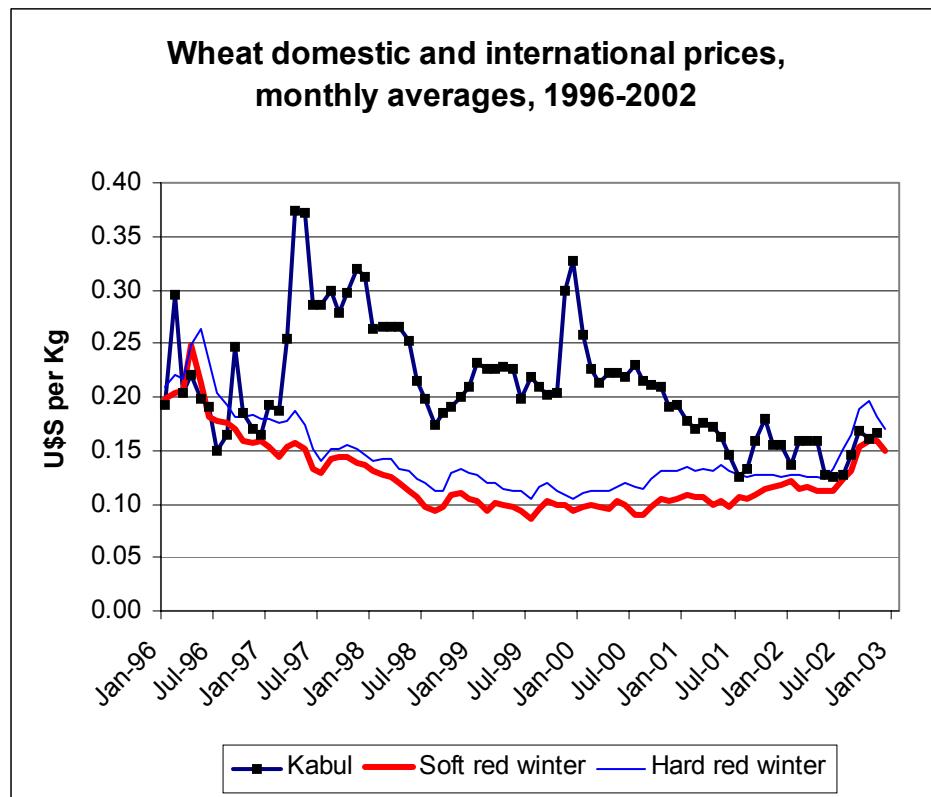


Figure 9

Prices in Kabul (taken here, for the sake of brevity, as representative of the country) were approximately at the level of the reference international prices in 1996; but suffered strong swings during the Taliban years, staying significantly above world prices. From January 2000 to mid-2001 they fell steadily, and have lately tended to hover just above world prices from 2001 to 2002. Notice that these movements of domestic prices bear little relation with domestic production, which was highest in 1998 and then fell sharply during 1999-2001 due to the drought, before surging again in 2002. The increase in output in 1997-98 is perhaps linked to the falling trend of prices in those years, especially in mid-1998 when the harvest of that year came to the market, but this factor cannot explain neither the subsequent fall in prices from 2000 to 2001 in spite of production going steadily down, nor the sharp price increase in 1996-97 when production was rising, and less so the stability of 2001-2002 in spite of

⁵ For the sake of comparison, estimated prices of wheat in Kabul are shown here even for months where direct observations are not available. Prices of wheat in Kabul have not been collected by WFP monitors during most of the 1996-1997 period, but wheat flour prices are available for nearly all months, and the latter closely follow the former, so the prices of wheat grain in those years 1996-97 have been estimated for Figure 9 at 85% the flour price, corrected by wheat grain prices actually measured in Kabul at some particular months during that period. Wheat prices for a few months in 1998, on which flour price data were not collected, were interpolated from adjacent months.

the large increase in production and food aid. This suggests that foreign trade plays a stabilizing role, smoothing domestic supplies and thus tending to stabilize prices (except when and where impeded by war or other disruptions in trade, communications and transport).

Earning the daily bread: The wages of casual labour

The masses of unskilled labourers that pressure the urban economy looking for jobs have benefited from a significant increase in urban casual-labour wages in the first half of 2002, but this may be coming to an end. Wages stopped growing since mid 2002, and showed signs of decline in the latter part of the year. Afghan casual workers are paid between one and two dollars a day, very low for international standards, even considering that the local cost of living is quite low in dollar terms. The wage rate in dollars has remained relatively stable since 1998, in spite of all the political turmoil and economic problems, though it dipped below one dollar at times and climbed beyond two dollars at some other times (See Table 4 in the Statistical Annex). Unlike other countries, money wage rates for casual workers are remarkably flexible in Afghanistan, having moved up and down several times (in nominal terms and in local currency) as food prices and exchange rates varied widely during recent years. Thus variation in dollar wages comes both from changes in nominal wages and fluctuations in the exchange rate.

More significant than money wages (even if they are measured in dollars) are indeed **real wages**, measured in terms of working class consumer goods, for they reflect the relation of wages to the price of necessities. Unfortunately, systematic data on consumer prices in Afghanistan are missing, but on the other hand food is a very large part of total expenditure, and bread is responsible in turn for a large proportion of food expenditure. Afghan yearly cereal consumption is estimated at about 170 kg per capita, i.e. about half a kilo of cereals per day and per person, representing some 1700 calories. Of that cereal consumption, three quarters (some 1300 calories) come from wheat, almost exclusively in the form of bread, representing a daily consumption of little less than half a kilo of bread per capita. The prices of other staple foodstuffs (maize, rice, pulses) generally vary in accordance with the price of wheat, flour and bread, so the price of bread is a good indicator of overall food prices, and food absorbs by far the majority of the expenditure of poor people. Thus expressing real wages in terms of bread equivalent is an adequate way of measuring the purchasing power commanded by unskilled labour pay.

However ample the swing in money wages during the latest years, either measured in local or foreign currency, the **real wage rate** (in terms of bread) remained remarkably stable during 1998-2001, especially in Kabul, as shown in Figure 10. Increased demand for labour at the start of the reconstruction period in 2002 caused a marked increase in real wages, helped undoubtedly by somewhat lower wheat prices due to crop recovery and increased foreign trade, but induced chiefly by an increase in money wages triggered by increased demand for labour.⁶ However, the increase in real wages stalled after mid-year, probably because of an increasing saturation of the urban labour market by the continuing inflow of returnees and IDPs. The increase in

⁶ Figures reflect nominal daily wages for casual labour, divided by the retail price of one Kg of bread. Figures are available only since April 1998.

international wheat prices and the depreciation of the Afghani lead to a sharp decrease in Kabul real wages in October and November.

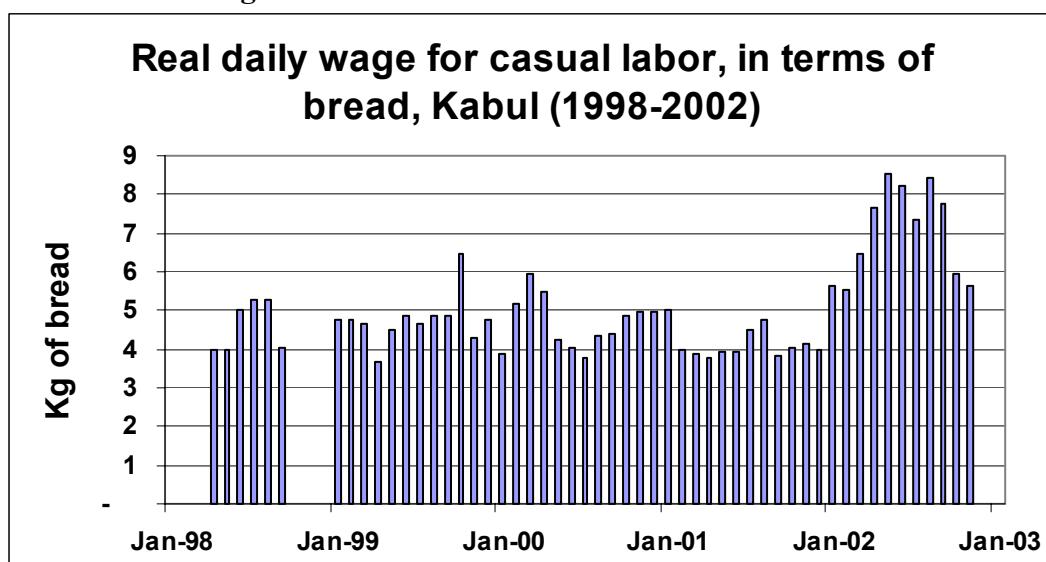


Figure 10

The decline might be partly due to seasonal reasons, since labour demand is supposed to be lower as winter sets in. But no similar seasonal pattern has been observed in past years, as shown in Figure 10. Wages in December-February are not significantly lower than in other seasons (if measured in terms of their bread purchasing power), and no systematic decline of real wages has been observed in August-November as was observed in 2002. Therefore it is necessary to conclude that something not seasonal is happening to cause the decline in real wages. The most likely culprit is the faltering of the extraordinary upsurge in labour demand registered in the first half of 2002, in the aftermath of the Taliban defeat, and possibly a continuing inflow of labour into cities not matched by similar further increases in labour demand.

Similar analyses can be done on data from other major cities (Kandahar, Mazar, Herat, Faizabad, Jalalabad). This comparative analysis shows a generally coincident trend in all cities (Figure 11), but also noticeable differences in the behaviour of real wages. After having hovered around Kabul in 1998, real wages in other towns dipped below the capital city in 1999-2001. Most cities remain below Kabul in 2002, though some of them (Mazar and Herat) have climbed back to the vicinity of the wage levels prevailing in the capital city. In correspondence, however, with the higher price of wheat in Faizabad in 2001, real wages in that region remained the lowest amongst the various cities till the early months of 2002, but in late 2002 Faizabad wages have managed to stay above other cities, leaving Kandahar with the lowest real wage in October and November.

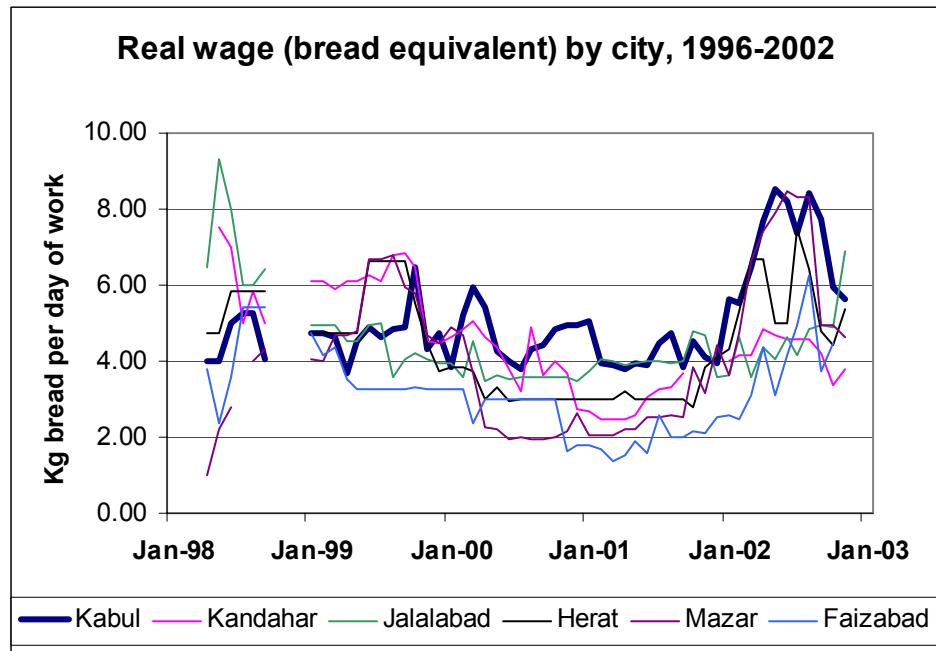


Figure 11

The perceptible difference since 2000 between Kabul wages and the rest, with Kabul on top of all other cities, was due mostly to a dip in other cities' wages, whilst Kabul's rates remained stationary till the beginning of 2002. The picture of real wages in all the cities, shown in Figure 11, is however a bit confusing and difficult to interpret because the real wage rates of the various cities crisscrossed each other most of the time. Figure 12, comparing Kabul to the **average** of other cities, is more illuminating.

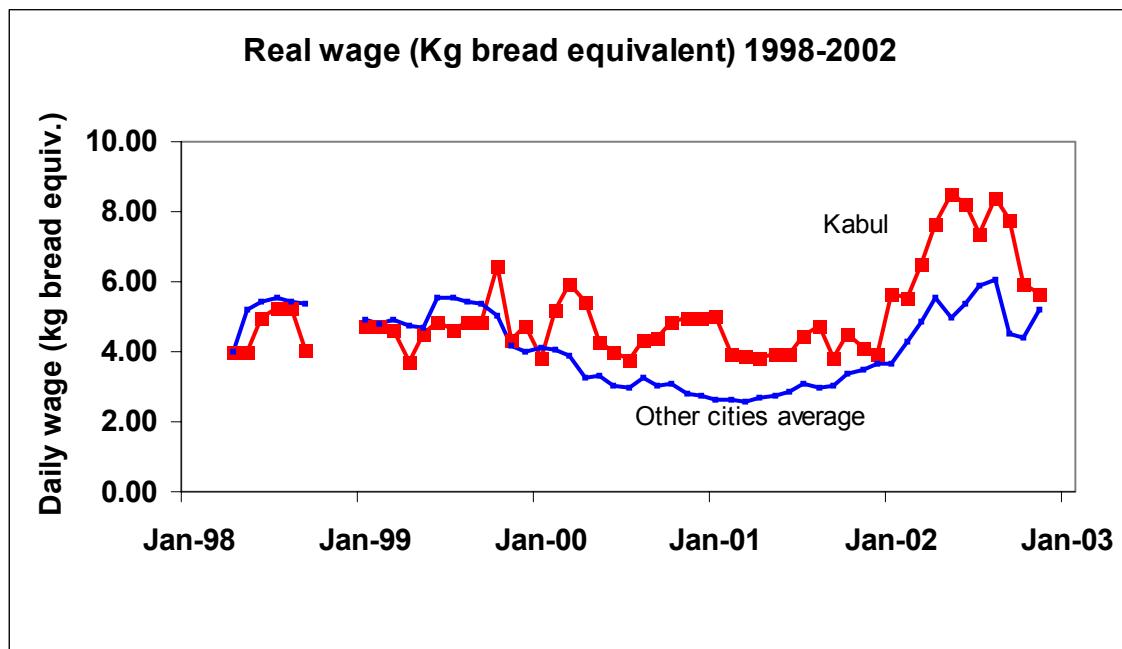


Figure 12

As is shown there, the average wage of the other cities is **not** showing in late 2002 the decline observed in Kabul. On the contrary, the average wage level in other cities has

been hovering about the same level since mid-year. As seen in Figure 11, wages in some cities have actually **increased** in the late months of 2002.

Kabul's real wages had been more or less at the level of other cities in 1998-99, but since early 2000 to mid-2001 wage rates in other cities steadily declined, making Kabul's real wage rates visibly higher than those of the rest of cities. In 1998-99 there were periods in which Kandahar, Jalalabad and (briefly) Herat had higher real wages than Kabul, but this was temporary. It is also seen that the upsurge in real wages in 2002 has also been shared by all the cities throughout the country, though it is more marked in Kabul. The increasing trend in real wages was very strong during the first half of 2002, but tended to stall since mid-year, at some 8 kg of bread per day in Kabul, and 4 to 5 kg elsewhere. The significant fall in real wages in Kabul in the last quarter of 2002 has brought the capital down to the average level of other cities.

This level of purchasing power is presumed to be insufficient to meet the needs of a family. There are no definite data on the average size, composition and labour supply of urban households, though they are generally thought to be perceptibly below the rural average of 8-10 members. It is clear that a (conservatively estimated) family of five or six members, including one stay-at-home wife and three-four children, will need about three kilograms of bread per day, plus other food needs amounting probably to the cost of two or three more Kg of bread (because other foods are in general more expensive than bread, on a money per calorie basis). That family, with only one member as income-earner working on casual jobs, would be absorbing nearly all the wage only to cover food needs with a barely adequate diet, even in the unlikely case that all the income is spent on food. Unless other income sources are available (such as remittances from abroad, or revenue from child labour) little would be left for housing, utilities or clothing. Even with a permanent wage income from casual labour employment, the family would be hardly covering its most pressing needs. Besides, casual labour is, to wit, **casual**, with frequent interruptions in employment and cash flow, and no pay at all for holidays. It is easily seen than surviving on casual labour means being below the poverty line, even for those lucky enough to be always employed, and more so if employment is not permanent.

The presence of international aid agencies and the resumption of construction and many other economic activities that were dormant during the Taliban regime probably explain the observed increase in casual labour wages. This increase, most notably, coexisted with the return of women to work outside the household, as well as a massive inflow of returnees from exile, especially in the first half of 2002 when real wages were rising. These (probably significant) increases in urban labour supply did little to hinder the increase in real wages during the six to eight months following the demise of the Taliban. It may be presumed that the surge in real wages would have surely been larger without the returnee inflow or the significant change in the condition of women as regards employment.

However, in September-November 2002 real wages declined in Kabul, and preliminary data from the first week of December indicate they may continue to fall. Besides the probable saturation of the urban casual-labour market in the summer of 2002, the fall in real wages in the last quarter of 2002 is also attributable to two other factors. First, a depreciation of the Afghani currency by about 40% as compared with August, increasing from about 40,000 Afghanis to nearly 60,000 Afghanis to the US dollar, to which wheat prices immediately adjusted but wages did not, at least not in the same

proportion. Second, an independent increase in the **real** (dollar denominated) price of bread as a consequence of an increase in the international price of wheat, immediately reflected in domestic prices for wheat, flour and bread. As casual labour wages have been shown to be pretty elastic regarding the price of bread, a wage hike would be normally expected to follow, but it has undoubtedly been dampened by the increasingly depressed labour market. If demand for unskilled labour in cities remains weak, it may well be that real wages may not increase, and even decrease further down in the harsh winter months.

Conclusions

Leaving aside the special case of Faizabad, prices throughout the country have followed a remarkably coincident path in recent years, and also real wages have shown the same pattern everywhere, though understandably Kabul enjoys the highest levels of real labour pay. A significant increase in real wages occurred in the first half of 2002, in spite of the large inflow of returnees and the return of many women to the labour market. However, since mid-year the rise in real wages stopped, and there was even a fall in September, due to a combination of factors (higher international price of wheat, depreciation of the Afghani, and gradual saturation of the urban labour market).

These data challenge various commonly held ideas. The most notable fact about prices is their relative stability in spite of all the political turmoil. It is also remarkable that once the economy was re-opened in 2002, wheat has behaved as a thoroughly tradable good, reflecting international prices with little sensitivity to local costs of production or the outcome of the domestic harvest. Another important conclusion that may be drawn from the data is that markets operate fairly well in Afghanistan, in spite of political turmoil, being disrupted only temporarily by major events causing the isolation of some region. A further relevant conclusion is that wage levels have remained fairly stable throughout the recent turbulent times, till the upsurge of purchasing power in 2002 caused by increased job opportunities plus an enlarged availability of food from production and trade. There was, indeed, a fall in the purchasing power of casual labourers during the grim Taliban years, especially outside Kabul, and an improvement with the advent of the new era in 2002, but none of the enormous swings that may have been expected in the presence of the extremely turbulent political processes the country has lived through. In the short term, unless an expansion of the labour market occurs, perhaps fuelled by public works, real wages may be expected to keep stalled, or to suffer further decline.

STATISTICAL ANNEX⁷

Table 1 Retail price of wheat in local currency (Afghanis per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Jan-96		1,300	1,200	1,000	729	857
Feb-96		1,300	1,400	1,000	1,114	857
Mar-96		1,300	1,610	825	1,314	1,000
Apr-96		1,750	1,980	1,600	2,286	1,857
May-96		2,400	2,210	2,000	1,857	1,714
Jun-96		2,180	2,250	2,000	2,429	2,500
Jul-96		1,800	2,280	2,150	2,215	3,286
Aug-96		2,277	3,000	3,000	3,000	4,286
Sep-96		3,555	3,500	2,875	4,000	3,929
Oct-96	3,000	2,300	3,052	2,500	4,800	3,572
Nov-96		2,250	3,388	3,000	4,809	6,286
Dec-96		2,888	3,556	3,650	9,033	6,857
Jan-97		4,222	5,120	3,750	13,500	12,143
Feb-97		4,444	5,300	3,625	14,000	18,235
Mar-97		4,444	6,400	4,000	13,571	15,000
Apr-97		7,777	11,000	4,000	13,571	13,714
May-97		10,000	6,285	7,750	20,000	22,857
Jun-97		10,500	6,143	6,125	21,200	24,428
Jul-97		5,222	6,810	6,050	18,190	19,429
Aug-97		6,222	6,800	5,125	15,700	18,571
Sep-97		5,555	6,850	5,125		17,142
Oct-97		5,555	6,850	5,500		17,140
Nov-97	8,200	6,000	6,900	6,250		19,240
Dec-97	8,400	6,250	7,100	7,500		19,500
Jan-98	8,000	7,546	7,146	6,500		15,000
Feb-98		7,893	8,100	7,125		19,286
Mar-98	9,290	8,070	7,700	8,000		26,100
Apr-98	9,000		7,700	7,500	40,000	26,450
May-98	9,100	8,000	6,450	7,500	27,143	38,571
Jun-98	8,570	7,553	7,643	7,500	25,714	20,714
Jul-98	7,142	7,280	7,436	6,250		19,000
Aug-98	6,428	6,653	7,380	5,500	14,286	19,286
Sep-98	7,094	6,625	7,791	5,917	12,857	19,286
Oct-98						
Nov-98						
Dec-98						
Jan-99	9,524	8,930	10,101	7,437	19,643	21,964
Feb-99	10,181	9,722	10,688	7,875	18,035	25,892
Mar-99	9,947	8,998	10,308	7,688	16,607	26,071
Apr-99	10,000	9,125	10,992	7,438	15,714	26,071
May-99	9,643	9,725	8,707	8,375	15,893	23,029
Jun-99	8,571	8,580	9,266	7,875	14,107	23,571
Jul-99	9,750	9,053	9,319	6,563	15,536	22,678

⁷ The source for tables 1-8 is the WFP Vulnerability Assessment and Mapping (VAM) unit, Kabul, Afghanistan. Figures are monthly averages of weekly records taken at several shops in each city's *bazaars*. Data for some months and cities are missing when they could not be collected due to the military or political situation in the area.

Table 1 Retail price of wheat in local currency (Afghanis per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Aug-99	9,286	9,100	9,376	6,875	15,714	19,285
Sep-99	9,107	9,065	9,187	6,625	21,071	15,536
Oct-99	9,643	10,138	9,654	7,625	14,106	20,536
Nov-99	15,000	14,154	11,388	9,000	20,179	20,893
Dec-99	16,607	13,675	14,038	9,625	20,952	23,214
Jan-00	13,750	12,875	13,162	9,125	20,893	22,500
Feb-00	12,322	12,225	13,314	9,125	20,679	23,928
Mar-00	11,715	10,700	12,476	8,821	23,625	27,107
Apr-00	13,560	12,655	14,252	12,100	28,400	31,000
May-00	13,561	12,375	12,956	11,688	33,425	36,607
Jun-00	14,937	13,260	13,176	11,775	33,200	35,000
Jul-00	14,411	13,280	12,019	11,440	32,000	32,500
Aug-00	13,403	12,284	11,261	11,020	29,840	32,142
Sep-00	13,048	11,953	11,529	10,407	29,125	36,250
Oct-00	13,336	10,817	10,950	10,011	27,625	42,143
Nov-00	13,057	11,500	11,453	9,888	28,440	54,285
Dec-00	13,779	12,540	11,724	10,532	28,000	44,642
Jan-01	13,711	13,333	12,878	11,745	32,000	49,859
Feb-01	13,634	13,700	13,022	12,350	35,625	66,808
Mar-01	13,714	13,504	12,927	13,313	34,467	71,428
Apr-01	13,286	13,150	12,107	13,521	31,250	60,000
May-01	11,988	11,900	10,148	11,350	27,900	55,314
Jun-01	10,250	10,125	9,299	10,250	25,250	50,000
Jul-01	8,893	9,125	8,298	9,125	23,538	45,714
Aug-01	9,626	9,000	8,723	9,600	23,100	45,715
Sep-01	10,429	10,648	8,900	9,938	26,750	48,571
Oct-01	6,821		6,280	9,083	20,000	32,675
Nov-01	6,179		5,920	7,292	13,500	24,893
Dec-01	4,366		4,099	5,295	10,604	12,857
Jan-02	3,828	2,773	3,755	3,982	11,935	12,979
Feb-02	5,933	5,900	4,725	4,956	11,139	13,916
Mar-02		5,200	3,883	4,400	11,000	12,857
Apr-02	5,000	4,696	4,233	4,750	9,875	10,982
May-02	4,728	4,282	4,503	5,188	10,750	11,071
Jun-02	4,679	4,796	5,268	4,000	9,875	11,051
Jul-02	5,105	4,763	5,741	4,688	10,250	10,673
Aug-02	5,714	5,555	6,250	5,300	10,000	11,574
Sep-02	8,465	6,508	7,590	7,075	15,450	16,182
Oct-02	8,543	7,308	8,462	7,725	16,000	17,146
Nov-02	10,158	9,173	9,495	7,700	18,050	18,900

Prices in Mazar and Faizabad are quoted in Northern Afghanis, a regional currency issued in Mazar. The rest is in official (Kabul) Afghanis.

Table 2 Retail price of wheat (USS per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Jan-96		0.20	0.15	0.13	0.10	0.13
Feb-96		0.16	0.18	0.13	0.12	0.13
Mar-96		0.15	0.17	0.08	0.14	0.11
Apr-96		0.15	0.18	0.14	0.21	0.19
May-96		0.17	0.18	0.16	0.17	0.12
Jun-96		0.15	0.16	0.14	0.15	0.15
Jul-96		0.12	0.16	0.14	0.12	0.18
Aug-96		0.13	0.17	0.16	0.16	0.27
Sep-96		0.18	0.18	0.17	0.16	0.21
Oct-96	0.18	0.15	0.15	0.16	0.19	0.17
Nov-96		0.12	0.15	0.13	0.19	0.29
Dec-96		0.14	0.15	0.15	0.25	0.32
Jan-97		0.17	0.27	0.15	0.25	0.40
Feb-97		0.19	0.27	0.16	0.25	0.55
Mar-97		0.19	0.31	0.19	0.21	0.23
Apr-97		0.32	0.47	0.18	0.21	0.21
May-97		0.42	0.30	0.31	0.34	0.35
Jun-97		0.45	0.29	0.28	0.33	0.87
Jul-97		0.24	0.31	0.27	0.27	0.44
Aug-97		0.28	0.31	0.23	0.30	0.39
Sep-97		0.26	0.32	0.24		0.69
Oct-97		0.26	0.32	0.27		0.69
Nov-97	0.32	0.24	0.28	0.24		0.31
Dec-97	0.31	0.22	0.26	0.27		0.31
Jan-98	0.26	0.25	0.22	0.21		0.22
Feb-98		0.24	0.25	0.21		0.28
Mar-98	0.27	0.27	0.23	0.23		0.37
Apr-98	0.26		0.22	0.22	0.57	0.41
May-98	0.25	0.23	0.18	0.22	0.36	0.55
Jun-98	0.21	0.21	0.18	0.20	0.31	0.28
Jul-98	0.20	0.18	0.18	0.15		0.29
Aug-98	0.17	0.18	0.20	0.15	0.19	0.29
Sep-98	0.18	0.18	0.22	0.16	0.20	0.30
Oct-98						
Nov-98						
Dec-98						
Jan-99	0.23	0.22	0.24	0.19	0.22	0.26
Feb-99	0.23	0.22	0.24	0.18	0.20	0.28
Mar-99	0.23	0.21	0.23	0.17	0.18	0.28
Apr-99	0.23	0.21	0.25	0.17	0.17	0.29
May-99	0.23	0.23	0.20	0.20	0.17	0.26
Jun-99	0.20	0.20	0.22	0.18	0.16	0.27
Jul-99	0.22	0.20	0.21	0.15	0.17	0.25
Aug-99	0.21	0.21	0.21	0.15	0.18	0.24
Sep-99	0.20	0.20	0.20	0.15	0.25	0.19
Oct-99	0.20	0.21	0.21	0.16	0.16	0.26
Nov-99	0.30	0.29	0.23	0.18	0.24	0.24
Dec-99	0.33	0.27	0.28	0.19	0.20	0.26

Table 2 Retail price of wheat (USS per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Jan-00	0.26	0.24	0.25	0.17	0.19	0.22
Feb-00	0.23	0.23	0.25	0.17	0.19	0.21
Mar-00	0.21	0.19	0.23	0.16	0.21	0.25
Apr-00	0.22	0.20	0.23	0.20	0.23	0.27
May-00	0.22	0.21	0.21	0.19	0.27	0.30
Jun-00	0.22	0.21	0.21	0.19	0.27	0.29
Jul-00	0.23	0.21	0.19	0.18	0.26	0.27
Aug-00	0.21	0.20	0.18	0.18	0.24	0.28
Sep-00	0.21	0.20	0.19	0.17	0.24	0.31
Oct-00	0.21	0.17	0.17	0.16	0.22	0.35
Nov-00	0.19	0.17	0.17	0.15	0.21	0.42
Dec-00	0.19	0.17	0.17	0.17	0.19	0.32
Jan-01	0.18	0.17	0.17	0.15	0.20	0.33
Feb-01	0.17	0.17	0.17	0.15	0.22	0.41
Mar-01	0.18	0.17	0.16	0.17	0.22	0.43
Apr-01	0.17	0.17	0.16	0.18	0.20	0.39
May-01	0.16	0.16	0.14	0.15	0.19	0.37
Jun-01	0.15	0.14	0.13	0.14	0.17	0.37
Jul-01	0.13	0.13	0.12	0.13	0.16	0.34
Aug-01	0.13	0.13	0.12	0.13	0.16	0.33
Sep-01	0.16	0.14	0.12	0.15	0.18	0.37
Oct-01	0.18		0.17	0.20	0.19	0.41
Nov-01	0.16		0.15	0.17	0.19	0.36
Dec-01	0.15		0.14	0.20	0.19	0.24
Jan-02	0.14	0.17	0.12	0.15	0.19	0.20
Feb-02	0.16	0.16	0.13	0.13	0.16	0.19
Mar-02	0.16	0.16	0.11	0.14	0.15	0.19
Apr-02	0.16	0.15	0.13	0.15	0.14	0.16
May-02	0.13	0.11	0.12	0.14	0.14	0.15
Jun-02	0.13	0.12	0.14	0.11	0.13	0.15
Jul-02	0.13	0.12	0.14	0.12	0.13	0.13
Aug-02	0.15	0.14	0.16	0.13	0.13	0.15
Sep-02	0.17	0.14	0.16	0.14	0.16	0.17
Oct-02	0.16	0.13	0.16	0.13	0.15	0.16
Nov-02	0.17	0.16	0.15	0.13	0.14	0.16

Table 3 Retail price of wheat flour (USS per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Jan-96	0.23	0.23	0.19	0.15	0.14	0.15
Feb-96	0.35	0.19	0.20	0.15	0.16	0.15
Mar-96	0.24	0.17	0.17	0.17	0.16	0.13
Apr-96	0.26	0.19	0.17	0.16	0.24	0.20
May-96	0.23	0.18	0.19	0.17	0.19	0.14
Jun-96	0.22	0.17	0.16	0.15	0.16	0.17
Jul-96	0.18	0.15	0.16	0.16	0.14	0.20
Aug-96	0.19	0.18	0.16	0.18	0.20	0.29
Sep-96	0.29	0.19	0.19	0.19	0.21	0.23

Table 3 Retail price of wheat flour (US\$ per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Oct-96	0.22	0.18	0.16	0.17	0.22	0.19
Nov-96	0.20	0.12	0.16	0.14	0.20	0.32
Dec-96	0.19	0.18	0.16	0.16	0.27	0.37
Jan-97	0.23	0.20	0.30	0.16	0.26	0.45
Feb-97	0.22	0.24	0.33	0.17	0.26	0.58
Mar-97	0.30	0.26	0.34	0.20	0.23	0.25
Apr-97	0.44	0.42	0.45	0.19	0.23	0.23
May-97	0.44	0.44	0.33	0.32	0.36	0.41
Jun-97	0.34	0.47	0.30	0.29	0.35	1.02
Jul-97	0.34	0.32	0.31	0.29	0.35	0.49
Aug-97	0.35	0.32	0.31	0.24	0.35	0.45
Sep-97	0.33	0.33	0.32	0.25		0.80
Oct-97	0.35	0.33	0.32	0.28		0.80
Nov-97	0.32	0.29	0.29	0.25		0.35
Dec-97	0.32	0.26	0.27	0.28		0.35
Jan-98	0.29	0.26	0.24	0.23		0.27
Feb-98		0.25	0.28	0.22		0.30
Mar-98	0.29	0.28	0.23	0.24		0.40
Apr-98	0.29		0.23	0.23	0.63	0.44
May-98	0.28	0.25	0.22	0.23	0.41	0.59
Jun-98	0.25	0.25	0.21	0.22	0.36	0.33
Jul-98	0.25	0.22	0.20	0.17		0.33
Aug-98	0.24	0.21	0.21	0.16	0.23	0.35
Sep-98	0.24	0.21	0.25	0.17	0.24	0.35
Oct-98						
Nov-98						
Dec-98						
Jan-99	0.28	0.24	0.26	0.19	0.27	0.29
Feb-99	0.28	0.25	0.27	0.19	0.22	0.32
Mar-99	0.24	0.23	0.26	0.18	0.21	0.32
Apr-99	0.28	0.25	0.28	0.18	0.22	0.31
May-99	0.28	0.26	0.22	0.21	0.19	0.29
Jun-99	0.25	0.21	0.22	0.19	0.19	0.30
Jul-99	0.26	0.22	0.22	0.16	0.21	0.29
Aug-99	0.25	0.23	0.22	0.17	0.21	0.30
Sep-99	0.25	0.23	0.21	0.16	0.20	0.29
Oct-99	0.28	0.25	0.23	0.16	0.20	0.30
Nov-99	0.38	0.39	0.28	0.19	0.28	0.27
Dec-99	0.42	0.41	0.31	0.21	0.25	0.30
Jan-00	0.35	0.34	0.29	0.19	0.22	0.26
Feb-00	0.30	0.30	0.28	0.18	0.21	0.22
Mar-00	0.26	0.25	0.26	0.19	0.23	0.27
Apr-00	0.26	0.25	0.26	0.22	0.27	0.29
May-00	0.25	0.25	0.23	0.21	0.30	0.33
Jun-00	0.24	0.24	0.25	0.23	0.28	0.32
Jul-00	0.25	0.24	0.24	0.22	0.28	0.30
Aug-00	0.24	0.24	0.23	0.20	0.27	0.33
Sep-00	0.23	0.23	0.22	0.18	0.27	0.36

Table 3 Retail price of wheat flour (U\$S per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Oct-00	0.24	0.20	0.22	0.16	0.26	0.40
Nov-00	0.21	0.20	0.20	0.16	0.24	0.42
Dec-00	0.21	0.20	0.19	0.18	0.22	0.37
Jan-01	0.20	0.20	0.19	0.16	0.23	0.34
Feb-01	0.19	0.20	0.19	0.16	0.25	0.44
Mar-01	0.19	0.20	0.19	0.18	0.24	0.46
Apr-01	0.19	0.21	0.18	0.19	0.23	0.43
May-01	0.19	0.19	0.16	0.16	0.22	0.42
Jun-01	0.17	0.17	0.15	0.15	0.21	0.42
Jul-01	0.15	0.14	0.14	0.14	0.19	0.39
Aug-01	0.16	0.15	0.14	0.15	0.18	0.38
Sep-01	0.19	0.16	0.14	0.16	0.20	0.42
Oct-01	0.26		0.19	0.21	0.19	0.48
Nov-01	0.19		0.19	0.21	0.26	0.42
Dec-01	0.20		0.19	0.26	0.27	0.30
Jan-02	0.18	0.18	0.17	0.19	0.27	0.23
Feb-02	0.20	0.18	0.16	0.22	0.21	0.22
Mar-02	0.20	0.18	0.14	0.19	0.18	0.21
Apr-02	0.20	0.18	0.16	0.18	0.17	0.18
May-02	0.16	0.15	0.14	0.17	0.16	0.18
Jun-02	0.17	0.15	0.17	0.18	0.15	0.17
Jul-02	0.18	0.14	0.17	0.17	0.15	0.17
Aug-02	0.18	0.16	0.18	0.16	0.16	0.18
Sep-02	0.20	0.17	0.17	0.18	0.18	0.20
Oct-02	0.20	0.28	0.20	0.19	0.17	0.18
Nov-02	0.22	0.20	0.18	0.19	0.17	0.15

Table 4 Retail price of bread (U\$S per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Jan-96	0.15	0.31	0.19	0.16	0.21	0.19
Feb-96	0.36	0.25	0.19	0.16	0.19	0.18
Mar-96	0.20	0.23	0.31	0.13	0.21	0.17
Apr-96	0.23	0.21	0.28	0.14	0.28	0.20
May-96	0.21	0.18	0.25	0.12	0.27	0.34
Jun-96	0.20	0.17	0.24	0.21	0.25	0.39
Jul-96	0.16	0.21	0.25	0.20	0.22	0.43
Aug-96	0.14	0.29	0.19	0.32	0.27	0.63
Sep-96	0.14	0.25	0.18	0.35	0.25	0.54
Oct-96	0.15	0.33	0.50	0.32	0.30	0.48
Nov-96	0.13	0.27	0.50	0.22	0.29	0.47
Dec-96	0.11	0.25	0.50	0.21	0.41	0.47
Jan-97	0.10	0.20	0.26	0.20	0.28	0.92
Feb-97	0.13	0.32	0.33	0.22	0.26	0.68
Mar-97	0.17	0.44	0.31	0.23	0.31	0.23
Apr-97	0.26	0.42	0.43	0.22	0.31	0.23
May-97	0.35	0.42	0.48	0.30	0.50	0.61
Jun-97	0.38	0.32	0.36	0.27	0.46	1.79
Jul-97	0.45	0.34	0.34	0.34	0.45	1.14

Table 4
Retail price of bread (U\$S per Kg)

	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Aug-97	0.44	0.34	0.35	0.33	0.49	1.04
Sep-97	0.43	0.69	0.35	0.35		1.60
Oct-97	0.44	0.69	0.35	0.37		2.40
Nov-97	0.39	0.61	0.31	0.31		0.71
Dec-97	0.37	0.52	0.28	0.29		0.70
Jan-98	0.00	1.32	0.31	0.33		0.47
Feb-98	0.00	1.24	0.30	0.29		0.52
Mar-98	0.00	1.32	0.29	0.28		0.52
Apr-98	0.29		0.29	0.30	1.42	0.57
May-98	0.28	0.28	0.21	0.30	0.66	0.91
Jun-98	0.25	0.27	0.18	0.23	0.48	0.75
Jul-98	0.26	0.24	0.18	0.21		0.57
Aug-98	0.26	0.23	0.20	0.23	0.34	0.55
Sep-98	0.32	0.28	0.22	0.23	0.31	0.57
Oct-98						
Nov-98						
Dec-98						
Jan-99	0.26	0.28	0.26	0.26	0.31	0.38
Feb-99	0.23	0.26	0.24	0.24	0.28	0.40
Mar-99	0.24	0.27	0.25	0.24	0.24	0.36
Apr-99	0.31	0.27	0.25	0.24	0.25	0.47
May-99	0.26	0.27	0.26	0.25	0.25	0.52
Jun-99	0.24	0.26	0.26	0.24	0.24	0.53
Jul-99	0.24	0.26	0.25	0.24	0.24	0.52
Aug-99	0.23	0.24	0.38	0.24	0.23	0.57
Sep-99	0.23	0.23	0.37	0.23	0.26	0.57
Oct-99	0.23	0.23	0.36	0.23	0.22	0.58
Nov-99	0.32	0.33	0.31	0.28	0.26	0.52
Dec-99	0.25	0.34	0.26	0.29	0.24	0.52
Jan-00	0.27	0.31	0.28	0.30	0.23	0.44
Feb-00	0.25	0.28	0.31	0.29	0.24	0.41
Mar-00	0.21	0.29	0.28	0.29	0.29	0.46
Apr-00	0.21	0.30	0.33	0.28	0.37	0.43
May-00	0.27	0.33	0.33	0.27	0.41	0.41
Jun-00	0.25	0.33	0.32	0.26	0.40	0.42
Jul-00	0.30	0.35	0.32	0.26	0.40	0.41
Aug-00	0.26	0.23	0.32	0.27	0.41	0.44
Sep-00	0.26	0.31	0.32	0.27	0.41	0.43
Oct-00	0.25	0.28	0.31	0.26	0.39	0.42
Nov-00	0.24	0.27	0.30	0.25	0.35	0.72
Dec-00	0.23	0.25	0.28	0.26	0.30	0.60
Jan-01	0.21	0.24	0.26	0.22	0.32	0.55
Feb-01	0.20	0.25	0.26	0.21	0.31	0.54
Mar-01	0.21	0.26	0.26	0.22	0.31	0.65
Apr-01	0.21	0.26	0.26	0.22	0.31	0.64
May-01	0.21	0.26	0.27	0.23	0.31	0.53
Jun-01	0.21	0.23	0.28	0.23	0.28	0.69
Jul-01	0.21	0.21	0.28	0.24	0.28	0.43

Table 4 Retail price of bread (U\$S per Kg)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Aug-01	0.20	0.21	0.28	0.23	0.27	0.54
Sep-01	0.23	0.20	0.28	0.25	0.30	0.58
Oct-01	0.24	0.00	0.33	0.40	0.29	0.85
Nov-01	0.26	0.00	0.37	0.32	0.39	0.78
Dec-01	0.35	0.00	0.50	0.40	0.37	0.70
Jan-02	0.27	0.36	0.49	0.29	0.35	0.60
Feb-02	0.22	0.33	0.32	0.20	0.23	0.55
Mar-02	0.21	0.36	0.49	0.19	0.19	0.47
Apr-02	0.21	0.34	0.42	0.22	0.19	0.34
May-02	0.17	0.31	0.44	0.28	0.18	0.43
Jun-02	0.18	0.31	0.40	0.28	0.17	0.40
Jul-02	0.21	0.30	0.42	0.19	0.17	0.38
Aug-02	0.20	0.30	0.37	0.20	0.15	0.32
Sep-02	0.20	0.28	0.35	0.22	0.21	0.42
Oct-02	0.25	0.32	0.35	0.21	0.20	0.37
Nov-02	0.24	0.28	0.23	0.20	0.22	0.35

Table 5 Daily wage of unskilled casual labour (U\$S per day)						
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Apr-98	1.18		1.90	1.44	1.44	2.15
May-98	1.11	2.14	2.00	1.44	1.44	2.15
Jun-98	1.25	1.91	1.42	1.34	1.34	2.68
Jul-98	1.39	1.22	1.08	1.23	1.23	3.08
Aug-98	1.35	1.34	1.22	1.35	1.35	2.99
Sep-98	1.30	1.38	1.39	1.32	1.32	3.08
Oct-98						
Nov-98						
Dec-98						
Jan-99	1.21	1.70	1.31	1.24	1.24	1.79
Feb-99	1.11	1.58	1.21	1.12	1.12	1.63
Mar-99	1.14	1.61	1.25	1.12	1.12	1.59
Apr-99	1.14	1.62	1.14	1.15	1.15	1.67
May-99	1.17	1.67	1.16	1.18	1.18	1.69
Jun-99	1.15	1.63	1.28	1.62	1.62	1.71
Jul-99	1.13	1.57	1.26	1.58	1.58	1.68
Aug-99	1.12	1.61	1.37	1.57	1.57	1.85
Sep-99	1.10	1.54	1.50	1.56	1.56	1.85
Oct-99	1.47	1.47	1.52	1.29	1.29	1.91
Nov-99	1.40	1.48	1.27	1.23	1.23	1.69
Dec-99	1.18	1.55	1.01	1.09	1.09	1.69
Jan-00	1.03	1.42	1.11	1.13	1.13	1.44
Feb-00	1.29	1.39	1.11	1.10	1.10	1.33
Mar-00	1.27	1.46	1.26	1.09	1.09	1.09
Apr-00	1.15	1.37	1.13	0.84	0.84	1.30
May-00	1.15	1.46	1.18	0.90	0.90	1.24
Jun-00	1.02	1.24	1.12	0.78	0.78	1.25
Jul-00	1.12	1.12	1.14	0.79	0.79	1.23

Table 5
Daily wage of unskilled casual labour (U\$S per day)

	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Aug-00	1.14	1.13	1.13	0.80	0.80	1.31
Sep-00	1.14	1.14	1.16	0.81	0.81	1.29
Oct-00	1.21	1.11	1.12	0.78	0.78	1.26
Nov-00	1.17	1.01	1.08	0.74	0.74	1.17
Dec-00	1.12	0.69	0.99	0.79	0.79	1.08
Jan-01	1.04	0.65	0.96	0.65	0.65	1.00
Feb-01	0.80	0.63	1.04	0.63	0.63	0.91
Mar-01	0.80	0.65	1.02	0.65	0.65	0.91
Apr-01	0.79	0.66	1.02	0.70	0.70	0.97
May-01	0.82	0.68	1.07	0.68	0.68	1.00
Jun-01	0.81	0.70	1.11	0.70	0.70	1.11
Jul-01	0.92	0.69	1.12	0.71	0.71	1.11
Aug-01	0.97	0.70	1.10	0.70	0.70	1.08
Sep-01	0.87	0.75	1.12	0.75	0.75	1.15
Oct-01	1.10	0.00	1.58	1.09	1.09	1.86
Nov-01	1.07	0.00	1.76	1.25	1.25	1.62
Dec-01	1.37	0.00	1.76	1.65	1.65	1.77
Jan-02	1.55	1.45	1.77	1.27	1.27	1.56
Feb-02	1.20	1.37	1.51	1.08	1.08	1.37
Mar-02	1.38	1.52	1.77	1.29	1.29	1.46
Apr-02	1.59	1.67	1.82	1.45	1.45	1.48
May-02	1.48	1.44	1.79	1.38	1.38	1.35
Jun-02	1.52	1.41	1.85	1.41	1.41	1.67
Jul-02	1.56	1.38	1.73	1.39	1.39	1.87
Aug-02	1.72	1.38	1.77	1.27	1.27	2.00
Sep-02	1.54	1.19	1.74	1.06	1.06	1.56
Oct-02	1.51	1.22	1.78	1.03	1.03	1.72
Nov-02	1.33	1.07	1.62	1.07	1.00	1.56

Table 6
Real wages, in Kg of bread equivalent per day, for unskilled casual labour

	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad	Average	Average excl.Kabul
Apr-98	4.00		6.50	4.72	1.02	3.78	4.00	4.00
May-98	4.00	7.50	9.33	4.75	2.18	2.36	5.02	5.23
Jun-98	5.00	7.00	8.00	5.83	2.77	3.60	5.37	5.44
Jul-98	5.26	5.00	6.00	5.83		5.41	5.50	5.56
Aug-98	5.26	5.83	6.00	5.83	4.00	5.41	5.39	5.41
Sep-98	4.03	5.00	6.43	5.83	4.29	5.40	5.16	5.39
Oct-98								
Nov-98								
Dec-98								
Jan-99	4.75	6.13	4.95	4.75	4.05	4.73	4.89	4.92
Feb-99	4.75	6.13	4.95	4.75	3.99	4.14	4.78	4.79
Mar-99	4.65	5.88	4.95	4.75	4.69	4.39	4.88	4.93
Apr-99	3.69	6.13	4.50	4.75	4.70	3.52	4.55	4.72
May-99	4.50	6.13	4.50	4.75	4.81	3.24	4.66	4.69

	Table 6 Real wages, in Kg of bread equivalent per day, for unskilled casual labour							
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad	Average	Average excl.Kabul
Jun-99	4.88	6.28	4.95	6.65	6.69	3.24	5.45	5.56
Jul-99	4.63	6.12	4.99	6.65	6.70	3.24	5.39	5.54
Aug-99	4.85	6.79	3.60	6.65	6.80	3.24	5.32	5.42
Sep-99	4.88	6.84	4.05	6.65	5.94	3.24	5.27	5.34
Oct-99	6.47	6.47	4.20	5.51	5.78	3.29	5.29	5.05
Nov-99	4.32	4.53	4.04	4.46	4.70	3.24	4.21	4.19
Dec-99	4.73	4.49	3.96	3.74	4.47	3.24	4.11	3.98
Jan-00	3.86	4.62	3.95	3.84	4.89	3.24	4.07	4.11
Feb-00	5.19	4.87	3.60	3.84	4.66	3.24	4.23	4.04
Mar-00	5.95	5.05	4.53	3.72	3.70	2.37	4.22	3.87
Apr-00	5.42	4.61	3.47	3.02	2.27	3.00	3.63	3.27
May-00	4.26	4.38	3.63	3.30	2.20	3.00	3.46	3.30
Jun-00	4.02	3.77	3.53	2.94	1.92	3.00	3.20	3.03
Jul-00	3.78	3.23	3.58	3.00	1.99	3.00	3.10	2.96
Aug-00	4.33	4.88	3.57	3.00	1.95	3.00	3.45	3.28
Sep-00	4.40	3.65	3.58	3.00	1.97	3.00	3.27	3.04
Oct-00	4.86	4.00	3.58	3.00	1.98	3.00	3.40	3.11
Nov-00	4.95	3.71	3.60	3.00	2.15	1.64	3.17	2.82
Dec-00	4.96	2.73	3.50	3.00	2.61	1.80	3.10	2.73
Jan-01	5.03	2.67	3.73	3.00	2.05	1.80	3.05	2.65
Feb-01	3.97	2.50	4.03	3.00	2.04	1.68	2.87	2.65
Mar-01	3.88	2.50	4.00	3.00	2.07	1.39	2.81	2.59
Apr-01	3.80	2.50	3.92	3.22	2.24	1.52	2.87	2.68
May-01	3.95	2.59	3.97	3.00	2.21	1.89	2.93	2.73
Jun-01	3.91	3.06	4.00	3.00	2.55	1.60	3.02	2.84
Jul-01	4.48	3.24	4.00	3.00	2.53	2.55	3.30	3.07
Aug-01	4.75	3.33	3.97	3.00	2.56	2.00	3.27	2.97
Sep-01	3.83	3.67	4.00	3.00	2.53	2.00	3.17	3.04
Oct-01	4.52		4.80	2.77	3.83	2.18	3.62	3.40
Nov-01	4.12		4.70	3.86	3.18	2.09	3.59	3.46
Dec-01	3.96		3.56	4.11	4.42	2.53	3.71	3.65
Jan-02	5.65	4.00	3.64	4.31	3.63	2.60	3.97	3.63
Feb-02	5.54	4.17	4.66	5.33	4.72	2.50	4.49	4.27
Mar-02	6.49	4.17	3.60	6.67	6.66	3.13	5.12	4.84
Apr-02	7.67	4.84	4.35	6.66	7.44	4.35	5.89	5.53
May-02	8.54	4.69	4.04	5.00	7.89	3.13	5.55	4.95
Jun-02	8.24	4.58	4.61	5.00	8.47	4.17	5.84	5.37
Jul-02	7.35	4.58	4.15	7.46	8.33	4.96	6.14	5.89
Aug-02	8.42	4.58	4.85	6.43	8.32	6.25	6.47	6.09
Sep-02	7.75	4.23	4.95	4.80	4.94	3.75	5.07	4.53
Oct-02	6.00	3.82	5.10	4.93	5.14	4.62	4.93	4.72
Nov-02	5.59	3.82	6.9	5.32	4.43	4.5	5.09	5.00

Table 7 Exchange rates, 1996-2002 (Afghanis to the US dollar)						
	Official (Kabul) Afghanis				Northern Afghanis	
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Jan-96	6,600	6,480	8,000	7,800	7,200	6,400
Feb-96	7,000	7,900	7,900	8,000	9,000	6,600
Mar-96	10,000	8,750	9,550	9,900	9,700	9,020
Apr-96	11,000	11,900	10,800	11,100	10,900	9,990
May-96	12,000	13,850	11,950	12,600	11,150	14,580
Jun-96	12,500	14,744	14,300	14,600	16,100	16,440
Jul-96	15,600	14,625	14,250	14,850	17,900	18,300
Aug-96	18,500	17,050	18,000	18,500	18,300	16,000
Sep-96	17,800	19,770	19,200	17,000	25,600	18,500
Oct-96	17,000	15,243	20,352	15,600	24,700	21,000
Nov-96	19,800	18,720	22,591	22,600	25,500	21,400
Dec-96	22,000	20,000	23,710	24,000	36,500	21,250
Jan-97	24,400	25,000	19,200	24,600	53,000	30,000
Feb-97	23,200	23,200	19,800	22,500	57,000	33,000
Mar-97	21,100	22,800	20,800	21,300	64,000	65,000
Apr-97	22,700	23,985	23,500	22,500	64,000	65,000
May-97	24,500	24,000	20,918	25,000	59,500	66,000
Jun-97	22,100	23,200	21,060	22,000	64,600	28,000
Jul-97	22,100	22,200	22,300	22,200	66,500	44,000
Aug-97	22,800	22,200	21,700	22,400	51,500	48,000
Sep-97	23,450	21,750	21,500	21,560		25,000
Oct-97	22,900	21,750	21,500	20,280		25,000
Nov-97	25,650	24,700	24,300	26,150		62,000
Dec-97	26,900	28,900	27,100	27,700		62,500
Jan-98	30,350	30,278	32,000	30,300		69,000
Feb-98		32,250	33,000	34,000		70,000
Mar-98	34,800	30,355	34,000	34,500		71,000
Apr-98	34,000		34,253	34,500	70,500	65,000
May-98	36,000	35,128	35,000	34,700	75,800	69,700
Jun-98	40,000	36,728	42,295	37,200	82,500	74,500
Jul-98	36,000	40,959	41,500	40,600		65,000
Aug-98	37,000	37,225	36,880	37,000	74,000	67,000
Sep-98	38,500	36,155	36,010	37,933	65,100	65,000
Oct-98						
Nov-98						
Dec-98						
Jan-99	41,233	41,080	42,050	40,200	89,500	84,000
Feb-99	45,000	44,380	45,400	44,600	88,875	91,750
Mar-99	44,025	43,533	44,047	44,700	94,250	94,500
Apr-99	43,675	43,085	44,028	43,450	91,800	90,000
May-99	42,675	41,966	43,192	42,375	91,775	89,000
Jun-99	43,450	42,915	43,038	43,325	90,550	87,625
Jul-99	44,400	44,532	43,883	44,413	90,350	89,500
Aug-99	44,500	43,550	43,886	44,500	86,500	81,000
Sep-99	45,300	45,340	45,000	44,800	83,200	81,000
Oct-99	47,488	47,470	46,169	47,300	89,250	80,000
Nov-99	50,050	48,998	48,652	48,800	83,725	88,500

Table 7 Exchange rates, 1996-2002 (Afghanis to the US dollar)						
	Official (Kabul) Afghanis				Northern Afghanis	
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Dec-99	50,675	50,103	51,042	50,375	102,333	88,500
Jan-00	53,450	52,910	53,060	52,925	107,925	104,250
Feb-00	54,275	54,126	54,120	54,525	111,175	112,500
Mar-00	55,075	54,966	54,872	55,125	110,425	106,500
Apr-00	61,000	62,600	61,276	61,880	121,600	115,400
May-00	60,920	60,135	61,407	61,050	122,300	120,750
Jun-00	68,400	62,862	63,012	63,100	123,740	120,400
Jul-00	62,562	62,531	63,078	62,988	125,075	121,700
Aug-00	62,420	61,749	63,217	62,590	122,040	114,500
Sep-00	61,667	61,258	61,877	61,900	121,800	116,400
Oct-00	63,875	63,324	64,068	64,275	127,125	118,875
Nov-00	68,300	67,065	66,392	67,360	136,000	128,100
Dec-00	71,625	72,501	70,413	63,575	145,125	139,000
Jan-01	77,268	76,872	77,448	77,240	158,240	150,240
Feb-01	80,151	79,443	77,448	80,000	163,000	164,750
Mar-01	77,670	77,284	78,390	77,225	159,500	165,500
Apr-01	77,300	75,812	76,761	76,550	155,275	154,575
May-01	74,080	73,568	74,420	73,580	149,460	150,500
Jun-01	70,575	71,313	72,145	71,075	144,975	135,375
Jul-01	70,500	72,871	71,233	70,600	142,875	135,250
Aug-01	72,112	71,161	72,340	71,380	146,140	138,800
Sep-01	65,333	73,441	71,657	66,575	151,300	129,875
Oct-01	42,500		38,000	45,667	105,000	80,500
Nov-01	39,850		39,849	42,000	70,000	69,250
Dec-01	28,300		30,261	26,575	57,000	53,750
Jan-02	28,091	16,553	30,175	27,094	61,236	64,117
Feb-02	37,553	36,580	37,364	37,156	70,694	72,917
Mar-02	34,527	33,000	33,855	30,900	72,000	68,500
Apr-02	31,500	30,483	33,791	32,735	69,250	67,500
May-02	37,167	39,000	37,286	36,175	77,100	74,000
Jun-02	37,125	39,000	37,424	35,500	75,175	74,875
Jul-02	40,050	39,859	40,380	39,575	80,875	80,375
Aug-02	39,225	39,940	39,566	39,300	78,469	74,875
Sep-02	50,225	46,413	47,405	49,625	99,250	96,250
Oct-02	53,480	49,690	48,998	54,350	109,500	108,000
Nov-00	61,352	63,091	61,875	58,250	125,250	118,000

Table 8
Daily wage of unskilled casual labour (Afghanis per day), 1998-2002

	Official (Kabul) Afghanis				Northern Afghanis	
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Apr-98	40,000		65,000	50,000	80,000	140,000
May-98	40,000	75,000	70,000	50,000	150,000	150,000
Jun-98	50,000	70,000	60,000	50,000	150,000	200,000
Jul-98	50,000	50,000	45,000	50,000		200,000
Aug-98	50,000	50,000	45,000	50,000	130,000	200,000
Sep-98	50,000	50,000	50,000	50,000	120,000	200,000
Oct-98						
Nov-98						
Dec-98						
Jan-99	50,000	70,000	55,000	50,000	120,000	150,000
Feb-99	50,000	70,000	55,000	50,000	120,000	150,000
Mar-99	50,000	70,000	55,000	50,000	120,000	150,000
Apr-99	50,000	70,000	50,000	50,000	120,000	150,000
May-99	50,000	70,000	50,000	50,000	100,000	150,000
Jun-99	50,000	70,000	55,000	70,000	103,750	150,000
Jul-99	50,000	70,000	55,417	70,000	102,500	150,000
Aug-99	50,000	70,000	60,000	70,000	100,000	150,000
Sep-99	50,000	70,000	67,500	70,000	105,000	150,000
Oct-99	70,000	70,000	70,000	61,250	102,500	152,500
Nov-99	70,000	72,500	61,667	60,000	100,000	150,000
Dec-99	60,000	77,500	51,667	55,000	100,000	150,000
Jan-00	55,000	75,000	58,750	60,000	100,000	150,000
Feb-00	70,000	75,000	60,000	60,000	100,000	150,000
Mar-00	70,000	80,000	69,167	60,000	100,000	116,250
Apr-00	70,000	86,000	69,333	52,000	99,000	150,000
May-00	70,000	87,500	72,500	55,000	100,000	150,000
Jun-00	70,000	78,000	70,667	49,000	100,000	150,000
Jul-00	70,000	70,000	71,667	50,000	100,000	150,000
Aug-00	71,000	70,000	71,333	50,000	100,000	150,000
Sep-00	70,000	70,000	71,667	50,000	100,000	150,000
Oct-00	77,500	70,000	71,667	50,000	100,000	150,000
Nov-00	80,000	68,000	72,000	50,000	100,000	150,000
Dec-00	80,000	50,000	70,000	50,000	100,000	150,000
Jan-01	80,000	50,000	74,667	50,000	100,000	150,000
Feb-01	63,750	50,000	80,681	50,000	100,000	150,000
Mar-01	62,500	50,000	80,000	50,000	100,000	150,000
Apr-01	61,250	50,000	78,333	53,750	100,000	150,000
May-01	61,000	50,000	79,333	50,000	100,000	150,000
Jun-01	57,500	50,000	80,000	50,000	100,000	150,000
Jul-01	65,000	50,000	80,000	50,000	95,000	150,000
Aug-01	70,000	50,000	79,333	50,000	87,000	150,000
Sep-01	56,667	55,000	80,000	50,000	100,000	150,000
Oct-01	42,500		60,000	50,000	80,000	150,000
Nov-01	42,500		70,000	52,500	65,000	112,500
Dec-01	38,750		53,325	43,750	76,250	95,000
Jan-02	43,600	24,000	53,333	34,400	92,000	100,000
Feb-02	45,250	50,000	56,250	40,000	81,667	100,000

Table 8
Daily wage of unskilled casual labour (Afghanis per day), 1998-2002

	Official (Kabul) Afghanis				Northern Afghanis	
	Kabul	Kandahar	Jalalabad	Herat	Mazar	Faizabad
Mar-02	47,625	50,000	60,000	40,000	80,000	100,000
Apr-02	50,000	50,833	61,667	47,500	80,500	100,000
May-02	55,000	56,250	66,667	50,000	83,750	100,000
Jun-02	56,250	55,000	69,167	50,000	98,750	125,000
Jul-02	62,500	55,000	70,000	55,000	105,000	150,000
Aug-02	67,333	55,000	70,000	50,000	100,000	150,000
Sep-02	77,500	55,000	82,500	52,500	125,000	150,000
Oct-02	80,000	61,250	85,000	55,750	112,500	185,000
Nov-02	80,000	61,250	100,000	61,750	127,500	180,000

Table 9
International price of wheat, 1996-2002

	US No.3 Soft Red Winter - Gulf (USDA)						
	1996	1997	1998	1999	2000	2001	2002
January	197.22	154.16	130.16	103.64	97.53	109.18	120.68
February	204.33	143.69	127.66	93.99	99.02	106.26	113.79
March	206.01	154.16	125.59	101.37	97.58	105.84	115.93
April	247.83	156.92	118.96	99.94	96.01	99.48	112.40
May	213.83	152.01	112.96	97.09	102.16	102.31	111.79
June	181.60	132.07	107.45	93.90	98.86	97.87	112.04
July	178.04	128.10	97.00	86.03	90.59	105.86	122.63
August	175.17	141.30	92.98	95.00	89.94	104.40	130.64
September	169.98	143.00	97.02	103.40	97.35	107.96	153.63
October	158.60	144.12	109.29	100.00	104.09	113.87	158.84
November	157.58	138.20	110.11	99.25	103.36	116.36	158.62
December	158.32	135.88	104.28	92.76	105.41	117.51	149.09*

	US No.2 Hard Red Winter Ordinary - Gulf (IGC)						
	1996	1997	1998	1999	2000	2001	2002
January	208.80	178.75	130.16	103.64	110.75	134.20	128.00
February	220.00	175.75	127.66	93.99	112.20	131.00	126.50
March	217.00	177.00	125.59	101.37	112.25	133.25	125.75
April	248.40	186.60	118.96	99.94	112.00	130.25	125.40
May	263.25	174.25	112.96	97.09	115.60	136.20	123.25
June	232.75	151.50	107.45	93.90	118.75	130.00	133.25
July	204.20	140.80	97.00	86.03	115.50	126.80	151.00
August	192.50	151.50	92.98	95.00	114.80	125.75	165.25
September	181.50	152.20	97.02	103.40	122.50	127.25	189.50
October	181.00	154.50	109.29	100.00	131.20	126.40	195.60
November	184.00	150.75	110.11	99.25	130.25	128.00	180.50
December	179.40	145.40	104.28	92.76	130.50	125.50	170.00*

Source: US Dept of Agriculture and International Grain Council.

(*) Figures for December 2002 are based on the first week only,