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# RESIDENCY COST ANALYSIS IN BIG CITIES COMPARE TO RURAL AREAS

ŞEHİR VE KIRSAL ALAN KONUT MALİYETİNİN KARŞILAŞTIRMALI ANALİZİ: AFGANİSTAN ÖRNEĞİ

#### M. Akbar FARHANG<sup>1</sup>

#### ÖZET

Bu çalışmada, şehir ve kırsal alandaki (Kabil ve kırsal) konut maliyetlerinin belirlenerek karşılaştırılması amaçlanmaktadır. Veriler, ilgili kuruluşların birincil ve ikincil kaynakları yoluyla toplanmıştır. Ayrıca, devlet kurumundaki gerçek veri yokluğundan ötürü, yaşam maliyetleri Afganistan'a benzer olan Hindistan ve Nepal'deki ampirik araştırmalar kullanmıştır. Veriler analiz edilerek grafik ve çizelgeler hâlinde sunulmuştur. Bulgular, Kabil'deki 8,633 göçmenin maliyetinin (eğitim, sağlık, ulaşım, su, elektrik, konut kira, hane halkı gideri, çevre, belediye ve güvenlik) toplam 72.296.065,40 milyon \$ olduğunu göstermektedir. Kırsal alanlardaki ikamet maliyetinin yıllık 33.216.460.42 milyon \$, kentsel-kırsal maliyet farkının ise 39.079.604.98 \$ olduğu belirlenmiştir. Dolayısıyla, kırsal kesimde ikamet maliyetinin büyük şehirlere (Kabil) kıyasla oldukça düşük olduğu açıkça görülmektedir. Bu noktada hükümet yurt içindeki göçü önleyerek yıllık 39.079.604.98 \$ tasarruf edebilir. Böylece Karez canlanması, çiftliklerin açılması, tarımsal kalkınma ve çiftçilerin gelir elde ederek mali açıdan bağımsız hale gelmesi sağlanabilir.

Anahtar Kelimeler: Konut maliyeti, Kentsel, kırsal ve Hanehalkı maliyetler

#### ABSTRACT

This study aims to identify residential cost in big cities compare to rural areas (Kabul vs Rural). The data was collected through primary and secondary sources from relevant entities and also utilized the empirical studies and surveys conducted in India and Nepal due to authentic data unavailability in governmental organization and also because of their living cost are similar to Afghanistan. Graph and charts are applied to analyze the data. The finding shows that the total residency cost which includes (education, health, transportation, water, electricity, house rent, households costs, environment, municipality and security) costs of 8,633 internally displaced households which are staying in Kabul is \$ 72,296,065.40 million per annum whereas the cost of residency in rural areas are \$33,216,460.42 million per annum and the difference of urban-rural cost is \$39,079,604.98. So, it can be clearly seen that, the cost of residency in rural areas is quite low compared to big cities (Kabul). Also by preventing internal displacement the government can save \$39,079,604.98 annually and its indirect impact is that, preventing internal displacement leads Karez revival, farms expansions, agriculture development and farmers can generate income and financially become independent.

Keywords: Residency cost, Urban, Rural and Households

#### **INTRODUCTION**

Urbanization: On early 1900s, there were 6.7 rural dwellers per each urban dwellers globally; nowadays its less than one and scholars projected that, there would be almost three urban dwellers to two rural by 2025. This has taken place due to rapid industrialization (since most of factories and service industries are in urban areas), due to transition of workforce from agriculture to manufacturing and services, now hundred millions of urban dwellers suffering from under- nutrition which most of them are due to lack of income rather than lack of capacity to produce food, because of food price

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hiking globally a very large portion of low income urban population their health and nutrition are at risk and hungers are raising steadily (David, Gordon & Cecilia, 2010). According to (CSO, 2020) report, Afghanistan's total population is estimated 32.9 million, which 23 million (%71) live in rural areas and 8million (%24) in cities. Among the cities Kabul and Herat with the population of more than 5 million and more than 2 million respectively are the most populated cities in the country. The country's population with the growth rate of 2.4 is expected to double within the next 15 years and the urban population will make up 50% of the total population. Afghanistan's urbanization rate is among the highest in the region, its urban population is growing at 5 percent annually, more than twice of the regional average (World Bank: Leveraging the urbanization dividend in Afghanistan, 2017). Cities are struggling to accommodate increasing numbers of persons seeking shelter and jobs. These newcomers leaving rural agricultural employment and seeking service-based jobs in urban areas. Over the same period, the country will also see a substantial increase in demand for employment as slightly more than half of the current population is aged 15 or younger and will soon be entering the workforce for years to come. This transformation for a country like Afghanistan which is highly dependent on Agriculture and industries is not functioning well, and it will further weaken the development of the agriculture sector. The big cities will become more polluted, the unemployment and poverty rates will increase which will consequently leads to economic slowdown as a whole.

#### **OBJECTIVE**

The main objective of this study is to identify the residential cost in big cities compare to rural areas (Kabul vs Rural). And the specific objectives are;

- To help and encourage policy makers to prevent rural to urban migration in order to decrease the public costs.
- Preventing internal displacement which leads to Karez revival, farms expansions, agriculture development and farmers can generate income and financially become independent, and also by preventing the internal displacement the city pollution, spiraling rent, criminal cases will be reduced in the cities and finally declining ratio of food producers to food consumers and unemployment rate will be decreased as well.

#### **RESEARCH METHOD**

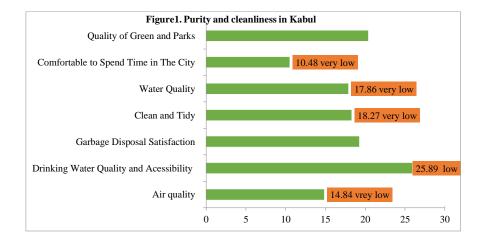
The per capita cost on every sector related data is gathered through primary and secondary sources. Some sectors' related data which were not available in Afghanistan, are taken from the same empirical studies which are conducted in India and Nepal, because the residency cost of those countries are smeller to Afghanistan. The data are analyzed through excel using tables and charts.

#### SECTOR WISE COST ANALYSIS:

Environment: Unlike other polluted cities in the world, the air pollution in Kabul is a seasonal pollution. During the winter, as the weather gets cold, the air pollution increases in the city due to the use of low-quality fuel by the residents. More than 8,800 patients have visited government hospitals in a week, suffering from health conditions, including lung problems, as air quality worsened in the capital during the winter, where in summer this number is slightly lower (Aljazeera report, 2019: People are killed due to hazardous levels of air pollution in Kabul). The city of Kabul was built with the infrastructure for one million residents and a maximum circulation of 75,000 cars. But currently there are around five million residents living in Kabul and 400,000 cars excluding buses are circulating around city (Ministry of public health of Afghanistan, 2018).

According to The Health Effects Institute's State of Global, air pollution caused 511,000 deaths in

Afghanistan during 2016. According to (Arab News report, 2019) annual rate of 406 deaths per 100,000, in Kabul due to air pollution is among the worst in the world. The source added that, because of power shortages and hiking the gas prices. In 2013-2014, 95.1% of the national population used solid fuels for heating and 75.9% for cooking. The use of solid fuels points to an urban and rural gap with 90.7% of the rural population using these fuels for cooking and 97.7% for heating while 27.2% in urban areas use solid fuels for cooking and 90.0% for heating (CSO, 2016). That can cause serious respiratory issues, and has been linked to cancer, 16% of deaths are related to air pollution (Ministry of public health of Afghanistan, 2018).



Based on the above information, the air quality and in Kabul is in alarming situation, so its proposed that the government and policy makers need to prevent the internal migration to the Kabul and the internally displaced households need to be resettled back to their natives in order to decrease the air pollution, unemployment in Kabul, on the other hand their re-integration to the farms leads to agriculture development and income generation and the farmers become financially independent.

Education: Education per capita cost in Urban vs. Rural ears.

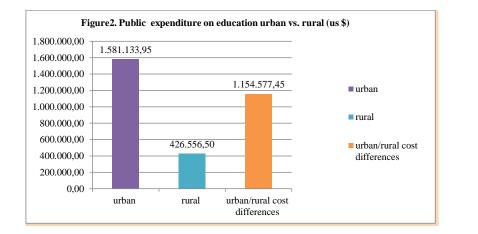
Table1. Public per capita expenditure on education (us. \$)	
Urban Rural	
61.05	16.47

Source: Central Bureau of Statistics of Nepal & UNDP 2015-16 Report.

Education cost in urban vs. rural, amount (us.\$)			
Fotal displaced families in Kabul (8633) (25899 school kids) Urban Rural			
Education cost in Urban/Rural (25899*61.05), (25899*16.47)	399*16.47) 1,581,133.95 426,556.5		
The cost differences in urban compare to Rural	1,154,577.45		

Source: Ministry of Refugees and Repatriation of Afghanistan, Department of Internal Displacement, (2019)

The above calculation is based on 8,633 internally displaced families which are staying in Kabul, the average family size is assumed 7 persons and 3 Childs per family which total (25,899) children that are going to school. Based on the above information, a comparative urban- rural cost differences analysis is made.



The average government expenditure per pupil per annum in urban areas are (\$61.05) compared to rural areas which are only (\$16.47). According to above graphical analysis for the total number of 25,899 internally displaced pupils, the government is pending (\$1,581,133.95) per annum for their education services in Kabul compared to rural education cost for the mentioned number of pupils (\$426,556.50). So if these displaced pupils return to their rural areas and get education there, the government can save (\$1,154,577) per annum.

Health: Government per capita expenditure on health-care in Urban vs. Rural ears.

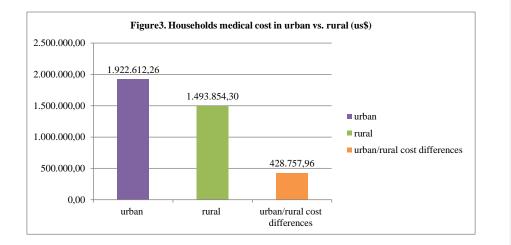
Table2. Government per capita expenditure on health-care   (US \$)		
Urban	Rural	
31,815	24,72	

Source: Central Bureau of Statistics of Nepal & UNDP 2015-16 Report.

Medical cost in urban vs. rural, amount (us.\$)			
Total displaced families in Kabul (8633), persons (60431)	Urban	Rural	
Medical cost in urban/rural (60431*31.815), (60431*24.72)	1,922,612.26	1,493,854.3	
cost differences in urban compare to rural	428,757.96		

Source: Ministry of Refugees and Repatriation of Afghanistan, Department of internal displacement (2019)

According to data sources the average family size is 7 persons and from 8,633 internally displaced families the total number of displaced people is 60,431. Per capita medical cost in urban is ( US\$



1,922,612) in rural is (1,493,854) which result in a total urban-rural cost difference of (US\$ 428,757.96).

Based on the utilized sources the average per capita medical cost in urban areas are (\$31,815) and per capita cost in rural areas are (\$2,472). As its shown on above chart, the government is spending annually (\$1,922,612.26) in order to provide health care services for 60,431 internally displaced persons in Kabul, as compared to government spending (\$428,757.96) for the same people in the rural areas. The above analysis indicates that, if the government provides the health-care services to this people in their rural areas, the government could save (\$428,757.96) annually from health-care costs. And a part from that, the likelihood of being affected by different disease compared to living in big cities will be decreased, because of good weather in rural areas.

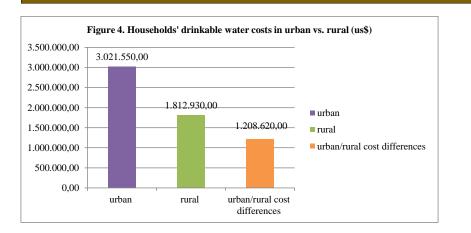
Water: Government per capita expenditure on drinkable water in urban vs. rural area

Table 3. Per capita consumption (litter)		
Rural	ban	
-45 litter (24 hours)	100 litter (24 hours)	
Annual per capita consumption (\$)		
30	50	

Source: Rural Water Supply, Sanitation and Irrigation Program (MMRD)(2019)

Households drinkable water costs in urban vs. rural, amount (us.\$)			
Total displaced families in Kabul (8633), persons (60431)	Urban	Rural	
Medical cost in urban/rural (60431*50), (60431*30)	3,021,550	1,812,930	
Rural/urban cost differences	1,208,620		

Based on 60,431 internally displaced persons which are staying in Kbul, a comparative urban-rural cost differences on drinkable water consumption is made.



According to the Rural Water Supply, Sanitation and Irrigation (MRRD), average per capita cost of drinkable water in urban areas are (\$50) per annum and per capita cost in rural areas are (\$30), which is much lower than urban areas. The above chart indicates that, in order to provide the drinkable water for 60,431 internally displaced persons which are staying in Kbul, the government spending will be (\$3,021,550.00) per annum, and for the same population size government will spend (\$1,812,930.00) per annum in the rural areas to provide drinkable water. So, if the government provides drinkable water for the same size of population in their natives could save (\$1,208,620.00) per annum.

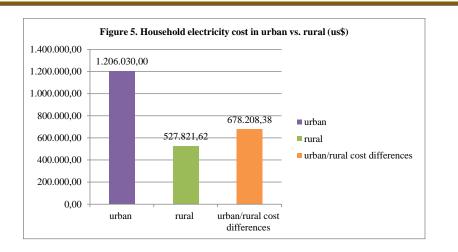
Electricity: Government per capita spends on household electricity in urban vs. rural areas

Table 4. Annual household electricity consumption (kwh)		
urban	al	
900 kwh	8 kwh	
Annual per capita consumption (\$)		
139.7	14	

Source: World Bank Study, Power for All, Electricity Access Challenges in India (2017)

Household electricity cost in urban vs. rural, amount (us.\$)			
Total displaced families in kabul (8633) Urban Rural			
Household electricity cost in urban/rural (8633*139.7), (8633*61.14) 1,206,030 527,82			
Rural/urban cost differences	cost differences 678,208.38		

Based on given data, the internally displaced households (8,633) which are staying in Kabul, a comparative urban-rural average electricity cost of households is made by the following chart.



According to the given data, the average per household electricity costs in urban areas are (\$139.7) and per household cost in rural areas are much lower (\$61.14). As the above chart indicates that, the government in order to provide electricity for the 8,633 internally displaced household spends (\$1,206,030.00) per annum and the government spending for the same households' size in the rural areas are much lower compare to urban areas (\$527,821.62). So if the displaced households return to their locals, the government can save (\$678,208.38) annually on electricity costs.

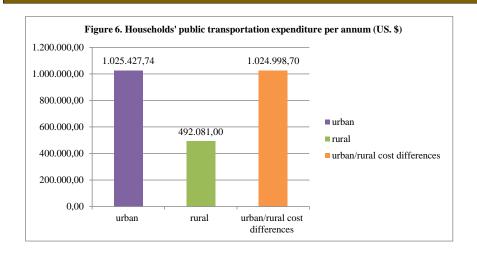
Public Transportation: Government per households' expenditure on public transportation

Table 5. Per households' transportation expenditure (us. \$)			
Urban	Urban Rural		
118.78	57		

Source: (Kaur and Kumar,2018)

Households' public transportation expenditure per annum in urban vs. rural (us. \$)			
Total displaced families in Kabul (8633)	Urban	Rural	
Transportation cost in urban/rural (8633*118.78), (8633*57)	1,025,427.74	492,081	
Urban/rural cost differences	1,024,998.70		

Based on above table, a comparative urban-rural transportation cost analysis of 8633 internally displaced households is made by the following chart.



With the reference of above information, the average per household transportation cost in urban areas (\$118.78) and in rural areas are quit lower with \$57 per household. According to the above chart, the government spends annually (\$1,025,427.74) to provide public transportation services for the 8,633 internally displaced households in Kabul, whereas the government spends quit lower for the same population in rural areas (\$492,081.00). By resettlement of these displaced households, the government can save (\$1,024,998.70) per annum on transportation cost. Apart from cost saving, by resettlement of the displaced households air pollution and traffic jam will be decreased in cities.

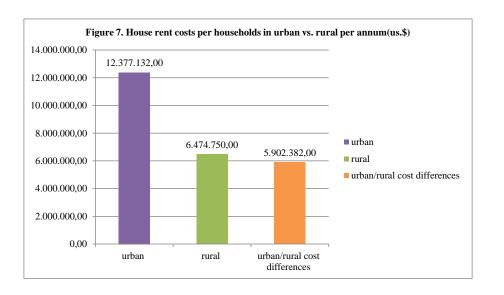
Housing: Rent cost of houses per households in urban vs. rural.

Table 6. House rent (4 bedrooms, non-concrete per annum (us. \$)		
Urban	Rural	
1,433.7	750	

Source: National Statistic and Information Authority, Kabul consumer price index(2019).

Rent cost of houses per households in urban vs. rural per annum (us.\$)			
Total displaced families in Kabul (8633)	Urban	Rural	
House rent in urban/rural (8633*1433.7), (8633*750)	12,377,132.00	6,474,750	
Urban/rural cost differences	5,902,382.00		

Based on 8,633 inetenally displaced households which are staying in Kbul, a comparative urban-rural cost differences on house renting cost is made.

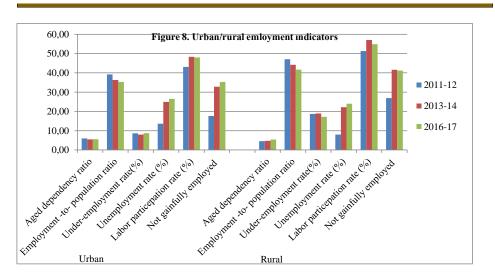


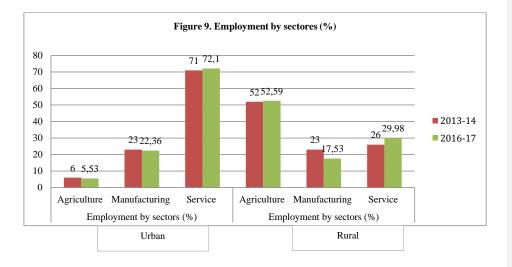
According to the sources, the average per households costs of house rent per annum in urban areas are (\$1,433.7) and per households costs in rural areas are just (\$750) per annum. As the above chart indicated, that the 8,633 internally displaced households spending's on house rent in urban areas are (\$12,377,132.00) annually which is quit lower as compared to rural areas (\$6,474,750.00). And based on the above graphical analysis, the urban- rural cost difference is (\$5,902,382.00) annually and the households could save that amount if they resettle to their locals.

Employment: Employment opportunities in urban vs. rural areas.

Table 7. Employment opportunities								
		U		Urban		Rural		
Indicators		2011-12	2013-14	2016-17	2011-12	2013-14	2016-17	
Aged dependency ratio		6.00	5.5	5.6	4.60	4.7	5.4	
Employment -to- population ratio		39.2	36.3	35.3	47.1	44.2	41.7	
Unemployment rate (%)		13.6	24.9	26.5	8	22.2	24.00	
Not gainfully employed		17.6	32.8	35.3	26.9	41.6	41.2	
Emplo yment by sectors (%)	Agriculture		6.00	5.53		52.00	52.59	
	Manufacturing		23.00	22.36		23.00	17.53	
	Service		71.00	72.1		26.00	29.98	

Source: National Statistic and Information Authority, Afghanistan Provincial Profile(2018).





Based on above chart the percentage of employment in manufacturing sector in the urban –rural is almost the same. The service sector has the highest contribution in urban areas (70%) whereas the agricultural sector the highest percentage in the rural areas. But overall, the employment percentages by sectors in rural areas are higher as compared to urban areas. So the government needs to resettle the internal displaced people to their local residence in order to reintegrate them to the farms to improve agriculture sector, which in turn leads to decrease in unemployment and poverty rates.

#### **Unemployment Types**

**Rural unemployment:** Afghanistan is an agricultural country where 71% of the total population living in rural areas. Agriculture is the main source of income in rural areas. But enough employment opportunities are not available in rural areas due to lack of investment in agriculture, hence the

government needs to encourage the private sectors as well public entities to invest in agricultural projects. Normally there are three types of unemployment in rural areas, which are open, seasonal and disguised.

**Open unemployment:** The situation where residents of rural area are willing to and potentially able to work but the employment opportunities are not available.

**Seasonal Unemployment:** On this situation workforce become unemployed for a particular season. For instance, workers may be employed only during cultivation or harvest season and remained unemployed for the remaining months of the year.

**Disguised unemployment:** This refers to a situation where more than required workforces are engaged on the farm, which all them are not productive to generate income. So the marginal productivity of many employed people is zero. This is the case when almost entire family engages in farms.

**Urban unemployment:** The unemployment is a big challenge which exponentially increasing over the year in urban areas. The unemployment in urban could also be in different forms which are as follow:

**Industrial unemployment:** The low skill and illiterate workforce who are potentially able to work in industries in urban but couldn't find work comes under this category. Mostly this kind of unemployment is due to rural-urban migration. In Afghanistan due to internal displacement and fleeing local residents to cities specially Kabul apart from increasing the pollution and different type of diseases, unemployment rate is very high as well.

**Education unemployment:** The most unwelcomed type of unemployment is when skilled and educated young workforce are unable to find proper job to suit their qualifications. In Afghanistan, due to increasing numbers of private universities, annually 1000s of youth workforce are joining to the labor market but the number of available jobs has not increased. The main problem is that the private sector has not boomed yet and the only source of employment is government, that's why the unemployment rate is very high.

**Technological unemployment:** This type of unemployment takes place due to up gradation of technology due to which the existing labors are unable to meet the new technology requirements and consequently unemployment increases.

#### Municipality:

Municipality per capita consumption in urban vs. rural

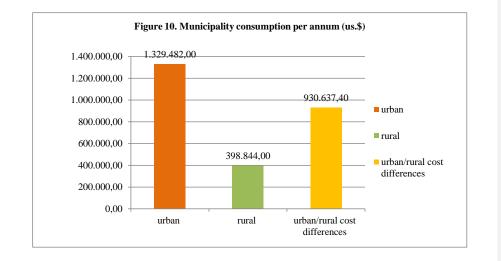
Table 8. Municipality service per capita consumption per annum (us. \$)						
Urban	Rural					
22	6.6					

Source: National Institute of Public Finance, India Municipal Finance Report (IMFR)(2016).

Municipality services per capita consumption per annum (us.\$)						
Total displaced families in Kabul (8633)(60,431)	Urban	Rural				
Municipality cost in urban/rural (60,431*22), (60,431*6.6)	1,329,482.00 398,844					
Urban/rural cost differences	930,637.40					

Açıklamalı [MSK1]: If possible, please states the rates of each type of unemployment

Açıklamalı [MSK2]: If possible, please state its rate.



Based on 60,431 internally displaced persons, a comparative per capita urban-rural cost differences on municipality services is done by the following graphical analysis.

Based on the above mentioned data, the average municipality service per capita consumption in urban and rural areas are \$22 and \$6 per annum respectively. Based on above graphical analysis, the government spends annually (1,329,482.00) to provide municipality services for the 60,431 internally displaced people in Kabul which is much bigger amount than that government spends to provide municipality services for the same population size in rural areas (\$398,844.00). According to above justification, if the government resettle these internally displaced people to the their own local residence, the government can save annually (\$930,637.40) and apart from that their re- integration to the farms leads to farm expansion and increase the agricultural production which is the main driver of our national economy.

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No		Table 9. Households costs in big cities						
NO	Indicators	Quantity	Price (Afs)	Cost per person	Family/7persons (cost)(AFs)	Internally displaced families (8633)(AFs)	(US \$)	
1	Wheat	165 kg	21.72	3,583	25,086	216,567,438.00	2,707,092.98	
2	Rice /Person	17 kg	48.3	821	5,747	49,613,851.00	620,173.14	
3	Black tea (ave qty)	1.5 kg	252	378	2,464	21,271,712.00	265,896.40	
4	Meat	6 kg	345	2,070	14,490	125,092,170.00	1,563,652.13	
5	Chicken	13 kg	119	1,547	10,829	93,486,757.00	1,168,584.46	
6	Water	90 litter/24 Hours	4000	4,000	28,000	241,724,000.00	3,021,550.00	
7	Vegetable oil	17 kg	76	1,292	9,044	78,076,852.00	975,960.65	
8	vegetable	20 kg		646	4,525	39,064,325.00	488,304.06	
9	Fruit	41.7 Kg	40	1,668	11,676	100,798,908.00	1,259,986.35	
10	Egg	8 kg	96	768	5,376	46,411,008.00	580,137.60	
11	Potatoes	34 kg	20	680	4,760	41,093,080.00	513,663.50	
12	fuel & Liquid gas	24kg	65	1,562.70	10,939	94,436,387.00	1,180,454.84	
13	fire wood	560 kg	12.2	6,832	47,824	412,864,592.00	5,160,807.40	
14	Rent. 4 bedroom(non concrete )	4 bedroom	9,958 month	17,071	119,496	1,031,608,968.00	12,895,112.10	
15	Health cost		720	720	5,040	43,510,320.00	543,879.00	
	Total			43,639	305,296	2,635,620,368	32,945,254.60	
	Donation by DRC v family/Annum 375\$	with the Coordination	Repatriation per	258,990,000.00	3,237,375			
	Donation by WFP with the Coordination of Ministry of Refugees and Repatriation per family/Annum 103\$					71,135,920.00	889,199	
	Total Cost of (8633	) internally displaced	l households	which are stayin	g in Kabul	2,965,746,288.00	37,071,828.60	

Households Costs: Per households cost analysis in urban

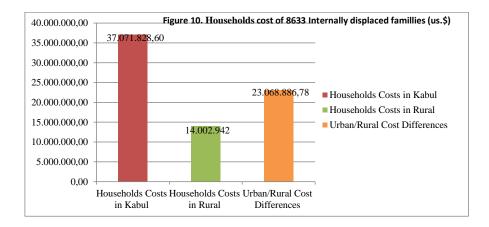
No		Table 10. Households costs in rural areas						
	Indicators	Quantity	Price (Afs)	Cost per person	Family/7person s cost Afs	internally displaced families (8633)/Afs	(US \$)	
1	Wheat	165 kg	18	2,970	20,790	179,480,070	2,243,501	
2	Rice /Person	17 kg	53	901	6,307	54,448,331	680,604	
3	Black tea (ave qty)	1.5 kg	270	405	2,835	24,474,555	305,932	
4	Meat	6 kg	300	1,800	12,600	108,775,800	1,359,698	
5	Chicken	13 kg	122	1,586	11,102	95,843,566	1,198,045	
6	Water	45litter/24 Hours	2800	2,800	19,600	169,206,800	2,115,085	
7	Vegetable oil	17 kg	80	1,360	9,520	82,186,160	1,027,327	
8	vegetable	0	0	0	0	0	0	
9	Fruit	41.7 Kg	20	834	5,838	50,399,454	629,993	
10	Egg	8 kg	50	400	2,800	24,172,400	302,155	
11	Potatoes	34 kg	15	510	3,570	30,819,810	385,248	
12	fuel & Liquid gas	24 kg	70	1,680.00	11,760	101,524,080	1,269,051	
13	fire wood	0	0	0	0	0	0	
14	4bedroom(non concrete )	4 bedroom	1500 month	2,571	18,000	155,394,000	1,942,425	
15	Health cost		720	720	5,040	43,510,320	543,879	
	Total			18,537	129,762	1,120,235,346	14,002,942	
		Total Cost of (8633	) displaced ho	useholds in Kabu	ıl	2,965,746,288.00	37,071,828.60	
		Urban/Rural cost differences					23,068,886.78	

Source: National Statistic and Information Authority, Kabul Consumer Price Index (2019)

The above numerical data is gathered from primary and secondary sources in order to analysis the households cost of 8,633 internally displaced families which are staying in Kabul. According to above

Page 13

two comparative tables, the household costs of these internally displaced families in Kabul is quit higher than rural areas, because in rural households are normally consumed their own agro related products and livestock's or provide from the market in low prices. So that's why, there is a big difference of the urban - rural households cost (\$23,068,886.78) annually.



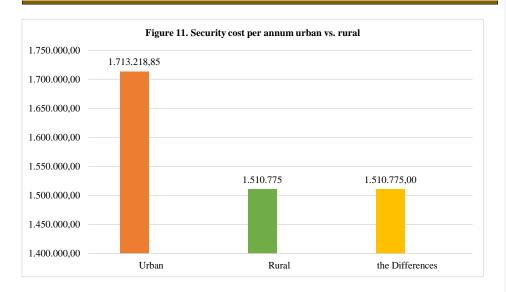
Security Cost: The average security per capita cost is given bellow.

Table 11. Security per capita cost (us\$)					
Urban	Rural				
28.35	25				

Its required to be considered that this security cost include only logistical cost of security which is provided through budget of Ministry of Internal Affairs and it doesn't include Off-Budget (weaponry, vehicles, Training and education) which is provided by foreign countries.

Security per capita cost per annum (us.\$)					
Total displaced families in Kabul (60,431)	Urban	Rural			
Security cost in Urban/Rural (60,431*28.35), (60,431*25)	1,713,218.85	1,510,77 5			
Urban/Rural cost differences	202,443.85				

Source: Ministry of Internal Affairs of Afghanistan, General Administrative Office(2019)



Based on above provided information the security cost of 60,431 internally displaced people in Kabul is \$1,713,218.85 and the security cost of the same population size in rural areas is 1,510,775 and the difference is \$202,443.85 which has a direct impact to the government budget and it'd indirect impact is that resettlement of displaced households can reduce the pollution, disease and criminal cases in the cities and on the other hand, their re-integration to the farms will lead to agriculture expansion and income generation.

#### CONCLUSION

The objective of this study is to know the residential cost differences in big cities compare to rural areas (Kabul vs rural). The required primary and secondary data was collected from the related government's agencies and due to lack of concise data availability, some related empirical researches and surveys which were conducted in India and Nepal had also been utilized as secondary sources, because their living costs are similar with Afghanistan.

Based on finding of this study the residency cost (education, health, transportation, water, electricity, house rent, households costs, environment, municipality and security) of 8,633 internally displaced households which are staying in Kabul is \$ 72,296,065.40 million per annum whereas the cost of residency in rural areas are \$33,216,460.42 million per annum and the difference of urban-rural cost is \$39,079,604.98 million. It's found that, the residency costs in rural areas are much lower than big cities (Kabul). It's concluded that by preventing internal displacement, the government cans save \$39,079,604.98 annually. Its recommended that, by investing this amount on rural community based projects like; Karez revival, fish and chicken farms, green houses, introducing new farming methods, building bridges, expanding village roads, improving water system, expanding rural transport network and rural electrification will leads to renewed attention on agriculture sector, households income increases, women are encouraged to initiate in small scale rural development projects, slow the exodus to the cities and solving growing food supply problems, improving rural standard of living and poverty reduction. For achieving these the farmers need to be placed at the center of national strength and development and agriculture need to be considered as the center of modernization.

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Page 16