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Examining the Economic Policies of the Afghan Government for Combating Poverty and Inequality: A Comparative Study of the Karzai and Ghani Administrations (2001–2021)

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ABSTRACT

Following 2001 and the establishment of a new political system in Afghanistan, the government sought to facilitate national reconstruction, reduce poverty, and mitigate economic and social inequalities through a range of economic policies. During this period, economic policies were implemented in areas such as fiscal and monetary policy, employment generation, investment promotion, infrastructure development, rural development, agriculture, trade, and the enhancement of domestic revenues. Although these policies differed in terms of implementation approaches and priorities during the administrations of Hamid Karzai and Mohammad Ashraf Ghani, their overarching objective was the improvement of economic conditions and the enhancement of citizens' living standards. This study aims to identify and examine the economic policies adopted by the Afghan government to combat poverty and inequality during the republican period (2001–2021). The central research question investigates which economic policies were implemented by the Afghan government during this period to reduce poverty and inequality, and how these policies can be categorized and compared across the Karzai and Ghani administrations. The primary hypothesis of the study is that the government's economic policies in both periods were largely focused on economic reconstruction, the expansion of public services, the attraction of investment, and the utilization of foreign aid; however, policy priorities and management approaches differed between the two administrations. The research employs a descriptive–analytical methodology, and the required data were collected and examined through library-based sources. Within this framework, government economic policies across various economic sectors were identified, classified, and comparatively analyzed. The findings indicate that during the Hamid Karzai administration, greater emphasis was placed on the initial reconstruction of the country, the expansion of public services, and extensive reliance on foreign assistance. In contrast, during the Mohammad Ashraf Ghani administration, greater attention was devoted to economic reforms, increasing domestic revenues, developing regional trade, and strengthening domestic production.

Keywords: *Economic policies, poverty reduction, economic inequality, Karzai administration, Ghani administration.*

Introduction

After 2001 and the formation of a new political system, Afghanistan entered a phase in which economic reconstruction became one of the government's fundamental priorities. During this period, through the attraction of international assistance and the initiation of extensive development programs, it was expected that the country's economy would gradually move away from crisis conditions and that the grounds for improving people's livelihoods would be established. However, Afghanistan's specific conditions, including the persistence of insecurity, the weakness of administrative structures, dependence on external resources, and limited domestic capacities, caused the process of economic reconstruction to face serious challenges. In this context, poverty and inequality emerged as two fundamental issues at the center of the government's economic policymaking. A significant proportion of the country's population lived under conditions in which their access to employment opportunities, basic services, and economic resources was limited. Alongside this, considerable disparities between urban and rural areas, as well as among different social strata, indicated the existence of deep economic and social gaps. This situation highlighted the necessity for the government to take effective action toward poverty reduction and the mitigation of inequalities through the adoption of targeted economic policies.

In response to this need, during the republican period, under the administrations of Hamid Karzai (2001–2014) and Mohammad Ashraf Ghani (2014–2021), the Afghan government adopted a set of economic policies in various fields. These policies were defined within the frameworks of fiscal policy, monetary policy, employment, investment, infrastructure development, rural development, and revenue reforms, each of which was in some way presented with the aim of improving the economic condition of society and reducing poverty and inequality. During the Hamid Karzai administration, the main focus was on initial reconstruction and the use of foreign aid, whereas during the Mohammad Ashraf Ghani administration, efforts were made toward economic reforms, increasing domestic revenues, and improving resource management.

Despite these measures, what remains important is the precise identification of these policies and an understanding of the specific types of policies adopted by the Afghan government to address poverty and inequality. In many cases, discussions have focused more on outcomes or failures, while the identification of the policies themselves, as the first step in any scientific analysis, has received less systematic attention. Therefore, the focus of this article is not on evaluating the degree of success or failure of these policies, but rather on identifying, categorizing, and examining the types of economic policies adopted during these two periods.

The main problem of this study is to determine which economic policies the Afghan government adopted during the republican period in order to combat poverty and inequality, and how these policies can be categorized and compared. Accordingly, this study attempts, through a descriptive and analytical perspective, to identify the government's economic policies in different fields and present them within an organized framework.

The methodology of this study is analytical–descriptive and is based on the analysis of library-based sources. Within this framework, official documents, scholarly works, and credible domestic sources are used in order to provide a relatively accurate picture of the government's economic policies in both periods under study. The main focus is on extracting and classifying policies in key economic sectors in order to achieve a clearer understanding of the government's economic orientations during this period.

In fact, by presenting an organized framework of the economic policies adopted during the republican period, this article seeks to provide a basis for subsequent analyses, including evaluations of policy efficiency or policy pathology. In other words, this research constitutes a preliminary but fundamental step toward the precise understanding of economic policymaking in Afghanistan.

Theoretical Literature

Using a systems approach, this study attempts to examine the economic policies of the government during the two periods of Hamid Karzai and Mohammad Ashraf Ghani in relation to factors such as institutional structure, executive capacity, the public budget, administrative corruption, dependence on foreign aid, and security conditions. In this approach, the economy and society are regarded as a set of interconnected components, each affecting the others and ultimately shaping outcomes such as the level of welfare, the extent of poverty, and the degree of inequality. Accordingly, identifying economic policies in Afghanistan without considering these structural interconnections does not provide a complete picture, and these policies must be analyzed within the overall functioning of the economic policymaking system.

From a theoretical perspective, economic policy is part of the state's public policy, aimed at regulating the economic behavior of society, directing resources, and responding to public needs. Nikjou, in *Public Economic Policies*, emphasizes that economic policy determines economic objectives and selects appropriate instruments, thereby defining the trajectory of the economy; through it, the state attempts to lead and direct the economy (1). Within this framework, fiscal, monetary, employment, investment, and income distribution policies are considered among the most important instruments of state intervention. Therefore, understanding which of these instruments the Afghan government prioritized during the republican period and how it employed them is of fundamental importance for understanding the orientation of economic policies.

In systems theory, every system has inputs, processes, outputs, and feedback. In Afghanistan's economic system, the inputs have included natural resources, foreign aid, domestic revenues, human capital, and economic policies. These inputs are transformed through processes such as budgeting, fiscal policy, monetary policy, development programs, and employment creation into outputs such as improved living standards, poverty reduction, and the mitigation of inequality. Therefore, identifying the government's economic policies can be regarded as part of this process, showing how the state attempted to convert resources into developmental outcomes.

In this context, the public budget is considered one of the most important practical instruments of economic policy. Tingaar, in *Theory and Policy of Public Budgeting*, defines the budget as a means of achieving macroeconomic objectives such as full employment, economic stability, and equitable income distribution (2). Therefore, a significant part of the Afghan government's economic policies can also be identified through the manner of budget allocation, expenditure prioritization, and the direction of financial resources. In other words, the government's fiscal policies not only indicate economic objectives but also reflect the way in which those objectives are implemented.

On the other hand, in the development literature, poverty does not merely mean a lack of income. Amartya Sen defines poverty as the deprivation of capabilities, namely a condition in which individuals are deprived of access to basic opportunities such as education, health, employment, and social participation (3). This perspective shows that the government's economic policies can only be understood when examined in connection with the improvement of these capabilities. In Afghanistan, many economic policies—particularly in the areas of rural development, public services, and employment—were ostensibly designed with the aim of reducing such deprivations.

In this study, inequality is also not understood merely as income disparity, but rather as the unequal distribution of opportunities and resources among different groups and regions. Bourdieu demonstrates that inequality is reproduced through social structures (4). In Afghanistan, this issue has been observed more clearly in the form of regional disparities, unequal access to services, and the concentration of development projects in certain areas. Therefore, the government's economic policies can also be examined from the perspective of the extent to which they focused on reducing these gaps.

In the development literature, modernization theory emphasizes the active role of the state in creating infrastructure and guiding economic growth (5). In Afghanistan as well, after 2001, the government attempted to guide the process of reconstruction and development through various economic policies. However, the success of these policies depended on the state's capacity to design and implement them. Fukuyama emphasizes that state capacity in policy implementation is a fundamental condition for policy success (6). Therefore, understanding economic policies without considering the institutional capacity of the state would remain incomplete.

The theory of good governance also emphasizes the importance of transparency, accountability, and effectiveness (7). These factors play an important role in determining the type and manner of implementation of economic policies. In Afghanistan, governance conditions influenced the formation and implementation of policies and, in many cases, affected the direction of these policies.

From a political economy perspective, economic policymaking is shaped by power, group interests, and political conditions (8). In Afghanistan, economic policies were also formed within the framework of the political structure and power coalitions. For this reason, in order to understand the government's economic policies, attention must also be paid to the political and social contexts in which they emerged.

Furthermore, dependence on foreign aid was one of the important characteristics of Afghanistan's economy during the republican period. These forms of assistance played an important role in financing and implementing economic programs; however, they also influenced the orientation of policies. Strand and colleagues show that foreign aid was connected to issues of development, resource distribution, and institutional capacity (9). Therefore, part of the government's economic policies can be analyzed within the framework of managing these resources and the manner in which they were used.

Finally, according to historical institutionalism, economic institutions are formed over time and influence the trajectory of policymaking (6). In Afghanistan as well, economic policies took shape within institutional structures rooted in the country's historical past.

Overall, the theoretical literature of this study shows that the economic policies of the Afghan government should be examined within a broader framework than merely economic programs. These policies were formed in connection with institutional structure, political conditions, financial resources, executive capacity, and social factors. Therefore, identifying and categorizing these policies constitutes a fundamental step toward understanding the economic orientations of the state during the republican period.

Research Methodology

This study, which aims to identify and examine the economic policies of the Afghan government in combating poverty and inequality during the republican period (2001–2021), employs a descriptive–analytical approach based on library-based sources. The selection of this method is due to the nature of the research topic, which focuses on identifying and categorizing the economic policies adopted during the two administrations of Hamid Karzai and Mohammad Ashraf Ghani. In this regard, the required information is collected through the study of official government documents, economic reports, national development programs, and relevant scholarly works. The sources used include books, scientific articles, reports of domestic and international institutions, and documents related to fiscal, monetary, employment, investment, and economic development policies.

At the stage of analysis, an attempt is made to identify, classify, and systematically present the government's economic policies in different areas. Based on the theoretical framework of the study and the common classifications in the literature of economic policymaking, these policies are categorized into areas such as fiscal policy, monetary policy, the labor market, investment, and economic development. In order to better understand the differences and similarities, the economic policies of the two periods under study are examined comparatively. In this section, the main focus is on the types of policies, orientations, and areas of government intervention, while quantitative analyses or evaluations of policy success are avoided. In fact, this method makes it possible to present a clear picture of the economic policies of the Afghan government during the republican period and to provide a basis for deeper analyses in future studies.

Research Findings

In this section, the research findings are examined based on the framework and objectives of the study. The main focus of the study is on identifying the economic policies of the Afghan government in combating poverty and inequality during the periods of Hamid Karzai and Mohammad Ashraf Ghani. Accordingly, an attempt is made to categorize and analyze the economic policies adopted in the two periods across different economic domains in an organized manner. These policies are examined below in a detailed and comparative manner.

1. Fiscal Policies

One of the most important policies adopted by the Afghan government to combat poverty and inequality was fiscal and budgetary policy. These policies were mainly pursued through the regulation of the public budget, the increase of development expenditures, the attraction of foreign aid, and the allocation of resources to service and infrastructure sectors. In both periods, namely the administrations of Hamid Karzai and Mohammad Ashraf Ghani, the government attempted to use the national budget and international assistance to create the conditions for poverty reduction, employment generation, and the improvement of public services.

During the Hamid Karzai administration, fiscal policy was more focused on national reconstruction and meeting the basic needs of the state. After the establishment of the new government, Afghanistan faced a severe shortage of infrastructure, weak economic institutions, and a lack of domestic financial resources. For this reason, a large part of the government budget was financed through foreign aid. During this period, the government attempted to allocate the budget mainly to sectors such as road construction, the expansion of education, health services, and rural development programs. Within this framework, programs such as the National Solidarity Program emerged as one of the government's most important fiscal policies, aimed at rural development and poverty reduction in deprived areas (1).

During this period, the development budget became more important than the ordinary budget, because the government was attempting to reconstruct the basic infrastructure of the economy. A significant portion of government expenditures was spent on construction projects, road reconstruction, the establishment of schools, and health centers. The government also attempted, through cooperation with international institutions, to attract greater financial resources for development projects. However, the strong dependence of the budget on foreign aid caused the country's fiscal policies to be largely influenced by the priorities of international donors (10).

During the Mohammad Ashraf Ghani administration, fiscal policies were pursued somewhat differently. The Ghani government placed greater emphasis on fiscal reforms, increasing domestic revenues, and reducing budgetary dependence on foreign aid. During this period, efforts were made to reform the taxation system, improve customs management, and increase national revenues. The government attempted to strengthen domestic revenues in order to finance part of its expenditures without complete reliance on foreign aid (11).

One of the fundamental pillars of fiscal policy during the Ghani period was better budget management and a focus on development projects. The government attempted to organize the budget in such a way that infrastructure projects, urban development, energy, and transport would receive greater attention. The Citizens' Charter program was also implemented as a continuation of local development policies, with the aim of improving basic services and reducing poverty at the level of villages and cities. This program was in fact a continuation of the development policies of the Hamid Karzai period, but with greater emphasis on public participation and local management. In both periods, the public budget was used as the main instrument of fiscal policy for combating poverty and inequality. The government attempted to improve the level of public welfare by increasing expenditures in social sectors such as health, education, and rural development. In this regard, Tingaar considers the budget one of the most important instruments for achieving the economic and social objectives of the state and emphasizes that governments can play a role in resource distribution and inequality reduction through the budget (2).

In fact, the government's fiscal policies in both periods also included attracting foreign investment and spending international aid. The Afghan government attempted, through international conferences and cooperation with donor institutions, to attract greater resources for the implementation of development programs. These funds were mainly spent on infrastructure projects, social services, and poverty reduction programs. It can be argued that the fiscal and budgetary policies of the Afghan government during the republican period were mostly focused on economic reconstruction, the expansion of public services, rural development, and financing development expenditures. The main difference between the two periods was that during the Karzai administration, the focus was more on the use of foreign aid and initial reconstruction, whereas during the Ghani administration, fiscal reforms and increasing domestic revenues received greater attention.

2. Monetary Policies

Another economic policy of the Afghan government during the republican period was monetary policy and programs related to maintaining economic stability. These policies were primarily designed and implemented by Da Afghanistan Bank, and their main objective was to control inflation, preserve the value of the national currency, regulate liquidity, and establish relative stability in the country's economy. Given Afghanistan's specific conditions after 2001, economic stability was considered one of the basic requirements for economic reconstruction and for preventing further instability.

At the beginning of the Hamid Karzai administration, Afghanistan's economy faced serious monetary and financial problems. The absence of an organized banking system, the widespread use of foreign currencies, the weakness of the financial system, and market instability were among the challenges facing the government. For this reason, one of the government's first measures was the reconstruction of the monetary system and the strengthening of the central bank's role in economic management. Within this framework, the new Afghani currency was introduced into the market, and efforts were made to establish relative stability in the economy through controlling the volume of money and regulating the foreign exchange market (11).

During this period, monetary policy was mainly focused on preventing inflation and stabilizing the value of the Afghani. The central bank attempted to prevent a sharp decline in the value of the national currency by managing liquidity and controlling the foreign exchange market. This issue was particularly important because a large portion of the population had fixed and limited incomes, and rising inflation could place greater pressure on their living conditions. Therefore, maintaining price stability was considered part of the policy for combating poverty. In addition, the government attempted to develop the country's banking system. The establishment of private banks, the expansion of banking services, and the increased role of the central bank in financial supervision were part of the government's monetary policies during this period. Although these measures initially led to relative growth in the financial sector, weak supervision and managerial problems also created challenges in some cases.

During the Mohammad Ashraf Ghani administration, monetary policies were pursued more within the framework of economic reforms and maintaining macroeconomic stability. Alongside fiscal policies, the Ghani government emphasized strengthening the banking system, increasing financial transparency, and improving liquidity management. During this period, efforts were made to strengthen the role of the central bank in controlling the money market and preventing severe economic fluctuations (1).

The Ghani administration also attempted to increase public trust in the country's monetary system through banking and financial reforms. Attention to electronic banking, the improvement of payment systems, and efforts to prevent corruption in the financial sector were part of the policies of this period. In addition, inflation control remained one of the main objectives of monetary policy, because rising prices of basic goods and the depreciation of the national currency could increase the level of poverty in society.

From a theoretical perspective, monetary policy is one of the fundamental instruments of the state for creating economic stability. In discussions of macroeconomics, Aslami notes that governments attempt to stabilize the general price level and prevent economic instability through regulating the money supply, controlling interest rates, and managing the foreign exchange market (12). In Afghanistan as well, monetary policies were mainly adopted with this objective.

As a result, it can be argued that the monetary policies of the Afghan government in both periods were mainly focused on creating relative economic stability, controlling inflation, preserving the value of the national currency, and regulating the financial market. The main difference was that during the Karzai period, the focus was more on the initial reconstruction of the monetary system and the creation of initial stability, whereas during the Ashraf Ghani period, banking reforms and the strengthening of financial management received greater attention.

3. Employment and the Labor Market

After 2001, the issue of employment in Afghanistan was not merely an economic issue, but also became one of the government's major social and even political concerns. Rising unemployment, rapid population growth, the return of migrants from neighboring countries, and the limited economic capacity of the country caused a large segment of society, especially young people, to face difficulties in accessing employment and income. Under such conditions, the Afghan government attempted, through various economic policies, to create opportunities for employment and people's economic participation and thereby reduce part of the problems of poverty and inequality.

In the early years of the Hamid Karzai administration, as noted earlier, Afghanistan's economy was largely in the reconstruction phase, and many job opportunities were created through construction projects and internationally funded programs. During this period, the Afghan government, in cooperation with foreign institutions, initiated extensive projects in road construction, the construction of schools, hospitals, government facilities, and telecommunications networks. Although these projects were mostly temporary in nature, they were able to provide employment opportunities for thousands of people in the short term (11).

During the same period, the government also implemented programs in the rural development sector aimed at creating employment in deprived areas. The National Solidarity Program was among the most important programs implemented at the village level, part of which was dedicated to creating local employment. These programs were mostly implemented in areas such as rural roads, irrigation canals, small dams, and service projects, and alongside local development, they also created employment opportunities for rural populations (1).

In addition, the Karzai government attempted to strengthen the agricultural sector as one of the main sources of employment. Since a large proportion of Afghanistan's population lived in rural areas and household economies were largely dependent on agriculture, the government attempted to create employment and increase farmers' income through the distribution of improved seeds, the development of irrigation systems, and support for agricultural production (10).

Despite these efforts, Afghanistan's labor market during the Karzai period continued to face serious problems. Many job opportunities depended on the presence of foreign institutions and short-term projects, and the country's economy lacked the capacity to absorb labor sustainably. Moreover, the absence of broad manufacturing industries and the weakness of the private sector meant that unemployment, especially among young people, remained high (13).

During the Mohammad Ashraf Ghani administration, employment policies took on a somewhat different form. The Ghani government sought more strongly to link employment with economic growth, investment, and large regional projects. During this period, projects such as TAPI, CASA-1000, railways, and the expansion of transportation networks were presented not only as infrastructure projects but also as instruments for employment generation and economic growth (14).

During this period, emphasis was also placed on the development of the private sector and the creation of a suitable environment for investment. Ghani believed that sustainable employment creation was impossible without private-sector growth. For this reason, efforts were made to facilitate investment, reduce certain administrative restrictions, and support trade. During this period, greater attention was also paid to technical and vocational training so that the country's labor force could acquire the skills required by the labor market (11).

One of the fundamental pillars of employment policy during the Ghani period was the focus on economic self-sufficiency and reducing dependence on foreign aid. The government attempted to create sustainable employment by increasing domestic production, supporting small industries, and encouraging exports. In this regard, programs were implemented to support domestic production and encourage investment in industrial and agricultural sectors (1).

However, security challenges, weak infrastructure, administrative corruption, and the limited economic capacity of the country caused Afghanistan's labor market to remain fragile. Many employment-generating projects were not fully implemented due to insecurity or lack of funding, and in some cases, the jobs created did not last long. In addition, the economy's dependence on foreign aid meant that with the decline of such assistance, unemployment increased again (15).

From a theoretical perspective, employment is considered one of the most important instruments for poverty reduction and the improvement of economic welfare. Nikjou emphasizes that employment policies become effective when they are linked to economic growth, the development of domestic production, and the strengthening of investment (1). In Afghanistan as well, the government attempted in both periods to regard employment as part of its economic policies, although the methods and priorities differed between the two periods.

Overall, employment and labor-market policies during the republican period were mostly focused on creating job opportunities through development projects, agricultural development, support for the private sector, investment, and the implementation of infrastructure projects. During the Karzai period, employment was mostly pursued within the framework of reconstruction programs and aid-oriented projects, whereas during the Ghani period, efforts were made to link employment with economic growth, economic reforms, and investment development.

4. Investment and Support for the Private Sector

Another important axis of the Afghan government's economic policies during the republican period was policies related to investment and support for the private sector. After 2001, the Afghan government attempted to create a favorable environment for investment in order to provide the grounds for economic growth, increased production, and job creation. During this period, the government believed that without the growth of investment and the strengthening of the private sector, achieving economic development and poverty reduction would not be possible.

In the early years of the Hamid Karzai administration, investment policies were mainly focused on attracting foreign investment and reconstructing economic infrastructure. The government attempted to encourage domestic and foreign investors to operate in Afghanistan by adopting new economic laws, reducing certain trade restrictions, and establishing supportive institutions. In this regard, the Afghanistan Investment Support Agency (AISA) was established to facilitate company registration and investment attraction (1).

During this period, telecommunications, construction, transport, and trade were among the sectors that received the highest levels of investment. The telecommunications sector in particular, with the entry of domestic and foreign private companies, experienced significant growth and was able to absorb part of the labor market demand. The government also attempted to strengthen private-sector activity by creating industrial parks and providing certain facilities (11).

In addition, the government's policy during the Hamid Karzai period was largely based on a market economy. The government attempted to limit the role of the state in economic activities and create conditions for greater private-sector activity. In discussing the market economic system, Taziri notes that after 2001 Afghanistan moved toward the implementation of market-economy policies, and private investment was presented as one of the foundations of economic growth (15).

Despite these measures, investment in Afghanistan continued to face serious challenges. Insecurity, weak infrastructure, administrative corruption, and the absence of an effective legal system were among the factors that caused many investors to remain concerned about operating in Afghanistan. Furthermore, a large portion of investment was concentrated mainly in services and trade, while investment in productive and industrial sectors remained limited (10).

During the Mohammad Ashraf Ghani administration, investment policies were more strongly linked to economic self-sufficiency, export development, and strengthening the private sector. The Ghani government attempted to create a more favorable investment environment through economic and administrative reforms. It also emphasized the development of domestic production and the reduction of dependence on imports. In this regard, programs were implemented to support domestic industries, encourage exports, and create facilities for traders and investors. The government attempted to increase investor confidence through customs reforms and improved economic management (1).

During this period, the concept of the "national economy" and support for domestic production received greater attention. The Ghani government attempted to strengthen the country's economic capacity through trade exhibitions, encouragement of domestic producers, and the establishment of regional economic connections. Attention to investment in agriculture and mining was also part of the economic policies of this period.

Therefore, investment policies and support for the private sector during the republican period were mainly focused on attracting foreign investment, supporting commercial activities, developing infrastructure projects, and strengthening the market economy. During the Karzai period, the focus was more on creating an initial investment environment and reconstructing the economy, whereas during the Ghani period, economic reforms, regional trade development, and support for domestic production received greater attention.

5. Infrastructure Development and Economic Development

Another important economic policy of the Afghan government during the republican period was infrastructure development and the implementation of development programs. During both the Hamid Karzai and Mohammad Ashraf Ghani administrations, the Afghan government attempted, through the development of roads, energy, telecommunications, transport, and other economic infrastructure, to provide the grounds for economic growth, the expansion of commercial activities, and the improvement of people's living conditions. In a country such as Afghanistan, where years of war and instability had destroyed a large part of its infrastructure, infrastructure reconstruction was considered one of the basic needs of the economy.

During the Hamid Karzai administration, infrastructure development policy was mainly focused on reconstructing destroyed facilities and creating basic economic infrastructure. Using foreign aid and cooperation with international institutions, the government initiated major projects in road construction, telecommunications, electricity, and government buildings. One of the most important projects of this period was the reconstruction of Afghanistan's ring road, which played an important role in connecting provinces and developing domestic trade (11).

During the same period, the development of the telecommunications network was also one of the important components of the government's development policy. The entry of private telecommunications companies led to the expansion of telecommunications services across much of the country, and this had some impact on the growth of economic activities and commercial communications. Electricity supply projects and the development of energy networks were also implemented in some areas, with the aim of improving economic conditions and creating the grounds for productive activities (1).

During the Mohammad Ashraf Ghani administration, infrastructure development policy took on a broader and more regional form. The Ghani government attempted to transform Afghanistan into a crossroads of regional economic connectivity; therefore, regional projects were prioritized. As noted earlier, projects such as TAPI, CASA-1000, the Aqina railway, the development of Chabahar Port, and air corridors were part of the government's economic policy for infrastructure development and strengthening the national economy (14).

During this period, the Ghani government also emphasized the development of transport, energy, and regional economic connectivity. The government believed that infrastructure development could create the conditions for trade, investment, and employment and move Afghanistan away from severe economic dependence. In addition, efforts were made to develop cities, improve the transportation system, and expand electricity services (11).

Another pillar of development policy during the Ghani period was attention to agricultural projects and water resource management. The government attempted to create conditions for economic growth in rural areas through the construction of dams, the development of irrigation systems, and support for agricultural projects. These measures were part of the government's policy to strengthen the domestic economy and increase national production.

From a theoretical perspective, infrastructure development is one of the fundamental bases of economic growth. Nikjou notes that without the creation of suitable infrastructure, the growth of production, the development of markets, and the expansion of investment are not possible (1). In Afghanistan as well, the government in both periods attempted to present infrastructure development as one of the important instruments of economic policy.

Overall, infrastructure development and economic development policies during the republican period were mainly focused on reconstructing destroyed infrastructure, developing roads, energy, telecommunications, regional projects, and rural development. During the Karzai period, the main objective was initial reconstruction and the creation of basic economic infrastructure, whereas during the Ghani period, regional connectivity, large economic projects, and the strengthening of Afghanistan's transit position received greater attention.

6. Rural Development

Another economic policy of the Afghan government during the republican period was related to rural development and the reduction of deprivation in remote areas. Given that a large proportion of Afghanistan's population lived in rural areas and that household economies were mostly based on agriculture and local activities, the government attempted, through rural development programs, to improve people's living standards and reduce part of the widespread poverty in deprived areas.

During the Hamid Karzai administration, rural development was considered one of the important components of the government's economic programs. The government, in cooperation with international institutions, initiated numerous programs to improve economic and service conditions in villages. Among these programs, the National Solidarity Program was one of the most important government policies in the field of rural development. This program was implemented with the aim of public participation in local decision-making and the implementation of small development projects at the village level (1).

Projects related to this program mostly included the construction of rural roads, bridges, drinking-water networks, irrigation canals, schools, and health centers. Through these projects, the government attempted both to increase the level of basic services in villages and to create short-term employment opportunities for local residents. In many areas, local development councils were also established so that people could participate in identifying needs and implementing projects (10).

In addition, agriculture was also emphasized as the main axis of the rural economy. The Karzai government attempted to increase agricultural production through the distribution of improved seeds, chemical fertilizers, the development of irrigation systems, and support for horticulture. The government believed that strengthening agriculture could play an important role in reducing rural poverty and creating income for households (11).

During the Mohammad Ashraf Ghani administration, rural development policy continued, but efforts were made to link these programs more closely with local development, economic self-sufficiency, and better resource management. During this period, the Citizens' Charter program was introduced as a continuation of the National Solidarity Program, with the aim of improving basic services, developing local infrastructure, and reducing the distance between the state and the people. Greater attention was paid to water resource management, agricultural development, and the creation of markets for domestic products. The government attempted to strengthen the economic capacity of villages through the construction of small dams, the development of irrigation networks, and support for agricultural production. Some programs were also implemented to promote small local industries and support rural women (11).

Another pillar of rural development policy during this period was improving rural access to basic services. The government attempted to expand services such as electricity, drinking water, education, and health in remote areas in order to reduce the gap between urban and rural areas. This was considered part of the government's policy for reducing regional inequality.

From a theoretical perspective, rural development is considered one of the important instruments of poverty reduction in developing countries. Nikjou emphasizes that governments can improve the welfare of rural populations through the development of basic services, support for agriculture, and the creation of local infrastructure (1). In Afghanistan as well, the government in both periods attempted to pursue rural development as part of its economic policy.

Despite these measures, rural development in Afghanistan faced multiple problems. Insecurity, weak project management, administrative corruption, and a lack of facilities prevented many programs from being fully implemented. Moreover, in some areas, the unequal distribution of projects meant that not all villages benefited equally from development programs (15).

Overall, the rural development policies of the Afghan government during the republican period were mainly focused on agricultural development, the creation of local projects, the improvement of basic services, and the reduction of deprivation in remote areas. During the Karzai period, the focus was more on the initial reconstruction of villages and the implementation of local projects, whereas during the Ghani period, rural development was more strongly linked to economic self-sufficiency, resource management, and local development.

7. Income Distribution

Another economic policy of the Afghan government during the republican period concerned income distribution and the provision of economic justice. In both the Hamid Karzai and Mohammad Ashraf Ghani administrations, the Afghan government attempted, through budget regulation, the expansion of public services, tax reforms, and the expansion of development programs, to create greater access for people to economic resources and opportunities. These policies were presented with the aim of reducing the economic gap among different social strata and reducing deprivation in less-developed areas.

During the Hamid Karzai administration, economic justice was mainly discussed within the framework of reconstruction and the expansion of public services. Using foreign aid and the development budget, the government attempted to expand basic services such as education, health, roads, and drinking water in different parts of the country. The purpose of these measures was to reduce part of the deprivation caused by years of war and to enable people in different regions of the country to benefit from basic facilities (1).

In addition, the Karzai government attempted to expand people's access to health and educational services by increasing social expenditures. The development of schools, health centers, and support programs was part of the government's policy to improve the conditions of low-income groups. However, the limited economic capacity of the state and the strong dependence of the budget on foreign aid meant that these policies remained largely dependent on the support of international institutions (10).

During the Mohammad Ashraf Ghani administration, the policy of economic justice was more strongly linked to economic reforms and the balanced distribution of resources. The Ghani government attempted to create the conditions for better resource distribution through reforming the taxation system, increasing domestic revenues, and improving budget management. During this period, greater attention was paid to financial transparency and the management of government revenues (1).

From a theoretical perspective, equitable income distribution is considered one of the important responsibilities of the state in economic policymaking. Tingaar argues that the budget and fiscal policy can serve as instruments for reducing economic gaps and improving resource distribution in society (2). In Afghanistan as well, the government attempted, through fiscal and development policies, to reduce part of the economic and regional inequalities.

Overall, income distribution policies during the republican period were mainly focused on the expansion of public services, the development of local programs, fiscal reforms, and the reduction of regional deprivation. During the Karzai period, these policies were mainly presented within the framework of reconstruction and the expansion of basic services, whereas during the Ghani period, economic reforms and better management of financial resources received greater attention.

8. Increasing Domestic Revenues

Another economic policy of the Afghan government during the republican period was the effort to increase domestic revenues and reduce economic dependence on foreign aid. Although Afghanistan's economy after 2001 was largely dependent on international assistance, the government in both the Karzai and Ghani periods attempted to increase domestic revenue capacity and finance part of government expenditures from domestic sources. This issue became particularly important in the final years of the republican period, as the gradual decline in foreign aid created serious concerns regarding the sustainability of the country's economy.

During the Hamid Karzai administration, a large part of the government budget was financed through foreign aid, and domestic revenues played a limited role in financing government expenditures. Nevertheless, the government attempted to increase state income through the establishment of taxation structures, customs regulation, and the development of the revenue system. During this period, initial reforms in the customs and taxation systems began, and the government attempted to make the revenue collection process somewhat more organized (1).

One of the important pillars of revenue policy during the Karzai period was the development of customs and the increase of revenues generated from trade. Due to its geographical position, Afghanistan obtained a large part of its revenues from imports and the transit of goods. The government attempted to increase revenues through the establishment of customs facilities and the strengthening of border management. Some reforms were also implemented to prevent tax evasion and improve the revenue collection system (11).

Despite these efforts, weak administrative institutions, widespread corruption, and the economy's dependence on foreign aid prevented the government from significantly increasing domestic revenue capacity. A large part of the country's economy was informal, and many economic activities took place outside the taxation framework (10).

During the Mohammad Ashraf Ghani administration, the policy of increasing domestic revenues became one of the main pillars of the government's economic programs. The Ghani government emphasized that continued strong dependence on foreign aid could not be sustainable for Afghanistan's economy and that the state needed to move toward relative self-sufficiency. For this reason, reforms in customs, taxation, and revenue management received greater attention (11).

During this period, the government attempted to increase domestic income through the digitization of some services, customs reforms, and the reduction of corruption in the revenue sector. Greater attention was also paid to mining extraction, trade development, and support for domestic production in order to create new sources of revenue for the state (1).

The Ghani government also attempted to reduce Afghanistan's economic dependence through the development of regional trade relations. Projects such as Chabahar Port, air corridors, and the development of transit routes were considered part of the government's economic policy for expanding trade and increasing national revenues. In addition, the government attempted to strengthen the culture of tax payment to some extent and bring the private sector more fully into the formal economic cycle. Although these measures faced many challenges, compared with the Karzai period, greater efforts were made to reform the revenue structure (11).

From a theoretical perspective, increasing domestic revenues is one of the important indicators of states' economic independence. Nikjou notes that strong dependence on external resources limits the economic decision-making capacity of the state and makes the economy vulnerable to external developments (1). In Afghanistan as well, the issue of increasing domestic revenues was raised mainly with the aim of reducing this dependence.

Despite these measures, Afghanistan's economy remained dependent on foreign aid, and the state was unable to achieve fiscal self-sufficiency. Insecurity, administrative corruption, weak domestic production, and the limited economic capacity of the country were among the factors that made the process of increasing domestic revenues difficult (15).

9. Agricultural Development

Agriculture has always been one of the main foundations of Afghanistan's economy. A large proportion of Afghanistan's population lives in rural areas, and their main source of income is agriculture, livestock, and related activities. For this reason, during the republican period, the Afghan government attempted, through agricultural policies, both to increase domestic production and to reduce poverty in rural areas. In fact, the government's agricultural policies were part of its economic policies for improving people's livelihoods and reducing the country's economic dependence.

During the Hamid Karzai administration, agricultural policies were mainly focused on reconstructing agricultural infrastructure and providing initial support to farmers. Years of war and insecurity had damaged a large part of agricultural land, irrigation systems, and production facilities. Therefore, the government attempted, in cooperation with international institutions, to implement projects for the rehabilitation of agriculture and support for farmers (11).

During this period, programs were implemented for the distribution of improved seeds, chemical fertilizers, agricultural tools, and the development of horticulture. The government also attempted to improve farmers' access to water through the reconstruction of irrigation canals and the construction of small dams. These measures were mainly taken with the aim of increasing agricultural production and strengthening the rural economy (10).

In addition, the Karzai government attempted to encourage the cultivation of some commercial and export-oriented products. The production of dried fruits, saffron, and horticultural products was among the sectors that received attention. The government believed that developing agricultural exports could both increase farmers' income and strengthen the country's economy (1).

Despite these efforts, the agricultural sector continued to face numerous problems. Lack of facilities, weak mechanization, insecurity, and limited sales markets meant that many farmers could not use the full capacity of their land. Continuous droughts and weak water resource management also constituted serious challenges for the rural economy (15).

During the Mohammad Ashraf Ghani administration, agricultural policies were pursued in a somewhat broader and more targeted manner. The Ghani government paid greater attention to economic self-sufficiency and increasing domestic production and considered agriculture one of the important sectors of the national economy. Therefore, programs were implemented to develop the production chain, improve agricultural markets, and support the export of domestic products (11).

During this period, the government attempted to facilitate the export of agricultural products through the development of cold-storage facilities, packaging centers, and air corridors. Greater attention was also paid to the cultivation of economically valuable products such as saffron, pine nuts, and export-oriented fruits. The government believed that the growth of agricultural exports could play an important role in increasing rural incomes and reducing the country's economic dependence (1).

Another pillar of agricultural policy during the Ghani period was water resource management and irrigation development. The government attempted to increase agricultural productivity through the construction of dams and the development of irrigation systems. Programs were also implemented to train farmers and support small agricultural industries.

From a theoretical perspective, agriculture in developing countries is considered one of the important instruments of poverty reduction. Nikjou notes that agricultural growth can increase rural employment and income and play an important role in reducing economic deprivation (1). In Afghanistan as well, the government in both periods attempted to use the agricultural sector as one of the foundations of economic policy.

In fact, the agricultural policies of the Afghan government during the republican period were mainly focused on supporting farmers, developing irrigation, increasing domestic production, and expanding agricultural exports. During the Karzai period, the focus was more on the initial reconstruction of the agricultural sector and primary forms of support, whereas during the Ghani period, agricultural export development, water resource management, and economic self-sufficiency received greater attention.

10. Trade and the Development of Regional Relations

Another economic policy of the Afghan government during the republican period was the development of trade and the expansion of regional economic relations. During both the Hamid Karzai and Mohammad Ashraf Ghani administrations, the Afghan government attempted to use the country's geographical position as a point of regional connectivity and, through the development of trade, transit, and regional economic cooperation, create the conditions for economic growth and increased national revenues. These policies were part of the government's programs to reduce economic dependence, increase exports, and create new economic opportunities.

During the Hamid Karzai administration, trade policy was mainly focused on reopening economic routes and reviving Afghanistan's trade relations with regional countries. After years of war and instability, the government attempted to reactivate the country's foreign trade and create conditions for imports and exports. During this period, Afghanistan joined some regional economic institutions, and efforts were made to expand economic cooperation with neighboring countries (11).

One of the main objectives of trade policy during the Karzai period was increasing exports of domestic products, especially agricultural products. The government attempted to find markets for Afghan products through encouraging trade, holding economic exhibitions, and cooperating with international institutions. Efforts were also made to reconstruct some transit and customs routes in order to facilitate regional trade (1).

In addition, developing economic relations with Central Asian countries, Iran, Pakistan, and India was part of the government's economic policy. Afghanistan attempted to use its transit position to connect South Asia and Central Asia. Although many regional programs were still in their initial stages during this period, the foundations for some economic cooperation were established (9).

During the Mohammad Ashraf Ghani administration, the policy of trade and regional economic relations became more active and extensive. The Ghani government emphasized that Afghanistan should transform from a consuming and dependent country into a country connecting the region. For this reason, the development of trade corridors, transit projects, and regional cooperation became priorities of the government's economic policy (11).

The Ghani government also attempted to increase exports of domestic products. The establishment of air corridors with India, China, and some other countries was part of the government's policy to support exports and reduce transit problems. During this period, greater attention was paid to the export of saffron, dried fruits, carpets, and other domestic products (10).

Another pillar of economic policy during this period was the development of Afghanistan's transit role. The government believed that the country's geographical position could transform Afghanistan into a center of regional economic connectivity. Therefore, railway projects, the development of dry ports, and the expansion of regional cooperation received greater attention.

From a theoretical perspective, trade and regional economic cooperation can play an important role in economic growth, revenue generation, and job creation. Nikjou emphasizes that the development of foreign trade and the expansion of economic relations increase the growth capacity of the national economy and create opportunities for greater participation of countries in the global economy (1).

Trade policies and the development of regional economic relations during the republican period were mainly focused on export development, the expansion of regional cooperation, the use of Afghanistan's transit position, and the creation of new trade routes. During the Karzai period, the focus was more on the initial revival of trade relations and the reconstruction of economic routes, whereas during the Ghani period, the development of regional projects and the transformation of Afghanistan into a regional economic crossroads received greater attention.

Conclusion

The investigation and analysis of the economic policies of the Afghan government during the republican period (2001–2021) shows that in both the Hamid Karzai and Mohammad Ashraf Ghani administrations, the government adopted a set of economic policies aimed at reducing poverty, improving people's livelihoods, and decreasing inequality. These policies were mainly concentrated in the areas of fiscal policy, monetary policy, employment, investment, infrastructure development, rural development, agriculture, trade, and increasing domestic revenues. Although the type and manner of implementation of these policies differed between the two periods, the overall orientation of the government's economic policies was based on economic reconstruction, the expansion of public services, and the creation of conditions for economic growth.

During the Hamid Karzai administration, economic policies were mostly pursued within the framework of the country's initial reconstruction and the use of foreign aid. The government attempted to use international resources to reconstruct destroyed infrastructure and expand basic services in different parts of the country. During this period, programs such as the National Solidarity Program, rural development, road reconstruction, telecommunications development, and initial support for the private sector constituted important components of the government's economic policies. Employment policies were also mostly presented within the framework of reconstruction projects and aid-oriented programs.

By contrast, during the Mohammad Ashraf Ghani administration, economic policies took on a somewhat more organized and reform-oriented form. The Ghani government placed greater emphasis on increasing domestic revenues, economic reforms, regional trade development, major infrastructure projects, and support for domestic production. Projects such as TAPI, CASA-1000, the Lapis Lazuli Corridor, Chabahar Port, and the development of air corridors were part of the government's efforts to expand trade and reduce economic dependence. During this period, greater attention was also paid to revenue management, customs reforms, and the development of export-oriented agriculture.

Despite the differences between the two periods, the research findings show that the economic policies of the Afghan government were generally based on a market economy, infrastructure development, investment attraction, and the use of foreign aid. In both periods, efforts were made to improve public welfare and reduce some of society's economic problems through the expansion of public services, employment generation, support for agriculture, and the development of development projects.

Moreover, the examination of economic policies shows that in many sectors, the Afghan government attempted to establish a link between economic development and the reduction of social deprivation. Rural development programs, support for agriculture, the expansion of health and educational services, and local projects were among these policies, implemented with the aim of improving people's living conditions, especially in deprived areas.

Overall, this study shows that the economic policies of the Afghan government during the republican period encompassed a wide range of programs and measures, each pursuing part of the government's economic and social objectives. The fundamental difference between the two periods lay mainly in the type of priorities and the manner of policy management. During the Karzai period, the focus was more on reconstruction and the use of foreign aid, whereas during the Ghani period, economic reforms, regional trade development, and increasing domestic revenues received greater attention.

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