

## Rural Industries and Their Role in the Development of Rural Areas and Afghanistan's National Economy

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### ABSTRACT

<b>Keywords:</b> rural industries, economic development, Afghanistan, employment, poverty.	This study explores the role of rural industries in addressing these issues by examining their potential to improve economic conditions in rural areas and their contribution to the national economy. This study aims to examine the role of rural industries in the development of rural areas and their impact on Afghanistan's national economy. Additionally, it seeks to identify the challenges and opportunities for developing these industries and propose strategies for improving their current state. In this study, I aim to address the following questions: What role do rural industries play in the economic development of rural areas in Afghanistan? What are the major challenges to the development of rural industries in Afghanistan? And how can the potential of rural industries be harnessed to strengthen the national economy? This review study utilizes both analytical and descriptive approaches and relies on credible scientific sources and field data. The information collected includes academic articles, government reports, and statistical data related to rural industries in Afghanistan. Data analysis is conducted descriptively and analytically, focusing on the economic, social, and environmental impacts of rural industries. The findings indicate that the development of rural industries can significantly improve the economy of Afghanistan's rural areas. These industries, by creating employment opportunities, increasing income, and reducing poverty, play a key role in strengthening the national economy.
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### Introduction

One of the fundamental policies of the Afghan government in rural development is diversifying the rural economy, preventing uncontrolled migration from rural areas to urban centers, and reducing spatial inequalities between urban and rural areas. These overarching goals are framed within various programs and plans and are being implemented across the country, particularly in rural areas. A group of rural development researchers has discussed rural industrialization as a cornerstone of future development strategies, arguing that rural industrialization within the framework of a comprehensive

national plan, as well as the expansion of exports to balance trade payments, is essential for achieving three main objectives: increasing per capita income, reducing unemployment, and mitigating regional disparities.

In the past two decades, the establishment of industries in rural areas in the form of industrial estates and zones has become a priority for policymakers. (Li et al., 2022). Rural industries, due to their role in creating jobs, increasing income, and reducing poverty in rural communities, especially in regions dominated by agricultural economies, hold significant importance. The economic and social disparities between urban and rural communities, including income differences and living standards, have prompted planners to adopt new rural development strategies, particularly focusing on rural industrialization. Therefore, attention should be given to diversifying the rural economy and enhancing its efficiency through the creation of various economic activities, particularly by industrializing rural areas. (Hand et al., 2023). One of the key strategies for improving employment, raising income levels, and ultimately preventing rural migration to urban areas is the industrialization of rural regions. Since rural industries complement the agricultural and livestock sectors, this study initially discusses the importance of rural industries and defines these industries, followed by an examination of their characteristics. After classifying them, the study explores the methods of development and support for these industries, as well as the challenges associated with their establishment. (Ao et al., 2021).

The theory of rural industrialization, as a catalyst for job creation and income generation, is considered a potential solution to the problem of rural poverty. According to this perspective, rural industrialization and the expansion of non-agricultural activities are crucial for improving welfare and providing essential goods and services to rural households. The impact of industries in rural areas not only fosters a vibrant rural economy but also has a multiplier effect, as experiences in several countries show. Structural changes brought about by industrialization not only contribute valuable economic benefits to rural areas but also lead to a self-sustaining economy. Thus, industrialization can play a vital role in rural development by increasing rural production, creating employment opportunities, meeting basic needs, and establishing linkages with other economic sectors. (Han et al., 2023; Yar & Shaheedzooy, 2024).

The concept of rural industrial zones emerged in the late 19th century in industrialized countries as a means to promote the planning and management of rural industrial development. A simple definition of a rural industrial zone is a large area divided among various simultaneous industries that share infrastructure and are located close to one another. Rural industrial zones are designated areas for industrial activities that are equipped with essential infrastructure such as roads, power, and other services to facilitate the growth of rural industries. The reasons for establishing rural industrial zones in many developing countries include promoting rural economic development by accelerating economic growth, creating job opportunities in rural areas, decentralizing industry, and ensuring the equitable distribution of the benefits of industrialization (Voumik & Sultana, 2022). Rural industries play a crucial role in improving the economic

conditions of rural communities and in promoting sustainable development. Afghanistan, with a significant rural population and an economy reliant on agriculture and livestock, possesses considerable potential for the development of rural industries. These industries, which include local production, handicrafts, and the processing of agricultural and livestock products, leverage local resources to create employment and raise incomes in rural areas. They can help reduce rural-to-urban migration while also contributing to the national economy by boosting production and exports (Aragie et al., 2018). However, rural industries in Afghanistan face numerous challenges, including inadequate infrastructure, limited access to domestic and international markets, insufficient investment, and a lack of technical expertise. Addressing these challenges and identifying practical solutions to strengthen and develop these industries can make a significant impact on the economic well-being of rural populations and foster broader economic growth in the country.

**Objective of the Study:** The objective of this study is to examine the role of rural industries in the development of rural areas and their impact on Afghanistan's national economy. The study also seeks to identify the challenges and opportunities in the development of these industries and propose strategies to enhance the current state of rural industries.

## **Method**

This study adopts an analytical and descriptive approach, utilizing both primary and secondary data. The data were collected from a wide range of academic articles, government reports, and statistical databases. Field data were also gathered through interviews and surveys with rural industry stakeholders across different provinces. Descriptive analysis was applied to identify patterns and trends in rural industries' impact on employment, income generation, and rural-to-urban migration.

1. **Data Collection:** The required data are gathered from reputable academic sources, research articles, government reports, and statistics related to rural industries in Afghanistan. These data include economic, social, and environmental information concerning rural industries and their impact on rural communities.
2. **Data Analysis:** The collected data are analyzed through descriptive analytical methods. This analysis focuses on identifying existing patterns and trends related to rural industries and their influence on the economic and social development of rural areas.
3. **Challenges and Opportunities Assessment:** Based on the available data, the main challenges hindering the development of rural industries in Afghanistan are identified and discussed. Additionally, opportunities for strengthening these industries and their role in enhancing the national economy are explored.
4. **Recommendations:** The findings of this research lead to suggestions for improving the situation of rural industries and strengthening their role in Afghanistan's economic and social development. The results can assist policymakers and rural development planners in formulating more effective strategies for creating and enhancing rural industries.

## Results and Discussion

**Table 1**  
**Variables and Indicators**

Variable	Indicator	Dimension
Increase in income opportunities.	Creation of rural industries, increased private sector investment, easier sale of livestock and agricultural products, increased productivity (through processing and added value)	Economic
Employment	Creation of new job opportunities, employment for the unemployed, job security	
Investment in infrastructure	Development of inter-village transportation networks, roadside facilities, improvement of rural services (water, electricity, gas), development of service facilities (mechanics, electricity, etc.)	
Cost of living	Increased ability of households to cover living expenses, improved housing affordability, better purchasing power for residents	
Migration	Reduction in rural-urban migration, attraction of non-locals to rural areas	Social
Participation and cooperation	Increased interest in working in rural industries, creation of new local institutions, improved cooperation with government agencies	
Security and social welfare	Reduction in crime, improved public safety, increased social welfare	
Physical changes	Improved housing quality, new construction on the outskirts, improved rural architecture	Physical
Access quality	Improvement of village pathways, development of road infrastructure	
Environmental degradation	Increased unplanned construction, damage to natural beauty, destruction of vegetation due to industry	Environmental
Pollution	Increased water pollution, poor waste disposal, bad odors from industries, noise pollution	
Land resources	Shortage of drinking water, increased pressure on natural resources, uncontrolled construction, reduction of arable land, changes in land use	

### Importance of Rural Industries

Rural industrialization, as a process that provides the means for diversifying the rural economy, is an economic approach that, through job creation, income growth, and more balanced income distribution, leads to an improvement in the living standards of rural communities. Consequently, it paves the way for achieving sustainable rural development. The establishment of industries has contributed to the economic, social, and environmental reconstruction of rural areas. Alongside other economic and social sectors, the industry must be recognized as the most important component of any comprehensive rural development program (Hu et al., 2023; Yar & Shaheedzooy, 2024). The nature and

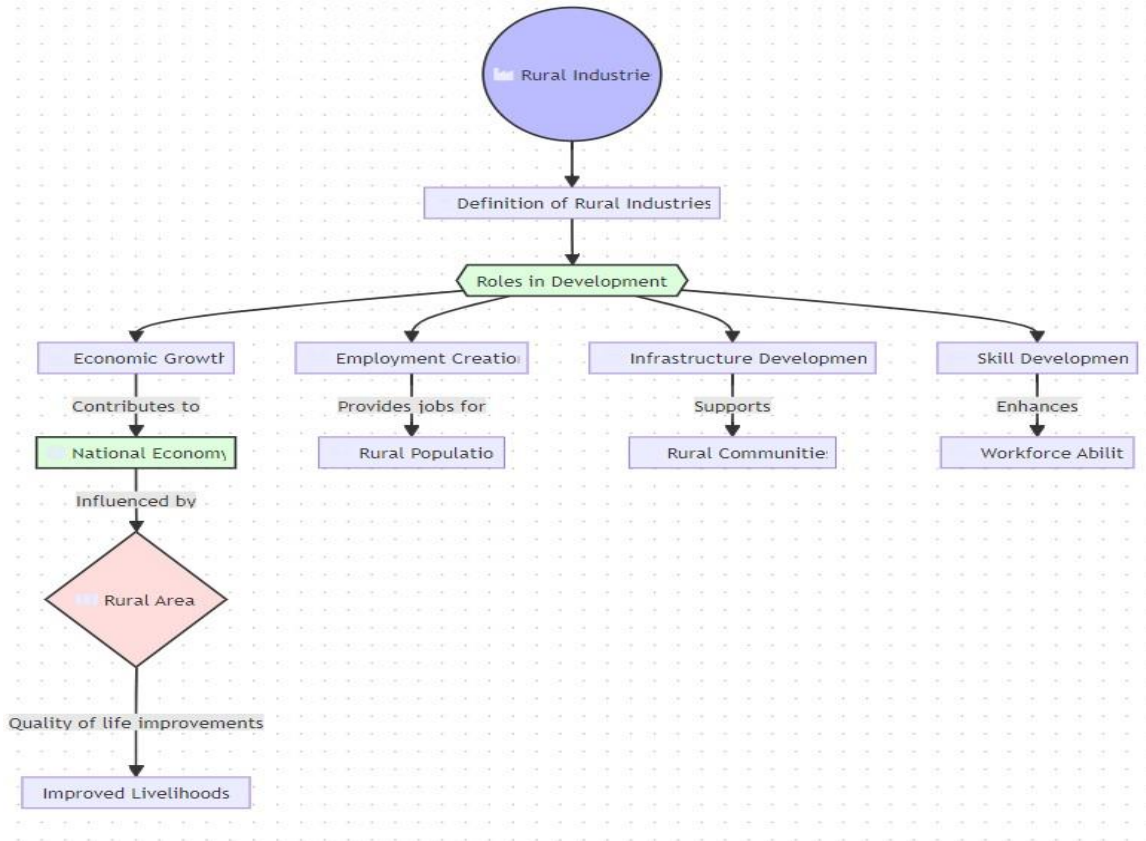
pattern of industrialization—whether in small-scale and handicraft industries or large-scale industries—depend on raw materials and human resources at the local and regional levels. Industrialization and the optimal planning of industries in rural areas act as a catalyst for sustainable development and are considered the final solution to rural poverty, and unemployment, and a relief factor for deprived rural areas (Woodhill et al., 2022). Small and medium-sized industries play a very important role in creating employment for low-skilled workers and even low-income rural women. Moreover, due to their reliance on local resources and labor-intensive nature, small industries, given the abundance of labor and the need for simple technologies, are considered the most appropriate industrial option. Therefore, considering their employment-generating capacity and the widespread unemployment in these areas, rural industries are one of the main pillars of development (Hu et al., 2023). the establishment and development of industries in rural areas are important for the following reasons:

1. Job creation for surplus labor in agriculture
2. Support for agriculture and increased income for agricultural workers
3. Conversion of agricultural products into necessary goods and services, preventing the excessive outflow of foreign currency
4. Reliance of rural industries on domestic resources and the optimal use of the potentials in these areas
5. Contribution to national industrial production and moving toward economic independence
6. Creation of a new quality of life to foster human growth and development
7. Promoting rural growth and development, creating balance and equity between urban and rural areas
8. Expansion of decentralization policies in industrial activities between urban and rural areas
9. Fair distribution of income between urban and rural areas, helping achieve social justice
10. Diversification of the rural economy by activating the industrial sector, which increases rural income beyond agriculture and attracts labor into the services and distribution sectors
11. Reduction of excessive rural-to-urban migration, creating incentives for reverse migration, or at least stabilizing rural settlement (Liu et al., 2020; Wang et al., 2024)

### **Rural Industries in Developing Countries**

In most developing countries, creating employment has been recognized as a primary goal of rural industrialization. This may be because rural areas in these countries are often much more backward than urban areas and face severe problems of unemployment and underemployment. Since large, capital-intensive industries located in major urban centers absorb only a small fraction of the rapidly growing labor force, and subsistence agriculture cannot support even the current rural population, policies and programs for rural industrialization have been devised to create non-agricultural

employment in rural areas (Xiao et al., 2022). Another reason for emphasizing rural industrialization in most developing countries is to diversify the rural economy and, in turn, help modernize agriculture and raise the income levels of the people. The traditional rural industries are closely linked with agriculture, using rural products as raw materials and selling their goods mainly in rural areas. Moreover, creating a strong and vibrant rural industry can foster close links between rural and urban areas, by acting as subcontractors for larger urban industries. This can reduce the gap between rural and urban areas, not only in terms of income and benefits but also in technology (Deng et al., 2023). Rural industries do not weaken urban industries but play a complementary role that strengthens them. Compared to large industries, rural industries have clear advantages in rural areas, providing essential opportunities for establishing a basic industrial foundation in these areas. Another key role of rural industries is to reduce spatial inequalities in socio-economic development. Developing countries have mostly inherited a dual economic structure from the colonial period, which remains largely unchanged. This duality is most evident in the spatial distribution of resources, with a rural-urban divide that favors urban areas. Rural industrialization can be a key tool for transforming rural areas and reducing the widening gap between rural and urban regions (Fu et al., 2024). The rural-urban divide is a major driver of rural-to-urban migration. While migration is not inherently undesirable as a mechanism for balancing the labor market, in many cases, migration to urban areas in developing countries occurs out of desperation and poverty. People leave rural areas because there is nothing to tie them to the land. In many cases, the result of this migration is the transfer of poverty and unemployment from rural areas to urban centers. Rural industrialization can partially halt this unhealthy trend (Chen et al., 2022).



**Figure 1**  
**Rural Industries and Their Role in the Development of Rural Areas**

**Experiences in Developing Countries**

The experience of some developing countries in expanding rural industries has shown success in the overall rural development process. Seventy years ago, Mahatma Gandhi in India saw the extensive development of cities as a clear danger, believing that the industrial growth of cities would eventually destroy villages. He, along with other thinkers like Julius Nyerere in Tanzania and Mao Zedong in China, advocated models of industrial development that relied on local capabilities and raw materials. Although this idea was, for some time, overshadowed by the theory of large-scale industrial development, it has recently regained recognition among researchers and scholars. (Devaraj & Patel, 2020). The renowned sociologist Paul Harrison emphasizes that focusing on rural development is a key part of comprehensive and sustainable development, not only because rural areas are the source of urban problems such as crippling migration but also because they offer surplus labor and seasonal unemployment that can be addressed through the redevelopment of traditional technologies. Many development experts suggest that wherever local raw materials are available, they should be utilized on-site, and large-scale industries should not replace small, appropriate technologies unless necessary. Each small, self-sufficient rural community—whether a village or nomadic group—should be able to meet its basic needs, such as food and building materials, as part of the primary development model (Yar & Hajinejad, 2023).

India's Experience: In 1961, India's Prime Minister Jawaharlal Nehru invited Ernst Schumacher, a renowned industrial expert and then the economic advisor to the National Coal Board of Britain, to tour India and provide expert advice on addressing rural areas and non-agricultural activities. Schumacher's recommendations laid the groundwork for further industrial development in India's rural areas. The outcome of this journey led to the development of the "Intermediate Technology" theory, which provided a foundation for a new industrial revolution that preserved human relationships. Schumacher believed efforts should be made to identify and introduce non-agricultural activities in rural areas capable of employing part of the surplus rural population. (Han et al., 2022). Intermediate Technology is designed to bridge the gap between large, complex modern machinery and small, simple traditional tools. This technology not only aligns with the social and cultural fabric of each region but also adapts well to the economic conditions of developing countries. At the time, the key question was: What would be the most appropriate technology for rural areas in India? It was evident that a labor-intensive and efficient technology, suitable for densely populated villages, would be the best option. Based on the indices Schumacher provided, given the geopolitical and traditional cultural conditions, only Intermediate Technology could meet this challenge. Later, a development conference based on Schumacher's ideas was held, and his views on rural development in India gained special recognition. Implementation of his proposed plans began. (Snyder & Jeffrey, 2022). It is important to note that the concept of appropriate technology was not Schumacher's invention; it can be credited to Mahatma Gandhi, whom Schumacher once referred to as the greatest economist of the century. Schumacher studied within the framework of Gandhi's ideas but approached them more scientifically and practically. (Yar & Hajinejad, 2023).

In Indonesia, the "Provincial Development Program" (PDP) was designed in the mid-1970s and initiated in 1979. This program, operating in 10 of the country's 27 provinces, covered over 50% of the population and had three main objectives:

1. Developing planning capacity at the rural levels.
2. Focusing on the creation of small-scale rural industries, allowing residents to actively participate in planning and execution.
3. Ensuring that the primary beneficiaries of the program are poor rural inhabitants (Liu et al., 2020; Wang et al., 2024).

At its current stage, the PDP has a budget of \$60 million, with \$20 million provided by the Indonesian government. The remaining \$40 million was sourced from three international aid agencies: USAID, which contributed \$32 million in grants and loans for programs in eight provinces; the International Development Association (IDA); and Germany, both of which supported program implementation in one province each (Katz et al., 2014). Each province under the program was allocated \$6 million over four years. One-sixth of this amount was earmarked for foreign consultants and training programs for Indonesian workers. The rest was spent on designing and implementing small-scale projects in areas such as rural credit, rural industries, education, and social development



programs. The main criteria for selecting projects were that they should target poor farmers and yield quick returns within 12 months, so their positive impacts could be quickly observed. Special attention was given to ensuring that local authorities and rural populations were directly involved in the decision-making, establishment, and evaluation of the projects. By 1991, 244 projects had been implemented in four of the ten provinces under the program. The PDP reports indicated that each year, all projects were evaluated by the provincial planning and budgeting offices, and USAID closely monitored the eight provinces it financially supported. Projects deemed successful in these evaluations received funding for an additional year, and some were even recognized as models for other areas. In the best cases, these projects entered a credit phase, where farmers could obtain loans to apply the techniques they had learned in the previous year (Zhao & Yao, 2022). Although the exact percentage of successful projects was not disclosed, part of the PDP was evaluated by USAID, and a group of Indonesian researchers and administrative officials also reviewed the program. The overall conclusion was that the PDP generally demonstrated the Indonesian government's capacity to implement rural development initiatives (Hedt-Gauthier et al., 2017).

In Thailand, starting in 1979, a certain percentage of the national budget was allocated to provincial governments to enable rural councils (known as "Tambons") to identify and implement small-scale, job-creating industrial projects. (Gupta et al., 2017). In Kenya, David Leonard, in a study on the organizational structure of agricultural development programs, concluded that the key element in rural organization is communication. The era of focusing solely on agricultural development without attention to other sectors has ended. Agricultural development must be accompanied by the provision of small-scale technology, financial resources, and the determination of growth dynamics through pricing and control. The central government alone cannot design and implement regional development programs. The establishment of industries in rural areas and the degree of progress ultimately depend on the creativity and cooperation of individual local leaders, and regional organizations, and the integration of these with public participation. (Gruzieva et al., 2022).

### **Rural Industries in Afghanistan**

Rural industries in Afghanistan are recognized as one of the key pillars of the country's economy, playing a significant role in the development of rural areas and the national economy. These industries include a wide range of activities such as agriculture, livestock, handicrafts, and processing industries. Given the existing potential in rural areas, rural industries can contribute to job creation, poverty reduction, and strengthening of the local economy (Yar & Nasih, 2024). One of the main advantages of rural industries is job creation. In many areas, unemployment is a serious issue, and rural industries can help improve the economic situation of families by creating new jobs. Moreover, these industries lead to increased household income and improved living standards for rural residents. In addition, rural industries help preserve local culture and identity. Handicrafts, such as carpets and pottery, not only generate income but also reflect the rich art and culture of the Afghan people. Furthermore, processing agricultural products, such

as making jams and pickles, helps reduce waste and increase the added value of these products. However, rural industries also face challenges. The lack of infrastructure, limited market access, and the need for education and empowerment are among the barriers to the development of these industries. To overcome these challenges, investment in infrastructure, creating facilities for market access, and holding training courses to enhance skills are essential (Atanyan et al., 2022). Rural industries can serve as an effective solution for the sustainable development of villages and the improvement of Afghanistan's national economy. With the necessary support and investment in this area, development goals and improved living conditions in rural areas can be achieved (Huang et al., 2022). There are examples of successful rural industries in Afghanistan, whose positive impact on the economy and society is visible:

### **1. Agriculture and Horticulture**

**Apricots and Dried Fruits:** Afghanistan is known as one of the largest producers of apricots and dried fruits in the region. Local farmers process these products and export them to international markets, earning significant income.

### **2. Handicrafts**

**Carpet Weaving:** Afghan carpets are famous for their quality and unique designs. Many families are engaged in carpet weaving, and this industry not only generates income but also preserves local culture and art.

### **3. Dairy Production**

**Dairy Products:** Some villages have established small dairy production workshops, such as making yogurt and cheese, which have found their way to local and even international markets.

### **4. Processing Industries**

**Small Factories:** The establishment of small factories for processing agricultural products, such as producing jams, pickles, and juices, has helped improve farmers' incomes and reduce waste.

### **5. Local Projects**

**Development Programs:** Some non-governmental and international organizations have implemented projects to strengthen rural industries, which have contributed to skill enhancement and market access (Yar & Yasouri, 2024; YAR et al., 2024).

These examples show that with appropriate support and investment in rural industries, sustainable development, and economic improvement in Afghanistan can be achieved.

### **Rural Industries and Their Role in National Economic Independence**

Rural industries in Afghanistan play a vital role in the country's economic independence. These industries encompass a variety of activities such as agriculture, livestock farming, handicrafts, and processing industries. They are considered the backbone of the rural and national economy. Given Afghanistan's rich natural resources and youthful labor force, rural industries can help produce local goods and services,

reducing dependence on imports. One of the crucial aspects of economic independence is the creation of sustainable employment (Wang et al., 2019).

Rural industries can generate new job opportunities, reducing unemployment and improving household livelihoods. This, in turn, can lead to poverty reduction and an enhanced quality of life in rural areas. As income increases and basic needs are met, families can achieve economic self-reliance. Additionally, producing local goods can strengthen domestic markets. Increased consumption of locally produced items decreases demand for imported goods, which helps strengthen the national economy and fosters greater self-sufficiency. Moreover, rural industries can preserve and promote local culture and national identity, as handmade and locally produced goods reflect the cultural heritage and skills of the people. However, to achieve these goals, investment in infrastructure, workforce education, and access to local and international markets are essential.

Challenges such as lack of capital, inadequate infrastructure, and limited access to modern technologies also need to be addressed. With the necessary support and proper planning, rural industries can act as a driving force for Afghanistan's national economic independence and contribute to sustainable development in the country. Currently, agriculture remains the primary activity of Afghanistan's rural communities. However, due to the lack of water resources management, agricultural development is constrained until modern water extraction technologies are implemented. Meanwhile, the increasing population in rural areas is such that the available resources and activities cannot sustain the excess population. Therefore, rural development efforts must retain this workforce within the community, requiring the provision of adequate facilities. (Yar & Yasouri, 2024; YAR et al., 2024). Rural development is currently caught in a cyclical process. On one hand, the expansion of industrial activities in rural areas is limited due to a lack of sufficient services and facilities. On the other hand, agricultural production and the development of this sector are dependent on retaining rural populations. Introducing non-agricultural activities, such as industry, can help control migration. To achieve national independence, policies must focus on import substitution and increasing industrial and mineral exports. In the long term, the agricultural sector will face challenges due to limited water and land resources and widespread erosion. Moreover, excessive growth in the services sector is not advisable due to its inflationary effects. Therefore, the expansion and development of industries and mining are essential for attracting new labor and creating employment opportunities. (Zhao et al., 2022).

Afghanistan's industrial development in recent years has not only been uncoordinated but has also led to increased dependence on foreign countries. The structural changes needed for development, particularly in intermediary and capital goods industries, have not been achieved due to a reliance on short-term import-substitution strategies. Investment in exploration, human capital development, and infrastructure is necessary for these industries to thrive. In the early stages of industrial development, the focus should be on producing goods domestically at a lower cost than importing them. The small scale and adaptability of rural industries make them a suitable platform for

developing Afghanistan's underprivileged regions and achieving a balance between urban and rural communities (Rahmani et al., 2021). The establishment of suitable rural industries, when accompanied by proper planning, can significantly accelerate national development, with key benefits including:

1. Reducing the overpopulation of large cities.
2. Strengthening cultural and familial foundations.
3. Reducing crime and social unrest in the country.
4. Lowering per capita service and welfare costs.
5. Maximizing the use of existing infrastructure such as water, electricity, roads, and educational centers to create and develop production and industrial units
6. Fostering economic, cultural, and technical links between urban and rural areas, aiding the transition of rural economies from subsistence farming to modern, dynamic agriculture, aligned with global agricultural trends (Yar & Yasouri, 2024; YAR et al., 2024).
7. Providing opportunities for the development of industrial and creative talents among rural youth and improving access to infrastructure for rural populations and small towns.
8. Creating national integration through better population distribution and optimal geographical selection for rural industries.

### **Rural Industries and Social Justice**

In the past, some economists believed that the prosperity and advancement of societies could be achieved through economic growth, which could be easily attained by rapid industrialization, especially in a few large urban centers. They assumed that the benefits of industrialization would naturally spread across the entire national territory. While these theories may have been effective during the industrialization of European societies, they have shown limited success in developing countries, where economies often rely on a single product and are closely tied to the global capitalist system. The experience of many Asian countries, as well as Afghanistan, confirms that economic growth alone cannot guarantee the welfare and progress of a society. Welfare and progress depend on economic development that addresses imbalances between different regions and communities. Economic development ultimately means that resources and income are distributed equitably between urban, rural, and nomadic communities. (Ahmed et al., 2022).

The gap between urban and rural communities has been widening. Those who remained in the villages either had strong ties to their land and homes or had access to minimal living standards that kept them from leaving. Now, as discussions about preserving and revitalizing rural communities gain prominence and their importance alongside urban communities becomes more evident, rural industries play a critical role. Migration, and its root causes, primarily stem from agricultural instability, surplus labor, and declining rural incomes. Moreover, the lack of adequate conditions and opportunities

to absorb skilled and educated rural workers is another factor highlighting the need for rural industries to address these challenges (Yar et al., 2022).

### **Advantages of Establishing Rural Industries**

1. **Preserving and Storing Agricultural Products:** This is particularly important as many agricultural products lose their economic value due to a lack of scientific preservation methods in rural areas. The annual wastage of such products leads to significant financial losses for both the country and the farmers. This loss discourages the cultivation of certain crops to avoid financial harm. Middlemen often take advantage of this situation by using their financial resources to quickly transport these products to markets, preventing spoilage. They pre-purchase products at low prices from farmers. Packaging industries and the creation of cold storage facilities are among the ways to preserve agricultural products (Chen, 2020).
2. **Creating Intermediate and Processing Industries:** With the development of rural industries, agricultural and livestock products can be transformed into intermediate and processed goods that are used in the production of other products. Examples include cotton ginning, tea processing, wool spinning, wheat milling, and more
3. **Cost Savings in Transporting Products:** The cost of transporting finished goods is cheaper due to their smaller volume and easier transportability compared to raw agricultural materials. For instance, transporting sugar beets required to produce 100 tons of sugar is far more expensive than transporting the finished sugar.
4. **Lower Production Costs:** Producing goods in rural areas, due to the availability of cheap labor and the simplicity of rural industries, results in significantly lower costs compared to production in urban factories. Urban workers, many of whom are rural migrants, tend to earn higher wages due to their loss of agricultural income and the higher cost of living in cities. Additionally, urban factories face higher fixed costs such as depreciation, maintenance, and overhead expenses
5. **Rural Industries Create Employment:** Due to the seasonal nature of their work, farmers are often idle during certain times of the year. Rural industries can absorb this idle workforce, especially those who live far from industrial hubs, providing them with productive employment opportunities (Chinery et al., 2020).
6. **Preventing and Controlling Migration to Cities:** One of the main causes of rural-to-urban migration is the inadequacy of rural incomes, often less than half of what urban residents earn. Other factors include seasonal unemployment and the lack of proper living conditions in villages. If rural industries are effectively established, they can generate additional income for farmers and their families, improving their overall livelihoods. The introduction of industry into rural areas will, in the long run, lead to the development of amenities like healthcare and other services, further reducing the incentive for rural residents to migrate to cities (Chen, 2020). In conclusion, the establishment of rural industries, if properly executed, can significantly contribute to solving issues such as unemployment, income inequality, and migration, while promoting social justice through the equitable distribution of resources and opportunities across rural and urban communities.

## Conclusion

The development of rural industries in Afghanistan offers a promising solution to the country's economic challenges. By creating employment opportunities, increasing income, and reducing rural-to-urban migration, these industries can significantly contribute to both rural and national economic development. However, addressing the challenges of inadequate infrastructure, investment, and market access is essential for realizing this potential. Future policies should focus on building strong infrastructure, fostering skills development, and providing financial support to rural entrepreneurs to ensure the sustainability and growth of rural industries in Afghanistan.

Rural industries represent one of the most important sectors of the economy, with significant potential to diversify the rural economy, create job opportunities, address unemployment, promote fairer income distribution, and reduce the income gap and welfare disparity between urban and rural areas. Given the crucial role rural industries play in the development of rural areas, this study evaluated their impact on various dimensions of development in Afghanistan.

This research examined the role of rural industries in the economic and social development of villages and their influence on Afghanistan's national economy. The findings indicate that rural industries can act as an effective tool to improve the livelihoods of rural populations. Considering Afghanistan's high dependence on agriculture and livestock, the development of rural industries can lead to increased value addition, job creation, and poverty reduction.

Rural industries, particularly in the areas of local production, handicrafts, and agricultural processing, hold significant potential for boosting income and strengthening the national economy. However, multiple challenges—such as inadequate infrastructure, limited access to domestic and international markets, and a lack of technical knowledge—hinder the full utilization of these capacities.

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