



## Evidence from the Field: Understanding Changing Levels of Opium Poppy Cultivation in Afghanistan

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### Overview

Levels of opium poppy cultivation in Afghanistan's provinces and districts rise and fall depending on a range of factors that are not well understood. Declines in cultivation are often attributed to the political commitment of the provincial and local authorities and the role of information campaigns, while the underlying power and economic dynamics that drive these changes receive little attention. Claims of success in reducing the area under cultivation in some areas during 2006-07 fail to account for how households have substituted the role played by opium poppy in the household economy.

In the north-eastern province of Badakhshan, recent overall declines in the area under cultivation show that reductions can be achieved when the right economic conditions prevail. But these successes are largely limited to areas with good market access. In the west-central province of Ghor, where the risk of food insecurity is high, factors such as low yields, low opium prices and high wage labour have served to raise the opportunity cost of opium poppy cultivation, leading farmers to dedicate considerably less land to opium poppy even without government action. In the northern province of Balkh, the sharp decline in cultivated area has been a result of coercion rather than economics, though lower prices may have made this more palatable for cultivators. Finally, in Nangarhar in eastern Afghanistan, the sharp decline in cultivated area that occurred in 2004-05 has not proved durable.

Understanding changing levels of opium poppy cultivation in Afghanistan requires recognition of the multifunctional role of opium poppy cultivation in the livelihoods of rural Afghan households. The majority of Afghanistan's rural population

lives under conditions of acute risk and insecurity, and gain welfare and human security primarily through informal means. Opium poppy — a low-risk crop in a high-risk environment — has provided the critical mechanism through which many households have been able to access security and welfare. This informal security regime, however, ties poor cultivators into deep patron-client relations marked by hierarchy and power inequality. By providing patronage and protection at a price, key power holders both within and outside government and at both district and provincial levels in effect trade “opium poppy cultivation” as a commodity.

These key power holders are able to elicit short-term reductions in cultivation using a combination of coercion, deals with local power brokers and traders, and promises of development assistance. Balkh is the latest in a long line of provinces to use this method to achieve dramatic reductions in area devoted to opium poppy. Yet the experience in Nangarhar in 2004-05 and 2006-07, and the other provinces prior to this period, shows that such reductions tend to be temporary. Ultimately, the depletion of income and assets that households experience as a result of such dramatic reductions in opium poppy cultivation leads to a shift in the political consensus. When a critical mass of households experience growing economic crisis, political leaders — no matter how much power and influence they claim or foreigners attempt to bestow upon them — have to accept the inevitable return of more widespread opium poppy cultivation or face the potential loss of their political power, if not their life.

Nonetheless, these dramatic reductions in cultivation, if pursued only in the short term, can be a win-win situation for key power holders. The political leadership of a province or district can take credit for reductions in cultivation notwithstanding the prevailing economic circumstances, which are often forgotten or not analysed. Thus political leaders may gain acclaim from both national and international actors, and if development assistance is forthcoming they may even receive political credit from the people of the province or district. If cultivation subsequently resumes or increases, these power holders blame it on the failure of the international community and the Afghan government to deliver the necessary economic development in sufficient time.

## Key Terms

**Risk:** The chance of shocks or hazards leading to welfare losses for the household. These can be caused by natural hazards, price fluctuations and the deliberate actions or arbitrary behaviour of others that threaten material, social and emotional welfare.

**Insecurity:** The lack of protection against risks and not just limited to physical insecurity. To be seen more in terms of human and livelihood insecurity.

**Informal:** Seen to be anything that is not regulated by the state. However, this does not mean that there is no regulation as there are many non-state means of control.

**Welfare:** The state of household well-being and the level to which material, social and emotional needs are met.

Development agencies operating within this context are generally unable to generate sufficient economic activity over a short period of time to meet the shortfall in income and access to assets that result from the decrease in opium poppy cultivation. Development interventions take years, not a single growing season, to generate income and public goods.

In the absence of countervailing economic activity that replaces lost income and access to assets and maintains household security and well-being, rural populations have begun to show increasing antipathy for counter narcotics efforts. Complaints are proliferating among these populations that their immediate priorities — security, employment and reduced corruption — are not being addressed, and that the international community and the government are giving priority to resolving the primarily Western problem of drug consumption by destroying the crops of Afghan farmers, and with it their welfare and income security. This conviction has fuelled questions about the priorities of the international community and the Afghan government.

The view that the government is willing to deepen the poverty of some of its rural population for the sake of a ban on opium poppy cultivation further alienates the rural population. The belief of many farmers that those enforcing the ban and eradicating their crop are themselves actively involved in the opium trade makes matters worse; so does the perception of widespread bribery and the sense that eradication targets the vulnerable and ignores the crops of those in positions of power and influence. These views have led some segments of the rural population to withdraw their support of the government and others to openly oppose it. In Nangarhar, for example, there are emerging signs of farmers opposing the government and instead seeking the support and protection of anti-government insurgents.

At the start of the 2007-08 planting season, evidence from the field suggests that avoiding further exacerbation of insecurity in rural Afghanistan requires careful balancing of reductions in opium poppy cultivation, security measures, governance and economic growth. Most importantly, counter narcotics efforts must not undermine the longer-term goal of a "prosperous and stable Afghanistan".

## Policy Recommendations

- Counter narcotics efforts should be aimed to change the context that determines the behaviour of farmers. Practices that prioritise eradication or seek to change the behaviour of individual farmers without addressing context are unlikely to lead to lasting effects and may well be counterproductive;
- There is a need to understand and demonstrate tangible shifts in the context that determines household behaviour before any changes in cropping patterns and livelihood activities can be labelled as "success";
- Much greater effort needs to be expended in building intelligent and informed understanding of the underlying reasons for changes and shifts in the levels of opium cultivation. This requires a robust analysis of the multi-dimensional, varying nature of risk and how best to respond to it;
- The forms of intervention that are being designed as a specific response to farmers' loss of the opium crop do not address the structural and institutional reasons that underlie behind the growth in opium poppy cultivation. More fundamental changes are required in reducing the context of risk and insecurity, providing public goods through the provision of physical and social infrastructure, addressing the structural causes of poverty as well as promoting pro-poor growth in agriculture and the rural non-farm sector; and,
- Rural livelihood programming must better target rural households with limited access to irrigated land and limited on- and off-farm income.

## I. Rising National Levels of Cultivation, Divergent Provincial Trends

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The United Nations Office for Drugs and Crime (UNODC) and the Afghan government's Ministry of Counter Narcotics (MCN) reported the *Afghanistan Opium Survey 2007* that 193,000 hectares (ha) of opium poppy were cultivated in Afghanistan during the 2006-07 growing season. This represented a 17 percent increase over the cultivated crop area of 165,000 ha in 2005-06 and an almost doubling in area of the crop since 2004-05 when there was an estimated 104,000 ha of opium poppy grown in the country. The disaggregated data show a growing concentration of opium poppy in the southern provinces of Helmand, Kandahar, Uruzgan, Daikundi and Zabul. These five provinces alone accounted for 69 percent of total cultivation in 2006-07, up from 61 percent in 2005-06. Although cultivation in the province of Helmand continues on an upward trajectory largely attributed to growing insecurity, it is the significant increase in Nangarhar after two years of relatively low levels of cultivation that is causing greater concern.

The rise in cultivation in the south contrasts markedly with falling levels of cultivation in the northern, north-eastern and central provinces. The province of Badakhshan, which has a long history of opium poppy cultivation and became a major producer after 2001, saw a 72 percent reduction in area between 2005-06 and 2006-07. The most notable decrease in cultivation, however, occurred in the province of Balkh: from an estimated 7,232 ha in 2005-06 to zero in 2006-07. Opinions diverge about the cause of this unprecedented reduction; under particular scrutiny are the methods used to achieve such a decline and their likely sustainability. Falling levels of cultivation in the north-eastern and central provinces have also received attention, and development and drug control agencies working in these regions are considering what can be done to maintain these levels.

The *Afghanistan Opium Survey 2007* asserts that fundamental qualitative differences account for reductions in cultivation in the north and increases in the south: It explains these markedly different

trends in terms of "greed and corruption" in the lawless south in contrast with the secure but "much poorer" provinces of the north and centre. It attributes reductions in levels of cultivation in the north to "leadership, incentives and security".<sup>1</sup> Is this an adequate explanation for the shifting dynamics of opium poppy levels among provinces and regions? If so, has the focus on changing the behaviour of individual farmers — by raising risk and enforcing compliance through eradication — led to the neglect of the wider context that influences their behaviour?

Levels of opium poppy cultivation rise and fall for a variety of complex, interrelated reasons that are often poorly understood. Instead, where reductions in cultivation levels are achieved on a year-by-year basis, they are attributed simply to the commitment of the provincial and local authorities and the role of counter narcotics actions and information strategies. Little attention is given to if, how and to what degree households have managed to substitute the role previously played by opium poppy in the household economy. Even less attention is given to the likely durability of an exit out of cultivation: whether it is enforced and temporary, or more likely to be long-term because of a tangible reduction in the insecurity that determines rural household practices.

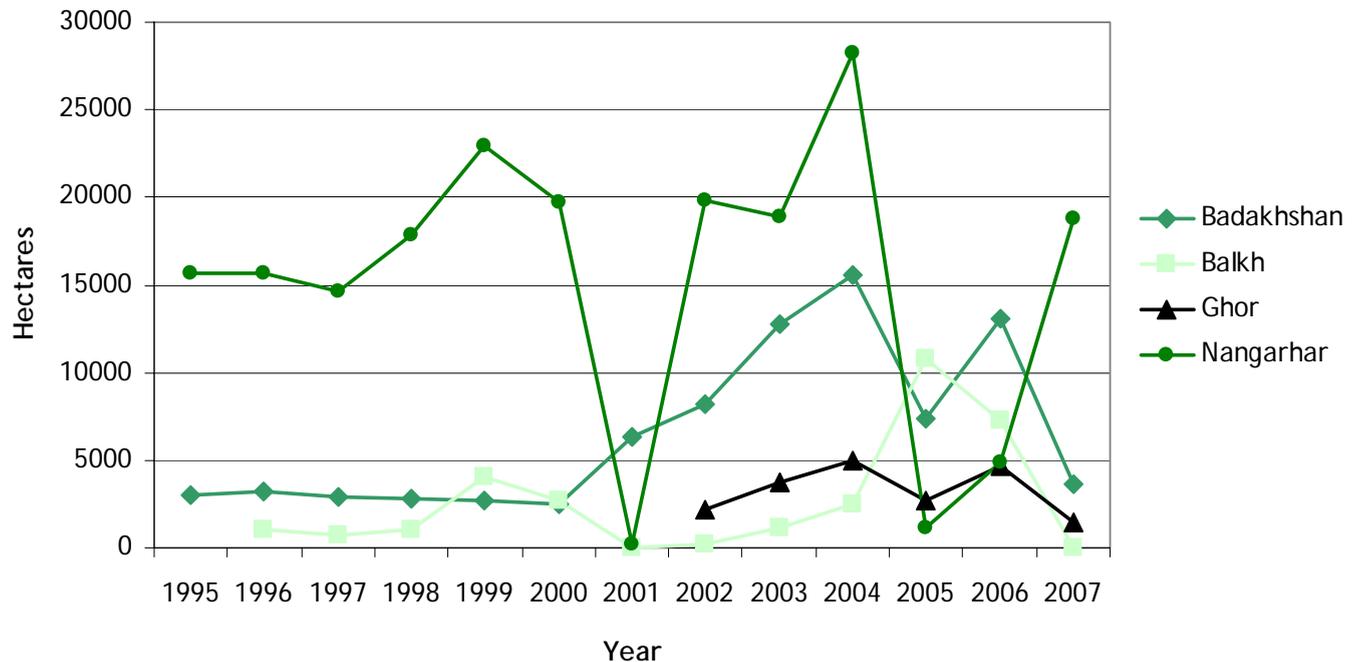
This briefing paper looks at the long-term dynamics of opium poppy cultivation levels across four provinces. It draws on in-depth longitudinal research conducted largely under the auspices of the Afghanistan Research and Evaluation Unit (AREU) in the provinces of Ghor, Nangarhar and Balkh, and on research fieldwork conducted for both AREU and the Aga Khan Development Network in Badakhshan. It investigates what has driven both increases and declines in cultivation and the effects of these changes on rural households. It furthermore considers what these indicators reveal about current and future counter narcotics practice.

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<sup>1</sup> United Nations Office on Drugs and Crime (UNODC)/Government of Afghanistan Ministry of Counter Narcotics (MCN), *Afghanistan Opium Survey 2007: Executive Summary* (August 2007), p. iv-v

## II. A Tale of Four Provinces

**Figure: Levels of Opium Poppy Cultivation in the Provinces of Badakhshan, Balkh, Ghor and Nangarhar, 1995-2007**



Source: UNODC/MCN, *Afghanistan Opium Survey 2007: Executive Summary* (August 2007).

The figure above illustrates the changing levels of opium poppy cultivation in the four study provinces in the period 1995-2007. What explains, particularly since 2001, the dynamics of cultivation within provinces and the contrasts among the four provinces?

### Nangarhar: Growing economic and political insecurity<sup>2</sup>

The province of Nangarhar is located on the eastern border with Pakistan. It neighbours the provinces of Laghman and Kunar to the north, Kabul and Logar to the west and Paktia to the south. Nangarhar is one of Afghanistan's most densely populated provinces, with an estimated population of around 1.8 million. The province has what is considered a sub-tropical climate with mild winters (except in the mountains) and hot summers.

Double cropping can be achieved in those areas of Nangarhar irrigated by the Kabul and Kunar rivers and a broad range of agricultural crops is cultivated in the main river basin of the province including citrus and olive trees. These areas also benefit from their proximity to the agricultural commodity and labour markets of the provincial capital, Jalalabad. In other areas that are reliant on seasonal flood streams or on the underground irrigation systems known as *karez*,<sup>3</sup> water shortages are more common and land holdings more limited. Drought had a significant affect on these areas during the late 1990s and early part of the new century. This is where opium poppy cultivation has typically been most concentrated within the province, and where the population is most dependent on the crop to meet basic needs.

<sup>2</sup> Based on fieldwork by Mansfield in Nangarhar 2007 (forthcoming 2008).

<sup>3</sup> A *karez* uses a series of access shafts that make it possible to dig and clean out the underground channels (tunnels) which eventually reach the surface far from the source of the water.

Following a 96 percent reduction in the level of opium poppy cultivation between the 2004-05 and 2005-06 growing seasons, Nangarhar was lauded as a resounding drug control success. This dramatic reduction was achieved through a combination of persuasion, coercion and promises of development assistance. Both President Karzai – whose election in 2004 had been supported by the majority of Nangarharis – and Provincial Governor Haji Din Mohammed expended considerable political capital to persuade the population to comply with the ban and support a *jihad* against drugs. Responsibility for implementing the ban was delegated to district administrators and security commanders.<sup>4</sup>

Relatively low levels of cultivation were maintained into 2006. There were already signs of economic stress, however, and the provincial authorities were finding it difficult to maintain the ban in areas where households had few assets, relied heavily on opium poppy for their livelihoods, and where there was greater tribal cohesion.<sup>5</sup> Opium poppy returned to much of Nangarhar in the 2006-07 growing season, with an estimated 18,739 ha cultivated – a 285 percent increase in the amount of land allocated to opium poppy over a 12-month period and an increase of about 1,650 percent since 2004-05. With this rise, Nangarhar regained its status as the province with the second-largest cultivation area, a rank it held throughout much of the 1990s.

The extent of cultivation in Nangarhar in 2006-07 varied by district. In areas that had seen only a brief respite in opium poppy cultivation in the 2004-05 season and a return of opium cultivation to 40-70 percent of irrigated land in 2005-06, it was difficult to see anything but opium poppy in 2006-07. In parts of Khogiani, upper Shinwar and lower Achin, for example, as much as 90-95 percent of the irrigated land was allocated to opium poppy in 2006-07. Only in the three districts surrounding Jalalabad were levels of cultivation negligible.

The cause of the resurgence in opium cultivation in Nangarhar lies largely with the growing economic

distress that accompanied the ban on cultivation during 2004-05 and 2005-06. In these growing seasons, farmers in many districts largely replaced opium poppy with wheat, leading to gross shortfalls in household self-provisioning at a time when on- and off-farm labouring opportunities also declined due to the drop in opium poppy cultivation. The small size of landholdings and high population densities in these areas have meant that few farmers can be self-sufficient from wheat; they typically need to sell crops or labour to meet their basic needs.

Evidence shows an expansion in high-value vegetable production in the districts close to Jalalabad. Such development has not been possible beyond these districts, however, due to restricted market access and difficulties in transporting crops. During the years of the ban, the absence of the opium crop and the constrained access to non-farm income led many households to sell long-term productive assets and accumulate debt. Consequently, in the 2006-07 growing season households in the more remote districts of Nangarhar had few alternatives but to cultivate opium poppy as a means of repaying outstanding loans and recouping some of the losses of income and assets they had incurred.

Not surprisingly, the economic distress has contributed to growing political unrest. Evidence from the field reveals increasing popular criticism of the initial opium poppy ban and resentment that Nangarhar was one of the few provinces where it was enforced. During the 2006-07 planting season, the Shinwari, Khogiani and Mohmandi tribes were vocal in their opposition to sustaining low levels of cultivation for a third year and found it easy to mobilise support. Much of the crop eradication conducted in the earlier stages of the 2006-07 growing season – targeting primarily the more accessible areas irrigated by the Nangarhar canal – appeared to have been forced, with no negotiation with tribal or village leaders. In February and March 2007, this began to result in increasing unrest. While demonstrations in the more remote parts of the province – in districts such as Pachir Wa Agam, Achin, and Nazian – are not unusual, in 2007 unrest became more frequent in lower-lying areas such as Bati Kot and Shinwar which have less history of protest.

Eradication later in the 2006-07 season was associated with claims of widespread corruption, particu-

<sup>4</sup> For more detail see David Mansfield, *Pariah or Poverty?: The Opium Ban in the Province of Nangarhar in the 2004-05 Growing Season and Its Impact on Rural Livelihood Strategies*, Kabul: GTZ, 2005.

<sup>5</sup> David Mansfield, *Water Management, Livestock and the Opium Economy: Opium Poppy Cultivation in the Provinces of Nangarhar and Ghor*, Kabul: AREU, December 2006.

larly in Shinwar, Bati Kot, Mohmand Dara and Khogiani districts. Claims were commonplace that farmers could avoid having their crops destroyed by paying district officials 3,000-5,000 Pakistani rupees per *jerib*.<sup>6</sup> Many farmers find it increasingly difficult to accept the destruction of their crop by local and provincial authorities they believe to be corrupt or involved in the opium trade itself.

At the start of the 2007-08 growing season, the situation in Nangarhar appears increasingly fragile. Over-production of onion in 2006-07 and the subsequent collapse of post-harvest prices led to significant losses among vegetable traders and farmers in the districts near Jalalabad, who thus far have replaced opium poppy with other commercial crops and urban wage labour. The closure of refugee camps in Pakistan in 2007 is also affecting these areas by increasing the number of returnees and reducing access to the safety net that extended family in Pakistan provided seasonal wage labourers. The combination of reduced wage labour opportunities, increasing population density and low onion prices increase the potential for opium poppy cultivation to return to those areas near the provincial centre.

Evidence from the field suggests that in some of Nangarhar's districts, the populations are looking to the anti-government insurgency for support and protection during the forthcoming growing season. The presence in key districts of armed groups affiliated with anti-government commanders, such as Anwarul Haq Mujahid and Haji Zaman, is currently seen as an open act of defiance against the government. The security situation is deteriorating throughout the province, with an increase in Improvised Explosive Devices, attacks on government forces and incidents of criminality even in districts close to the provincial capital and the main Torkham-Jalalabad Road — such as Bati Kot and Surkhrud — as well as districts like Chapahar, Pachir Wa Agam, Achin, and Khogiani. The unity among the tribes in Nangarhar and their potential to act collectively if pushed should not be underestimated; history indicates that political unrest in Nangarhar can drive wider protest.<sup>7</sup>

<sup>6</sup> There are approximately 5 *jeribs* per ha.

<sup>7</sup> For example, King Amanullah Khan's downfall is attributed to a revolt by Shinwari Pashtun tribesmen in Jalalabad in November 1928. When these tribal forces advanced on the capital, many of the king's troops deserted and troops loyal to the Tajik Habibullah entered

## Balkh: The success of counter narcotics policy?

While field evidence does not challenge the significance of the reduction in opium area in Balkh reported in the *Afghanistan Opium Survey 2007*, it does not support the claims made about its causes. Many attribute the unprecedented dip in opium cultivation in Balkh — from 7,232 ha in 2005-06 to zero in 2006-07 — to successful awareness campaigns combined with intensified economic development. Fieldwork in Balkh suggests, however, that the reasons for the decline can be viewed more accurately in terms of structures of power, ethnicity and settlement. The context is complex, with major roles played by key actors associated with the control and regulation of the opium trade and the blending of formal and informal institutions within the province.

Balkh is located on the Turkman plains of northern Afghanistan, and its agricultural landscape is dominated by a major irrigation scheme sourced from the Balkh river. Central to an understanding of Balkh is the history and complex patterns of its settlement, and the associated development since the end of the nineteenth century of its irrigation structures and agricultural system. Processes of settlement have continued to evolve to this day. In a context of population scarcity and land abundance up to the 1950s, competition for land and resources in Balkh was not an issue or reason for conflict. Settlers from the south were quick to establish political and economic domination over existing populations largely by settling upstream, a position they have effectively maintained to this day. At present, however, the irrigation system is at the point of collapse due to water demand exceeding supply and the breaking down of the rules and practices of water allocation.<sup>8</sup>

Four distinct phases of opium cultivation in Balkh can be identified with specific spatial and temporal dimensions. The first phase, prior to 1994, was characterised by highly localised and limited cultivation. Phase two ran from 1992 to 2001 and was marked by intensive but concentrated cultivation in specific

Kabul installing him as king. Amanullah abdicated in January 1929. See Louis Dupree, *Afghanistan*, Oxford, UK: Oxford University Press, 1980, p. 452.

<sup>8</sup> Adam Pain, *Water Management, Livestock and the Opium Economy: Opium Poppy Cultivation in Kunduz and Balkh*, Kabul: AREU, 2006.

upstream locations. Phase three developed from 2001 and may be described as generalised cultivation with clear spatial patterning determined by water availability. This phase was brought to an abrupt halt with the effective ban on opium poppy cultivation in the autumn of 2006, which marked the onset of the fourth phase. Transitions between the various phases have been driven largely by structures of informal power — socially determined, ethnically based with clear spatial dimensions (upstream versus downstream), and associated with powerful individuals and groups. Regulation of the opium market, technology changes and access to skills have all played critical roles in shaping changes in opium poppy cultivation over time.

The benefits from the opium economy in Balkh have been significant, both directly — increased income for farm labourers — and indirectly — higher farm income leading to higher demand for goods and services. The returns accruing to landowners and labourers have been of different orders of magnitude, however, with landowners having a clear advantage. The returns to district officials from informal taxation have been even greater.

In light of its history in the province, what explains the sharp reduction in opium cultivation in Balkh in the 2006-07 growing season? Falling opium prices may have decreased the relative profitability of the crop, but evidence from the field does not support price as the major determinant in the drastic drop in cultivation. If this were the case, there would be differences in cultivation between well-watered areas where there is effective crop choice and downstream, water-scarce areas where choice is limited and opium poppy is often the only crop option. While it is clear that the low price of opium did not cause the drop in cultivation, it may have contributed to the palatability of a ban on cultivation.

Some attribute the drop in cultivation in Balkh to a campaign aiming to raise the “awareness” that opium should not be cultivated. There was indeed such a campaign, but it did not focus on development efforts or credible threats of eradication. In other words, it did not lower the need for opium-generated income, nor did it raise the risk of cultivation. A more likely explanation for the drop is that, as with the Taliban ban in 2000-01, the people who are now implementing and enforcing the ban

are the same people who controlled the opium economy in Balkh up to 2004-05. As the key links in the province’s opium trade, they have the effective force to put an end to cultivation. As to the question of timing — why this occurred in 2006-07 and not earlier — the answer may be a combination of a shift in the economics of cultivation, a strategy of inventory management, and potentially an exercise in transformation to political respectability.

What are the consequences of these dynamics? For those who occupy the most privileged positions and are in command of resources — those who hold upstream land with sufficient water for double cropping and are politically well connected — the cultivation of opium poppy has represented an income maximisation choice. Such households have identifiable exit strategies; they have alternatives to opium, given their good resources and market access. Such strategies include shifting to other crops (there is evidence of a rise in the cultivation of marijuana in Balkh) or diversifying to non-farm activities on the basis of opium profits from the last five years. Most households are not in this position, however, including small landowners, landless labourers in upstream villages and many downstream villages that are not politically well connected, as well as households both with and without land with restricted access to water. For such households, opium-sourced income has not been a choice but a necessity and a means of recovery, and exit out of the opium economy is not a choice but an enforced action with considerable negative effects on well-being. To understand and respond effectively to the condition of these households, an effort to address and reduce the causes and effects of the structural inequalities that shape their lives is fundamental.

### Ghor: A response to food insecurity<sup>9</sup>

Ghor displays classic features of a remote mountain economy. Settlement tends to be highly dispersed and opportunistic around localised small-scale water sources, rather than densely aggregated along river basins. Its agricultural economy is largely based on rain-fed crops, with the defining feature of seasonality in terms of physical access and productive activ-

<sup>9</sup> Based on fieldwork by Mansfield in Ghor in 2007 (report forthcoming with AREU) and David Mansfield 2006, *op cit*.

ity. At the higher altitudes, much of the crop is spring planted, and careful calculations inform the division of irrigated land between wheat and fodder to provide for the winter survival of households and livestock. Household livestock numbers are critically constrained by the availability of winter fodder. Collection of fuel and fodder is a major activity during the summer, requiring two to three months of labour. The difficulties of winter access plays a critical role in the decisions on opium poppy planting in relation to the risks of failing to achieve food security for the winter period. All these dimensions have contributed to making Ghor one of the poorer provinces of Afghanistan, a fact borne out by the National Risk and Vulnerability Assessment (NRVA) data in 2005.

The *Afghanistan Opium Survey 2007* reports that opium poppy cultivation in the province of Ghor fell from 4,679 ha in 2005-06 to 1,503 ha in 2006-07. Evidence from the field suggests that government counter narcotics efforts had little to do with this downturn in the province's opium poppy crop. The primary reason for the fall in the level of opium poppy cultivation was the repeated failure of the opium crop in the province over the previous few years, with some areas experiencing five consecutive years of opium yields of little more than two kg per *jerib*. Opium prices have continued to fall in Ghor, from 4,000 Afs per kg in 2006 to between 3,000 and 3,500 Afs per kg in 2007, and fewer opium traders from the south have been found travelling to Ghor — likely a result of the abundance of opium production in the province of Helmand. Consequently, for those households in Ghor that have livestock and rain-fed land for the cultivation of wheat, opium poppy cultivation is no longer a viable alternative.

The sale of livestock and its by-products continues to be one of the most important sources of income for those who have managed to retain their herds. Heavy snows in the winter of 2006-07 meant that many farmers could both irrigate land and be confident of a reasonable yield from their rain-fed land. Those farmers with livestock planted their rain-fed land with wheat and a greater proportion of their irrigated land with fodder crops. The prospect of increasing quantities of wheat and fodder crops following better winter snows presented farmers with the opportunity to invest in their herds. Given the

input-intensive nature of the opium crop and its poor performance over previous years, many farmers abandoned it in 2006-07. This explains why much of the irrigated land allocated to opium poppy in 2005-06 was used for other crops in 2006-07.

Some households, typically those without significant livestock and with limited rain-fed land, have persisted with opium poppy cultivation. Other than opium cultivation or migration to Iran, they have few options for generating the cash income they require to meet their basic needs. The degree of their dependency on opium poppy as a source of income is highlighted by their continuing cultivation despite repeated low yields and continuing price drops.

Ghor's opium crop failed once again in the 2006-07 growing season, with yields of little more than one kg per *jerib*. Farmers could be seen removing their opium crop after lancing it only twice — compared with the normal three or four lancements — reporting that the capsules were no longer producing latex. Most of these households have also relied on remittances from migrant labour in Iran, and now face a further downturn in income as Afghan migrant workers are expelled from Iran and those who seek to cross the border from Afghanistan encounter increased difficulties. In 2007, summer rains were limited in many of Ghor's valleys, leading farmers to anticipate low wheat yields on their rain-fed land. The wheat deficit will have to be met with income from livestock sales, but livestock prices are likely to fall as many farmers look to sell their animals. If income from livestock sales is insufficient to meet household needs, they will have to look for other options. This is precisely the process that led to the increase in opium poppy cultivation in parts of Ghor following the drought in the mid and late 1990s.

Farmers in Ghor are already expressing growing concern about deteriorating security. Evidence from the field shows an increase in the incidence of armed and violent robberies; rumours of the presence of armed men in valleys south of the provincial centre of Chaghcharan and an "imminent Taliban attack on the government" add to a growing feeling of unease. The combination of migrant workers being expelled from Iran, falling livestock prices and the failure of the opium crop add to the sense of tension and disillusionment with the government that prevails in Ghor.

## Badakhshan: Counter narcotics efforts exacerbating insecurity<sup>10</sup>

Badakhshan is one of Afghanistan's larger provinces, and has a long history of opium poppy cultivation. Located along the country's north-eastern border, it contains high mountains and steep river valleys, and historically has been largely cut off from the rest of the country. The populations of the inaccessible mountain areas have in the past obtained grain through exchange achieved by means of seasonal labour migration or through the sale of livestock. In the lowlands, grain needs have been met through production, opium cultivation and sale, livestock sales or seasonal wage labour.

Crop profitability conspired against opium poppy cultivation in Badakhshan in the 2006-07 growing season. Low farm-gate prices, poor yields in 2005-06 and high wage labour rates reduced cultivation from an estimated 13,056 ha in 2005-06 to 3,642 ha in 2006-07.<sup>11</sup> The labour intensive nature of the crop continues to be its vulnerable point: Crops that do not require such significant labour inputs can generate higher net returns in the face of increasing wage labour rates. In 2006-07, the perception of the unassailable profitability of opium production was challenged by improving prices of livestock and non-opium crops, lower transportation and transaction costs, and improved wage labour opportunities for those family members no longer required to work on the opium poppy crop. As a result, by November 2006, as little as 5 to 10 percent of cultivated land in the central areas of Jurm and Baharak districts was allocated to opium poppy. Cultivation persisted, however, in the higher-altitude mountain valleys.

This is not to say that the provincial authorities did not play a part in the fall in cultivation. Most people interviewed during the course of fieldwork were aware of the central and local governments' counter narcotics efforts. There were reports of counter narcotics messages being disseminated by radio and in local mosques, and there was evidence of counter

narcotics campaigns in the bazaars of Baharak and Jurm districts. The Afghan Eradication Force was also visible in the area in late November 2006, though this was at the point when the autumn planting seasons had finished in those districts. The local population, however, largely saw the counter narcotics efforts as indivisible from the actions of the key powerbrokers in each of the districts.

A closer look at Jurm and Baharak districts illustrates how a multitude of factors influence levels of opium cultivation. In Jurm, the opium economy is the focus around which commanders compete for political and economic domination. Commanders may coerce farmers not to plant opium poppy or eradicate their crop entirely; conversely, they may use their power to protect the opium crops in areas from which they draw their political and military support. Control over key positions in local government, particularly that of district police chief, is seen as key to political and financial power in the area.

For those without an official position, involvement in criminality serves the dual function of gaining financial advantage and fostering the perception among the local community the government cannot protect them. Incidents of robbery and corruption, as well as violence and intimidation by both state and non-state actors, create a context of extreme insecurity. Within such an environment, counter narcotics efforts are seen as yet another example of the inconsistent application of "the rule of law", favouring the powerful and subjugating the weak. Eradication efforts are seen as merely another mechanism for the wealthy to acquire the assets of the poor, and interdiction allows the authorities to gain greater control of the more profitable aspects of trade and processing. The rural population see themselves as irrelevant and powerless bystanders or victims of a corrupt political process, through which local commanders are "protected" by the authorities in Kabul. This undermines the potential legitimacy of the local, provincial and national government. Unless this situation is resolved, it is likely that insecurity will worsen in Jurm, affecting the local economy and increasing the likelihood of rising levels of opium poppy cultivation in the 2007-08 growing season.

The situation in the centre of Baharak district stands in almost complete contrast to that of Jurm. Here,

<sup>10</sup> David Mansfield, *Governance, Security and Economic Growth: The Determinants of Opium Poppy Cultivation in the Districts of Jurm and Baharak in Badakhshan*. Kabul: Aga Khan Development Network, February 2007.

<sup>11</sup> UNODC/MCN, *Afghanistan Opium Survey 2007: Executive Summary* (August 2007), p. v.

key commanders have been absorbed into local government or are seen largely to support the central government's policies. The local economy is doing relatively well and although it has experienced a downturn due to reductions in opium poppy cultivation both within the district and elsewhere, Baharak's location and economic diversification has reduced the severity of the impact. Situated on the main road between Faizabad and Ishkeshim, Baharak has access to numerous trading opportunities between Kabul, Mazar and Tajikistan. Investments in the legal economy, funded in part by the peak years of opium cultivation, are paying dividends. The growth of the legal economy benefits a variety of socio-economic groups within the main area around the district centre. Key agricultural crops are fetching good prices at the farm gate and the market is functioning well. Growth in trade and labour opportunities has ensured that those without land, or with insufficient land to meet their basic needs, are able to find employment as sharecroppers despite the demise of opium poppy cultivation.

The evidence from Baharak shows that it takes the coincidence of economic growth and a degree of security to facilitate a decrease in opium cultivation, and even then the benefits are not distributed across the entire district. Events in the centre of Jurm district support this finding by illustrating that where an insecurity regime persists and improvements in livelihoods are absent, counter narcotics efforts typically reinforce the political and financial power of local commanders. This in turn can undermine attempts to deliver sustainable reductions in opium poppy cultivation. In areas like Jurm, there is a real risk that the political drive for short-term drops in cultivation could undermine attempts to achieve positive long-term outcomes. In such an environment, greater focus needs to be given to tackling the insecurity regime and promoting economic growth, holding off on eradication until an exit from opium poppy cultivation is a viable option for farmers.

### III. Toward a Policy Driven by Evidence

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Three themes run through these different case studies: First, the widespread context of insecurity in its broadest sense in which Afghanistan's poor rural households seek and gain – or fail to gain – welfare;<sup>12</sup> second, the role of opium poppy in assisting different households to achieve that welfare under conditions of insecurity; and third, the problematic role that key power holders play, both as agents and patrons, in brokering the “spot contracts” in opium poppy cultivation and its control in bargaining with external actors and maintaining consent with their dependent clients. We argue here that these issues should be central to an evidence-driven counter narcotics policy; this stands in contrast to various current policy positions that often appear to seek evidence more to confirm assumptions than to probe, test or question them.

<sup>12</sup> Following Gough and Wood, “A Comparative Welfare Regime Approach to Global Social Policy”, *World Development* 32 (2006), the term “welfare” to capture the wider dimensions of well-being that poverty measures of income fail to capture.

#### Understanding “Informal Security Regimes” in Afghanistan.

In parts of Afghanistan, where the state is weak or non-existent and the market has reduced or little effective formal regulation, there is an environment characterised by acute risk and uncertainty. The state fails to protect individuals and is also a cause of human insecurity through the actions of officials pursuing personal interests. Markets are regulated by informal means by key power holders and are a major source or risk for the poor.<sup>13</sup> For most households, the search for security and welfare is paramount, and they have to seek it through the same informal institutions of community and household through which they seek welfare. Such “informal security regimes”<sup>14</sup> are characterised by the pervasive existence of deep patron-client relations struc-

<sup>13</sup> Sarah Lister and Adam Pain, *Trading in Power: The Politics of “Free” Markets in Afghanistan*, Kabul: AREU, May 2004.

<sup>14</sup> See Gough and Wood, *op cit*.

tured by strong hierarchies and inequalities of power. While these may provide informal, non-codified rights and security, they require for the poor a bargain whereby short-term security is traded for long-term dependence and vulnerability. The blurred boundaries between government – where officials can use public positions to promote personal interests – and the private sphere blends the informal with the formal, providing individuals and communities opportunities to promote and secure self-interests in the market or state, and thus to gain and consolidate position and reinforce patronage.

The exposure to risk and the lack of means to cope with it are causes of both the perpetuation of poverty and the creation of poverty traps.<sup>15</sup> Risk causes household behaviour that may lead to the avoiding of opportunities that might offer routes out of poverty. “Risk” in this context denotes more than the covariant (linked) and idiosyncratic (specific to households) risks that result from drought, price shifts, pest outbreaks or deaths within the household. As exemplified by the situation in Balkh, within the context of informal security regimes risk has to be understood in terms of its structural dimensions and the exercise of arbitrary and unaccountable power related to socio-economic inequalities.

### The role of opium poppy in providing informal security for the poor

The acute livelihood insecurity experienced by the downstream households in Balkh, the poppy cultivators in Jurm in Badakhshan, the Nangarharis, and the Ghor opium cultivators defines the role of opium poppy in Afghanistan. By reducing the risk of food insecurity and providing access to land and credit, opium poppy has provided the critical means by which poor household in these locations have been able to manage risk and maintain access to resources to ensure their survival. While opium poppy has been cultivated in a wide range of areas and by varied socio-economic groups in Afghanistan, it has tended to be at its most concentrated in areas with limited access to irrigated land, high population

densities, and limited off- and non-farm income opportunities<sup>16</sup> – or where insecurity is greatest. With small landholdings and high person/land ratios (number of persons per *jerib* of land), the exclusive cultivation of wheat can provide only two to three months of household self-provisioning at best.<sup>17</sup> In addition to limits on viable non-farm opportunities, the options for crops that can deliver food security through cash are limited. Vegetables and fruits, as well as wheat, are vulnerable to crop failure as a result of water shortages, and markets for all commodities are subject to widespread informal regulation and remain a major source of risk to the poor.

In light of these circumstances, high levels of opium poppy cultivation reflect the lack of diversification available in on-farm, off-farm, and non-farm income opportunities. For the poor, opium poppy is attractive because it is a low-risk crop in a high-risk environment, not because it allows them to maximise economic returns. Some crops – particularly as part of mixed cropping systems and combined with non-farm income opportunities – can compete in terms of financial returns with opium poppy when opium prices are lower, but no crop can offer the same qualitative attributes, including: relative drought resistance, a non-perishable product, an almost-guaranteed market, and traders who offer advance payments against the future crop.

Access to informal credit is an integral part of ensuring the survival of poor rural households both in the presence and absence of opium poppy.<sup>18</sup> The need for credit is pervasive across Afghanistan regardless of opium cultivation, and is driven by the strong requirement for household consumption “smoothing” – the need to borrow to ensure that households can meet shortfalls in food availability. Credit practices respond to both a broader social role of maintaining informal security networks and meeting household consumption and survival needs. Households that cultivate opium poppy are often considered more “creditworthy” than those that do not. For example, in much of Nangarhar in the 2005-06 growing season,

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<sup>15</sup> Stefan Dercon, *Vulnerability: A Micro Perspective*, Oxford, UK: Oxford University, 2006.

<sup>16</sup> See for example Mansfield 2006, *op cit*.

<sup>17</sup> Mansfield 2006, *op cit*.

<sup>18</sup> Jo Grace and Adam Pain, *Rethinking Rural Livelihoods in Afghanistan*, Kabul: AREU, 2004. Floortje Klijn and Adam Pain, *Finding the Money: Informal Credit Practices in Rural Afghanistan*, Kabul: AREU, 2007.

households that cultivated opium poppy could obtain on credit a range of different commodities, including food items, medications and clothes, while those that eschewed cultivation were refused credit on the basis that they had no means by which to repay.<sup>19</sup> In this way, opium poppy cultivation provided a level of protection from both food and health insecurity. Similarly, recent field evidence from Badakhshan points to the significant role of opium poppy cultivation in satisfying household consumption needs and reducing the need to access informal credit.<sup>20</sup>

In a context where opium poppy is present, those cultivating it can also gain preferential access to credit in the form of advance payments on a fixed amount of their future crop. While these payments, known as *salaam*, can be obtained on other agricultural products, such as wheat or black cumin, opium is the crop favoured by lenders. Though the majority of households that cultivate opium poppy may utilise this system to some extent, the resource-poor often end up selling their entire crop at a discount prior to the harvest. This system allows some of the value of the standing crop to be realised before the harvest – facilitating the purchase of food, clothes, and agricultural inputs – but at a significant cost as pre-harvest prices are lower.

As a labour-intensive crop, opium poppy also provides access to land for those who do not own any, as well as increased access for those with insufficient landholdings to meet their basic needs. This is primarily due to the significant labour demands of the crop and the financial advantage that those with relatively large landholdings can gain from giving their land to other farmers on sharecropping or leasing arrangements. Were the land-wealthy to cultivate less labour-intensive crops, the land would no longer be available to sharecroppers or for lease but would instead be farmed using family labour of the landowner or relatively few wage labour inputs.

Landowners who want their land to be cultivated with opium poppy on a sharecropping basis often give preference to those with experience in opium poppy cultivation. Under such arrangements, the

landowner will typically obtain between half to two-thirds of the crop, even though up to 80 percent of the total cost of production consists of labour and is provided by the share-cropper. In areas where land is rented, tenant farmers who are willing to cultivate opium poppy will also be given preference, as they will pay higher rent.<sup>21</sup> Cultivating opium poppy either as a sharecropper or on a rental basis offers the land-poor the opportunity to gain access to land and to increase on-farm income. It also means that they can improve their direct entitlement to food crops given that they will typically cultivate a variety of crops, and not just opium poppy, as part of their land tenure.

Perhaps most importantly, opium traders travel to the farm gate to purchase the crop. They pay the transportation costs and the bribes to those manning the check posts, and they take the physical risk of travel in insecure areas. In these areas, traders of legal agricultural goods are unlikely to purchase at the farm gate or provide advances given potential risk of crop losses due to delays caused by road-blocks or fighting. Insecurity deters travel and trade due to the increase in transportation costs and genuine concerns over physical security. Indeed, there is evidence of an increase in the number of check posts in Helmand province where members of the Afghan National Police (ANP), the Afghan National Army (ANA) and the insurgents extract payments from those using the roads, making the production of legal cash crops uncompetitive.<sup>22</sup>

In this environment, opium production offers a high-value, low-weight commodity that traders are still willing to purchase at the farm gate and, if the security situation worsens, that can easily be transported by a fleeing family. In the face of insecurity, it makes little sense for households to cultivate other crops even where there is the potential to do so. Indeed, in areas such as central Helmand or Kandahar, the larger-than-average landholdings, plentiful irrigation and good soils, and many farmers' proximity to the provincial markets, are less important in

<sup>19</sup> Mansfield 2006, *op cit*.

<sup>20</sup> Adam Pain, *The Role of Opium in Informal Credit*, Kabul: AREU, forthcoming 2008.

<sup>21</sup> David Mansfield, "Responding to the challenge of diversity in opium poppy cultivation in Afghanistan", in D. Buddenberg and W. Byrd (eds) *Afghanistan's Drugs Industry: Structure, functioning, dynamics and implications for counter narcotics policy*, Kabul: UNODC/World Bank, November 2006.

<sup>22</sup> Authors' communication with Helmand residents, September 2007.

determining what to cultivate than is insecurity. A more effective counter narcotics strategy for Afghanistan must acknowledge and consider these links between livelihood insecurity and the security of the physical and socio-economic environment.

In summary, poverty and poppy are intrinsically linked. For Afghanistan's poor rural households, opium cultivation is not just about income, but also about the management of risk and access to resources that secure welfare under informal conditions. In this context, references to "greed" as a primary reason for growth in opium poppy cultivation appear entirely misguided.<sup>23</sup> Claims that farmers in the southern provinces are wealthy and have options other than opium cultivation are not supported by the available data. Household data produced by the Central Statistics Office of Afghanistan in 2004 and collected by the 2005 National Risk and Vulnerability Assessment (NRVA) rank the southern provinces relatively low in terms of social and economic well-being. Of the 34 provinces, Helmand ranked 6<sup>th</sup>, Kandahar 15<sup>th</sup>, Uruzgan 32<sup>nd</sup> and Zabul 33<sup>rd</sup>. The seven northern provinces ranked higher: Jawzjan 1<sup>st</sup>, Balkh 9<sup>th</sup>, Baghlan 11<sup>th</sup>, Samangan 13<sup>th</sup>, Bamyán 18<sup>th</sup>, Faryab 25<sup>th</sup> and Sar-i-Pul 31<sup>st</sup>.<sup>24</sup> These rankings do not substantiate the argument that farmers in the south are significantly wealthier than those elsewhere in the country. Moreover, in 2005, Helmand reported some of the country's worst school enrolment rates for children aged between 6 and 13, and one of the highest illiteracy rates.<sup>25</sup> Given the intensity of the conflict in the south, these indicators are likely to have dropped further over the two years since the data were collected.

<sup>23</sup> "Opium poppy cultivation in Afghanistan is no longer associated with poverty — quite the opposite. Helmand, Kandahar and three other opium producing provinces in the south are the richest and most fertile, in the past the breadbasket of the nation and the main source of earnings. They have now opted for illicit opium on an unprecedented scale, while the much poorer northern region is abandoning the poppy crops." UNODC/MCN 2007, p. iv. Also "It should be noted that 75% of the opium poppy cultivation in Helmand is new cultivation that did not exist two years ago. By definition, then, at least 75% of the poppy in Helmand is not being grown by poor farmers who lack licit economic alternatives — two years ago these farmers were doing something else." United States Government, *Counternarcotics Strategy for Afghanistan*, 2007, p. 53.

<sup>24</sup> Central Statistics Office, *Socio-Economic and Demographic Profile*, Kabul: CSO 2004.

<sup>25</sup> *The National Risk and Vulnerability Assessment (NRVA) 2005*. Kabul: Ministry of Rural Rehabilitation and Development and the Central Statistics Office, June 2007, pp. 89-93.

The UNODC/MCN assertion that poppy farmers in the south are not poor may be derived from the finding that households in these provinces reported<sup>26</sup> higher average annual incomes (\$3,316 for poppy-growing and \$2,480 for others) to UNODC surveyors than those in the north (\$2,690 for poppy-growing and \$1,851 for others) or centre (\$1,897 for poppy-growing and \$1,487 for others). To put these figures in perspective, a "greedy" opium-producing household in the south would have a daily income of \$9 per day in contrast to a "poor but virtuous" household in the north with a daily income of \$5 per day. Given the difference in the average number of members per household — an average of nine persons in Helmand and seven persons in Balkh — this would represent a per capita daily income of \$1 and \$0.70, respectively.<sup>27</sup> Leaving aside the issues of income inequalities within provinces and the well known methodological difficulties associated with the collection and reliability of data on household income in developing countries,<sup>28</sup> using household income in one year and un-adjusted by household size as a measure of poverty offers a severely limited understanding of the nature and measurement of poverty, particularly under conditions of chronic insecurity.

### Agents, Patron-Client Relations and "Spot Contracts"<sup>29</sup>

There is much to be learned from the three most recent instances of dramatic drops in opium area from one season to the next. The first occasion was that of the Taliban edict in 2000, after which opium area dropped by 97 percent — from 82,000 ha in

<sup>26</sup> UNODC/MCN 2007, p.16. Table 7 lacks sample sizes and standard deviations so statistical significance cannot be attributed.

<sup>27</sup> *NRVA 2005, op cit.* p. 88.

<sup>28</sup> "Measuring household economic status in developing countries poses considerable problems. Data on two frequently used indicators of wealth, household income and expenditure levels, are often unavailable or unreliable. In countries where a large part of the population works in self-subsistence agriculture or the informal sector, expressing income or expenditure levels in monetary values can be extremely time-consuming and suffers important reliability problems." Tanja Houweling et al, "Measuring health inequality among children in developing countries", *International Journal for Equity in Health* (2003), p. 8. See also MR Montgomery et al, "Measuring living standards with proxy variables", *Demography* 37 (2000).

<sup>29</sup> Astri Suhrke, *When More is Less: Aiding Statebuilding in Afghanistan*, Madrid: FRIDE, 2006. A "spot contract" is a strategy of minimising risk and protecting one's position in a context of uncertainty.

1999-2000 to 8,000 ha in 2000-01. The second occasion was in Nangarhar, when between the 2003-04 and 2004-05 seasons the area of opium poppy fell by about 96 percent, from 28,213 ha to 1,093 ha. The third occasion is Balkh, which grew 7,272 ha in the 2005-06 season and by all accounts has dropped to near zero ha in the 2006-07 season.

In each of these cases, the means of reduction was coercion by those who have some control of the opium trade,<sup>30</sup> not physical eradication or a transformation of the context of cultivation. It is clear that in the two most recent cases, Nangarhar and Balkh, the sharp decline in opium poppy area has *not* been preceded by demonstrable interventions that have led to growth of a rural economy providing appropriate incentives and opportunities for cultivators to move out of opium. At best, so-called "alternative livelihood" projects have run in parallel with the decline in opium area and have offered short-term cash opportunities with few demonstrable claims of durable impact. In Balkh, evidence from the field cannot substantiate any claims made about development interventions supporting the move out of opium poppy cultivation.

In a sense, opium poppy cultivation has become a "traded commodity" on which key power holders hedge their bets. On the one hand, as patrons they have to maintain the support and consent of their clients, since there are limits also to coercion. On the other hand, as patrons they also have to deliver benefits to their clients; these are drawn from external actors over which these patrons have no direct control. Thus the opium is traded not just as a source of illicit opiates but as a source of development assistance and power for regional and national powerbrokers. The Governor of Balkh follows in a long line of governors who have produced significant reductions in opium poppy cultivation over a 12-month period in an attempt to gain political advantage; others before him include Haji Qadeer in Nangarhar in 1994-95, Sher Mohammed Akhundzade in Helmand 2002-03, and Haji Din Mohammed in Nangarhar in 2004-05. These interventions have usually taken place at a time when the economic situation in the province was already unfavourable to opium

poppy cultivation and therefore more palatable to the governors' clients.<sup>31</sup> Under such circumstances, it is easier for a governor to push for more significant reductions and attribute these entirely to their "counter narcotics efforts".

As in Nangarhar in 2004-05 and in other provinces earlier, the recent enforcement of the opium ban in Balkh is not an indication of improved governance; rather, it is a sign of a more comprehensive and organised attempt by local power holders to gain political and economic support from the international community. The power brokers enforcing the ban, as well as their supporters in the international community, appear not to have considered its full implications or how to address the resource gap that the rural population now endures due to the loss of opium. The Governor of Balkh is already indicating that the province has not received sufficient development assistance in response to the reduction in opium this year; the threat of a return to opium poppy cultivation remains implicit, and there has been a marked rise in the cultivation of marijuana.<sup>32</sup> Such warnings are not without precedent in Afghanistan following significant reductions in cultivation.<sup>33</sup>

What have been the consequences of the sharp decline on these three occasions? In the case of the Taliban ban, the effects on price and opium-denominated debts have been well described, with the price increases fuelling a subsequent expansion of the opium economy.<sup>34</sup> In the case of Nangarhar, the first year of the ban had severe poverty effects with labour from poorer households forced to migrate and the rural economy collapsing.<sup>35</sup> While areas with good market access and well-endowed with water and land have seen an expansion of a vegetable market for the urban centres and an increase in wage labour opportunities, areas with poor market

<sup>30</sup> See Jan Koehler, *Conflict Processing and the Opium Economy in Afghanistan*, Kabul: GTZ Project for Alternative Livelihoods in Eastern Afghanistan, June 2005; also Adam Pain 2007, *op cit*.

<sup>31</sup> For a detailed account of the process of reduction in Nangarhar in 2005 see David Mansfield 2005, *op cit*.

<sup>32</sup> Fieldwork undertaken by an Afghan NGO in Chemtal in July 2007 reported that farmers were intending to return to opium poppy in the 2007-08 growing season. Authors' personal communication, September 2007. Also Reuters, "Afghan Farmers Find Alternative to Opium: Marijuana", Thursday 27 September 2007.

<sup>33</sup> IRIN News, "Focus on Efforts to Reduce Opium", 10 February 2005.

<sup>34</sup> See Adam Pain 2007 for the drivers of expansion of cultivation in Balkh after 2001.

<sup>35</sup> David Mansfield 2006, *op cit*.

access, poor resource endowment and small land-holdings have seen a resurgence of opium poppy cultivation. Not surprisingly, elimination has not proved durable and alternative livelihood projects have clearly been insufficient in many opium-growing districts. It is still too early to determine the legacy of the 2006-07 ban in Balkh, but it is possible that opium poppy will not resurge given its concentration in the well-watered areas where existing power structures firmly control water distribution.

The counter narcotics response to these arguments is that alternative livelihood programmes will provide the means to respond to the loss of income from opium poppy. Such programmes typically entail short-term cash-for-work projects and investments that support the growth of commercial agriculture with a focus on high-value crops and livestock. This is an approach that favours wealthier farmers in areas well-linked to markets, where the exit options out of the opium economy are greatest, as has been seen in parts of Nangarhar. But this approach ignores the interests and needs of the poor. Trickle-down effects, even if they were to come about, cannot be achieved overnight – rural development is a long-term process. Alternative livelihood programmes also typically fail to address the wider issues of risk and access intrinsically linked with opium poppy cultivation in Afghanistan.

In the short term, it is impossible for development assistance to meet the resource gap experienced by the bulk of the rural population following a significant reduction in opium poppy. In the difficult economic situation that inevitably ensues, it is difficult for governors to retain the political capital required to maintain a ban for subsequent years. Evidence shows that a coerced end to opium cultivation is not durable, and has in the case of Nangarhar led to a resurgence of opium poppy cultivation and increasing support for the anti-government insurgency.

This loss of consent and support from the rural populations for both the local power brokers and the key power holders above them is a second effect of these sharp declines in cultivation. It is manifested through anger against the nature of the counter narcotics effort and its impact on the household and the wider economy, and negative perceptions of the integrity of those responsible for implementing counter narcotics policy. In the province of Nan-

garhar, there are growing complaints that the immediate priorities of the rural population – security, employment and reduced corruption – are not being addressed, and that the Afghan government and the international community give priority to resolving the primarily western problem of drug consumption by destroying the crops of Afghan farmers.

The perception that the government is willing to deepen the poverty of some of its rural population for the sake of a ban on opium poppy cultivation further alienates the rural population. The belief of many farmers that those enforcing the ban and eradicating their crop are themselves actively involved in the opium trade makes matters worse; so does the perception of widespread bribery and the sense that eradication targets the vulnerable and ignores the crops of those in positions of power and influence.<sup>36</sup> In some areas, these views have led some segments of the rural population to withdraw their support of the government and others to openly oppose it. In many areas where eradication or a ban on cultivation has been implemented, evidence shows that some farmers actively look to oppose the government and seek instead the support and protection of the insurgency. The increased insecurity in Nangarhar can be attributed in large part to the ban on opium poppy cultivation between 2004-05 and 2005-06 and the implementation of eradication in 2006-07.<sup>37</sup>

The Taliban and other anti-government forces appear to be exploiting this sentiment. In contrast to the 1990s, when the Taliban established an environment conducive to opium cultivation and trade but were not promoting it,<sup>38</sup> in 2005-06 and 2006-07 the Taliban

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<sup>36</sup> William Byrd and Doris Buddenberg (eds), *Afghanistan's Drugs Industry: Structure, Functioning, Dynamics and Implications for Counter Narcotics Policy*, Kabul: UNODC/World Bank, 2006, p. 20. David Mansfield 2007, "Beyond the Metrics": *Understanding the Nature of Change in the Rural Livelihoods of Opium Poppy Growing Households in the 2006-07 Growing Season*. Kabul: Afghan Drugs Inter Departmental Unit of the UK Government, May 2007. Mansfield, David (2006). "Exploring the 'Shades of Grey': An Assessment of the Factors Influencing Decisions to Cultivate Opium Poppy in 2005/06." A Report for the Afghan Drugs Inter Departmental Unit of the UK Government (February).

<sup>37</sup> Fieldwork in Nangarhar in 2007 conducted by David Mansfield (AREU, report forthcoming)

<sup>38</sup> In the 1990s the Taliban provided a level of security in which the trade in opium thrived. At the same time the impact of the conflict and the lack of public and private sector investment provided few alternatives to opium poppy cultivation. This is not to say that elements of the Taliban were not involved in the trade but there was

were actively encouraging cultivation.<sup>39</sup> While some argue that this encouragement is aimed at securing finances for the insurgency, the greater advantage for anti-government forces is the political support they can gain from those directly involved in opium cultivation and trade.

In some areas, the Taliban certainly use opium poppy cultivation as a rallying cry and a way to elicit the support of the rural population. They have on occasions positioned themselves as protecting crops against eradication, even if this has rarely been necessary or delivered.<sup>40</sup> There is a very real possibility that their strategy of encouraging opium poppy cultivation is aimed at provoking the Afghan government to adopt a more aggressive eradication strategy, which in turn would drive a wedge between the rural population and the government and its international supporters.

### Chemical spraying, a divisive issue

There is no single issue in Afghanistan today more divisive than the use of chemical sprays to eradicate opium poppy crops. Polling by NATO has shown consistently that Afghanistan's rural population opposes such a move. Field evidence collected in November and December 2006, at a time when chemical eradication was being discussed in the media and by officials in the provinces, indicated a hostile response from the rural population.<sup>41</sup> A campaign of spraying the opium crop with chemicals was typically perceived as an act of hostility against the population and not solely targeted at the plants. Indeed, many believed that spraying would result in crop failures and sickness and perhaps the death of livestock and people. Whether or not these fears are well founded, the fact is that chemical spraying is most commonly used in areas of extensive wheat cultivation and there is limited knowledge of it in areas

where opium poppy is cultivated most intensively,<sup>42</sup> indicating considerable scope for misunderstanding and for exploitation by those who would benefit from it. In an environment where infant and child mortality and morbidity rates are high, where crop failure is common, and where livestock are vulnerable to a variety of diseases, there is considerable potential for the rural population, no doubt encouraged by the insurgents, to link such events to chemical eradication should it be implemented.

For the insurgents, the use of spraying to destroy opium poppy would represent a major propaganda victory. Many rural communities in the south and east do not actively support the Taliban but are growing increasingly concerned that the government cannot guarantee even their physical security — a core function of a legitimate and viable state. They do not wish to return to an "Islamic Emirate of Afghanistan" but are disillusioned by the number of civilian casualties, the perception of unprecedented levels of corruption, and concerns that the international community is no longer present in Afghanistan to serve the vital interests of the population.

The rural populations in many areas are forced to hedge their bets, hoping that the government will deliver the security, governance and economic growth required for the population to prosper while also recognising that it is weak and corrupt, and in some areas will not achieve these objectives. In this context, an intensive eradication campaign that involves spraying chemicals would undoubtedly further damage if not destroy any trust that rural communities might have for the government. While counter-insurgency arguments are made to support aggressive eradication, history shows that successful counter-insurgency requires the support of the local population to marginalize the insurgents — and the use of chemical spray stands to drive these two groups ever closer together.

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not a consistent national policy that was applied towards the opium economy until the promulgation of the Taliban prohibition on opium until July 2000. David Mansfield, *The Dynamics of the Farmgate Opium Trade and the Coping Strategies of Opium Traders*, Islamabad: UNODC, 1999.

<sup>39</sup> David Mansfield 2007, *op cit*.

<sup>40</sup> David Mansfield 2006, *op cit*.

<sup>41</sup> David Mansfield 2007, *op cit*; p. 44-45.

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<sup>42</sup> Herbicides are used but typically only where there are large landholdings with extensive wheat cultivation. These herbicides are used to control the weeds in light of suboptimal crop rotation. In the east this would be districts like Behsud, Surkhrud, and Kama in Nangarhar and Qarghai in Laghman. In districts where landholdings are smaller, wheat cultivation less extensive, and there is livestock, herbicides are not used as the weeds are used as fodder for livestock. Based on fieldwork by David Mansfield in Nangarhar in 2007 (AREU, report forthcoming).

## IV. Policy Implications

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It is important to recognise that the rise of opium poppy cultivation in Afghanistan has in a sense been a stay of execution on an inexorable decline in the land-based economy of poor households with restricted assets and limited access to resources. For households up the valleys of Nangarhar or Badakhshan, downstream in Balkh, landless upstream in Balkh or poor in Helmand, nothing can replace the economy that opium poppy brought. To seek to severely eradicate it now is to strike directly at the means of survival of the rural poor living under conditions of acute insecurity. In the absence of choice and viable exit options, resistance is their only weapon. This will naturally lead them to those who will support them.

In this light, the calls by UNODC and the US, British and Afghan governments to increase the level of eradication need to be considered carefully. The principled arguments against eradication – not least why focus on the 95 percent of stakeholders in the opium economy where 20 percent of the value of the crop is located to the neglect of the five percent where 80 percent of the value chain lies – have been made elsewhere and there is no need to repeat them. The greater danger is the impact that increased eradication and a potential shift to chemical spraying would have on maintaining the consent of the rural population.

In view of the claims made about the linkages between opium and the insurgency, it should be noted that good counterinsurgency practice requires an understanding of and respect for economic and social “vital interests” of local communities. Counterinsurgency action should be designed so that it does not threaten these interests. Good counterinsurgency practice is in effect consistent with good counter narcotics practice. Unfortunately, actual counter narcotics practice has often been counter-productive, increasing livelihood insecurity rather than reducing it and fuelling the perception that neither the government nor the international community is concerned about the economic and social interests of local communities.

There is room for manoeuvre. Evidence from the field suggests that reductions in opium poppy cultivation can be achieved in a relatively short time period in areas in close proximity to provincial centres, where many households have access to both agricultural commodity and labour markets, and where there is at least some security and government presence. In these areas, there is greater potential for diversification in cropping systems and a shift to high-value horticultural production. Under these conditions, vegetable traders are willing to offer advances as they have with opium, purchasing at the farm gate and absorbing transportation and transaction costs. In such areas, farmers have combined wage labour opportunities with commercial crops and livestock production, potentially generating an equal if not higher return to household resources than from opium poppy. Such changes potentially reduce funding to non-state actors and rent-seeking from government agents, contributing to a reduction of insecurity.

It is also clear, however, that the pace of reduction in cultivation will not be uniform over time and location. Those cultivating opium poppy are not a homogenous group, but differ according to both their access to assets and their corresponding level of dependency on poppy cultivation to meet their basic needs. Equally, the nature and effects of the “informal security regime” are highly variable as the contrasts between upstream or downstream Balkh or between Baharak and Jurm in Badakhshan attest.

The process of moving out of opium cultivation in more accessible areas contrasts with the process in the more remote areas where agricultural commodity and labour markets function imperfectly. Limited natural assets, such as land and water, combined with poor roads and high transportation costs preclude the shift to commercial vegetable production. Insecurity and poor governance prevent the growth of the legal economy. More often than not, the political and financial interests of local power brokers exacerbate high levels of dependency on opium production and prevent households from making sustainable shifts to legal economic options.

Efforts by the local and central authorities to quickly reduce opium poppy cultivation are often viewed with cynicism and anger, and can be seen as part of a wider attempt by local commanders to reinforce their political and economic control. These efforts can also impact on the legal economy by reducing disposable income and subsequently sales and employment opportunities and further weakening the

relation between the government and local communities. In areas where these conditions prevail, eliminating opium poppy will take a long time, perhaps as long as a generation. There are no shortcuts, and forced urgency will cost the consent of the rural population and undermine any prospects of reducing the informal and shadow state that characterises Afghanistan today.

## V. Ways Forward

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For many rural households the cultivation of opium poppy represents the key means by which they can achieve welfare under the conditions of pervasive risk and insecurity in Afghanistan.

Counter narcotic practice that prioritises in terms of timing and effort eradication and seeks to change the behaviour of individual farmers without changing the context that largely determines why and how farmers behave as they do, is not likely to be durable and may well be counterproductive.

Explanations for changing levels of cultivation are too often based on weak data and poor analysis that muddles correlation with causality and are often determined more by particular policy positions. Assumptions about the nature of poverty and insecurity in key policy documents are limited and simplistic.

Much greater effort needs to be expended in building an informed understanding of the underlying reasons for changes in the levels of opium cultivation. This must be underpinned by a robust analysis of the multi-dimensional nature of risk and how best to respond to it according to district and province. This must contribute to rural livelihood interventions better targeting households with limited access to irrigated land and limited farm and off-farm income. Without such an analysis, counter narcotics practice will remain in a trap into which it appears to have fallen, of treating symptoms rather than addressing causes.

One-time reductions in the level of opium poppy cultivation are not an end in themselves even for counter narcotics policy. Historically, such reduc-

tions have proved short-lived and have typically undermined the development effort that is a prerequisite to achieving sustainable reductions in opium poppy cultivation. Performance measures for drug control should not be seen solely in terms of reductions in opium poppy cultivation; before any changes in cropping patterns and livelihood activities can be labelled as a “success”, there need to be tangible shifts in the context that determines household behaviour.

Eradication has a role if used strategically, but generalised eradication is not judicious. Eradication can play a catalytic role where there is a demonstrable rather than assumed opportunity cost associated with opium poppy cultivation, which is most likely in areas with good market access. In areas where households lack a viable alternative to opium poppy, however, eradication is likely to result in economic crisis, compounded insecurity and increased political tensions. Manual eradication with all its shortcomings is the only option; chemical spraying elicits the threat of violence or a declaration of intent to actively support insurgent groups.

The kinds of interventions that are being designed as a specific response to farmers’ loss of the opium crop do not address the underlying structural and institutional reasons that led farmers to grow opium poppy in the first place. They do not address the issues of chronic risk and insecurity caused by the actions of unaccountable formal and informal power holders and the absence of public goods. Consequently, opium poppy cultivation continues to be perceived by many as a low-risk crop

in a high-risk environment. Changing this perception requires more than increasing the risks associated with opium poppy cultivation through the threat of eradication and providing some short-term development assistance. More fundamental changes are required in reducing the context of risk and insecurity, providing public goods through the provision of physical and social infrastructure, addressing the structural causes of poverty as well as promoting pro-poor growth in agriculture and the rural non-farm sector.

There is an acute danger of the Afghan government and the international community being seen to reward regional power brokers for reductions in opium poppy area, when in fact such actors have been “trading” the opium economy to reinforce their position. Good performance cannot purely be measured by one-time reductions in area of cultivation, but must be seen as part of a wider process of delivering on development outcomes, including counter narcotics, as well as more transparent and accountable governance.

Priority needs to be given to integrating counter narcotics policy within a wider effort aimed at economic growth, security and good governance – these are the priorities of the rural population. Counter narcotics measures that are seen to ignore or undermine the delivery of these priorities will quickly lose the consent of the population and increase opposition to the government. Anti-corruption measures, including the elimination of rent-seeking through informal “taxes” at checkpoints, are key to building support for the government and to enabling a durable shift out of opium poppy cultivation.

Evidence from the field shows that the growth of the opium poppy economy is the outcome – not the cause – of state and development failure in Afghanistan. The government and the international community in Afghanistan seek to rebuild the state and provide a durable and sustainable basis for development; good counter narcotics practice should be consistent with these efforts, addressing the causes and not the symptoms of the opium poppy economy.

The Afghanistan Research and Evaluation Unit (AREU) is an independent research organisation headquartered in Kabul. AREU’s mission is to conduct high-quality research that informs and influences policy and practice. AREU also actively promotes a culture of research and learning by strengthening analytical capacity in Afghanistan and facilitating reflection and debate. Fundamental to AREU’s vision is that its work should improve Afghan lives.

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