The Sun Cannot be Hidden by Two fingers:
Illicit Drugs and the Discussions on a Political Settlement in Afghanistan

David Mansfield
May 2019
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¹ This is an Afghan proverb that refers to the futility of trying to resolve a big problem with a simplistic and small scale response.
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ABOUT THE AUTHOR

David Mansfield is a Senior Fellow at the London School of Economics. He has been conducting research on rural livelihoods and poppy cultivation in Afghanistan for twenty three consecutive growing seasons. He has a PhD in development studies from the School of Oriental and African Studies, London and is the author of A State Built on Sand: How opium undermined Afghanistan. David has worked for AREU since 2005.
AREU is pleased to present its readers with an in-depth research paper “The Sun Cannot be Hidden by Two Fingers: Illicit Drugs and the Discussions on a Political Settlement in Afghanistan” by AREU consultant, Dr David Mansfield, and with the generous financial support of the European Union. This paper is part of the European Union funded project: Three-pronged research effort into essential areas of Natural Resources Management.

The paper is based on a combination of modern technology and field research and has come up with a detailed analysis of the prospect of a ban on the production of illicit drugs in Afghanistan. The paper emphasises that some of the gains of the last two decades will be forsaken in pursuit of a political settlement.

The current debates on peace and reconciliation have largely ignored the challenge of illegal drugs production. The risks that illicit drug crop production - opium, opiates, marijuana and increasingly methamphetamine – might pose to a political settlement is not raised at all. The implications of narcotics production for an enduring peace are overlooked as is the lootable and illegal nature of the products that limit the state’s ability to regulate and monopolise taxes on production. The problem of narcotics is further exacerbated due to the vested interests of different armed actors including those working for the state and those engaged in the insurgency that earn significant sums of money from the production and marketability of these illegal substances.

It should be kept in mind that illicit drugs production and trade currently make the largest single economic sector in Afghanistan. Opium poppy is the country’s most valuable cash crop worth US$863 million and employs more people than any other industry in Afghanistan, over 500,000 Full-time equivalent. The crop occupied an estimated 263,000 hectares of land in 2018; three times more land than it did in 2000 when the Taliban imposed an outright ban. Conservative estimates suggest that opiates alone made up more than 10 per cent of Gross Domestic Product in 2018 and that different armed groups earned over US$40 million in taxes along the value chain. The paper recommends that given the economic and political importance of the illicit drugs economy in Afghanistan it is unwise to assume the problem away or look to resolve it with wishful and simplistic policy responses - or as the Afghan proverb says the sun cannot be hidden by two fingers.

AREU acknowledges the significant amount of contribution of the Organization for Sustainable Development & Research’s help with field research, the anonymous peer-reviewers for their insightful comments and Dr Mansfield for his continuous commitment to systematic research in this field and producing such rich papers.

Sincerely,

Dr Orzala Nemat
Director, AREU
CONTENTS

Acknowledgement ....................................................... 6
About the Author......................................................... 7
Foreword ................................................................. 8
Executive Summary ..................................................... 1

1. Hiding the Sun with Two Fingers ................................. 3

2. Debunking the Policy Defaults ..................................... 7
   2.1. Past prohibitions by the Taliban and the prospects of
        imposing another opium ban . 7
   2.2. Licensing the crop in the absence of a regulatory
        authority . 17

3. Muddling through with More of the Same ...................... 19

4. The Way Forward.................................................... 21
EXECUTIVE SUMMARY

Much of the current discourse regarding Afghanistan is focused on a political settlement and reconciliation. Talk of an end to the conflict is a welcome development for many, regardless of whether some of the current momentum is due more to political expedience and the Trump administration’s desire to withdraw from Afghanistan prior to the next US presidential election. There is however, a growing list of concerns that those in civil society, politicians and activists have rightfully raised. Apprehensive that some of the gains of the last two decades will be forsaken in pursuit of a political settlement, some even fear a collapse of the government and its institutions. While the most prominent concern is the rights of women, particularly given the Taliban’s history in this regard, there are also questions regarding the future of elected assemblies, the right to vote, free media and expression, and human rights in general. These are all topics subject to considerable debate in a variety of fora both within Afghanistan and internationally, as well as in discussions with the Taliban themselves.

An issue largely ignored in the current debates on peace and reconciliation is that of illegal drugs production. When it is mentioned, the discussion tends to be curt, focusing largely on the possibility that the Taliban would repeat the ban on opium that it issued in the summer of 2000, culminating in cultivation falling from an estimated 82,000 hectares to only 8,000 hectares in 2001. As such, the debates centre on political power and the Taliban’s assumed ability to once again coerce the rural population to refrain from opium production. There is a nominal discussion about what may be required to offset some of the negative economic effects of such an initiative, such as in the United States Special Inspector General for Afghanistan Reconstruction’s (SIGAR) “High Risk” report, but little consideration of the likely success of such an effort. The risks that illegal drug crop production - opium, opiates, marijuana and increasingly methamphetamine — might pose to a political settlement is not raised at all; the lootable and illegal nature of the products that limit the state’s ability to regulate and monopolise taxes on production, and the amounts of money earned by different armed actors — those working for the state and those engaged in the insurgency - and the implications this has for an enduring peace are overlooked.

And the amount of money is significant. It should not be forgotten that illicit drugs production and trade is currently the largest single economic sector in Afghanistan. Opium poppy is the country’s most valuable cash crop worth US$863 million and employs more people than any other industry in Afghanistan, over 500,000 Full Time Equivalent. The crop occupied an estimated 263,000 hectares of land in 2018; three times more land than it did in 2000 when the Taliban imposed an outright ban. Conservative estimates suggest that opiates alone made up more than 10 percent of Gross Domestic Product in 2018 and that over US$ 40 million in taxes were earned by different armed groups along the value-chain. The value of the illegal drugs economy would be significantly higher were estimates to include the marijuana economy and an incipient methamphetamine industry - which includes what could be widescale cultivation of an ephedra-based plant and an indigenous capacity to process increasingly larger amounts.

Given the economic and political importance of the illicit drugs economy in Afghanistan it is unwise to assume the problem away or look to resolve it with wishful and simplistic policy responses - or as the Afghan proverb says the sun cannot be hidden by two fingers. By their very nature illicit drugs are difficult for governments to tame, particularly for those governments in or coming out of protracted conflict and violence. Past efforts at banning opium in Afghanistan have proved short lived, ineffective, and counterproductive. These bans ignored the diffuse and decentralised nature of political power in Afghanistan; neglected the agency of rural communities; and led to rural dissent and contributed to violent resistance. Regulation — the production of drugs under a controlled system — is unrealistic in a country where the writ of the state in the rural areas where the crop is concentrated has always been

limited, and where there is significant risk of leakage into illicit markets. Most importantly, small farms, inefficient production and poor technology render Afghanistan uncompetitive in an international market for licit opiates that is increasingly contested and where prices continue to fall.\(^5\)

Illicit drug production in Afghanistan cannot be wished away and how it impacts, and is impacted by, a future political settlement and will need to be prioritised in ongoing discussions. The political situation in many of the provinces where drugs are produced is complex; made up of multiple armed groups and fluid alliances it is shaped as much by economic interests as they are by political ideologies and affiliations. In these areas local power brokers - some of whom have official positions in the central, provincial or district authorities — reach accommodations with insurgents over rent extraction on the production and movement of illicit drugs. It is unrealistic to assume these local powerbrokers and the factionalism that has beleaguered these areas for years would come to a stop were a deal struck between the Afghan government and the Taliban. It is in these provinces where the deepest fault lines in any political settlement will become most apparent, and where a future conflict may be more a matter of groups vying for control over revenues, rather than looking to undermine peace.

Yet, confronting the illicit drugs economy in Afghanistan cannot just be more of the same. Past efforts have shown just how divisive the issue has been both within and between the different governments involved. The failure to understand and agree the nature of the problem and how it might best be managed, as well as a policy process that focuses on countering problem metrics - such as the area under cultivation — rather than addressing underlying causes, led to multiple and competing strategies and priorities that proved wasteful and counterproductive. Boundaried counternarcotics interventions that were not part of a wider development strategy proved ineffective and unsustainable. All too often narrow institutional mandates and interests ruled out the kind of cross sectoral and interdepartmental cooperation that was required to deal with a complex phenomena such as illicit drug production. In the event of a political settlement, the priority would be for a future Afghan government to be in the lead; for it not to develop a counternarcotics strategy per se, but to define the harms caused by illicit drugs as a development priority and make it a cross-cutting issue for all branches of government to explicitly address in their policies and interventions. Realistically, it will be a matter of managing the most deleterious effects caused by the production, trade and use of illicit drugs and not eliminating these problems altogether.

At times, drug production and counternarcotics have been at the forefront of the development agenda in Afghanistan. This has not been helpful; it has driven short-term targets, and the pursuit of action in areas such as eradication and poorly considered development interventions that have served to undermine economic and political stability and fuelled antipathy to the Afghan state and its international backers. Today the reverse is true; currently no one wants to talk about drugs. This is despite the fact that the illicit drugs economy and the funds it generates are one of the most intractable problems facing Afghanistan and will ultimately will shape and be shaped by the conflicts to come.

The size and significance of the illicit economy in Afghanistan is easy to ignore from Kabul and western capitals, and as such is often underestimated. For example, in 2018, the Afghan government estimated that illicit opium poppy cultivation was worth US$ 863 million; the equivalent of 4.4 percent of Gross Domestic Product (GDP). This might appear relatively small given that 263,000 hectares of opium were grown in 2018 and the opium economy provided full-time-equivalent (FTEs) employment for as many as 507,000; making it one of the country’s largest employers, considerably more than the total number employed by the Afghan National Defense Security Forces (ANDSF). However, this estimate does not include the value of the production and sale of opiates (morphine, heroin base and heroin hydrochloride), marijuana and an incipient methamphetamine industry.

If these higher value products are also included, the contribution of illicit drugs to total GDP would rise still further. For example, including estimates of heroin and heroin hydrochloride production adds a further US$ 1.2 billion to GDP, an increase of 5.6 percent. The inclusion of marijuana, a significant summer crop in some provinces, methamphetamine and the services industries that support the drugs economy, such as the smuggling and transport of precursor chemicals used in processing and the growing technology that surrounds the production of opium in the former deserts of the south west, would add yet more value to GDP.

Aside from the contributions made by illegal drugs to the overall economy and employment outlook, it is also worth considering the rent extracted by various armed actors during the various stages of the production process. Even a relatively crude estimate indicates that the tax on the farmgate production of opium in 2018 would have generated US$ 25.9 million in taxes, with a further US$ 5.1 million collected in tax for cooked opium and a further US$ 8.8 million in “powder” - morphine base, heroin base and heroin hydrochloride - making a total of US$39.9 million (see Table 1). Of this total, US$ 30.9 million is generated in the southwestern provinces of Farah, Helmand, Kandahar, Nimroz, Uruzgan and Zabul; equal to the amount of customs duty earned in the province of Kandahar in 2018, one of Afghanistan’s five primary official border crossings. The tax on the opiate production in Helmand alone would have been worth US$ 19.7 million in 2018.

9 This figure is derived from a model created by David Mansfield and used in the World Bank Agricultural Strategy 2014
10 UNODC estimates that Afghanistan produces 250-300 mt of heroin base and 360-610 mt of heroin. At a price of around US$ 1,000/kg for heroin base and US$ 2,000 for heroin this production would be worth up to US$ 1.2 billion. See UNODC Afghanistan Opium Survey 2018, page 43
These are just the payments on production. There are other irregular payments - bribes - referred to locally as “gifts” or “charity” made to officials, law enforcement personnel and armed actors, including insurgents. These payments are not a function of the quantity of drugs grown or processed but are facilitation fees designed to gain favour with local powerbrokers - “safe passage” - that allow the drugs business to continue. For example in Gandam Raiz in northern Helmand where there is a concentration of drug processing facilities, lab owners report paying up to $400 to the local Taliban commander on a ‘seasonal’ basis in addition to more regulated payments of $2.40 per kilogramme for cooked opium and US$ 5.40 per kilogramme on “powder.”13 As such, whoever gains control over Helmand - most probably the Taliban - or any of these other major opium producing provinces has a valuable source of rent from which to pay its officials, provide services or indeed arm their soldiers, if so required.

There are of course further sources of rent for armed actors in the form of licit goods that are produced and sold illicitly. Precious stones are mined in Afghanistan, including rubies and emeralds, as well as the semi-precious lapiz lazuli. There are also significant deposits of industrial minerals such as chromite, coal, and magnesium silicate.14 Many of these are mined illegally, without licence and smuggled across the borders into Pakistan, Iran and the Central Asian Republics. There is also a vibrant economy in the smuggling of licit goods — “the transit trade” — a range of different consumer and luxury goods imported into Afghanistan only to be smuggled out to neighbouring countries to be sold at a profit. Officials estimate that as much as 50 percent of the goods imported under the transit trade agreement are smuggled across the borders into neighbouring countries.15

Combined with prohibited drugs, these illicit economies represent a significant source of revenue that does not flow to the central coffers of the Afghan government in Kabul and in the case of opiates, marijuana and methamphetamine is unlikely to do so in the future. It seems most likely that the vast majority of these funds will remain in the provinces in which these goods are produced and transported, or banked overseas. While the scale of the revenue generated is unknown it is clearly significant and shapes the political economy of the provinces in which these goods are produced: the patronage networks within them, cross-border relationships, and perhaps most importantly the interests of those conflict and a political settlement in Afghanistan. Developing a better understanding of the scale of these illicit economies, and in particular the illicit drugs economy, and what can realistically be done to address them will be critical to an enduring political settlement.

15 Interview with Afghan Government official, August 2011.
### Table 1: An estimate of the potential taxes collected on opiate production in Afghanistan, by province, in 2018.

<table>
<thead>
<tr>
<th>Province</th>
<th>Cultivation (ha)</th>
<th>Yield (mt)</th>
<th>Tax in opium equivalent (3% max)</th>
<th>Price (US$/kg)</th>
<th>Total (US$)</th>
<th>Amount(^1) (kg)</th>
<th>Tax (US$)(^2)</th>
<th>Amount(^3) (kg)</th>
<th>Tax (US$)(^4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Badakhshan</td>
<td>7,703</td>
<td>262</td>
<td>7,860</td>
<td>70</td>
<td>550,200</td>
<td>87,333.33</td>
<td>209,600</td>
<td>16,333.33</td>
<td>287,466.7</td>
</tr>
<tr>
<td>Badghis</td>
<td>6,973</td>
<td>156</td>
<td>4,680</td>
<td>165</td>
<td>772,200</td>
<td>52,000</td>
<td>124,800</td>
<td>30,555.56</td>
<td>537,777.8</td>
</tr>
<tr>
<td>Baghlan</td>
<td>1,076</td>
<td>28</td>
<td>840</td>
<td>56</td>
<td>47,040</td>
<td>9,333.33</td>
<td>22,400</td>
<td>1,944.444</td>
<td>34,222.22</td>
</tr>
<tr>
<td>Balkh</td>
<td>8,532</td>
<td>225</td>
<td>6,750</td>
<td>56</td>
<td>378,000</td>
<td>75,000</td>
<td>180,000</td>
<td>22,055.56</td>
<td>388,177.8</td>
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<td>Bamyan</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dai Kundi(^5)</td>
<td>747</td>
<td>18</td>
<td>840.375</td>
<td>87</td>
<td>73,112.63</td>
<td>6,000</td>
<td>14,400</td>
<td>2,166.667</td>
<td>38,133.33</td>
</tr>
<tr>
<td>Farah(^6)</td>
<td>10,916</td>
<td>243</td>
<td>12,280.5</td>
<td>165</td>
<td>2,026,282.5</td>
<td>81,000</td>
<td>194,400</td>
<td>15,888.89</td>
<td>279,644.4</td>
</tr>
<tr>
<td>Faryab</td>
<td>8,175</td>
<td>216</td>
<td>6,480</td>
<td>56</td>
<td>362,880</td>
<td>72,000</td>
<td>172,800</td>
<td>41,500</td>
<td>73,0400</td>
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<tr>
<td>Ghazni</td>
<td>373</td>
<td>9</td>
<td>270</td>
<td>90</td>
<td>24,300</td>
<td>3,000</td>
<td>7,200</td>
<td>2,500</td>
<td>44,000</td>
</tr>
<tr>
<td>Ghor</td>
<td>3,574</td>
<td>80</td>
<td>2,400</td>
<td>165</td>
<td>396,000</td>
<td>26,666.67</td>
<td>64,000</td>
<td>5,222.222</td>
<td>91,911.11</td>
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<tr>
<td>Hilmand(^7)</td>
<td>136,798</td>
<td>3,297</td>
<td>153,897.8</td>
<td>87</td>
<td>13,389,104</td>
<td>1,099,000</td>
<td>2,637,600</td>
<td>210,944.4</td>
<td>3,712,622</td>
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<tr>
<td>Hirlat</td>
<td>595</td>
<td>13</td>
<td>390</td>
<td>165</td>
<td>64,350</td>
<td>4,333.33</td>
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<td>1,388.89</td>
<td>24,444.44</td>
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<tr>
<td>Jawzjan</td>
<td>338</td>
<td>9</td>
<td>270</td>
<td>56</td>
<td>15,120</td>
<td>3,000</td>
<td>7,200</td>
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<td>103,644.4</td>
</tr>
<tr>
<td>Kabul</td>
<td>484</td>
<td>11</td>
<td>330</td>
<td>90</td>
<td>29,700</td>
<td>3,666.67</td>
<td>8,800</td>
<td>1,055.556</td>
<td>18,577.78</td>
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</table>

1. This works on the assumption that 50 per cent of the opium crop is converted into cooked opium and the other 50 per cent is converted into morphine base, heroin base or heroin hydrochloride. The conversion rate from raw opium to cooked opium is 3:2.
3. Conversion rates vary by product. This calculation is based on the maximum amount of product that could be produced and therefore assumes a conversion rate from opium to morphine base of 9:1.
5. Estimate based on a tax of 2 khord of opium per jerib of opium poppy cultivated, the equivalent of 1.125 kg per hectare
6. Estimate based on a tax of 2 khord of opium per jerib of opium poppy cultivated, the equivalent of 1.125 kg per hectare
7. Estimate based on a tax of 2 khord of opium per jerib of opium poppy cultivated, the equivalent of 1.125 kg per hectare
<table>
<thead>
<tr>
<th>Province</th>
<th>Opium</th>
<th>Cooked Opium</th>
<th>“Powder”</th>
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<td>Kandahar</td>
<td>23,410</td>
<td>2,291,254</td>
<td>4,072.22</td>
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<td>Kapisa</td>
<td>386</td>
<td>32,100</td>
<td>1,888.89</td>
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<td>Khost</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Kunar</td>
<td>1,732</td>
<td>138,030</td>
<td>3,166.67</td>
</tr>
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<td>Kunduz</td>
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<td>0</td>
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<tr>
<td>Laghman</td>
<td>2,092</td>
<td>166,920</td>
<td>4,388.89</td>
</tr>
<tr>
<td>Logar</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>Nangarhar</td>
<td>17,177</td>
<td>1,373,880</td>
<td>36,833.33</td>
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<td>Nimroz</td>
<td>9,115</td>
<td>1,691,972</td>
<td>14,166.67</td>
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<tr>
<td>Nuristan</td>
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<td>Paktya</td>
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<td>Samangan</td>
<td>238</td>
<td>10,080</td>
<td>444,444</td>
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<td>660</td>
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<td>Urugzan</td>
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<td>Zabul</td>
<td>2,581</td>
<td>25,261.54</td>
<td>3,111.11</td>
</tr>
</tbody>
</table>

8 Estimate based on a tax of 2 khord of opium per jerib of opium poppy cultivated, the equivalent of 1.125 kg per hectare
9 Estimate based on a tax of 2 khord of opium per jerib of opium poppy cultivated, the equivalent of 1.125 kg per hectare
10 Estimate based on a tax of 2 khord of opium per jerib of opium poppy cultivated, the equivalent of 1.125 kg per hectare
2. **DEBUNKING THE POLICY DEFAULTS**

Many of the debates on illicit drugs in Afghanistan vacillate between polar extremes. There are those that believe that drugs can simply be banned - prohibited - and the problem will disappear; this is despite numerous examples of past failures. There are others that think the solution lies in regulation - a framework for producing opium and possibly opiates under controlled conditions; where the economic benefits can be accrued by the Afghan state and farmers. The so-called middle ground is more of the same, the kind of boundaried counternarcotics interventions, like alternative development, that have served so poorly in the past. As this section explains none of these options are realistic for the foreseeable future and belie the importance of addressing drug production within the wider socio-economic, political and environmental context in which it occurs in Afghanistan.

2.1. **PAST PROHIBITIONS BY THE TALIBAN AND THE PROSPECTS OF IMPOSING ANOTHER OPIUM BAN**

**Taliban 1.0**

There are some who hanker for the old days and believe the Taliban may place bans on opium production, as they have done in the past. The Taliban themselves suggested this during discussions in Moscow in November 2018. There is even a view that, unlike issues such as human rights and women’s rights, this is an area in which the Taliban and US, and possibly other western donors, could reach agreement. While there might be a desire within parts of the Taliban movement to prohibit opium production - for religious reasons, to limit the flow of funds to potential breakaway groups within their midst, and to appeal to donor nations - it is clear that their ability to do so is, significantly curtailed. This is not the Taliban of the 1990s which succeeded in banning opium outright. Those suggesting that such a policy is possible require better understanding of the lessons of the past and their relevance to the current situation.

Try, try, try, try and try again

It has to be remembered just how protracted a process the Taliban ban was; this was no overnight proclamation; it required the right conditions and circumstances to be aligned before it could be imposed effectively. It is particularly important to note that by July 2000, when an effective ban on opium cultivation was imposed, the Taliban had issued statements prohibiting opium on no less than five separate occasions and not one of them had been heeded.

The first Taliban statement prohibiting opium poppy was in late 1994 and has been viewed as a demonstration of the Taliban’s capacity to dramatically impact opium poppy cultivation, even in the early years of their rule. The reality is that the Taliban did not impose a ban on opium poppy cultivation in 1994 only to rescind it 1996. The 1994 ban was a statement of intent, no more; and the rise in cultivation in 1996 attributed to the Taliban lifting the ban did not occur. In fact, much of the discussion of this initial prohibition is built on a misunderstanding of the estimates of opium poppy cultivation and their veracity at the time.

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16 Anatol Lieven “It’s time to trust the Taliban” Foreign Policy, 31 January 2019 https://foreignpolicy.com/2019/01/31/its-time-to-trust-the-taliban/
17 Transcript of speech delivered by the delegation of the Islamic Emirate at Moscow conference, 09 November 2018, https://alemarahenglish.com/?p=37316
Heroin lab in Gandam Raiz, in Kajaki district, Helmand.
Firstly, the UNODC survey of 1994 was a pilot; a first stab at a visual estimate of opium poppy by surveyors on the ground and one that was recognised internally as flawed; an exaggerated account of cultivation, in part, to attract funding for the survey and programs in the future. Any decrease in cultivation in 1995 was as much the result of errors and methodological changes; UNDCP considered the 1994 and 1995 surveys not comparable and gave them “restricted circulation” (UNDCP 1995:ii and 2).

Secondly, while estimated levels of cultivation did decrease between 1994 and 1995, the bulk of this - 15,089 hectares of the 18,181 hectares reduction - took place in the eastern Afghanistan where the Taliban held no sway at the time. In the south, where the Taliban gained their first foothold cultivation rose marginally in Helmand (+8%) and fell in Kandahar (-38%) and Uruzgan (-66%) but from relatively low levels of cultivation. Furthermore, UNODC reported that farmers attributed reductions in the South primarily to falling opium prices and rising wheat prices, and only in part to statements by the Taliban.\(^9\) Thirdly, the Taliban did not vanquish their opponents in Helmand - even then the primary opium producing province - until January 1995, some months after the planting season had begun. As such the Taliban were not in a position to ban cultivation even if they had wished to.

Finally, there is a further challenge in that the USG reported an increase in cultivation in Afghanistan between 1994 and 1995 from 29,190 ha to 38,740 ha, with rising levels of cultivation in Kandahar (from 2,666 ha to 3,050 ha), Uruzgan (from 3,293 ha to 3,640 ha) and dramatic increases in Helmand (from 12,529 ha to 22,700 ha);20 and neither the USG nor UNODC estimates show a dramatic increase in cultivation between 1995 and 1996 that would suggest the Taliban’s ban “was lifted”.21

After the “ban” of 1994 there were four further statements by the Taliban prohibiting opium: one in November 1996,22 a further statement in September 1997, followed by a clarification a month later,23 and then a call by Mullah Mohammed Omar for a one-third reduction in cultivation in September of 1999.24 Each of these so called bans stand in stark contrast to the effective prohibition imposed by the Taliban in 2000/01; this was more than just a statement of intent. Between 2000 and 2001 cultivation fell from 82,000 to 8,000 hectares, a move that was extolled by the UN and donors alike. But beneath these headlines lay a much more protracted political process that says much about the Taliban’s authority over Afghanistan at the time and how it had the diffuse nature of political power in rural areas, even at the zenith of the Taliban’s rule.


21 The USG statistics show a decrease in cultivation between 1995 and 1996 from 38,740 ha to 27,950 ha. In Helmand cultivation was estimated to have fallen by 5%. During the same period UNODC reported that cultivation increased from 53,759 ha to 56,824 ha with cultivation increased in Helmand (19,753 ha to 24,909 ha) and rising in Kandahar (2,161 ha to 3,160 ha) and Uruzgan (2,573 ha to 7,777 ha). See US Department of State, ‘International Narcotics Control Strategy Report 1996’ and UNODC, Afghanistan Annual Opium Poppy Survey 1997. UNODC: Islamabad. Page 5.

22 On November 10 1996 the Taliban declared “their opposition to the production, processing and trafficking and abuse of opium and pledged their determination to take all necessary measures, in the context of regional and international cooperation and assistance to deal with the drug phenomenon in accordance with the international drug control conventions” cited in UNODC, ‘Strategy Paper for the Implementation for the Poppy Crop Reduction Project (C28) Afghanistan, 1997-2000’, UNODC/ROSWA Unpublished Paper, August 1997, page 10.

23 ‘On 10 September 1997, the State High Commission for Drug Control stated that: “The Islamic State of Afghanistan informs all compatriots that as the use of heroin and hashish is not permitted in Islam, they are reminded once again that they should strictly refrain from growing, using and trading in hashish and heroin. Anyone who violates this order shall be meted out a punishment in line with the lofty Mohammed and Sharia Law and this shall not be entitled to launch a complaint.” This declaration was subsequently amended by a clarification issued on October 1997 which specifically banned the cultivation and trafficking of opium’. See UNODC, Afghanistan Annual Opium Poppy Survey 1998. UNODC: Islamabad. Page 6.

Table 2: Summary of Taliban bans and their effects, 1994 - 2001

<table>
<thead>
<tr>
<th>Date</th>
<th>Taliban Statement</th>
<th>Change in cultivation (UNODC)</th>
<th>Other factors influencing results</th>
<th>Overall Impact of Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>Ban on opium poppy cultivation</td>
<td>Cultivation fell from 69,927 ha to 53,732 ha</td>
<td>Unreliable survey in 1994; reduction localised largely in Nangarhar where Taliban had no presence</td>
<td>No effect</td>
</tr>
<tr>
<td>10 November 1996</td>
<td>Statement of opposition to production, processing, trafficking and abuse of opium and pledge to take all necessary measures</td>
<td>Cultivation rose from 56,819 ha to 58,417 ha</td>
<td></td>
<td>No effect</td>
</tr>
<tr>
<td>10 September 1997</td>
<td>Informed compatriots to use of heroin and hashish is not permitted under Islam and should strictly refrain from growing, using and trading in hashish and heroin.</td>
<td>Cultivation rose from 58,417 ha to 63,664 ha</td>
<td></td>
<td>No effect</td>
</tr>
<tr>
<td>20 October 1997</td>
<td>Clarification issues specifically banning cultivation and trafficking of opium</td>
<td>Cultivation rose from 58,417 ha to 63,664 ha</td>
<td></td>
<td>No effect</td>
</tr>
<tr>
<td>1999</td>
<td>A call for a 1/3 reduction in opium poppy cultivation</td>
<td>Cultivation fell from 90,000 ha to 81,983 ha</td>
<td>Severe drought particularly in southwest and north; Price differentials between wheat and poppy</td>
<td>Little to no effect</td>
</tr>
<tr>
<td>July 2000</td>
<td>Outright ban on opium poppy cultivation</td>
<td>Cultivation fell from 81,983 ha to 7,598 ha a</td>
<td>Severe Drought; Price differentials between wheat and opium</td>
<td>Significant effect</td>
</tr>
</tbody>
</table>

Sixth time lucky

In 2000 things were different from these earlier efforts to ban opium by the Taliban. Most importantly, the ban was imposed at a time when wheat prices had almost doubled and opium prices were at an all-time low. In 2000 Afghanistan was experiencing a protracted drought and the Government of Pakistan (GoP) had banned the movement of wheat flour from the Punjab to what was then North West Frontier Province (now Khyber Pakhtunkhwa) for a further season in the spring of 2000 in an attempt to limit smuggling to Afghanistan. Consequently, farmers in Afghanistan were increasingly concerned about their food security and whether wheat would be available to purchase with diminished proceeds from their opium crop. Under these circumstances

- as we have seen time and time again - farmers switch from opium poppy to wheat, fearful that they will not be able to buy wheat in the local market and feed their families. Opium prices were as low as US$30 per kilogram in June 2000 and combined with a drought that was having a significant impact on yields, farmers were increasingly conscious of the risks of planting an input intensive crop like opium poppy, when they would need higher incomes with which to purchase ever more expensive wheat flour.

Politically the Taliban were a pariah regime and despite the widespread effects of the war and drought the country faced significant shortfalls in humanitarian funding. Recognised as the government of Afghanistan by only three nations – Pakistan, the United Arab Emirates and Saud Arabia - less conservative elements of the Taliban pressed for wider recognition by the United Nations and the member states. Their attempts to recast the regime - such as negotiating the release of hostages in Kandahar from a hijacked plane from Kathmandu, the trial of members of a Christian NGO for proselytizing, and even an offer to try Osama Bin Laden under Islamic law - were undermined by the destruction of the buddhas in Bamian and the Taliban’s record on human and women’s rights. A ban on opium was positioned by the Taliban as a humanitarian act of universal appeal, something that western countries would not be able to question and would need to be seen to support politically and financially. 27

With the right economic conditions for a reduction in levels of opium poppy cultivation, and the incentives to implement, the Taliban, drew on its political and military position, as well as the religious leadership of Mullah Omar - Amir ul-Mumineen (the leader of the faithful) - pushed for a widescale ban. By this stage the Taliban had gained traction in the countryside, consolidating their position in many of the villages areas where opium poppy was grown. They started by negotiating with some of the more influential and powerful tribes, those who might offer resistance to a ban on opium production if they were not in agreement and could influence other tribes to comply if they were seen to adhere to it. In the east the Shinwari were instrumental. A relatively cohesive tribe that dominate five strategic districts in the southern part of Nangarhar bordering Pakistan and heavily involved in cultivation and trade. The elders were alleged to have received payments to support the ban, and been provided unfettered access to a high profile mission of western donors sent to review the ban and its effects, where the Shinwaris solicited projects directly. In the southern region, elders from the district of Nad e Ali, in Helmand - a district that often cultivated up to a quarter of the country’s entire opium crop in given year - were also given access to Mullah Mohammed Omar to make their opposition known and solicit support.

With potential powerful opponents neutralised or coopted the Taliban then undertook a strategic campaign of crop destruction. Initially they targeted some of the higher valleys just after the crop had been planted. These where areas where the elders and tribes were already on side; where in the past there had been resistance to prohibition efforts. Targeting these particular areas served as a demonstration effect, convincing farmers in lower lying areas that the Taliban were serious in their plan to ban opium poppy, and encouraged the rural population not to plant opium poppy in the first place. By striking early in the growing season farmers had not expended considerable time and resources on their opium crop only to see it destroyed; they also had the opportunity to plant something else prior to the onset of winter. This strategy served to manage the risk of widespread dissent; something the Taliban were keen to avoid as it could undermine the image they had projected - particularly to the outside world - of having complete control of the countryside.

The reality of course was something rather different. When the Taliban expanded from their base in the South across the country they defeated some of their opponents militarily but reached political settlements with others. Tribal and military elites may have acquiesced to Taliban rule but they were often given varying degrees of autonomy depending on the political and military capital at their disposal. Moreover, these settlements were not static but were constantly evolving, particularly in the late 1990s, as the Taliban faced growing dissent and increasing financial difficulties.29

27 David Mansfield, A State Build on Sand: How Opium Undermined Afghanistan
While the Taliban ban gave an impression of consolidated territorial control, informed accounts stress a different reality, arguing that the administration was dysfunctional and inconsistent. Ministries were largely a facade, they lacked budgets, policies and an effective bureaucracy. Instead, the regime largely relied on the development community (e.g., NGOs, UN) to deliver social services and in many cases infrastructural projects. Furthermore, policy positions adopted in Kabul would often be undermined by those in Kandahar with a far more conservative agenda. In the countryside there was considerable scope for pragmatism with nongovernmental organisations and the United Nations continuing to deliver education services to women and girls in those parts of the country where local leaders and communities were more supportive and pragmatic than the edicts of Mullah Mohammed Omar would suggest. Even the claims that the population had been disarmed were overstated with rural communities, particularly those in the mountainous areas retaining their weapons but consenting to withdraw them from public space as long as the Taliban maintained security. As Maley (2002: 217) notes: “The claim that the Taliban ‘controlled’ large tracts of Afghanistan was misleading, since the Taliban presence in rural areas was light.”

In reality, the Taliban regime, as with Afghan governments before it, ruled through a combination of coercion and negotiation. In lowland areas, located along the main trading routes and river valleys, the Taliban regime could easily impose its will on a population that was more accessible and consisted of a multitude of long-settled tribes - this can be understood as the ‘state space’ that previous regimes had also governed with relative ease. However, in the more mountainous areas the population is more cohesive, often consisting of a single tribal group, and have historically been given greater autonomy. In these hinterlands there was little evidence of Taliban presence beyond a few armed militia located in the district governor’s office. In these areas the Taliban regime, like its predecessors, adopted a strategy of containment working with the rural elite to co-opt and neutralise dissent.

The opium ban was also implemented amidst a backdrop of growing resentment and dissent against Taliban rule even in Pashtun areas. As with their predecessors in the mujahideen, military conscription had made the Taliban increasingly unpopular, particularly as many were dying fighting in the north. The Taliban’s inability to bring economic stability despite improvements in physical security had led to growing frustration among the population. Incidences of corruption had become more widespread and there had been a number of armed rebellions throughout their rule, even in those districts that were considered to be the heart of Taliban territory, including Arghandab in the province of Kandahar, and Kajaki in Helmand. Even during the donors mission to investigate the prohibition, the Taliban leadership in the east had to negotiate safe passage for the mission to visit the Mohmand and Pekhar valleys in Achin; an area where the mix of civil disobedience in protest against the ban, the presence of traders and drug processing facilities, and reports of the inflow of weapons raised major concerns for the Taliban given the seniority of some of the diplomats and Taliban’s concerns for their security and welfare.

36 ‘At the time of the fieldwork for the Taliban ban, a Taliban commander was killed in the Pekhar valley in Achin and the Taliban advised team members not to go to the area’
There were also tensions within the Taliban’s leadership, which had evolved from a core of Kandahari conservatives in the mid-1990s to include a multiplicity of different groups, including former communists from the Khalq party, who did not necessarily share the same moral and social vision for the country.37 There were reports of disputes between the ‘conservatives’ in Kandahar, headed by Mullah Mohammed Omar, and the ‘moderates’ under the tutelage of Mullah Rabbani who was based in Kabul.38 The divisions were such that Rashid (2001: 212) saw the potential for the moderates to stage a coup against Mullah Mohammed Omar.

It is important to note that the imposition of the ban changed the nature of the relationship between rural communities the Taliban and those in the rural elite that had played their part in imposing prohibition in these areas. While coercion had been an important element of the bargaining process with rural elites and the local population, it was used only judiciously to encourage compliance. A far more critical element in gaining consent in these more autonomous areas was the potential for patronage and rent from future development assistance. The expectation that development assistance would be forthcoming was high at all levels of society but particularly amongst the rural population and key tribes like the Shinwari who had been instrumental in the imposition of the ban in the eastern region.

Ultimately the ban on opium shifted the political settlement that had been reached between the Taliban and much of rural Afghanistan during their rule. If sustained, prohibition had the potential to challenge the political and financial autonomy of the periphery, making them reliant on the patronage of the centre.


In the absence of the capacity to subjugate the population with force - especially those in the mountains and borders where the Afghan state’s writ has always been limit - and the necessary development funds to shore up the support of local elites, and at least lessen the impact the ban was having on large swathes of the rural population, there was little prospect of prohibition being pursued for a further year. The fragile deals that were struck in the periphery would have been hard to maintain without some evidence that the rural population’s economic prospects would not continue on such a dramatic downward trajectory. It is hard to believe that if development assistance was not delivered the Taliban would not have come under considerable political pressure from key tribal groups to abandon the ban, and that the leadership would not have capitulated, particularly given the availability of weaponry both within Afghanistan and the region, the ongoing conflict, and the Taliban movement’s own internal struggles.

Negotiating a second year of a ban under these conditions in the fall of 2001 would have presented a significant challenge for the rural elite as well as the Taliban leadership. Considerable amounts of political capital had been expended by the Taliban leadership, tribal leaders and local elders in the process of implementing prohibition with the expectation that they would see development benefits. The kind of resistance that was seen in the upper parts of Achin during the spring of 2001 could easily have turned to a more widespread rural rebellion that would have challenged the image of sovereignty that the Taliban looked to project both internationally and domestically. In fact, in April 2001 there were already reports that Hajji Qadir was moving weapons across the border into eastern Afghanistan, and the potential for dissent in other parts of the country was extremely high. The Taliban’s ban was exacting an economic toll on the population and there were fears this could be exploited by opposition groups both internally and across the borders. As Francesc Vendrell noted at the time of the ban, while reflecting on what he saw as the “rebellious mood amongst the rural population’, ‘The Taliban will not put religious purism ahead of their military ambitions.’

Taliban 2.0.

Given the realities of the Taliban’s past efforts to prohibit opium, could they pursue such a policy today as others have suggested and their leadership declared in Moscow? For a number of reasons, it seems highly improbable.

For one, the Taliban of 2019 does not have the coherence that it had in the 1990s. We should be careful not to read too much into the ceasefire implemented in the Eid of 2018. Mullah Omar is dead, and today’s leadership has none of the religious authority or credentials of Amir ul-Mumineen. The movement is also more fractious than it was in the 1990s. Rivalries dominate the leadership and at the local level there is a vast array of different policies and practice that suggests there is a high degree of decentralisation and local autonomy. In the absence of a centralised command and control it is hard to believe that many of the local commanders who have been fighting on the front lines would be willing to abandon opium poppy and the financial independence they have gained through its taxation at the behest of a Taliban leadership in Quetta, Peshawar, or anywhere else. During their previous incarnation it took 6 years, territorial control of 90 percent of the country, and repeated - but ignored - counternarcotics efforts before the Taliban could deliver an effective prohibition in the 2000-01 growing season. And even then, the bargains that were struck left them vulnerable to political opposition and dissent. Today’s peace process is not even in its infancy and there are simply too many unknowns involved to garner support from local Taliban commanders for a ban on opium.

Secondly, these same commanders would find themselves facing the ire of local farmers were they to enforce a ban. This has been witnessed many times, not only in 2001 but also during subsequent prohibitions under the Karzai administration, such as in Nangarhar, Helmand and Balkh. In some cases, the aggressive drive to ban opium led to local elites being ousted not only from their positions as community
leaders, but from the very valleys where they lived. For example, the role tribal elders played in imposing a ban in Nangarhar between 2007 and 2010 led to just such a move in the upper valleys of Achin. In many instances the push to prohibit opium also led to the local population soliciting the support of armed actors, most notably the Taliban to curtail the government’s ability to eradicate the crop.

In fact, for the last decade or more the Taliban has sought to exploit the counternarcotics policies of the Afghan government and western donors, and the perception that crop destruction was at the forefront. They have done so in order to gain the support of farmers by encouraging cultivation with offers to protect the crop. In doing so, the Taliban looked to position themselves as saviours of a rural population that faced the threat of crop destruction; they sought to present themselves as a movement that understood the economic needs of their compatriots in the countryside in stark contrast to an Afghan government portrayed as “puppets” of American counternarcotics policy with no regard for the welfare of the population. It is hard to see how a Taliban leadership, and in particular local commanders and soldiers who live amongst these farming communities, would retain authority and credibility with a rural population that gave them succour during the conflict, were they to about-turn and announce a ban on opium production. This is also a situation that other armed groups, or those opposing a settlement within the Taliban would look to exploit; and something the Taliban leadership will desperately look to avoid for fear of exposing and exacerbating the divisions within. Daesh might be one of those armed groups. While Daesh have imposed a local ban on opium in places like upper Achin, in Nangarhar between 2014 and 2016, other elements of the Islamic State Khorasan in Afghanistan have not proven so ideological and could well move to support cultivation to win over recalcitrant commanders and soldiers, as well as farmers who oppose a future poppy ban.

Thirdly, there remains no viable alternative to opium poppy cultivation in many of the areas in which the crop is concentrated, especially in the desert areas of the southwest where up to 2.4 million people are dependent on the crop for their income, shelter, food and water supply. This is the perennial problem: in the absence of opium poppy what are farmers to do? While promises have been made of an uptick in development assistance were there to be peace, those most dependent on opium poppy for their livelihoods have heard these words many times before and have been repeatedly disappointed by the outcomes; a function of funding constraints, corruption and the bulk of assistance going to the rural elite. They have heard declarations from western donors and repeated Afghan governments that large amounts of aid would flow in return for reductions in opium only to see much less than anticipated arrive, and much what of what did flow go to the better endowed areas nearer the provincial centres where farmers are less reliant on opium for their livelihoods, and to wealthier farmers in then more remote areas who also have other assets and revenues to draw upon. This is not an environment where the promises of a “peace dividend” tied to reductions in poppy will yield political support or the hope of a better future from those in the countryside. Hope will not triumph over the hard experience of the past.

There is no doubt that were the Taliban to commit to prohibiting opium poppy, there would be further offers of development support, particularly from the USG, but the reality is this assistance is rarely more than a band aid – short term and single-sector relief aimed at alleviating the political pressures on those who have agreed to ban poppy. The Helmand Food Zone (HFZ) implemented in between 2008 and 2011, was just such an initiative. Providing wheat seed and fertiliser to farmers, it sought to shore up support for the then Governor Gulab Mangal, so he could launch a campaign aimed at deterring planting and eradicating the crop of recalcitrants. The HFZ contributed to dramatic reductions in opium poppy within the canal irrigated areas of central Helmand, but it also impoverished the land-poor, compelling them to look for land in former desert areas, where they turned to cultivation of ever greater quantities of opium poppy. Therefore, on net, the HFZ led to increased production. UNODC can be seen to be pursuing the same kind of short-term single sector development assistance in its Boost Alternative Development Intervention through Licit Livelihoods (BADILL) program, funded by INL. This too ties development assistance directly to reductions in opium poppy - a strategy that has repeatedly proven ineffective in delivering the diversified livelihoods required to produce enduring reductions in opium poppy.

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2.2. LICENSING THE CROP IN THE ABSENCE OF A REGULATORY AUTHORITY

Legalisation or regulation has been another policy option for those looking to kick the drugs issue in Afghanistan into the long grass; in the advent of the failure of prohibition it is the go-to for those seeking a simple solution.

However, regulation requires an effective government and institutional capacity, something that Afghanistan will be lacking for some years to come, even if there were a political settlement. In many of the areas where opium poppy is currently grown in Afghanistan there is little state presence or capacity to regulate; nor is there the ability to enforce restrictions on cultivation were the crop grown outside the parameters of the law. In the former deserts of south western Afghanistan where opium poppy is at its most concentrated there are no state institutions whatsoever, and in areas such as Bakwa in Farah, even the Taliban’s authority is the product of negotiations with the dominant Noorzai tribe. It is quite plausible, however, that many areas of Afghanistan would continue to produce opium illegally even if a future government pursued a policy of regulation, particularly given the low price of opium in the licit market.

The greatest constraint for Afghanistan in developing a regulated opium industry, however, is that of economics; the country does not have a comparative advantage in licit opium production. There are a number of countries that do produce opium legally for export but it is grown under a regulatory authority: where farmers are licensed to cultivate a specific amount; where the crop can only be sold to a recognized state or private entity; and where any refractions lead to punishment including imprisonment. As such, large scale licit cultivation is largely limited to the developed world with the exception of India and Turkey, which have protected status.

In Australia, opium is largely grown on the island of Tasmania, but in 2014 expanded to South Australia and to New South Wales in 2017. In Tasmania farmers cultivated an average of 40 hectares of opium poppy in 2013, with the largest farm growing 480 hectares. Across all three states farmers use improved seeds and combine harvesters, productivity is high and the unit costs of morphine equivalents — the unit of measure for the final product — are the lowest in the world.

In Afghanistan, on the other hand, the opium crop is grown on small farms, typically less than one hectare. It is sown and harvested manually, absorbing as much as 360 person days per hectare, and unit costs are more than 10 times that of Australia.

Other nations that grow opium poppy legally, such as Spain, France and Turkey are also more efficient producers than Afghanistan. Even India which is the only country that continues to harvests raw opium - rather than cutting the top 10 centimetres of the plant and processing it to produce what is known as Concentrate of Poppy Straw (CPS) — produces a kilogram of morphine equivalent at a lower price than farmers in Afghanistan.\(^{45}\)


Furthermore, there is little demand for raw opium in the world of regulated opiates. Large pharmaceutical companies prefer CPS. It makes up the bulk of global supply of opiates, representing 95 per cent of opiate raw material rich in morphine. The extraction of alkaloids from CPS also involves less residual waste than raw opium, and therefore presents less challenges (and costs) for disposal and fewer environmental hazards. CPS is also the preferred method of production: it offers considerable economies of scale compared to the extraction of opium; there are also fewer opportunities for diversion into the illicit market; and the final product has a higher value to weight ratio thereby reducing transport costs and making it to easier to secure.

A shift in production in Afghanistan towards CPS would have a profound effect on the economy. In Australia 22,363 hectares of opium were grown in 2009 and only 1,000 people were employed. In Afghanistan in 2018, an estimated 263,000 hectares of opium poppy were grown, employing as many as 420,800 people FTE. A shift to CPS would require a massive shift to agricultural technology that would not be easy to make and would lead to dramatic unemployment. It would also require expensive capital that the pharmaceutical companies are unlikely to fund given the probability of continued instability in Afghanistan and a supply of CPS from more secure nations that is already surplus to current world demand.

Moreover, changes in US prescription laws in 2013, have had a significant effect on the global demand for legal opiates. Australian farmers have seen a contraction in demand and prices, and the legal opium industry has become much more competitive. Even if it were more stable it is difficult to see how Afghanistan could compete on the world stage with producers like Australia, France or Spain with all the commercial, institutional and infrastructural advantages they have at their disposal.


3. MUDDLING THROUGH WITH MORE OF THE SAME

There is a risk that the alternative to prohibition and regulation under any future political settlement is more of the same when it comes to counternarcotics: where the drugs issue is boundaried and compartmentalised and the task of addressing the problems associated with illicit drugs is tasked to international and national counternarcotics agencies with few levers and limited capacity.

Yet, we have seen how this works. The SIGAR Lessons Learned report on counternarcotics\(^{50}\) ably documents past efforts. It illustrates the uncoordinated and inconsistent efforts to tackle the opium trade in Afghanistan; the battles between competing philosophies, strategies, institutional interests and mandates, and how they played out. Where annual targets, such as reducing the level of opium poppy cultivation and eradicating a certain amount of opium drove directives and spending, but undermined the wider effort to achieve stability and security, which in turn led to rising levels of opium production.

Where departments, both within donor nations and the Afghan government, worked at cross purposes: one department or project looking to dissuade opium poppy cultivation while another provided improved irrigation, with no contingency to offset the risks of greater amounts of land being used to grow better yielding opium poppy in future years. And another department looking to target a powerful local actor for arrest due to his involvement in the drugs trade, whilst another sheltered them from harm due to the information they provided on insurgents and a perception that they were key to local stability.

Over the last 18 years we have also seen how reluctant many branches of government were to engage in this most intractable of problems. Development departments and organizations would often only show willingness when levels of cultivation rose and those in Kabul or western capitals decided there was a political imperative to act. Nevertheless, the development response was often lacklustre and poorly considered; more an issue of being seen to do something rather than addressing the causes of cultivation in a meaningful way. In many cases it was business as usual with departments looking to repackaging existing expenditure and interventions as counternarcotics in spite of the fact that some of them may have even contributed to rising levels of production.

The most basic development response - as was seen in 2005 following the imposition of a ban on opium production by Afghan authorities in Nangarhar and parts of the eastern region — was for USAID and DFID to fund the distribution of wheat seed and fertilizer to encourage farmers to shift from opium poppy to wheat cultivation. This was despite an awareness of the inadequacy of such an initiative given the multifunctional role that opium plays in livelihoods, and the risk that the fertiliser would be diverted to poppy cultivation. Despite these reservations the provision of wheat seed and fertiliser was at the heart of the Helmand Food Zone, counternarcotics initiative that ultimately contributed to increasing provinces capacity to produce more opium than ever before and expanded cultivation into former desert areas far beyond the reach of the state.\(^{51}\)

Other interventions were also poorly thought through, and were based on an inadequate understanding of the opium economy and its relationships to the rural economy, the insurgency and the wider reconstruction effort. For example, the air strikes against drugs labs launched in November 2017 were intended to deny revenue to the Taliban, based on the claim that 60 per cent of the insurgents revenue was derived from the drugs trade and that 20 per cent of the total value of the trade went to the Taliban in tax.\(^{52}\)


Even were these assumptions correct — and there is plenty of evidence to suggest they are not\textsuperscript{53} — the campaign spent many millions of dollars destroying what were largely inactive labs worth perhaps as much as US$16,000 and which were very easily rebuilt, thereby having little impact on drug trafficking organizations and a negligible effect, if any, on the finances of the Taliban.\textsuperscript{54} The airstrikes themselves, however, caused considerable disquiet amongst the rural population and furthered their resentment towards the US military and the Afghan government.\textsuperscript{55}

The evidence suggests the biggest challenge associated with the counternarcotics effort in Afghanistan to date has been identifying and agreeing what the problem actually is and how best to manage it. After all, it is not the cultivation of opium poppy that is primary problem, it is more the illegally-generated funds, who obtains them and what they are used for. It is problem drug use and the implications that this has for Afghan society as well as further afield that is of concern, not that of whether levels of cultivation contract or expand. It is also the vulnerability that farmers are exposed to when they are reliant on a single crop for more than 80 per cent of their cash income; a crop that can fail due to drought or disease or is subject to falling prices due to over production or a change in consumer preferences. Yet, time and time again the primary strategy has been to target opiate production directly — through coercion farmers not to plant, bombing, eradication and crop substitution — as if eliminating the crop is simple, achievable, and that the benefits of doing so always outweigh the consequences.

\textsuperscript{53} David Mansfield, “Denying Revenue or Wasting Money: Assessing the impact of the air campaign against ‘drugs labs’ in Afghanistan” IDPU, LSE, April 2019.

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4. THE WAY FORWARD

Despite the forced optimism it seems that we are still some way from a meaningful political settlement in Afghanistan; there are still many issues to resolve. One of the issues that might not stand in the way of a deal but could well stand in the way of an enduring peace is what is to become of illegal drugs production and the funds generated.

Currently there are references to the implementation of a widespread ban under a future political deal. However, past experience suggests this would be hard to achieve and would destabilise an already fragile situation. In the absence of viable alternatives - and there continues to be an absence in many parts of Afghanistan — a ban would undermine rural support for a future government and lead to dissent and violent resistance. Even if this did not occur immediately, evidence indicates that there is a strong likelihood of rural resistance in areas where farmers have no viable alternative to opium poppy, including the involvement of armed actors, within two years of a ban being implemented.

Regulation is also not an option. Conditions in rural Afghanistan would need to change dramatically for there to be the kind of institutional capacity and security required for effective regulation. Moreover, Afghanistan cannot produce legal opiates at price points that would be competitive on an international stage. With large farms, mechanisation and highly developed infrastructure and logistics, Australia, Spain and France can produce legal opiates at a fraction of the price compared to Afghanistan.

Yet, ignoring illicit drugs is also not a viable strategy. Illicit drugs generate too much money in Afghanistan and the region, much of which finds its way into the hands of violent actors. As such, illegal drugs and other illicit funds, such as mining, fuel and the transit trade, provide a ready source of funds for transnational organised crime and a variety of actors who have little interest in a future Afghan government that has effective control over its territory. In this context, a level of chaos and instability is good for business and it is clear that it is in the provinces of Afghanistan where drugs are produced, transported and smuggled where the deepest fracture lines in any political settlement will become most apparent and where conflict is most likely.

The production, trade and use of illicit drugs will not be eliminated in Afghanistan, the issue is how best to manage the most deleterious effects. In this regard in the event that a political settlement is reached, the priority would be for a future Afghan government to be in the lead:

- For the government to define the harms caused by illicit drugs as a development priority and compel international, bilateral and national development organizations to do the same
- For the government to make these drug related harms a cross cutting issue for all branches of government to explicitly address in their policies and interventions.
- For a core area of work to be counter threat finance and to monitor and restrict funds flowing to illegal armed groups.
- For a future health strategy to integrate the effects of problem drug use
- For those organisations working in rural development to explicitly target the causes of opium poppy cultivation - recognising how these differ by socio-economic group — and to develop programs that support farmers strengthen and diversify their livelihoods, while not contributing to rising levels of opium poppy cultivation.
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<th>Available in Pashto</th>
<th>Research Theme</th>
<th>Publication Type</th>
</tr>
</thead>
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