

Afghanistan: Drug production and trafficking

THE PRODUCTION OF ILLICIT OPIUM FROM POPPIES and consequent trafficking in raw opium gum and stronger narcotic derivatives (such as morphine, codeine, and heroin) that require the use of precursor chemicals¹ have plagued Afghanistan for decades, especially from the Soviet occupation onward, and have become principal factors in the war economy. The ban on poppy cultivation, but not trafficking, briefly imposed by the Taliban in 2001 is suspected by many to have been designed to stabilize if not boost opium prices. Indeed, some analysts argue that the focus must be on drug *money* and the trafficking that afflicts the whole of the country, and not just on the regions of poppy cultivation.² In 2007, Afghan opiate exports reached levels not seen since the nineteenth century, in China. This is a demand as well as a supply problem.³

Since the removal by force of the Taliban government in 2001, a number of counter-narcotics efforts have been undertaken. These have included a ban on cultivation by the Afghan Interim Administration in January 2002; a national drug control strategy, implemented in 2003, updated in 2006, and now under review with the aim of introducing a new strategy in 2008; a prohibition, introduced in January 2004 as Article VII in the Afghan constitution; a religious *fatwa* issued in August 2004, proclaiming poppy cultivation to be contrary to sharia law; the institution in December 2004 of the new Ministry of Counter Narcotics (in addition to the troubled Ministry of the Interior, which supervises six counter-narcotics and law-enforcement entities); and passage of a counter-narcotics law in December 2005, amendments to which are pending in the Afghan Parliament.⁴

The UK, given the lead in international counter-narcotics assistance, announced spending of over US\$500 million during the period 2005-2008;⁵ nonetheless, the UK House of Commons Defence Committee found that “the coalition’s counter-narcotics policy lacks clarity and coherence.”⁶ The

narcotics trade is deeply embedded in the rural economy.⁷ Given the ineffectiveness of existing counter-narcotics measures and the negative reaction of many Afghans toward these efforts, NATO governments are reluctant to involve their troops directly, for fear of losing hearts and minds.

The stakes are extremely high. Its global impact aside, the narcotics trade is closely linked to the critical issues of governance, corruption, state-building, development, security and counter-insurgency within Afghanistan.⁸ One commentator stated recently: “Without narcotics, the Taliban could not exist.”⁹ Years earlier, another expert had warned that continued growth in the drug trade “will threaten to turn Afghanistan from a failed state into a narcoterrorist state.”¹⁰ The latest report of the UN Secretary-General states: “The implementation of the national drug control strategy has clearly been unsatisfactory, especially in the south-west and the south The unprecedented increase in opium production in 2007 poses a grave threat to reconstruction and nation-building in Afghanistan. ... [T]he financial power of narco-interests, both in Afghanistan and in the neighboring States through which the contraband is smuggled, is such that they have so far been able to effectively counter Government and international efforts to stem or stop the illegal trade.”¹¹ Meanwhile, the policy goals of the United Nations Office on Drugs and Crime (UNODC) have come under criticism.¹²

Current data and trends

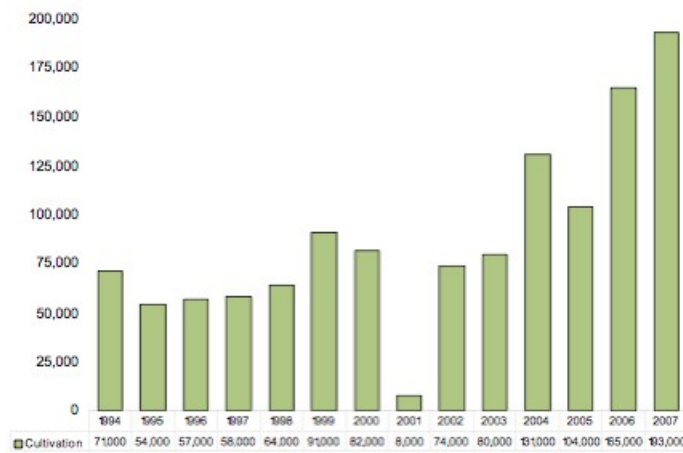
Afghanistan represents a paradox: one of the world’s poorest countries, it ranks near the bottom of the UN’s human development index (174th out of 178 countries) and is also one of the lowest-ranked nations on the human poverty index.¹³ At the same time, it is by far the world’s largest exporter of illicit drugs, reaching an estimated street value of US\$60 billion.¹⁴ Of course, the actual revenue to Afghanistan is a fraction of that, and of that fraction only about 20% goes to “farm-gate” income, which is

estimated at US\$1 billion for 2007. According to the latest UNODC survey,¹⁵ some 3.3 million Afghans (14.3% of the population) are involved in opium cultivation. This does not include over 500,000 labourers and an unknown number of traffickers, warlords and officials.¹⁶

Although poppies are grown on just over 4% of Afghanistan’s arable land, the value of illicit drug income is huge, equalling over 52% of the country’s legal GDP in 2002 (compared with 24.4% for Burma/Myanmar and 3% for Colombia.¹⁷ Post-invasion Afghanistan has been critically dependent on external donors – its government has the lowest ratio of revenue to GDP in the world – but in 2002-2003 this aid, totalling US\$2.8 billion, was still much less than the illicit opium income of US\$4.82 billion.¹⁸

The UNODC and World Bank 2006 study of the Afghan drug industry begins by stating: “The magnitude and importance of Afghanistan’s drug economy are virtually unprecedented and unique in global experience.”¹⁹ In 2007, following a further 17% increase from 2006 in the area under cultivation to 193,000 hectares (see Figure 1), Afghanistan accounted for 93% of global opium production.²⁰

Figure 1 – Opium poppy cultivation in Afghanistan (in hectares, 1994-2007)



Source: UNODC, Afghanistan Opium Survey 2007.

Opium production is very unevenly distributed across the country. For example, Helmand province (population 2.5 million) accounts for 50% of the national total and is itself the world’s largest drug producer. Cultivation appears to be highest where government control is weakest. Although the UNODC 2007 survey claims that the number of

“opium-free” provinces has increased to 13 from 6 in 2006, as Rubin has pointed out the impact of drug money is country-wide. In the northern province of Balkh, where opium cultivation is said to have collapsed to zero, there is evidence that farmers have turned to marijuana instead.²¹

The disturbing trend in Afghan opium production is not only upward but outward. As one observer notes, “It is cheaper to engage in illegal activity in Afghanistan than almost anywhere in the world. Iraq is catching up, however. Having first followed Afghanistan’s lead in becoming a major haven for transnational terrorism, Iraq is now starting to produce poppies.”²²

Counter-narcotics policy options

Counter-narcotics activities in Afghanistan are a huge, costly – the United States alone spent nearly \$1 billion in fiscal year 2005²³ – and controversial enterprise, involving a myriad of domestic, foreign and international agencies working together with the Afghan National Drug Control Strategy and the Counter-Narcotics Law. At the same time, the opening page of the Congressional Research Service (CRS) 2007 Report for Congress states bluntly that “U.S. officials and many observers believe that the introduction of a democratic system of government to Afghanistan has been accompanied by the election and appointment of narcotics-associated individuals to positions of public office.”²⁴ Effectiveness will remain elusive unless corruption is tackled from the top down.

All of the existing counter-narcotics measures and proposals have been criticized; many are blamed for exacerbating governance, security, and development difficulties. It has also been underlined that there are no “silver bullets” and that to have a chance of success any strategy must address long-term rural development and state-building challenges.²⁵ Moreover, “None of the responses dominating the public and policy debates – stepping up eradication, a focus on interdiction, more funds for Alternative Livelihoods or a licensing of opium production – fully take into account the reality of an existing global demand for heroin.”²⁶

Eradication and interdiction efforts remain a mainstay of counter-narcotics policy in Afghanistan but have been the most severely questioned, as discussed below.

Poppy eradication and interdiction

American counter-narcotics strategy continues to rely heavily on ostensibly refined and targeted eradication and interdiction, although pressure to include chemical spraying, possibly using aerial delivery, has so far been resisted by Afghan President Karzai.²⁷ Some US-funded eradication efforts have been outsourced to private companies, notably DynCorp International.²⁸ Some commentators see eradication as unsustainable and as carrying severe adverse effects,²⁹ and many argue that it targets poor farmers and provokes a backlash. The UNODC reported in 2007 that “resistance to eradication is much more severe compared to 2006.”³⁰ Moreover, “[m]ilitary commanders are uncomfortable about playing a broader role in eradication programmes Short-term measures, such as widespread aerial spraying, seem unlikely to form part of a successful long-term strategy. Eradication of this kind will inevitably drive villagers to the side of those who oppose Karzai.”³¹

Interdiction would seem to hold out more promise in that it is aimed at trafficking higher up in the value chain. But even the US government observes that “interdiction alone will not in the foreseeable future eliminate a significant percentage of the opium trade.”³² Interdiction attempts are also plagued by political risks and chronic weaknesses in governance and law enforcement. And, again, any military role is problematic: “NATO’s crucial role is to establish security throughout the country – and not to dilute its focus in eradication and interdiction missions that are presently bound to fail. ... The traders and traffickers are not alien criminals. Many are members of tribal elites with crucial sway over the population. Drug interdiction against them will induce them to pressure the population to stop cooperating with NATO, if not more directly support the Taliban. It can easily jeopardize the reconstruction and economic functions of the provincial reconstruction teams Interdiction should be carried out to eliminate at least some corruption and impunity of the key traffickers, but it should be the domain of special national interdiction units, not NATO.”³³

Alternative livelihoods

The development of alternative livelihoods for Afghan poppy growers is an important element of current counter-narcotics strategy,³⁴ which includes

an “incentive scheme known as the ‘Good Performance Fund’... set up to reward villages for moving away from opium.”³⁵ Yet some analysts find that increased US funding amounts are “woefully inadequate and constitute a paltry 6% of American counter-narcotics spending in Afghanistan for 2007.”³⁶ They propose that because “other crops often face pitfalls such as the absence of distributors, domestic demand or consistent prices abroad, the international community should help Kabul set up an agency, modeled on the Canadian Wheat Board, that would purchase crops from farmers at consistent prices, and market and distribute them internationally.”³⁷ At the same time, “[f]or alternative livelihoods to be adopted, licit long-term finance must be available and agricultural infrastructure must be rebuilt, including irrigation systems which have fallen into disrepair or have been destroyed during years of war.”³⁸

Field research on alternative livelihoods reveals many weaknesses in implementation.³⁹ Byrd is critical of many aspects of alternative livelihoods and argues that “Throwing money at alternative livelihoods projects for quick results ... [is] “no substitute for rural development over the long term.”⁴⁰ Others note that “alternative development takes many years to become self-supporting, profitable, and sustainable. In the meantime, Afghanistan risks tumbling back into lawlessness and instability. ... [P]ast experiences have shown that alternative development has very limited impact on drug control.”⁴¹ Furthermore, “AL projects are still small-scale, especially compared to the massive opium cultivation in the country At best, these projects can serve as a laboratory to identify and then propagate viable alternatives to poppy cultivation. But expecting huge impacts in a growing drug economy such as in Afghanistan is unrealistic.”⁴²

Legalization and licensed regulation: “Poppy for Medicine”

Arguably the most innovative, and also controversial, alternative to existing counter-narcotics methods is that of licensing opium production to supply the legal manufacture of narcotic painkillers. The privately funded Senlis Council, founded by Canadian lawyer Norine MacDonald, has been in the forefront of making this case, outlined in a 110-page proposal that

underlines: "A key feature of the Afghan *Poppy for Medicine* project model is that village-cultivated poppy would be transformed into morphine tablets in the Afghan villages. The entire production process, from seed to medicine tablet, can thus be controlled by the village in collaboration with government and international actors, and all economic profits from medicine sales would remain in the village, triggering economic diversification. As internationally tradable commodities, locally-produced medicines would also benefit the Afghan government."⁴³

Senlis claims that such licensing has worked in other countries⁴⁴ and that the UN's International Narcotics Control Board acknowledges unmet demand, given that "80 percent of the world's population, including Afghans, face an acute shortage of essential morphine medicines" and that "Afghanistan could supply this market with medical morphine at a price at least 55 percent lower than the market average."⁴⁵ Senlis further claims that there is high public support in Coalition countries for poppy-for-medicine pilot projects in Afghanistan: an average of 81%, ranging from 69% in the US to 79% in Canada and 89% in the Netherlands.⁴⁶ At the same time, Senlis argues that security and stabilization require *more* NATO troops on the ground and that "Canada's troop commitment to Afghanistan should not have a fixed end date but should be governed by achieving fixed measures of success."⁴⁷

These assertions have been disputed by critics of existing counter-narcotics measures,⁴⁸ but have also stimulated a serious debate and are receiving some support. Some analysts consider that opium licensing is not feasible in the foreseeable near term,⁴⁹ and others maintain that "The International Narcotics Board categorically asserts that there is already an *oversupply* of opiates for medical purposes. But even if there was an unmet demand, Afghanistan is perhaps the world's least suitable place to meet it."⁵⁰ Others counter that "The UN figures are based ... on projected demand calculations that are limited to the highly protected market of painkillers. Potential demand from developing countries that lack those essential medicines is not taken into account in these calculations."⁵¹ They also point out that "The new Afghan Counter Narcotics Law, which came into force in December 2005, contains explicit provisions for a licensing scheme. Following this law, an Afghan

Drug Regulation Committee was established in August 2006."⁵²

Certain sceptics are prepared to conditionally open the door, arguing that "experimenting with licit uses of opiates for medicinal purposes merits attention, but should equally be stripped of the illusion that it could bring 'solutions' in the short or medium term, as is often reported in the media with reference to Senlis Council reports."⁵³ Proponents of the idea argue that "With recent research findings on integrated social control systems and the possibility to market Afghan morphine internationally, the Afghan government should reassess this proposal and allow a scientific pilot project to determine if local control mechanisms can limit diversions to the illegal market, paving the way for a poppy licensing system."⁵⁴

No such project has yet taken place, nor have the Senlis Council proposals been embraced by the Afghan government, donor countries or international organizations involved in Afghanistan. During 2007 considerable support for giving these proposals serious consideration has nevertheless been expressed in the Canadian media.

Canada's position and role

Canada has been a supporting player in counter-narcotics efforts by the Afghan government and international donor community, staying within these established parameters. According to official Canadian policy: "Canada recognizes the importance of a concerted effective counter-narcotics strategy as part of our multi-faceted efforts in Afghanistan. There are no simple solutions to a problem that has taken decades to develop."⁵⁵ Specifically, Canada has allocated \$27 million for alternative livelihoods development (\$18.5 million for farmers in Kandahar province), and on 26 February 2007 an additional \$30 million in funding was announced for counter-narcotics efforts (\$27 million to the UNODC and \$3 million to the Afghan Counter Narcotics Trust Fund). The aim of this funding is to help the Afghans:

- build the capacity of counter-narcotics **law enforcement** so that traffickers are apprehended;
- develop narcotics related elements of the **judicial system** so that traffickers can be brought to justice;

- target the **smuggling of precursor chemicals** used to make heroin into Afghanistan; and
- work with their neighbours to jointly **combat cross-border trafficking**.⁵⁶

Canada is investing almost \$57 million in counter-narcotics projects. At the same time, “The Canadian Forces in Kandahar, like other Allies, do not engage in poppy eradication, and given the perceived impact on the general security situation and relations with Afghan communities, are leery of becoming identified with counter-narcotics efforts. They do, however, provide support as appropriate to Afghan-led efforts to implement the counter-narcotics strategy.”⁵⁷

The Canadian government continues to be in firm opposition to the Senlis Council proposals on opium licensing, stating that “The Government of Afghanistan’s opposition to legalising opium production is strongly supported by Canada and the rest of the international community.”⁵⁸ Nevertheless, leading analysts of Afghanistan’s growing drug problem find that existing counter-narcotics measures have been ineffective and sometimes counterproductive. They are therefore calling for more comprehensive and “smarter” approaches: “Counter-narcotics done properly is exactly what Afghans have been asking for: removing criminal power holders and bringing security and development.”⁵⁹

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