

Missing Targets

Counterproductive drug control efforts in Afghanistan

Despite efforts by the Afghan government and the international community to reduce poppy cultivation, opium production in Afghanistan has once again reached record levels in 2007. The United Nations Office on Drugs and Crime (UNODC) annual survey estimates that 193,000 hectares is under poppy cultivation, a 17 per cent increase on the record levels of 2006, yielding a harvest of 8,200 mt (an increase of 34 per cent).¹ The main policy instruments to bring down these figures - eradication of opium poppy fields and implementing alternative livelihoods projects - are missing their targets.

As a result pressure is growing to start aerial chemical spraying of poppy fields, and calls to involve foreign troops in interdiction efforts are getting louder. In this briefing TNI argues that, such overreactions will worsen an already deteriorating security situation. Policy responses should instead be based on a better understanding of local, national and global trends in the opium/heroin market and a more sophisticated analysis of the nature of the drugs-and-conflict connections in Afghanistan today.

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.

The international community needs to face the reality that the entrenched illicit economy in war-torn Afghanistan will not dwindle easily, and that pursuing illusions of quick solutions will do more harm than good. As a recent report by UNODC and the World Bank warns: "While the drug industry itself constitutes a serious threat to the state-building agenda in Afghanistan, ill considered counter-narcotics actions can be counterproductive in terms of governance, possibly exacerbating an already difficult situation."²

CONCLUSIONS & RECOMMENDATIONS

- Aerial spraying will have severely negative social and security impacts and should not be considered.
- 'Targeted' eradication has so far been a myth. The critical adverse impact is on poor farmers, share croppers and rural wage labourers.
- Alternative Livelihoods alone will not turn around the opium economy. No major impact can be expected from pilot projects except as a laboratory to experiment with approaches of what might work.
- In the absence of a better understanding of trafficking networks and markets it would be unwise for ISAF to become involved in interdiction.
- More attention should be paid to market dynamics as a major factor determining policy outcomes. Illicit drug market analysis at the local, national and global levels should inform policy making.
- Conflict-sensitive drug policies need to be designed that take into account the full complexity of the links between drugs and conflict, instead of over-emphasising the single aspect of Taliban opium earnings.
- The focus should be on longer-term development, reconstruction and peace-building efforts, which could mean de-prioritising drug control for the short term.
- There is no alternative to a sustained long-term effort that fully takes into account the reality of existing global demand for heroin.

THE BALANCING ACT

Provincial governors in Afghanistan face a difficult dilemma. President Karzai has made them responsible for reducing opium production figures in their provinces. But too much pressure on the farmers may lead to violent resistance, further decline of support for the government, and could upset the delicate tribal balance in the province. Yet if their approach is perceived to be too lenient by the central government in Kabul, it may send the US-trained Afghan Eradication Force (AEF)³ to the province, increasing the risk of conflict.

Governor-led eradication is mostly negotiated. This is both for practical reasons – the governor often does not have enough power to enforce eradication in the districts that are controlled by powerful warlords – as well as for political reasons – he does not want to lose the support of tribal leaders. Therefore many governors try to do a bit of eradication in all districts in order to ‘spread the pain equally’. The level of eradication therefore also greatly differs from province to province.

By contrast, decisions about AEF deployment are made at the central level by the Ministry of Interior, in consultation with the United States Embassy in Kabul. They are greatly resented by most governors and local district authorities. “It is a little unnerving when you get a phone call from Kabul saying we are sending the AEF up. That is a motion of no confidence,” according to a Poppy Elimination Programme (PEP) team member.⁴ AEF deployments therefore regularly lead to violent clashes.

In order to assist the governors, PEP teams were created in seven key opium producing provinces: Badakshan, Nangarhar, Helmand, Kandahar, Balkh, Uruzgan and Farah. Each team consists of about 10 Afghan staff and some international advisors. PEP is a task force and is “a pragmatic approach to get counter narcotics happening on the ground”.⁵ There is some overlap with the responsibilities of the Ministry of Counter Narcotics, and discussions are taking place to resolve the somewhat unclear institutional position of the PEP teams.

PEP teams carry out public information campaigns by visiting key poppy growing districts, organising Jirgas with tribal leaders and local communities. They disseminate messages through radio and print media warning farmers about the dangers to health and security of growing poppy and the risks of eradication that

they face.⁶ PEP teams further aim to facilitate alternative livelihood programmes and assist the governor-led eradication campaigns. The teams also support UNODC in its task of assessing levels of poppy cultivation, and monitoring and verifying eradication activities.

CORRUPTED FIGURES

Corruption is rampant in Afghanistan and eradication campaigns are no exception. Eradication has often become a new source of income for local officials, who accept bribes from owners and sharecroppers in return for not eradicating their fields.

There are also accusations that eradication figures are inflated to gain additional income.⁷ Governors are compensated at \$120 per hectare for the expenses involved in eradication verified by UNODC. According to the UNODC’s methodology, “eradication verifiers are part of the governor-led eradication teams”.⁸

While in Nangarhar the verification procedure seems to work relatively smoothly and the teams are well-equipped, PEP teams and governors in some other provinces complain that UNODC lacks the capacity to effectively carry out its task and is behind schedule. Some PEP teams have therefore, in turn, decided to ‘verify’ the UNODC verification process. “In Kabul and in the world people are relying on this UNODC report. They need to get it right,” says a PEP team member.⁹

UNODC does not verify AEF eradication. The AEF started its 2007 eradication campaign in Helmand province, and initially claimed it had eradicated 7,573 hectares. After that the AEF moved north into Uruzgan province, where it immediately ran in to trouble. The AEF team, consisting of Afghan and US security officials using tractors and all-terrain vehicles, was attacked with mortars and small arms, and four Afghan team members were wounded.¹⁰ The AEF subsequently withdrew and the mission was called off, having destroyed only some 70 hectares.

According to early reports eradication in 2007 was much more intense than in 2006, with three times more verified governor-led eradication.¹¹ In May 2007 UNODC reported that 25,000 hectares had been eradicated (governor-led and AEF efforts combined), compared to 15,000 hectares in 2006.

ISAF, Eradication and Interdiction

ISAF troops are not directly involved in eradication. In fact Western military forces have been reluctant to get involved in the narcotics issue at all, because they fear it may endanger their mission to bring peace and stability. However, they may be called upon to assist AEF or governor-led eradication teams that are under attack.

The Afghan Eradication Coordination Cell (AECC) was set up in order to prevent a conflict of interest between AEF eradication missions and ISAF security operations. Consisting of representatives of the Ministry of Counter Narcotics and the Ministry of Interior, the AECC informs ISAF where and when it plans to carry out eradication missions. ISAF may also ask the AEF not to go into certain areas - especially in the south - if it is deemed to conflict with its own operations.

At the provincial level the Joint Provincial Coordination Centres are supposed to coordinate between the Afghan National Army and the Afghan National Police and ISAF. However, there is no coordination mechanism for governor-led eradication campaigns with ISAF.

During a visit to Afghanistan in January 2007 the Dutch Minister of Development Aid called upon the Afghan government and Uruzgan Governor Munib not to eradicate the opium fields of farmers lacking other income possibilities.¹² On the first day of the AEF eradication campaign in Uruzgan in May 2007, the Dutch ISAF mission interfered and stopped the operation because it was targeting small farmers.

When the AEF resumed operations two days later it immediately came under fire, forcing the team to withdraw and later to suspend all operations in the province. The AEF also called in support from the Dutch Air Force which, among other things, destroyed vehicles to prevent them from falling into 'enemy hands'.¹³

There is growing pressure on ISAF troops to become involved in interdiction by sharing intelligence, detecting drug convoys and heroin labs, and even attacking these. "The drugs dealers, the Taliban and the warlords are the same network", says General Khodaidad, Afghanistan's Deputy Minister of Counter Narcotics. "NATO should destroy these people. They should hit their headquarters, their convoys, the drugs labs and factories."¹⁴

Interdiction by NATO troops is problematic, however. Few of the conflict actors in Afghanistan - including those aligned with the government- can claim to have clean hands in the drug trade, and decisions about who to arrest or attack are often politically motivated. NATO could become involved in local and tribal conflict dynamics. The UNODC/World Bank study also warns that a "key potential adverse side effect of interdiction, particularly if it goes after higher-level traffickers and their sponsors (some of whom are in or have close ties with the government), is the political fall-out."¹⁵

Furthermore, there are doubts about the effectiveness of interdiction as a policy instrument. In some cases interdiction may even have an adverse effect on drug production as it can stimulate farm-gate demand and price of opium. In principle, seized and destroyed quantities of opium and heroin do not lead to less consumption but are replaced by increased production. The market impact of interdiction - usually very small- depends on the precise level of the trade it is aimed at and the type of operation.

Even chemical precursor control, often seen as the most effective kind of interdiction, has mixed results when measured against the policy objective of reducing the extent of the illicit market. A litre of acetic anhydride - a key precursor for heroin- is nowadays worth more than a kilo of opium on the Afghan-Pakistan border. While this may increase logistical difficulties for opium-heroin conversion, trafficking networks now have double earnings, gaining as much from smuggling precursors into the country as from smuggling the heroin out.

Experience in Afghanistan and in others parts of the world shows that eradication and interdiction is not conflict neutral but targets political opponents, usually competing local commanders or other tribes. The widespread corruption in the country further contributes to a focus on poor farmers and small-scale traders, driving people into the hands of anti-government insurgents. This is in clear contradiction with ISAF's aim of stabilising Afghanistan, providing security and winning the hearts and minds of the people. Intensifying a war on drugs now would only add further fuel to the conflict, especially if foreign troops would be involved.

“Eradication is working”, concluded a UNODC official.¹⁶ The final figures had to be readjusted downwards, however. The total figure for AEF eradication – contrasting original higher claims – was lowered to some 3,000 hectares. Governor-led operations – as verified by UNODC – destroyed about 16,000 hectares, bringing the total to 19,000 for 2007.

PUNISHING THE POOR

Eradication of the Afghan opium crop has been justified by claiming it is targeted against farmers who should be able to find other means of livelihoods – what Western officials often call targeting “the greedy not the needy”.¹⁷ According to Thomas Schweich, newly appointed US coordinator for counter narcotics in Afghanistan: “We are not targeting poor farmers, this is fiction.”¹⁸ UNODC Executive Director Costa even states in the foreword to this year’s survey: “Opium poppy cultivation in Afghanistan is no longer associated with poverty – quite the opposite.”

The Afghan government has stated that “eradication must target areas where alternative livelihoods exist.”¹⁹ In order to accomplish this, the British Embassy drug team has produced socio-economic maps with target areas eligible for eradication. These target areas are based on a number of criteria, including rural livelihood projects, distance to markets, water availability, agricultural diversity, population density, extension of government access to non-farm income and credit. Local security conditions are also included, based on ISAF assessments.²⁰

In practice, however, this targeting policy is not implemented. “If we had followed the British government eradication approach we would have only been in places with alternative livelihoods,” says an international advisor of the Nangarhar PEP team. “But this has not happened. The governor has to balance eradication with security, and he has to negotiate with all the tribes. The governor-led approach did not take the central target maps in consideration.”²¹ Among local officials there is a feeling that the British targeting approach is too abstract and relies on questionable data for its accuracy. In practice kinship ties and local power relations play a more important role when negotiating targets than these supposedly ‘objective criteria’.

Instead, those presently targeted by eradication are mostly those who have the fewest alternatives available to them. “Eradication is focussed on poor farmers,” says an Afghan development

worker in Badakhshan. “All problems always come down on them. They have no power to protest.”²² According to a local aid worker with long experience of working in the south: “I do not believe in poppy eradication. The most vulnerable people are paying the price.”²³

This is confirmed by a US advisor to the PEP team in Badakhshan, who has never even seen the targeting maps. “There is a causal relationship between poverty and the need to feed your family, and growing opium. These are the people that are being hit by eradication. We have not gotten to the rich farmers or the traders yet.”²⁴

The omni-present corruption also further causes poor farmers to suffer more from eradication as they have no resources to buy it off. As the UNODC/World Bank concludes: “As a result largely of corruption and other irregularities in enforcement, *the impact tends to be felt most by the weakest and poorest actors* involved in the opium economy (poor rural households), who lack political support, are unable to pay bribes, and cannot otherwise protect themselves.”²⁵

Until eradication is aimed at rich land owners and government officials in the first instance, drug control activities will continue to be seen as hypocritical and corrupt and will only alienate the rural communities. Poppy cultivation continues to be intricately linked with poverty and livelihood insecurity, and the discourse about ‘targeted eradication’ is basically a myth.

DESTROYING CONFIDENCE

It is no surprise that in several cases farmers have tried to resist both governor-led and AEF eradication. The year 2007 saw an increase in the number of violent incidents, with farmers protesting against and clashing with eradication teams and local security forces. UNODC reported that in 2007 “resistance to eradication is much more severe compared to 2006,” and that by April 2007 at least 12 people had been killed and many more injured in these clashes. Various tractors used for eradication were destroyed by angry protestors. Farmers were also reported to have resisted eradication by flooding their fields, preventing the tractors from ploughing their crops.²⁶ These farmers’ protests in several provinces forced eradication teams to withdraw and suspend their activities.

At the end of February farmers in Dar-e-Nur District in the eastern province Nangarhar clashed with an eradication team. After the

police opened fire, killing one protestor, infuriated farmers attacked them and burned down two tractors, bringing the eradication to a halt.²⁷ In April, opium farmers in Batikot District in Nangarhar started chanting slogans against the government and throwing stones against an eradication team and local police that entered their village. The police opened fire and the clash left one person dead and 20 injured. Later the villagers temporarily blocked the road from the provincial capital Jalalabad to Torkham at the border with Pakistan, a major trade route, until they were stopped by a large police force.²⁸

In the north-eastern province of Badakhshan, farmers from Jurm District opposed the governor-led eradication, forcing the team to withdraw and ultimately suspend the operation.²⁹ In Kandahar and Helmand eradication teams were hit by mines, and were attacked by 'insurgents', killing and wounding Afghan soldiers and policemen. In Maiwand District in Kandahar a policeman was killed and four others were wounded when they were fired upon during an eradication mission in March.³⁰

SIGNED, SEALED, DELIVERED

While pressure on the farmers is increasing, the efforts of the Afghan government and the international community to provide viable alternatives for poppy farmers remain woefully insufficient. There is great frustration among poppy growing communities about the lack of aid coming into their villages. "If our poppy is eradicated, we have no other possibility to live in this area", says a farmer from Argu District in Badakhshan province. "We want to know what the government is doing for us. They got a lot of money, but all they do is come here and eradicate our fields."³¹

Provincial Governors in turn blame the central government for pressuring them to stop growing opium but without giving them the necessary resources to develop their regions. "The Government has given me a very big responsibility, but has given me very little means to support these people," says the Governor of Badakhshan Province Munshee Abdul Majid. "I am feeling pity for my people. I am putting tremendous pressure on the farmers to stop poppy cultivation, but I come with empty hands."³²

Afghan government officials have complained about a lack of funds. Former interior Minister Jalali recently claimed that only a fraction of the estimated costs for the reconstruction of

Afghanistan were provided by the international community, and that most of these funds are outside the control of the Afghan government. He also stated there is growing frustration about the slow pace of "tangible reconstruction activity".³³

While this may well be true, at the same time there is lack of capacity at all levels in the Afghan government to implement programmes and to absorb more aid. The Counter Narcotics Trust Fund (CNFT) was among others set up to address the issue of lack of ownership on drugs control. CNTF funds consist of additional financial support, managed by the UNDP in Kabul, but implementation of the projects rests with the Afghan government. While Western donors had transferred over US\$ 42 million to the fund's bank account in Kabul, by April 2007 less than 5 per cent had been spent. As a result at least one donor government decided to suspend further contributions to the fund.³⁴

There are valid questions about the effectiveness of existing aid programmes. It is unclear what percentage of the funds spent on Afghanistan are actually spent in the country itself. Many donors have opted to use private contractors, often from their home countries, to build roads, schools and hospitals. These companies often subcontract others, all scraping off their share of the funds. The excessive use of expatriates and foreign advisors to write policies and set the priorities on how to rebuild the country has been criticised by the Afghan government. They complain that it hinders Afghan ownership of the decision-making process on how to reconstruct Afghanistan and that it is too expensive and cost-ineffective. There has also been criticism of the quality of the work performed by these contractors, and the lack of a quality control system.³⁵ Widespread corruption is also one of the factors inhibiting funds from reaching communities on the ground.

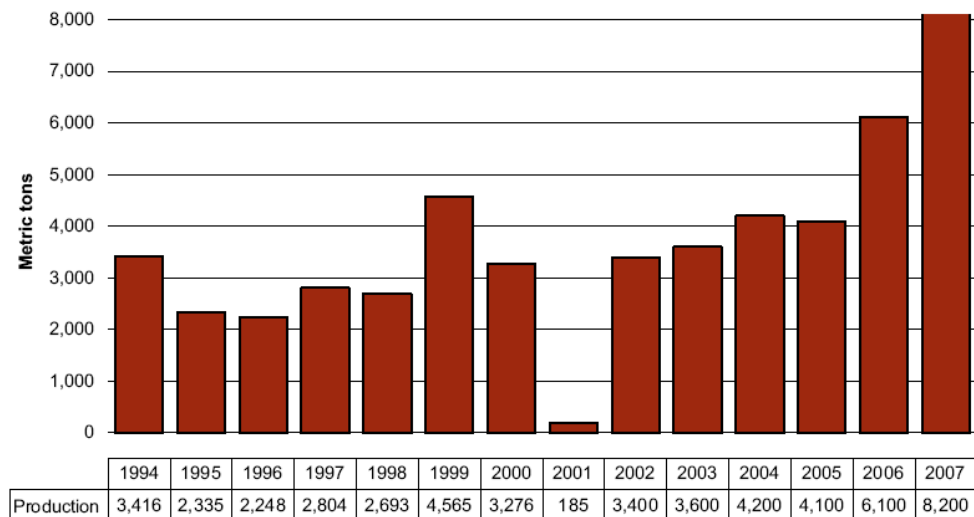
Furthermore, the declining security situation in the south of the country and, more recently, in the north too, is making it more difficult for international aid agencies to implement programmes and deliver aid to communities in most need. Following the murder of a German staff member in March in Sar-e-Pul Province and of an Afghan staff member in Kunduz in May 2007, German Agro Action (GAA) announced it would scale back its activities to only essential measures by October 2007. GAA explained its position by saying that NGOs had come under fire from anti-government groups because

Table 2: Main opium poppy cultivation provinces in Afghanistan (ha), 2007

Province	2003	2004	2005	2006	2007	Change 2006-2007	% Total in 2007	Cumulative %
Hilmand	15,371	29,353	26,500	69,324	102,770	+48%	53%	53%
Nangarhar	18,904	28,213	1,093	4,872	18,739	+285%	10%	63%
Kandahar	3,055	4,959	12,989	12,619	16,615	+32%	9%	72%
Farah	1,700	2,288	10,240	7,694	14,865	+93%	8%	79%
Uruzgan	4,698	N/A	2,024	9,773	9,204	-6%	5%	84%
Nimroz	26	115	1,690	1,955	6,507	+233%	3%	87%
Rest of the country	36,246	66,072	49,464	58,763	24,281	-59%	13%	100%
Rounded Total	80,000	131,000	104,000	165,000	193,000	17%		

Source: UNODC Opium Survey 2007, p. 4

Figure 3: Potential opium production in Afghanistan (metric tons), 1994-2007



Source: UNODC Opium Survey 2007, p.7

“NGOs are increasingly entrusted with responsibilities which fall under the auspices of the state.”³⁶

VIRTUAL REALITY

Many actors in Afghanistan see the development of alternative livelihoods (AL) as the answer to Afghanistan’s drugs problem. The alternative livelihoods approach seeks “to mainstream counter narcotics objectives into national development strategies and programmes”, and is best understood as doing “development in a drugs environment”.³⁷ It needs to be clear, however, that AL programmes alone are not going to bring about a major breakthrough in reducing opium cultivation. AL projects are still

small-scale, especially compared to the massive opium cultivation in the country.

There are unrealistic expectations of what AL programmes can actually deliver. They do not function in isolation and the success of any programme depends on the specific situation and on the dynamics of the licit and illicit markets. 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 drugs economy such as in Afghanistan is unrealistic.

It is worth continuing this experimentation, but the current scope and performance of AL programmes should in no way be used to justify claims that, since alternatives exist, eradication is

therefore justified. Such claims are leading to huge resentment among the majority of farmers for whom AL is a virtual reality in which they play no part.

Similarly, experimenting with licit uses of opiates for medicinal purposes merits attention, but should be equally 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.³⁸

HIGH YIELDS, LOWER PRICES

The UNODC's 2007 survey shows yet another increase in production levels, especially in the south and in Nangarhar. One centre-northern province, Balkh, is highlighted as a leading example of a trend in the opposite direction: "opium cultivation collapsed from 7,200 hectares last year to zero today".³⁹ A total of 13 provinces are declared opium-free, up from six last year. Badakhshan, in the north, showed the largest reduction: 9,400 hectares less than in 2006, leaving 3,600 hectares now.

Exceptionally good weather conditions in 2007 brought high yields per hectare. In previous years, the average yield was between roughly 35 and 40 kilograms per hectare. Last year both US (32.7 kg/ha) and UN (37 kg/ha) estimates showed a decrease compared to 2005 (from 41.5 and 39.3 kg/ha respectively). The average yield in 2007 was estimated by UNODC at 42.5 with some provinces yielding above 50 kg per hectare.

TNI field research in April 2007 in Badakhshan and Nangarhar confirmed the high yields this year. Farmers interviewed in Nangarhar just before harvest mentioned expected yields as high as 12-15 seers per jerib,⁴⁰ which translates to 72-90 kg/ha. Though these figures are clearly influenced by farmers' wishful thinking, simply viewing the fields left no doubt as to the high yields this year. Farmers in the largest producing southern province of Helmand were also optimistic, mentioning 50-60 kg/ha in areas where last year the average stood at 36 kg/ha.⁴¹

Opium prices, meanwhile, are decreasing, as could be expected after continuously increasing production. As with yields, figures differ substantially between provinces. At the end of 2006, according to UNODC, prices for 'dry opium' (1-2 years old) in the north ranged between US\$60-85 per kilo, in the south US\$125-145 and in Nangarhar around US\$190. On average, this represents a nationwide drop in price of roughly a quarter on the previous year.

Prices in Nangarhar are still substantially higher than in the rest of the country, reflecting the temporary shortage on the local market after the 2004 opium ban in the province. In 2007 prices declined further, this time reaching low levels not seen since 2001. By July 2007 the national average farm-gate price for dry opium was calculated by UNODC at US\$105/kg compared to US\$140/kg mid-2006, again a 25 per cent decrease.

According to the farmers and traders TNI interviewed, prices in Badakhshan fell 10 per cent to around US\$100/kg between December 2006 and April 2007 (down from US\$130/kg end 2005) and in Nangarhar from US\$190 to US\$150/kg. Prices for fresh opium -or 'wet opium' - are always still lower because it contains more water (15 to 40 per cent, which dries out slowly over a year).

The overall price trend seems to be moving slowly in the direction of pre-2001 levels, when prices were relatively stable for almost a decade between US\$30-45/kg, a very low level compared to opium prices in south-east Asia and Latin America. The 2001 Taleban opium ban and the military intervention following the 9/11 attacks caused an unprecedented disruption of the Afghan opiates market, which may only now be beginning to stabilise again. Very high prices these past years were a major incentive for farmers to grow, leading to ever-increasing production levels that sooner or later had to saturate the regional and international markets. Opium prices were bound to drop and the fact that prices have been levelling off only slowly was a surprise. This might be an indication of a rise in global demand for Afghan opiates.

THE MARKET PERSPECTIVE

Market forces play an important role in the Afghan and worldwide opiates market, much more than most drug control officials seem to recognise. Current downward price trends are a self-correction of the market and the price decline in the north is -more than any policy intervention- a key factor in this season's decrease of poppy cultivation in Balkh and Badakhshan, two provinces with the lowest price levels. In both cases, the sharp reductions are due to non-planting, not to eradication. Many farmers mentioned the low opium prices - instead of fear of eradication- as their main reason to plant less.

Afghan over-production moving into China?

The 2007 Afghan opium production estimate of over 8,000 mt is an astonishing figure for the global opiates market, which has been relatively stable between 4000-5000 mt for over 15 years. The big question is where this apparent over-production is going. A market correction after prices have sufficiently dropped is likely to happen – it is more likely than a sudden increase in heroin use capable to absorb such over-supply. Still there are several indications of a growing demand for Afghan heroin, with consumption levels in Russia, Eastern Europe and Central Asia growing for several years already. One important new outlet could well be a compensation for the rapidly decreasing opium production in south-east Asia, where the market shows signs of shortage.

"China faces a serious threat from drugs from the Golden Crescent region," said Chen Cunyi, deputy secretary general of China's National Narcotics Control Commission.⁴² According to the Pakistan Anti-Narcotics Force, a significant recent development is the emergence of China as a new transit destination for heroin trafficking by air and land from Pakistan, servicing the huge demand for heroin in China itself and for further trafficking into western markets via Hong Kong.⁴³ Increased seizures of shipments destined for China were made at airports and at the Sust border check-post. In India too, more shipments are detected that are destined for China.

Although the figures are difficult to estimate, the trend makes sense: opium production in the Golden Triangle is sharply decreasing and most of that was destined for the Chinese consumption market. "The street price of heroin has skyrocketed in the past

decade or so in China and other parts of the Golden Triangle, making heroin the least affordable illicit substance on the market. This suggests that heroin supply has become scarce."⁴⁴ Recent TNI fieldwork at the China/Burma border confirmed a steep rise in heroin price, at both retail and wholesale levels almost a doubling over three years. Trends in cultivation, processing and trafficking in Afghanistan and the Golden Triangle respectively are likely to create significant incentives for East Asian distributors to source more of their supply from Afghanistan, concludes a recent risk assessment.⁴⁵

Although the Pakistan-India route is one option for transit from Afghanistan to China, the Northern route through Central Asia, crossing the Kazakh border into Xinjiang province in the North-West, seems more attractive for reasons of border control effectiveness, established trafficking routes and entrenched interactions between ethnic groups. The current proportion of Afghan opiates in Chinese consumption markets is difficult to determine because China's systems for determining opiate origin have only recently been developed. "In the last two years, estimated import figures have risen from modest numbers under 5 per cent to official figures between 10-25 per cent. In interviews with security and police personnel, the increase is perceived to be even more significant, with some privately estimating that possibly 20-35 per cent is coming from Afghanistan."⁴⁶ Given the current discrepancy between regional demand and supply, sooner or later the market will re-find its balance.

"Whatever the current proportion of Afghan opiates in China may be, it is set to rise."⁴⁷

In Badakhshan, for example, the acute shortage of wheat straw, crucial for feeding livestock in the province, was a reason for many to grow more wheat and less poppy. Prices for wheat straw, which now needs to be imported from neighbouring Takhar province, have soared to 700 Afghanis (US\$14) per bag, up from 200 Afghanis per bag a year ago (because of drought last year). One bag can feed a donkey or goat for only five days.⁴⁸ Combined with rising wage labour rates – poppy cultivation is very labour intensive- and declining opium price, in some areas "people were no longer interested in poppy".⁴⁹ In other areas of Badakhshan however, people further away from markets and with

insufficient or no land at all remain highly dependent of poppy.

Such market fluctuations can be temporary and to some extent are self-correcting: once poppy cultivation drops through non-planting or eradication, opium prices are likely to rise again, while wheat straw prices will decrease, changing the balance in farmers' decision-making. The key lesson is that market analysis should inform policy making much more than is now usually the case. On the demand side this argument is heard more often in recent years. Drug consumption patterns are comparable with epidemics, showing a sharp upward curve in the early stage and a subsequent levelling off, often

Heroin 1, 2 & 3

Many features of the heroin market are under-researched. Even the characteristics of the different morphine and heroin products on the market are not well known. Labourers in an Afghan heroin laboratory located near the Pakistan border spoke to TNI about three different types of heroin being produced. First, there is the 'export quality' brown heroin base that dominates the European market. The local price in Nangarhar stands at US\$2,300 per kilo. Seven kgs of dry opium are needed to produce one kilogramme of this heroin nr 1. Heroin types 2 and 3 are described as inferior by-products from the same seven kgs of opium, and can be sold for roughly 30 per cent and 25 per cent of the price for the best quality. About 1.5 kg of heroin number 2 and 0.5 kg of heroin number 3 can be produced from the same 7 kg of opium. Even a remaining 'waste' of some 3 kg can still be sold for 1/10 of the price of heroin 1.⁵⁰

This numbering 1-3 should not be confused with the so-called 'heroin nr 4' coming from south-east Asia, the white heroin hydrochloride most suitable for injecting and sniffing. A similar white heroin is also being produced from Afghan opium, though it remains unclear in what quantities.⁵¹ Most still seems to enter the global market in the form of 'brown sugar'. No existing document we know of describes the characteristics of heroin nrs 1, 2 and 3 in Afghanistan in a similar way as the laboratory employees did. This may be a relatively recent phenomenon and could be specific for Nangarhar. The marketing and destination of the inferior heroin types remains a mystery, but it may well be that much of the marginalised heroin-dependent population in Pakistan and Iran are provided with these cheap –and highly impure- substances.

Though it may seem unlikely at first that there could be a market in the region for such low quality types of heroin, one has to keep in mind that even the heroin on the European market is cut down to sometimes incredibly low heroin content. According to the EMCDDA, in 2003, the average purity of brown heroin at street level in the EU varied from 6 per cent in Austria to 40 per cent in Malta, and samples containing no more than 1 per cent of heroin are regularly found on the market.⁵² In several EU countries, the average heroin purity in fact lies below the original morphine content of raw opium, which averages around 15 per cent.

followed by a slow decrease. The success of the policy intervention differs in the various stages of the epidemic. During the steep rise, often accompanied by media and policy panic, policy interventions are very unlikely to influence the curve, while at the stage of stabilisation and gradual decline, specific treatment and harm reduction interventions may help to support and solidify the trend.

Similar reasoning may apply to drug production patterns. The challenge would be to identify opportunities provided by market developments and adapt drug control policies to make the maximum use of them. In upward curve moments, such as now in Helmand or Nangarhar, it is doubtful much can be achieved to revert the trend by either coercive or developmental measures. On the other hand opportunities such as now exist in Balkh or Badakhshan could be lost by policies that seek to force the trend further down too quickly, driving up opium prices again. By contrast, a targeted developmental approach could make the choices farmers are making more sustainable over time. As the UNODC 2007 survey warns: "Unless serious action is taken in terms of external assistance to Balkh and other opium poppy free provinces, there is a high risk that they will resume opium poppy cultivation in the coming growing season." That is what happened in Nangarhar this season, representing a short-lived success story. In 2005 poppy almost disappeared from the province after an opium ban was enforced, but this year shows a massive return to cultivation to 2003 levels.

A rich body of data and analysis has been developed over the past decade on poppy cultivation and the dilemmas faced by farmers.⁵³ Data are sketchy and analysis is still poor on downstream market trends, however. Opium price data have been gathered more systematically by UNODC in recent years, but interpretation of market trends is difficult because crucial issues such as opium trading patterns, stocks, heroin processing, regional demand and inter-regional connections in the global opiates market are to a large extent still mysteries. This poses a major challenge to UNODC and others since a serious knowledge base about opiate markets could inform policy making significantly.

CONCLUSIONS ON THE WAY FORWARD

Policy considerations based on a distorted and over-simplified analysis of the link between

opium and conflict in Afghanistan threaten to exacerbate the current downward spiral. Taliban earnings from the opium economy are over-emphasised. Severing the ties between the insurgency and the illicit economy has become the principle justification for the increased repression of opium farmers, NATO involvement in interdiction and US pressure to start the chemical spraying of poppy fields during the upcoming growing season (November 2007 - May 2008). Drug control thus becomes primarily a military objective.

What is needed instead are conflict-sensitive drug policies that take into consideration all of the interrelations between the opium economy, conflict and reconstruction. These factors include the positive macroeconomic impact of the opium economy, which is the single largest and best paying 'employer' in the country, with millions of people gaining from it. They also include the fact that many state officials and militias aligned with the government have a serious stake in this business. For this reason, corruption will not be easy to root out, and a considerable political fall-out can be expected when those interests are attacked –especially if that is done by foreign troops.

Four different positions are competing with each other in the media as well as policy circles in the search for 'solutions': stepping up eradication, more focus on interdiction, mainstreaming of Alternative Livelihoods or a licensing scheme for licit opiates production. One key deficiency is that none of these options takes on board the state of existing demand for illicit heroin, a reality that cannot be wished away by good intentions of supply reduction. Illicit demand for Afghan opiates seems to be on the rise at the moment and any policy that does not incorporate this reality is suffering from self-denial.

The rural economy of Afghanistan will be heavily dependent on opium production for the foreseeable future. Likewise, the global illicit opiates market will remain heavily dependent on Afghanistan until either demand will be reduced or other production sites emerge elsewhere.

An overall conclusion is well phrased by the UNODC/World Bank study, which states that "with modest resources and weak institutions fighting against a diverse, flexible, mobile, and dynamic drug industry, *expectations about what can be accomplished in the short run must be kept reasonable*. Overly inflated expectations -whether about eradication, other enforcement measures,

or alternative livelihoods- inevitably lead to disappointments, which given the political sensitivity of narcotics in turn can lead to overreaction and policy mistakes. ... Thus there is no alternative to a sustained long-term effort, with success inevitably being modest and elusive in the short run."⁵⁴

This is a particularly important point to stress at this very moment, when the newly released record figures have led to media hypes and policy panicking. Overreaction and mistakes –such as aerial spraying or a counter-narcotics mandate for NATO- have unpredictable consequences and may well further close doors to stabilisation, peace building and reconstruction.

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