



# Despair or Hope: Rural Livelihoods and Opium Poppy Dynamics in Afghanistan

Paul Fishstein

August 2014



12 YEARS  
OF HIGH-QUALITY  
RESEARCH





**Afghanistan Research and Evaluation Unit**

**Synthesis Paper**

# **Despair or Hope: Rural Livelihoods and Opium Poppy Dynamics in Afghanistan**

Paul Fishstein

August 2014



This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of AREU and can under no circumstances be regarded as reflecting the position of the European Union.

**Editing:** **Ann Buxbaum**

**Cover photo:** Clockwise from top left: Vegetable fields, Chimtal District, Balkh Province, May 2013; opium poppy field, Jurm District, Badakhshan Province, May 2013; land prepared for cultivation, north of the Boghra Canal, Helmand Province, April 2012; widespread opium poppy cultivation in the Pirakhel Valley, Khogiani District, Nangarhar Province, April 2013. All photos by OSDR.

**Layout:** **Ahmad Sear Alamyar**

**AREU Publication Code:** **1421E**

© 2014 Afghanistan Research and Evaluation Unit. The opinions expressed in this publication are those of the author and do not necessarily reflect those of AREU. Some rights are reserved. This publication may be reproduced, stored in a retrieval system or transmitted only for non-commercial purposes and with written credit to AREU and the author. Where this publication is reproduced, stored or transmitted electronically, a link to AREU's website ([www.areu.org.af](http://www.areu.org.af)) should be provided. Any use of this publication falling outside of these permissions requires prior written permission of the publisher, the Afghanistan Research and Evaluation Unit. Permission can be sought by emailing [areu@areu.org.af](mailto:areu@areu.org.af) or by calling +93 (0) 799 608 548.

## About the Author

Paul Fishstein (MS, Agricultural and Resource Economics) is a former director of the Afghanistan Research and Evaluation Unit. Since 1977, he has worked in the implementation of development and humanitarian programmes and in research in both Afghanistan and Pakistan. He is currently an independent consultant.

## About the Afghanistan Research and Evaluation Unit

The Afghanistan Research and Evaluation Unit (AREU) is an independent research institute based in Kabul. AREU's mission is to inform and influence policy and practice by conducting high-quality, policy-relevant research and actively disseminating the results, and by promoting a culture of research and learning. To achieve its mission AREU engages with policymakers, civil society, researchers and students to promote their use of AREU's research and its library, to strengthen their research capacity, and to create opportunities for analysis, reflection and debate.

AREU was established in 2002 by the assistance community in Afghanistan and has a Board of Directors comprised of representatives of donor organizations, the United Nations and other multilateral agencies, and non-governmental organizations. AREU currently receives core funds from the Embassy of Finland, the Swedish International Development Cooperation Agency (SIDA) and the Swiss Agency for Development and Cooperation (SDC).

Specific projects in 2014 are currently being funded by the European Union (EU), the Swiss Agency for Development and Cooperation (SDC), the Overseas Development Institute (ODI), the United Nations Development Programme (UNDP), the World Bank, the University of Central Asia (UCA), United States Institute of Peace (USIP), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Embassy of Finland.

## Acknowledgements

The author wishes to thank Sayed Mohammad Azam, William Byrd, Pierre-Arnaud Chouvy and David Mansfield for their insightful reviews of a draft version of this paper. He extends special thanks and appreciation to David Mansfield, whose past and current work makes up such a significant part of the evidence base and analysis. He wishes also to thank the field and office staff at the Organisation for Sustainable Development and Research who conducted most of the fieldwork and provided valuable analysis and insights, Alcis Ltd., for production of the maps and Mudasir Nazar at World Food Programme/Vulnerability Analysis and Mapping for providing updated wage data. Finally, appreciation goes to Ann Buxbaum for her patience, interest and skilled editing.

Paul Fishstein  
August 2014

## Table of Contents

Executive Summary.....	1
1. Introduction.....	5
1.1 Background .....	5
1.2 AREU research on the opium economy and rural livelihoods .....	6
2. Methodology and caveats .....	7
2.1 Methodology .....	7
2.2 Caveats .....	8
3. Opium poppy in Afghanistan.....	10
3.1 History of cultivation and production in Afghanistan .....	10
3.2 Counternarcotics in Afghanistan since 2001 .....	11
4. Main themes/findings: dynamics of opium poppy cultivation and rural livelihoods .....	14
4.1 Not all geographical areas are equal: the need to differentiate areas and households .....	15
4.1.1 Geographical areas within one province .....	15
4.1.2 Households .....	19
4.2 The larger economic, political and governance context .....	21
4.2.1 Economic realities .....	21
4.2.2 Local multipliers: the effect of opium poppy .....	24
4.2.3 The political and governance context .....	26
4.3 Where transition happens.....	33
4.3.1 The right economic conditions .....	33
4.3.2 Non-farm and off-farm income .....	37
4.3.3 The wrong conditions .....	38
4.4 Coercive approaches .....	40
4.4.1 Short-term reductions through coercive approaches are possible with a strong and motivated leader and overwhelming force .....	40
4.4.2 Coercive approaches are susceptible to erosion and collapse .....	42
4.4.3 Coercive approaches have unintended consequences at the household and higher levels .....	44
5. Summary, policy implications and recommendations .....	54
5.1 Summary .....	54
5.1.1 Transition to licit cultivation is possible .....	54
5.1.2 Understanding the context .....	55
5.1.3 The role and effects of coercive approaches .....	56
5.1.4 Policies and programmes .....	57
5.2 Policy implications and recommendations.....	58
Bibliography .....	61

## Tables

Table 1: Summary characteristics of zones in Central Helmand.....	16
Table 2: Gross returns to alternate cropping patterns, Nangarhar and Badakhshan .....	23
Table 3: Hypothetical cash equivalent returns to sowing all land to wheat .....	39
Table 4: Returns to opium poppy per <i>jerib</i> in Helmand <i>dasht</i> under different yield and land tenure assumptions, US dollars .....	47

## Boxes

Box 1: A thumbnail history of cultivation in the four provinces .....	11
Box 2: Major developments and initiatives in counternarcotics.....	13
Box 3: The roles of females .....	21
Box 4: The Afghan Local Police and counternarcotics.....	28
Box 5: Nangarhar land dispute.....	30
Box 6: Managing eradication in Badakhshan .....	32
Box 7: Getting it right on prices.....	36
Box 8: Development assistance in Helmand: priming the pump or stealing it? .....	52

## Figures

Figure 1: Opium poppy cultivation, national level, 1995-2013 (hectares).....	10
Figure 2: Expansion of cultivated area north of Boghra Canal, Helmand, 1999-2010.....	18
Figure 3: Post-eradication fields in Jurm District, Badakhshan, 2013 .....	32
Figure 4: Wages for unskilled daily labour in major cities, 2003-14 .....	38

## Acronyms

Afs	Afghanis, the Afghan unit of currency. During the time of research, 55 Afs was roughly equivalent to US\$1
AGEs	Anti-Government Elements
ALP	Afghan Local Police
ANA	Afghan National Army
ANP	Afghan National Police
ANSF	Afghan National Security Forces
AREU	Afghanistan Research and Evaluation Unit
CND	Counter Narcotics Directorate
COIN	Counterinsurgency
GDP	Gross domestic product
Ha	Hectares
IM	International Military
ISAF	International Security Assistance Force
kg	Kilogramme
MCN	Ministry of Counter Narcotics
MP	Member of Parliament
NDCS	National Drug Control Strategy
NGO	Non-governmental Organisation
NPP	National Priority Programmes
NRVA	National Risk and Vulnerability Assessment
OSDR	Organisation of Sustainable Development and Research
PRS	Pakistani rupees
PRT	Provincial Reconstruction Team
UN	United Nations
UNAMA	United Nations Assistance Mission in Afghanistan
UNODC	United Nations Offices on Drugs and Crime
USAID	United States Agency for International Development
WFP/VAM	(United Nations) World Food Programme/Vulnerability Analysis and Mapping

## Glossary

<i>arbaki</i>	Tribal security force indigenous to the Loya Paktia region, but now refers to almost any irregular local security forces
<i>chars</i>	Hashish or the plant from which it comes ( <i>cannabis sativus</i> )
<i>dasht</i>	Desert, here mostly referring to the area north of Helmand's Boghra Canal.
<i>gadwadi</i>	Confusion, often conveying political disorder
<i>gap sar-e chowk</i>	Gossip, rumour. Refers to public congregating place in Kabul city
<i>haram</i>	Prohibited by or in contradiction to Islam
<i>jerib</i>	Measure of land area equal to 0.494 acre or roughly one-fifth of a hectare
<i>jihad</i>	Righteous struggle or holy war, usually referring to the 1979-92 war against the Soviet occupation and the government it left in place.
<i>jihadi</i>	Commander or political leader who gained his strength during the jihad years (1979-92)
<i>jirga</i>	Meeting, tribal gathering
<i>jalob</i>	Trader or middleman, often used pejoratively
<i>kafir</i>	Non-believer, non-Muslim
<i>kar khana</i>	Factory, workshop
<i>khord</i>	Measure of weight equivalent to 112.5 grammes
<i>lalmi</i>	Rain-fed (i.e., land, crops). Also referred to as <i>daima</i> in parts of north.
<i>malik</i>	Local leader or elder who acts as intermediary between the state and the community
<i>manteqa</i>	Area or territory, defined informally by social relationships rather than administrative boundaries
<i>maraz</i>	Disease, sickness; applied to plants or humans
<i>maun</i>	Measure of weight equivalent to 4.5 kg
<i>mujihadin</i>	Guerrillas who fought in the 1979-92 war against the Soviet occupation (literally, those who fight jihad, or holy war)
<i>naqlin</i>	Specific group of people settled in Helmand in the 1960s and '70s. Derived from plural of Dari word for "transfer".
<i>nim kala</i>	Half-assed (literally, half-headed)
<i>peshaki</i>	Method of loan or advance payment used to finance opium poppy cultivation, from Dari word <i>pesh</i> for "advance" or "forward"
<i>pardah</i>	Practice of female seclusion
<i>salaam</i>	Method of loan or advance payment used to finance opium poppy cultivation
<i>shura</i>	Council
<i>tahqiq</i>	Research or investigation
<i>taryak</i>	Opium
<i>ushr</i>	Payment made to local clergy ( <i>mullah</i> ) for their services
<i>wakil</i>	Member of Parliament
<i>wasita</i>	Personal relationship or connection, often used to obtain a favour or preferential access or treatment
<i>wolesi jirga</i>	Lower house of the national Parliament
<i>woleswal</i>	District administrator or governor; i.e., one who administers a <i>woleswali</i>
<i>woleswali</i>	Administrative division within a province; also refers to the headquarters, where a <i>woleswal</i> sits
<i>Zarang</i>	Type of motorbike which can be fitted with a variety of bodies and trailers to transport people and goods

# Executive Summary

## Background

AREU conducted field research in **Badakhshan, Balkh, Helmand and Nangarhar** Provinces during the three agricultural years from 2010-11 to 2012-13, to explore the dynamics of opium poppy cultivation: the history of government policies and programmes and the ways in which these policies and programmes affected the ability of rural households to maintain their livelihoods.

As measured on the national level, counternarcotics appears to be failing. With a record-high area, the level of cultivation of opium poppy in 2012-13 was two and one-half times what it was in 2000. This can be viewed as the continuation of the upward trajectory of the 1980s, when lack of state presence and the intertwined relationship between drug trafficking and the *mujahidin* arms pipeline allowed opium poppy cultivation and the opiate trade to flourish.

Currently equivalent to 15 percent of GDP, the opium economy has significant effects on the larger economy and on society. It pushes out licit crops and economic activity, helps to support the insurgency, corrodes public institutions and contributes to domestic drug use. Yet it also creates income and employment from farmers to government officials, and is Afghanistan's largest source of export earnings.

## Main themes and findings: opium poppy cultivation and rural livelihoods

### Need for differentiation: not all areas are alike

There is no single variable that explains why farmers grow opium poppy; the reasons are multi-faceted, location- and group-dependent, and varying over time. The levels of cultivation depend on geographical factors in a given area (availability of water and arable land, proximity to roads and urban areas, and presence of the state) as well as on household-specific variations in physical capital (especially the quantity and quality of cultivable land), in human capital (especially the number of working-age males and their skills), and in access to social networks and other forms of social capital. While the importance of variations in geographical areas and household endowments is widely acknowledged, policies such as province-wide cultivation bans often fail to take these variations into consideration.

### Economics, politics and governance

Levels and location of cultivation also depend on the larger economic, political and governance context. Opium poppy has a local economic multiplier, which has contributed to higher living standards and to capital accumulation. The converse is also true: suppression has often had a deflationary impact, driving down living standards and leading to critical loss of income among shopkeepers, traders and other providers of goods and services, as well as to distress sales of livestock and other productive assets. Opium poppy is grown where the state has limited reach or where its representatives are weak and/or unmotivated.

The political and governance context also affects counternarcotics. In areas with limited government influence, local officials' and elders' need to negotiate their own status have sometimes meant downplaying the government's counternarcotics agenda. Where local elders and elites have been enlisted in the suppression of illicit cultivation, their commitment is difficult to maintain when it goes against the grain of economic and political factors. In many areas, the Afghan Local Police, composed of a range of often-competing actors who represent patronage interests, have become important factors in the evolving political context, and have played ambiguous roles in enforcing opium poppy bans. In some areas they have been accused of profiting from cultivation directly or indirectly, while in other areas they have energetically taken on their roles as enforcers of the bans either for personal financial advantage or to advance a political agenda. In some areas, the decentralised and highly fluid nature of relationships and negotiated agreements makes even the concept of a clear division into "government" and "Taliban" less meaningful.

### Where transition to licit livelihoods happens

Despite national increases in cultivation, in some areas of three of the four provinces (**Balkh, Helmand, Nangarhar**) economic, political and governance conditions have facilitated a transition to licit crops and livelihoods. This confirms that, despite opium poppy's oft-touted advantages as a cash crop, households make decisions based on a wider range of factors. While bringing higher gross returns, opium poppy may also have higher input costs (depending in part on household labour endowments) or may tie up land and thereby preclude other crops. Key factors in transition have been area agro-economic possibilities, adequate infrastructure, security that allows access to functioning commodity markets, and proximity of non-farm employment.

Given Afghanistan's rapid population growth, small landholdings and low agricultural productivity, non-farm income is becoming increasingly critical even for rural households. In all four provinces, households reported using proceeds from opium poppy to make capital investments such as transport vehicles and tractors that allowed transition away from cultivation of illicit crops.

On the other hand, in areas that lacked opportunities to shift to higher-value licit agricultural production or to obtain non-farm employment, households continued to rely on opium poppy. This occurred largely where there were poor resource endowments, lack of industry, poor infrastructure, greater distance from commodity and labour markets, a short growing season, lack of cultivable land and insecurity. Moreover, areas in which farmers mono-cropped opium poppy were especially vulnerable to crop failure such as was experienced in parts of **Helmand** in 2011-12 and 2012-13.

### Effects of coercive approaches

The suppression of cultivation through coercive measures such as threat of arrest, physical harm or eradication of the standing crop has been possible in areas where one dominant and motivated player either possesses or can draw on sufficient force. This has been the case for certain periods and areas of **Balkh, Helmand** and **Nangarhar**. However, coercive approaches are almost by definition unstable, and suppression will erode and collapse when external economic or political factors overwhelm and when there is no opportunity for political agreements.

The reduction of poppy cultivation through coercive approaches has also had unintended consequences. Direct and indirect consequences include local economic contraction from decreased money in circulation and reduced demand for labour, relocation and intensification of cultivation, increased poverty and landlessness, greater support for the Taliban and other anti-government elements and increased stress on natural resources such as water.

Counternarcotics efforts that rely on eradication or other forms of physical confrontation may be intended to communicate state control, but in some places they have led to destabilisation and alienation by provoking a violent reaction by farmers. Attempts to destroy the crop have provided the Taliban and other anti-government elements with opportunities to portray themselves as defenders of the population against an uncaring state. In fact, the Taliban may accumulate more political capital from deterring or resisting eradication than financial capital from collecting money from the crop. Intended to be an instrument of public policy, in the worst cases eradication has instead become a tool for the extraction of private gain through bribes, threats or even confiscation of property and the looting of homes.

### Policy implications

The rapidly changing political, security and economic environment will have profound impact on narcotics and counternarcotics (and vice versa) in the years ahead. In recent years, counternarcotics has become a lower-priority item on the policy agenda. International and domestic actors may be preoccupied with more pressing issues such as security, and contested local control may reduce the willingness of officials to exert pressure to suppress cultivation. Further, the reduction in resources and international financial flows and the contraction of the larger economy may motivate local power holders to seek other sources of income such as opium poppy. With less funding available for counternarcotics programmes—as well as for development assistance in general—the post-2014 environment will be a challenging one for counternarcotics policy. In that context, the following policy recommendations can be made.

- **Acknowledge the long-term nature of the problem.** Above all else, sustainable reduction in opium poppy cultivation is a long-term process. While this is accepted as a principle of policy, programmes and projects have not always embodied it. Factors that reduce poppy cultivation in the short term are not always those that reduce it in the long term. Given the highly political nature of narcotics, policy makers in Afghanistan and the international community will need to negotiate the political space for a slow, sustainable transition, while at the same time providing credible assurances that something is being done.
- **Anticipate the unintended consequences of coercive and other approaches.** Political pressure for more drastic and aggressive interventions such as aerial chemical spraying should be resisted if those interventions are likely to make the problem worse or to have other unintended consequences. If coercion has been unable so far to sustainably eliminate opium poppy cultivation, it will be even less able to do so in the years ahead, when many of the military, political and financial assets will no longer be available. On the contrary, there are many areas similar to the *Helmand dasht* (desert) which can become new centres of cultivation. Similarly, proposals for licensing production for the international pharmaceutical market would increase the supply of illicit opiates.
- **Recognize the often diametrically opposing points of view that affect the interpretation of the same activity.** From the perspective of the government and its international partners, suppression of cultivation through coercive methods is seen as a moral act which upholds the rule of law and increases social order. From the perspective of farmers with few alternatives and immersed in a deteriorating economic situation, however, suppression may be seen as predatory and showing a lack of concern for the welfare of the population. Understanding such divergent perspectives can contribute to designing policies and programmes more likely to be accepted by farmers, and at least help anticipate potential hostile responses.
- **Understand the varied local context.** One of the key lessons of the last decade is that a one-size-fits-all policy with targets that ignore local variation will be ineffective or counterproductive. Policy and programmes must take an area-based perspective, responding to variations in geography and household characteristics and differing opportunities based on natural resource endowments and on proximity to trade routes, markets and urban areas.
- **Focus on pro-poor interventions.** Without relevant alternatives, suppression of cultivation has the largest effect on the poor, especially the landless and the land-poor. As the poor rely mainly on labour market participation to obtain their livelihoods, the most productive interventions are labour-intensive ones that focus on livestock, which provides outputs both for sale and for household consumption, and high-value horticulture. This is especially important considering that many urban non-farm work opportunities that have been fuelled by international spending are not going to exist.
- **Put counternarcotics into a development context (mainstreaming).** Development policies and programmes can have a powerful impact, both negative and positive, on the drug economy. Especially in places not under strict state control, expansion of overall cultivated area or an increase in agricultural productivity through continued adoption of productivity-raising technology (chemical herbicides, low-cost generators and water pumps, and solar power) may simply expand opium poppy output, defeating the purpose of the counternarcotics effort. Using a “do-no-harm” approach, development programmes, including the National Priority Programmes, should consider in advance their potential impact on the production of narcotics.
- **Reduce market and agronomic risks.** While previous AREU research has cautioned that free markets not be viewed as a panacea for broadly-based development, current research confirms that market opportunities do have the potential to improve livelihoods and support the transition out of opium poppy cultivation. This requires the reduction of market and agronomic risks that discourage farmers from moving out of opium poppy and into potentially remunerative licit crops. Special efforts should be made to ensure market demand for crops that compete with opium poppy and to initiate other enhancements—

such as packaging and crating of vegetables—that may result in higher net returns for farmers. Agro-processing industries could create additional demand for cash crops, although Afghanistan’s risky environment holds back private investment, especially in light of the pervasive uncertainty about the 2014 drawdown of international forces and the lack of resolution of the presidential election.

# 1. Introduction

## 1.1 Background

The call to raise the productivity of agriculture as the foundation of the Afghan economy and the source of livelihoods security for the Afghan people has been a consistent refrain in policy documents and public pronouncements since 2001. Agriculture is given a central place in the Afghanistan National Development Strategy (ANDS), and in the National Priority Programmes (NPP). The challenges and constraints to achieving agricultural development have been well documented, including in the NPP documents themselves. Average agricultural growth between 2003 and 2011 in real terms was 3.1 percent, below the non-agricultural growth rate of just under nine percent.<sup>1</sup>

Similarly, the severity of the multi-dimensional threat posed by the opium economy has been regularly highlighted, as has the need to mainstream antinarcotic activities into development programmes. Yet little has happened substantively. Alternative livelihoods/development projects have mostly been stand-alones, and the development community has largely avoided associating its activities with counternarcotics, except to attract dedicated funding or to respond to political pressure created by large annual increases in cultivation or other negative metrics. At least as measured on the national level, counternarcotics is seen to be failing. Cultivation of opium poppy is now two and one-half times what it was in 2000, a record high in 2012-13 in itself providing an apparent indictment of policy.

The magnitude of Afghanistan's narcotics problem has been called "unprecedented,"<sup>2</sup> both in its volume and in the myriad ways in which it affects the country. Aside from the international consensus that drugs are "bad" (per international conventions), the opium economy is a source of corruption and creates perverse incentives to maintain a weak state. It also pushes out licit crops and economic activity. Equivalent to 15 percent of GDP,<sup>3</sup> it has significant impact on the larger economy.

Cultivation and production of narcotics also help fuel the insurgency, although to what extent and in what way is not entirely clear. Increasing use of opiates within Afghanistan has created a set of public health issues, including addiction and the spread of HIV, neither of which the country is well-equipped to manage. The combination of high income and weak institutions which are often subservient to power holders has also contributed to impunity and human rights abuses. Finally, a persistent opium economy which calls up the easily applied but poorly defined label "narco-state," is likely to corrode the country's relations with the international community.

At the same time, analysis and public discussion have often ignored the positive externalities<sup>4</sup> or side benefits: the way in which the opium economy has contributed to local economic booms and capital formation in several provinces and cities, as well as at the household and community levels; its contribution to rural livelihoods, including through the creation of work for landless labourers and sharecroppers; and even in its contribution to the adoption of agricultural technology.<sup>5</sup> According to one estimate derived from empirical data, each hectare of opium poppy produces the equivalent of 1.8 full-time jobs, not including additional employment created by trade, transport and processing, or by the economic multiplier effect.<sup>6</sup> On the macro-economic

1 Asian Development Bank, "Key Indicators for Asia and the Pacific 2013," <http://www.adb.org/sites/default/files/ki/2013/pdf/AFG.pdf>. Annual growth in agriculture disguises significant annual variation such as the 15 percent drop in 2004 and the 23 percent rise in 2009.

2 William Byrd and Christopher Ward. "Drugs and Development in Afghanistan." Social Development Papers: Conflict Prevention & Reconstruction (Washington, DC: World Bank, 2004).

3 Estimated gross export value of opiates. From UNODC/MCN, "Afghanistan Opium Survey 2013: Summary Findings" (Kabul: UNODC/MCN, 2013).

4 An externality is a benefit or cost that accrues to individuals or parts of society as a result of actions taken by others. Externalities can be positive (e.g. rise in agricultural productivity) or negative (e.g. harm to the environment).

5 Christopher Ward, David Mansfield, Peter Oldham and William Byrd, "Afghanistan: Economic Incentives and Development Initiatives to Reduce Opium Production" (World Bank, February 2008).

6 David Mansfield, "Our Friends in the North: Contrasting Images of Power and Poppy in the Provinces of Balkh and Badakhshan," April 2014." Other sources have estimated even higher employment, as much as seven jobs per ha. See John W. Mellor, "Raising Farm Incomes in the Context of Poppy Eradication - Implications to Employment and Strategy", RAMP/USAID/Abt Associates, Powerpoint presentation at the Ministry of Agriculture. January 18, 2005.

level, the opium economy is Afghanistan's largest source of export earnings and has therefore been credited with having a positive effect on the country's balance of payments and currency stability. It has also had an indirect fiscal benefit by generating customs duties on imported goods purchased with opium-derived income and producing real estate taxes on properties purchased from the same source.<sup>7</sup>

This is not to say that the opium economy is a net good to Afghanistan. It has imposed extremely high social and economic costs, and capital derived from the opium economy has not always been used in the most socially productive ways. But despite these concerns, a discussion that fails to include the ways in which opium production creates positive incentives cannot hope to find realistic responses. This is especially true in the current context of the 2014 Transition, when many of the factors which have been in play since 2001 are in flux and the evolving environment is likely to create new incentives and imperatives.

## 1.2 AREU research on the opium economy and rural livelihoods

AREU research, along with other research on the opium economy and rural livelihoods, has consistently noted the many economic, political and agro-ecological factors that influence the spread and endurance of opium poppy cultivation: local natural resource endowments, power relationships, access to markets, governance, performance of formal and informal institutions and security. Research has also noted the multifaceted role that opium poppy plays in household livelihoods and coping strategies, and has consistently concluded that coercing farmers not to plant, in the absence of alternatives, can be counterproductive for goals related to opium poppy elimination, poverty reduction and stability. Finally, research has highlighted the significant variation in geographic and household-level circumstances that affect the nature of involvement in the opium economy; these findings argue strongly for policies that are flexible and responsive to local conditions.<sup>8</sup>

The current European Community-funded research looks at opium poppy cultivation between 2010 and 2013, using elements of both household decision-making and political economy. Objectives of the research were:

1. To provide an assessment of how well support to the wider political and economic environment underlies and facilitates expanded livelihood options for rural Afghans;
2. To provide an assessment of how changes to the wider enabling environment influences the decision to cultivate opium poppy or not; and,
3. To identify policy recommendations about how efforts to create supportive environments sustaining opium poppy reduction can be improved.

This paper summarizes the findings from field research conducted in four provinces of Afghanistan during the 2010-11 to 2012-13 agricultural years. It identifies lessons and implications and presents the case for why drugs matter at this time. It draws out what might be realistic policy recommendations at a time when counternarcotics seems to have been moved lower down on the policy agenda and when a political, economic and security environment is emerging that could be even more conducive to opium production and trade. It does not focus specifically on rises and falls within those three years, but rather on the underlying political, economic and security conditions and changes which have influenced cultivation.

The paper focuses specifically on the six provincial case studies that provide the main outputs for the theme (see bibliography), but also draws on other relevant materials. Given the difficulty of synthesising findings from three years of research involving approximately 2,000 interviews in four provinces within vastly different environments, there will inevitably be a loss of the detail that is crucial to understanding how households make decisions. Readers are therefore encouraged to review the six original case studies.

<sup>7</sup> Edouard Martin and Steven Symansky, "Macroeconomic Impact Of The Drug Economy and Counter-Narcotics Efforts 25," in "Afghanistan's Drug Industry: Structure, Functioning, Dynamics, and Implications for Counter-Narcotics Policy." Doris Buddenberg and William A. Byrd, eds. UNODC and World Bank.

<sup>8</sup> See bibliography for list of AREU publications on the opium economy.

## 2. Methodology and caveats

### 2.1 Methodology

The analysis in this paper is based primarily on fieldwork carried out at periodic intervals in the four provinces of **Badakhshan**, **Balkh**, **Helmand** and **Nangarhar** between April 2011 and November 2013, a period which touches on four agricultural years. Fieldworkers visited rural sites typically at harvest time but also when possible during the planting season. The analysis of **Nangarhar** and **Helmand** also draws on previous work done in these two provinces, starting in 2002. While the focus of the analysis is on 2011-13, it is informed by historical experience, and by fieldwork done by the lead researchers for other related projects.

The research used a mix of quantitative and qualitative methods. Household-level *quantitative* data were collected on: land owned, land farmed, land sharecropped or leased, area planted to each crop (winter and summer seasons), yields, crops sold and prices, household wheat consumption (and self-sufficiency), numbers and types of livestock owned and sold, sales and purchases of household assets, household composition, non-farm income and debt incurred. Household-level *qualitative* data were collected on: type of irrigation, difficulties in obtaining access to land, types of non-farm employment, livelihoods-related migration, constraints on marketing of agricultural outputs (including opium), donor or government assistance received, views of the state and perceptions of agricultural conditions, characteristics of local counternarcotics initiatives, and changes in and sustainability of households' economic situations.

Areas for fieldwork were chosen mostly through geospatial mapping conducted by Alcis, Ltd., which identified areas with a significant history of opium poppy cultivation. Where possible, sites were selected on the basis of maximum contrast between high- and low-potential areas and between small and large farmers within those areas. Fieldwork was conducted by the Organisation of Sustainable Development and Research (OSDR), an Afghan non-governmental organisation (NGO) with 25 years of experience in research and rural development. With few exceptions (see below), the same areas were visited in successive years. Some areas in **Nangarhar** were visited regularly since 2005; other areas that over time became more significant or of interest due to social and economic changes taking place there (e.g. the *dasht* [desert] area north of the Boghra Canal in **Helmand**) were given more focus, with additional households selected for interviews.

Fieldwork was conducted as close to the peak harvest time as possible, to ensure accurate recall by respondents, to allow visual verification of crops in the fields, and to be able to triangulate responses. In **Helmand** and **Nangarhar**, other funding sources made it possible to conduct fieldwork during the planting season as well. In some instances, logistical considerations, annual variations in the agricultural cycle and security constraints affected timing.

Because the teams worked through local contacts, especially in the insecure areas, it is not surprising that the security environment (including the presence of eradication teams) required some adjustments in both the timing and the location of fieldwork. In some cases, alternate research sites had to be used in order to ensure the safety of fieldworkers. While the teams tried to visit the same areas each year, concerns for the security of both the teams and the respondents did not allow repeat visits to the same households, lest fieldworkers be accused of involvement with the eradication forces.<sup>9</sup>

For each round of fieldwork, debriefings were held with the field teams as soon as possible after their visits, either in the provincial centres (Jalalabad, Mazar-e Sharif, Faizabad, or Lashkar Gah) or in Kabul. These debriefings took place either on a daily basis or after the conclusion of fieldwork in a particular province.

Several strategies were used to elicit unbiased, truthful responses, and to avoid suspicions that would have undermined the quality of the responses and put the fieldworkers at risk. Interviews

<sup>9</sup> Also, the concept of research is not well understood in rural Afghanistan, and is commonly associated with the work of police or the security agencies. The most common Dari/Pashtu translation for "research" (*tahqiq*) is the word used by the police for "investigation."

were conducted informally, in farmers' fields whenever possible, in order to avoid public conversations that can lead to fear of consequences or the social-desirability bias that infects much of the polling done in Afghanistan. No written notes were taken during the interviews; rather, fieldworkers filled out forms immediately after the interview. Individual rather than group interviews were held, in part to reduce the effects of the social hierarchy that can inhibit the young and those lower on the social scale while the elders and socially more powerful dominate the discussion, but also to minimize potential risks in insecure areas such as **Helmand** and **Nangarhar**.

Farmers were not asked directly about sensitive topics such as aspects of the opium economy, government corruption or local support for anti-government elements (AGEs). Rather, information on these topics emerged naturally in conversation. The cultivation of opium poppy was treated as simply one of a possible range of household livelihood activities, rather than highlighting it as something that was "bad" and that therefore should be hidden or lied about. This also helped to avoid bias through respondents' overstating the extent of cultivation in order to "negotiate" for development assistance or understating it to avoid eradication and other negative consequences at the hands of the authorities. Interview topics were limited to the respondents' own experience, rather than requesting that they speculate on information that transcended their own geographical areas and knowledge.

Additional interviews were held with shopkeepers and labourers in the fieldwork areas and in district and provincial centres, and with government officials, aid officials, United Nations (UN) officials and NGOs. The household interviews were conducted mostly by the OSDR teams, although the international researchers visited the rural areas (to the extent that security and good research practices allowed), to interview farmers and to conduct interviews in the towns and cities with officials, aid workers and farmers who came in from the rural areas.

Over the three years, fieldwork areas became more and more difficult to access, especially in **Helmand** and **Nangarhar**. Ultimately it became impossible even for Afghan fieldworkers from outside of the immediate area to visit places where they had previously been able to conduct interviews.

The research also drew on a variety of secondary sources, including—in addition to previous AREU-published work—donor, NGO and government reports and statistical compilations. Upon completion of fieldwork, the above information was used to estimate farm incomes and make other calculations, and geospatial mapping was used to verify and build upon data collected in the field.

While a generally consistent methodology was followed, variations were sometimes necessary because of the characteristics of the province or area, or when fieldwork revealed the need for additional interviews. Additional information on those variations is available in the methodology sections of the individual case studies. A somewhat different methodology was used for the 2010-11 fieldwork in **Balkh** and **Badakhshan**.

## 2.2 Caveats

While the methodology described above has been tested over time, any research in Afghanistan—especially research that touches on such sensitive topics and is carried out in chronically insecure environments—requires a number of caveats:

- The indirect approach to sensitive topics was designed to elicit frank responses, but the visits of fieldworkers who were in many cases outsiders might have raised, if not suspicion, at least curiosity. This may have led respondents to be guarded with their responses or to tailor them with an eye to their own agendas (e.g. gaining more development assistance, ensuring that their opium poppy was not eradicated). This was more likely where interviews had to be held in semi-public space.

- To preserve their safety, field researchers were not always able to visit the most insecure areas, which were often the location of the most intense and persistent opium poppy cultivation.
- The results cannot be considered completely representative of the situation in Afghanistan. While the four provinces and the fieldwork sites within those provinces contain a wide variety of circumstances that may allow general inferences about other areas of Afghanistan, such inferences should be drawn with care.
- Although the chosen informal interview techniques offered several number of advantages, they had the disadvantage of relying on the recall of both respondents and fieldworkers. In particular, respondents' memories of the past, especially when it comes to the quality of life (i.e. "prices were low, people were happy, life was good"), can be imperfect.
- Where perceptions were asked for, respondents may likewise have provided answers designed towards an end or simply indulged an opportunity to complain. To minimise suspicion and ensure safety, in some areas of **Helmand** and **Nangarhar**, fieldworkers were selected to visit their own home areas. While this may create its own dynamic, under the prevailing security conditions it was the only feasible approach.
- The calculation of incomes and returns relied on yields and other information provided by households. While this information was triangulated where possible to ensure that it was within reasonable bounds, farmers may have over- or under-stated yields either out of imperfect recall or the desire to present themselves in a certain way.
- The nature of the methodology (approaching farmers in their fields) made it impossible to interview females; nor would it have been culturally permissible to pose questions to farmers about female members of their households. Therefore, the research yielded incomplete information about the total human capital endowments of the households and, therefore, about what livelihood streams (e.g. dairy production, animal husbandry) would have been open to them.

Despite the above caveats, the researchers are confident that the methodology—most of which has been applied in Afghanistan for over 15 years—has produced a level of accuracy above most of the analysis that has been produced on the opium economy.

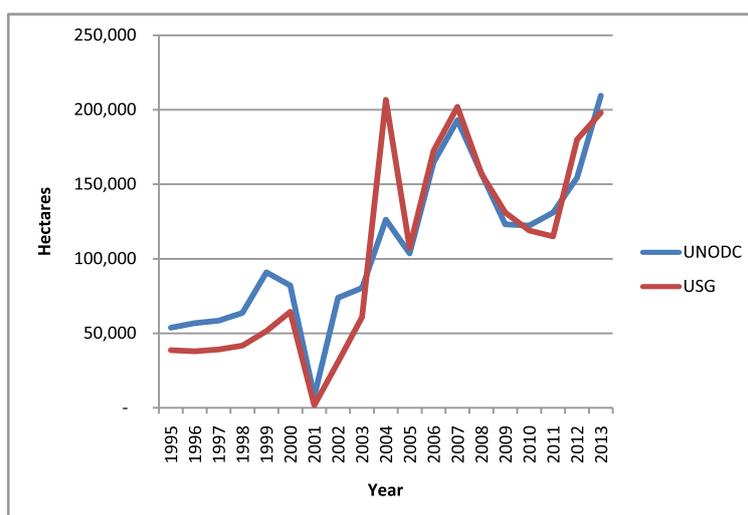
### 3. Opium poppy in Afghanistan

#### 3.1 History of cultivation and production in Afghanistan

While small areas of opium poppy had been grown in Afghanistan over the centuries, this was primarily for local use among groups in the North. More widespread cultivation, along with various other illicit activities, began in earnest during the *jihad* years,<sup>10</sup> when lack of state presence and the complex and intertwined relationship between drug trafficking and the *mujihadin* arms pipeline allowed such activities to flourish.

Over time, a set of factors has skewed the incentives in favour of drugs and other forms of illicit economic activity.<sup>11</sup> As cultivation increased and spread from the more remote areas, it became more integrated with the larger rural economy, especially in creating demand for labour (for weeding and lancing) and in encouraging an increase in sharecropping. The creation of wealth also helped to tilt political and economic power away from Kabul, a process that was already underway due to the weakening of the state and the arming of local commanders. A number of areas have been dominant producers, with levels of cultivation waxing and waning, mostly in response to local political and security conditions. Key areas have been **Badakhshan, Helmand, Nangarhar** and, more recently, Farah and Kandahar. Since the 1980s but especially since the 1990s, the overall trajectory has been steadily upward, with the exception of the short-lived Taliban cultivation ban in 2000-01. (See Figure 1.)

Figure 1: Opium poppy cultivation, national level, 1995-2013 (hectares)



Source: UNODC, USG

Ironically, some of the increase in opiates trade after the Taliban's ascent to power during 1994-96 was a result of improving security and the disappearance of the illegal road "taxes" which had sprouted during the *mujihadin* government.<sup>12</sup> Cultivation spiked after 2001, taking place in new areas; in some areas, it helped to fuel the reconstruction boom. Total cultivated area declined for several years after 2007, primarily due to decreases in **Helmand** and **Nangarhar** along with decreases in other provinces (which reflected a higher percentage but low absolute numbers), before resuming its upward climb in 2010-11.

In 2012-13, there was a record area under cultivation, 209,000 hectares - even higher than the previous high in 2007 (UNODC figures). Of course, under the national-level headlines, annual variation exists at all levels: individual households, villages, *manteqa*,<sup>13</sup> district and province. Box 1 presents a brief history of opium poppy cultivation in the four study provinces.

<sup>10</sup> The 1979-92 period of war against the Soviet occupation and the government it left in place.

<sup>11</sup> Byrd, "Drugs and Development."

<sup>12</sup> David Mansfield, "Briefing Paper 7: 'Taxation in Central Helmand and Kandahar.'" March 2013.

<sup>13</sup> *Manteqa* refers to an area or territory, defined informally by historical social relationships rather than administrative boundaries.

**Box 1: A thumbnail history of cultivation in the four provinces**

**Badakhshan:** Historically a consumer of locally produced opiates from high-altitude rainfed areas, this province saw an acceleration of production and trade during the *jihad* years, to finance the war effort and fill the pockets of individual commanders. Trafficking has been facilitated by proximity to the poorly guarded borders with Tajikistan and Pakistan. Production continued to climb during the Taliban years (including the ban year of 2000-01 because Badakhshan was the only province not under Taliban rule), and thereafter. In 2003 Badakhshan cultivated the largest area of any province except Helmand, and cultivation peaked in 2004. Cultivation has been variable both in the province as a whole and in individual districts; Badakhshan came close to being "poppy-free"<sup>1</sup> in 2008, but production has steadily expanded since then.

**Balkh:** After a history of limited cultivation, primarily for local use among Turkmen, cultivation—with an eye to the market—expanded around 1994 in a number of predominantly Pashtun villages west of Mazar. With the exception of the Taliban ban of 2000-01, cultivation continued to expand during the Taliban regime and then after its fall in 2001, until Governor Atta Mohammad Noor suppressed its cultivation. Balkh was judged "poppy-free" from 2007 until 2013, when an estimated 410 hectares were found in Chintal District.

**Helmand:** Helmand established itself as Afghanistan's centre of opium poppy cultivation in the 1990s, when it produced the most of any province. Acreage increased dramatically after 2001, then fell in 2008-09 when wheat prices were high, coinciding with the start of the Food Zone initiative and an increased presence of international forces. Cultivation rose in 2009-10 before falling again in 2010-11. In 2012-13, cultivation rose by more than one-third, with more of the growth in the former desert area north of the Boghra Canal.

**Nangarhar:** Historically a producer of opium poppy, Nangarhar maintained its level of cultivation during the 1990s. With the partial exception of the 1995 ban by Governor Haji Qadir and the Taliban ban year of 2000, cultivation steadily rose until it peaked in 2004, the year after which Governor Haji Din Mohammad imposed an almost complete ban. In 2008 the province was judged to be "poppy-free" as a result of the efforts of Governor Gul Agha Shirzai, with the financial, logistical and military backing of the US military. After three years of minimal production in the inaccessible areas of the province, cultivation rebounded in 2010-11, still largely in the lower-potential, mountainous southern districts. In 2012-13, cultivation in the province grew five-fold, including increases in the lower, more accessible areas of the Spinghar plateau.

<sup>1</sup> The determination of "poppy-free" is made based on UNODC's "Annual Opium Poppy Survey." A province is classified "poppy-free" if identified cultivation does not exceed 100 hectares.

### 3.2 Counternarcotics in Afghanistan since 2001

As in agriculture, the rhetoric of counternarcotics has been consistent since 2001. While the subject is far too complex to be adequately described here, a few major points are in order. Within the Afghan government, since its elevation from a directorate in 2004, the Ministry of Counter Narcotics is designated to play a coordinating rather than an implementing role for at least 18 ministries and agencies. These include Agriculture, Irrigation and Livestock; Interior; Rural Rehabilitation and Development; Public Health; Education; Labour, Social Affairs, Martyrs and Disabled; Women's Affairs; Border, Tribal and Ethnic Affairs; Hajj and Religious Affairs; and the National Directorate of Security, as well as their departments and the provincial administrations.

The United Kingdom, the designated "lead nation" on counternarcotics from 2002-06, has been represented by an assortment of entities, including the Foreign and Commonwealth Office, Afghan Drugs Inter-Departmental Unit, Serious Organised Crime Unit, Ministry of Defence, Department for International Development and the Helmand Provincial Reconstruction Team (PRT), the latter due to the importance of that province in the counternarcotics effort. The US has been represented by the Drug Enforcement Agency, Department of Justice, Department of Defense, USAID and Department of State's Bureau of International Narcotics and Law Enforcement. The UN family is represented by UNODC, with coordination with United Nations Assistance Mission in Afghanistan (UNAMA). Box 2 presents a brief listing of major developments and initiatives in counternarcotics.

In many cases these institutional players, both Afghan and international, have maintained different perspectives narrowly focused on their core mission (crime, agricultural development, etc.) and institutional imperatives.<sup>14</sup> Such programmatic and institutional interests have often led

<sup>14</sup> For a discussion of the difficulty of getting individual institutions to suppress their own internal incentives in the pursuit of joint objectives, see Noah Arjomand, "Eagle's Summit Revisited: Decision-Making in the Kajaki Dam Refurbishment Project." Afghan Analysts Network Thematic Report 01/2013. Afghanistan Analysts Network. January 2013. Also, Charles Perrow, "Complex Organizations: A Critical Essay" (New York, Random House 1986).

to unproductive competition and inhibited the development of a unified and consistent stance.<sup>15</sup> For instance, in some cases the trade-offs between counternarcotics and counterterrorism or counterinsurgency (COIN) have led to tolerance for cultivation either by communities targeted for stabilisation or by “allies.”<sup>16</sup> Much of the debate has revolved around the relative weight of coercive approaches—mainly eradication—vs. incentive-oriented approaches, with occasional voices calling for legalisation (“certification”) of production for the pharmaceutical market.<sup>17</sup> While “mainstreaming” of counternarcotics activities has been adopted as a general principle and extensively included in the language of the Afghan government’s National Drug Control Strategy (NDCS), full implementation has been lacking.<sup>18</sup>

---

15 Byrd, “Drugs and Development in Afghanistan.” Also, David Bewley-Taylor, “Drug Trafficking and Organised Crime in Afghanistan,” *The RUSI Journal*, 158:6, 6-17, 2013.

16 Jason Straziuso, “Marines pursue Taliban, protect poppy.” Associated Press. 11 May 2008. Also, Matthieu Aikins, “Our Man in Kandahar.” *The Atlantic*. November 2011.

17 For a critique of the proposals for licit production, see David Mansfield, “Assessing Supply-Side Policy and Practice: Eradication and Alternative Development.” Working Paper prepared for the first meeting of the Global Commission on Drug Policies, Geneva, 24-25 January 2011.

18 Mainstreaming is simply the process of ensuring that the drugs issue be taken into consideration in formulating all policies and programmes in order to recognize any potential impact on the drug economy and in turn to minimize potential negative unintended consequences and maximise positive ones. For challenges to mainstreaming, see David Mansfield and Paul Fishstein, “Eyes Wide Shut: Counter-Narcotics in Transition” (Kabul: AREU, 2013).

*Box 2: Major developments and initiatives in counternarcotics***Late 1980s-90s**

- Crop substitution and alternative development programmes introduced, in part due to reputational risks of *mujihadin* growing and trafficking in narcotics. Bans on cultivation imposed in **Nangarhar** by Haji Qadir in 1994 and nationwide by Mullah Omar in 1997.

**2000**

- Taliban national ban imposed (July) on cultivation, although not trade.

**2001**

- Bonn Agreement (December) states that the Afghan Interim Authority “shall cooperate with the international community in the fight against terrorism, drugs and organized crime.”

**2002**

- UK government designated “lead nation” for counternarcotics, then became “partner nation” (until 2006, when responsibility shifted to Afghan government).
- President Karzai issues decree banning cultivation, production, trade and use (January), with second and third decrees later in year dealing with eradication and enforcement of cultivation bans.
- Compensated eradication programmes implemented in areas of the country as joint UK-Afghan effort, but widely considered a debacle.
- Counter Narcotics Directorate (CND) created by President Karzai (October), under supervision of Afghan National Security Council.
- Governor Haji Qadir imposes ban on cultivation in **Nangarhar**.

**2003**

- First National Drug Control Strategy (NDCS) issued (May) for 2003-08, containing five elements covering both supply and demand: provision of alternative livelihoods, law enforcement, drug control legislation, institution building and prevention and treatment. Heavy input from UNODC.
- First Counter Narcotics Law adopted (late 2003).

**2004**

- Narcotics mentioned in Constitution (January) as threat to the nation and the world.
- Central Poppy Eradication Force formed by Afghan government (May), with training and support by US and its contractors. Runs into violent opposition (e.g. Kandahar).
- CND becomes Ministry of Counter Narcotics (MCN) (December), ostensibly to show seriousness of threat. MCN is formed as coordinating rather than implementing body.
- “Plan Afghanistan” announced by US (November) with five pillars, eradication-heavy. US officials largely sceptical about “soft” European approach.
- USAID launches “alternative livelihoods” programmes in three regions, focusing on **Badakhshan**, **Helmand**, Kandahar, Laghman and **Nangarhar** provinces.

**2005**

- Counter Narcotics Law updated (late 2005).

**2006**

- NDCS updated (January), with four priorities and eight pillars. Heavy input from the UK.
- CN included as cross-cutting strategy in Interim Afghanistan National Development Strategy launched at London Conference (January).

**2007**

- Revised US counternarcotics strategy announced (August), with increased emphasis on eradication and interdiction. “Chemical Bill” Wood appointed US Ambassador, formerly Ambassador to Colombia.
- Central Eradication Planning Cell formed within Afghan Ministry of Interior with support of UK, in part to ensure that livelihoods are in place before eradication.
- Good Performers Initiative established to reward provinces that achieve “poppy-free” status.
- Opium poppy cultivation bans decreed in **Balkh**, **Helmand** and **Nangarhar**.

**2008**

- Helmand Food Zone initiative launched by Governor Mangal, with financial and technical backing from DFID and USAID.

**2010**

- Revised US Strategy announced, backs off from “large-scale eradication” and emphasizes need for economic opportunities.
- Poppy Eradication Force ceases operation.

**2012**

- NDCS revised, with release delayed from 2010, with five targets and four strategies.
- Helmand Food Zone initiative concludes.

**2013**

- Kandahar Food Zone initiative launched, based on Helmand model. Other food zones proposed for **Farah**, **Uruzgan** and **Badakhshan**.

## 4. Main themes/findings: dynamics of opium poppy cultivation and rural livelihoods

Given the large number of “moving parts,” attribution of changes in levels and location of opium poppy cultivation is often difficult. Much of the public policy discussion has stressed the importance of decisive leadership of governors for the successes; in some cases the perceived lack of such leadership has been a factor in their removal. In other instances, the discussion has stressed specific programme initiatives (i.e. Helmand Food Zone, Alternative Livelihoods). For example, reductions in cultivation in the northern and eastern provinces in 2008 were attributed to pressure by governors, *shuras* (councils) and elders at planting time, while noting the more than 20 percent decline in nominal prices, the change in the terms of trade between wheat and opium (UNODC 2008), and, in some areas, the promise of agricultural assistance.

Institutions have also attributed reductions to the provision of development assistance, in some cases their own. Even in a year when cultivation at the national level remained constant, UNODC asserted the role of development assistance, stating: “Providing villages with agricultural assistance encourages the cultivation of licit crops. For the first time this year, we saw a correlation between the provision of agricultural assistance and a drop in opium cultivation.”<sup>19</sup>

In some cases, donors have taken credit for the effectiveness of their own alternative livelihoods and other programmes in shifting farmers out of opium poppy, as in **Badakhshan**: “farmers planted fewer poppies because they made a rational economic determination that they could make more money growing other crops...they voluntarily switched from cultivating poppy...because ADP/ N’s [Agricultural Development Program/North] broad-based, sustainable development program stimulated economic growth and business activity.”<sup>20</sup>

But given the reliance on short-term snapshots, questions remain: Have counternarcotics policy and programmes been associated with reductions, sustainable or otherwise? Are there places where the application of policy (or what is said to be policy) has actually made things worse? To what extent have larger development programmes such as alternative livelihoods addressed counternarcotics at all? And are there places where broader (non-counternarcotics) development programmes have made things worse?<sup>21</sup>

AREU research did not seek to find a single explanatory variable or answer to the basic question, “Why do farmers grow opium poppy?” The answer is too multi-faceted, location- and group-dependent, and variable over time. Moreover, surveys that pose this question directly often elicit a range of responses that all express the superior nature of opium poppy in obtaining a livelihood.<sup>22</sup> Instead, this research looked at the *contextual* and *household* drivers of change to determine households’ and communities’ resilience and response to efforts to ban cultivation.

The following sections discuss the major themes that emerged from the six case studies over the last three years. The discussion has been organized into four themes that address the key issues, with considerable overlapping among the themes: the need to differentiate different geographic areas and households; the larger economic, political and governance context; the conditions that have been present where transition happens; and the elements and consequences of coercive approaches.

19 UNODC/MCN, “Afghanistan Opium Survey 2010: Summary Findings” (Kabul: UNODC/MCN, 2010). Cited in Adam Pain, “Opium Poppy Strikes Back: The 2011 Return of Opium in Balkh and Badakhshan Provinces” (Kabul: AREU, 2011).

20 USAID/Afghanistan, “Alternative Development Program for Northeast Afghanistan.” Cited in Pain. It should be noted, of course, that this is a development agency marketing its own work. Given the more than four-fold increase in opium poppy cultivation in the six target districts the year the project was completed, it is hard to make the claim of a “sustainable” programme.

21 Some have even argued that drug control policies have largely failed to meet their goals globally. See Pierre-Arnaud Chouvy, “A Typology of the Unintended Consequences of Drug Crop Reduction,” *Journal of Drug Issues*, Volume 43, Issue 2, April 2013, pp. 216 - 230.

22 One could argue that for some households in rural Afghanistan the top four responses to UNODC’s question on reasons for cultivating opium come down to essentially the same thing: “high sale price of opium,” “high income from little land,” “to improve living conditions,” and “poverty (provision of basic food and shelter)”. UNODC/ MCN, “Afghanistan Opium Survey 2013.”

Across all four themes, the focus is largely on households and their decision making. All currency amounts are quoted in either Afghanis or US dollars. In some cases these amounts have been converted from Pakistani rupees, which are often used as the currency of exchange in **Helmand** and **Nangarhar**, due to the integration of the local economy with the economic centres of Quetta and Peshawar.

#### 4.1 Not all geographical areas are equal: the need to differentiate areas and households

While it seems obvious that households make different choices that will vary according to their environment and their own resources, this need for differentiation is not always incorporated into policy discussion or action. Policies such as province-wide bans fail to take into consideration the different options (or lack thereof) available to households in different areas. The economic context in which households make livelihood decisions will vary greatly within the geographical space that falls within administrative boundaries such as provinces or even districts. While a province may or may not be "poppy-free," there may be great variation in conditions and responses within that province.

Variation is due to both natural and human-made factors. Key geographical variants include water and arable land, as well as proximity to roads and urban areas that provide households with access to output markets for agricultural production and to labour markets for off-farm income. There may also be sharp disparities between state spaces and non-state spaces: areas where the state has a presence and influence and those where it does not (e.g. **Helmand**, **Nangarhar**) which result in completely different realities for those living there. At the household level, there are variations in physical capital: the quantity and quality of cultivable land, the stock of human capital (the number of household members and their skills, especially those of working-age males), and access to social networks and other forms of social capital. All of these factors will affect farmers' responses to prices, opportunities, threats and other factors.

##### 4.1.1 Geographical areas within one province

The four provinces offer illustrations of the differing conditions that prevail within their boundaries. For example, in **Balkh** in recent years, state presence in other areas limited opium poppy cultivation largely to Char Bolak and Chimtal Districts. Moreover, water affected patterns of cultivation within those districts. As described in Section 4.3, improvements in security and greater market access in some opium poppy-growing areas have allowed some farmers to transition to licit cash crops such as vegetables, with farmers explicitly attributing positive changes in their economic situation to improved yields and prices. The areas in which opium poppy continues to be grown are those that remain inaccessible to the government and not so well-linked to the regional economy.

In **Helmand**, three distinct areas of the province's central area can be differentiated: two within the area irrigated by the Boghra Canal and one in the *dasht* to the north. Each had a different set of conditions and, in turn, household responses, as summarized in Table 1.<sup>23</sup> The first area, south of the canal and close to the river, has the best resources, including larger landholdings and good canal-fed irrigation which allows multi-cropping, in some cases three crops per year. This is also the area in which a significant portion of opium poppy had previously been grown. The second area, also south of the canal but not so close to the river and its water or to Lashkar Gah and Girishk, included pockets of formerly desert land of lower quality.

In the third area, the *dasht* north of the Canal command area, a completely different set of conditions and rules apply. Previously largely empty because of lack of irrigation water, government

<sup>23</sup> For a more detailed description, see David Mansfield, Alcis Ltd, and Organisation for Sustainable Development and Research, "Managing Concurrent and Repeated Risks: Explaining the Reductions in Opium Production in Central Helmand Between 2008 and 2011" (Kabul: AREU, 2011).

land was seized by the reinstated *jihadis* starting in 2002.<sup>24</sup> Settlement accelerated around 2004, encouraged by a growing market in land. The pace of settlement has been phenomenal; in 1999 there were 834 hectares under cultivation, while in 2008 there were 15,777, and by 2011 this figure had doubled to 33,500—a more than 40-fold increase over 12 years. (See Figure 2.) Many of those who bought or otherwise acquired land in the *dasht* in the later years were those who had been dispossessed from the Canal area. As described in Section 4.3, households in each of these very different areas of central **Helmand**, facing different resource endowments and external conditions, have followed different paths in response to government policies. While the discussion above and Table 1 describe quite distinct areas, the characteristics of these areas may change over time.

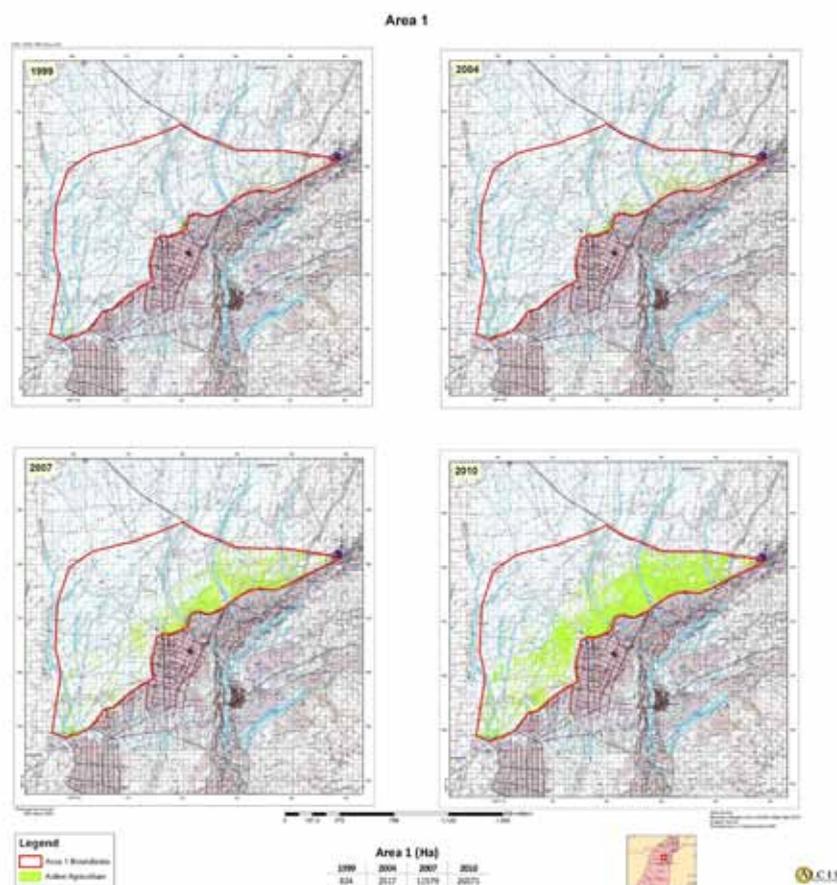
Table 1: Summary characteristics of zones in Central Helmand

Variable	Canal 1	Canal 2	Dasht
Access to water	<ul style="list-style-type: none"> <li>Close to river, fed by canals</li> </ul>	<ul style="list-style-type: none"> <li>Not as close to canal or river; some areas (former desert) require tubewell (high running costs)</li> </ul>	<ul style="list-style-type: none"> <li>No river or canal irrigation; dependent on tubewell (with high running costs)</li> </ul>
Landholdings	<ul style="list-style-type: none"> <li>Land holdings from 6 to 10 jeribs</li> <li>Few tenant farmers &amp; sharecroppers since ban on opium poppy</li> </ul>	<ul style="list-style-type: none"> <li>Landholdings from 6 -15 jeribs</li> <li>Few tenant farmers &amp; sharecroppers since opium ban</li> <li>sharecroppers receive only 1/5 of low return legal crops</li> </ul>	<ul style="list-style-type: none"> <li>Landholdings from 5-30 jeribs</li> <li>Limited settlement until 2002 (834 ha cultivated in 1999, 33,500 ha in 2011)</li> <li>Land rental cheap, but production costs high</li> <li>Sharecroppers typically receive 1/4 or 1/5 of crop, primarily opium</li> </ul>
Cropping choices	<ul style="list-style-type: none"> <li>Multi-cropping</li> <li>Diversification (orchards, vegetables for sale), including slow-maturing investments</li> </ul>	<ul style="list-style-type: none"> <li>Double crop with wheat but single crop with many of the spring cultivars that prevail; e.g. cotton, melon, water melon</li> <li>Continued reliance on low risk/ low return crops (e.g. wheat, cotton, maize &amp; mung bean) - limited diversification; reduction in land cultivated</li> </ul>	<ul style="list-style-type: none"> <li>Single season</li> <li>Low wheat yields</li> <li>Limited variation</li> <li>Some mono-cropping poppy -- some don't grow any wheat</li> <li>Idle land in 2013 due to fall in poppy yield</li> </ul>
Opium poppy	<ul style="list-style-type: none"> <li>None, previously widespread</li> <li>Limited eradication, coercion not to plant</li> </ul>	<ul style="list-style-type: none"> <li>Some, small amounts in household compound or in areas where security challenging, such as northeast of Girishk</li> <li>Aggressive eradication, albeit with some corruption</li> <li>High impact of ban</li> </ul>	<ul style="list-style-type: none"> <li>Extensive, high dependence - some mono-cropping</li> <li>Some cross-canal eradication,</li> <li>Low yields due to disease, rumours of "spray" persist</li> </ul>
Security	<ul style="list-style-type: none"> <li>Improvement from "chronic insecurity" after 2010-11</li> </ul>	<ul style="list-style-type: none"> <li>General improvement from "chronic insecurity" after 2010-11</li> </ul>	<ul style="list-style-type: none"> <li>Increasing insecurity from ANSF &amp; helicopter forays in 2012-13</li> <li>Insecurity due to Canal area ALP</li> </ul>
Roads	<ul style="list-style-type: none"> <li>Proximity to markets, asphalt roads &amp; low transport costs</li> </ul>	<ul style="list-style-type: none"> <li>Limited - high transport costs</li> </ul>	<ul style="list-style-type: none"> <li>Limited - high transport costs, high distances</li> </ul>
Markets	<ul style="list-style-type: none"> <li>Close to provincial &amp; district centres</li> <li>Good access to markets</li> </ul>	<ul style="list-style-type: none"> <li>Limited access to markets due to high transport costs</li> </ul>	<ul style="list-style-type: none"> <li>Very limited access to markets due to distance &amp; high costs</li> </ul>

24 Many of the predatory commanders who had been swept out when the Taliban rose to power between 1994 and 1996 managed to reinstate themselves after 2001, in part because the international community was not interested in or capable of intervening in what were seen as local matters, but also because many of the commanders allied themselves with the international forces and made themselves useful in pursuing alleged Taliban forces. Some of these commanders were seen to have picked up where they left off in the mid-1990s in preying on the population.

Variable	Canal 1	Canal 2	Dasht
Development assistance	<ul style="list-style-type: none"> <li>• Yes, increased in recent years</li> </ul>	<ul style="list-style-type: none"> <li>• No, seen as captured by rural elites</li> </ul>	<ul style="list-style-type: none"> <li>• No, as “no-go” area for state</li> <li>• No clinics, very limited schools</li> </ul>
Other economic opportunities	<ul style="list-style-type: none"> <li>• Increase in non-farm income from daily wage work in Lashkar Gah &amp; Girishk</li> <li>• Higher wages due to demand for labour for opium poppy elsewhere</li> <li>• Increased commercial trade due to demand from <i>dasht</i></li> <li>• Improved services, more patronage jobs</li> </ul>	<ul style="list-style-type: none"> <li>• Limited off-farm employment from urban centres (trade, ALP)</li> <li>• Some transport income from vehicles (bought with past opium proceeds)</li> <li>• Reduction in commercial trade due to crop failure in <i>dasht</i></li> </ul>	<ul style="list-style-type: none"> <li>• Very limited</li> </ul>
Economic situation	<ul style="list-style-type: none"> <li>• Economic situation improved - households mostly able to adapt to ban</li> </ul>	<ul style="list-style-type: none"> <li>• Economic situation deteriorated - most households hurt by ban</li> <li>• Reduced diet, distress sales of livestock</li> </ul>	<ul style="list-style-type: none"> <li>• Economic situation deteriorated due to low yields, after doing well in 2010-11</li> <li>• Livestock distress sales</li> </ul>
Relationship with state/ AGEs	<ul style="list-style-type: none"> <li>• Less critical of state, even positive</li> <li>• Enrolment in ANSF &amp; other government employment</li> <li>• Limited Taliban influence</li> </ul>	<ul style="list-style-type: none"> <li>• Hostile, although less than previous; ban seen as predation, corruption, evidence of state failure</li> <li>• Greater influence of ALP</li> <li>• Residual Taliban presence - nostalgia for Taliban &amp; payment of 1 khord opium per jerib where opium crop persists</li> </ul>	<ul style="list-style-type: none"> <li>• Hostile - support for Taliban - payment of 1 khord of opium per jerib cultivated</li> <li>• Many had been pushed out of Canal areas - see campaign as predation</li> <li>• No maliks, as no state to liaise with</li> </ul>
Population/ settlement	<ul style="list-style-type: none"> <li>• Less opportunity for tenancy/sharecropping since ban</li> </ul>	<ul style="list-style-type: none"> <li>• Less opportunity for tenancy/sharecropping since ban</li> </ul>	<ul style="list-style-type: none"> <li>• Larger household size</li> <li>• Huge growth in population over 10 years</li> <li>• Land-poor from Canal area from 2009 as sharecroppers or tenants due to ban</li> </ul>

Figure 2: Expansion of cultivated area north of Boghra Canal, Helmand, 1999-2010



**Nangarhar** also illustrates the diverse set of conditions within the boundaries of one province and how opium poppy cultivation has been influenced by those conditions. Since **Nangarhar** was classified as "poppy-free" in 2007-08, the crop has made a gradual but accelerating return. However, the response to the province-wide ban and, indeed, the cultivation of opium poppy in general has differed between the better-situated, more-productive valleys on the one hand, and the mountainous areas in the southern districts on the other.<sup>25</sup> Historically, the state has had a presence in the former areas, while it has largely "managed" the latter. The former, mainly Kama and Surkhrud Districts, have several advantages: larger holdings, proximity to road/transport arteries for access to output and labour markets, and relatively abundant land and water resources that allow two to three crop cycles per year.

On the other hand, the less accessible, poorly endowed mountainous areas in the south of the province, mainly Achin and Khogiani Districts, offer few such advantages. Small land holdings are located away from any effective market demand, poorer quality soil restricts agronomic possibilities, lack of non-farm work limits livelihood opportunities and larger household size increases consumption requirements. Even where diversification to higher-value vegetable production for the market brings in US\$640-820 per *jerib*,<sup>26</sup> small holdings and large household sizes often mean an income of less than US\$1 per person per day. Also, unlike the better-situated districts, here insecurity has limited development assistance. Just about the only development activity—road construction—is negatively viewed as allowing the International Military (IM) and Afghan National Security Forces (ANSF) access to the area, potentially allowing greater subjugation and fuller imposition of the opium poppy ban.

As a consequence, in 2012-13 in the more remote upper reaches of Achin and Khogiani, up to 90 percent of land was estimated to be cultivated with opium poppy, while in the lower areas

<sup>25</sup> Mansfield, "All Bets are off"

<sup>26</sup> One *jerib* equals 0.494 acre or roughly one-fifth hectare.

of Achin closer to the state security infrastructure, less than 40 percent of land was cultivated. As discussed further in Section 4.3, these differences—physical geography, natural resource endowments, economic alternatives and the presence or absence of the state—have a powerful influence on levels of cultivation.

#### 4.1.2 Households

Even within one geographical area, household endowments such as land (quantity and quality), water, capital assets, human capital (including education/skills and the number of working-age males) will determine the opportunities that are open to members of any household and the sorts of decisions they will make. The following text touches on the varying responses that households have made to the conditions within their area; the topic is explored further in Section 4.3.

In rural Afghanistan, the most important asset, of course, is agricultural land. As noted below in Section 4.4.3, the lack of policy differentiation of households in **Helmand** has led to unintended consequences of reducing access to land, dislocating segments of the population and increasing the amount of opium poppy cultivated. The suppression of a labour-intensive crop (opium poppy) in favour of a less labour-intensive one (wheat) essentially made labourers and sharecroppers superfluous for landowners who could now farm their own land using household labour. The landless and the land-poor therefore migrated north of the Canal area where intensive opium poppy cultivation was not only possible but necessary to recoup the high establishment and input costs. Mono-cropping was especially prevalent among households with small landholdings (five *jeribs* or less). Many such households grew no wheat at all; instead they met their wheat requirements by purchasing it with cash income from opium poppy. Those who chose to stay in the Canal command area and sharecrop were forced to negotiate a much less favourable share of output and so were left worse off than previously.<sup>27</sup>

Agricultural assistance was provided only to landowners. While at first glance this seems to be a logical policy, in fact it exacerbated the situation by overlooking the ways in which many farmers access land. Without inputs to bring to the table, the landless and land-poor were in a more difficult negotiating position in relation to landowners, and therefore had to settle for a lower share of final output and, in many cases, additional risk. Some farmers in **Balkh** and **Badakhshan** also reported being similarly constrained in their cropping choices; while they preferred to grow a certain crop, they lacked the inputs with which to strike a bargain and were therefore unable to gain the landowners' consent.

Even within the *dasht* in **Helmand**, households responded to the two consecutive years of severely reduced yields in 2011-12 and 2012-13 in different ways, at least in part as a function of their land assets. In 2012-13, while there were signs that the incidence of mono-cropping in the *dasht* had been reduced, it appears that households with more land (in excess of 10 *jeribs*) were more likely to shift some land into wheat, perhaps due to fear that the low opium yields experienced the previous year (attributed to a disease [*maraz*] blamed on chemical spraying by the US) would be repeated. Households with smaller amounts of land, however, were more likely to continue to mono-crop opium poppy.

In fact, there were indications that those who sharecropped or leased land actually *increased* the amount of opium poppy in order to recover the losses and debt they had incurred: a “doubling down” on the previous year’s losses. This was especially true among those who had recently migrated to the *dasht*. As noted in Section 4.2.1 on the political and governance context, in **Badakhshan** there is some evidence that households had similarly responded to a loss of opium income—either by eradication or by natural factors such as a severe winter—by increasing the amount of opium poppy cultivated, although there the responses of households with different amounts of land cannot be distinguished.

Similarly, in **Nangarhar**, households in the parts of Khogiani that did not cultivate opium poppy or that had experienced eradication were generally worse off relative to those in other parts of the district. Here the effects were most severe for those who sharecropped land or who had no working-age males, as their livelihoods options were most constrained.

<sup>27</sup> Mansfield, “From Bad they Made it Worse.”

The second-most significant resource for households was household labour, both quantity and quality. Although Afghanistan's high rate of unemployment and low agricultural productivity make the overall opportunity cost of labour quite low, households with sufficient numbers of members benefited by having less need to hire workers for more labour-intensive (and profitable) crops. In addition, having skilled persons opened up a broader range of off-farm opportunities. In some cases, the number of household members relative to land should have been sufficient but legal cases or other demands took up their time so that they had to revert to growing crops with a lower labour or management input. For example, one household in **Balkh** which had grown vegetables in 2011-12 had experienced a more than one-quarter drop in income when it was forced to shift all of its land into wheat due to a legal dispute with neighbours: "If I grow wheat, I don't have to spend a lot of time, which I don't have because of this case. I have sowed wheat because other crops require too much time and attention."<sup>28</sup>

On the other hand, some fortunate households were able to arrange non-farm work so that they could still apply their labour on their land. For instance, one household in **Badakhshan** had two persons who were employed as teachers in the local school but still worked a half-day on the farm: "Because two people are working and have salaries, life is improving. If we had given land to a sharecropper, we would have given up 50 percent."<sup>29</sup> In a number of cases, schools in proximity to the village allowed students to work on the farm after school and therefore eliminated the need to choose between immediate livelihoods and investing in education for future prospects. As discussed in Section 4.4.3, in some cases, whether or not a household can mobilize its own labour for weeding and lancing may make the difference in its ability to recoup the costs of production.

A number of farmers in **Badakhshan** reported a trade-off between having their children working on the land and having them attend school, which was generally perceived to be a worthwhile investment. One of the very few farmers who had reduced opium poppy cultivation between 2011-12 and 2012-13 had done so because his son would otherwise have had to drop out of school. For households with sufficient land to come close to wheat self-sufficiency, a source of cash from non-farm income would reduce or eliminate (arithmetically, at least) the need to grow opium poppy.

For some households, capital investments in livestock, land, education and shops could yield off-farm and non-farm opportunities. In particular, purchasing vehicles (passenger cars, Zarangs,<sup>30</sup> trucks, tractors) allowed households to earn livelihoods. These investments made more sense for households that could employ one of their own members as a driver. Aside from reducing costs, in rural Afghanistan hiring a driver and entrusting him with a vehicle can involve significant transaction and supervision costs. Ironically, in some instances these capital investments were the direct result of income gained from opium poppy.

Although the research did not allow access to females, Box 3 describes what is generally known about the roles of women and girls in the production of opium poppy.

28 Interview with farmer, Balkh District, May 2013, cited in Fishstein, "Evolving Terrain."

29 Interview with farmer, Khash District, May 2013, *ibid*.

30 A type of low-cost motorbike which can be fitted with a variety of bodies and trailers to transport people and goods.

*Box 3: The roles of females*

Women and girls participate in opium poppy cultivation in at least two ways: first, by planting, weeding, thinning and harvesting in the household's or close neighbour's fields if there are not outside males available as labourers, and, second, by preparing food for hired labourers for whom two-to-three meals per day is part of the agreed-upon daily compensation.

The type of involvement varies due to factors such as number of household members, skills of females, childcare needs, location of fields with respect to home, cultural views of the household (i.e. strictness of *purdah* [practice of female seclusion]), whether or not hired labourers require food, and the household's economic necessity. In general, the poor are more likely to mobilise females.

In some areas, women and girls take part in the community/neighbourhood mobilisation of labour to work in local fields. Mobility restrictions are most severe in insecure areas and in parts of the South and East that are considered more socially conservative. The labour of females (and children) is considered to have a low opportunity cost, which is reflected in the differing wage rates; for example, in Chimalt in spring of 2013, women were paid roughly 40 percent of men's general (non-poppy) agricultural daily wage.

Previous research has found that in addition to the above-mentioned tasks, females often play important roles in removing and cleaning the seeds from capsules and in processing by-products such as oil and soap. There is little information available on the role that females play in processing and trade of opium, or of the role they may play as change agents within the household, but it appears that they generally have limited decision-making power over cropping patterns.<sup>2</sup>

<sup>2</sup> David Mansfield, "The Role of Women in Opium Poppy Cultivation in Afghanistan". Strategic Study #6, UNDCP. June 2000.

## 4.2 The larger economic, political and governance context

### 4.2.1 Economic realities

Counternarcotics policy does not always incorporate the larger economic context or the economic realities facing individual households. Context both influences and is influenced by opium poppy. As detailed in Section 4.3, this does not always mean that opium poppy cultivation makes sense for a given household in a given location.

It is often difficult to separate the purely economic from the political. The economic motivation to cultivate opium poppy has been well documented, although often simplistically on the basis of gross returns relative to other single crops. Based on gross returns alone, opium poppy is considered a more profitable crop than any of the alternatives, but it is necessary to consider a wide range of other factors that affect household decisions to grow opium poppy. Other single crops that bring higher gross returns may also have higher input costs or longer maturation periods than opium poppy (a short-season crop), thereby requiring farmers to tie up their land and preclude other crops. Moreover, farmers tend to think in terms of farming systems: the most desirable combination of crops, considering seasonal cultivation and soil complementarities. For instance, the thinning and weeding required for opium poppy help to prepare land for subsequent crops, especially in **Helmand** due to the water table and characteristics of the soil. Similarly, the application of fertiliser to opium poppy benefits whatever crops are grown in the subsequent season.

Moreover, without reliable access to output markets at a reasonable cost, farmers are unable to benefit even from crops with high agronomic potential. The ability of household members to access off-farm work opportunities—either through proximity to labour market or through a household situation which enables males to migrate in search of work—will also affect decisions, as will the number of working-age males. For instance, a limited pool of labour in the household, along with high local wage rates or other factors that make hiring labour either difficult or expensive, may increase the opportunity cost of growing opium poppy and cause the household to look for other livelihood combinations. Finally, household resource endowments and the external environment may favour concentration on livestock.

Aside from the relatively greater returns from the resin itself, along with the benefits provided by the use of the straw as a cooking or heating fuel, opium poppy has several well-documented characteristics that make it attractive: it is a hardy crop, it is easily stored, it retains its value and it has well-established markets. Even beyond that, however, opium poppy plays an important

role in land tenure and social relations which is often overlooked. As was noted above in the discussion of the Helmand Food Zone and elsewhere, in some cases the ability and willingness to cultivate opium poppy has determined whether land-seeking households could obtain the land itself along with the inputs and credit that are so often critical to poorer households.<sup>31</sup>

For many households, especially in areas without alternative income sources, poppy plays an important role in liquidating debt, generating cash and potentially escaping poverty. For instance, in many areas of **Badakhshan**, opium poppy is just about the only potential cash crop. Most of the surveyed households in Jurm and Khash in 2012-13 explicitly tied the decision to grow opium poppy to the need to liquidate past debt. For many households, debt was incurred for rebuilding houses, acquiring livestock, maintaining household consumption and financing life-events such as weddings and funerals. For other households, it was the result of economic shocks such as sickness or other emergencies, or natural disasters such as floods.

In particular, respondents in **Badakhshan** cited debt incurred during the long, harsh winter of 2011-12, in which an estimated ten and 15 percent of livestock perished in Jurm and Khash, respectively. During that winter, the price of a 50-kilogramme bag of straw used for animal fodder rose from 200-300 to 1,300-1,700 Afs; while in a normal year households would avoid even the lower price by harvesting grass during the fall, in the fall of 2011 an early snow covered the pastures. With average per capita income per day for the 14 households at US\$0.84, that level of price increase was a catastrophe which they could not absorb. The following spring, 10 of 14 households that reported taking loans cited the need to purchase fodder; all of the households that were growing opium poppy and that had incurred debt explicitly mentioned the motivation to liquidate those debts with cash income from opium poppy.<sup>32</sup>

A typical statement from a farmer was, “I am in debt, so poppy is the only way out of that debt.”<sup>33</sup> Another farmer who grew opium poppy on two of six sharecropped jeribs and who had taken a 20,000 Afs (US\$364) in-kind loan of household necessities and farming inputs, noted, “There were no opportunities to work off the farm. I didn't grow [opium poppy] last year, so now I am in debt. Otherwise, nothing comes from farming.”<sup>34</sup> In at least one instance in Khash, a farmer was growing opium poppy as a sharecropper on land which he had mortgaged; for him, opium poppy provided at least the possibility of not losing his land altogether.

Table 2 shows the gross returns from alternate cropping patterns in fieldwork areas of **Badakhshan** as well as **Nangarhar**. In an area with one short growing season, lower yields and options limited primarily to low-value crops, opium poppy and potato are the only feasible sources of cash income. Even with one-half of a typical holding grown with opium poppy, households will find it difficult to eke out an existence. In both provinces, the situation for those who sharecrop land is even less promising. Similarly, as mentioned above and detailed below, in the **Helmand dasht** in 2011-12, many households with small amounts of land that devoted much of their land to opium poppy experienced significant losses from crop failure due to crop disease and a late spring cold snap.<sup>35</sup> This may, ironically, have led to increasing opium poppy production later when these households either increased the percentage of land sown with poppy or leased additional land in order to liquidate those debts. (As noted above, however, the overall incidence of mono-cropping in the *dasht* was lower in 2012-13, in part out of fear of another year of failed crops, at least among those with greater amounts of land.)

31 Lack of understanding of these relationships recalls some of the agrarian reforms enacted by the government of the People's Democratic Party of Afghanistan, such as abolition of debt and establishment of land ceilings, which did not recognize the extent to which people are bound to each other by long-standing social relations, however unequal and exploitative those relationships might be.

32 According to the 2007-08 National Risk and Vulnerability Assessment (NRVA), Badakhshan is Afghanistan's most food-insecure province, with two-thirds of the population (second worst of 34 provinces) experiencing calorie deficiency, and land holdings are below the national average. See World Bank and Islamic Republic of Afghanistan, “Afghanistan: Provincial Briefs” (Kabul, June 2011). Provincial-level indicators for the 2011-12 NRVA have not yet been released, but the northeast region (Badakhshan, Takhar, Baghlan, Kunduz) is estimated to have the highest levels of food insecurity of Afghanistan's eight regions, and Badakhshan has historically been the most food-insecure province of the four provinces.

33 Interview with farmer, Khash District, May 2013, cited in Fishstein, “Evolving Terrain.”

34 Interview with farmer, Jurm District, May 2013, *ibid*.

35 Although bazaar gossip and conspiracy theories attributed it to chemical spraying or other intervention by the US.

Table 2: Gross returns to alternate cropping patterns, Nangarhar and Badakhshan

**Nangarhar**

	OPTION A			OPTION B			OPTION C			OPTION D		
	Jerib	Rev, PRS	Rev, US\$									
Wheat	3.2	57,600	524	3.2	57,600	524	1.0	18,000	164	0.0		-
Maize	3.2	37,440	340	2.2	25,740	234	2.2	25,740	234	2.2	25,740	234
Chars	-	-	-	1.0	169,000	1536	1.0	169,000	1,536	1.0	169,000	1,536
Poppy	-	-	-	-	-	-	2.2	404,800	3,680	3.2	588,800	5,353
Total: owns land	6.4	95,040	864	6.4	252,340	2294	6.4	617,540	5,614	6.4	783,540	7,123
Per capita/day, owns land		26	0.23		68	0.62		166	1.51		210	1.91
Total: sharecrops land		47,520	432		126,170	1147		308,770	2807		391,770	3,562
Per capita/day, sharecrops land		13	0.12		34	0.31		83	0.75		105	0.96

**Badakhshan**

	OPTION A			OPTION B			OPTION C			OPTION D		
	Jerib	Rev, AFS	Rev, US\$									
Wheat	4.6	28,489	518	4.6	28,489	518	3.6	22,296	405	2.6	16,102	293
Potato	1.0	37,240	677	1.0	37,240	677	1.0	37,240	677	1.0	37,240	677
Shaftal	-	-	-	1.6	6,200	113	1.6	6,200	113	1.6	6,200	113
Poppy	-	-	-	-	-	-	1.0	34,629	630	2.0	69,259	1,259
Total: owns land	5.6	65,729	1,195	7.2	71,929	1,308	7.2	100,365	1,825	7.2	128,801	2,342
Per capita/day, owns land		20	0.36		22	0.40		31	0.56		39	0.71
Total: sharecrops land		32,864	598		35,964	654		50,182	912		64,401	1171
Per capita/day, sharecrops land		10	0.18		11	0.20		15	0.28		20	0.36

Notes and assumptions: Household size: Nangarhar 10.2, Badakhshan 9. Sharecropping percentage: 50 percent. Exchange rate per US\$: PRS 110, Afs 55. Crop prices from 2011-12. Hashish average of grades. Source: Adapted from Mansfield, "From Bad they Made it Worse" (Nangarhar) and May 2013 fieldwork data (Badakhshan).

### 4.2.2 Local multipliers: the effect of opium poppy

While estimates are that only ten percent of Afghanistan's population is directly involved in opium poppy cultivation, this obviously varies from area to area. In addition, while the farm gate value of opium in Afghanistan in 2012-13 was estimated to be US\$700 million, equivalent to three percent of gross domestic product (GDP), the overall gross value of the opium economy is estimated to be US\$3.1 billion, or 15 percent of GDP.<sup>36</sup>

Even this figure does not capture the full multiplier effect on the larger economy, including the goods and services purchased with the income generated through opium-related activity.<sup>37</sup> (For example, opium poppy has been assumed to have played a major role in capital accumulation in Mazar and Jalalabad, although this is mainly anecdotal and *gap sar-e chowk* [bazaar gossip].) Nor does the figure capture the disparate impact of the opium economy on specific areas where opium poppy is a major activity. During times of high cultivation, opium poppy provides an important multiplier for the local economy. The converse is true, however, during times of reduction, as discussed below. At a local level, all four provinces provided illustrations of the important multiplier that opium poppy provides and, in some cases, the larger economic consequences of removing it from the economy.

Respondents in **Nangarhar** still refer to the “poppy years” before 2007-08 when the overall economy was booming largely due to the income generated by the cultivation and trade of opium. In addition to increased demand for well-paying agricultural labour, second-order benefits included increased demand for a range of goods and services from motorcycles to vehicle washing to restaurant food.

The province-wide opium poppy cultivation ban starting with the 2007-08 planting season was associated with a downturn in the local economy, especially in the less-accessible and relatively poorly endowed southern districts where households were less able to respond by diversifying into new crops for the market and other economic activities. The better-endowed areas in proximity to Jalalabad seem to have been cushioned in part by the large infusion of US military and civilian spending, but also by the more general economic growth taking place. This was unlike 2004-05, when the negative economic effects of the previous ban were more widely felt, even in Jalalabad.<sup>38</sup> Also, the downturn in the Pakistani economy and the contraction of opportunities there ironically led to increased economic activity in **Nangarhar**. The variation in economic effects from area to area is discussed further in Section 4.3.

However, with the breakdown in the ban, described in previous sections, and the alignment of excellent agro-economic conditions for opium poppy with high prices, **Nangarhar** was a veritable “Poppy Paradise” in 2012-13. In some areas, positive indicators reported by households in the spring of 2013 included increased disposable income, improvements in the quality and quantity of food consumed, ability to see a private doctor or travel to Pakistan for medical care, greater availability of credit (including advance payments on the opium poppy crop known as *salaam* or *peshaki*<sup>39</sup>) and investments in agricultural infrastructure (e.g. tubewells), livestock, solar panels, transport and private education. Even barbers in Khogiani reported an increase in the amount of money they earned at weddings, a positive effect which was explicitly attributed to the return of opium poppy cultivation.<sup>40</sup>

36 UNODC/MCN, 2013. This is considerably reduced from the 61 percent estimated for 2004, which reflects the development of other sectors in the intervening years.

37 Christopher Ward et al, 2008. In 2004, the multiplier from the opium economy was estimated to be over two. See Byrd and Ward, 2004.

38 David Mansfield, “Pariah or Poverty? The opium ban in the province of Nangarhar in the 2004/05 growing season and its impact on rural livelihood strategies”. Project for Alternative Livelihoods in Eastern Afghanistan, GTZ (GIZ). Jalalabad, June 2005.

39 Under these mechanisms, farmers take loans against their anticipated harvest, with the value of the output denominated by the current opium price.

40 Barbers have traditionally played multi-faceted roles in Afghan daily life and in social events, including as musicians, undertakers, cook, dentists, and providers of circumcisions and primitive health services. Prior to weddings, the groom and his party will typically come in for primping. In times of economic duress, weddings may be put off or scaled down; when people have more income, not surprisingly they feel more generous.

Respondents also reported an increase in the availability of daily wage labour, due to the labour-intensive nature of opium poppy (weeding, lancing). During the 2012-13 growing season, weeding was reported to be paying US\$5.10 per day during the late winter, and harvesting to be paying US\$8.16 per day, plus three meals valued at US\$2.55. These amounts were expected to rise as other districts began the harvest and started to compete for labour.<sup>41</sup> (As a comparison, World Food Programme/Vulnerability Analysis and Mapping [WFP/VAM] reported that daily wage rates for unskilled labour in Jalalabad during the same period ranged between US\$4.55 and US\$4.73. Even in Balkh, in spring of 2013, the reported daily wage for harvesting opium poppy (Afs 400-500 plus food) was higher than the general agricultural wage (Afs 300, not including food) due to the greater difficulty of harvesting and the higher profitability of the crop.

In **Badakhshan**, even those who had no direct connection to opium poppy commented on the negative, deflationary effects of there being less cultivation than during the peak years. According to a District Council member, “Five years ago there was the opium business; it was being grown, traded. Even children were involved. Everyone was self-sufficient, people were busy. But since the government and the international community were against this, we gave them promises and did not get much in return.”<sup>42</sup> Similarly, according to a butcher in Jurm, “Right now, my [work] is not doing so well. In the past, in the time of opium, I was killing five to six animals per day, as everyone was eating more meat. They were even giving [meat] to the workers. Labourers are not coming to buy meat because they don’t have money. Opium was *kar khana* [factory] for the poor and for everyone.”<sup>43</sup>

The effect outside of the immediate area was noted by casual labourers in Faizabad in 2012, who said that people were suffering from a combination of the long, harsh winter and the reduction in opium poppy. According to one labourer, “The economic situation of the people is worse. Buildings have been half finished; people don’t have the capital to finish. Before, when they were growing poppy, people were coming to Faizabad and buying land and were building markets and apartments. Now that poppy has been banned and people don’t have money, this work has been left unfinished.”<sup>44</sup>

The manager of a hotel/restaurant in Jurm noted:

*After the harvest of wheat and opium poppy, for eight to nine months my sales are good, and every night I have guests. In those days, sales go up to 10 to 15,000 Afs. At that time, those who come from far away areas to sell their goods, they usually stay over at night. I do more business, which of course gives me better income. I am hopeful that opium poppy this year will be good and after harvest people will come into the bazaar to do shopping. Aside from people who come to do their purchasing, the young people hang around and show off. They have money from selling their opium, and want to show off.*<sup>45</sup>

**Helmand** provided more evidence of both the positive and negative multiplier effects at times of expansion and suppression respectively. On the positive side, fieldwork conducted during the 2011-12 growing season found that the expansion of agriculture (and intensive opium poppy cultivation) into the *dasht* area north of the Boghra Canal had had a multiplier effect on other areas.<sup>46</sup> Intensive opium poppy cultivation in the *dasht* created labour opportunities even for those who were living in the Canal command area who were said to be going to the *dasht* for the opium poppy harvest; during the harvest season, daily wage labour rates in the urban areas of Lashkar Gah and Girishk doubled as a result of labour demand. Shopkeepers reported that the well-drilling industry had injected new income into the area, and additional markets had arisen for agricultural productivity enhancements such as herbicides, generators and even solar power—all as a consequence of opium poppy expansion in the *dasht*. New technology also brought new technical knowledge and skills, as the diffusion of agricultural technology through extension programmes had in the same areas before the war.

41 In Nangarhar, wage rates were originally reported in Pakistani Rupees and were converted to US Dollars at the exchange rate current at the time. The Rupee has lost value steadily against the Dollar until it bottomed out at 108 in late November 2013, after which it began to regain value. <http://www.oanda.com/currency/historical-rates/>.

42 Interview with District Council members, Jurm, 2011, cited in Pain, “Opium Poppy Strikes Back.”

43 Interview with butcher, Jurm District, May 2012, cited in Fishstein, “Little Bit Poppy-free.”

44 Interview with casual labourer, Faizabad, May 2012, cited in Fishstein, “Little Bit Poppy-free.”

45 Interview with hotel/restaurant manager, Jurm District, May 2013, cited in Fishstein, “Evolving Terrain.”

46 Mansfield, “All Bets are Off.”

The number of market days increased, and traders in Lashkar Gah and Girishk reported increased demand coming from the growing urban population as well as from rising commerce in the *dasht*. While some of these gains are simply a function of an expanded population, the demand for meat and other luxury goods suggests rising incomes; more important, as described above, these demands show that the newly settled households in the *dasht* could not live there without the returns from opium poppy cultivation. This perception was supported by reports from shopkeepers who claimed that the main customers for meat and vegetables were opium poppy farmers. Labourers in **Helmand** also reported more work opportunities in 2012 than the previous year, which attracted workers from Kunduz, Kunar and elsewhere in Afghanistan.

On the negative side, after the sharp reduction in opium poppy yields in the *dasht* in 2011-12 and 2012-13, households reported a fall in the quantity and quality of food consumed, increased distress sales of livestock and the need to incur loans.<sup>47</sup> With households struggling just to recoup the cost of production, there were fewer reports of purchases of capital items such as motorbikes, cars or trucks, which in turn represented lost income for traders and workers providing those goods and other tangential services. Moreover, just as the opium poppy boom in the *dasht* had benefited those living in the Canal command area, the fall in opium poppy yields in 2011-12 and 2012-13 damaged the economies of households in the area. These reverses were due either to loss of income previously received from relatives growing opium poppy in the *dasht* or to the reduced demand for labour and the consequent fall in wage rates by roughly one-third compared with the same time the previous year.

Looking at the simple arithmetic, if each hectare of opium poppy generates 200 labour-days for harvest alone, and 80 percent of 40,000 hectares of cultivated land in the *dasht* is sown with opium poppy, this would result in 6.4 million days of work; without a countervailing source of labour demand, even a small decline in that figure would have serious effects on the welfare of those who rely on labour for their livelihoods. The fall in income due to poor yields and the ongoing ban south of the canal affected the economy more broadly by reducing demand for consumer items such as motorcycles and vehicles. For some farmers the situation was so dire that they had absconded during the night to avoid paying wages owed to itinerant labourers or debts owed to shopkeepers for agricultural inputs. Diesel sellers experienced losses due to non-payment of fuel bills; as a consequence, in 2012-13 many were conducting business on a cash-only basis.

Within the Canal command area, suppression of cultivation from the 2007-08 season did not reverberate as widely in the wider economy due to three factors. First, suppression was not generalized, but rather targeted certain groups. Second, restrictions on cultivation were enforced over a period of time rather than suddenly at one moment. Finally, similar to areas of **Nangarhar**, the international community infused massive amounts of spending in the area, including development assistance and payments to the Afghan Local Police (ALP).

### 4.2.3 The political and governance context

It has been widely observed that opium poppy is grown in areas where the state has limited reach—usually areas that are contested and are therefore insecure—or where its representatives are weak and/or unmotivated. Even within one province, the political context will vary greatly, in part as a function of strength and quality of relations with Kabul. In **Balkh**, **Nangarhar** and **Helmand**, it is primarily in the insecure areas that cultivation has been more extensive and has endured or re-appeared after the initial implementation of a ban. Yet Governor Atta has largely maintained the ban in **Balkh**, while the governors of **Helmand** and **Nangarhar** have not. (The maintenance and erosion of the provincial bans is discussed in Section 4.4.) **Badakhshan** falls easily into the “unmotivated” category. With a relatively limited threat from insurgents, the main threat to local security would come from an attempt by the central or provincial authorities to restrict cultivation or eradicate the standing crop.

**Helmand** provides an unfortunate example of a situation in which the political and governance context has produced an environment conducive to both insecurity and opium poppy cultivation. The province’s tribal geography and politics are complex, due in part to government land

<sup>47</sup> Mansfield, “From Bad They Made it Worse.”

settlement policies going back to the 1950s, which were intended to weaken some indigenous tribal groups and transplant others. The dislocations and movements during the *jihad* period and afterwards have only made these tribal groups even more fragmented. Those groups that found themselves in a favoured position in the post-2001 “carve-up” used the state’s financial resources and institutional levers, the force of the IM and aid resources gained through contracting with the PRT to their own further advantage: settling scores, consolidating their own positions and marginalizing rivals.<sup>48</sup> This naturally included the facilitation of drug production and trafficking networks that could operate under the noses of the police, the IM and other authorities.

Land has also been a major source of income and patronage in **Helmand**, as it has been elsewhere in Afghanistan. *Jihadis* and other powerholders have ridden roughshod over just about every law, procedure and custom in order to execute land grabs in the cities and rural areas, including the Helmand *dasht*.<sup>49</sup> The sense of unfairness, impunity for the dominant groups, and in some cases physical threats as well as humiliation, provided an entry point for the Taliban, who have helped to maintain an environment conducive to opium poppy in the areas in which they exert influence. In **Helmand** and other areas, this has been reinforced by the role that the ALP have played, as described in Box 4.

48 Stuart Gordon, “Winning Hearts and Minds? Examining the Relationship between Aid and Security in Afghanistan’s Helmand Province” (Medford, MA: Tufts University Feinstein International Center, 2011).

49 Following a multi-faceted directive from President Karzai in July 2012 addressing government corruption and inefficiency, a parliamentary commission reported that more than 500,000 ha of land valued at \$US 7b had been illegally taken since 2001, primarily in the four provinces of Kabul, Balkh, Helmand and Herat. See “On Landgrabs, Afghans Say Name Names, But Make Them The Right Ones,” RFE/RL, 23 October 2013, <http://www.rferl.org/content/afghan-land-grabs/25146040.html>.

*Box 4: The Afghan Local Police and counternarcotics*

In many areas, the ALP have become important factors in the evolving political context, including the dynamics of the opium poppy bans. Composed of a range of sometimes uncoordinated, often-competing actors (some with intense historical rivalries) who represent patronage interests, the ALP have played ambiguous roles wherever they have been used in counternarcotics-related activities.

In **Helmand**, in the early years of the ban, the ALP were associated with cultivation as well as predation. They were described as shaking down farmers, in some cases claiming the Taliban's "tax" on opium poppy or even looting assets from the population. In 2011-12, there were also accusations that the ALP had demanded money for the release of itinerant labourers who had come from other provinces for the opium poppy harvest and had been "arrested" by the ALP. In one area north of the Boghra Canal, they had confiscated a large number of generators during an eradication campaign and then sold them back to the local population. In Chintal in **Balkh**, there were reports that some were associated with cultivation or at least with benefiting from cultivation or eradication; although said to be Atta's people and therefore accountable to the provincial power structure, they were also considered to have "one eye to the government and one eye to the people."

In both **Helmand** and **Balkh**, as elsewhere in Afghanistan, ALP commanders have taken advantage of their power to further their personal agendas, including punitive settling of scores with rivals. The close association of the ALP with their patrons reinforces the fact that, despite their uniforms and official status, they are ultimately in the service of local strongmen rather than the state. This is partly due to historical relationships, but it also demonstrates the fact that in a state with weak institutions and a reliance on personal relationships, communities often look to individual strongmen or leaders to provide services or bring other benefits to the community. While in certain cases and at certain times their agendas have aligned with the government and the international military, the alignment is not considered durable.<sup>3</sup> The results of ALP involvement in counternarcotics have been even more unpredictable or inflammatory where the ALP members belong to groups that are from outside the area, especially in **Helmand**, where they were composed largely of settlers to the province (*naqlin*)<sup>4</sup>, who were resented not just as outsiders but also because they were of low social status.

While in many instances eradication (and counternarcotics more generally) has become a tool for the extraction of private gain, in some areas opium poppy has also become an instrument for the ALP to maintain patronage relationships. In **Helmand**, for example, a number of ALP commanders took a proactive and aggressive role in discouraging cultivation in 2012-13 in order to show their anti-Taliban *bona fides* and curry favour with their higher-ups, and thereby protect the income, patronage and status that came from their enrolment in the ALP. Although this proactive approach—perhaps due to better oversight—represented an improvement over previous years, for farmers it had the downside that the ALP were less susceptible to bribes. In other cases, however, ALP commanders were said to be cultivating poppy themselves, or else encouraging cultivation, mainly to offer "protection" or to prey on farmers, which amounts to the same thing. In fact, with such an array of uncoordinated and entrepreneurial actors as were operating in **Helmand**, even ALP commanders could not ensure that provincial or other stronger forces would not eradicate the crop. This uncertainty has only further fragmented an already chaotic environment. Faced with an unknown but potentially endless set of demands for payments, farmers have even taken such extreme measures as destroying their own crop.<sup>5</sup>

<sup>3</sup> The questionable loyalties and behaviour have been a concern since the use of non-regular forces began to be strengthened around 2008, with the ALP being officially approved by the government in 2010. Reports in recent years have validated these concerns. See "Just Don't Call It a Militia": Impunity, Militias, and the 'Afghan Local Police'," Human Rights Watch. September 2011, or Peterson, Scott. "Afghanistan: The challenge of 'good' vs 'bad' militias," January 11, 2013. <http://www.csmonitor.com/World/Asia-South-Central/2013/0111/Afghanistan-The-challenge-of-good-vs-bad-militias> The potential fragmentation of the ALP/militias and other irregular forces has been one of the nightmare scenarios envisaged by Afghans who recall the 1990s.

<sup>4</sup> This somewhat derogatory term for the settlers is derived from the Dari word for "transfer." Those who had been transferred by the state in the 1960s and '70s do not have the same status as those who had lived on the Helmand earth for generations.

<sup>5</sup> David Mansfield, "Briefing Paper 6: 'Central Helmand in the 2012/13 Planting Season'," March 2013.

In **Balkh**, the opium poppy growing areas have been located in the Pashtun-majority areas west of Mazar where historically Pashtuns have had access to opium markets through traders who came up from the South. Since 2001 there has also been a sense of ethnic-based grievance within those communities based on perceived discrimination at the hands of the provincial administration. Although Governor Atta has incorporated Pashtuns into the administration (e.g. provincial police chief, provincial line ministry heads, district governors and police chiefs<sup>50</sup>) and has married the daughter of a Pashtun notable, in some Pashtun areas there is a lingering sense of being an island which allows these pockets of insecurity to endure. This dynamic has roots in the late 1800s when Pashtuns were forcibly settled in the North and given the better-watered and richer agricultural

<sup>50</sup> Although technically these appointments are made by Kabul, governors often play a major role in proposing and vetting candidates, especially in the case of strong governors. Some of these appointments are due to relationships with supportive Pashtun *jihadi* commanders whom Atta protected immediately after the fall of the Taliban. See Mukhopadhyay, "Warlords, Strongman Governors."

land,<sup>51</sup> as well as more recently during the *jihad*, *mujihadin* and Taliban eras and their aftermath. Changes in control of Mazar have often been accompanied by atrocities committed largely along ethnic lines.

The sense of grievance was given voice by respondents in Char Bolak and Chimalt who attributed the forcible suppression and eradication of opium poppy in those areas to discrimination. Outside of those areas, Governor Atta's decision to enforce the prohibition on cultivation is typically attributed to his interest in becoming a national political figure, although it may also be due to his desire to keep potential opium poppy-related resource flows from helping his local political rivals.<sup>52</sup> As in **Helmand**, the maintenance of the ban has relied on the ALP. While no one is under any illusions about the quality of overall governance in **Balkh**, or the extent to which officials have personally benefited from the post-2004 administration, Atta has remained more popular than most other governors. The fact that Mazar has thrived and remained relatively secure is generally attributed to Atta.

**Nangarhar** provides another unfortunate example of the interplay between the political environment and the opium economy.<sup>53</sup> The opium poppy ban was implemented starting in 2007-08, through a series of bargains that Governor Shirzai made with a group of rural elites who agreed to ban cultivation in their areas with implementation delegated to *woleswals* and police commanders through reliance on their tribal networks. The breakdown of the ban started in 2010-11 as the result of a confluence of factors: ongoing economic strains and resentment caused by eradication and three consecutive years of suppression, and the political weakening of the ban's prime mover, Governor Shirzai. Together these factors provided an opportunity for Shirzai's provincial rivals, who had been somewhat sidelined after he was appointed governor in 2004.<sup>54</sup>

The breakdown and the concurrent slide in security, which continued into 2013, resulted in part from over-reach in enforcing the ban, but also from an unravelling political situation in which the governor created numerous enemies and competitors through apparently unrelated issues: a land dispute (see Box 5) and the association with an IM which had made itself unpopular by its heavy-handed practices which had resulted in civilian casualties.<sup>55</sup>

51 Thomas Barfield, "Afghanistan A Cultural and Political History Princeton" (Princeton University Press, 2010).

52 For this last point, see Mansfield, "Our Friends in the North."

53 David Mansfield, et al, "Managing Concurrent and Repeated Risks."

54 Rivals include the well-connected Arsala family. Aside from the usual competition for power and financial resources, there were rumours that cited specific causes of the contest as disputes over the division of "unofficial payments" collected at the Torkham border crossing or the monopolisation of construction contracts.

55 Popularity was not helped by culturally-offensive habits such as driving military vehicles through rural areas with rap music such as "Gangsta's Paradise" blaring through loudspeakers.

*Box 5: Nangarhar land dispute<sup>6</sup>*

Achin provides a sobering example of the complexity of rural society and the interweaving of the opium economy with politics and governance. In February 2010, a land dispute broke out between two Shinwari sub-tribes in Achin: the Sepai and the Alisherkhel. Only the previous month, both groups had been signatories to the “Shinwari Pact” brokered by Governor Shirzai and US forces for support in counterinsurgency and counternarcotics in exchange for development assistance. (This agreement was described at the time as a “success story,” although it was condemned by President Karzai.) Within weeks, however, the Sepai occupied some desert land near Alisherkhel villages. While the motivation was unclear, there were allegations that the governor was responsible both directly and indirectly, by creating *arbaki*,<sup>7</sup> which had empowered the Sepai, and tempted them to use their new-found advantage.

While the land dispute was ostensibly over a patch of desert, it quickly metastasized and drew in members of Parliament, other tribes in Nangarhar, one of the president’s senior advisors and Governor Shirzai. The creation and arming of ALP representing the Sepai faction further de-stabilised the situation. A series of violent confrontations, attacks and “arrests,” distribution of weapons among the population and the establishment of checkpoints all had a negative economic effect, as shops remained closed out of fear of getting caught up in the conflict. Even the high school in Kahi was divided, with one faction attending classes in the original building and the other relocating to a school elsewhere in the district.

As has often been the case, the international military were drawn into the conflict or may have even been behind it in the first place, given that the US had armed one side in 2009 following a previous attack. Resentments further hardened after an October 2011 incident, when the Afghan government called in International Security Assistance Force (ISAF) air support and the ensuing helicopter attack led to the death of 18 Sepai and the injury of 60 others.

Ongoing attempts to resolve the dispute, including convening a *jirga* (meeting or tribal gathering) with 300 elders from all of Nangarhar, failed, as none of the proposed remedies were acceptable to all parties. A proposed solution was rejected by both sides: one side because they believed that it left them vulnerable to attack, the other partly because it was rejected by the other side but also because they believed that the provincial authorities had not enforced previous agreements. The provincial and central authorities were blamed for intentionally provoking the dispute as well as for failing to resolve it. Paradoxically, the state was accused both of being too involved and of not being involved enough. In the process, the rural elites who had been enlisted on the side of the governor and who had helped implement the opium poppy ban lost credibility. As time wore on, all parties (including the US government and Governor Shirzai) distanced themselves from the Pact and the decision to distribute weapons. In this context, stepped-up opium poppy cultivation in 2011-12 was seen as an act of defiance by the elders and the community in protest of the governor’s handling of the land dispute.

The ongoing crisis and the antipathy it has created has had implications for the state’s coercive power in the area at the same time that the cumulative effects of the opium poppy ban were being felt. The growing schism between the government and the population provided a point of entry for anti-government elements (AGEs), who filtered into the area and were more than happy to “tolerate” the cultivation of opium poppy.

<sup>6</sup> Taken from the account given in Mansfield, “All Bets are off.”

<sup>7</sup> Tribal security forces indigenous to the Loya Paktia region, but now used more generally to refer to almost any irregular local security forces.

While Governor Shirzai received plaudits from the international community for the decisive implementation of the opium poppy ban,<sup>56</sup> the close relationship with the US military discredited the suppression agenda as being foreign-backed. Inevitably, bazaar gossip began circulating with stories of payoffs and diversions of funds intended for farmers. As in Helmand, this took on an ethnic or tribal flavour because one or more of the competing factions in the land dispute had been armed by the US military as part of its counterinsurgency strategy in Nangarhar. A factionalized situation grew worse in 2013 when a range of local, sub-national and even regional actors jockeyed to gain control over territory, resources and population as the US forces continued their drawdown.

The agreements over suppression were made (and unmade) in the context of competition for power and control in the province. In Afghanistan, because power is almost always contested, political alliances are inherently unstable. The dissatisfaction with the 2007-08 ban provided opportunities for the traditional political elites to re-assert themselves more aggressively, (even

<sup>56</sup> His “can-do” persona led to Governor Shirzai being voted the 2008 “Person of the Year” in a telephone poll conducted by Radio Free Europe/Radio Liberty’s Radio Free Afghanistan, funded by the US government. His ability to attract reconstruction funds were manifest by the significant and visible public works in Jalalabad, which helped earn him his nickname “The Bulldozer.” He also attended the 2009 US presidential inauguration as the guest of President-elect Obama.

resorting to such highly provocative acts as a road blockage in Jalalabad), and they strengthened their positions in the 2009 presidential and 2010 parliamentary elections. Governor Shirzai and the provincial elites who were responsible for implementing the ban and who were therefore considered un-representative were seen to be weakened. This encouraged his rivals to be increasingly obstructive and to actively plot his removal through remonstrations to Kabul.<sup>57</sup>

In the early years of the ban, Governor Shirzai actively promoted it in rural areas, but in later years his mobility was greatly curtailed, reflecting his diminished power in the province. Stepping into the local but important land dispute further weakened the governor. More importantly, it escalated the dispute to the realm of provincial and even national politics, contributing to an already unstable environment which was conducive to political opportunism and opium poppy cultivation. In fact, the expansion of opium poppy can be seen in part as an act of hostility towards the provincial administration. It should be noted that the more remote districts have a history of both resistance to the central government and inter-tribal conflicts, which makes them unconducive to stable political leadership and a state presence. Not surprisingly, these districts were among the few that resisted the 2000 Taliban national ban.

As the state retreated, opium poppy cultivation increased. While improved security could increase access to markets for licit crops and thereby provide some incentives for farmers to transition out of opium poppy, given the political and economic dynamics in the province— including the decreased leverage of the international community—it is hard to see what sort of settlement would include any aspects that explicitly discouraged cultivation.

If **Nangarhar** and **Helmand** are provinces where the internal political dynamics have been disturbed through international interventions in governance alongside counternarcotics, **Badakhshan** remains largely untouched by such ambitious initiatives. According to some observers, the Germans, who led the Faizabad PRT from its establishment in 2004 until its closing in 2012, were pragmatic (or took the path of least resistance) in accommodating to local power holders, neither challenging the local power structures nor paying much attention to opium poppy cultivation.<sup>58</sup> (See Box 6, Figure 3, and Section 4.4.1 for details.)

<sup>57</sup> Speculation was that President Karzai was reluctant to have Shirzai return to Kandahar where he might compete with the Karzai family, so instead left him to hang on in a weakened state in Nangarhar. The belief that the stability of Nangarhar was less important than the Karzai empire did little to build support for the state within the province.

<sup>58</sup> Philipp Münch, “Local Afghan Power Structures and the International Military Intervention: A Review of Developments in Badakhshan and Kunduz Provinces,” Afghanistan Analysts Network, November 2013.

**Box 6: Managing eradication in Badakhshan**

The response to the eradication campaign of farmers in fieldwork areas of Jurm and Khash—an increase in the number of households growing opium poppy and in cultivated area—seems to represent adaptive expectations. At least in these areas, the claims of more serious eradication in the province (increases of nearly 400 percent and 57 percent in the last two cropping years) did not jibe with farmers' responses, and eradication and the information campaigns appeared to have a minimal effect on levels of cultivation. It is hard to reconcile the extent of eradication viewed on the ground (see Figure 3) with official figures.<sup>8</sup>

The small or token levels of eradication (“took a bit from everyone”) were not considered a problem by farmers, who characterised the process as *nim kala* [half-assed, literally, half-headed]. As one farmer noted, “Opium output was good—I didn't get eradicated too much. I was able to get a good income; they didn't take enough for it really to make me upset.”<sup>9</sup> Respondents pointed out that the eradication teams had to avoid upsetting the local population, especially when some of the shura heads were said to themselves be growing. “I hear from the head of the *shura* [not to grow], but if they are cultivating, who are they to tell me not to cultivate?”

In Jurm and Khash, the net effect of the eradication threat was minimal, as farmers simply did the mental math and incorporated anticipated (small) eradicated areas into their planning. A typical response was: “I used to be afraid of the campaign, but last year I saw that they weren't serious, so I increased this year.”<sup>10</sup> Or, as another farmer put it: “I didn't grow last year because I don't have much land and the government would eradicate. If I had lost my poppy crop, it would have been a big problem. When I saw that the government was only eradicating a limited portion, I decided that I would grow.”<sup>11</sup> Those with *wasita*<sup>12</sup> were not likely to experience eradication at all.

Respondents reported that an eradication team had been chased out of Jurm in 2006, but it appears that there were no more recent security incidents in either of the two districts. However, in 2010, 2012 and 2013 there were security incidents which resulted in deaths and injury in Darayim and Argo Districts.

8 Separate research suggests over-reporting of eradication. The 2,798 hectares reported as eradicated by UNODC and the MCN would mean that more than half the standing crop had been destroyed, which is at odds with field reports of reticence and caution to avoid fueling local resentment. See David Mansfield, “Our Friends in the North.”

9 Interview with farmer, Jurm District, May 2013, cited in Fishstein, “Evolving Terrain.”

10 Interview with farmer, Jurm District, May 2013, Fishstein, “Evolving Terrain.”

11 Interview with farmer, Jurm District, May 2013, Fishstein, “Evolving Terrain.”

12 Personal relationship or connection, often used to obtain a favour or preferential access or treatment.

**Figure 3: Post-eradication fields in Jurm District, Badakhshan, 2013**



Source: OSDR

Whether truly explanatory or merely as justification for their behaviour, farmers cited several political factors for growing opium poppy. They complained that the assistance which had been promised to help them make the transition to licit cultivation had not been forthcoming. Especially in **Balkh** and **Badakhshan**, respondents cited the lack of payoff in the form of promised development funding in exchange for giving up cultivation starting in 2007. Farmers in **Nangarhar** also ascribed their cultivation to the lack of development aid, as well as necessity: the lack of viable economic alternatives. This dovetails with the larger theme of the extravagant expectations created by the post-2001 enterprise, as well as with micro-level disappointments from promises made by local development actors.

Whether or not this explains bounce-back to higher levels of cultivation, it does reinforce the narrative of the broken state and self-interested players: that both the international community and an ineffective and uncaring government have been unable to deliver. Given the general

perceptions about effectiveness of aid money, regardless of whether additional aid would have made a material difference, the failure to deliver contributes to the negative perceptions of the state and perhaps a greater willingness to resist it and its dictates.

Farmers also justified cultivating opium poppy by complaining about the advantages enjoyed by other regions, in terms of both development assistance and the perceived tolerance for cultivation. In **Balkh** and to some extent **Badakhshan**, grievances centred on the unbalanced geographic distribution of development assistance and the apparent toleration of opium poppy cultivation in the South and East. This also ties in with broader resentments that the relatively peaceful North has received far less development funding than the South and East, which are not only insecure but which are seen to be growing opium poppy with impunity.<sup>59</sup>

The shortfall in aid, lack of payoff for opium poppy suppression and the apparent tolerance for cultivation in other areas were all consistent refrains by Governor Atta in his public statements, and were also voiced by farmers in their fields. Within **Balkh**, farmers in insecure areas noted that insecurity had prevented development assistance from being delivered in their areas. Given that these areas were largely Pashtun, this acquired an ethnic tinge, with some farmers complaining that ethnic bias had contributed to their areas being underserved. In **Nangarhar**, respondents cited the lack of attention to the long-rumoured involvement of the President's brother in the opium economy in Kandahar as rationale for their own cultivation: "Karzai is also involved in this opium business—his two brothers produce and process heroin. If I do not cultivate, they will be out of business."<sup>60</sup> Even within **Helmand**, there were resentments in the Food Zone that opium poppy cultivation continued north of the canal.

While all of these complaints have a certain strained quasi-moral foundation, it is unclear whether they are reasons, excuses or simply anti-government rhetoric—or perhaps a bit of all of the above.

### 4.3 Where transition happens

#### 4.3.1 The right economic conditions

Despite an aggregate national increase in opium poppy cultivation of 70 percent in the three years since 2009-10, in some areas of three of the four provinces, economic conditions have facilitated a transition to licit crops. As noted in Sections 4.1 and 4.2, the environment is a function of geographic, economic and political factors. In some former cultivating areas in **Balkh**, recent improvements in roads and security have led to better market integration of some former opium poppy growing areas and better prices for farmers who sell vegetables such as carrots, onions, okra and squash. Farmers also observed that fertilising their vegetable crops resulted in higher yields from wheat subsequently grown on the same land, providing an additional incentive. In Chimtal, between 2011-12 and 2012-13, the surveyed households' area cultivated with vegetables increased by two-thirds, and revenue generated by cash crops—mung bean, cotton, watermelon, vegetables (winter and summer) and melon—all increased. Of the 11 households in Chimtal and **Balkh** Districts that reported a significant positive change in their economic situation from 2011-12 to 2012-13, all but one attributed this change primarily to the improved yields and prices they had received for growing cash crops, mainly vegetables and cotton.<sup>61</sup> Some households were relying entirely on the sale of vegetables and other outputs to purchase wheat in the market, rather than growing the staple themselves.<sup>62</sup>

It is possible that much of the reduced poppy cultivation during the initial years of the ban in **Balkh** was feasible because most production was taking place in the better-irrigated areas of the province, so that farmers could more easily shift into other high-value crops along with

59 Paul Fishstein, "Winning Hearts and Minds? Examining the Relationship between Aid and Security in Afghanistan's Balkh Province" (Medford, MA: Tufts University Feinstein International Center, 2010).

60 Interview with farmer, Khogiani District, April 2011, cited in Mansfield, "Between a rock and a hard place," p. 12.

61 While officials in Mazar talked about the potential of alternative crops/ventures such as saffron and fish-farming, these were not mentioned by farmers.

62 Fishstein, "Evolving Terrain."

accessing non-farm work opportunities in Mazar.<sup>63</sup> The comments by one farmer seemed to sum up many of the calculations that households go through in figuring out how to obtain a diversified livelihood:

*There were rumours that there would be eradication this year. Some people are willing to take the risk. The Taliban have left the area and so there is nothing to protect me. If my other crops give good results and no one else grows, then I will do very well from high prices. I have increased melon area by one jerib because the price was high; if there are no flies this year, I will do well. People don't grow melon because they are afraid of flies. This good situation may sustain itself because for the last one to two years the income from agriculture has been good. Also, now my son is working and so the economy of the household has improved.*<sup>64</sup>

The main constraint voiced by farmers in **Balkh**, as well as to some degree in **Badakhshan**, was the lack of cold storage which would allow them to store their crops at harvest time when prices were low and then release them in later months when prices had risen.<sup>65</sup> The existing facilities in **Balkh** are to the east of Mazar, and are therefore less accessible to farmers in the districts to the west.

Similarly, as noted in Section 4.1, the parts of central **Helmand** under the Canal and close to the main urban areas provide examples of how a conducive economic environment, enabled by improved security conditions, has allowed diversification of livelihoods away from opium poppy. The significant security improvement between 2010-11, when there was “chronic insecurity,” and 2011-12 was reflected in fewer reported constraints on road transport. This, in turn, eased access to markets and increased sales both in the markets and at the farm gate. The reduction in extortion of bribes at checkpoints reduced both transport costs and uncertainty and therefore led to increased effective demand for farm products.

The demand for fruits and vegetables in the urban markets of Lashkar Gah and Girishk led to increased production, with farmers responding to price signals and market demand to shift cropping patterns towards higher-value crops. Demand from elsewhere in Afghanistan, especially during the shoulder season when fruits and vegetables ripen in **Helmand** before those in other areas, also contributed to some extent. Farmers diversified to orchard crops (apricots, almonds, grapes), onions, potatoes and other vegetables. Increasing wheat yields also had positive effects on welfare. That farmers invested in slow-maturing, longer-term orchards was a sign of confidence, and it required them to maintain themselves in the meantime with non-farm or off-farm income.

Non-farm income such as that obtained from daily wage labour in Lashkar Gah and Girishk was available at more favourable rates, in part due to the increased demand for opium poppy-related labour north of the canal. The wage labour opportunities, which even attracted skilled and unskilled workers from elsewhere in Afghanistan and from Pakistan, were created in part by the infusion of international money and development assistance, which also created opportunities for patronage and public sector employment.

Improved security also allowed these areas to receive more development assistance such as poly-tunnels and water pumps. While in 2010-11 there was increasing economic distress, by the following year communities had shown greater resilience and had taken advantage of increased economic opportunities. The improved security environment has also allowed improvement in the levels of education and health services.

63 According to the NDCS, “the elimination of opium poppy cultivation must be effectively sequenced with the broader stabilisation effort and eradication targeted where rural livelihoods exist”. Islamic Republic of Afghanistan, Ministry of Counter-Narcotics. “National Drug Control Strategy: An Updated Five-Year Strategy for Tackling the Illicit Drug Problem” (Kabul: 2006. p. 15). The 2012 updated NDCS contained similar language about ensuring livelihoods. See also Pain, “Opium Poppy Strikes Back.”

64 Interview with farmer, Chimal District, May 2013, cited in Fishstein, “Evolving Terrain.”

65 A widely voiced complaint is that Pakistani traders purchase vegetables such as potatoes, onions and cucumbers at low harvest prices, transport them for storage in Pakistan, then bring them back for sale in Afghanistan in later months when prices have risen. The economics of this, especially for low-value crops, do not appear to make sense, so this may be largely an urban legend.

With improved security and a limited Taliban presence, respondents were willing to admit that household members had enrolled in the ANSF or had taken other government employment, and some even expressed support for the government: “Because of this government business has improved. Because of development assistance there is more money in **Helmand** and people spend it in my shop.”<sup>66</sup> Compared with the previous year, respondents in 2011-12 were less critical of the state, especially those who saw themselves as having benefited from its largesse or who had been able to maintain their living standards without opium poppy. Respondents’ attitude towards the state and towards their lives more generally was a function of proximity to Lashkar Gah, with those farther away from the city’s economic benefits being much less positive.<sup>67</sup> As described in Section 4.3.3, conditions for those outside of these areas were very different.

In **Nangarhar**, the areas subject to the pull of the urban economy have done relatively well, both in growing fruits and vegetables for the market and in taking advantage of work opportunities in Jalalabad. People living close to the main trade routes between Kabul and Peshawar were better able to adjust to the opium poppy ban and even to thrive by responding to economic opportunities: diversifying crops for sale in Jalalabad and other regional markets, processing dairy output into higher-value products (yogurt, cheese) and accessing non-farm employment in Jalalabad and on construction projects outside of the city. The growing of three seasons of crops annually on the same land became more common. Traders circulating to buy crops at the farm gate and rising rents in Kama were indicators of demand. There were even reports of local varieties of garlic being exported to Karachi. Security in this state space allowed development assistance. Even in Shinwar, an area notorious for opium poppy cultivation, after several years of planting wheat, farmers were enthusiastically diversifying. As one farmer put it:

*I was a farmer who believed in growing poppy. I was also a trader of opium in the past. I also leased extra land to cultivate poppy. But I was always in debt. I now think I was a foolish man. I always had a loan to pay and I was under pressure. Sometimes I got money and I could repay my loan; sometimes I did not. Now I cultivate vegetables, I am happy.*<sup>68</sup>

In the better irrigated areas of **Balkh**, cotton was considered a profitable cash crop, and therefore to some extent a substitute for opium poppy. In 2010-11, farmers benefited from high prices as a result of the August 2010 floods which destroyed an estimated 30 percent of Pakistan’s cotton crop. In both 2011-12 and 2012-13, the majority of surveyed farmers (24 out of 30) either expanded or maintained the area in which they grew cotton, although some complained about the current low price and, more generally, about the risk that price instability produced. (All three households that grew opium poppy had moved land between poppy and cotton.)<sup>69</sup> Cotton’s relative storability can reduce market-related risks such as low prices and road blockages. For example, a household in **Balkh** reported shifting from okra to cotton out of fear that road blockages in the Salang would drive down the price of okra. At least in **Balkh** Province, there was more of an association of cotton cultivation with land farmed than with land owned; in other words, households that sharecropped even small amounts of land were in many cases willing to plant cotton on that land.

In **Helmand**, farmers seem to have been reluctant to plant cotton because of uncertainties in the market. Cotton has historically been an important cash crop in **Helmand**, but the revitalization of the industry after 2001 has been constrained in large part by the lack of a consistent purchasing source.<sup>70</sup> As one farmer complained, “Last year in November [2010], I sold my cotton crop to the government company in Lashkar Gah. Up to now [May 2011] I have

66 Interview with farmer/shopkeeper, Bolan. From David Mansfield, “Briefing Paper 5: ‘Central Helmand in the 2011/12 Growing Season—Spring Update.’” June 2012.

67 Mansfield, “All Bets are off.”

68 Interview with farmer, Shinwar District, April 2011, cited in Mansfield, “Between a rock and a hard place.”

69 Fishstein, “Evolving Terrain.”

70 Since 2001 proposals have been made to revitalise the cotton industry in Helmand through support for purchasing to create a dependable market, technical assistance to the Lashkar Gah cotton gin in marketing and management, revitalisation of the Bost cotton gin, and the provision of credit to farmers. These proposals are popular on the ground but have been rejected by the donors. See Rajiv Chandrasekaran, *Little America: The War within the War in Afghanistan*. Random House, New York, 2012, Also Richard B. Scott, “Helmand Follow Up XXXI: Poppy Harvest Season is Here Again: What Next with Our Failed Counter Narcotics Projects?,” May 2014, and “Helmand Follow Up XXXII: Support for Cotton in Central Helmand This Year?,” December 2010.

still not received my money. I have spent [US\$12] going to the company to request my money. Is this the right way to ban poppy?”<sup>71</sup>

In addition to price uncertainty, cotton is also affected by the need for labour and sufficient water, both of which contributed to additional reluctance among farmers to take on risk. Still, farmers in **Balkh** and **Helmand** expressed a positive attitude towards cotton as a potential cash crop, although this may be in part a historical vestige of a time when cotton was king in the 1970s.

The reported experience of farmers interviewed for this study confirms findings from AREU’s prior studies and other research. It shows that, while opium poppy is widely assumed to provide superior cash returns, for many households it is not simply a question of maximising cash income and responding to price signals (see Box 7). Rather, households often prioritize food security while trying to ensure cash for healthcare, fuel, debt and other expenses. Among the respondents in this study, that calculation varied according to the environment and the individual household’s resource endowments. The calculation may have been especially difficult for those with only *lalmi* (rainfed) land, as returns were much more variable and the probability of crop failure in a given year higher. That households in insecure areas (which were safe from eradication) did not allocate 100 percent of their land to opium poppy at times of high opium prices suggests that profit maximisation was not their only objective. Similarly, in the more productive areas of **Helmand**, while households maintained their incomes by moving into a diverse selection of cash crops, many of those with sufficient land still cultivated wheat and maize as a hedge against food insecurity which could be created by a fall in vegetable prices (market risk) or crop failure.

#### Box 7: Getting it right on prices

The role of prices in influencing or determining farmers’ decisions around the cultivation of opium poppy has been much debated. While households can be assumed to respond to incentives, including changes in relative prices, households exist within a web of social and human-security related factors that can either mitigate or intensify the effects of prices.

At the national level, it is possible to construct an appealing narrative of the relationship between price and area planted, but a national or even regional price is something of a construct, as there is significant variation in prices between regions and areas. For instance, according to UNODC’s price information, in April 2013, when the national average price of dry opium to traders was US\$168 per kilogramme, it was as low as US\$109 in the Northeast and as high as US\$209 in the West, a difference of almost 100 percent. Moreover, prices not only differ on an absolute level, but also may move in different directions.

Leaving aside data quality and the challenge of getting systematic, reliable information on the prices of an illicit commodity which is traded in a range of qualities, prices are often locally determined by idiosyncratic events and conditions. For instance, in **Badakhshan** during 2013 fieldwork, farmers in both Jurm and Khash complained that opium prices were down because *jalo*<sup>13</sup> were not coming to villages and towns, partly due to the general security situation but also out of fear of having their goods confiscated (and re-sold) by the ANP. This situation appears to be both local and transitory. In **Helmand**, prices in the government-controlled Canal area were vastly lower than in the Taliban-controlled *dasht*. Therefore, any national-level analysis that looks at cultivated area as a function of an average price should do so with caution.

All things being equal, higher relative prices are likely to provide incentives to grow more opium poppy, but in Afghanistan all things are hardly ever equal: security, quality of opium, price of wheat, labour opportunity costs, weather-related delays in planting and food security are all highly variable. It is probably safe to say that where markets are functioning well, prices exert more influence, but where there are no other choices, farmers are—not surprisingly—likely to be less responsive to prices. For example, during much of the period of research, the ratio of opium poppy to wheat prices was declining in the northeast, while cultivation of opium poppy continued to increase steadily.

<sup>13</sup> Trader or middleman, often used pejoratively.

<sup>71</sup> Interview with farmer, Nad-e- Ali District, May 2011, cited in Mansfield, “Between a Rock and a Hard Place,” p. 33.

### 4.3.2 Non-farm and off-farm income

Another factor enabling the shift out of opium poppy is the opportunity to earn off-farm and non-farm income.<sup>72</sup> Despite the general reliance on agriculture, for the majority of rural Afghan households the small size of land holdings relative to family size (nationally, less than half of households with irrigated land have holdings of more than four *jeribs*) and the low productivity of agriculture mean that non-farm employment is critical. According to the 2007-08 National Risk and Vulnerability Assessment (NRVA), while more than half of rural households are involved in agriculture, nearly half (49 percent) reported non-farm wages and other activities as their *main* income source.<sup>73</sup>

In **Balkh**, the booming urban economy—especially the construction sector—of regional economic hub Mazar has to some extent cushioned the effects of suppression and allowed some to transition out of opium poppy. In fact, the preference for construction work, considered less demanding and better paying than agricultural work, may have contributed to a reported labour shortage in rural areas not far from Mazar.<sup>74</sup> Mazar has also been the destination for workers from elsewhere in the country, including Jalalabad. Similarly, employment in Jalalabad has been important for households in nearby parts of **Nangarhar**.

In **Badakhshan**, with a long tradition of labour-related migration, there is a high reliance on off-farm income, although very few households are shifting out of opium poppy cultivation. Respondents said that growing opium poppy was a way to avoid having to move to another area to find work. In 2011-12, half of surveyed households derived more than one-half of their income from off-farm sources, while a third derived more than two-thirds. In 2012-13, a better agricultural year, more than a third derived over one-quarter of their income from non-farm sources, while more than a quarter derived more than one-half. Common non-farm income sources included employment in the lapis lazuli and other mines, enrolment in the ANSF and working as a driver. One farmer explained that if he had grown more poppy he would have had to give up his itinerant trading business: “I grew less this year. I don’t have the time, and my son would have to take time from his studies and drop out of school. Others grow for money, but for me it didn’t work.”<sup>75</sup> It should be noted that only three of 20 opium poppy farmers had reduced the amount of poppy they grew between 2011-12 and 2012-13.

In both **Nangarhar** and **Badakhshan**, seasonal migration is common. In **Badakhshan**, a number of workers reported working in Kabul or Jalalabad during the winter, returning home in the summer, while in **Nangarhar**, workers reported migrating to Kabul during the summer and spending the winters in Jalalabad. In **Helmand**, the demand for labour created in Lashkar Gah and Girishk provided an important source of employment for those able to access it.

However, nationwide, as many of the non-farm income opportunities have been driven by the massive infusion of international spending, the extent to which they will continue is one of the most fundamental questions of the 2014 Transition, especially with political and security uncertainty dampening the investment climate. This may already be manifesting itself in the four provinces. In both **Balkh** and **Badakhshan**, casual labourers reported that in 2013, available work and prevailing wages were both down from 2012. As shown in Figure 4, wage rates for unskilled labour in the major cities, with the possible exception of Kandahar, appear to have levelled off, and in the case of Kabul, Faizabad, Mazar and Jalalabad, wage rates actually declined. In **Nangarhar**, as the urban economy in Jalalabad has contracted, enrolment in the ANSF has become a more common option.<sup>76</sup>

72 Generally, “off-farm income” refers to income obtained by a household away from their own land, while “non-farm income” refers to income generated by non-agricultural activities.

73 “Poverty Status in Afghanistan: A Profile Based on the National Risk and Vulnerability Assessment (NRVA) 2007/8.” Ministry of Economy and the World Bank, Economic Policy and Poverty Sector, 2010.

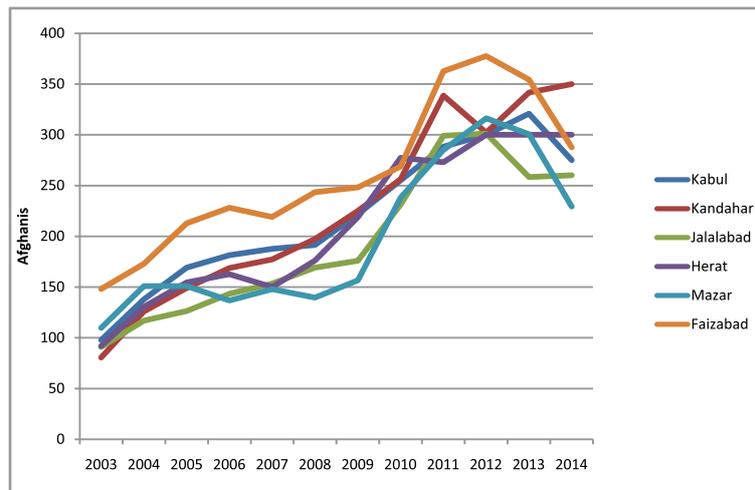
74 In 2009-10, landowners in Sholgara complained of agricultural labour shortages, although it is not clear the relative influence of urban demand for labour or more general out-migration from rural areas. See Fishstein, “Winning Hearts and Minds.” The apparent paradox of simultaneous complaints that there is no work and no labour may be due to factors such as the seasonality of agricultural work and its low wages.

75 Interview with farmer, Jurm District, May 2013.

76 Mansfield, “From Bad they Made it Worse”. More than a third of recruits for the ANA are from Nangarhar. See Ray Rivera, “Afghan army attracts few where fear reigns,” *The New York Times*, 6 September 2011. During fieldwork in early 2012, when the bodies of four local men killed in ANSF service elsewhere in the country were brought home, respondents noted that only because of the opium poppy ban had these men enlisted and been killed.

Respondents in all four provinces gave examples of the ways in which they had been able to make capital investments with accumulated income earned from opium poppy, ironically in some cases allowing the transition out of illicit cultivation, either under pressure or through their own volition. The most common investment was motor vehicles (passenger cars, Zarangs, trucks) in order to earn income from trade and/or transport of goods or people. In **Balkh** and **Helmand**, respondents also mentioned using income from opium poppy to purchase tractors, which could be rented out on an hourly basis. Other reported investments in **Helmand** included land and land improvement (especially in the *dasht*, where conditions were primitive and therefore required initial investments just to survive), tubewells, generators, water pumps, shops and a mobile flour mill. In **Nangarhar**, besides motor vehicles and livestock, households reported human capital investments in education for children, including fee-paying private English language courses and vocational training.

Figure 4: Wages for unskilled daily labour in major cities, 2003-14



Data source: WFP VAM Unit. Current Afghani. Annual average. Wage rates tend to peak during April-July, depending on conditions in a particular year.

### 4.3.3 The wrong conditions

The preceding sections discussed conditions under which households used a combination of diversification to higher-value crops and access to non-farm income to transition out of opium poppy. On the other hand, where conditions are less enabling, households are less likely to sustainably make that transition. In **Badakhshan**, a largely peripheral economy relies on out-migration and smuggling of drugs and weapons in the absence of an industrial base, decent-sized markets and sufficient good land and amenable climate for agriculture. Households in that province consistently reported lack of economic alternatives either in agriculture or in other sectors.<sup>77</sup> The province does possess significant mineral resources, most notably lapis lazuli, but with the exception of the existing lapis mines in Karan Wa Munjan District, which provide employment for the surrounding areas and for migrants, formal exploitation of these resources has been limited by lack of an enabling institutional environment, as well as by corruption and poor infrastructure.

Most respondents in **Badakhshan** acknowledged that the paving and/or construction of several roads in the province had improved transport, especially between Faizabad and Taloqan in Takhar Province to the west. But virtually all surveyed farmers cited the distance from village to market and the difficulty of transporting outputs to market as a serious constraint. Unlike in the relatively flat terrain of **Balkh** and **Helmand** where the Zarang had become a standard mode of transport, in mountainous Jurm and Khash the only alternative to expensive vehicle

<sup>77</sup> While the province's mineral wealth offers a potential source of growth and employment, a variety of factors (e.g. governance, infrastructure) make the formalisation of extraction as opposed to illegal mining unlikely to happen anytime soon. Relatedly, residents of Faizabad are fond of citing the high cost of generator-supplied electricity (50 Afs per kilowatt in Faizabad, more than 16 times the Kabul price) as a serious constraint to development of commerce and industry.

transport was donkey, which was time-consuming and damaged the crops being transported, as well as limiting the number of markets one could access. (Respondents also noted that poor road transport increased the effective cost of household goods, sometimes doubling the cost between Faizabad and Khash.) As a comparison, in **Balkh**, farmers reported that they would take their outputs to one of several markets (including Mazar) depending on the prevailing prices in each.

**Helmand** is similarly on the periphery—a border province with no formal crossings to generate trade as in **Balkh** and **Nangarhar**, and no major urban areas. But economic conditions there are somewhat mixed, depending on location. As noted above and in Table 1, some areas of Central **Helmand** under the Boghra Canal and closest to urban markets in Lashkar Gah and Girishk are better situated, with better resource endowments. These areas have seen diversification into higher-value crops and access to non-farm income opportunities.

Other areas of Central **Helmand**, however (let alone the rest of the province), face a much less conducive economic and security environment.<sup>78</sup> While these areas also benefited from the generally higher levels of security brought by the greater presence of ANSF and the IM, few households were able to take economic advantage. Most areas lie a prohibitive distance from urban produce markets of Lashkar Gah and Girishk in the province, as well as those of Kandahar, Kabul and Quetta, all of which have cheaper and more convenient sources; the exception is the shoulder season when **Helmand** crops—mainly melon and watermelon—ripen before those from other areas of the country. With less market demand for fruits and vegetables, there was limited diversification and a continued reliance on low-risk/low-value crops.

Wheat, still grown on 70-80 percent of land, was untenable for overall livelihoods. As a very crude indicator, Table 3 approximates the US\$ equivalent of what surveyed households in the four provinces would obtain from their land if they planted it all with wheat. While the table makes some simplifying assumptions (e.g. only one season, all land sown to wheat), it helps to illustrate the futility of relying on wheat as a household livelihoods strategy.

Table 3: Hypothetical cash equivalent returns to sowing all land to wheat

Province	Avg HH size, persons	Avg land sown, winter, jeribs	Avg yield, kgs/jerib	Price of wheat, US\$	Income from land, US\$	Income per capita/ day, US\$	Income per capita/ day, sharecrop, US\$
Balkh	11	21.3	560	0.27	3,253	0.81	0.41
Badakhshan	10	8.6	441	0.30	1,133	0.31	0.16
Helmand	12	11.9	360	0.37	1,585	0.36	0.18
Nangarhar	10	6.4	665	0.26	1,107	0.30	0.15

Gross returns, exclusive of any inputs. Sharecropper calculation assumes 50/50 share of output with landowner.

In addition, among households farther from the pull of urban labour markets, there was little or no increase in off-farm income opportunities. In recent years, many households reported distress sales of livestock and other productive assets in order to meet consumption requirements.

Critically, the higher presence of security forces in the area was a double-edged sword. While producing generally better security, it also meant that farmers could not grow opium poppy. Therefore, all in all, the population in this area had been hurt by the ban on opium poppy cultivation, and their economic situation had deteriorated. It could be argued that in some ways they had not benefited from the state presence; while it created a higher level of security, it also cut them off from significant livelihood opportunities without providing any new ones. The one exception was households that had invested their past opium poppy proceeds in vehicles or other assets that contributed to their economic well-being.

Additional constraining factors in parts of Central **Helmand** included a strained relationship with the state, a lingering Taliban presence, employment options which were largely limited

78 Mansfield, "All Bets are off."

to small-scale trade and enrolment in the ALP (available only to those within certain patronage groups) and, in 2012-13, a fall in prices for cash crops (e.g. cotton, maize, mung bean) that were cultivated in place of poppy. Respondents also reported being shut out of development assistance by the rural elites.

On the other hand, those in the *dasht* continued to intensively grow opium poppy, which was a source of some resentment to those living where the presence of security forces would not allow this. Still, when opium poppy yields fell in sharply in 2011-12 and even more severely in 2012-13, households there had few other options, and many households had even reduced the total amount of land they cultivated.

Unlike the lower areas of **Nangarhar** described above, situated along the main trade routes and where households were able to expand and diversify their agricultural production and take advantage of trade and non-farm income, in the remote, mountainous areas of the province, households were unable to make the same kind of transition. There, households typically coped initially by selling off assets such as animals and land, but after several years assets become depleted, especially for poorer households. Respondents noted a decrease in the quantity and quality of food, inability to pay for needed medical care, inability to get loans and problems meeting social and family obligations such as marriage. With limited options, an increasing number of young men felt compelled to endure the risk of joining the Afghan National Army or Afghan National Police.

In sum, the establishment of security—along with increased state presence, better-functioning output markets and access to non-farm income—can, under the right conditions, lead households to transition out of opium poppy. Positive examples included parts of Chimal and Balkh Districts of **Balkh** Province, areas of **Helmand** close to the urban centres of Lashkar Gah and Girishk and, at least prior to late 2010, areas of **Nangarhar** along the main trade routes between Kabul and Peshawar. Where these conditions are not met, however, households will struggle to get by with low-value crops such as wheat and may have to fall back on selling off productive assets.

## 4.4 Coercive approaches

The government's NDCS allows coercive approaches such as eradication, but specifies that they should be applied where alternative livelihoods are available to farmers. The current research confirmed that such approaches can produce results, but are sustainable only where certain economic conditions apply. In the absence of those conditions, the application of coercion can be counterproductive and lead to undesirable unintended consequences. The following sections discuss some of the dynamics associated with coercive approaches.

### 4.4.1 Short-term reductions through coercive approaches are possible with a strong and motivated leader and overwhelming force

The suppression of cultivation has been possible, at least temporarily, through coercive measures such as threat of arrest, physical harm or eradication of the standing crops in areas where there is one dominant player who either possesses or can draw on sufficient force. Governors Atta Mohammad Noor in **Balkh** and Gul Agha Shirzai in **Nangarhar** have been lauded as “strong leaders” for their counternarcotics policies, although each forcibly suppressed cultivation in a very different way. (It should be noted that in this context “strong leader” does not necessarily mean “good governance.”)

In **Balkh**, the consolidation of control over the province in 2004, after years of squabbling with Abdul Rashid Dostum, put Governor Atta in a position to exert his will through the placement of loyalists throughout the provincial and district administration. With limited international security presence in the relatively permissive North, Atta has largely used these networks to discourage cultivation. Although drawing on the levers of power, Atta has in some ways held the state at bay, until 2013 keeping the eradication process under his own close supervision. This has led to reportedly weak or even strained working relationships between the governor's office and other institutions with counternarcotics responsibility. As noted above, Atta's motivation has variously

been attributed to his wish to be seen as a good citizen, to his larger political ambitions,<sup>79</sup> or to the desire to keep his political opponents from access to opium-derived resources.<sup>80</sup>

In **Nangarhar**, Governor Shirzai used the coercive power of the state and the US military, along with promises of development assistance, to enlist sections of the rural elite in enforcing a ban starting with the 2007-08 agricultural year. For their part, US military and civilian officials conflated counternarcotics with counterinsurgency, and believed that in Shirzai they had found “a leader we can work with.” Especially in the higher-altitude, less-accessible areas of the province, which historically have had a very limited state presence, enforcement of the ban was only possible with the support of the US military and its assets. In addition to the military support, some have cited Kandahar-born Shirzai’s outsider status as enabling him to go aggressively after opium poppy cultivation in the province, as he was not so beholden to local political networks.<sup>81</sup>

In **Helmand**, dramatic reductions in most areas in 2010-11 stood in contrast to the reductions of one-third in 2008-09. The earlier decline was due in part to the shift in the terms of trade between wheat and opium poppy and the over-production amidst growing violence; in 2010-2011, reductions were attributed largely to the increased presence of the ANSF and the international military, which convinced farmers that the state had the means to suppress cultivation and punish those who were in violation. Governor Mangal enjoyed the deep support of the international community in large part because of his commitment to the counternarcotics agenda, although President Karzai was said to favour and to continue support for his predecessor and rival, Sher Muhammad Akhundzada, somewhat undermining Mangal’s effectiveness.<sup>82</sup>

On the other hand, in **Badakhshan** there is no dominant player and the province is politically and geographically fragmented with competition among local power holders (often over the proceeds from drug trafficking, smuggling, illegal mining and other illicit activities). This helps to explain why the province has experienced a steady increase in opium poppy cultivation since it nearly became “poppy-free” in 2008. At that time, opium prices were low, yields the previous year had been minimal, and there were good opportunities for non-farm labour in the province—a combination that raised the opportunity cost of putting land into opium poppy and made it more expensive to cultivate.<sup>83</sup> Most observers believe that even a motivated governor would have been stymied due to the fragmentation and informal political power of those below him. For instance, the current mayor of Faizabad, a former Jamiat commander from Yaftal, former client of Marshal Fahim, and nephew of Burhanudin Rabbani, is said to have more power than the governor, and a number of local elites are well-connected power holders in their home areas as well as in Kabul. Perhaps the best example is Zalmai Khan Mujaddedi, a former Jamiat commander, Karzai loyalist and member of the *wolesi jirga*. According to a number of consistent reports, a former *woleswal* (district governor) in Jurm had been motivated to improve transparency and the quality of governance, but had been unable to accomplish anything due to the influence of Zalmai Khan, who was said to be calling from Kabul to the district three to four times a day. As described above, despite the official published numbers of area of opium poppy destroyed, field-level research suggests an eradication process that was ineffective and/or managed by the stakeholders. As a consequence, there has been little risk to farmers, and opium poppy cultivation in the province has become increasingly visible.

The differing experiences in the relatively secure provinces of **Balkh** and **Badakhshan** suggest that government presence *per se* is not sufficient as a deterrent to opium poppy cultivation. While increased state presence was cited by respondents in **Balkh** as a reason for both suppression and

79 Dipali Mukhopadhyay, “Warlords, Strongman Governors, and the State in Afghanistan” (Cambridge University Press, 2014).

80 Mansfield, “Our Friends in the North.” Some have suggested that proximity to the trafficking networks was precisely what enabled him to largely shut them down, an example of the “to catch a thief, set a thief” theory.

81 Afghanistan has historically wrestled with the “local vs. outsider” choice in sub-national appointments. Before the war, governors were typically appointed from other areas of the country, the theory being that outsiders would be less likely to band together with local interests. This may work less effectively in an environment where power and influence are *de facto* more decentralised and dependent on personal relationships.

82 For more detailed discussion of these dynamics in both Nangarhar and Helmand, see Mansfield, “All Bets are off.”

83 David Mansfield, “Governance, Security and Economic Growth: The Determinants of Opium Poppy Cultivation in the Districts of Jurm and Baharak in Badakhshan” (Kabul: GTZ, 2007).

improved access to output markets, in **Badakhshan** until relatively recently there was little AGE presence that would threaten the ability of government officials to do their jobs. Also, as noted in Box 4, where ALP/militias have been enlisted in counternarcotics (e.g. **Balkh, Helmand**), results have been even more unpredictable, especially where they are composed of groups that are considered outsiders or hostile to local communities. In some cases, their excess zeal has created resentment, while in other cases they have themselves been involved in cultivation, either directly or indirectly.

In most instances, coercive approaches have been applied alongside promises of development assistance meant to ease the transition to licit crops. As discussed in Sections 4.2.3 and 4.4.3, such assistance has had mixed effects. A persistent refrain from farmers is that assistance has been minimal or lacking altogether. While it is extremely difficult to distinguish legitimate complaints from simple griping, or to determine when alleged unfilled promises are cited mainly to justify continued cultivation of opium poppy, it is clear that in most places the extent and types of interventions would be unable to transform a deeply embedded part of the economy—an extravagant expectation to begin with.

#### 4.4.2 Coercive approaches are susceptible to erosion and collapse

While strong and motivated leadership equipped with the means of coercion can more readily suppress cultivation of opium poppy, there are limits to the duration and sustainability of these involuntary reductions. Even the Taliban's 2000-01 ban, which was put in place by a force willing to be extremely ruthless, was likely to crumble due to uncontrollable pressures; in fact, there were indications before the 2001-02 planting season that in places such as **Nangarhar** this erosion had already begun.<sup>84</sup> Coercive approaches are almost by definition unstable, as they defy economic and political imperatives. The re-emergence of opium poppy in old areas confirms that there has not been a sustainable transformation.

Because in Afghanistan even forceful suppression depends to some extent on negotiated deals, bans tend to work when all of the parties have something to offer. Conversely, effective suppression will stop when external economic or political factors overwhelm and when there is no place for political deals. As there is virtually no such thing in Afghanistan as completely uncontested power, most power relations are unstable; therefore suppression is likely to eventually unravel. The importance of political and governance factors was discussed in Section 4.2.3.

In **Nangarhar**, previous bans had never lasted more than one or two years (viz. the 2000-01 Taliban ban, the 2004-05 ban put in place by Governor Haji Din Mohammad). As discussed in Section 4.2.3, the breakdown of Gul Agha Shirzai's 2007-08 provincial ban in 2010-11 was the consequence of several factors coming together. Chief among these factors was the alienation created by aggressive eradication in the context of the accumulated economic strains of three successive years, especially in the mountainous areas where the population had no alternatives to opium poppy. The governor over-reached by going too far with the means of coercion available to him and by relying on the threat of US military forces, both of which had negative outcomes for security and opium poppy cultivation alike. The rural elites who were responsible for implementing the ban were caught between the governor (and his foreign-armed backers), their hostile communities, and anti-government elements; they had to yield to their most immediate pressures in order to maintain their leadership.<sup>85</sup>

The increase in the number of households in the fieldwork areas of **Nangarhar** who were growing opium poppy and in the percentage of land allocated to it in 2012-13 was driven by the population's revised assessment of the state's ability to eradicate the crop. Recognizing that the state had less power to eradicate poppy led farmers to believe that there was a lower probability that their

84 In the mash-up of truth since 2001, Taliban policy and the ban often do not appear to be well understood. See David Mansfield and Adam Pain, "Counter-narcotics in Afghanistan: The Failure of Success?" (Kabul: AREU, 2008). More broadly, the effectiveness of bans is generally over-stated, especially in areas which are not controlled by the person or entities making the ban. Also, the essentially political purpose of many bans, or their announcements, should be kept in mind. See David Mansfield, "Building a State on a Foundation of Sand: How Drugs and Drugs Policy Shaped Statebuilding in Afghanistan", forthcoming.

85 For additional discussion on the 2007-08 and other opium poppy bans in Nangarhar, see Mansfield, "All Bets are off."

own crop would be affected. This perception was based on the experience of the previous year's eradication campaign, when fierce resistance led to the deaths of 48 persons in Khogiani and crop destruction was very limited—if it took place at all—in the upper areas. Given that situation, along with the further general reduction in security, farmers were confident that they could plant without fear of any serious consequences. In Khogiani District in early 2013, the unravelling of the ban was confirmed when an Afghan National Army (ANA) commander essentially gave up on eradication in exchange for the local population's support in a counterinsurgency operation. Such an operation would have been untenable if accompanied by the destruction of the opium poppy crop: a good example of competing objectives.

Similarly, in **Helmand**, Governor Mangal is seen to have over-extended himself on eradication from 2007 onwards, especially by going into the *dasht* area north of the Boghra Canal where the state's writ was weak or non-existent, thereby jeopardising the stability of the previously more secure parts of the Canal command area. In Nad-e Ali, there were reports that local officials had spared the crops of those with ties to Taliban out of fear that eradication would result in attacks on the police.

Because of reliance on local, albeit coerced, consent, the lack of commitment of local elders and other leaders has helped to erode the ban. Elsewhere in **Nangarhar** and also in **Badakhshan**, especially in 2012-13, there were consistent and reliable reports of reluctance and double-dealing on the part of the elders who had been enlisted in the counternarcotics agenda; in both provinces promises made to the authorities to help enforce the ban were somehow lost between the *woleswali* (district headquarters) and the villages. By 2012-13, the elites in **Nangarhar** who had helped to enforce the ban in previous years had apparently lost their enthusiasm as the political and security climate deteriorated and their own status was jeopardised (see Section 4.2.3). Elders and local officials had to navigate between two imperatives: to report and show evidence up the line that assertive measures had been taken, and, at the same time, not dangerously alienate the communities in which they lived. As a result, many appeared to go through the motions of discouragement and eradication while making deals with communities. As one local security official said, "I am skilled in destroying a little and making it look like a lot."<sup>86</sup>

Again, the role that elders played varied depending on local conditions and the current political configuration. In Chintal (**Balkh**), most respondents said that the elders played no role in discouraging cultivation. A number of other respondents were sceptical about the role that the elders were playing, even though they had been called into a meeting in the provincial centre and agreed to remind the population in their home areas that opium poppy cultivation was both illegal and *haram* (prohibited by Islam). According to one farmer who was himself cultivating opium poppy, "The elders play no role, because all of them are cultivating poppy."<sup>87</sup> In neighbouring Balkh District, however, virtually all respondents said that the elders were playing an active role in discouraging cultivation.

Ambivalence among elders is not surprising, given that they are part of their communities; they risk losing power, status and control by going too strongly against local interests, which are not seen as the same as those of the government. As a farmer in **Badakhshan** who had begun to grow in 2012-13 put it, "I didn't hear anything from the head of the *shura* about not growing poppy. He doesn't play a role, but if he does play a role, he is on the side of the people."<sup>88</sup> This formulation clearly articulated the opposing interests of the state in its abstract form and the people. As a teacher in **Badakhshan**, also a grower, put it, "One has to go according to the customs of the area: *dang dang, hama yak rang*."<sup>89</sup>

At the household level, it appears that farmers looked to the risks and payouts of their neighbours in making their own planting decisions. For instance, in **Badakhshan**, farmers conveyed the idea that, with their neighbours growing and enjoying robust returns and a good life, they themselves

86 Interview with security official, Achin District, April 2013, cited in Mansfield, "From Bad they Made it Worse," p. 29.

87 Interview with farmer, Chintal District, May 2013.

88 Interview with farmer, Jurm District, May 2013, cited in Fishstein, "Evolving Terrain," p. 36.

89 Interview with farmer, Khash District, May 2013. *Dang dang, hama yak rang* is a rhyming Afghan proverb which literally translates as "dang dong, all/everyone the same appearance/colour."

would look foolish *not* to grow. A farmer with a small amount of land (three *jeribs*) who had switched a half *jerib* of land from barley to opium poppy explained, “I didn’t grow last year, but everyone else did, so this year I did”.<sup>90</sup>

#### 4.4.3 Coercive approaches have unintended consequences at the household and higher levels

Although all policies may have unintended consequences, this has proven particularly true in regard to coercive approaches such as forced restraint from planting or eradication. In addition to unsustainability, these approaches have led to a number of unforeseen negative results in the affected areas: general economic contraction, relocation and intensification of cultivation to other areas, increased poverty and landlessness, greater support for the Taliban and other AGEs at the expense of the state and increased stress on natural resources.<sup>91</sup>

##### General economic effects

The lack of systematic disaggregated economic information at provincial or district level makes precise quantification of economic effects impossible. However, as discussed in Section 4.2.2, fieldwork strongly suggests that in parts of at least three of the four provinces the suppression of cultivation has led to a contraction of the local economy, directly through reduced demand for hired farm labour for cultivation and indirectly from decreased economic activities: the reverse multiplier. In **Badakhshan**, although there has been limited pressure in recent years, even those who were not directly involved in cultivation or trade still referred wistfully to the peak production “festival years” ending in 2006, while in **Nangarhar** respondents spoke of “the poppy years.” In both provinces, those who regretted the downturn included restaurant owners and shopkeepers who had benefited from the greater circulation of cash in the local economy. According to one shopkeeper in **Badakhshan**:

*In the time of opium, two to three years ago, I was bringing goods every ten days from Mazar, and we had two people working in the shop. Now, I go only every 40 days. At that time, men and women, small and large, were carrying around opium and using it to buy household goods. There were days that I was making 5,000 [Afs] profit. People had money and a store of opium. In winter, they would use it to purchase goods. If they were in debt, they would resolve it with either cash or “goods.” There was also work for people without land or with limited land, and work for women, girls, children, old women. People weren’t going to Pakistan to find work.<sup>92</sup>*

In **Helmand**, the adoption of low-risk, low-return cropping patterns in parts of the Boghra Canal command area (in response to the suppression of opium poppy cultivation from 2007-08) similarly led to a downturn in economic activity. This occurred even among non-farmers, although the impact was somewhat cushioned by major infusions of foreign spending. This contraction in **Helmand** is separate from the contraction caused by the low yields obtained in 2011-12, although both have had negative economic repercussions in the area. Similarly, in the lower-potential areas of **Nangarhar**, there was a downturn in the economy in areas whose location and resource endowments did not allow households to cope with the loss of opium poppy income. In other areas, including greater Jalalabad, the influx of spending by the US helped reduce the magnitude of the negative multiplier relative to the effect of the ban in 2004-05. During that period, in addition to the impact on those directly involved in cultivation or labour in the remote areas, there was a much more serious general downturn due to lower disposable income as a result of deflated wages and the reduced sales of clothes, food, electrical items and motorcycles from the

90 Interview with farmer, Jurm District, June 2013.

91 Chouvy suggests distinguishing the different types of what are usually lumped together as “unintended consequences,” including positive vs. negative and direct vs. collateral. He points out that consequences which are unintended may still have been foreseen, especially given the years of international experience with counternarcotics. He notes that perverse unintended consequences are those which are contrary to the original intended results, and distinguishes the unintended consequences of an action from unintended consequences of the intended consequences of the action. Most importantly, he distinguishes unintended consequences from failure to achieve the intended result. See Chouvy, “A Typology of Unintended Consequences.” Here, the term “unintended consequences” refers mostly to undesirable consequences, both direct and collateral.

92 Interview with shopkeeper, Jurm District, May 2012, cited in Fishstein, “Little Bit Poppy-free.”

previous opium poppy boom.<sup>93</sup> By 2011-12, the accumulated economic effects of the 2007-08 ban in the southern mountainous districts contributed to the population's willingness to resist eradication. All of these examples are detailed in the discussion of local multipliers in Section 4.2.2.

### ***Displacement and concentration of cultivation***<sup>94</sup>

The prohibition of opium poppy within the governed space of the Boghra Canal command area under the Helmand Food Zone initiative<sup>95</sup> in 2008 was followed the next year by a more than one-third fall in cultivation within the area. However, fieldwork strongly suggests that it was also directly associated with *increases* in the non-state controlled desert areas north of the Boghra. The socio-economic processes set in motion by the implementation of the Food Zone (discussed in detail in the next section) propelled people to move to the *dasht*, where the high price of opium (especially after 2010) allowed farmers to recoup steep establishment and input costs (irrigation equipment, diesel, etc.). By 2010-11, opium poppy was being cultivated more intensively, and in many cases mono-cropped, in the *dasht*.

The high returns from opium poppy enabled households that had acquired land in the *dasht* to improve it by constructing buildings, enclosures and other structures, and allowed the landless or land-poor to acquire land for the first time. The dynamics of settler movement to the *dasht* and land relations there were also affected by the availability of cheap labour as a result of the shift to less labour-intensive crops in the Canal area forced by the Food Zone policies. In 2012-13, all of the surveyed households in the *dasht* had sown at least 60 percent of their land with opium poppy, and more than two-thirds had sown *only* opium poppy, giving the desert the name *dasht-e taryak* (desert of opium). The lack of state presence made opium poppy cultivation possible, while the harsh economics made it necessary. Finally, the fact that opium poppy cultivation within the Food Zone itself increased by 50 percent the year after the project's completion raises additional questions.

The pressure to intensively crop opium poppy in such a harsh physical and economic environment has led to productivity raising and cost-minimising changes in agricultural practices. These include low-cost water pumps and generators from Pakistan and China; chemical herbicides from Pakistan, China and Iran; and even solar panels from Pakistan and China. Herbicides are labour-displacing; one application replaces the labour that would be hired for three weedings. This is attractive in the labour-scarce *dasht*, as it frees up household members and reduces the need to hire outside workers.<sup>96</sup> Landholdings are generally larger in the *dasht*, and for landowners, giving out land for sharecropping reduces labour costs.

While innovation that raises productivity and lowers costs may be considered a positive externality of the migration to the *dasht*, the process may also have had the negative effect of ramping up opium poppy cultivation by encouraging specialisation.<sup>97</sup> As discussed further below, while farmers are adopting cost-saving technology, at present production costs remain high and therefore continue to incentivize the cultivation of opium poppy.

93 Mansfield, "Pariah or Poverty?"

94 For a more detailed discussion of the dynamics of the Helmand opium poppy ban presented in this and the next section, see Mansfield, "From Bad they Made it Worse."

95 Led by Governor Gulab Mangal and funded and technically supported by the UK and the US as primarily a counternarcotics activity, the Helmand Food Zone initiative targeted six districts with a counternarcotics information and awareness campaign, distribution of improved wheat seed and fertilizer as well as high-value horticulture seeds and other inputs at subsidised cost, and targeted eradication. See David Mansfield, et al, "Managing Concurrent and Repeated Risks".

96 Given the lack of supervision and knowledge of the possible side effects of herbicides, a negative externality may be public health issues.

97 The narrative that drug barons are behind such productivity enhancements ignores the pro-active behaviour of farmers who seek out profit-maximising and cost-minimising ways of production. It also overlooks the agricultural extension work that was done in Helmand (and elsewhere in Afghanistan) prior to the war and even during the war by aid agencies, as well as the diffusion of technology from neighbouring countries. An additional role has been played by entrepreneurial shopkeepers and traders who responded to emerging opportunities by introducing technological innovations such as deep-well drilling and use of (labour-saving) herbicides based in part on experience gained in Balochistan. While wealthy individuals (including drug traffickers) may have the capital which allows them to set up businesses which import equipment, farmers themselves have sufficient incentives to seek out higher productivity techniques.

### Increased poverty and landlessness among certain groups

In the Helmand Food Zone itself, while some households with adequate resource endowments were able to make the transition to licit activities and in fact had thrived after the banning of opium poppy in 2007-08, other groups—especially the landless and the land-poor—had not fared so well. (See Section 4.3.3.) The forced shift from opium poppy to less labour-intensive crops such as wheat set in motion a chain of events which reduced the amount of land available for renting or sharecropping, hurting the landless and the land-poor who rely on such arrangements. This also reduced the share of wheat output that sharecroppers could negotiate with landowners, especially when they had nothing but their own labour to bring to the table.

Because the landless and the land-poor were ineligible for agricultural development assistance—both by virtue of having little or no land and of being at the lower end of the social hierarchy—they were in a weak negotiating position.<sup>98</sup> (Being at the low end of the hierarchy also inhibited their access to other types of aid such as cash for work, food for work, or material distribution; the lists of eligible beneficiaries were typically controlled by the *maliks*<sup>99</sup> or elders of the area, who were often accused of steering benefits to their own relatives or patronage networks.) Finally, many of the poor who did not themselves farm were hurt by the reduced demand for labour formerly hired to weed and lance opium poppy.

The year after the launching of the Food Zone initiative in 2008 saw increased poppy cultivation in the *dasht*. The percentage of respondents in the *dasht* who were either sharecroppers or tenants more than tripled, while virtually none were landowners, suggesting a more transient and less well-off population. Interviews with these largely landless or land-poor settlers confirmed that their movement from the Canal command area to the *dasht* was a result of chronic insecurity and the expansion of the opium poppy ban in government-controlled space, and that in many cases households had no choice but to migrate in order to get access to land. Sharecroppers or tenants often received a lower share (as low as one quarter) of the opium poppy crop than they had customarily received (one-third) in their old sharecropping lands in the Canal command area. This was because they were unable to provide the fuel and other inputs not needed in the old area but necessary in the *dasht*, and because the limited livelihood choices put them “over a barrel” in negotiations with landowners.<sup>100</sup> Some were attracted to the *dasht* by the relatively low cost of land but found that the capital costs of drilling a deep well and obtaining a generator and water pump there more than outweighed the lower costs of land and ruled out low-value crops such as wheat.

The 2011-12 opium poppy crop failure hit farmers in the *dasht* hard, putting even their food security at risk. Those who were sharecropping land there were especially vulnerable. For instance, a sharecropping household with an average amount of land and household size which mono-cropped opium poppy would receive US\$0.79 per person per day, after deducting expenses and the landlord’s share. This would put the household considerably below even the NRVA’s recommended minimum ration for food relief. The recent low yields have raised concerns among farmers that yields will continue to diminish. While most respondents attributed the reduced yields to US “spraying,” they may simply have been the consequences of mono-cropping opium poppy necessitated by the economics of the *dasht*. In a more benign environment, farmers would have been likely to benefit from sensible practices such as crop rotation and fallowing.

<sup>98</sup> In other provinces land ownership was a bar both to receiving development assistance and to negotiating a decent arrangement with a landlord. As one farmer reported in Balkh, “[Improved wheat] seed came to the area, but it was only given to big farmers and the head of the *shura*; the landlords won’t give the seed to people to grow wheat, as they can do that themselves.” (Interview with farmer, Balkh District, May 2013). Another sharecropper in a nearby village mentioned wistfully that his landowner had received a subsidised package of high-quality wheat seed and fertiliser, noting that if he himself had received the package he would have been able to negotiate a 50/50 share of land, rather than the 25 percent that he had ended up with without any inputs to offer.

<sup>99</sup> Local leader or elder who is appointed to act as intermediary between the state and the community. The corrosion of traditional rural society and the ascendancy of a new generation of (armed) leaders since the *jihad* era has weakened the *malik* system. Not surprisingly, given their role between the state and the people, many *maliks* are considered corrupt.

<sup>100</sup> Some have argued that aside from not having any agricultural land, not having a house puts households at even a greater disadvantage in negotiating tenancy agreements with landowners, and therefore at greater risk of poverty. See Liz Alden Wily, “Rural Land Relations in Conflict: A Way Forward” (Kabul: AREU, August 2004).

Many in this group said they were considering migrating further, perhaps to other areas of **Helmand** or even neighbouring Farah, where they could cultivate opium poppy freely and where the yields had not fallen as they had in the *dasht*. Although those who owned land were better off than sharecroppers, some having acquired cash and productive capital before the previous two years of lower yields, the income from the 2012-13 opium poppy crop was insufficient to support them. For instance, for landowning households that did not hire any labour, the net return on one *jerib* of opium poppy was US\$168 (which comes to less than US\$0.50 per person per day). For households that had to hire labour, net return was actually negative. As noted above, some farmers absconded because they could not pay their debts to hired labourers or shopkeepers.

Table 4 presents, with simplifying assumptions, net income per *jerib* under different yield and land tenure assumptions. For households of average size (10 persons) which farmed the average area (12 *jeribs*), even those that provided their own labour generated only slightly more than one-half US dollar per person per day. Even with much higher yields, returns would be modest.

Table 4: Returns to opium poppy per *jerib* in Helmand *dasht* under different yield and land tenure assumptions, US dollars

Land tenure arrangement	Per Jerib: At 2012-13 actual yields			For average area farmed: net income per capita/per day		
	At actual 2012-13 yields			At 200% of 2012-13 yields		
	Revenue	Costs	Income			
Landowner						
Household labour only	895	727	168	0.55	1.41	2.28
Hired labour (harvest)	895	929	(34)		0.75	1.61
Sharecropper						
1/4, landlord pays costs	224		224	0.74	0.95	1.17
5/6, costs	746	882	(136)		0.27	0.99

Notes and assumptions: Actual yield as reported by farmers was .75 *man* per *jerib*, which comes to 3.4 kg. Average household size was 10 persons, average area farmed 12 *jeribs*. Assuming prices at May 2013 levels. Costs include capital, seed, fertilizer (chemical and manure), land preparation, generator fuel, and labour (where appropriate). Revenue includes resin and monetized value of straw and seed. Adapted from Mansfield, "From Bad they Made it Worse," Table 5, p. 67.

Fieldwork in the more remote areas of **Nangarhar** in both 2011-12 and 2012-13 showed evidence of increased poverty: greater depletion of livestock and other assets, increasing reliance on enrolment in the ANSF<sup>101</sup> and less access to health care due to inability to pay for it. The differences, however, between upper Khogiani, which had cultivated opium poppy, and lower Khogiani and Achin, which had largely not done so, were stark. Farmers who had not cultivated or who had experienced eradication reported poorer diets. Table 2 in Section 4.2.1 shows the different gross returns to cropping patterns in the more poorly endowed area of **Nangarhar** with limited options. The table suggests that the only scenarios that bring in more than US\$1 per capita per day are the ones involving opium poppy. Even at that level (the equivalent of less than US\$700 per capita per year), improvements in welfare would be limited.

#### Increased insecurity and alienation from the state

It is a truism that opium poppy in Afghanistan takes deepest roots where the state's writ is most limited and its representatives weakest. From 2007-08 through 2011-12, even though **Balkh** was classified "poppy-free," there was assumed to be cultivation in the insecure areas of Chintal, Char Bolak and Balkh, and on the east bank of the river in Sholgara. Similarly, it was in the more remote, less-governed areas of **Nangarhar** that opium poppy began to return after the 2007-08 ban, before expanding as those districts became less secure and fell more under AGE influence.<sup>102</sup>

101 More than a third of recruits for the ANA are from Nangarhar. See Footnote 89.

102 It is difficult to attribute insecurity to one source. Insecurity in a given area often results from a confluence of interests, including local powerholders, warlords, criminals, and AGEs - with distinctions between them not always clear. In such an environment, "Taliban" may be drawn in on one side of a local dispute where there is a mutual benefit.

In Central **Helmand**, cultivation was increasingly concentrated in the insecure, non-state areas north of the Boghra Canal.

Yet, while insecurity is usually presented as the enabling condition or driver for opium poppy cultivation (sometimes treated almost as a completely exogenous variable),<sup>103</sup> causality may actually move in both directions. It is often counternarcotics itself that creates insecurity which in turn encourages or facilitates additional cultivation. In such cases, counternarcotics can be seen to be undermining its own objectives. Some would even argue that coercive measures have damaged the relationship between the state and some of its citizens. It should also be noted that in some areas that are hostile to the government (e.g. parts of the **Helmand *dasht***), insecurity is seen by parts of the population to come from the state rather than from the Taliban or other anti-government elements.

The interviews for this research confirmed that increased insecurity is an obvious unintended (although not completely unforeseen) consequence of coercive approaches. Respondents described the dynamics related to security: the local reaction to eradication, which was often perceived as a hostile act, and the ways in which eradication often provided the Taliban with an opportunity.

In fact, much of the story of increasing insecurity in **Helmand** and **Nangarhar** has centred on the violent reaction of communities to eradication. In 2012-13, UNODC reported 19 eradication-related incidents in **Helmand** with 82 persons killed. In **Nangarhar** in 2011-12, when 784 hectares were recorded to have been eradicated, 48 people were killed in 21 incidents—by far the highest of any province that year. That the following year there was only one incident and one injury in the province suggests a greatly scaled-back (157 hectares) eradication campaign, as is acknowledged by UNODC and Ministry of Counter Narcotics (MCN). In addition to the experience of the previous year, resistance to eradication was anticipated based on the signs of accumulated economic stress of the previous years (rising prices for household necessities, reduced earning possibilities) and farmers' golden opportunity of an excellent opium poppy crop in the midst of political uncertainty and the continuing drawdown in international aid.

This is not simply a government vs. Taliban contest. Rather, rural communities often view the conflict between the Afghan state and the various AGEs in pragmatic terms. If they perceive more advantages from a Taliban presence (including avoiding Taliban threats and intimidation), then they will support them, or at least keep their options open in an uncertain and changing environment. As during the *jihad* years, families and tribal groups will maintain alliances or linkages of some sort with various implacably opposed factions as a hedging strategy and a way to access patronage.

This “all-of-the-above” approach was illustrated most clearly in **Nangarhar**, where parts of the rural space were essentially shared by those with relationships with the state and with the Taliban.<sup>104</sup> This was especially stark in Achin, where—despite the presence of AGEs—households had family members enrolled in the ANSF and employed as teachers in the local schools or other government jobs, and availed themselves of government education and health services. At the same time, they made cash contributions at the local mosque to support the insurgency, an apparent inconsistency. Respondents did, however, distinguish “local Taliban” from other Taliban, which included elements from Pakistan. Even in the case of foreign elements, some communities saw a potential source of patronage and so managed some sort of accommodation. This was illustrated by the influence of Pakistani militant Mangal Bagh, who was rumoured locally to receive support from India and the US, as well as the Afghan National Directorate of Security. Similarly, in **Badakhshan** and in areas of **Helmand**, farmers saw no inconsistency in having family members working as teachers, police, ALP or in other government positions while at the same time knowingly violating the law by growing opium poppy.

These arrangements complicate the often simplistic notion of either the government or the Taliban being “in control” of an area. In fact, the need for government representatives to be able

<sup>103</sup> An exogenous variable is a factor which is completely independent from other variables and which is therefore not affected by them.

<sup>104</sup> Mansfield, “From Bad they Made it Worse.”

to live or travel in rural areas among a potentially hostile population and the highly decentralized and even notional nature of “the Taliban” makes even the concept of division into “government” and “the Taliban” less meaningful in some areas. Moreover, the fluidity of the situation cannot be overstated, with constant re-negotiation of relationships and re-calibration of interests. Where power or territory is being contested is where confusion arises and illicit activities are likely to fester. As one farmer in **Balkh** who had grown opium poppy said, “If there is more *gadwadi* [confusion]<sup>105</sup> next year, I will sow more.”<sup>106</sup>

### Two sides of the coin: support for the Taliban and alienation from the state

It has often been stated that the Taliban encourage or “command” opium poppy cultivation so that they can tax it to support the insurgency (or profit personally, depending on the source).<sup>107</sup> Regardless of the extent to which this assumption captures the complexity of the situation, the Taliban have often benefited from encouraging opium poppy in other non-pecuniary ways, including provoking a government reaction that will alienate communities or, in the absence of a reaction, showing the government’s impotence. In **Helmand** in 2012-13, the Taliban actively encouraged cultivation through speeches and “night letters,” both of which painted the government as being in thrall to the *kafir* (non-believer) foreigners. In fact, there does not appear to be a uniform Taliban “policy” towards opium poppy cultivation; in the fieldwork areas they generally responded pragmatically, depending on local conditions and the opportunities to gain support and drive a wedge between the population and the state.<sup>108</sup>

One side of this coin was generating support for the Taliban. In many areas, coercive approaches, especially eradication of a standing crop, presented an opportunity to the Taliban and to others who were invested in seeing a weak or failing state, or else improving their own situation relative to the state and other actors. By helping to deter eradication forces, the Taliban gained political capital, being seen as the defenders of the population against an uncaring and predatory state.

Even in a province such as **Nangarhar** which has historically been largely hostile to the Taliban, their presence was allowed or even encouraged in some areas simply because it deterred the state from eradicating opium poppy in the area. The April 2010 aggressive eradication campaign led the population to invite the Taliban into Sherzad District as a hedge against further action. Respondents in Khogiani and Achin explicitly attributed the increased presence of AGEs to the accumulated harmful effects of the opium poppy ban and the more general sense that the government had not fulfilled its promises. There was evidence that the population in Achin was trying to re-configure the political leadership to be less aligned with the state that it held responsible for the prohibition.

In **Nangarhar**, over-reaching coercion, with the active backing of the IM, weakened Governor Shirzai and with him the state and the set of elders through whom he had enforced the ban. The bloody 2011-12 eradication campaign was cited in Achin as an example of the “disconnect” between the government and the rural population. The severe economic effects of the unpopular opium poppy ban in the more remote areas after three years contributed to the farmers’ enthusiasm for growing and their resolve to resist eradication in 2012-13.

As noted in Section 4.2.3, these remote districts have a history of both resistance to the central government and inter-tribal conflicts. The insurgency has used the political turmoil—as well as people’s dissatisfaction with the cumulative economic effects of the ban and the belief that the government has not fulfilled its promises—to increase its presence in these areas.<sup>109</sup> In these

105 The term *gadwadi* means “confusion” or “turmoil” and was often used by respondents to convey the type of political disorder that took place in the early 1990s.

106 Interview with farmer, Chimal District, May 2013, cited in Fishstein, “Evolving Terrain.”

107 See for example “Afghanistan’s Narco War: Breaking the Link Between Drug Traffickers and Insurgents.” A Report to the Committee on Foreign Relations, United States Senate, Washington, DC: US Government Printing Office, 2009; UNODC, “Addiction, Crime and Insurgency: The transnational threat of Afghan opium.” UNODC: Vienna, 2009; Gretchen Peters, *Seeds of Terror: How Drugs, Thugs, and Crime are Reshaping the Afghan War. Heroin Is Bankrolling the Taliban and Al Qaeda*. London: Picador, 2010.

108 For more detailed discussion of this dynamic in Helmand and Nangarhar, see Mansfield, “From Bad they Made it Worse.”

109 See Mansfield, “From Bad they Made it Worse” for more detail on this and the situation described in the following paragraph.

lower-potential areas which had been more harmed by the ban, the accumulated and compounded economic stress of the previous years, along with a bumper crop in the midst of political and economic uncertainty, caused farmers to believe that this was the right crop at the right time—and certainly worth fighting for. In this area, the Taliban’s strategy of protecting opium poppy cultivation appears to have been a winning one.

Where opium poppy endures in Central **Helmand**, it is due to either *wasita* (personal connections) or to the fear that has kept eradication forces from going into areas that have links with the Taliban. For example, although the eradication forces made a number of incursions above the Boghra Canal in 2012, as did ANSF in 2012 and 2013, the *dasht* remained largely a no-go area for the government. There, the elders were not recognized as *maliks*, because there was no government with which to be an intermediary. Respondents there, some of whom had experienced eradication when they lived in the Canal area, made it clear that any support for the state would be contingent on its allowing the cultivation of opium poppy. Not surprisingly, therefore, the Taliban have been given “unequivocal support” by farmers in this area for the role they play in keeping out potential eradication forces and other government entities perceived as predatory, and voluntary payments are made in appreciation for this service. For their part, the Taliban seem to recognize the delicate balance, and so have maintained a benign presence and been responsive to communities to avoid making themselves unwelcome.<sup>110</sup> Here, aggressive action by the state may be in the strategic interest of the Taliban.

Respondents in the **Helmand dasht** who had improved their economic situation explicitly attributed this to the Taliban presence. According to one farmer, “Life improved with poppy. Because of the presence of Taliban we have poppy and because we have poppy we have a good life.”<sup>111</sup> Another said, “The price of poppy has increased, this is why my life has improved. We pray to Allah to keep the Taliban strong as they help the local people. When this government comes we don’t see any benefit from them, we just see losses.”<sup>112</sup>

In three of the four provinces, respondents did not explicitly say that they hoped that the Taliban would return, but did state clearly that they saw opium poppy cultivation as one benefit of the Taliban presence. In 2013, several farmers in Chimtal District in **Balkh** mentioned that they had given up cultivation because they feared eradication and they had no one to protect them since the Taliban had been forced out of the area. One farmer who had very recently lost roughly half of his crop in eradication blamed the provincial administration:

*They have enmity with farmers and poor people because they came at harvest time. I have worked the entire year, but now nothing has been left; they should have come earlier so I could have done something else instead. I want to continue to cultivate [opium poppy], but I don’t know from year to year. Maybe the government won’t come next year, or maybe the Taliban will have more presence in the area and so the government won’t be able to come.*<sup>113</sup>

Only in the fieldwork areas of **Badakhshan** did respondents fail to mention any positive relationship between Taliban presence and the ability to cultivate opium poppy. This may be partly due to historic ethnic rivalries, but more importantly, as discussed in Section 4.2, no anti-government presence was needed—at least in certain parts of **Badakhshan**— to avoid eradication.

Ironically, another alienated population is comprised of those who migrated to the **Helmand dasht** after experiencing eradication in the Canal command area, but were unable to acquire land to farm. The most recent wave (post-2008) of immigrants was especially hostile to the government; unlike previous waves who came after acquiring land that had been attained through land grabs by commanders who were connected with state actors, these later migrants saw themselves as having been forcibly displaced from their home areas and pushed to the *dasht* by state force and predation. The harsh economics of getting established in the *dasht* further sharpened this resentment. As noted above, in the mountainous areas of Achin and Khogiani in **Nangarhar**, the

110 Given the complexity and fluidity of relations in rural areas, it is not surprising that criminals have branded themselves as “Taliban” in order to extract payments from farmers.

111 Interview with farmer living in *dasht* (Shen Ghazi) since 2003, April 2012, cited in Mansfield, “All Bets are Off,” p. 78.

112 Interview with farmer living in *dasht* (Dasht-e Loy Manda) since 2002, April 2012, cited in Mansfield, “All Bets are Off,” p. 79.

113 Interview with farmer, Chimtal District, May 2013, cited in Fishstein, “Evolving Terrain.”

Taliban agreed to the request to maintain a low profile so as not to attract any unwanted attention that might disrupt the opium poppy harvest. This seems to have paid off as a strategy for winning hearts and minds in the area.

If support for the Taliban was one side of the coin, the other side was alienation from the state, which was widely viewed as responsible for destroying livelihoods. Although farmers were often caught between the state and AGEs that competed to extract rents,<sup>114</sup> there seemed to be greater criticism of those acting in the name of the government; they were assumed to have salaries and therefore to be collecting money out of greed, while Taliban relied on “donations” and were thought to be collecting in the service of a more righteous cause.

Moreover, the Taliban were described as being more flexible and humane with respect to payments made by or extracted from households. In both **Nangarhar** and **Helmand**, the level and types of payments to AGEs varied from village to village, being (re)negotiated in response to local political dynamics and economic conditions.<sup>115</sup> In **Helmand** in 2012-13, respondents noted that because of low yields and crop failure that year, Taliban in the *dasht* had reduced the level of “tax” on opium poppy and wheat.<sup>116</sup> In both provinces, respondents noted that the poor were essentially exempt from such payments. Such arrangements suggest the pragmatic and multi-faceted interests of the players involved. The same sort of flexibility was not attributed to the ALP and other representatives of the state who extracted payments.

In many areas of the four provinces the eradication process was described in very similar terms. The two chief complaints about eradication were its timing—late in the growing season when time and money had already been invested in the crop and it was too late to plant alternatives—and the belief that it was applied unevenly and unjustly. Often the level of eradication (or payments extracted to avoid it) was a function of power relationships and the affinity of the eradication forces for local farmers.

The descriptions of eradication were remarkably similar: it was unevenly applied, it spared those with *wasita* and therefore was far more likely to be applied against the poor and unconnected, it targeted fields to settle feuds between households or villages and it was a mechanism for extracting bribes to the police and ALP. The only ethically neutral observation was that only fields near the road were targeted, while those farther away or on the “wrong” side of a natural boundary such as a river were spared, especially in insecure or contested areas where mobility of eradication teams was limited.

In **Nangarhar**, the alleged agreement between certain elders and eradication teams to selectively leave the crop in place or destroy only part may or may not be completely true, but it is typical of the almost universal conspiracy theories which in their telling became true and discredited the state and its representatives. Fieldwork in 2011 confirmed that most of the crop was spared and that individual households lost only small amounts. In **Badakhshan**, in 2013, only one of the ten surveyed farmers whose crops had been eradicated reported significant eradication. He complained that “those with *wasita* didn’t get eradicated. The government doesn’t have any job but to skin people alive.”<sup>117</sup> Similarly, in **Balkh** a farmer who had recently experienced eradication said, “The governor is building for himself and his children, but he came to destroy our crop; the governor should drown because of this. Next year I will cultivate 30 *jeribs* of poppy.”<sup>118</sup>

114 In this context, “economic rents” are payments that are coerced by actors through force or by withholding needed permits, permission or access.

115 Payments levied/made are often labelled *ushr* or *zakat* without a clear understanding of the specific meanings of these terms. *Ushr* is a payment for services paid to the mullah, typically around 10 percent of crop yield. *Zakat* is best translated as “charity,” and is usually based on assets; *zakat* is considered a religious obligation - not a tax. Payments are made in all rural areas, both Taliban and non-Taliban. The terms and levels vary with the location, type of crops, conditions in a given year and other factors. See Mansfield, “Taxation in Central Helmand.”

116 While the low yields were likely the result of a cold snap at a critical stage of the plant’s development, locally they were largely attributed to spraying or other intervention by the US, a belief which was another black mark for the government and which the Taliban were not likely to question.

117 Interview with farmer, Jurm District, May 2013, cited in Fishstein, “Evolving Terrain,” p. 37. At the time of eradication, the farmer had been hospitalized in Kunduz after a serious road accident. He attributed the deep eradication to either the proximity of his field to the road or to the possibility that his son talked back to the eradication team.

118 Interview with farmer, Chimal District, May 2013, Fishstein, “Evolving Terrain,” p. 21.

Some of the most hostile comments about the state came from the **Helmand *dasht***, where the government and specific high officials—especially the governor—were referred to in the most profane terms. The most gentle (and printable) comments were in the vein of: “The people in the government in Lashkar Gah are thieves and take everything for themselves” or “development assistance is good business for *wakils* [Members of Parliament] and people in government, but not for farmers”.<sup>119</sup> The accusation of bias was not voiced just by those without *wasita*; in the **Helmand Canal** command area some respondents noted that they were not affected by eradication; according to one, “My crop is safe, as I am the soldier of the local police commander.”<sup>120</sup>

While bias in targeting fields was reported in all four provinces, in some places it varied over time and with the shifting political environment. From around 2008 to 2010, respondents in **Helmand** reported bias, but in 2010-11 it appeared that once a village was selected, virtually all fields close to the road were eradicated. It is possible that during this period when international and domestic security forces were intensely focusing on the province (and on each other), there was less space either to cultivate opium poppy or to profit from extracting payments to avoid eradication. By 2012-13, however, with the ALP playing a larger role, there were more reports of bias.

It was fairly standard practice for households to band together to avoid eradication or mitigate its effects. In one village in Chintal (**Balkh**) in 2012, farmers reporting pooling contributions of 500 Afs per *jerib* in order to pay officials not to eradicate their fields. This was reported neutrally as a pragmatic response, without any sense of outrage: with the average revenue of 72,000 Afs per *jerib* for opium poppy, this seems a bargain. In Kot in **Nangarhar**, there were similar reports of villagers pooling funds to compensate one household that would act as “designated eradication target.”

Intended to be an instrument of public policy, in the worst cases eradication had instead become a tool for the extraction of private gain through bribes, threats or even confiscation of property and looting of homes. Opium poppy had therefore turned into an opportunity for some of those charged with enforcing its prohibition.

This type of corruption further inflamed the perception that the state and its actors were unfair. In fact, the sense of grievance about eradication reinforced a more general sense of corruption, which was seen to have allowed well-connected individuals to siphon off development assistance (see Box 8) or to take advantage of access to security or justice institutions to better their own position at the expense of their rivals. While complaints about development assistance were mostly consistent, in the fieldwork areas of **Badakhshan** respondents made fewer complaints about corruption in aid distribution, and a surprising number even said that distribution had been fair and that they had benefited from road, water supply and flood-prevention projects.

**Box 8: Development assistance in Helmand: priming the pump or stealing it?<sup>14</sup>**

One development initiative in **Helmand** was to provide farmers with water pumps at subsidised prices. Two members of parliament (MPs) and the provincial head of the Agricultural Extension department were arrested and charged after the head of the Nad-e Ali Shura and another MP were found with 90 and 190 water pumps, respectively, which had been provided for distribution to farmers. Aside from steering the distribution to their own patronage networks in the usual fashion, the men were accused of making up beneficiaries and hiring labourers to claim the pumps using fake identity cards, a deception that was facilitated by not informing any real beneficiaries of the distribution. While some cited this as evidence of rampant corruption, others claimed that the arrested persons were being scapegoated for corruption which went all the way to the top of the provincial administration or because they themselves had made accusations of corruption.

Respondents also made the accusation that many of those who did receive water pumps in exchange for the stipulated subsidised amount of US\$110 sold the pumps to traders in the bazaar for US\$220-240. The traders then sold the pumps back to the original distributor for US\$280-310, who then sold them back to the authorities as new for US\$560. Another round was started when the distributor sold the water pump to a new farmer for US\$110.

In 2012-13, accusations were made that the ALP had been entrusted with eradication without any controls or supervision and thereby with implicit approval for predation and extortion. In addition to anger at destruction of the opium poppy crop, resentment came from accusations of looting. Farmers reported having to pay large sums of money (the equivalent of US\$182) for the return of a generator, while others (ALP working with ANP) were accused of seizing 30-40 generators during the campaign and offering them for sale out of a police checkpost.

14 Adapted from Mansfield, “All Bets are Off” and “From Bad they Made it Worse.”

119 Interviews with farmers in Qala-e Bost and Loy Bagh, respectively, April 2012, cited in Mansfield, “All Bets are Off,” p. 68.

120 Interview with farmer, Helmand, April 2012, cited in Mansfield, “Between a rock and a hard place,” p. 30.

It was not surprising that in all four provinces those who had experienced eradication viewed the state negatively. However, even where respondents did not attribute their losses directly to state actions such as eradication, they still blamed the state for its inability to provide for the population's well-being. They may simply have been complaining or reflecting the general frustration that the extravagant promises of post-2001 never materialized. It could also reflect a historical tradition: throughout the country's modern history there has been a general expectation—informed in part by Islamic notions of equity and the historical lead role of the state—that the state should ensure the general welfare of the population, despite the Afghan state's limited capacity.<sup>121</sup>

In the areas of **Helmand** and **Nangarhar** which were subject to suppression, the notion that the state was doing the bidding of the foreigners and that the IM was often the sharp end of the stick merely added insult to injury and further de-legitimated the state and its representatives. In **Balkh**, the sense that suppression was carried out for the foreigners was more muted, with much more agency imputed to Governor Atta and his provincial administration.

### Environmental effects

Finally, the unintended consequences of coercive approaches may include negative environmental effects. The severely reduced yields experienced in the **Helmand *dasht*** during the last two agricultural years may be the consequence of intensively cropping opium poppy without crop rotation or fallowing: good agricultural practices that would be followed in other environments.

Also, given the centrality of water to life in Afghanistan, aggressive drilling in the **Helmand *dasht*** raises concerns about the sustainability of cultivation with respect to the water table. The potential consequences of lowering the water table through the use of tubewells have been well documented in areas of Afghanistan and Balochistan in neighbouring Pakistan, and it is unlikely that agriculture dependent on deep well technology can expand indefinitely without depleting the underlying aquifers. In one area of the *dasht*, farmers reported that the water table was falling each year by between 40 centimetres and one metre, requiring them to drill even deeper wells. Respondents said that in some areas wells already had to be drilled from 65 to 90 metres deep before finding water.<sup>122</sup> While farmers were well aware of the relationship between drilling of deep wells and the fall in the water table, such risks were perceived as general and long-term, and individual farmers faced with the challenge of meeting their household's livelihoods were not likely to incorporate that risk into their personal decisions, especially where alternatives were not available.<sup>123</sup>

Finally, the use of herbicides and other agricultural chemicals by farmers with little or no understanding of their possible side effects may lead to health issues.

121 Paul Fishstein, with Islamuddin Amaki and Mohammed Qasim, "Balkh's Economy in Transition" (Kabul: AREU, August 2013, p. 10).

122 Mansfield, "From Bad they Made it Worse."

123 Depletion of aquifers lying under villages might be considered a negative externality or other type of market failure, as individual users are not paying the full social or even economic cost of the resource.

## 5. Summary, policy implications and recommendations

The opium economy remains a significant threat to Afghanistan's progress. It undermines the state, harms the economy, damages public health and has the potential to corrode relations with the international community. With a value estimated at equivalent to 15 percent of the country's GDP, however, the income, wealth and power it generates at all levels reinforces innumerable incentives for maintaining the status quo. Research carried out by AREU in four provinces between 2010 and 2013 confirmed a number of general and specific findings and provided additional empirical evidence about the political, economic and other factors which influence households' decisions to cultivate opium poppy. While the current evolving policy environment is extremely challenging, the consequences of looking the other way could affect Afghanistan for generations to come.

### 5.1 Summary

#### 5.1.1 Transition to licit cultivation is possible

- In areas with a combination of *enabling economic and political factors*—passable governance, security, agro-economic possibilities, infrastructure and functioning markets—raising the risk of poppy cultivation through threat of eradication or other consequences may induce farmers to opt for livelihood patterns with a combination of higher-value licit crops (e.g. fruits and vegetables) and/or off-farm employment. Such areas include parts of Central **Helmand**, **Balkh** and **Nangarhar**.
- It is *easier to suppress opium poppy cultivation when the local economy is growing* and population welfare is, if not rising, at least not under downward pressure. The suppression of poppy cultivation in **Balkh** and **Nangarhar** has been facilitated by the booming urban economies of Mazar-e Sharif and Jalalabad. Areas of **Nangarhar** and **Helmand** have also been cushioned somewhat by the infusion of international spending. As international aid and other financial flows to Afghanistan continue to be reduced, however, these urban economies are likely to continue the contraction begun roughly two years ago.
- On the other hand, in some areas of the same provinces, the *combination of poor resource endowments and low demand for cash crops does not generate the same incentives to shift to higher-value licit agriculture*. Despite acknowledged improvements in infrastructure and transport, farmers reported low harvest prices, expensive or blocked transport, lack of cold storage and other factors which raise costs or risks as constraints to diversifying. In addition, farmers faced *climatic and agronomic risks* such as drought, melon flies and crop disease.
- *Cotton* has historically been considered a *good cash crop* in some areas (e.g. **Balkh**, **Helmand**), but *with a certain amount of risk attached*—mainly that there will not be a buyer at a good price, as well as issues of water availability and the need to hire labour. In some areas (e.g. **Balkh**) cotton and opium poppy seem to be substitute/competing cash crops, suggesting the value of maintaining demand. Although not to the same degree as opium, cotton is also relatively storable to get through times of low market prices.
- *Off-farm and non-farm income play a key role* in allowing rural households to *maintain livelihood security*, including in the absence of opium poppy. Non-farm work opportunities, especially those in construction, often offer higher daily wage rates than opium poppy, and also raise the opportunity cost of growing labour-intensive opium poppy. Despite the country's overwhelming agricultural nature, Afghanistan has among the highest rates in South Asia of both population growth and urbanization, so non-farm income will likely become increasingly important. With the ratio of population to arable land increasing, for many households this is not an either-or choice between agricultural and non-farm income sources: they must have both in order to maintain livelihood security.

- Ironically, *capital accumulated through the sale of opium has enabled some households to transition out of reliance on opium poppy* through the purchase of tractors, vehicles, shops and other productive investments.
- In part due to its high cash returns, *opium poppy also plays a key role in helping households liquidate debt*. Therefore, debt may inhibit households from transitioning to licit cultivation.
- Research confirmed the *importance of governance and the role of the state in ensuring access to output markets for licit crops* by providing physical security and discouraging predatory activities—illegal checkpoints on the road, informal “taxes” imposed by officials—that either raise costs or elevate risk.
- Under certain conditions households may *respond to reductions in opium poppy income* caused by either eradication or crop failure *not by abandoning the crop but rather by increasing the amount of land planted to it*, although the dynamics may vary from place to place. For instance, in **Badakhshan** the increase seemed to be in order to compensate for the (minimal) amount expected to be destroyed by eradication teams, while in **Helmand** among households with small landholdings and limited alternatives, it seemed to be a desperate “doubling down” to overcome losses from previous years’ crop failures.

### 5.1.2 Understanding the context

- There is a clear *relationship between opium poppy cultivation and insecurity*, although the relationship *may move in both directions*: insecurity allows cultivation to take root, but suppression in the absence of viable alternatives or where the state is perceived as weak or compromised may also exacerbate it. Security can be considered closer to a necessary condition for the elimination of opium poppy than a sufficient one. Also, in some areas which are hostile to the government (e.g. parts of the **Helmand dasht**), insecurity is seen to come from the state rather than from the Taliban or other anti-government elements.
- The *suppression of opium poppy cultivation can lead to a contraction in the local economy* due to curtailed demand for labour, consequent downward pressure on wage rates and the reduction in the amount of money in circulation (negative multiplier). This effect can be mitigated somewhat by massive spending, such as that provided by the international community in parts of **Helmand** and **Nangarhar**.
- The *larger political context affects opium poppy cultivation as well as counternarcotics*. Political competition and excessive ambition have helped to erode or block consent to suppression in **Helmand** and **Nangarhar**, while in the latter province clear trade-offs or compromises have been made between the counternarcotics and security agendas. It is notable that in **Balkh** Governor Atta has largely been able to maintain the ban, while Governor Shirzai in **Nangarhar** has not, and successive governors in **Helmand** only within the Canal command area and not in the *dasht*.
- Especially in the areas with limited government influence, the need for local officials and elders to carefully and pragmatically negotiate their own presence and status has meant *downplaying the government’s counternarcotics agenda*. In fact, there is little incentive or interest at any level in enforcing the prohibition on opium poppy cultivation. In some areas, the decentralised and highly fluid nature of relationships and negotiated agreements makes even the concept of a clear division into “government” and “Taliban” less meaningful.
- *Lack of understanding of the political context in local terms*, including informal relationships and rivalries, can result in counterproductive engagement. The international community may think that it is strengthening the state by encouraging and supporting groups that are nominally allied with the state, while really doing just the opposite by stoking competition between rivals.

- Despite the increasing emphasis on understanding local context—especially since the greater focus on counterinsurgency since 2008—*counternarcotics policy has often ignored local variations in conditions* (including natural resource endowments), and has been pursued in ways that undermine other security and development objectives. While analysis has made obligatory bows in the direction of understanding local texture and “granularity,” and military and development workers have made a fetish of *shuras*, tribes, and “key leader engagement,” in terms of policy this often seems largely superficial. There remains a disjunction between national- and international-level narratives and what is happening at the field level. In particular, policy has not always differentiated those areas which— due to location, resource endowments, and other factors—are likely to transition out of reliance on opium poppy from those areas which are not.

### 5.1.3 The role and effects of coercive approaches

- Where there is strong and motivated leadership and the ability to employ overwhelming force, coercive measures can lead to at least temporary reductions in opium poppy cultivation. *In the absence of economic alternatives and strong support* in rural areas, however, *coerced reduction is not sustainable except by escalating force* (increasingly unfeasible in the current political environment or foreseeable future) and is susceptible to erosion and collapse.
- The *negative, unintended consequences of coercive approaches include support for the Taliban or other AGEs* that are seen as defending farmers against destruction of their livelihoods. In some cases, the local support and good-will capital created by defending farmers against eradication and state predation may be just as valuable to the Taliban as any financial capital they collect from opium poppy cultivation. Even farmers who might not support the Taliban or their larger agenda speak positively about their enabling effect on opium poppy cultivation.
- *Coercive approaches, even when uniformly applied, reinforce the Taliban narrative of a state that is ineffective or even illegitimate* because of its lack of interest in or ability to ensure the welfare of its population. When selectively applied, forced reduction further reinforces the perception of an unjust state and corrupt actors. In its worst forms, *eradication or the threat thereof, intended to be an instrument of public policy, has instead become a tool for the extraction of private gain*. In all four provinces eradication was almost universally described as unevenly applied, sparing those with *wasita* (personal connections), targeting fields to settle feuds between households or villages and being a mechanism for the police and ALP to extract bribes. In particular, *eradication of the standing opium poppy crop is seen as a hostile act committed by the state*, especially when it is done late in the growing season after farmers have invested time and money, where alternatives do not exist, and where it is perceived as done at the behest of the foreigners.
- The extent to which, at least in the fieldwork areas, *opium helps to fund the insurgency*, is not clear, but in places where households make payments to the Taliban, *amounts vary* by location as well as by the amount of land farmed, the type of crop grown and the yield in a given year. These payments are made under motivations that range from completely voluntary (e.g. in appreciation for resisting eradication) to coerced.
- While opium poppy cultivation bans and eradication are intended to send the message that the state is in control of its territory, in some places the net effect may be just the opposite. In the sense that *coercive approaches can create the insecurity that allows opium poppy to flourish*, they can be seen as hindering counternarcotics objectives. Even more, over-ambitious counternarcotics initiatives (e.g. expansion of eradication into the **Helmand dasht** or the less accessible areas of **Nangarhar**) have in fact been destabilising. Some would argue that coercive counternarcotics policies have already damaged the relationship between the state and some of its citizens.

#### 5.1.4 Policies and programmes

- Programmes intended to discourage opium poppy cultivation have often had *unintended consequences, most of them negative*. For instance, the **Helmand Food Zone** initiative was associated with a 37-percent drop in opium poppy cultivation in the first year, but also with the apparent relocation (and robust expansion) of cultivation outside of the Canal command area in subsequent years. With the relocation of cultivation to areas without a consistent state presence, the high cost of production in the desert areas has encouraged intensive cultivation—even mono-cropping—of opium poppy. A positive externality or side benefit is agricultural innovation in the form of irrigation systems and generators (some solar powered), but a negative one is the possible effect of drawing down massive amounts of water.
- Interventions meant to reduce opium poppy will have *a variable impact, affecting different groups in different ways and to different degrees*. For instance, the suppression of cultivation within the **Helmand Food Zone** in favour of wheat had its most severe effects on the landless and land-poor, including greater landlessness, increased poverty, reduced employment and a lower share of outputs negotiated with landowners.
- *Development assistance explicitly promised in exchange for giving up opium poppy has had mixed results*. Respondents generally asserted that the level of assistance has been inadequate and its delivery riddled with corruption, although it is hard to assess what an effective level would be and the extent to which corruption has limited what would have otherwise been positive effects. Mixed results are due in part to programmes not always considering the likely consequences. But it is also because the expectation that a short-term, limited-scope intervention can affect such a deeply engrained part of the rural economy is an extravagant one.
- *The role that the ALP have played* in suppression and eradication has varied from place to place and over time. It has ranged from looking the other way to using eradication as an instrument of extraction to aggressively suppressing cultivation. Even where the ALP have “played by the book,” their role as an outside force has sometimes created resentment. As the loyalty of the ALP to the state is inherently unstable, their future role in counternarcotics is indeterminate but—based on their past actions—worrying.
- *The NDCS has not been applied consistently*. According to the NDCS, opium poppy reductions must be put in the broader development context and eradication must be focused on areas where the population has other rural livelihoods options. While this strategy is conceptually simple, its application on the ground is not. In many instances, eradication has been applied against these stated government policies, setting gross targets rather than tailoring interventions to local conditions, and imposing eradication where no alternatives to opium poppy exist.
- The counternarcotics community has struggled with *just how to measure success*. Should it be the total area cultivated? The number of “poppy-free” provinces? Excessive focus on aggregate numbers and annual fluctuations can obscure the larger picture, including how areas are, on the one hand, integrating into an imperfect but functioning market economy, or, on the other hand, increasingly being dispossessed and therefore becoming alienated from the state. Cause for concern comes not just from the (rising) numbers, but from what underlies those numbers. In the long term it may be better to have a province with 101 hectares in which farmers have elected to grow other crops than one with 99 hectares in which abstinence is enforced at the point of a gun and unrest and hostility to the state are bubbling under the surface.

## 5.2 Policy implications and recommendations

Although counternarcotics has slipped down on the policy agenda, the more than one-third increase in cultivated area in 2012-13 was hard to ignore. Halfway through 2014, the rapidly changing political, security and economic environment will have profound impact on narcotics and counternarcotics in the years ahead (and vice versa). While the international community has pledged its commitment to support Afghanistan's counternarcotics efforts (along with development and security initiatives), the level of funding and the form that programmes will take will inevitably be quite different from the previous decade.

The net effect of the 2014 security transition on counternarcotics is likely to be negative due to several factors:

- The preoccupation of policy makers and other actors with what are seen as more important issues may allow opium poppy to flourish and expand, as in parts of **Nangarhar**, where larger security objectives have already produced compromises in the counternarcotics agenda.
- With political control and ownership of resources likely to be more contested in the next few years, the *de facto* relaxation of counternarcotics pressure is likely. Given the number of potential “hot spots” around the country, the government is not likely to stir up “hornets’ nests” for something that will be perceived of interest mainly to the foreigners. In such an environment, where the risk of negative consequences is perceived as reduced, even some households with other options may choose to grow opium poppy, especially if those around them do.
- Without money to pay the ALP and others who are tasked with counternarcotics responsibilities in a decentralised security environment, such actors may themselves turn to cultivation or protection of others who are involved. In fact, the overall reduction in funds poses a general constraint to the implementation of policies.
- Reduced funding for agriculture and “alternative development” programmes will eliminate a potential source of investments as well as limit a fuller understanding of the state of the rural economy.
- Finally, a lack of perceived seriousness about the narcotics problem on the part of the Afghan government and the labelling of Afghanistan as a “narco-state” may in turn corrode the government’s relationship with the international community and put at risk continued resource flows and other sorts of support.

Within this context, the findings of this research lead to several policy implications and recommendations:

***Acknowledge the long-term nature of the problem.*** Above all else, sustainable reduction in opium poppy cultivation is a long-term process. While this is, in theory, accepted as a principle of policy, programmes and projects have not always embodied it in practice. Factors that reduce poppy cultivation in the short term (e.g. enforced bans, short-term price fluctuations) are not always those that reduce it in the long term. The fact that a farmer is not growing opium poppy in a given year does not mean that he has transitioned out of opium poppy and will not cultivate again the following year, perhaps even in a different location, as seen in **Helmand**.

Given the highly political nature of narcotics, policy makers in Afghanistan and the international community will need to negotiate the political space for a slow, sustainable transition, while at the same time providing credible assurances that something is being done.

***Anticipate the unintended consequences of coercive and other approaches.*** There are several factors that may induce pressure from the international community for more drastic and aggressive interventions: continued heroin consumption at home, changes in domestic political alignments and—especially with the disengagement of international forces—reduced interest in “winning hearts and minds.” These interventions could include

chemical spraying, which is not feasible on a significant scale and is certain to create profound collateral political damage. If coercion has been unable to sustainably eliminate opium poppy until now, it will be even less able to do so in the next several years, when many of the military, political and financial assets by which coercion has been imposed will no longer be available. There are other desert areas similar to the **Helmand dasht** (for example, Farah, which saw a 58-percent increase in cultivated area in 2011-12) which can be populated and become centres of opium poppy cultivation. Another intervention which has occasionally been proposed, licensing for the international pharmaceutical market, is impractical; Afghanistan's inefficient production, confused public perceptions about legality and the lack of effective monitoring capacity would simply increase the supply of illicit opiates. Such interventions should be resisted if they are likely to make the problem worse or have other negative unintended consequences.

**Recognize the often diametrically opposing points of view that affect the interpretation of the same activity.** From the perspective of the government and its international partners in counternarcotics, suppression of cultivation through coercive methods is seen as a moral act which upholds the rule of law and thereby increases social order. From the perspective of farmers with few alternatives and immersed in a deteriorating economic situation, however, the same initiative may be seen as showing a lack of concern for the welfare of the population or even as a predatory act. Understanding such divergent perspectives can contribute to designing policies and programmes more likely to be accepted by farmers, and help anticipate potential hostile responses.

**Understand the varied local context.** One of the key lessons of the last decade is that a one-size-fits-all policy with targets that ignore local variation will be ineffective or counterproductive, even negatively affecting the structure of social relations and land tenure. For example, the experience in **Helmand**—where the Food Zone initiative has been associated with out-migration to less governed areas of the province and an intensification of opium poppy cultivation—suggests the need for programmes to carefully analyse how households with different levels of resources in one area gain access to land and make decisions about food security. As the government, with international donor support, embarks on planned Food Zone programmes in Kandahar, **Badakhshan**, Farah, Uruzgan and **Nangarhar**, policy makers should take an area-based perspective, responding to variations in geography and household characteristics and differing opportunities based on natural resource endowments and on proximity to trade routes, markets and urban areas.

**Focus on pro-poor interventions.** Opium poppy is not grown only or even mainly by large landowners. Without relevant alternatives, suppression of cultivation has the largest effect on the poor, especially the landless and the land-poor. As the poor rely mainly on labour market participation to obtain their livelihoods, the most productive interventions are labour-intensive ones, including those that focus on livestock, which provides outputs both for sale and for household consumption, and high-value horticulture. Given the importance of non-farm income to rural households in many areas, the contraction of the national economy associated with the reduction in international spending is of great concern. Many of the non-farm work opportunities in cities such as Mazar, Jalalabad and Lashkar Gah are simply not going to exist, which means that labour previously occupied in urban areas may be freed up. Where possible, development initiatives should focus explicitly on job creation.

**Put counternarcotics into a development context (mainstreaming).** Development policies and programmes can have a powerful impact on the drug economy. Failure to consider the potential effects of development interventions holds the possibility of their contributing to greater cultivation of opium poppy. Especially in places not under strict state control, an expansion of overall cultivated area or an increase in agricultural productivity through continued adoption of new technology—some of which has been provided by development programmes—may simply expand opium poppy output, undermining counternarcotics efforts. Policy makers should therefore adopt a “do-no-harm” approach under which development programmes, including the National Priority

Programmes, consider their potential impact on the production of narcotics.

For instance, the construction of roads under the National Rural Access Programme should lead to the integration of rural areas with the state and the broader economy, not just facilitate the transport of drugs and other illicit commodities. This could be encouraged by building roads alongside programmes that generate income rather than in areas where opium poppy is the only income-earning activity, or by ensuring that there are effective law-enforcement checks in those areas. A similar strategy could be to implement the National Water and Natural Resources Development Programme in areas with the agricultural and economic potential to diversify into high-value licit crops, rather than increasing irrigation in areas likely to cultivate opium poppy. Finally, broader governance programming should ensure that local elites involved in the drugs trade do not consolidate their power in order to further subvert institutions and policy.

**Reduce market and agronomic risks.** It is widely acknowledged, especially by Afghans, that most markets in Afghanistan are highly imperfect. Aside from insecurity and weak physical and administrative infrastructure, a small set of individuals with links to commanders, political leaders and other powerful individuals is seen to use anti-competitive means (including intimidation) to gain monopoly or oligopoly control of the production of and trade in certain commodities. There is also a widespread lack of confidence in state institutions that are supposed to exercise oversight, which is ascribed to technical shortcomings, the dominance of individual interests, the important role of *wasita* and the rent-seeking behaviour of officials in the guise of oversight.

While previous AREU research has confirmed the need to be sceptical about “the magic of the market” and has shown that free markets are not a panacea, current research confirmed that where conditions are right, market opportunities do have the potential to improve livelihoods and support the transition out of opium poppy. This is most likely with the reduction of market and agronomic risks that discourage farmers from moving out of opium poppy and into potentially remunerative licit crops. Special efforts should be made to ensure market demand for cotton and other crops that compete with opium poppy, keeping in mind that this will vary among areas. Other enhancements such as grading, packaging and crating of fruits and vegetables may also result in net higher returns for farmers, thereby increasing incentives to shift to those licit crops.

Agro-processing industries could create additional demand for cash crops through backwards and horizontal linkages, although private investment is presently held back by Afghanistan’s risky environment, especially given the pervasive uncertainty about the 2014 drawdown of international forces and the presidential election. The historical preference for lower-risk trade over longer-term investment seems likely to dominate during this time of uncertainty.

The challenges to reducing market-related risks are significant. Even if it were desirable, it would be impossible to protect Afghan agriculture from regional competition, given the porous borders, interests of neighbouring countries, smuggling, corruption and, importantly, the preference for cheap food (including wheat flour from Pakistan) and other goods. At least for low-value crops, the widely-held belief that Pakistani traders sell crops purchased in Afghanistan the previous harvest season and stored in Pakistan until prices went up is likely largely an urban legend. But it does underline the constraints that farmers face in obtaining adequate prices for their output. Therefore, anything that can be done to help ensure decent prices for fruits, vegetables, cotton and other cash crops, especially at harvest time when prices are typically low, can be helpful.

Counternarcotics has largely fallen off the public policy agenda, as evidenced by the lack of in-depth discussion in recent declarations or published analysis. While recent increases make the outlook bleak, there are steps that can be taken, starting with putting counternarcotics back on the agenda, then paying close attention to what has and has not worked, building on the successes and avoiding replicating the failures.

## Bibliography

### AREU Publications Used as Main Basis for this Paper

Fishstein, Paul. "A Little Bit Poppy-free and a Little Bit Eradicated: Opium poppy cultivation in Balkh and Badakhshan provinces in 2011-12." Kabul: Afghanistan Research and Evaluation Unit, 2013.

Fishstein, Paul. "Evolving Terrain: Opium poppy cultivation in Balkh and Badakhshan provinces in 2012-13." Kabul: Afghanistan Research and Evaluation Unit, 2014.

Mansfield, David. "All Bets are off! Prospects for (B)reaching agreements and drug control in Helmand and Nangarhar in the run up to transition." Kabul: Afghanistan Research and Evaluation Unit, 2013.

Mansfield, David. "Between a rock and a hard place: Counter-narcotics efforts and their effects in the 2010-11 growing season." Kabul: Afghanistan Research and Evaluation Unit, 2011.

Mansfield, David. "'From Bad they Made it Worse': The concentration of opium poppy in areas of conflict." Kabul: Afghanistan Research and Evaluation Unit, 2014.

Mansfield, David, Alcis Ltd, and Organisation for Sustainable Development and Research. "Managing Concurrent and Repeated Risks: Explaining the Reductions in Opium Production in Central Helmand Between 2008 and 2011." Kabul: Afghanistan Research and Evaluation Unit, 2011. (not AREU EC research)

Mansfield, David, and Paul Fishstein. "Eyes Wide Shut: Counter-Narcotics in Transition." Kabul: Afghanistan Research and Evaluation Unit, 2013.

Pain, Adam. "Opium Poppy Strikes Back: The 2011 Return of Opium in Balkh and Badakhshan Provinces." Kabul: Afghanistan Research and Evaluation Unit, 2011.

### Other publications

Aikins, Matthieu. "Our Man in Kandahar." *The Atlantic*. November 2011.

Alden Wily, Liz. "Rural Land Relations in Conflict: A Way Forward." Kabul: Afghanistan Research and Evaluation Unit, 2004.

Arjomand, Noah. "Eagle's Summit Revisited: Decision-- Making in the Kajaki Dam Refurbishment Project." AAN Thematic Report 01/2013. Afghanistan Analysts Network, 2013.

Asian Development Bank, "Key Indicators for Asia and the Pacific 2013." <http://www.adb.org/sites/default/files/ki/2013/pdf/AFG.pdf>

Barfield, Thomas. "Afghanistan A Cultural and Political History Princeton." Princeton University Press, 2010.

Bewley-Taylor, David. "Drug Trafficking and Organised Crime in Afghanistan." *The RUSI Journal*, 158:6, 6-17, 2013.

Byrd, William, and Christopher Ward. "Drugs and Development in Afghanistan." *Social Development Papers: Conflict Prevention & Reconstruction*. Washington, DC: World Bank, 2004.

Chandrasekaran, Rajiv. "Little America: the war within the war in Afghanistan." Random House, New York, 2012.

Chouvy, Pierre-Arnaud, "A Typology of the Unintended Consequences of Drug Crop Reduction," *Journal of Drug Issues*, Volume 43, Issue 2, April 2013, pp. 216 - 230.

Fishstein, Paul. "Winning Hearts and Minds? Examining the Relationship between Aid and Security in Afghanistan's Balkh Province." Medford, MA: Tufts University Feinstein International Center, 2010.

Fishstein, Paul, with Islamuddin Amaki and Mohammed Qasim, "Balkh's Economy in Transition." Kabul: Afghanistan Research and Evaluation Unit, 2013.

Gordon, Stuart. "Winning Hearts and Minds? Examining the Relationship between Aid and Security in Afghanistan's Helmand Province." Medford, MA: Tufts University Feinstein International Center, 2011.

Human Rights Watch, "Just Don't Call It a Militia": Impunity, Militias, and the 'Afghan Local Police'." September 2011.

Islamic Republic of Afghanistan. "National Risk and Vulnerability Assessment 2007/08: A profile of Afghanistan." Kabul: 2009.

Islamic Republic of Afghanistan. Ministry of Counter-Narcotics. "National Drug Control Strategy: An Updated Five-Year Strategy for Tackling the Illicit Drug Problem". Kabul: 2006.

Islamic Republic of Afghanistan. Ministry of Counter-Narcotics. "National Drug Control Strategy 2012-2016." Kabul: 2012.

Islamic Republic of Afghanistan, Ministry of Economy, and the World Bank, Economic Policy and Poverty Sector. "Poverty Status in Afghanistan: A Profile Based on the National Risk and Vulnerability Assessment (NRVA) 2007/8." Kabul: 2010.

Mansfield, David, "Assessing Supply-Side Policy and Practice: Eradication and Alternative Development." Working Paper prepared for the first meeting of the Global Commission on Drug Policies, Geneva, 24-25 January 2011.

Mansfield, David, "Briefing Paper 5: 'Central Helmand in the 2011/12 Growing Season -- Spring Update.'" June 2012.

Mansfield, David, "Briefing Paper 6: 'Central Helmand in the 2012/13 Planting Season.'" March 2013.

Mansfield, David, "Briefing Paper 7: 'Taxation in Central Helmand and Kandahar.'" March 2013.

Mansfield, David. "Building a State on a Foundation of Sand: How Drugs and Drugs Policy Shaped Statebuilding in Afghanistan." Forthcoming.

Mansfield, David. "Governance, Security and Economic Growth: The Determinants of Opium Poppy Cultivation in the Districts of Jurm and Baharak in Badakhshan." Kabul: GTZ (GIZ), 2007.

Mansfield, David. "Our Friends in the North: Contrasting Images of Power and Poppy in the Provinces of Balkh and Badakhshan." April 2014.

Mansfield, David. "Pariah or Poverty? The opium ban in the province of Nangarhar in the 2004/05 growing season and its impact on rural livelihood strategies." Project for Alternative Livelihoods in Eastern Afghanistan, GTZ (GIZ). Jalalabad: 2005.

Mansfield, David. "The Role of Women in Opium Poppy Cultivation in Afghanistan." Strategic Study #6, United Nations Drug Control Program, 2000.

Mansfield, David, and Adam. Pain. "Counter-narcotics in Afghanistan: The Failure of Success?" Kabul: Afghanistan Research and Evaluation Unit, 2008.

Martin, Edouard and Steven Symansky, "Macroeconomic Impact Of The Drug Economy and Counter-Narcotics Efforts," in "Afghanistan's Drug Industry: Structure, Functioning, Dynamics, and Implications for Counter-Narcotics Policy". Doris Buddenberg and William A. Byrd, eds. UNODC and the World Bank, 2006.

- Mellor, John W., "Raising Farm Incomes in the Context of Poppy Eradication - Implications to Employment and Strategy", RAMP/USAID/Abt Associates, Powerpoint presentation at the Ministry of Agriculture. January 18, 2005.
- Mukhopadhyay, Dipali . "Warlords, Strongman Governors, and the State in Afghanistan." Cambridge University Press, 2014.
- Münch, Philipp. "Local Afghan Power Structures and the International Military Intervention: A Review of Developments in Badakhshan and Kunduz Provinces." Afghanistan Analysts Network, 2013.
- Perrow, Charles. "Complex Organizations: A Critical Essay." New York, Random House 1986.
- Peters, Gretchen. "Seeds of Terror: How Drugs, Thugs, and Crime are Reshaping the Afghan War." London: Picador, 2010.
- Peterson, Scott. "Afghanistan: The challenge of 'good' vs 'bad' militias". January 11, 2013. <http://www.csmonitor.com/World/Asia-South-Central/2013/0111/Afghanistan-The-challenge-of-good-vs-bad-militias>
- Radio Free Europe/Radio Liberty. "On Landgrabs, Afghans Say Name Names, But Make Them The Right Ones." 23 October 2013, <http://www.rferl.org/content/afghan-land-grabs/25146040.html>
- Rivera, Ray. "Afghan army attracts few where fear reigns." The New York Times, 6 September 2011.
- Scott, Richard B. "Helmand Follow Up XXXII: Support for Cotton in Central Helmand This Year?" December 2010.
- Scott, Richard B. "Helmand Follow Up XXXXI: Poppy Harvest Season is Here Again: What Next with Our Failed Counter Narcotics Projects??" May 2014.
- Straziuso, Jason. "Marines pursue Taliban, protect poppy." Associated Press. 11 May 2008.
- UNODC/MCN. "Afghanistan Opium Survey 2010: Summary Findings." Kabul: UNODC/MCN, 2010.
- UNODC/MCN. "Afghanistan Opium Survey 2013: Summary Findings." Kabul: UNODC/MCN, 2013.
- UNODC/MCN. "Afghanistan Opium Survey 2013." Kabul: UNODC/MCN, 2013.
- UNODC. "Addiction, Crime and Insurgency: The transnational threat of Afghan opium." Vienna, 2009.
- United States Senate, Majority Staff, Committee on Foreign Relations. "Evaluating U.S. Foreign Assistance to Afghanistan." Washington, DC: US Government Printing Office, 2011. <http://www.gpoaccess.gov/congress/index.html>.
- United States Senate, Committee on Foreign Relations. "Afghanistan's Narco War: Breaking the Link Between Drug Traffickers and Insurgents." Washington, DC: US Government Printing Office, 2009.
- Ward, Christopher, David Mansfield, Peter Oldham and William Byrd. "Afghanistan: Economic Incentives and Development Initiatives to Reduce Opium Production." Washington, DC: World Bank, 2008.
- World Bank and Islamic Republic of Afghanistan. "Afghanistan: Provincial Briefs." Kabul, June 2011.
- Zyck, Steven A. "The Food Zone Programme." Civil-Military Fusion Centre. May 2012.

## Request for Feedback

AREU is very interested to hear from its research users. Whether you are a regular reader of our publications, have attended an AREU lecture or workshop, use the library, or have only just become familiar with the organisation, your opinions and feedback are valuable. They can help us deliver on our mandate as best we can by informing our approach to research and the way we communicate results. The easiest way to provide feedback is to email [areu@areu.org.af](mailto:areu@areu.org.af). Alternatively, you can call +93 (0)799 608 548. You are free to tell us what you like, but some potentially useful information is:

- How you engage with AREU (i.e., through publications, meetings, etc.)
- What you use AREU research for
- How you receive AREU publications
- Whether you use hard or soft copy versions
- How publications could better present information to you
- Your thoughts on our research processes or results
- Suggested areas of research
- Your favourite AREU publications or events
- What you believe we could do better
- Your field of interest, employment or study, as well as location

## Recent Publications from AREU

All publications are available for download at [www.areu.org.af](http://www.areu.org.af), and most in hardcopy for free from the AREU office in Kabul.

Date	Publication name	Author name	Available in Dari	Available in Pashto	Research Theme	Publication type
September 2014	Secure Livelihoods Research Consortium Afghanistan Research Programme	Chona Echavez			Sustainable Livelihoods	Leaflet
September 2014	Gender, youth and urban labour market participation: evidence from the tailoring sector in Kabul, Afghanistan	Adam Pain, Richard Mallet			Sustainable Livelihoods	Working Paper
September 2014	Unpacking the complexities of water conflicts resolution processes in Afghanistan	Vincent Thomas	✓	✓	Natural Resources Management	Policy Note
August 2014	Afghanistan's Constitution Ten Years On: What Are the Issues?	Mohammad Hashim Kamali			Governance	Issues Paper
August 2014	The state of electoral dispute mechanisms in Afghanistan	Aruni Jayakody			Governance	Policy Note
August 2014	Despair or Hope? Opium Poppy Cultivation in post-2014 Afghanistan	Paul Fishstein, David Mansfield	✓	✓	Natural Resources Management	Policy Note
June 2014	Politics and Governance in Afghanistan: the Case of Nangarhar Province,	Ashley Jackson	✓	✓	Sustainable Livelihoods	Case Study
June 2014	Roundtable Discussion on "Afghanistan's Electoral Experiences"	AREU			Governance	Round Table
May 2014	"From Bad They Made It Worse" The concentration of opium poppy in areas of conflict in the provinces of Helmand and Nangarhar	David Mansfield			Natural Resources Management	Case Study
May 2014	Afghanistan: Developing a Method for Village Characterisation	Adam Pain			Sustainable Livelihoods	Methods Paper
May 2014	The A to Z Guide to Assistance in Afghanistan 2014-Twelfth Edition	AREU	✓	✓	Governance	Book
May 2014	The Afghan National Army:Sustainability Challenges beyond Financial Aspects	Antonio Giustozzi, Peter Quentin				Issues Paper
April 2014	How do social protection and labour programmes contribute to social inclusion?	Babken Babajanian, Jessica Hagen-Zanker, Rebecca Holmes	✓	✓	Social Sector and Social Protection	Synthesis Paper
April 2014	The contribution of BRAC's life skills education and livelihoods trainings to social inclusion in Afghanistan	Chona Echavez, Babken Babajanian, Jessica Hagen-Zanker	✓	✓	Social Sector and Social Protection	Policy Note
April 2014	How do labour programmes contributes to social inclusion in Afghanistan?	Chona Echavez, Jennefer Lyn Bagaporo, Jessica Hagen-Zanker, Shaheen Akter	✓	✓	Social Sector and Social Protection	Case Study
April 2014	Evolving Terrain: Opium Poppy Cultivation in Balkh and Badakhshan Provinces in 2013	Paul Fishstein			Natural Resources Management	Case Study
March 2014	Adjudicating Election Complaints: Afghanistan and the Perils of Unconstitutionality	Ghizaal Harees	✓		Governance	Case Study
Jan 2014	Governance in Afghanistan An Introduction	Aarya Nijat			Governance	Issues Paper
Jan 2014	Small and Medium Enterprises Development and Regional Trade in Afghanistan	Mujib Mashal	✓		Political Economy	Working Paper



Research  
for a Better  
Afghanistan

All AREU publications can be downloaded from our website ([www.areu.org.af](http://www.areu.org.af)). Many are also available for free in hardcopy from the AREU office in Kabul.

**Afghanistan Research and Evaluation Unit**  
Hs. 144, 3rd street on the left from Charahi Haji Yacoub toward Charahi Shaheed, First block on the right Shahr-i-Naw Kabul, Afghanistan

Phone: +93 (0) 799 608 548  
Email: [areu@areu.org.af](mailto:areu@areu.org.af)  
Website: [www.areu.org.af](http://www.areu.org.af)

**12 YEARS**  
OF HIGH-QUALITY  
**RESEARCH**