OPIUM PRODUCTION IN AFGHANISTAN:
INTERNATIONAL ISSUE PROPOSAL

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Introduction

It has become abundantly clear over the past several years that there are numerous impediments to success in the conflict in Afghanistan; the ongoing Taliban insurgency, rampant corruption and extreme poverty in agricultural regions of the nation being the most prescient. However, rather than addressing all these obstacles individually, this proposal will attack them at the root. It will address the common link that seems to fuel each of them and continues to create an environment in which the Taliban can flourish, and in which the Afghan government continues to flounder. The target of this proposal is to substantially decrease the production and smuggling of opium products in Afghanistan.

It is certainly important not to overstate the significance of the following information and suggestions. By no means will implementing this strategy guarantee a swift and successful end to the conflict in Afghanistan. However, its implementation will improve security, create more lucrative opportunities for poor Afghan farmers and increase cooperation between coalition partners; each of which would be beneficial in facing this increasingly difficult and complex situation.

Problem Statement

Afghanistan is the single largest producer of opium in the world. Although production receded from 2007 to 2008 (from 193,000 to 157,000 hectares; mostly due to bad weather), the fact remains that if Helmand Province (Afghanistan’s most prolific opium producing region) were its own nation, it would be the world’s leading producer of illicit drugs.\(^1\) Although this is a problem in and of itself, experts are now nearly unanimously acknowledging the burgeoning ties between the Taliban insurgency and these highly lucrative drug trafficking operations:
The number of security incidents increased sharply in the last three years, especially in the south and south-west of Afghanistan. Over the same period, and in the same regions, opium cultivation showed the same sharp increase. In 2008, 98% of opium cultivation is confined to seven provinces in the south and west, namely Helmand, Kandahar, Uruzgan, Zabul, Farah and Nimroz. Security conditions are extremely poor in those provinces.²

The Taliban’s reliance on the opium trade can, in a way, be seen as evidence of the International Security and Assistance Force’s (ISAF) success at disbanding the Taliban and disrupting their sources of funding. However, through the process of finding new sources of funding, the Taliban have only become a more complex, amorphous and ruthless entity which supports and encourages the growth of illicit drugs within the territories it controls.

The Taliban has changed. No longer is it a group of single-minded religious extremists targeting the Afghan government. As Gretchen Peters acknowledges in her book Seeds of Terror, “Mullah Omar remains the undisputed leader of the core group; however, the larger umbrella movement now spans both sides of the [Afghanistan/Pakistan] border and includes fighters loyal to regional warlords and troublemakers who engage in everything from local terrorism and smuggling to kidnapping and racketeering.”³

Essentially, these groups are using the Taliban brand as a politically expedient way to gain notoriety and intimidate lesser groups. The complex network of shifting alliances and competing goals that defines today’s Taliban complicates the issue of locating and targeting its members, especially for a military force that is, for good or ill, geared toward combating large, uniformed, technologically advanced enemies. Again, Peters notes, “Whatever their locale and their reach, virtually everywhere you look… the new Taliban interact and behave more like members of a criminal syndicate than a political force.”⁴

Furthermore, opium profits are far from a windfall for the average Afghan farmer. In 2008 the average opium poppy growing farmer had an income of US $307, well under the per
capita GDP for Afghanistan of US $415. This is not to say that farmers are choosing opium over more profitable crops. In fact the gross income per hectare for opium nearly tripled that of wheat in 2008 (it was nearly 10 times as profitable in 2007). These statistics simply indicate the dire straits in which the Afghan agricultural market has found itself after 30 years of continuous conflict.

The fact that Afghan farmers are so susceptible to market fluctuations (because they are so impoverished) makes poppy the perfect crop, due to the inelastic demand for its end product, heroin. Because Afghanistan is, in essence, the world’s sole producer of opium poppy and because the number of heroin addicts rarely changes from year to year, opium prices are often much more consistent than those of wheat.

Afghan farmers’ survival mentality also makes them susceptible to pressure from outside groups, such as the Taliban, to continue growing opium. There is certainly historical evidence that local leaders have influenced farmers into continued cultivation of poppy. As James Medler points out, there is motive for such action as well:

*Local Commanders began to enjoy... more autonomy after the withdrawal of Soviet troops and helicopters, and many turned to promoting opium cultivation, which enabled them once again to collect tolls on road transport by traders, smugglers and government suppliers and to seize booty at will. Their latitude was now unchecked by either external forces or any central government.*

Although this section from Medler refers to the period directly following the retreat of the Soviet Army from Afghanistan, the conditions and motives today are similar enough to assume that Taliban commanders are engaging in much the same activities as the Warlords of the 1980s and 90s.

As Gretchen Peters points out, “when putting numbers on criminal activity – especially in such a fluid atmosphere – even the best estimates are just that. But one thing is clear: the
Taliban’s profits from the drug trade are now astonishingly high." However, research shows that the combination of taxes on opium cultivation in Taliban controlled areas, profit from heroin refineries and fees for the armed protection of smuggling routes and convoys contributed roughly $439 million to the Taliban insurgency in 2007. This estimate does not take into account those smugglers and dealers who pay for the Taliban’s services with goods and supplies, which include items ranging from radios and food to vehicles.

Certainly, this is no paltry sum and it is easy to see why the Taliban were able to retreat into the border regions and regroup after their crushing defeat in 2001. This independent source of funding must be cut off in order for coalition nations to make real progress in Afghanistan. In pursuance of this goal, this proposal will focus on improvement in four key areas.

*Targeting Criminals and Drug Traffickers*

Rather than focusing on eradication operations, as current anti-opium initiatives are doing, this proposal will instead target those who truly profit from the processing, smuggling and sale of opium products. This will limit the direct effect on poor farmers, for whom eradication efforts have promoted feelings of resentment and ill will toward the Afghan and US governments. Under this proposal, eradication squads will no longer be traveling door to door and blatantly destroying a family’s main source of income.

*Offering Alternative Crops*

As the opium trade becomes less vibrant within Afghanistan, alternatives for poor farmers must be on offer. Programs designed to build up agricultural infrastructure and educate Afghans on agricultural and economic processes will be extended to those areas which will be most in danger of economic collapse once the illegal economy collapses.
Obstructing the Flow of Drug Money

Due to the lack of stability and distrust of the government, unregulated and unmonitored financial networks (known throughout the Middle East as Hawala)\textsuperscript{11} have become the norm in Afghanistan. Rather than completely disassembling these systems (they also serve many positive purposes such as transferring the remittance of many migrant workers and displaced persons), they should be subjected to greater scrutiny, at first by international organizations, and eventually, as the security and governance situation improves, by the Afghan government itself. The trusted and traditional elements of the Hawala network will be retained.

Increasing Cooperation

With so many nations heavily involved in the conflict in Afghanistan, cooperation is of the utmost importance. The ISAF and coalition forces must show a united front against the production of opium within Afghanistan. For this reason, a portion of this proposal will be dedicated to improving unity of effort and increasing the overall amount contributed to that effort by all involved nations, across the board.

Literature Review

The preceding four points of focus are based on an extensive review of literature regarding opium production in Afghanistan. It must be reiterated that the majority of the works cited in this proposal recognize the link between the Taliban and the opium trade. Two pieces even go so far as to compare the Taliban to classic narco-terror groups. Alain Labrousse devotes an entire work to comparing the operations of the Taliban and the Revolutionary Armed Forces of Colombia (FARC), writing, “in both of these cases [Afghanistan and Colombia], it is undeniable that drugs have played a significant role in financing the conflicts.”\textsuperscript{12}

Gretchen Peters agrees:
Around Kabul, one often hears concerns that Afghanistan is turning into another Iraq. The parallels are actually closer to Colombia. The Taliban and the FARC both got their start like modern-day Robin Hoods, protecting rural peasants from the excesses of a corrupt government. Strapped for cash and needing the support of local farmers, both groups began levying a tax on drug crops. They began using their soldiers to protect drug shipments. Eventually, the FARC became financially self-sufficient, and set up a parallel government. The pattern sounds eerily familiar to police and military officials in Afghanistan, where the Taliban is undergoing a similar metamorphosis – only much faster.13

Although there are clearly some major differences between the FARC and the Taliban, namely the Marxist foundations of the former and the religious fundamentalist foundations of the latter, the fact that any comparison can be made is noteworthy. Clearly, the new Taliban will need to be addressed with different methods than those used in the initial invasion of 2001.

Unfortunately, experts are not always in agreement on what these methods should be. Many see a lack of security throughout Afghanistan, and specifically those areas controlled by the Taliban, as the reason farmers refuse to grow legal crops. Winer14, Emery15, Chouvy and Laniel16 as well as the United Nations Office on Drugs and Crime (UNODC)17 each claim that the primary goal of any counter-drug offensive should be to regain control and security.

In their piece “Agricultural Drug Economies,” Chouvy and Laniel posit that illicit crops tend to thrive in situations such as Afghanistan’s, writing, “… illicit crops proliferate… in contexts of armed conflict (Afghanistan, Burma, Colombia)… They are not only and perhaps not mainly the result of economic problems, but instead thrive in political contexts marked by the use and consequences of force, and by complex and often transnational power struggles.”18

By this logic, the only way to prevent the growth of opium within Afghanistan is to improve the security situation. However, applying this strategy alone seems a rather simplistic solution. In fact, I would argue that this logic must be reversed. Destroying the opium economy is, in fact, an integral part of bringing stability to Afghanistan while also defeating the Taliban.
Another group of experts advocate alternative livelihood programs for Afghan farmers. Medler\textsuperscript{19} and the International Crisis Group\textsuperscript{20} maintain that this should be the primary method for minimizing poppy growth:

\textit{Large-scale eradication, including aerial spraying, is increasingly advocated by some as the drug trade continues to expand. But... such efforts, quite apart from enraging local farmers, would prove counter-productive in tackling the real drivers of the illegal trade. Eradication without providing alternative livelihoods may actually work as a price-support program that benefits traders, protectors and big-time landlords who have the freedom to choose when to produce and sell their products. Eradication certainly has its place as one tool in the box, particularly in those areas new to cultivating poppy. But just as the drug trade damages state-building and feeds the insurgency, so can wrongly applied counter-narcotics actions.}\textsuperscript{21}

Clearly, The International Crisis Group, in agreement with all the other works cited in this proposal, does not see eradication as a valid method in most areas of Afghanistan (especially when no other options are offered). Alternative crops must be on offer for Afghan farmers to even consider leaving their tried and true opium harvests behind. However, until there is some incentive for farmers to switch, they will most likely refuse to do so. Any crop substitution or alternative livelihood program must be combined with some other strategies in order to induce opium growers to switch in the first place.

Certainly the most enigmatic solution espoused by some experts is the one put forth by van Ham and Kamminga in “Poppies for Peace.” Much like the other experts they deny eradication as a viable strategy, but claim that instead of preventing the growth of opium in Afghanistan, the international community should encourage it:

\textit{Opium is the base material for morphine and codeine, two World Health Organization-recognized essential medicines. Given that Afghanistan has a long tradition of poppy cultivation and thus has the required knowledge and expertise, it would be possible to set up a medicine-producing industry in the short term on a small to medium scale. This project would also improve the security situation by drawing warlords and Taliban elements into a legal economy. It would
decriminalize the Afghan economy, raise the government’s tax base, and erode the financial basis of organized crime and terrorist groups.22

While this program might work in principal, practically it is not feasible. First of all, it seems unlikely that any substantial portion of warlords and criminals would simply walk away from the highly lucrative criminal enterprises they have built to join a legal “medicine-producing industry” that would not be nearly as profitable as the illegal opium trade. There would be a huge risk that these groups pursue other illegal enterprises such as human-trafficking, or more likely, cannabis cultivation. Furthermore, as Gretchen Peters points out, this proposal “fails to account for certain realities: no country, aid group, or pharmaceutical firm has actually expressed interest in buying Afghan poppy to make morphine, and... current legal poppy stocks are more than sufficient to meet world demand. Afghan poppy is not harvested hygienically, meaning few if any nations would allow its use in legal medicines. As well, it would be nearly impossible in the current security vacuum to account for the poppy’s legal distribution.”23 These facts take legalizing Afghanistan’s opium economy off the table as a viable option, certainly for the foreseeable future.

Finally, although his study does not directly address the crisis of opium production, Maimbo acknowledges that the unofficial and unregulated Afghan Hawala network has the potential to be exploited by criminal elements and he offers several logical and practical solutions to improve this situation.24

Proposal

The best and most effective examples of interagency cooperation on display in Afghanistan today are the Provincial Reconstruction Teams (PRTs). A PRT is essentially a group consisting of representatives of various agencies who work together to ensure the
reconstruction of a given area of Afghanistan. This will be the model for the proposed Counter-
Drug Teams (CDTs), who, in much the same manner, will be assigned a province or region of
Afghanistan and will work within it to achieve the four stated goals of this proposal.

In outlining the makeup of a typical CDT, I will reiterate the four areas of focus and
define which agencies would be best suited for accomplishing these goals (and thus contribute
representatives to the CDTs).

*Targeting Criminals and Drug Traffickers*

To accomplish this goal, intelligence gathering will be absolutely critical. The myriad
technological assets, as well the human intelligence (HUMINT) gathering capabilities of the
Central Intelligence Agency (CIA) will be decisive in ensuring that the correct individuals are
targeted. A key technology that can be brought to bear against drug smugglers and narco-
terrorists is the unmanned aerial vehicle (UAV). Currently, many of the CIA’s UAV assets are
monitoring and engaging Taliban leadership across the Southwestern border in Pakistan.\(^{25}\)
While these are certainly important targets, some of these resources should be diverted to Central
and Southern Afghanistan to be used in monitoring smuggling routes and attacking heroin
refineries.

Another key element in gathering intelligence against drug traffickers will be the Drug
Enforcement Agency (DEA). DEA agents are well-versed in the methods and means for refining
and trafficking illicit drugs and are capable of building effective informant networks which can
bring to light the criminal activity that is destabilizing Afghanistan.

Finally, there must be an element of the CDT that is capable of organizing actions against
criminals and drug smugglers. For this reason, members from the Department of Defense (DoD)
should also be present. Which branch of service these representatives come from and what they
specialize in will depend on the conditions in the particular province to which the CDT is assigned, but the Teams must have the capability to take action against important targets. Whether that means bombing drug refineries and smuggling convoys, or apprehending smugglers and crime lords will be up to the discretion of the CDT Commander who will be a senior military officer. The decision to designate the CDT Commander position for a senior military officer derives mainly from the security issues that arise when operating in a hostile environment such as Afghanistan. Because many of the other government agencies have little experience operating in such environments, a military officer’s expertise on security issues will be important.

Eventually, once enough smugglers and senior leaders of the criminal element are either killed or captured and tried in Afghan courts, individuals will recognize that the risk of participating in the criminal economy is too great. This will leave opium farmers with no one to sell their crops to and they will be forced to resort to legal forms of agriculture.

*Offering Alternative Crops*

In order to rebuild Afghanistan’s legal agricultural infrastructure, representatives from the United States Agency for International Development (USAID) and the Department of Agriculture (USDA) will also play an important role in the CDTs.

USAID will provide the funds and materials to, first of all, rebuild irrigation canals and farm implements that have been destroyed by years of continuous conflict, and second of all, subsidize licit crops. Until Afghanistan’s economy grows and becomes interconnected with other economies within the region (and eventually the world), it will be impossible for lawful crops such as wheat and cereals to match the current farm gate prices for opium poppy. For this reason, USAID representatives will disburse funds directly to farmers who choose to cultivate
legal crops (similar to the micro-financing efforts that are popular with non-governmental organizations today)\textsuperscript{26}.

Department of Agriculture representatives will provide expertise; guaranteeing that crops are grown and harvested in a sustainable and hygienic manner. For many farmers, their entire lives have been spent growing opium poppies. USDA representatives will be essential in ensuring the success of these disadvantaged individuals.

With the efforts of these organizations, Afghan farmers should at the very least be aware of legal alternatives, once the illegal opium economy collapses.

*Obstructing the Flow of Drug Money*

The US Department of the Treasury, specifically the Office of Terrorism and Financial Intelligence (OTFI) should also contribute agents to the CDTs. Their main responsibility will be tracking the drug money that flows through Afghanistan’s unofficial *Hawala* network. As Gretchen Peters notes, “surveyors identified no less than fifty-four *hawaladars* in [Helmand and Kandahar] provinces as ‘specialists’ in laundering opium money. Pinpointing how much of that money benefits insurgents is impossible, with no regulatory framework in place.”\textsuperscript{27}

Clearly, the informal financial network offers great opportunities for finding and tracking crime lords who operate in Afghanistan and the surrounding region. The OTFI will be an essential piece of that puzzle. However, they will also be asked to work with *hawaladars* and local governments to create more formal methods for tracking funds, such as regulations on what information must be included in ledgers following each transaction. They should also lay the foundation for a national *hawaladar* licensing body, which would prevent unlicensed money lenders from operating on the periphery of society. This Afghan licensing organization could also eventually take over the function of monitoring the financial network for illegal transactions.
These actions will maintain the integrity of traditional *Hawala* networks, while subjecting them to more monitoring and preventing them from being used for money laundering and drug transactions.

*Increasing Cooperation*

While agencies and groups who are carrying out this phase of the proposal will not have direct involvement in the individual CDTs, they will have a critical role in determining their success. The US Department of State (DoS) must use its diplomatic leverage to promote counter-drug operations in Afghanistan to various coalition partners. Because the United States has a relatively small presence in some of Afghanistan’s provinces, it is important that our allies in these areas get the message that opium production must be a primary target. Eventually, cooperation will filter down to the lowest levels, and each nation will be responsible for creating its own CDTs to attack the opium problem in their individual areas of responsibility (AORs).

Finally, the United Nations Office on Drugs and Crime (UNODC) should continue to research and distribute detailed information regarding the status of opium production in Afghanistan. The reports produced by this group will act as a benchmark for all the nations and groups involved in this effort and quantify their successes and failures.

The template provided above is by no means intended to be a rigid format for each and every CDT. The Teams will be molded to be most effective based on the area to which they are assigned. For example, an area that is mostly agricultural, with very few urban financial markets will not require a CDT with as many representatives from the Treasury. Furthermore, CDTs are intended to be modular. If an unexpected situation calls for expertise beyond that which is already present, representatives from the necessary agency can be called in. This will require a pool of dedicated volunteers who are willing to travel to Afghanistan when needed. Deployment
times for CDTs must be at least one year, if not longer, as it takes time to build up the necessary networks and connections that guarantee success in the four key areas.

Key Assumptions

The success of this proposed counter-drug effort is dependent upon several key assumptions:

Support of the Military

Although the proposal already calls for DoD contribution to individual CDTs, much more broad military support is needed to guarantee success. CDTs will need transportation into and out of Afghanistan, as well as within their AORs. The DoD, with its host of strategic, operational and tactical transport vehicles is best suited to provide this. Basing and housing needs must also be met, most likely on one of the military’s many Forward Operating Bases (FOBs) that can be found throughout the provinces of Afghanistan. Finally, due to the volatile security situation throughout most of Afghanistan, most CDTs will require armed escort while executing their duties outside of the FOB.

Personnel Needs Must be Met

A substantial number of individuals from the aforementioned agencies must be willing to deploy to Afghanistan and take part in CDT operations to ensure this proposal’s success. With an assumed CDT size of roughly 20 individuals (not to include military members, whose service deployment cycles will play a role in this issue), and 33 provinces in Afghanistan (some of which will require 2 CDTs to cover their larger surface areas or address more entrenched drug problems), there would be a Manning requirement of approximately 670 individuals.

Because some of these agencies do not have a history of deploying their members into combat zones, it may be difficult to find such a large number of willing volunteers, but this
project’s success hinges upon getting the correct number of qualified individuals into the areas that need them most.

**No Further Deterioration of the Security Situation**

As it stands now, the security situation in Afghanistan is volatile, but CDTs would be able to perform their duties throughout much of the country despite this high level of risk. However, if the stability of the nation continues to deteriorate and the risk/reward ratio becomes unfavorable, this proposal would be impossible to carry out to its full effect. The point at which a given CDT is no longer able to operate effectively due to security issues would have to be determined by individual CDT commanders. A reasonable level of security must be maintained within Afghanistan for this project to be successful.

**Price of Opium Remains Stable**

When the proposed interdiction campaign takes effect, there will certainly be a spike in farm gate prices for opium poppy. This would leave even less incentive for poppy farmers to switch to a legal crop. However, there is an increased likelihood that this program will uncover or destroy any stores of opium that are being used as insurance against rapid drops in supply, which would prevent buyers from essentially price gouging local farmers. Furthermore, if enough smugglers and crime lords are killed or captured, even if prices increase, there should be very few individuals for farmers to sell to. For these reasons, the success of the alternative livelihood program depends on the success of the interdiction campaign against the Afghan criminal conglomerates.

**Concluding Remarks**

Opium production is the single greatest obstacle obstructing Afghanistan’s development today. It is funding the insurgency, preventing the growth of a legal economy and fostering
corruption within the Afghan government. All these problems result in a nation-wide distrust of the Afghan government and the democratic system in general. In order to achieve stability in Afghanistan, opium must be the target of a unified effort, designed to curtail its production and trafficking, while also ensuring that the most impoverished Afghans are given alternative opportunities.

2 Ibid. 5.
4 Ibid. 105.
6 Ibid. 1.
10 Ibid. 14.

21 Ibid. 23-24.
