

# AFGHANISTAN

## HOW DID AFGHANISTAN BECOME A MAJOR SUPPLIER OF ILLICIT OPIUM?

**D**uring the 1990's Afghanistan became the world's largest producer of illicit opium. In 1999, it produced 79% of global illicit opium. In 2000, this proportion reduced, but it was still 70%. In order to understand how a single country came to play such a dominant role in the illicit opiate market, it is necessary to review the recent historical background.

Opium poppy has been cultivated in Afghanistan throughout the last century, but never to the extent that it has been since the 1980s. The country's dominant role in global opium production is really a story of the last two decades, but the story has developed against a background of the convergence of a complex set of economic, political and geo-strategic factors which have been in place for a long time, and eventually led, at least in part, to an average annual growth rate of 23% in the cultivation of opium poppy from 1986 to 2000. Three different factors are basic to explaining the entrenchment and expansion of opium poppy cultivation in Afghanistan: the lack of effective government control over the whole country; the degradation of agriculture and most economic infrastructure due to more than twenty years of civil war; and the acceptance of opium poppy cultivation as a livelihood strategy by many rural households in the country. The first of the three factors can only be explained historically; the latter two acquire meaning within this context, as well as in the context of Afghanistan's more contemporary history.

It is no coincidence that Afghanistan began to emerge as a significant producer of illicit opium in precisely the period of protracted war, which began in 1979 and still persists. Peace has not yet been made in Afghanistan and faction-fighting, warlordism and particularistic nationalisms remain endemic. Though the recent historical record is patchy, it is clear that the country was not among the world's main opium producers until the late 1970s. Opium has been cultivated and consumed in the region for centuries and there is some evidence that opium poppy has been a traditional crop in parts of Afghanistan since the 18<sup>th</sup> century. With the emergence of the international drug control system in the early 20<sup>th</sup>

century, a clearer historical picture begins to emerge because the government of the country participated in the meetings of the Permanent Central Opium Board<sup>a</sup> under the auspices of the League of Nations in the 1920s and 1930s. Afghanistan did report some opium production, but the amounts were small compared to other reporting countries.

At the Second Opium Conference of 1924 under the auspices of the League of Nations, Afghanistan reported cultivation in the provinces of Herat, Badakshan and Jalalabad. It was reported that "opium ceased to be a government monopoly and any person may deal in it"<sup>[1]</sup>. At this time a 5% export duty was levied upon opium under the Afghan Customs authority. In 1932, the first year for which estimates of production are reported, Afghanistan produced 75 tons of opium. China, in comparison, produced about 6,000 tons in the same year<sup>[2]</sup>. The area under cultivation in 1932 was reported to be less than 4,000 hectares. (In comparison, 82,000 ha were under cultivation in 2000). Reports on opium exports from Afghanistan in the late 1930s, though fragmentary, establish that opium production was limited, in the order of magnitude of less than 100 tons per annum.<sup>[3]</sup> Afghanistan prohibited opium production in 1945, although continued smuggling through India was reported after the ban<sup>[4]</sup>. In 1956, Afghanistan reported production of only 12 tons of opium<sup>[5]</sup>.

In November 1957, another law prohibiting the production of opium was promulgated. The United Nations Commission on Narcotic Drugs considered this, and in the debate it was noted that the solution of the serious economic problems attendant on the prohibition of opium production was of cardinal importance, because the failure to address this had been a material factor in Afghanistan's abrogation of a policy of prohibition on a previous occasion<sup>[6]</sup>. This was a clear indication that the government was growing concerned about the production of opium within its borders. The concern probably led to the country removing itself from what could otherwise have been a viable export market. In the previous year, 1956, Afghanistan had requested official recogni-

a) The predecessor of the International Narcotics Control Board (INCB).



Note: Boundaries and names shown and designations used on this map do not imply official endorsement or acceptance by the United Nations.

tion as a state producing opium for export at the Commission on Narcotic Drugs<sup>[7]</sup>. This was superseded by the ban of 1957. Subsequent reports indicate that the government was not able to enforce the ban fully and sought international assistance to address the problem. During the 1961 Plenipotentiary Conference for the adoption of a Single Convention on Narcotic Drugs the country was listed among those “in which narcotics constitute a serious problem”<sup>[8]</sup>. It should be noted, in this context, that a clear distinction between licit and illicit opium production was only established after the adoption of the 1961 Convention<sup>b</sup>.

During the 1960s and 1970s, Afghanistan’s state-directed economic development was dependent on foreign aid. In the 1960’s, for instance, foreign aid accounted for 40% of the budget<sup>[9]</sup>. Controlling opium production also became dependent upon securing international assistance. Though production was at relatively low lev-

els, the government’s efforts to impose the ban were constrained by the availability of resources. The report of the International Narcotics Control Board in 1970 noted that while opium production was forbidden by the Afghan government, the outflow of opium into adjoining regions indicated that the ban was not being enforced<sup>[10]</sup>. In 1971, the view was expressed at the Commission on Narcotic Drugs that “the attitude of the government of Afghanistan was perhaps too passive,”<sup>[11]</sup> in response to Afghanistan’s recognition that illicit opium production was increasingly taking place and its stated inability to achieve a significant suppression of production. As early as 1972 the Board listed Afghanistan among those countries which presented the strongest immediate challenge in terms of control of illicit production and traffic. Turkey abolished opium production in 1972, and it was already clear that Afghanistan could become an alternative source of supply<sup>[12]</sup>. The same year the Board sent representatives to

b) Though the 1953 Protocol began this process of regulating the cultivation of opium poppy, it was only with the 1961 Convention that the cultivation and production of opium were brought under comprehensive control; see I. Bayer and H. Godse, “Evolution of international drug control, 1945 - 95,” *Bulletin on Narcotics*, Vol LI, 1 and 2, 1999, pp. 1-17.

Kabul to review the situation and concluded that the capacity of the country to effectively implement drug control policies was low. The most acute problem was found to be in Badakhshan. Representatives of the United Nations Food and Agriculture Organisation were also in the delegation with a view to initiating projects for crop substitution and community development<sup>[13]</sup>.

After the war began in 1979, the government lost control of the countryside. The rural economy deteriorated as a result of the fighting (food production fell by half to two thirds) and this meant that growing urban populations were depending more on government assistance<sup>[14]</sup>. Both sides of the war relied on imports of arms and cash, which resulted in a rapid monetization of the economy<sup>[15]</sup>. By the 1980's there were indications that the *mujahideen* were using the production and sale of opium to finance some weapons needs. An increasingly structured and formalized economic system grew from this nascent "drugs for arms trade." Opium was one of the only commodities which could generate enough income for large scale arms purchases. Shrinking sources of illicit opium for international markets - Iran effectively prohibited poppy cultivation after the 1979 revolution<sup>[16]</sup> - again made Afghanistan an alternative source of supply.

#### OPIUM PRODUCTION FROM 1979 TO 1989

From 1979 opium production began to increase in Afghanistan. This is shown in Figure 1 which also shows Afghanistan's share in world production from 1980 to 2000. The marked increase from 1987 onwards probably indicates a shift in agricultural livelihood strategies as the collateral damage from years of intense fighting destroyed other income generating activities.

The growth in cultivation (see figures in the following section) though data is only available from 1986, shows the same picture. Of Afghanistan's total land area of 65 million ha, only an estimated 8m. ha are considered to be arable, and it is thought that less than one half of that is cultivated every year, some 2.6 million hectares<sup>[17]</sup>. From 1958 until 1978, 85% of the then total population of 15 million lived in the countryside, and most of the rest were involved in one way or another with rural enterprise<sup>[18]</sup>. Almost 90 percent of all food and agricultural crops were harvested on irrigated land<sup>[19]</sup>. In 1978, just prior to the outbreak of the war, three quarters of Afghanistan's farmers had access to and could afford fertilizers<sup>[20]</sup>.

Between 1979 and 1989, and especially in the latter half of this period, regular agricultural production was severely disrupted. About one third of all farms were abandoned. Between one half to two-thirds of all villages were bombed; between one quarter and one third of the country's irrigation systems were destroyed<sup>[21]</sup>; and, the amount of livestock fell by 70 percent<sup>[22]</sup>. By

1988 total food production had declined to around 45% of the level prevailing before 1979, the number of live-stock had fallen precipitously and the country was importing 500,000 metric tons of wheat annually from the Soviet Union<sup>[23]</sup>. The reduction in fertilizer availability and affordability would have lowered crop yield further; in some areas, fertilizer use declined by 90 percent<sup>[24]</sup>.

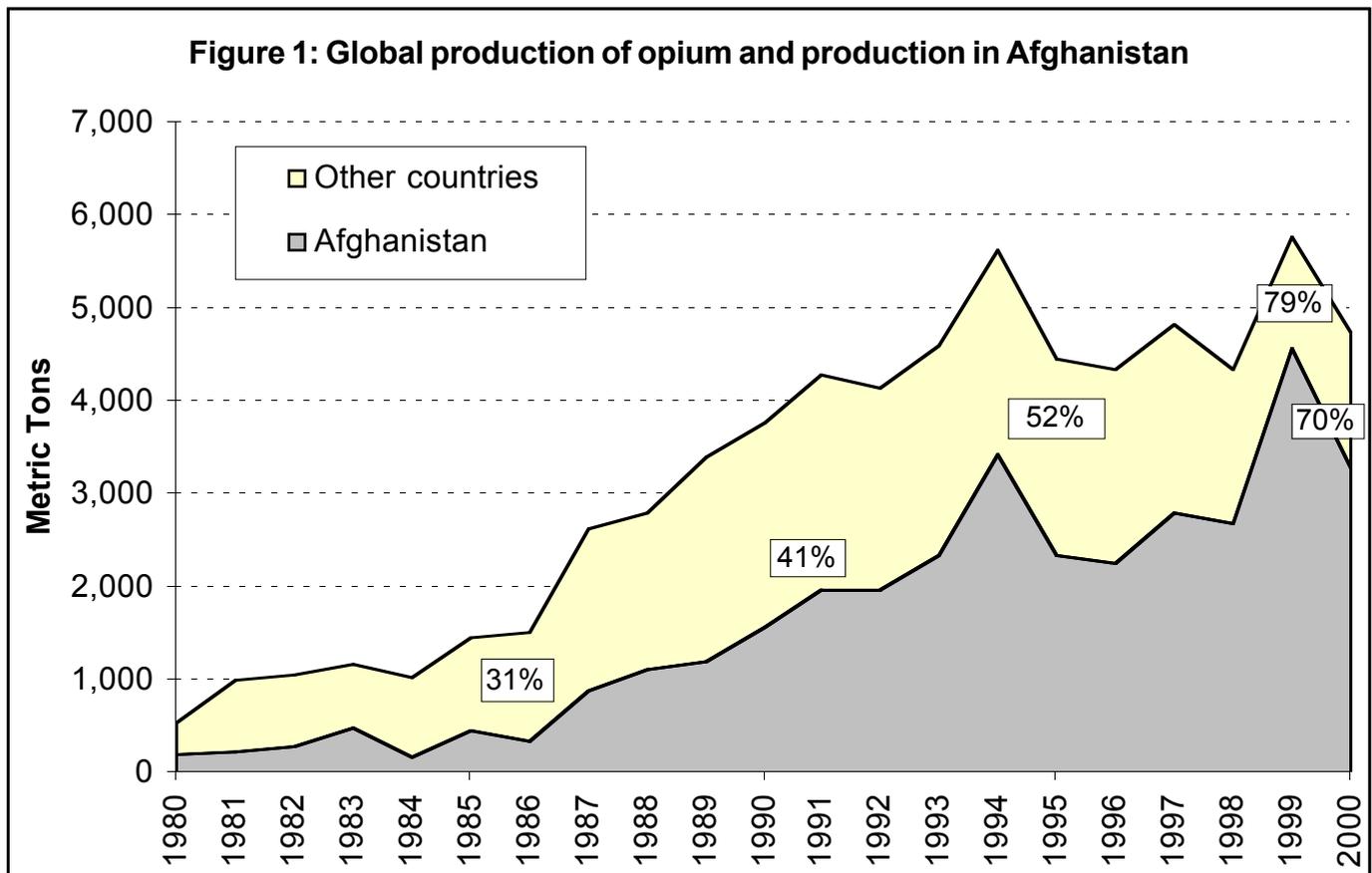
All of this went hand in hand with a severe depopulation in the rural parts of the country. Between 1978 and 1989, some 9 percent of the Afghan population were killed; another third fled the country; 11 percent became internal refugees, many heading to the urban centers<sup>[25]</sup>.

As noted above, the 1970s witnessed basic changes in the illicit opium market. Between 1972 and the early 1980s three main sources of opium production, Iran, Pakistan and Turkey, were enforcing bans or severe drug control laws, creating an opening for other sources of opium in South-West Asia<sup>[26]</sup>. In the 1980s, the trend became clear: just as internal factors were leading to an upswing in Afghan opium production, external factors were opening major markets, ensuring the economic viability of this production. Afghanistan's major role in the global production of opium thus became established during this period (see Figure 1).

#### THE "OPIUM ECONOMY"

By 1989, the production of opium, which had reached 1,200 tons, and was 35% of global production, had firmly established itself in the country as a major source of income generation. (see Figure 1) Over ten years, opium production had effectively been included in the livelihood strategies of individual farmers, itinerant labourers and rural communities for a variety of reasons. These changes were barely noticed, since the civil war continued to attract all the attention. The withdrawal of Soviet troops, the dissolution of the Soviet Union and the end of the Cold War changed Afghanistan's geo-strategic situation at the beginning of the 1990s. Yet peace remained elusive, the civil war continued, and the opium economy became firmly entrenched in the country through the 1990s.

The average annual growth rate for the production of opium in Afghanistan was 14% between 1979 and 1989. It accelerated to 19% between 1989 and 1994. Opium production accelerated after the Soviet withdrawal for two reasons: first, it provided a viable source of income for warring factions; and secondly, it had proven itself to be a viable crop for cultivation and rural livelihood and unlike the destroyed licit agricultural sector, had developed systems and infrastructure which actually functioned. After the Soviet withdrawal and through the mid 1990s, when the Taleban took control of most of the country, sources of external support and patronage of the various fighting factions lessened<sup>[27]</sup>. This forced



factions, which were still fighting to gain new spheres of influence, to devise new sources of financing. As war raged in Afghanistan, opium became an important method of generating income and thereby, almost intrinsically, developed further the systems of investment and growth which had begun in the 1980s. By 1989 the production of opium had reached a critical mass. The “opium economy” was firmly in existence, providing funding for various activities when patronage dried up. Also, by the beginning of the 1990s the increasing monetization of the economy necessitated by the war had created incentives for cash based activities. Among these, the cultivation of opium emerged as one of the most lucrative for a large sector of the population<sup>[28]</sup>.

The ability of the government to continue allocating resources remained constrained for obvious reasons after 1989. Few resources were allocated to the agricultural sector; when they were, the allocation was inefficient. Though, as late as 1992, the government was still providing wheat subsidies to selected provinces, they were often badly coordinated. The lack of coordination often resulted, for example, in a disruption of the wheat supply from one province to another, giving an unintended incentive for the cultivation of opium poppy<sup>[29]</sup>.

By the late 1980s, the breakdown of any form of governance in Afghanistan resulted in a weakening of social and legal constraints on the cultivation of opium poppy.

While at various points in its history the cultivation of opium poppy was actually forbidden, or *haram*, under Islam, this did not prevent people from cultivating it. Although economic considerations were often given priority over religious customs, the acceptance of the agricultural tax, now known as *ushur*, by mullahs and the local authorities, was often interpreted by farmers and itinerant workers as implicit support for the cultivation of opium poppy<sup>[30]</sup>.

By 1989 those involved in the cultivation, harvesting and production of opium, including both peasants and landless labourers, had been involved in it for at least a decade. They had developed and expanded know-how and technical expertise and were using established markets, infrastructure and trading systems. Though a large amount of roads and transport infrastructure had been destroyed by the fighting, the various factions had a direct interest in maintaining those necessary for the opium trade - giving opium a market of increasingly viability while markets for other crops continued to be underdeveloped.

The harvest of opium poppy, although labour intensive, had proven to be a “sustainable alternative” in the prevailing circumstances. Opium itself is durable and commanded a higher price on average. Also, because fresh opium can be retained and stocked by farmers and sold later as dry opium, the product itself gave farmers cru-

**Box 1: Opium as a livelihood strategy** <sup>[36]</sup>

In and of themselves, the effects of war on the agricultural sector would argue against the selection of opium poppy as a cash crop in Afghanistan. The decrease in available farm labour would in particular make cultivating opium poppy an unattractive option. The fragility of the opium poppy, and the shortage of fertilizers during the war would militate against its large-scale cultivation in Afghanistan. Nevertheless, surveys have found that opium poppy in Afghanistan is grown on the best land, and on the best *irrigated* land, with much of the available fertilizer devoted to its cultivation.<sup>[37]</sup> This apparent paradox can be explained by the strong financial incentives for poppy cultivation. Another factor that helps explain the high profitability of opium is its physical durability. This makes it a precious commodity in situations of severely damaged transport infrastructure. It is estimated that nearly 60 per cent of Afghanistan's road network was destroyed during the conflict<sup>[38]</sup>. What distinguishes opium from perishable produce is the fact that, even when roads are destroyed to the extent that they were during the series of armed conflicts in Afghanistan, the investment made in poppy cannot be jeopardized by longer travel times to the market. Furthermore, opium's high cash value/volume ratio can in part offset its high labour requirements; the labour invested in it can, at least in part, be made up by less travel time per unit of profit. In terms of household level decision-making, opium provided a low-risk strategy in a high-risk environment.

**Opium as source of credit**

With no formal system of credit in place in Afghanistan, one of the reasons for the entrenchment of the opium economy is because of its value to people as a source of credit. Similar to formal systems of credit elsewhere, opium is used by the landless (about one third of the population) in Afghanistan to obtain basic human needs, such as food, clothes and medicine. Amongst the wealthier and land owning groups it is used to facilitate productive investment in agricultural production, not only of opium poppy but of other crops as well.

A typology of the different types of informal credit systems operating in opium growing regions would include: the advance sale of a fixed amount of agricultural production, the delayed payment for commodities from shopkeepers or traders, and interest free loans from immediate or extended family members. A significant number of households in Afghanistan obtain advance payments, known as *salaam*, on future agricultural production (including opium, wheat and black cumin). The findings of one UNDCP study indicate that this a widespread and accepted system<sup>[39]</sup> of informal credit. While *Salaam* provides advanced payments on wheat and black cumin, in the poppy growing districts, the majority of farmers receive advance payment on the opium crop. Much of this has to do with the nature of the crop itself. Opium poppy is a very dependable crop. In times of drought for example, it is considered to be more dependable than wheat or black cumin. Because of this and because of the complex system of credit which arose, opium is considered by many to be the optimal crop for recourse to credit. Opium is also one of the commodities which can be purchased and resold as a means of obtaining loans under the so-called *anawat* system: commodities are purchased on credit, at an agreed price which is considerably higher than the cash price.

Because opium is relatively non-perishable and maintains a relatively stable value (in terms of local currency), it is also used as a means of household saving. It is known that because of small price differentials between regions, opium can be used for short-term financial speculation by those with disposable income. Lenders can include family members, landlords and commercial traders -- this enables almost any individual involved in the trade to access the market for credit, allowing households to spread their liabilities across a range of lenders, rationally hedging all investments similar to any other system of credit.

**The expansion of production in the context of the lack of other income generating activities**

The expansion of opium poppy cultivation over the last two decades is related to the absence of non-farm income opportunities in the country. A large portion of the economy of Afghanistan has always been agriculturally based, with a large portion of agricultural production taking place at the subsistence level. However, even the agricultural sector is structurally weak largely due to the absence or destruction of appropriate infrastructure and the lack of any significant development. In the main, agricultural production in Afghanistan is characterised by poor marketing, small landholdings, no formal recourse to credit and an extreme shortage of irrigation.

One UNDCP study found that when the cultivation of opium poppy is first introduced to an area it tends to be grown on relatively small plots of land by a small number of households in a limited number of villages. However, the process of expansion in the second or third years can be significant, with increasing numbers of households emulating their neighbours by cultivating opium across an increasing number of villages within the district. The study further discovered that the labour intensive nature of the crop was thought by farmers to be the major cost associated with its cultivation. For this reason, many households were found to cultivate opium poppy at a level that was commensurate with the supply of household labour or reciprocal labour arrangements, particularly in its initial year of cultivation<sup>[40]</sup>.

**The role of opium in the labour market especially for itinerant harvesters**

Opium poppy is a labour intensive crop and the majority of households require hired labour during the opium poppy harvest. Estimates suggest that approximately 350 person days are required to cultivate one hectare of opium poppy, compared to approximately 41 person days per hectare for wheat and 135 person days per hectare for black cumin. Harvesting alone is reported to require as much as 200 person days per hectare<sup>[41]</sup>. Therefore, the majority of opium producing households require hired labour during the opium planting harvest. In many cases this hired labour migrates from other districts in search of opportunities to cultivate opium poppy. A UNDCP study found that in Helmand province, the largest producer of opium in Afghanistan, only 20% of the hired labour originates in the province.<sup>[42]</sup> To spread the demand for both hired and family labour during the harvest period, households cultivate different varieties of opium poppy with differing maturation periods. Differences in climate across Afghanistan mean that the opium poppy harvest is staggered throughout the season. Opium poppy provides an important source of income for some of the population in poppy growing areas. A large number of itinerant harvesters in Afghanistan are also subsistence farmers who own land themselves. In some cases they travel to harvest opium and return home to harvest rain-fed wheat from their own land.

cial collateral to use for access to credit and investment. The stocks of dry opium play an important role in the overall price structure for the crop, enabling farmers to hedge against both oversupply and under-production. The different ways in which the production of opium had become incorporated into the livelihood strategies of agricultural communities is discussed in greater depth in Box 1.

Through the early 1990s the civil war continued and all economic activity was increasingly subordinated to supporting the power struggles between the various factions. A large industry had arisen to provide the infrastructure - transport, communications, arms, and protection - which the warring factions needed to retain their zones of influence. This was one component of a new war economy which grew up in Afghanistan; the other two components were a transit trade linking the region and the opium trade<sup>c</sup>. Food prices rose by factors of five or ten and the government financed its growing budget deficits by printing money<sup>[31]</sup>. The government was increasingly isolated, the areas under its control contracted and by 1994 the faction known as the Taliban<sup>d</sup> emerged as a major contender in the struggle. The Taliban took the city of Qandahar, concentrated in the southern provinces and had seized Kabul by 1996. Today they control most of Afghanistan with only areas in the north (the location of the opposition groups, loosely termed the Northern Alliance) outside their control.

### OPIUM PRODUCTION, 1994 TO 2000/2001

By 1994, the area under opium poppy cultivation had expanded to 71,500 hectares, and production reached 3,400 tons. In 1995, the overall production of opium decreased by one third primarily because the bumper harvest of the previous year, coupled with dropping opium prices (which decreased by 30% in dollar terms), acted as a disincentive to cultivate. Increased law enforcement efforts by Iran apparently restricted Afghan opium exports and therefore contributed to the decline of opium production<sup>[32]</sup>. According to the UNDCP Annual Opium Poppy Survey of 1995 farmers reported that they would wait for prices to rise before selling the large stocks accumulated from the 1994 harvest. Another interesting finding from the 1995 Survey was that it was

in the irrigated districts where the reductions in the acreage of opium cultivation was most marked. These were also the areas where wheat yields were found to be high<sup>[33]</sup>. Production remained at roughly the 1995 levels until 1998.

In 1999, however, the production of opium increased dramatically to 4,600 tons, almost twice the average production of the previous four years. The area under cultivation increased by nearly a third, to 91,000 hectares. Amongst the factors fuelling the strong increase in cultivation were very high prices for opium, due to a poor 1998 harvest, and ideal weather conditions. Because the 1998 harvest was poor, farmers had experienced shortfalls in savings and credit payments, necessitating an increase in cultivation the following year. Most of the increase took place in Helmand, followed by Nangarhar, and a number of other provinces which had never before cultivated opium poppy. The value of the crop at farmgate prices at harvest time was estimated at US\$251mn in 1999<sup>[34]</sup>.

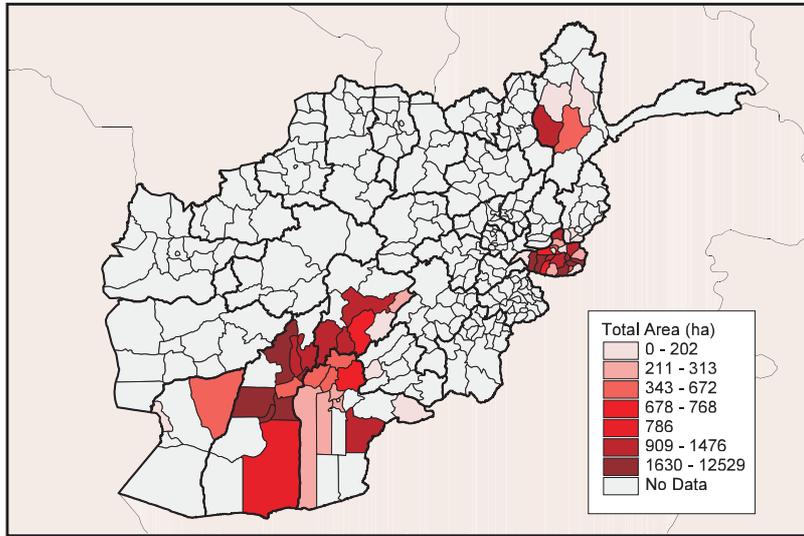
The international isolation of the Taliban regime over its violations of human rights, support of terrorism and increasing opium production led to the Security Council imposing sanctions on Afghanistan in October 1999<sup>[35]</sup>. A month earlier, in September, the Taliban issued a decree ordering all poppy farmers to reduce their cultivation area by one third. The UNDCP survey indicated that the actual reduction achieved by the decree was about 10%. Total cultivation, however, fell in 2000 by 28% due to the added effects of a severe drought. According to UNDCP's Annual Opium Poppy Survey, 3,300 tons of opium were produced in Afghanistan in 2000, down from more than 4,600 tons in 1999. The drought, which has affected Afghanistan since early 2000, had a significant impact on the yield of opium poppy crops. The national average yield for poppy in the 2000 season was found to be 35.7kg/ha, down from 50.4 Kg/ha in 1999. The yield on rainfed poppy was only 18.5kg/ha.

There were 82,200 hectares of opium poppy under cultivation in the country in the 2000 season, representing a reduction in total poppy area under cultivation of just under 10% on the 1999 estimate of 91,000 hectares

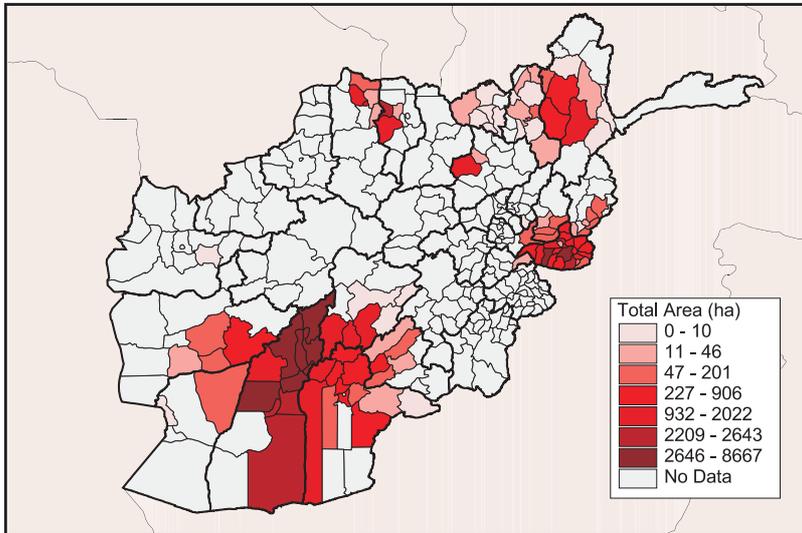
c) The trade originates in the Afghan Transit Trade Agreement (ATTA) under which goods can be imported duty-free in sealed containers into Pakistan, for onward transmission to land-locked Afghanistan. This trade gradually developed in a reverse direction from the 1980s, with goods originating in the Persian Gulf and transiting Afghanistan. It is thus known as the transit trade. The infrastructure of the trade began to be used for drugs and arms, and came firmly under Taliban control after 1996, when they consolidated their hold over practically all the country's roads, cities, airports and customs posts (see a detailed analysis of the transit trade in Rubin, *op. cit.* pp. 1793-95).

d) The Taliban movement grew out of the Afghan diaspora of the 1980s. The emigration or destruction of the elites, the collapse of the state and even the little public education it provided, created a vacuum. No education was available to young Pushtun refugees, who concentrated in the border provinces of Pakistan and Afghanistan. A network of *madrasas* (Islamic academies) dominated by *ulema* (Muslim priests) grew up to supply the education. Drawn from the conservative Deobandi tradition (a movement which began in 19th century India to combat modern and secular traditions in Islam; see Francis Robinson, *Separatism among Indian Muslims*, Cambridge University Press, 1975), these *madrasas* and *ulema* were supported by foreign aid from countries which sought to bolster anti-Soviet movements in the country. The social capital created in the *madrasas* banded together to create the Taliban movement, whose objective was to resist warlordism and corruption (see Rubin, *op. cit.*, pp. 1794, 1797, and W. Maley, *Fundamentalism Reborn? Afghanistan and the Taliban*, New York, St. Martins Press, 1998).

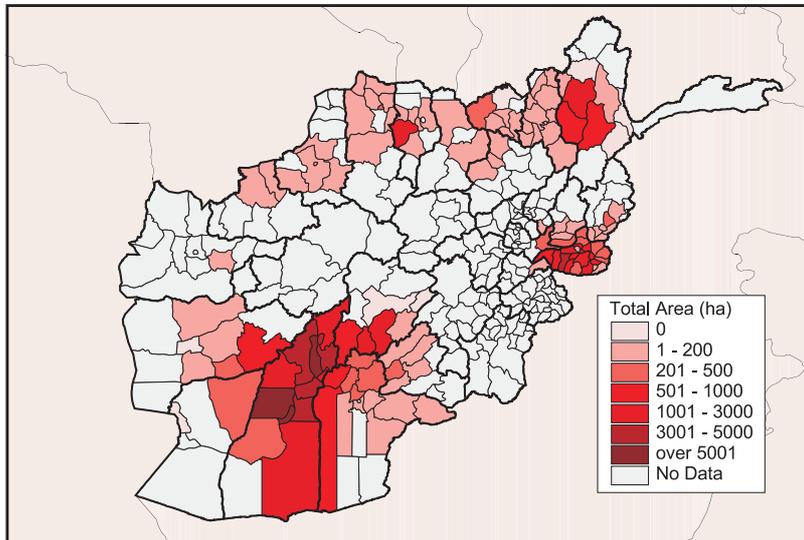
### Afghanistan: Opium Poppy Cultivation, 1994



### Afghanistan: Opium Poppy Cultivation, 1999



### Afghanistan: Opium Poppy Cultivation, 2000



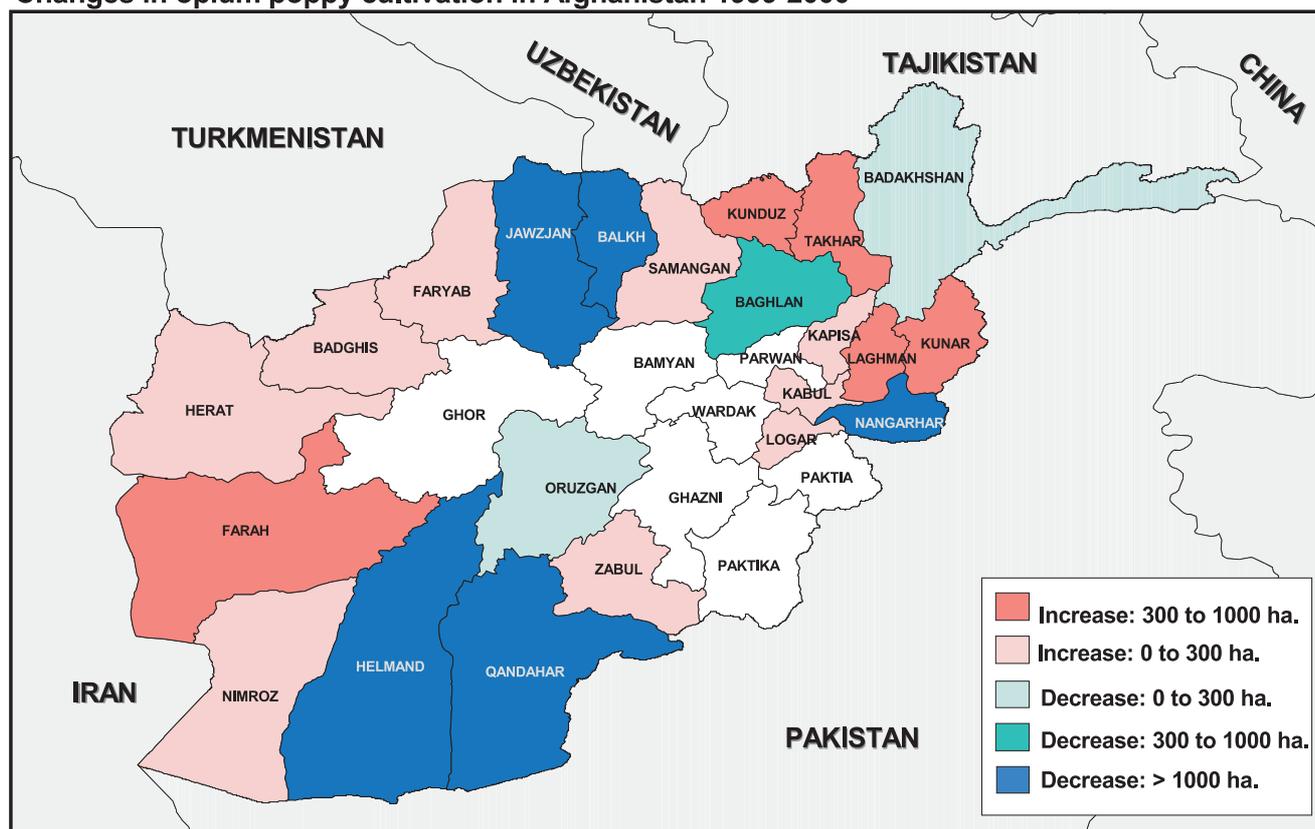
Source: UNDCP

**Table 1: Opium Poppy Cultivation in Afghanistan, 1994-2000**

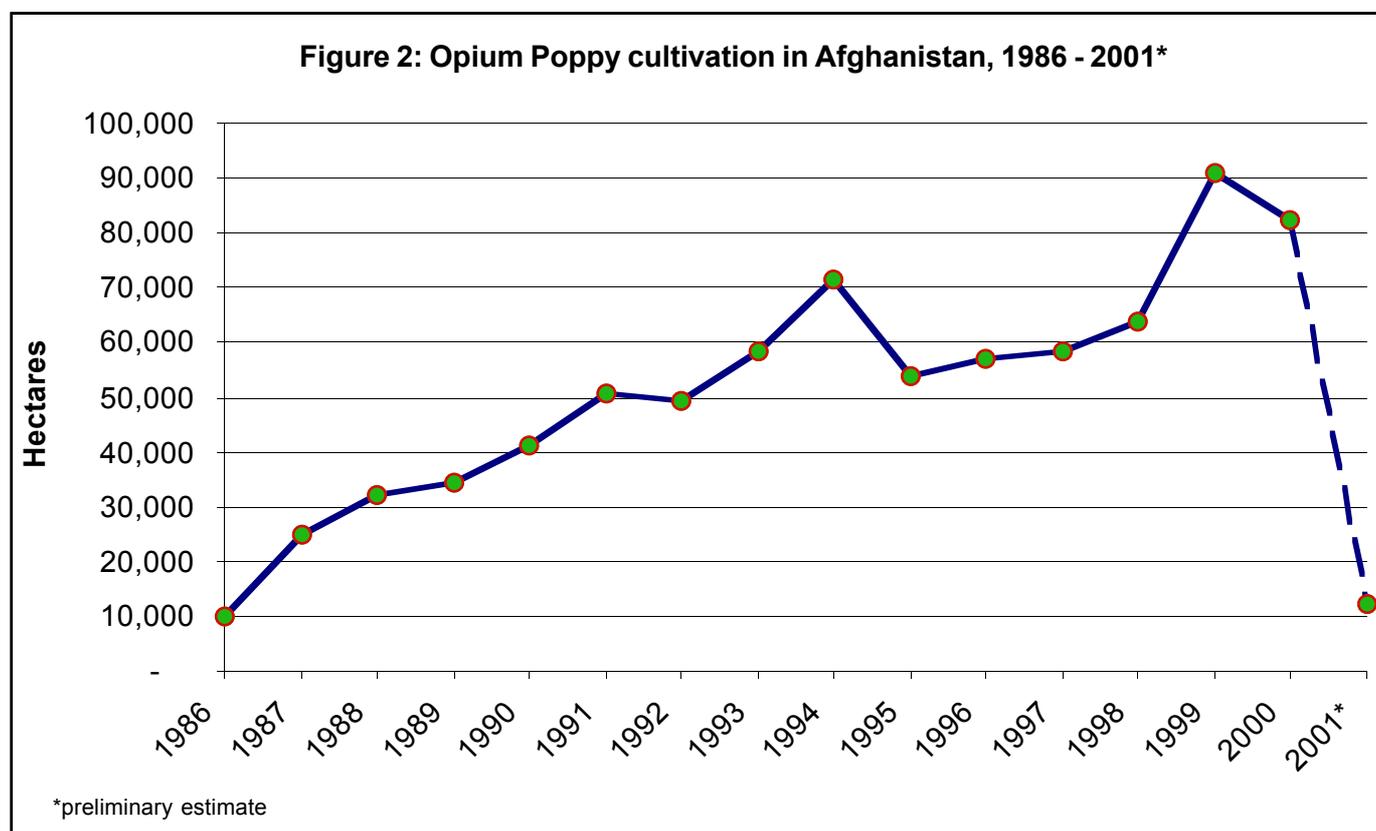
(hectares)\*

Province	1994	1995	1996	1997	1998	1999	2000	% of total cultivation	change 1999-2000
Helmand	29,579	29,753	24,909	29,400	30,673	44,552	42,853	51.90%	-1,699
Nangarhar	29,081	15,722	15,643	14,567	17,822	22,990	19,747	23.90%	-3,243
Oruzgan	6,211	2,573	7,777	4,587	4,288	4,479	4,331	5.20%	-148
Qandahar	4,034	2,461	3,160	4,521	5,602	6,032	3,427	4.20%	-2,605
Balkh			1,065	710	1,044	4,057	2,669	3.20%	-1,388
Badakhshan	1,714	2,970	3,230	2,902	2,817	2,684	2,458	3.00%	-226
Farah		9	630	568	171	787	1,509	1.80%	722
Kunar	115	152	19	-	75	288	786	1.00%	498
Jawzjan						2,593	746	0.90%	-1,847
Zabul	54		255	154	161	611	725	0.90%	114
Laghman	-	-		-	77	297	707	0.90%	410
Takhar						201	647	0.80%	446
Kunduz						38	489	0.60%	451
Herat							382	0.50%	382
Kabul						732	340	0.40%	-392
Nimroz	682	119	136	642	11	203	219	0.30%	16
Baghlan				328	929	1,005	199	0.20%	-806
Kapisa						5	104	0.10%	99
Samangan							54	0.10%	54
Logar	-	-	-	-	4	29	46	0.10%	17
Badghis							41	0.00%	41
Faryab							36	0.00%	36
<b>Total</b>	<b>71470</b>	<b>53,759</b>	<b>56,824</b>	<b>58,379</b>	<b>63,674</b>	<b>91,583</b>	<b>82,515</b>	<b>100.00%</b>	<b>-9068</b>

\* blank = province not surveyed

**Changes in opium poppy cultivation in Afghanistan 1999-2000**


Source: UNDCP



Source: UNDCP

(see Figure 2). Ninety two per cent of the opium cultivated in Afghanistan occurs in six provinces<sup>e</sup>. In 2000, the top two provinces in terms of area under poppy were Helmand and Nangahar. Helmand accounted for 52% (42,900 ha) and Nangarhar for 24% (19,800 ha) of total area under cultivation, and for 57% and 22% of national opium production respectively<sup>[43]</sup>.

Significant reductions in the area under opium poppy cultivation in 2000 occurred in Baghlan (80%), Balkh (34%), Jawzjan (71%) and Quandahar (43%). With the exception of Quandahar, all of these provinces had reported opium under cultivation for a period of less than four years. Three UNDCP target districts (as part of the UNDCP Pilot Programme in Afghanistan) in Qandahar province and one in Nangarhar province, recorded substantial declines for 2000. Balkh was poppy free until 1996, Baghlan until 1997 and Jawzjan until 1999. The main provinces of cultivation, Helmand and Nangarhar, also experienced reductions in total area under poppy cultivation of 4% and 14% respectively<sup>[44]</sup>. Farmgate prices for fresh opium fell in 2000 to an average of US\$30/kg<sup>[45]</sup>. The value of the entire crop of fresh opium estimated at US\$91 million, roughly one-third the value of one year earlier.

On 27 July 2000, the Taliban supreme leader issued a decree imposing a total ban on opium poppy cultivation on the Islamic Emirate of Afghanistan. Early reports from 2001 indicate that the Taliban ban is being enforced vigilantly<sup>[46]</sup>. A preliminary assessment study in February 2001, which serves as an interim report to UNDCP's Annual Opium Poppy Survey, revealed that a very large reduction of the area under cultivation had occurred in Helmand and Nangahar, as well as in the main poppy-growing districts in the provinces of Oruzgan, Qandahar, Farah, Laghman, and Kunar. These areas, covered by the preliminary assessment, accounted for 86% of all opium poppy found in Afghanistan 2000. If the reductions are as substantial as they appear to be in the preliminary assessment, the area under cultivation could go down by more than two-thirds. It is unlikely, also, that this situation could be offset by changes in production in the so far un-assessed provinces. They accounted for only 12,200 hectares last year, including 3,105 hectares of cultivation in areas under control of the Northern Alliance.

e) The Survey is carried out at the district level. The UNDCP Annual Opium Poppy Survey 2000 surveyed 125 out of the country's 344 districts. Out of the 125 districts surveyed, 123 were found to be cultivating poppy. However, the pattern of district divisions means that only ten of these districts account for 54% of the total national area, and 23 districts account for 73% of total national area. One district in Helmand province alone accounts for over 10% of national poppy area.

### TRAFFICKING

Large scale seizures of opium have taken place in Afghanistan's neighbouring countries, notably Iran, since the early 1980s. Figure 3 shows how closely seizures of opiates in the ECO<sup>f</sup> countries correlate with the opium production levels in Afghanistan.

Afghanistan is the main source of opium, morphine and heroin in Iran, Pakistan, India and Central Asia, and of heroin in Europe. It is also the main source of heroin in some countries along the Arabian peninsula and eastern Africa<sup>[47]</sup>. There are two main routes for the opium trafficked from Afghanistan to European destinations. The first route, the so called "Balkan Route", follows a path which crosses Iran, Turkey, the Balkan states before heading into Europe. Sometimes there is a deviation of this route with drugs crossing the Mediterranean Sea into Italy. The second route grew in importance in the 1990s. Sometimes referred to as the "silk route" it crosses the northern border of Afghanistan

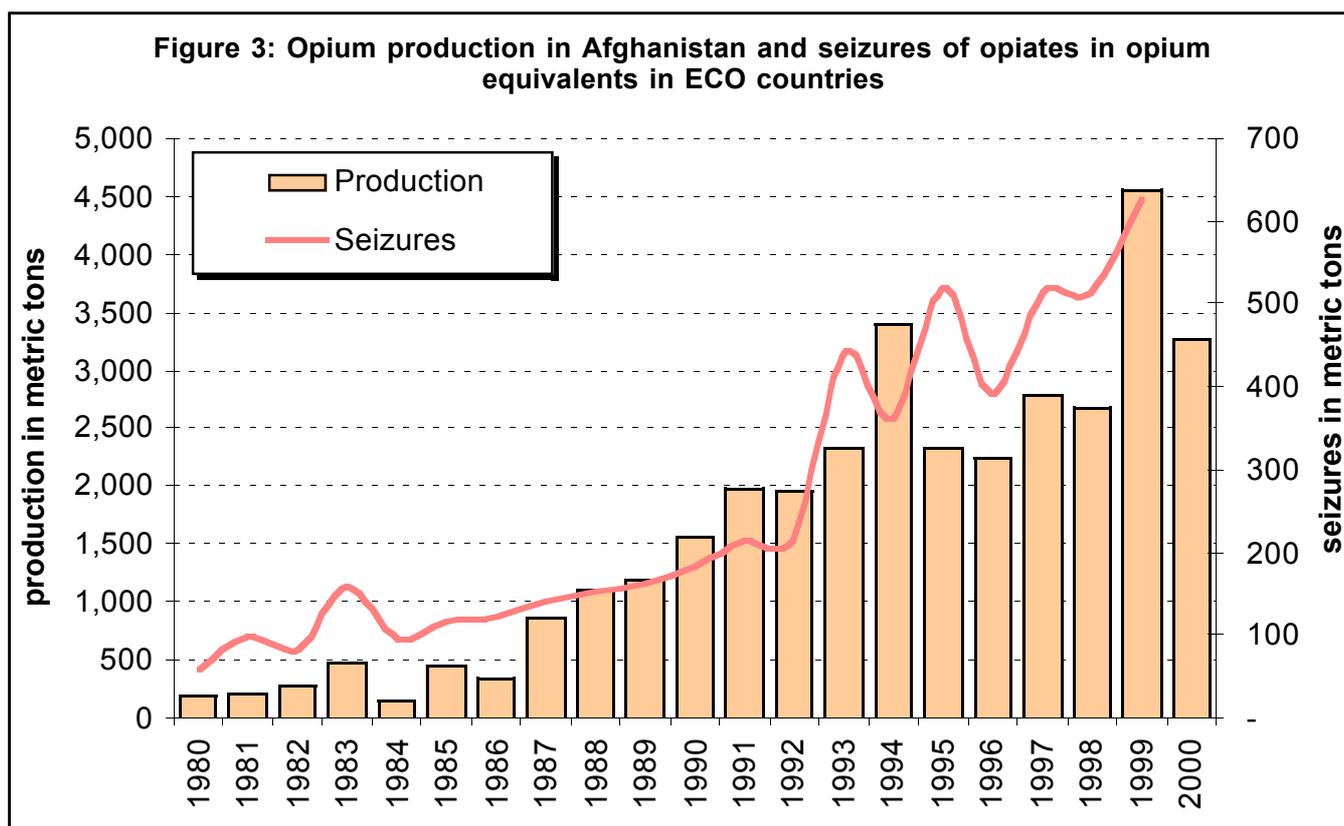
into the Central Asian Republics, then follows European and Asian trade routes - some dating back to the middle ages - into Russia and on through established trade routes to Europe.

The main destination of opiates trafficked from Afghanistan is Europe, including Turkey. Most of the morphine/heroin crossing Turkey is shipped along the Balkan route to final destinations in the European Union (EU) and the European Free Trade Association (EFTA).

Markets for Afghanistan's opiate production have grown in eastern Europe – as an ever increasing portion of total heroin shipments are consumed in countries along the main trafficking routes<sup>[48]</sup>. In response to this, UNDCP and the international community are building a "security belt" around the country with the intention of limiting opiate trafficking.

Seizure statistics also indicate that Afghanistan has become increasingly involved in the actual manufacture of heroin over the last few years. Previously, the actual production of heroin and morphine in laboratories in

Table 2: Seizures of heroin as a percentage of all opiate seizures in Iran and Central Asia, 1995 and 1999			
	1995	1999	Rate of annual growth
<b>Iran</b>			
heroin opiates	2,075.0 25,776.4	6,030.0 49,242.5	31% 18%
heroin as a % of opiates	8%	12%	
<b>Central Asia</b>			
heroin opiates	10.3 355.9	1,354.8 2,308.0	239% 60%
heroin as a % of opiates	3%	59%	



f) ECO countries include: Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan.

Afghanistan was quite rare. The country's opium used to be trafficked across its borders before being processed into heroin in laboratories outside the country, notably in Pakistan, in the border areas with Afghanistan, and in Turkey. This seems to be changing. Discoveries of laboratories in Afghanistan, as well as seizures in neighbouring countries of Central Asia and Iran also seem to confirm this trend. Table 2 shows how the proportion of heroin in opiate seizures has risen from 8% (1995) to 12% (1999) in Iran, and even more substantially, from 3% to 59% in the Central Asian Republics.

## DRUG ABUSE

The abuse of drugs, which is a punishable criminal offence in Afghanistan, is a small but growing problem. While little is known of the actual extent of drug abuse, all available reports suggest that consumption is on the rise, although starting from low levels. In the past abuse was never a significant national problem. There is little historical evidence of traditional opium use among the Pashtuns. It did occur, however, among the Turkomans and Tajiks. Geographically, use of opium was mainly limited to areas in and around Badakshan. The prolonged war has, however, fundamentally altered some of the social norms which have thus far prevented large scale opium abuse. Opium was mainly eaten or smoked and heroin, when available, was usually smoked. There are now indications – such as the finding of significant numbers of hypodermic needles – that injecting drug use has been increasing recently, notably among refugees returning from camps in Pakistan. The increasing number of heroin laboratories in the country is also thought to have had an effect on the domestic abuse situation and could exacerbate it as higher quality heroin finds its way into a domestic market. White heroin of 85% purity has recently been identified in the country<sup>[49]</sup>. One of the main reasons given by the Taleban for their decree forbidding the planting of opium poppy was the fear of a rapid increase in abuse amongst the country's youth, notably in eastern Afghanistan<sup>[50]</sup>.

## OUTLOOK

Afghanistan is likely to remain one of the world's poorest and least developed countries for the foreseeable future. Twenty one years of protracted instability, war and political unrest have led to malnutrition, extreme poverty, illiteracy, and the world's fourth highest rate of child mortality<sup>[51]</sup>. Afghanistan's continuing war and resultant human development crisis have made it an insecure and threatening place for its roughly 23 million inhabitants<sup>[52]</sup> - half of whom are under 18 years of age<sup>[53]</sup>. Human development, according to the United Nations Development Programme's 1996 *Human Development Report*<sup>9</sup>, was almost the lowest in the

world, ranking number 169 out of the 175 countries covered in the report's Human Development Index.

There are indications that the country's development situation will deteriorate in the future. Approximately 12 million people have been affected by the severe drought (with three to four million severely affected) which began in Afghanistan at the beginning of 2000. The World Food Programme/Food and Agriculture Organisation's June 2000 Crop Assessment survey found that for the 2000/2001 harvest period there is an estimated shortfall in production of 2.3 million metric tons (or 57% of the national cereal requirement and double the 1999 deficit)<sup>[54]</sup>. The FAO estimates that 300,000 tons of wheat seed is planted annually in Afghanistan. In 2000 there was an estimated minimum deficit of 60,000 tons of seed as a result of either widespread production failure, forced consumption for food or poorly formed grains that will not germinate. In the autumn of 2000 it was thought that with no possibility of mobilizing more than 6000 tons of additional seed, upwards of 400,000 farmers missed the winter 2000 planting season due to lack of seed,<sup>[55]</sup> and it is now clear that many farmers and subsistence growers will not have enough seeds for the 2001 harvest. Daily wages for farm labourers have declined from seven kilograms of wheat per day to one kilogram per day<sup>[56]</sup>. Livestock herd sizes are down by as much as 50 to 75%. Households are thus expected to begin the 2001/2002 planting cycle with virtually no productive assets<sup>[57]</sup>. The worst drought in 30 years, the ongoing conflict and the deprivation and disease they cause will lead to continuing large scale population movements. More than 200,000 people were reported to have moved in the autumn of 2000. Many people will continue to flee to border areas or across borders, while the remainder could join the growing streams of people moving to already over-burdened urban areas<sup>[58]</sup>. The population remaining in the countryside is equally vulnerable to hunger and food shortages.

The very large potential decline in opium production revealed by the 2001 preliminary pre-assessment will have an effect on the amount of opium, heroin and morphine available on the international market, but it is too early to gauge its specific impact. Accumulated stocks from last year's harvest are bound to have a short-term effect on the market, but the extent of these stocks is unknown. There is some indication that prices are responding predictably to the contracting supply of fresh opium. According to the most recent price data available to UNDCP there was a dramatic increase in the price of opium between June 2000, when a kilogram sold for between US\$35 and US\$50, and February 2001, when a kilogram sold for between US\$200 in Nangarhar and US\$350 in Helmand. In the medium-term this could raise incentives for farmers to plant opium.

g) The last year for which statistical data was available.

In terms of the future, some indication can be drawn from looking backwards and reviewing the last two decades of opium production. Three observations, noted at the outset, are salient: poppy cultivation has grown in circumstances of endemic conflict and lack of effective government; the devastation of agriculture and economic infrastructure made opium production a viable alternative; and poppy cultivation gained widespread acceptance as a livelihood strategy among many rural households. Yet the outlook is contingent upon a good deal more than the "opium economy" in the country. Afghanistan's regional importance is still considerable. It was noted above that as opium production grew over the last twenty years, Afghanistan also became an open war economy, the lynchpin in a vast regional trade of arms, gemstones and many different kind of contraband. A World Bank study estimated this contraband trade to be worth \$ 2.5 billion in 1997, equivalent to nearly half of Afghanistan's estimated GDP. The same study estimates that the Taliban derived at least US\$ 75 million from taxes on this trade<sup>[59]</sup>. The value of the

entire opium crop in 2000, at farm gate prices, was estimated to be \$ 91 million<sup>h)</sup>; Taliban taxes on it, even on the assumption that the traditional 10% (*ushr*) and 20% (*zakat*) taxes were imposed, would have amounted to no more than \$ 27 million,<sup>[60]</sup> which is a lot less than the taxes on the transit trade.

It follows, therefore, that Taliban losses from the stronger Security Council sanctions imposed as of January 2001<sup>[61]</sup>, which also effect trade, would be greater than from tax losses resulting from the ban on opium cultivation. Sustaining the ban and the potential drop in opium production thus implies dealing simultaneously with the drug problem and the larger geo-strategic problem of Afghanistan. Supporting agricultural livelihoods, preventing displacement of opium cultivation and building a security belt around Afghanistan will need to be balanced with strategies to close down the war economy, which is both a cause and an effect of the endemic conflict in the country.

h) This is only a tiny portion of the final street price of the drugs. That price reflects the risk-premium that is added after the drugs leave the country of production, and enter the international trafficking chain (see UNDCP, *World Drug Report 1997*, Oxford University Press, pp. 122-142).

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18. *Afghanistan Rehabilitation Strategy: Action Plan for Immediate Rehabilitation*, Volume IV, "A Report of the Agricultural and Alternative Cropping Expert," United Nations Development Programme, Kabul, Oct. 1993, p10.
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