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AFGHANISTAN AND ITS NEIGHBOURS: ISSUES OF DRUG PRODUCTION AND TRAFFICKING

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Introduction

Afghanistan is the main supplier of opiates to global markets. Throughout the last 20 years the Afghan share of the world opium production has constantly increased: in 1992 it was the 40 percent, in 1999 the 75 percent and recently (2007-and 2008) it has peaked to 90 percent. Persistent conflict, weak rule of law, and loose control of the central government over the country's peripheries are the factors which contributed to make Afghanistan a favourable terrain for the establishment of drug production, and they

also constitute the main obstacles towards the eradication of poppy plantations in the post-Taliban period. According to UNODC at least the 10 percent of the total population is involved in opium cultivation, while the drug economy accounts for 40/50 percent of the (opium-inclusive) GDP.¹ Such numbers show how the drug trade represents one of the most lucrative economic activities in the country; thus an in depth analysis of its dynamics is necessary to understand broader political-economic processes in today's Afghanistan.

Drug routes were established in the '80es at the time of the Soviet occupation and were used by the mujahedeen to raise funds for their armed resistance. Later on, when the Soviet troops withdrew and Afghanistan lost its strategic relevance, the drug trade increased its importance as a source of income for the Afghan warlords, thus more and more land went under poppy cultivation. The situation on the ground did not change much after the start of operation Enduring Freedom: the Karzai's government has not been able to enforce a ban on opium production, and this is due to the historical problem of the weak rule that the center exerts over strongmen and power broker in the peripheries.

A wide number of subjects are active in the drug economy, and the motives behind their choice of "going illegal" vary: peasant and labourers get involved out of necessity, traffickers and wholesalers because they seek to accumulate capital, while political/military actors directly or indirectly participate to the drug business as this is a way for them to exert control over local economies. There are three areas where poppy plantations were concentrated, respectively Helmand in the south, Nangarhar in the East and Badakhshan in the north-east. Recently production has steadily increased in Helmand, while in the latter two provinces the trend is toward reduction. Export routes exist in all the countries that border Afghanistan: it is estimated that about 40 percent of opiate shipments transit trough Iran, an equal amount trough Pakistan, and the remaining 20 percent trough Central Asian republics.² A consistent portion of the opiates produced in Afghanistan are destined to consumer markets in neighbouring countries, and this represents the most negative impact of the Afghan drug trade for the region. Moreover,

¹ UNODC, *Afghanistan Opium Survey 2008*. Kabul/Wien 2008

² *Ibid.* p 163. These data refer solely to heroin and morphine exports.

the trade has also a direct impact on the political and security situation: in Pakistan and in Central Asian republics on one side it fuels corruption and on the other it represents a source of income for insurgent groups. While drug mafias are powerful organizations that operate in different countries, counter-narcotics policies and interdiction initiatives are still bounded by national borders and legislations: if in the future cooperation and collaboration between national governments will not be enhanced, it is unlikely that the flow of opiates from Afghanistan will diminish.

History of the Afghanistan's role in the global drug trade

Afghanistan is currently the main supplier of opium and heroin to global markets. According to UN data, both in 2007 and 2008 the 93 per cent of the world opiates have originated from this country. Afghanistan has reached this leading role in global opiates supply routes only recently. Until the 1980s opium was cultivated (for export) in 8 countries: Laos, Burma, and Thailand in the so-called "Golden Triangle", and India, Pakistan, Afghanistan, Iran and Turkey in the "Golden Crescent". Until the 1970s most of the global opium production originated from the Golden triangle, but then Afghanistan gradually emerged as the main world supplier. In 1992 the global production of opium was around 4.000 metric tons: the 45 per cent of it was harvested in Burma, a slightly bigger amount (45-50 per cent) in Afghanistan and the remaining 5 to 10 per cent in Pakistan and Laos.³ Since then the Afghan share of the total production has constantly augmented, reaching 60 percent in 1994, 75 percent in 1999, and 90 percent in 2004.⁴

International drug routes were established in Afghanistan starting from the late 1970s. Pakistan merchants were the main actors during this initial phase, while on the Afghan side, pashtun tribes, and in particular the Afridi clan, imposed their control over the rising drug trade.⁵ Thus since the very beginning the long, remote, porous and land-locked Pakistani-Afghan border has revealed a suitable terrain for smuggling routes. A decade long Soviet intervention marked a decisive moment for the Afghan drug trade: the

³ *Ibid.* p 93.

⁴ *Ibid.*

⁵ The penetration of Pakistan commercial interest into Afghanistan into the Afghan trade was favoured by the Afghan Transit Trade Agreement (ATTA) which enabled the duty free import of certain commodities. See Goodhand, J. *Frontiers and Wars: the Opium Economy in Afghanistan*, in *Journal of Agrarian Change*, Vol. 5, No. 2, April 2005.

diffuse and prolonged instability, the break down of central state authority over peripheral districts, the emergence of a strong military resistance to the occupation, and the human costs of the conflicts such as poverty or forced displacement, brought about favourable condition for expanding poppy cultivations and multiplying the profits by reinvesting them in the broader war-economy. During the years of the Soviet occupation the drug trade was the main source of revenues for the mujahedeen resistance: the money earned by exporting the narcotics to Pakistan were used to acquire guns, ammunition and military equipment. Both Western and Pakistani Secret Services, which supported the mujahedeen front, directly or indirectly supported the deal “drugs-for-guns”.⁶

The next stage of the Afghan conflict was contradistinguished by the end of the Soviet occupation (1989-91) and the capture of Kabul by the mujahedeen (1992). By that time Afghanistan had lost most of its strategic importance, and the country was left to itself by those international powers that had been involved in its internal affairs during the 1980s. As a consequence the drug economy acquired more and more importance as a source of income both for the military groups involved in the conflict and for common individuals who had to cope with the extremely negative economic situation. Therefore poppy plantations expanded, while at the same time more and more people started depending economically on the drug trade.

The climb to power of the Taliban (1994-2001) was a favourable factor for the drug trade. The “students of the Khoran” were able to reassert the control over the territory, and the smuggling networks could operate more safely. The Taliban maintained an ambiguous position with respect to drug production and trafficking. Until 1999 economic considerations prevailed: they were indirectly profiting from the trade by imposing taxes on it and such revenues constituted a primary source of financing for the regime, thus the trade was “tolerated”. And this is why the production peaked in 1999, reaching 4.500 MT or the 75 percent of the world supply. But after 1999 Taliban’ attitude towards the trade changed: the Mullah Omar imposed a total ban on poppy cultivation

⁶ See Colley, J.K. *Unholy Wars: Afghanistan, America and International Terrorism*. London: Pluto Press 1999, and also McCoy, A. *The politics of Heroin: CIA Complicity in the Global Drug Trade*. New York: Lawrence Hill Books, 1994

and justified the move with religious arguments. As a result in 2001 the production plummeted to 76 MT.⁷

The 2001 reduction in poppy production remains an exception in the recent history of Afghanistan. After the fall of the Taliban the farmers started cultivating the opium poppy again. The central government is too weak to impose its will over warlords and local power brokers, who make use of the drug trade both for accumulating wealth and as a tool to exert control over the population. As a result more and more areas have gone under poppy cultivations, and the production of opium has peaked in 2004 (4100 MT) and again in 2007 (8100 MT).⁸

This brief history of the Afghan drug trade shows how a combination of factors - conflict and poverty, state weakness and external influences- have contributed to make such illegal business a cornerstone of the country's economy.

The drug economy

The drug economy represents one of the very few lucrative economic activities in the country. In 2003, according to a World Bank, report it accounted for one-third of the (opium-inclusive) national GDP.⁹ In a country which is among the poorest in the world and where livelihoods have been disrupting throughout 30 years of civil conflict, no other economic activity can match such illegal trade in volume or profits. A wide number of actors is involved in the drug trade: there are farmers and migrant labourers who seek employment in poppy plantations because of the lack of job opportunity in other sectors, landowners who grow up opium as this is the most valuable crop, traders and wholesalers who capitalize on the commercialization the opiates, the powerful drug mafias who make the best part of the profits by exporting the shipments out of the country, and finally warlords and power brokers who "control" the drug trade at the local/regional level. Therefore in order to understand the drug economy in its complexity one needs to analyse three distinct sets of dynamics: poppy plantations as a component of the rural economy,

⁷ UNODC, *Afghanistan Opium Survey 2008*, *op. cit.*

⁸ *Ibid.*

⁹ Byrd, W. and C. Ward, 2004. *Afghanistan's opium drug economy*. World Bank South Asia Working Papers. Washington: World Bank 2004, p 11.

opium trafficking as an entrepreneurial activity, and the drug trade as a political issue both nationally and internationally.

Afghanistan is mainly a rural country; the great majority of the labour force is employed in the farming sector and generally speaking households' welfare depends on agriculture. Poppy plantations occupy about the 7% of total irrigated lands, the 10% of the population is involved in opium cultivation, while the total farm gate value of opium production is around USD 740 million.¹⁰ The motives behind the farmers' choice of cultivating the opium poppy are quite straightforward: other crops are definitely less valuable than the poppy, and therefore they did not represent a valid alternative. Moreover, the increase in opium prices (from USD 40 per kg in 1998, to USD 250 in 2002)¹¹ has provided even more incentives for growing the poppy; often the farmers who are willing to grow food crops have to keep part of the land for opium cultivation, because this is the only way to have access to credit (for example by selling the harvest in advance during the winter season).¹² Hence now in Afghanistan cultivating opium is both a way to survive for impoverished farmers and an effective strategy of accumulating wealth for landowners. Both the Afghan government and the International community, which sustains it, have a direct responsibility for not having invested enough resources in agriculture: if this key sector of the national economy will not be adequately subsidized, the farmers will not substitute opium with other crops.

Processors, traffickers and wholesalers occupy the next position in the opium commodity chain. These are the subjects who make the bulk of the profits: if in 2008 the yearly farm gate value was around USD 740 million, traffickers and processors are estimated to have earned USD 2.7 billion (over a national GDP of USD 10 billion)¹³. The profitability of the businesses has increased further on since now there are heroin processing laboratories Afghanistan; as a consequence the rate of heroin shipped across the borders have increased compared to opium, and this implies that the Afghan share of the total incomes has augmented. According to UNODC about 15.000 traders are active

¹⁰ UNODC, *Afghanistan Opium Survey 2008*, *op. cit.*

¹¹ *Ibid.*

¹² See J. Grace and A. Pain, *Rethinking Rural Livelihoods in Afghanistan*, Kabul: Afghanistan Research and Evaluation Unit, 2004, and Goodhand, *Frontiers and Wars: the Opium Economy in Afghanistan*, *op. cit.*

¹³ UNODC, *Afghanistan Opium Survey 2008*, *op. cit.* P 128

in the drug economy; internal markets are well structured, but there aren't big cartels that have been able to impose the monopoly over the trade.¹⁴ Thus trafficking and processing opium can be considered as “normal” entrepreneurial activities in Afghanistan, with a multiplicity of a subjects involved in it and with a relatively “open market”.

There is also a political dimension to the Afghan drug trade. Money means power, thus being opium the main economic resource of the country, a complex web of political interests has developed around the drug trade. At the local level warlords and power brokers provide protection to the trade, in the sense that they tolerate that poppy is planted in the areas under their control, requiring in exchange a payment by farmers and traders. This protection money then is used to buy guns and ammunition for their personal militias. The intertwining of criminal and military interests is a dynamic that can be observed throughout the whole country: it is not just the Taliban that in the southern regions profit from the trade, but a similar pattern can be observed also in the west, north and east of the country. At the national level, on the other hand, the government's attempts to curb the drug trade have been hampered by the widespread corruption and by the existence of relations of collusion and connivance between institutional and criminal actors. As it has been denounced by Barnett Rubin (2006), “police chief posts in poppy-growing districts are sold to the highest bidder: as much as \$100,000 is paid for a six-month appointment to a position with a monthly salary of \$60”.¹⁵ The INCB (International Narcotics Control Board) in its 2008 report similarly notes how in Afghanistan “corrupt officials allow drug traffickers to continue to operate with impunity, while officials attempting to address the drug problem are often subject to harassment, death threats or violence”.¹⁶ Hence the exploitation of the drug trade by non-state actors on one side, and the institutional protection enjoyed by drug mafias on the other, have undermined the government' efforts to fight the drug trade. In addition to that, drugs production and trafficking being to certain extend connected with insurgency/terrorist groups operating in Afghanistan and the region have impacts on the regional and national politics as well as on relations with Pakistan. Illegal borders trespassing, ambushes, cross border hostage takings influence in negative way relations with the countries

¹⁴ See Byrd, W. and C. Ward, 2004. *Afghanistan's opium drug economy*, op. cit.

¹⁵ Rubin B. *Saving Afghanistan*, Foreign Affairs , 86, 1, January/February 2007, p 5

¹⁶ Report of the International Narcotics Control Board for 2008. UNINCB: Wien, 2009, p 114.

neighbouring Afghanistan, contribute to deterioration of the regional security. If in the future counter-narcotics policies will not be also addressed at this political dimension of the trade, it is unlikely that any anti-drug initiative in Afghanistan will be effective.

The geography of production and trafficking

When speaking of Afghanistan the differences among regions and provinces need to be emphasized: the harsh geography of the territory, the poor state of road infrastructures, ethnic diversities, and the gradual weakness of the central state vis-à-vis the peripheries, are all factors that have contributed to the fragmentation of Afghanistan into fiefdoms controlled by warlords and local power-brokers. Thus generalizations are to be avoided, and also with respect to the drug trade it is necessary to examine the situation region by region, province by province.

Looking at the data on production from 1994 onwards, it emerges clearly how there are three areas in Afghanistan where the poppy has been intensively cultivated: the province of Helmand in the south, Nangarhar in the east, and Badakshan in the north-east. A part from those three, other poppy production provinces are: Farah and Nimruz in the West, Kandahar, Zabul and Uruzgan in the South, Ghor in Central Afghanistan and Balkh, Takhar and Kunduz in the north. While nationally the production has shown a constant upward trend (since 2001), at the regional level considerable variations can be observed. In Badakshan for example there was a steady increase from the mid-1990s to 2004-2005 (around 1.700 hectares under poppy cultivation in 1994, 15.000 ha in 2004), but recently the production drastically decreased (just 200 ha in 2008)¹⁷. In Nangarhar, where the production had been constant throughout the 1990s and early 2000s (around 29.000 ha in 1994, 22.000 ha in 1999, 28.000 ha in 2004), in 2005 there was a substantial reduction (around 1.200 ha), followed by a “boom” (around 4.800 ha in 2006, and 18.700 ha in 2007), and a new reduction (the province was declared “poppy-free” by UNODC in 2008)¹⁸. In Helmand production peaked in 1999 (around 44.000 ha, compared to 29.000 in 1994), than for a period it gradually diminished reaching the lowest level in 2003 (around 15.000 ha), but recently it peaked again (69.000 ha in 2006, and 103.000 ha in

¹⁷ UNODC, *Afghanistan Opium Survey 2008*, *op. cit.* pp 172-179.

¹⁸ *Ibid.*

2008)¹⁹. This brief data analysis shows how also the production of opium is elastic, as it adapts to changes in interdiction policies, weather conditions and economic priorities related to exporting routes; in other words, the groups which have better access to trafficking networks, precursors, international links, criminal and business, and the ability to ensure efficient finance transactions are the most powerful. With respect to the recent changes, in the last two or three years poppy plantations are concentrated in the southern and south-western regions, primarily Helmand, and then Kandahar, Farah, Nimruz and Uruzgan, while the current trend in the other historical areas of production, like Nangarhar and Badakshan, is towards reduction.

There are 4 main exporting routes for Afghan opiates: from western provinces into Iran, from the south-west into Iran via Pakistani Baluchistan, from the eastern provinces into Pakistan, and from the west, south-west and the north into the former-Soviet republics of Central Asia (Tajikistan and Turkmenistan). UNODC estimates that the 41 percent of the flow is directed to Pakistan, the 39 percent to Iran, and the remaining 20 percent to Central Asia.²⁰ As it is for the plantations, we can assume that also trafficking routes are dynamic and respond to external stimulus such as demand in neighbouring countries or interdiction efforts by state authorities. Generally speaking we can say that the routes to Pakistan and Iran are active since the early days of the trade, while the northern route to Central Asia has been established after the collapse of the Soviet Union. From Pakistan and Iran drug shipments are then moved westwards through Turkey and south-eastern Europe (the Balkan route), while from Central Asian republics opiates shipments are directed to Russia (the northern route).²¹ It is in the countries along those international routes that opiate consumption is higher: both in Pakistan and Iran there is a large number of heroin and opium addicts, while Russia and other former socialist states have represented the only markets in expansion for opiate use during the last 15-20 years.

¹⁹ *Ibid.*

²⁰ *Ibid.* p 163. These data refer solely to heroin and morphine exports.

²¹ In the last few years there have been more and more elements indicating the establishment of a new route, the North Black Sea route, for drugs moving from Afghanistan to Iran, then to Turkmenistan and Azerbaijan and later to Kazakhstan, Russia, Ukraine.

The regional/international dimension of the Afghan drug trade

The drug trade is not just an Afghan problem: it has wide impacts on the political, economic and social dynamics in neighbouring states. In terms of drug addiction Iran and Pakistan pay much of the cost, as these are the countries where the number of opiate users is the highest in the world. In Pakistan and Central Asian republics the drug trade has also a security impact: drug revenues on one side fuel corruption and on the other are used by insurgents groups to acquire military equipment. If the drug problem is a regional/international one, the reaction by state authorities is still mainly bounded to national borders: national governments lack either resources or the political will to fight the drug trade, and regional cooperation on drug-related issues is limited.

Data on global opiates consumption show that, notwithstanding to the recent increase in the offer which is mainly due to the rising production in Afghanistan, the demand has remained stable since the late 1990s.²² The main consumer markets for opium and heroin are those in states which either border Afghanistan or are located along trafficking routes. A study estimated that in 1999 the 32% of the Afghan opiate production was consumed in internal markets of Pakistan, Iran, and Afghanistan.²³ Very little is known about drug use in Afghanistan, while consistent data are available on drug use in Iran and Pakistan: according to official sources, in Iran there are 1.7 million opiate users and in Pakistan 628 thousands (but the estimate number is between 2 and 5 millions)²⁴, respectively the 2.8 percent and the 0,7 (or the 3-4) percent of the population aged 15/64.²⁵ In both countries drug abuse has represented a major social emergency during the last 30-40 years (since when it was prohibited by law), a lot of resources have been invested in order to solve it, but very dismal results have been achieved.

Central Asian republics are the other exit point for Afghan opiates and the shipments then transit through Russia (both western and eastern Russia), Baltic states, and eastern Europe. In all those countries drug use was a very limited phenomenon until Soviet collapse, but after 1991 this “global habit” rapidly spread and in few years opiates

²² UNODC, *World Drug Report 2008*. New York: United Nations Publications 2008, p 55.

²³ Fariborz R. and A. Gharavi Nakhjavani *The Drug Market in Iran* in *Annals of the American Academy of Political and Social Science*, Vol. 582, Jul., 2002.

²⁴ A. Altaf *et al.* *High risk behaviors of injection drug users registered with harm reduction programme in Karachi, Pakistan*. In *Harm reduction Journal* 2007, 4:7, February 2007.

²⁵ UNODC, *World Drug Report 2008*, *op. cit.* pp 274-275

consumption rates have reached the levels of western European countries. The problem is particularly acute in Russia (1.6 percent of population aged 15/64), Estonia (prevalence rate 1.5), Kazakhstan (prevalence rate 1.0), Ukraine (prevalence rate 0.9) and Latvia (prevalence rate 0.9)²⁶. Hence both in Asia and Europe it is in the states located along trafficking routes that the plague of heroin addiction is more severe.

In one of the previous sections of the chapter we have analysed the political impact of the drug trade in Afghanistan; also in neighbouring states, and particularly in Pakistan and Central Asian republics, drug trafficking has similar destabilizing effects. It fuels corruption, undermines efforts by the central governments to reassert authority over unruly borderlands, and constitutes a major source of income for insurgent groups. In Pakistan drug shipments transit mainly through Baluchistan and the North-West Frontier Province, which are the most unstable regions in the whole country. In those areas the link between drug and instability is evident, as insurgent groups have been closely connected with smuggling networks since the 1980s. Tajikistan, among the five Central Asian republics, is probably the one most negatively affected by the drug trade: this is a resource poor country that went through a terrible civil war after the independence from which it hasn't fully recovered yet. Therefore it is extremely vulnerable to the penetration of criminal interests into the political-economic sphere. In Iran the situation is slightly different: the national government is seriously committed in stemming the flow of narcotics and in recent years considerable resources were invested to seal the country's eastern borders. Iran's "war on drug" has produced some notable outcomes (in terms of seizures and arrests) but the national government has paid a stiff price both in financial terms (USD 250-300 million per year)²⁷ and deaths of law enforcement agents (on average 150 every year)²⁸. While the cases of Pakistan and Tajikistan show how the Afghan drug trade can have a direct security impact also in neighbouring countries, the case of Iran is illustrative of how a government can obtain some results if it commits the resources (both economic and political) required for such a complex task.

In recent years the Afghan drug trade has been recognized as an issue of international concern by Western and regional powers. Various high-level meetings and

²⁶ *Ibid.*

²⁷ UNODC, *The Opium Economy in Afghanistan. An International Problem*, *op. cit.* p 156

²⁸ *Ibid.*

conferences were organized to discuss this issue, but concrete initiatives are still insufficient. Since the beginning of Operation Enduring Freedom fighting the drug trade has been identified as one of the main priorities by the Western governments that participate in the reconstruction of Afghanistan. However the increase in production is a clear symptom of how counter-narcotics strategies have so far failed. As regards to neighbouring countries the International Community is involved in a multiplicity of projects and initiative aimed at curbing the impact of the Afghan drug trade at the regional level. Thus a more serious effort by states in terms of economic resources and political commitment, together with a renewed of collaboration among the various government which have interests in Afghanistan, are required in order to effectively fight the drug trade.

Conclusions

This brief overview of the drug trade has showed how there are multiple linkages between drugs and security in Afghanistan. Drugs fuel the spiral of instability: the widespread lawlessness allows smuggling networks to operate freely, drug revenues are used by local strongmen and power brokers to arm their personal militias, and as result their leverage into the political-economic sphere augment while efforts by the central government to reassert authority over unruly peripheries are undermined. In the last two or tree years the linkages between drug revenues and terrorist groups are becoming more and more evident in the southern regions, where the rise in opium production was paralleled by a resurgence of the Taliban. Even the recent attacks carried out by the Taliban in Pakistan might be directly or indirectly related to the drug trade. If the existence of a drug-security nexus in Afghanistan needs to be highlighted, it would be misleading to limit the analysis on the drug trade to such narrow aspect. As we have seen the opium economy is a complex phenomenon: a multiplicity of actors is involved and a wide range of political-economic interests have developed around the trade throughout the last 25 years. Only if such complexity will be recognized by both the Afghan government and its Western alleys, and the necessary resources will be committed to fight the drug trade, some results can be achieved in the short-medium terms. Otherwise,

Afghanistan will remain an enormous no man's land governed by warlords and drug mafias.

The Afghan drug trade is a global problem which requires a global solution. Counter-narcotic policies in Afghanistan have to be accompanied by regional and international initiatives, in other words the Afghan government, the governments of neighbouring countries, and Western powers have to coordinate their activity in the field of drug-control. At the same time more and more resources are needed to enhance drug control cooperation among these countries. In this respect, the current world finance crises might have a negative impact, consisting in a decrease in funding for international drug control programmes, and this would at least slow down counter narcotics measures started in Afghanistan and the neighbouring countries. However the needs for a substantial commitment by the international community are still there: domestic law enforcement personnel have to be trained at modern interdiction methods, information exchange and analysis mechanisms have to be elaborated, legislations and practices have to be unified, much more coordinated efforts in precursors-control and back-tracking investigations and much more coherent border-management policies along major drug trafficking routes are required.