

Opium in Afghanistan:

People and Poppies, The Good Evil

**A Discussion Paper
on Issues and Options**

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Acknowledgements – This brief discussion paper draws heavily on the U.N.ODC Afghanistan Opium Survey of October, 2003, the U.N.’s Office of Drugs and Crime ‘Strategic Study #1’ of June, 1998 on opium cultivation in Afghanistan, and several independent papers on poppy growing in Afghanistan -- most notably David Mansfield’s insightful discussion paper, ‘The Economic Superiority of Illicit Drug Production: Myth and Reality’, dated August, 2001, and Jonathan Goodhand’s exceptional paper, ‘Frontiers and Wars: a study of the opium economy in Afghanistan, DRAFT, dated January, 2003. Of particular value also have been the writings of Pierre-Arnaud Chouvy, as published in the Asia Times in September, 2003. The contents hereof also draw on conversations and materials prepared by Chemonics staff who are implementing counter-narcotics programs in Latin America.

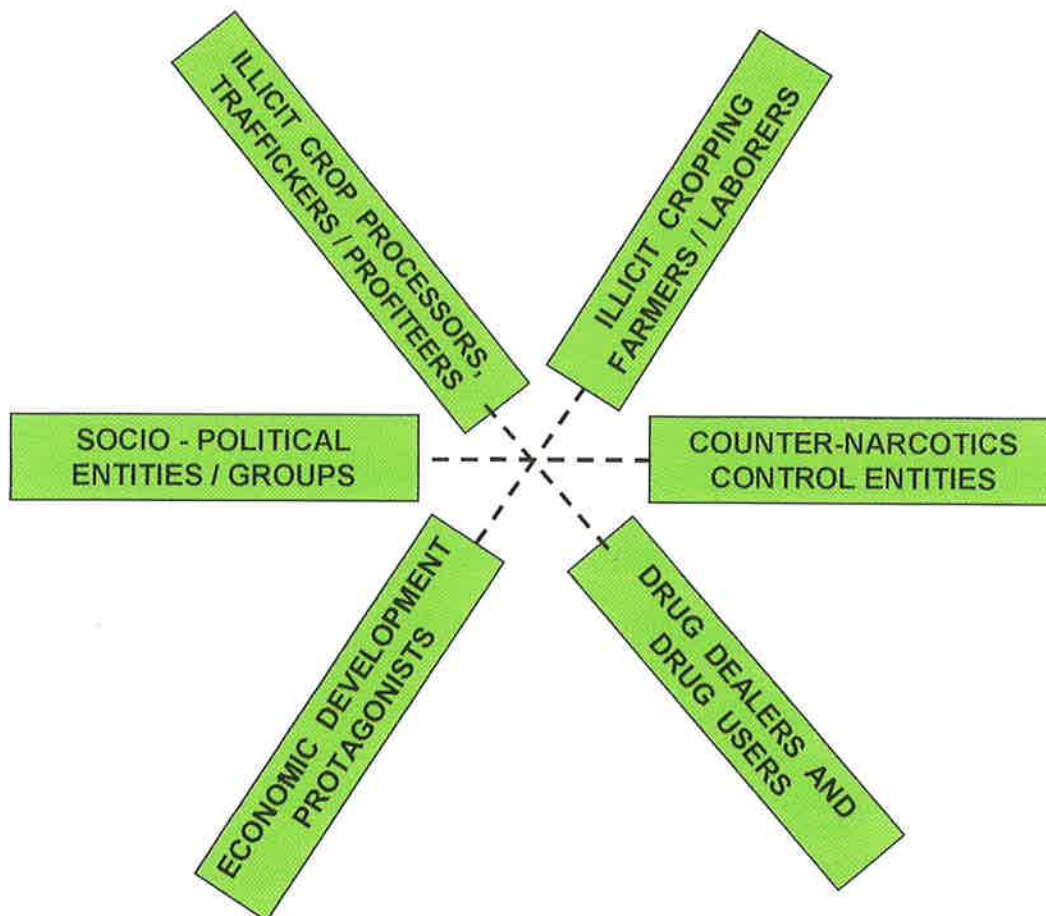


About the Authors -- Frank Kenefick is a former career military and then international economic development officer with the U.S. Government. He has also been a consultant for the World Bank, U.N. IFAD and private sector firms over the past ten years. Dr. Larry Morgan, a contributing author, was also formerly in the U.S. military but has spent most of his professional life as an international agricultural development specialist in several of the World’s Geographic Regions. Both of these individuals are currently employed by Chemonics International on agriculture and rural development activities in Afghanistan under a USAID-funded assistance program. The opinions, interpretations and representations made in this unsolicited discussion paper are strictly those of the authors, and should not convey any sense of other’s clearances, agreement and/or organizational endorsement(s).

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This discussion paper recognizes that there are a number of 'stakeholders' within an illicit cropping – drugs production and sales sphere of influence, as roughly illustrated in the diagram below. As these parties have to some extent informal / diagonal pairings, there is the possibility of distinctly different incentives and objectives structures that are being responded to. Perhaps appreciating the different stakeholders' positions and interests in the overall subsector can help in the weighing and rationalizing of facts, interpretations, conclusions, 'appropriate actions', timeframes and the probabilities of 'successful' outcomes. This paper doesn't aim to blend any or all of the parties into a coherent program understanding or response. It merely tries to present aspects of the subsector in a different light and to encourage stakeholders to sit together and dialogue about each others' views and interests with respect to the subject.



Author’s Note: This is a very brief discussion paper regarding a very complex subject. The purpose of this paper is to help trigger a more open discussion of issues surrounding the production of opium poppy in Afghanistan, and options for addressing the expanding and threatening drug processing and trafficking subsector. This paper also hopes to broaden the exchange of ideas among prominent subsector stakeholders and participants.

Many external stakeholders are anxious to ‘do something’ about the spreading and apparently growing cultivation of opium poppies within Afghanistan. But, as indicated by David Mansfield in his classic August 2001 paper, “*Opium Poppy Cultivation in Afghanistan*”, opium gum production and the financial returns to different, involved parties are both “*myth and reality*”. Therefore the authors recommend that we collectively carefully consider certain factors within the overall production, processing and trafficking chain before plunging ahead with the traditional, illicit cropping countermeasures. Historically speaking, the authors believe many of the popular, short-term ‘solutions’ have failed in South East Asia and Latin America because the overall or longer-term environments and possible impacts were misunderstood or were not relevant to a party’s agenda or time horizon.

Since Afghanistan’s socioeconomic and political climates appear to be improving, this is no time to knowingly embark on perverse and/or counterproductive strategies for dealing with the ‘evil’ aspects of opium poppies. Incorrectly attacking the ‘good’ aspects of poppy production would be even worse. Although politically awkward for foreign donors and stakeholders, doing nothing in the short run about poppy growers and opium production *per se* may be an intelligent action.

Attacking Afghanistan’s opium poppy growers and crop tenders at this time may be politically unwise and substantively counterproductive.

Poor farmers and sharecroppers grow poppies because it is necessary and, in some ways, forced on them by their circumstances and their environment. To optimize the returns and benefits for the bulk of the participants, and work towards a sustainable and politically positive outcome, it might be in the Government’s and the (foreign) Stakeholders’ interests to **address the causes of poppy production rather than the fact**. Although illicit opium production now reportedly generates farmer and trafficking transactions that are equal to half the country’s GDP, not all of the aspects and outcomes of poppy production are ‘evil’.

The importance of the subject and its implications for national and external consequences, such as Central–South Asia Regional stability, are not to be underestimated. But because failures in addressing the subject also have serious consequences for a re-emerging Afghanistan, it behooves us to pick carefully through the facts, and apparent or assumed facts, so that we do good instead of add to the harm. We need to understand the underlying causes and incentives associated with poppy production, and rapid changes within the subsector so that our actions are not derivatives of symptoms or popular myths, as so clearly discussed by David Mansfield and Jonathan Goodhand in the latter’s “*Frontiers and Wars: a study of the opium economy in*

Afghanistan” of January, 2003. The production of opium gum and its more valuable and damaging derivatives, morphine-bases and heroin, must be guided and/or pushed in the proper directions, and at the proper pace, because a well intended, but ill-conceived program can be even more expensive to Afghanistan’s still fragile socio-political development than the poppy gum’s estimated \$30 billion (heroin) World street value.

This paper does not pretend, in any way, to be an authoritative source or statement on any aspect of Afghanistan or its opium poppy activities. Most numbers and points herein are based on others’ work, especially the 2003 UNODC opium production Survey. The authors have taken the liberty to borrow maps and data therefrom so that a reader can better understand the discussion without having direct access to such documents. The authors have worked in the international development scene, collectively, for about 70 years, including time in the Golden Triangle of Thailand, a bit in Latin American countries where illicit crops are grown, and on some recent and past economic development activities in Afghanistan and its bordering neighbors. Such experiences don’t make them experts, but they do lead them to conclude that **illicit substance cropping, processing and marketing are too dynamic to be adequately defined by historical numbers and insights, especially those over the short run. In this respect, we stakeholders must always keep guessing where the subject is and where we collectively are in our understanding of it.** Nevertheless, as David Mansfield and Jonathan Goodhand note, some aspects of poppy cultivation are driven by fundamental and timeless human and family unit needs. Appreciating these needs at the grower and harvester levels can perhaps help us address this important subject in productive rather than evil ways. For a warfare and drought-damaged rural economy, the short-term and intermediate multiplier effects of this subeconomy must also be appreciated.

The growing of illicit crops, such as opium poppies, is usually driven by fundamental and timeless family ‘survival’ needs – not ‘greed’ as is the frequent characterization.

Do-Gooder’s and Shortcomings

To begin with, ‘illicit’ substances are often carriers of too much negative baggage to be treated rationally. For example, the media and politicians take the unsettling images of flashy criminal drug dealers or promising, but drug-addicted youth in their countries and project their domestic pains and shortcomings onto the ‘criminal opium growers’ half a world away. Projecting the blame as singular and primary to another country is politically convenient. If one adds ‘Taliban’ or ‘international terrorism’ and the possible financings thereof to the picture, any poor farmer or landless family in an Afghan poppy field becomes the Civilized West’s Public Enemy No. 1. Adding to this convenient projection or translation are hundreds of millions of different appropriated currencies of the “victims” of the Western World to fund new monitoring and ‘correction’ technologies, new ‘wars to end all drugs’ and so forth. Since the beginning (or, more conveniently, ‘evil’) link in the drug chain is some coca or opium poppy grower on a jungle hillside or in a remote desert, these external financial and political forces migrate to and converge on the unfortunate and, with geostationary satellite positioning technology, confirm an identifiable ‘source’, i.e., the ‘evil’ farmer.

Being far below in the political food chain, the 'farmer / grower' originators of the 'evil' are regularly then beset by defoliants, aerial gun ships, crop destruction armies and other high-cost, technically enlightened external stakeholder experts. It is sometimes normal (and morally acceptable) to 'buy-off' national and/or social governing bodies, or opposing warlords, to support or allow the destruction of growers' crops and production assets. 'Eradication programs' easily attract large sums of external funding, which creates dedicated 'eradicators', who eradicate and annually report back on the eradication processes, engendering ever sweeter appropriations and 'successful' operations. The extrapolation fervor builds and, in the extreme, "...burns the villages to save them". Statistics and successes stream in, along with precise conforming satellite imagery, plus photos of tons of burning drugs, and noble careers are rewarded. Politicians comfort their constituents. The fact that only symptoms are being addressed instead of the causes seldom phases 'Do-Gooders' because their audience doesn't have the patience to work on the real issues. 'Successes' regularly triumph over 'shortcomings'.

'Do-Gooders' are usually professional persons who are designing and implementing programs which respond to their superiors' dictates and needs for politically oriented outcomes. However, the externally specified objectives and allocated fundings often give birth to perverse, counter-narcotics strategies

Different Lines of Thought

Jonathan Goodhand (*Frontiers and Wars...*) correctly describes several different economic entities and earnings models operating within Afghanistan's ungoverned, remote zones. People desire incomes; illicit crops, smuggling, etc. create incomes.

The oft-heralded "Taliban Ban" of opium growing in 2001 was a marketing master-stroke. The contrived 'eradication' therewithin simply drove up the opium gum prices, enriched the Taliban and garnered valuable political acclaim. The political dilemma is that opium growing today is no longer primarily a 'Pashtoon' problem. It has predictably spread into many other areas.

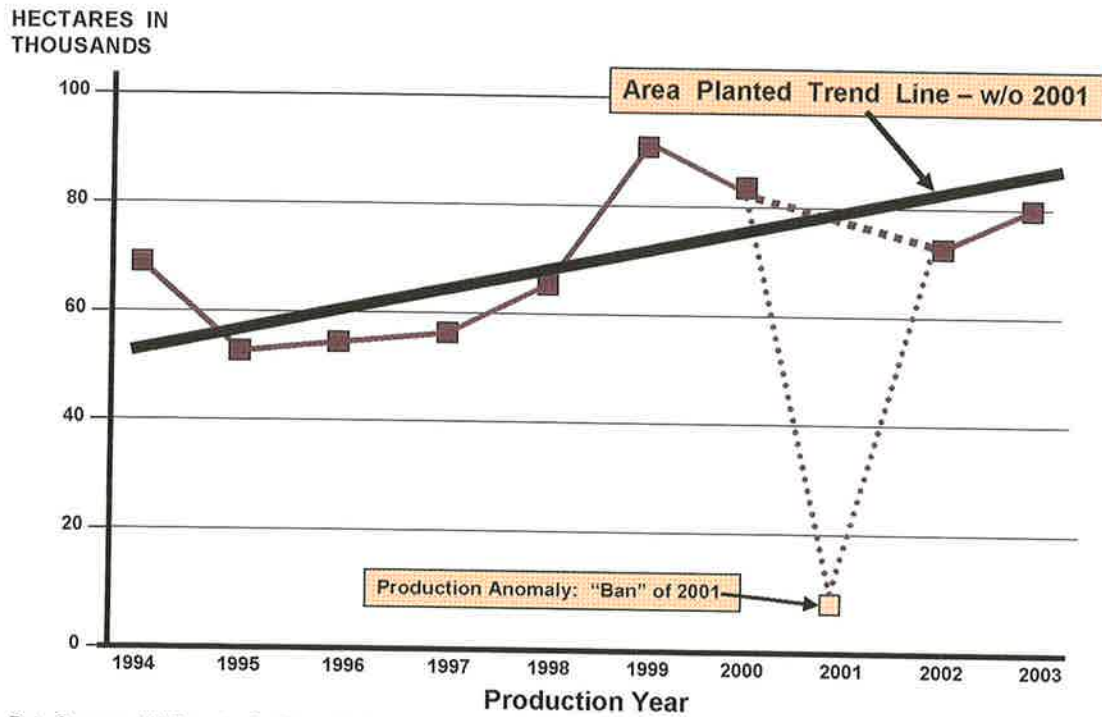
Knowledgeable students of socio-economic development understand that even the most uneducated, geographically remote family unit usually makes justifiable decisions when all factors of their decision environment are reviewed. As well defined by Jonathan Goodhand in his paper, 'frontier' fringes where illicit crops are often grown happen so because there are likely multiple dimensions of enabling or, more modernly, 'economic cluster' incentives coexisting with discontinuous or co-opted institutional structures. Goodhand properly

chronicles actions across centuries as contributing to a farmer's work day or year's situation. He also describes how 'war', 'black' and 'coping' economies co-exist and

interact, and why they decide about or encourage the growing of illicit crops such as opium poppy. The disparate parties each need income; drugs create incomes. It's about survival via money opportunities over some short or usually much longer timeframe. The gradually built and solidified systems, like any economic cluster activity, are not easily dismantled. The more lucrative they are, the more difficult the dismantling scenario.

Certain stakeholders, on the other hand, prefer to read statistics over a three-year period, which 'prove' poppy production in an Afghanistan can be banned – eliminating the 'evil', simply by the governing body's will and proclamation, as was done by Afghanistan's Taliban-led Government in 2001. Unfortunately, this "ban" has produced the opposite effect from the integrated and deep-pockets poppy production 'cluster'. Since the peoples' needs for employment and money continue and the sales price of opium gum has jumped several times, the production has now spread from about fifteen provinces in 1998 to 28, or more than 87% of the country by 2003. More troubling, the "ban" period jump in pricing has helped keep buyers and expectant growers on the up side, fueling opium growing and, perhaps, plantings in many new areas to protect the buyers' / processors' future supplies. Improved area security and a better transport network may also be contributing to technology roamings via the itinerant 'gum' collection workers. The geographic expansion nevertheless brings many more needy people into the grower system, now reported at more than 250,000 families. The number of traders has also increased. The expanded growing area has broadened the subject into a politically fragile dilemma: No longer are the growers primarily of the Pashtoon ethnic group or only up in Badakhshan. The bulk of production is still in the (Pashtoon-dominated) South – SouthEast provinces, but about 25% is now coming from other areas. The following maps and charts depict some of these trends and proportions.

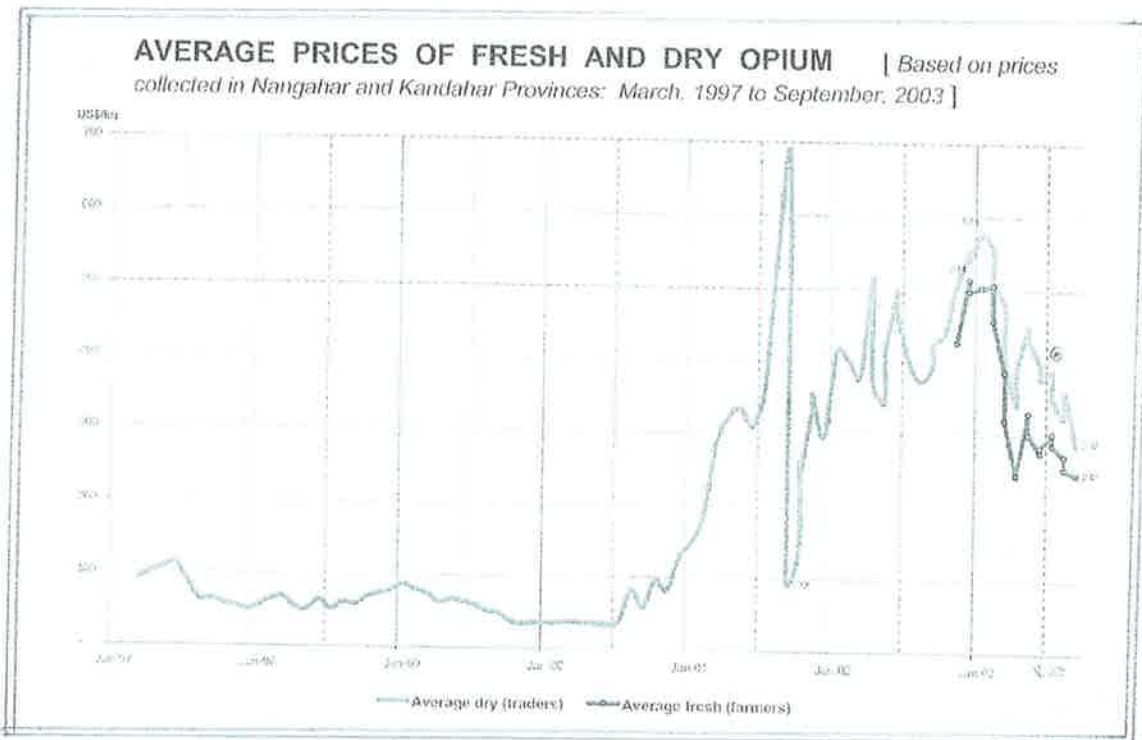
AFGHANISTAN: OPIUM POPPY PRODUCTION TOTAL AREA PLANTED – 1994 TO 2003



Data Source: UN Report - October, 2003

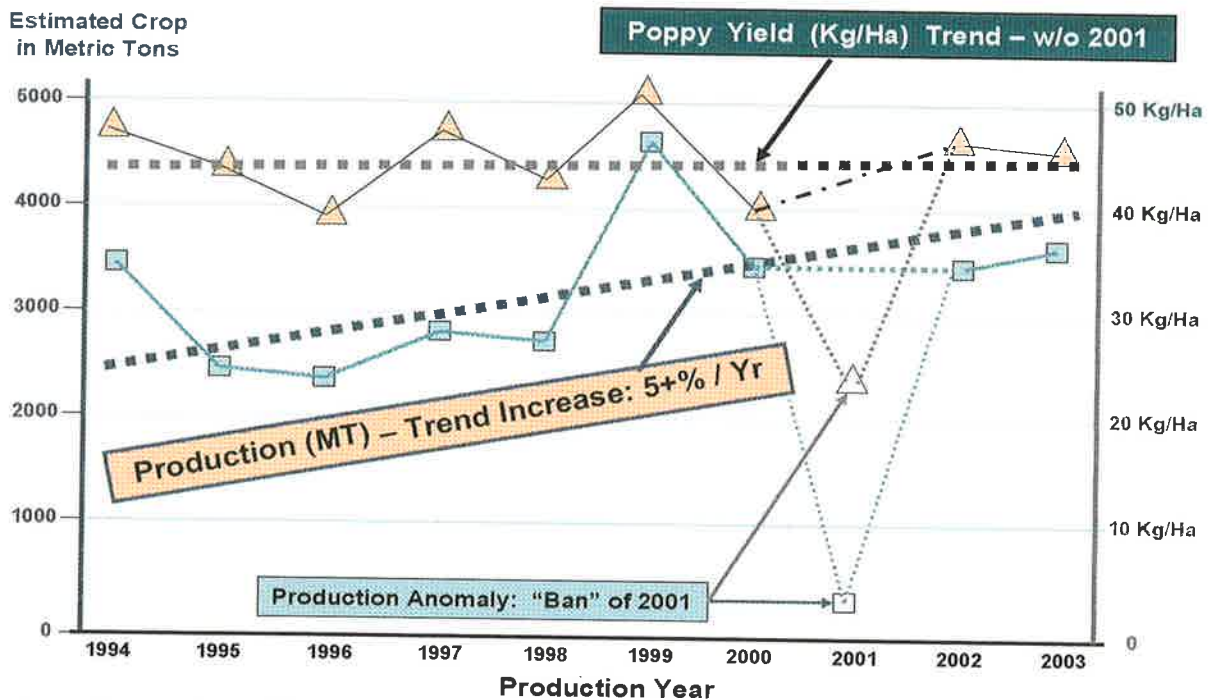
PRICING FLUCTUATIONS: 1997 THROUGH 2003

Data Source: UN Report - October, 2003



Source: U.N.ODC's Afghanistan Opium Survey, October, 2003

AFGHANISTAN: OPIUM POPPY PRODUCTION YIELDS & TONNAGES – 1994 TO 2003



Data Source: U.N. Report – October, 2003

From the above charts, one can see that the areas planted and the total quantities of opium gum produced are, despite weather and planting location shifts, on a somewhat steadily increasing path. Big changes relate to the declining production in the Lower Helmand Region over the past several years, although there are reports of a possible reversal in the Lower Helmand for the 2004 crop year. Per hectare yields have also fluctuated somewhat, but are basically steady in the aggregate. If a higher proportion of production shifts to the rainfed, mountainous areas / fields, there will likely be a decrease in average yields because of soil differences and difficulties in tending and protecting crops more distant from their homes.

The three most important factors in poppy cultivation are: (i) the growers' needs for family-sustaining credit and amortizing ongoing debt burdens, (ii) the expected per kilo price of opium gum, which is a basic 'return' factor, but may have been bargained away by the necessity for growing land and (over-winter) credit, and (iii) the projected timely availability and price of hired labor – to help nurture plants and gather the 'gum' crop. There are other factors, such as security, weather, lack of alternatives, market access, etc., but they don't seem as important in the decisions to plant and produce opium gum.

Of interest in this matrix is the possibly, over a couple of growing seasons, to benevolently expand opportunities for other income, especially Winter incomes,

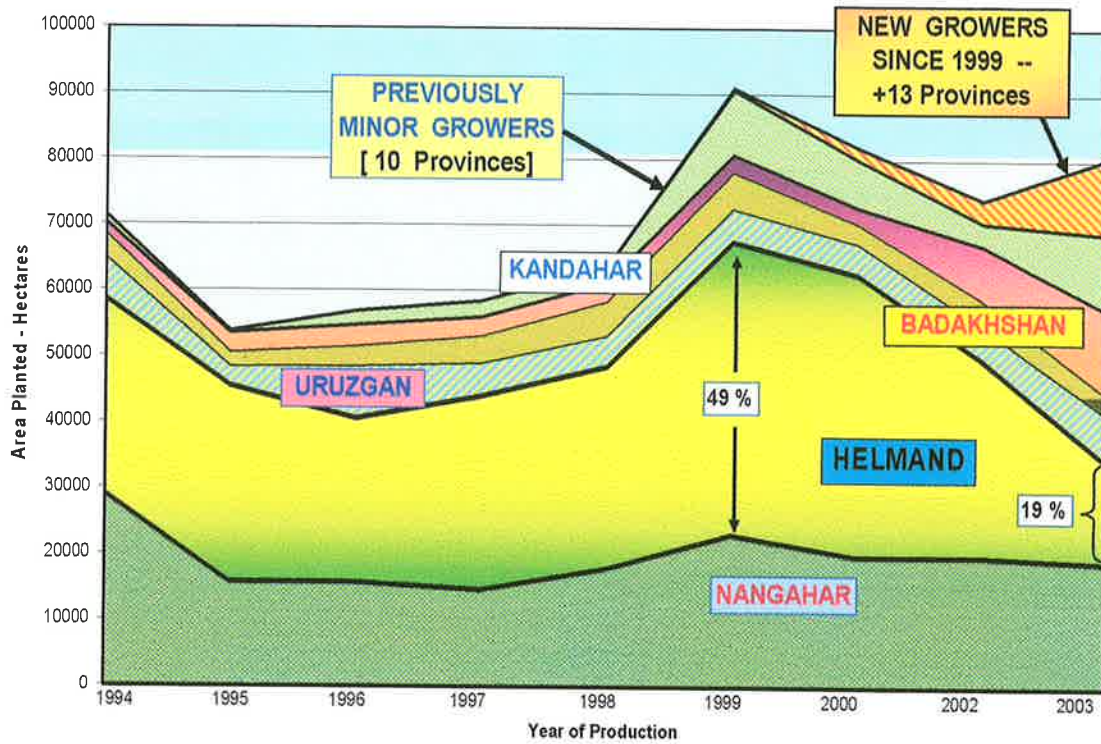
to degrade the 'survival credit' needs, and to elevate the cost of hired labor during the cropping period. Migratory labor appears to play a significant role in the production function, but such labor might, over time, also be co-opted by rising area wages and jobs access. The graphs below help illustrate the changing production areas, and outline a theoretical 'supply / demand' basis for reducing incentives for poppy cultivation. The supply / demand – ways to affect opium gum pricing, and the wage relationship graphs are the work of co-author Larry Morgan of Chemonics.

The three most important factors in Afghan poppy growing by the poor are reportedly: (i) growers' needs for over-Winter credit and farm land to produce family-sustaining food and incomes; (ii) the expected sales price of produced opium 'gum', and (iii) the prospective wage rates and availability of cropping and harvesting labor. There are other factors, but these are reported to be the basic 'grow / no-grow' factors.

A graph is also included below which illustrates the results of the Government's and donor-funded poppy eradication activities. This graph shows that the program had no success in lowering production in any area, except as might be claimed for the Lower Helmand Valley. However, I suspect the Lower Helmand was already reducing production for probably other reasons (See cited Mansfield and Goodhand papers) as discussed herein. **There are reports that the eradication project harmed the production control program's credibility by supposedly paying persons who were not farmers and not paying farmers whose crops had been eradicated. Forced eradication of illicit crops, while politically attractive to outsiders, has a dismal 'success' record from most other programs.**

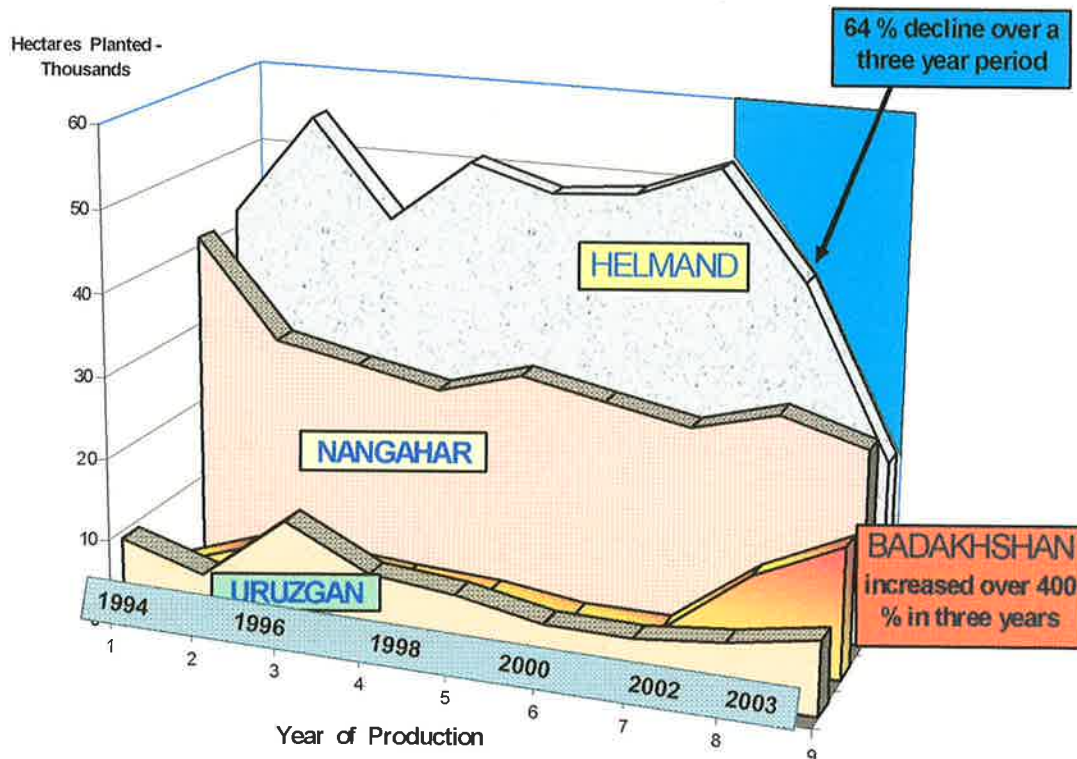
AFGHANISTAN: OPIUM POPPY PRODUCTION

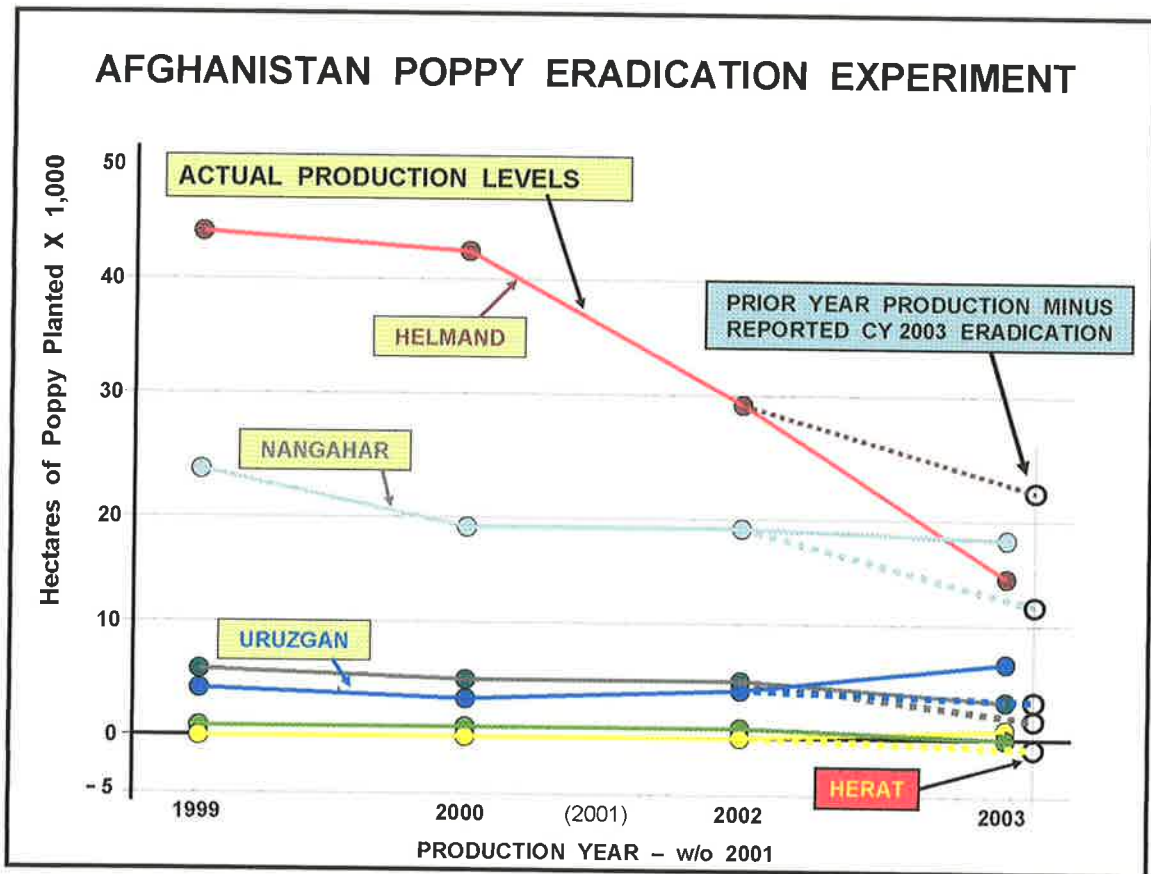
1994 to 2003 [w/o CY 2001]



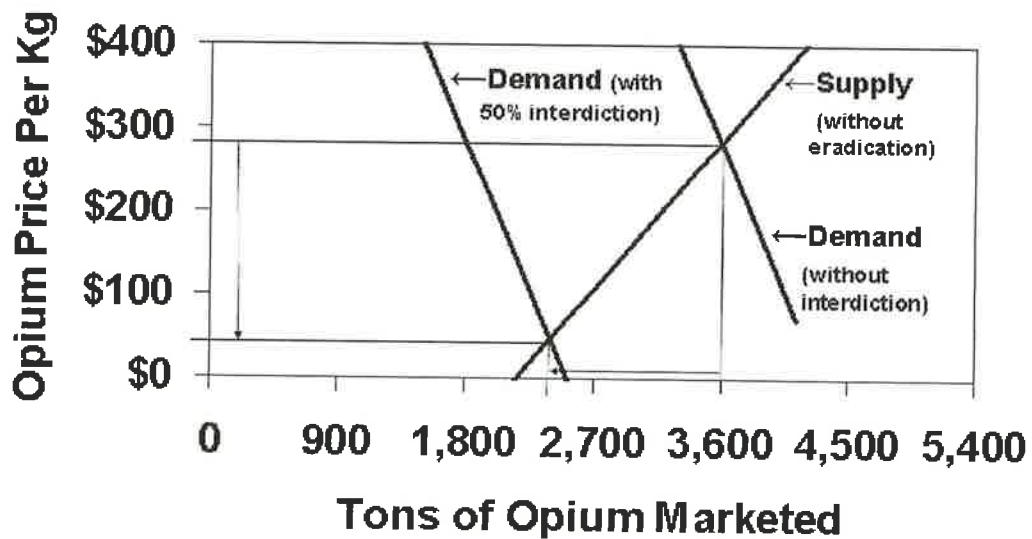
AFGHANISTAN – PRINCIPAL POPPY GROWING PROVINCES

1994 to 2003 (w/o 2001)

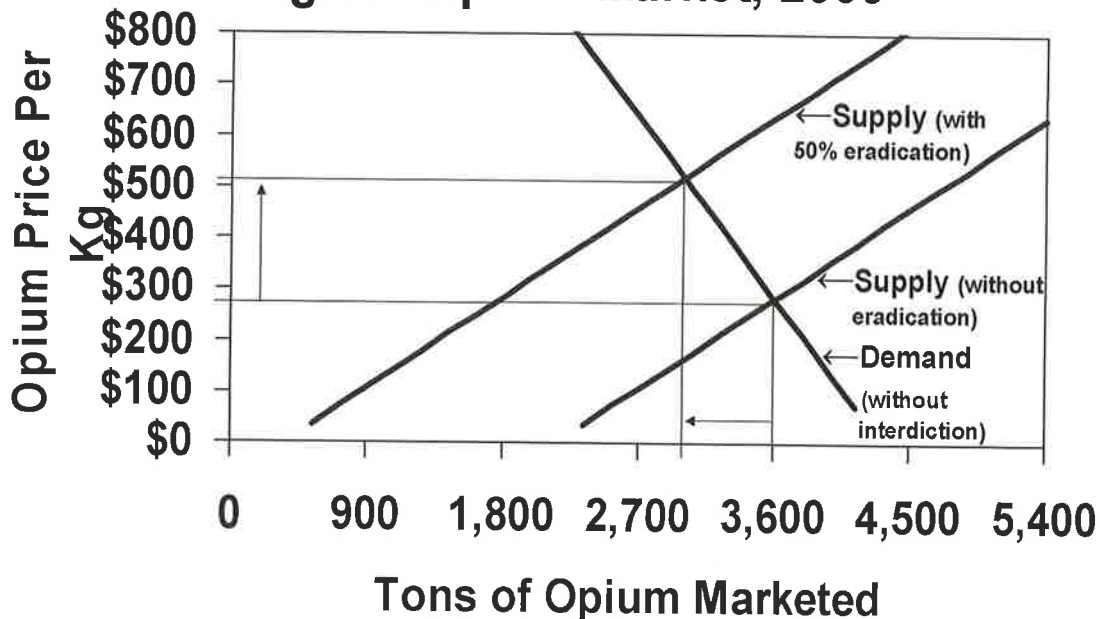




Effect of 50% Interdiction of Opium Demand on Afghan Opium Market, 2003



Effect of 50% Poppy Eradication on Afghan Opium Market, 2003



Please note that the foregoing graphs indicate that interdiction would be expected to bring the per kilo price of opium gum down, making the 'to grow' decision less financially rewarding and therefore more tenuous. On the other hand, eradication measures only serve to drive up the per kilogram price of opium gum, as was so well demonstrated by the previous "Taliban ban". **Eradicating and driving up the price of opium gum, and the 'buying of eradication', don't work because the higher the per kilogram value of opium gum and/or the broader the 'market' demand, the greater the incentive for growers to plant in a coming season.**

What meaningfully intercepts the 'grow / no-grow' decision is believed to be the expected sales price of opium gum versus the hired labor costs. Eradicating crops drives up the 'gum' price, making growing more attractive. Raising rural wages and adding job opportunities drives down the projected profitability. Restoring rural ag production and marketing linkages offers longer-term alternative income and employment.

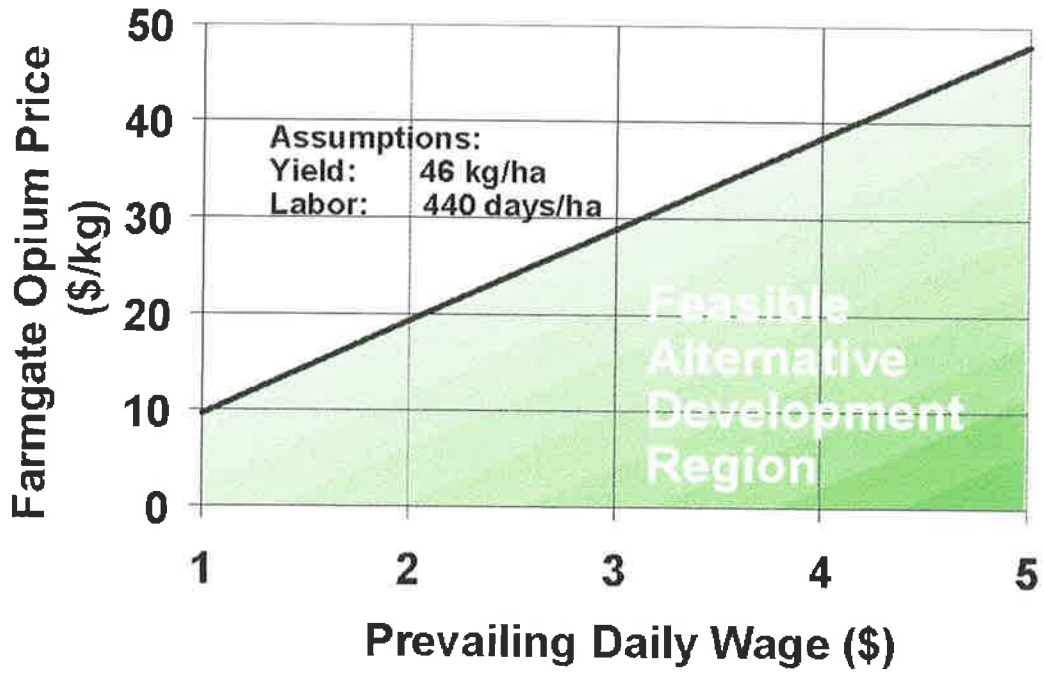
What meaningfully intercepts the 'planting' decision equation is to bring the per kilo price of opium gum in line with available production labor costs before farmers annually decide to plant opium poppy. Thus 'after purchases' interdiction of the buyers' and processors' supplies helps drive the per kilo gum price down over time and offering higher rural wages squeezes the growers' expectant profitability, eroding the attractiveness of future planting decisions. Raising wages during Winter when planting decisions are made and keeping them high during gum-cropping help defeat the financial attractiveness of opium poppy. Notwithstanding, a positive intervention

program will still need to address the land-renters' need to grow something which can be affordable – to pay for the demanded rent -- while the renters grow needed (survival) food crops. [Free distributions of, e.g., wheat, for work or as a not-growing incentive only make the rural economy worse off by driving down local market price incentive for this widely grown crop. External Donor stakeholders will need to rethink the role(s) of nongovernmental and non-profit organizations throughout Afghanistan in these regards.] Making agreements with potential opium producer groups – in return for producer-specified development interventions, and having a group do self- or peer pressure control work much better politically and operationally.

As a result of recent enforcement actions within Afghanistan, it is understood by the authors that one or more morphine-base or heroin processing laboratories were attacked by the authorities, reportedly with ISAF military assistance. Such can be helpful as a general 'counter-drug' communications tool, but can result in the ISAF, as happened to military forces in Thailand's Golden Triangle during the Vietnam Conflict, opening a second, totally unneeded battle front – against the opium growers. This at the time was a monstrous tactical mistake, adding thousands of parallel combatants to the Communist insurgency 'war'. These internal 'opium battles' created thousands of refugees as well, further damaging the remote, local economies and straining Government – ethnic group relationships. Also, using the ISAF, or the emerging Afghan National Army troops to assist with poppy eradication would be very counterproductive. These forces need support and intelligence from villagers and local authorities about terrorist movements and operations. By joining a poppy slashing operation, the military forces will be: (i) diluted, and (ii) much worse, recast by locals as economic – livelihood 'enemies', greatly damaging their peacekeeping and benevolent, security-restoration images.

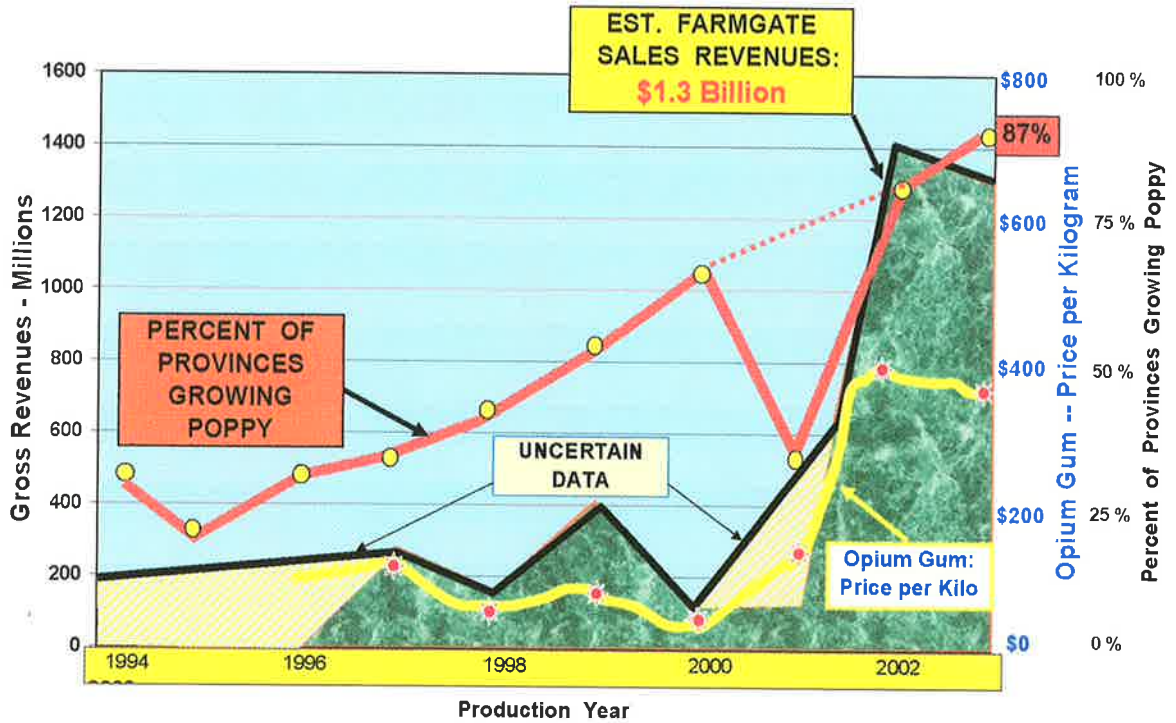
The following graph, also prepared by Dr. Morgan, relates hired labor wage rates to opium gum break-even prices. In the lower, shaded area, farmers – all other things being equal – would be more inclined to not grow opium poppy because they would have better family employment and earnings opportunities elsewhere. However, many families are believed to not consider the cost of their labor in the construct because they have had no other employment possibilities for long periods of time. Accelerated rural economic development could change that perception.

Threshold Opium Price vs Alternative Rural Wage Rates



AFGHANISTAN: POPPY DIMENSIONS

Prices / Producers / Estimated Sales Value



[In the case of the CY 2001 poppy "production ban", my humble conjecture is that the Taliban Government earned at least a Harvard or LSE PhD by freezing supplies, tricking the "Do-Gooders" into according it worldwide positive acclaim for eradicating drugs, and (perhaps) then, since the per kilogram of opium gum price shot up nearly 19-fold, sold their much lowered production -- and large carryover stocks -- at a very handsome profit. In addition, and more problematic, the price has since remained buoyant at \$250-\$400 per kilogram, instead of, if UNODC figures are accepted, within an historic range of \$50-\$100 (equivalent) per kilogram. This higher per kilo price is troubling. However, what is more troubling is the continuing (mis)perception of many external Stakeholders that the 'Taliban ban' was a successful poppy growing reduction action, rather than a stroke of marketing and political goodwill genius. The post-ban production response is very consistent with Dr. Morgan's charts.]

The gradual expansion of area planted to opium poppy in Afghanistan, but most importantly, the recently higher per kilogram price of opium gum, now makes this crop and its internal trafficking worth about \$2+ billion per year. Calculated at more than \$1 billion per year in collective 'farmgate' transactions, the production of opium gum has become a helpful 'good' as well as a perplexing and potentially 'evil' problem. **Until the farms, irrigation systems and rural infrastructure and agro-processing complexes get rehabilitated, and the farmers' accessible economy offers adequate alternatives for the profitable, non-illicit earnings, it will be hard to match the attraction of \$250 per kilogram opium gum.**

The Good Evil

To add to the controversy, the growing of opium poppies in Afghanistan can be viewed, as an interim measure, as beneficial in many respects. The country's 20-plus year history of systems and infrastructure degradation, combined with several years of severe drought, and political-market access changes, have left millions of rural Afghans with little or no productive assets base.

Thankfully, Afghan opium poppy growing has created millions of paying jobs in remote areas where post-drought 'survival' incomes were needed and regular ag production asset bases demanded restoration. The challenge now is to guide poppy reduction efforts -- and the processing of opium gum into morphine bases and heroin -- so the former's economic and social benefits aren't destroyed by overly zealous 'control' operations. Such operations, as some have proposed, could also create huge problems for the military, the emerging Afghan government and realization of the country's hopes for a sustainable peace.

Returning refugees, mined fields, disrupted herder traditions, destroyed irrigation works and, especially, collapsed agro-processing and marketing channels have upset rural income and survival mechanics. Thankfully, the production of opium poppy has created paying jobs (perhaps 30 million person-days of work annually) for the at-risk Afghans, pumped needed money into the rural economy – including a multiplier effect, helped to lower rural debt burdens, and provided resource flows for rebuilding the homes and rural asset bases that no External Donors’ assistance schemes could have executed. The current physical spread of poppy production to some 87% of Afghan provinces has enabled incomes and jobs to reach even the remote, interior Districts. It could even be surmised that Helmand Province’s welcomed decline from historically nearly half the country’s poppy production to less than 20% last year could be a function of, perhaps Do-Gooder eradication efforts, but more possibly because the residents are now financially recovering from the drought and war disruptions, and are in position to restore commercialized, intensified production of regular commercial crops. Such commercialized production [i.e., higher per hectare yields of better quality, perhaps multi-cropped produce] can also create tens of thousands of rural services and agro-processing jobs for the landless, at-risk within several poppy growing regions.

They authors believe David Mansfield is quite correct in his rationale for a decline in poppy production in the Lower Helmand, while poppy cultivation continues in North Helmand: *mean household landholdings size and fertility / irrigation asset base versus supported population density.* Upper Helmand has too little land per family and underdeveloped irrigation for the dependent population. Therefore, North Helmand farm families have to grow a more valuable crop to restore themselves financially and get back on the path of sustainability. The lack of infrastructure and market access for regular crops is also a factor, as dried opium gum is a semi- or nonperishable item, whereas fruits and melons have to have low-cost, timely market access. Area canals and roads have been too deteriorated to give proper production and market access for traditional cropping.

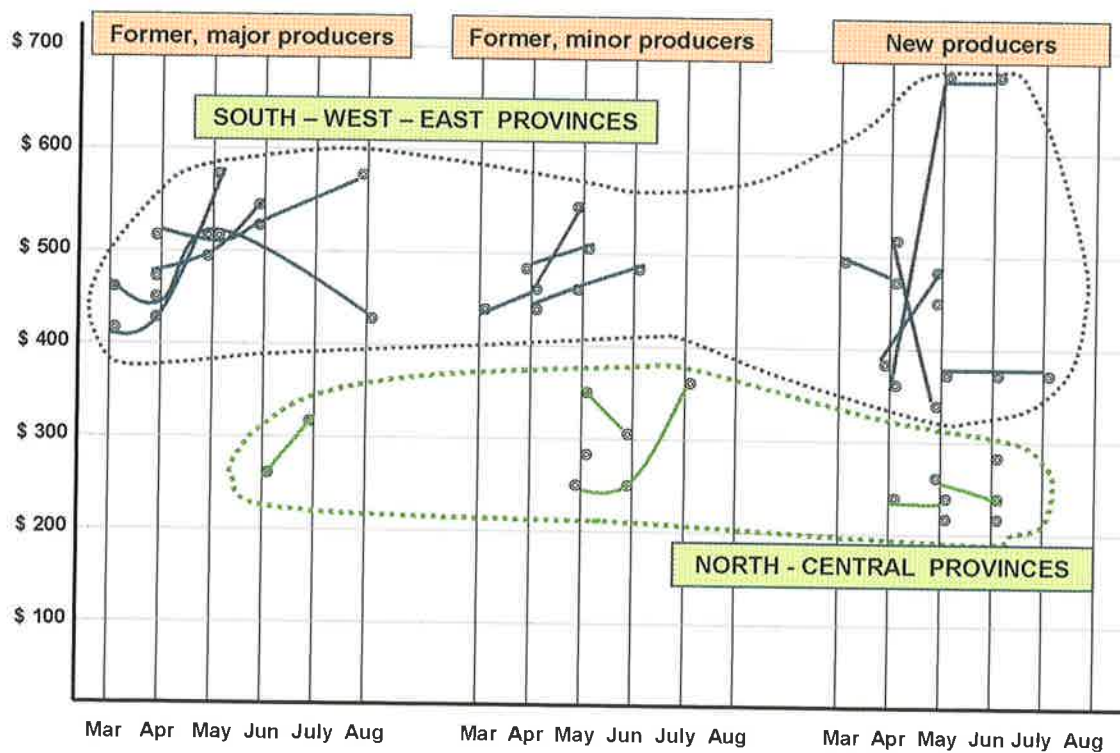
Opium gum has also been an important and desirable ‘credit’ and survival medium – although in expensive and often perverse ways for the poor, most-at-risk families. Opium poppy might not be the most profitable crop for the grower but it is, as David Mansfield notes, “*a lifeline to the poor...*” Notwithstanding “*...the traditional ‘salaam’ system...*” of providing advances / credit can lock the poor, landless sharecropper into a multi-year, perverse ‘patron-client’ relationship. Actual costs / interest burdens can be 1000 percent if an opium crop is poor. As Mansfield also noted, back in 1975, “*...the ‘salaam’ system had been abandoned throughout much of Helmand Province, except for a few areas in the remote north, due to a preference for the formal credit provided by the agricultural bank...*”. He goes on to describe how “*... in the canal area of the Helmand, the poor quality of the soils made fertilizer an essential precondition for profitable agricultural production. Yet, for the poor to obtain fertilizer requires credit; and to obtain credit requires opium...*” (as a

Poppy production and incentives in the Lower and Upper Helmand Province areas needs to be correctly understood. We believe David Mansfield is correct in identifying the capacity of land to support a needy family unit, and the accessibility of ag production and marketing functions, as the underlying drivers of illicit cropping.

saleable income generator so the poor, higher-risk borrower will be able to qualify for and repay the loan....).

Unfortunately, or fortunately, what induced SouthWest and SouthEastern farmers to grow opium poppy now has spread from about a dozen provinces to 28 out of Afghanistan's 32 provinces. **What is interesting is that there appears to be a significant northern provinces / southern provinces split in per kilogram purchase pricing, suggesting a dual outlet marketing structure.** This apparent pricing anomaly needs to be better understood as it may be something to exploit in efforts to moderate overall market efficiency and/or signals affecting poppy cultivation and/or trafficking.

AFGHANISTAN POPPY PRODUCTION Purchasing and Pricing Records



Beyond a general improvement in ag technology, rural infrastructure and opportunities for producing and profitably marketing licit, value-added commercial crops, a successful 'counter-poppy' program needs to target the seasonal cost and availability of poppy growing and harvesting labor.

Providing more competitively priced jobs in the Fall, when growers are deciding whether to plant poppy, would help reduce local pressures for 'over-Winter' credit needs. Additionally, providing more such jobs in the late Spring, when opium 'gum' needs harvesting, could reduce opium profitability and help shift many opium growers into more licit cropping over time.

Surgical 'interdictions' of morphine and heroin processors' facilities and purchased 'gum' and derivatives stocks would tend to drive down subsequent 'demand' levels and then offered opium gum prices, further reducing participants' incentives for future opium poppy plantings.

But use of the ISAF and/or Afghan National Army units in such operations carries a significant risk to them and their primary, much more important peace-keeping mission.

Moderating the Evil's Incentives

To begin thinking in terms of solutions to Afghanistan's 'Good-Evil' dilemma, it cannot be over-emphasized that:

- **Opium is a 'survival' mechanism for the poor, at-risk families (and there are still many of them).**
- **Opium is a risky crop that, while profitable for many in the production-processing-marketing chain, is not necessarily profitable for the sharecropper / grower family.**
- **Opium production is economic if political / environmental conditions are right – but primarily because labor has been low cost in relation to 'gum' prices and adequately available when needed.**
- **Opium poppy can grow almost anywhere, growing well or better on less developed lands, the farm product is easily transported, and, being 'mobile', is physically and politically difficult to control.**
- **The 'market' for opium gum usually finds its way to the farmer.**

- **Those who make the highest financial profits from the overall system have margins available to finance high feedstock ('gum') prices, security for their operations, and political accommodations.** (This is especially noteworthy given Afghanistan's fragile ethnic, political and developmental climate).
- **Moderating opium production within Afghanistan, if approached in a manner which accepts the dignity and survival of the grower-family as a parallel objective, will take several years and many resources to accomplish.** But this, from my experience and the experiences of others, is the only option within such a fragile, multiple-incentives environment.
- **The risk of too short an implementation timeframe and/or excessive expectations, or loss of patience or resolve, could result in a failed state and/or an even more unstable Region.**

As properly stated by the Executive Director in his Preface to the UNODC's 2003 Opium Survey: "...*law enforcement alone will not suffice. The United Nations Office on Drugs and Crime calls on the international community for adequate resources to help rebuild the economy of Afghanistan where far too many people still have no food security, no electricity, no running water, no roads, no schools and no health services*". We must look for a saleable, growers' 'well-being' trade-off scenarios to begin a controlled risk, sustainable reduction of poppy cultivation in Afghanistan.

From the above 'Incentives', I suggest several 'production moderation' investments:

- **Accelerate development of Afghanistan's rural sector – across the board – Dilute perceptions of opium production's financial necessity and profitability for those 'at risk' and by those who control them.**
- **Use 'development' activities to raise daily wage rates and employment opportunities in opium-producing area, so the landless sharecropper or itinerant worker isn't as compelled to plant or help produce opium gum. Improve production asset bases, cropping models and agricultural marketing opportunities so that land owners who lease to growers can set rental costs at other than projected annual opium revenues.**
- **Work with villages, clans, valleys, Districts and Provinces to reinforce the positive aspects of Afghan social fabric and group dynamics, which will moderate risk and use local peer pressure to accomplish poppy reduction objectives, instead of (externally presented) 'enforcement' to reduce opium production.**
- **Consider very surgically applied 'interdiction' actions to lower trafficking and processing profitabilities, thus lowering demand and 'farmgate' price incentives but do not, if such is a factor, publicize the role(s) of the ISAF or the ANA in the operations.**
- **When the expected sale price of opium gum is too low, or cropping labor is too high, farmers will begin to reduce the growing of opium poppy. Do not, in the meantime, forcefully eradicate. Eradication is counterproductive and politically unwise given the fragile status of regional and national Afghan politics. (Also, **do not attempt to repeat the 'cash-in-return-for-no-production' failures of the recent past.** The**

prior attempts appear to have been counterproductive. **Economic alternatives and self-imposed peer pressure works much better.**)

Quickly conduct credible assessments to determine all the reasons WHY:

- South Helmand's production has gone down so dramatically (or may be reversing?);
- New Provinces and Districts are growing opium;
- Others continue to grow poppy and, if any, prospective changes in their decision matrices;
- Area security / local armed organizations are a plant-no plant decision factor;
- Reasons for the current, high per kilogram prices, and what appears to be a significant Northern / Southern-Eastern pricing structure split;
- What changes or improvements would a poppy growing group / area find attractive that might affect the group's decision(s) to grow poppies, i.e., how expensive or difficult might it be to implement their collective 'well-being enhancement baskets' be?