

**Exploring the ‘Shades of Grey’:  
An Assessment of the Factors  
Influencing Decisions to Cultivate  
Opium Poppy in 2005/06**

Gul Mohammed was approached by Fida Mohammed to request his daughter marry Fida Mohammed's son. Gul Mohammed agreed but said that he would not request a bride payment from Fida Mohammed, only 50,000 Afs [US\$ 1,000] to purchase jewellery and clothes for his daughter's wedding. Shortly after Fida Mohammed brought the 50,000 Afs to Gul Mohammed's house the daughter fell sick. Gul Mohammed took her to Jurm, Baharak and Faizabad for treatment. Eventually she was taken to Kunduz hospital where she had an operation to remove a kidney stone. After she recovered and returned home to Jurm, Fida Mohammed came to Gul Mohammed and told him he was ready to proceed with the marriage of their children. However, the 50,000 Afs that Fida Mohammed had given to Gul Mohammed for clothes and jewellery had been spent on medical treatment and travel. Gul Mohammed had to take salaam [an advance payment] of 48,000 Afs on twelve kilogrammes of opium so that he could purchase the items for his daughters wedding. He planted three jeribs of his land with opium poppy. Not long after the wedding his crop was destroyed by floods. Two months after the harvest time and Gul Mohammed had failed to repay the salaam, the trade increased the debt from 4,000 Afs per kilogramme to a price of 10,000 Afs. Gul Mohammed sold one jerib of land for 120,000 Afs. He purchased 12 kilogrammes of opium and repaid the trader the opium he owed.

*Respondent in Jurm district, Badakhshan*

Mohammed Jan got an advance payment on five qandahari maun [22.5 kg] of opium. However, during the harvest he did not get a yield. The trader demanded his money but when Mohammed Jan said he could not pay the trader took Mohammed Jan's ten jeribs of land as mortgage. Mohammed Jan was told he could get the land back when he repaid the debt but Mohammed now has no land and no job. His two sons aged sixteen and seventeen are no longer in school, now working for other villagers to help repay the debt

*Respondent in Spin Boldak district, Qandahar*

I have eight jeribs of rainfed land and a family of ten people. Last year my wife was very ill. We needed money for her treatment so I took an advance payment of 49,500 [US\$ 990] against fifteen kilogrammes of opium. I took my wife to Faizabad to see the doctor and get medicine. There was very little money left. Last year [2005] I cultivated two jeribs of rainfed land with poppy but I only got a yield of three kilogrammes of opium. I gave this to the trader who lent me the money. He converted the twelve kilogrammes of opium I still owed him into cash at 4,000 Afs per kilogramme [and a total of 48,000 Afs]. I did not have cash so I sold two and a half jeribs of my land for 62,500 Afs [US\$ 1,250]. I repaid the trader and the rest of the money I have used for my family expenses. I am very happy with this local trader, he is a very good person as he helped me with my wife's illness. If I had not cultivated poppy I would not have got loan and my wife would not be better.

*Respondent in Jurm district, Badakhshan*

I have one jerib of land. Last year [2005] I bought a tractor and got an interest free loan [qarze hasana] for 100,000 Pakistani Rupee [US\$ 1,666] to pay for it. I cultivated all my land with poppy but it was destroyed by the government. After that I gave my one jerib of land to my creditor as a mortgage. This year I have found two jeribs of land in the upper part of the district as a sharecropper and cultivated it all with poppy. I hope to regain my land.

*Respondent in Achin district, Nangarhar*

I worked in Iran for four years. When I was there I saw young people who were addicted to heroin. I promised Allah that I would not cultivate poppy in my won land not because I am afraid of the government but because I am afraid of Allah. Now I have returned I do not cultivate poppy. I grow wheat and barley and my son sends me money from Iran.

*Respondent in Keshem district, Badakhshan*

One government soldier, Abdul Salaam, who was from our village, came here last year as part of the eradication campaign. The soldiers were only destroying the poppy grown by the roadside but Abdul Salaam wanted to destroy the crop of Hamidullah [an ex Taliban fighter] that was being grown within his compound wall. Hamidullah told Abdul Salaam that 'it is the government's policy to destroy the poppy crop by the roadside but it is your policy to destroy the crop inside my house'. Abdul Salaam did not listen and destroyed the poppy inside Hamidullah's compound. Whilst Abdul Salaam was out Hamidullah and some of his friends went to his house where they knew poppy was being grown. Hamidullah and his friends destroyed Abdul Salaam's poppy crop. When Abdul Salaam found out he went to the district authorities and reported Hamidullah for attacking his house and stealing valuables. Hamidullah denied this saying that he had only destroyed the poppy of Abdul Salaam but was arrested anyway. Hamidullah was only released when other villagers went to the district and explained to the authorities what had happened.

*Respondent in Farah district, Farah*

## EXECUTIVE SUMMARY

The UNODC estimated that opium poppy cultivation in Afghanistan decreased by 21% (from 131, 000 hectares (ha) to 104,000), between 2003/04 and 2004/05. In some provinces reductions (in both absolute and relative terms), were far more significant. In the province of Nangarhar, for example, the level of cultivation fell by 96% (from 28,213 ha in 2004/05 to 1,093 ha in 2003/05). To date such significant reductions in the amount of land allocated to opium poppy have not been sustained from one season to the next. Following the Taliban prohibition in 2000/01, cultivation bounced back to 84,000 hectares in 2001/02 – surpassing the 1999/2000 levels. Since the fall of the Taliban, at the provincial level, significant reductions (and these have been few and far between) have not been sustained into a second year.

Yet, in 2005/06 there are some encouraging signs. Of particular significance is evidence of the maintenance of the negligible levels of opium poppy cultivation recorded in the 2004/05 growing season in the more accessible and relatively asset wealthy areas of the provinces of Nangarhar and Laghman. This is without precedent in Afghanistan. However, we should remain cautious, this trend is far from uniform. Whilst there is some evidence that the level and incidence of cultivation is diminishing in those districts with better access to assets (including governance and security), the same cannot be said of some provinces in the southern region of Afghanistan, where dramatic increases in opium poppy cultivation (particularly in Helmand) are predicted. There is a real danger that achievements at the district and provincial level in some parts of the country may be obscured beneath the headline total cultivation figure.

This report moves beyond the common tendency to use aggregate levels of opium poppy cultivation as the primary measure for assessing performance on counter narcotics objectives in Afghanistan. This kind of nation-wide picture neither captures the diversity in opium poppy cultivation across the country, nor the qualitative shifts that are taking place at the local level. Instead, this paper looks at the more nuanced picture beneath these headline figures. It maps out apparent progress in reducing opium poppy cultivation in the more accessible and asset wealthy districts of some provinces but also charts the expansion of poppy cultivation in the more outlying districts of these same provinces, peripheral areas where access to viable legal livelihoods, governance and security remains problematic.

The growing body of research on the opium economy in Afghanistan and the findings of this Study, support this ‘centre’ - ‘periphery’ classification. This distinction is helpful for analysing the nature of opium poppy cultivation, the vulnerability of different areas to the spread of cultivation, and for defining areas of economic potential. However, in the south of Afghanistan currently this distinction appears less clear, with a disturbing absence of any ‘centre’ to talk of in either Qandahar or Helmand. In these provinces the Government of Afghanistan and the international community have considerable problems of access, security and service delivery. Here there is little evidence of a social contract between the people and state, even in those areas that are in close proximity to the provincial centre and contain larger landholdings with better access to irrigation.

This Report also stresses the need to look beyond the headline figures of cultivation for the country as a whole. Typically illicit drug crop cultivation occurs in a fragile political, socio-economic and environmental setting. As a result there is a delicate balance between efforts aimed at reducing the scale and nature of illicit drug crop cultivation and those aimed at broader state building and development. There is no doubt that progress in reducing opium poppy cultivation can have political and economic ramifications for the household, area and region.

The report highlights that access to credit has become more problematic for the rural population in areas where opium poppy has typically been concentrated. It also suggests that where individuals lack access to legal livelihoods, eradication can damage (or even break) the nascent relationship between citizen and state. There are anti state elements that will no doubt seek to exploit any disaffection. The issuing of night letters by the Taliban encouraging opium poppy cultivation and offering protection against eradication are clear evidence of this.

The wider impacts of sustaining low levels of opium poppy cultivation - in terms of economic growth, security and rural poverty - are currently unclear. Rural livelihoods in Afghanistan have proven resilient, enduring two decades of war and a prolonged drought. However, developments in the south illustrate how fragile the security situation is and shows how rapidly levels of opium poppy cultivation can expand where there is a security vacuum. A tempered approach informed by a detailed understanding of the socio-economic, political and environmental processes by which rural households move from illicit to licit livelihoods is required.

### **Key findings:**

- Whilst the amount of cultivation in the province of Nangarhar as a whole is likely to rise this season compared with 2004/05, the continuing low level of cultivation in the relatively asset wealthy districts closest to the provincial centre will prevent a return to the unprecedented levels of cultivation in the province in 2003/04.
- Even within districts in Nangarhar where over the years opium has been more entrenched and where households are more dependent on cultivating opium poppy as a means of livelihood, there is an increasing tendency to reduce or even shift out of opium poppy cultivation in those areas in close proximity to the district centre. This is a trend not only in the eastern region, but also in Badakhshan, Balkh, and Farah where there is evidence of similar patterns of behaviour.
- The prognosis in the South is currently bleak. The incidence and level of cultivation is likely to increase significantly. Limited government presence even in those areas in close proximity to the provincial centre, the perception of low levels of development assistance and the Taliban's issuing of night letters encouraging opium production (and offering protection against eradication) have all created the conditions in which many households feel opium poppy is a low risk crop in a high risk environment.
- The formal position of the central and provincial authorities with regard to the illegality of opium poppy cultivation is clear. In many areas the provincial

authorities are actively engaged in the delivery of counter narcotics messages prior to the planting season of which the majority of households are increasingly aware.

- In areas where corruption seems pervasive, where the opium trade continues unabated in both district and local bazaars, and where local authority staff are engaged in opium poppy cultivation or the trade itself, the legitimacy of the authorities to impose a ban on opium poppy cultivation is undermined.
- There is a continuing perception that eradication targets the poorest and that those with links to the authorities, the finances to bribe those charged with eradicating the crop, or the resources to build walls around their crop will escape with their crop unscathed. This perception remains divisive and if true could serve to increase cultivation in subsequent years by driving up accumulated debt.
- The effects of eradication remain uneven. Eradication may contain cultivation under specific circumstances particularly where improvements in security and greater government presence coincide with viable livelihood opportunities. However, the hypothesis that repeated episodes of eradication lead to households abandoning opium poppy cultivation on a sustained basis remains unproven, particularly given the incidence of households who have experienced eradication on a number of occasions but continue to grow opium poppy unabated.
- The advance system for opium, known as *salaam*, is showing continued signs of stress. Traders are proving reluctant to provide *salaam* on the opium crop even in areas where opium poppy is concentrated and where it has proven to be one of the only means of accessing credit for the rural poor. The livelihood implications of this loss in the availability of credit currently remain unclear but may have implications for future levels of opium poppy cultivation given the continuing tendency amongst those with accumulated debts, particularly in the south, to see opium poppy as a viable strategy for debt repayment.
- There is an increasing awareness of interdiction efforts particularly in those areas where law enforcement is concentrated. However, farmers did not see interdiction as something that affected them directly or influence their decision to cultivate opium poppy.
- The picture is varied with regard to the delivery of development assistance over the last twelve months. In the south there is a general resentment towards the local authorities for what is perceived as their failure to deliver on past promises of assistance, further feeding the conditions for increased levels of cultivation in 2005/06. However, even in those areas where there has been a notable increase in the delivery of development assistance in the last year the common perception is that projects, even where there was a range of interventions, did not generate sufficient income to meet 'family expenses'.

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## 1. Introduction

Much of the debate on drugs in Afghanistan focuses on the headline figures, on how much opium poppy is produced in the country on a year on year basis. Consequently, when the total amount of land dedicated to opium poppy in Afghanistan increases over a twelve-month period, this leads some to deem the prevailing drug policy as a failure and call for a strategic rethink. Equally, when aggregate annual levels of opium poppy cultivation are seen to decrease, the strategy is regarded as delivering – in some cases regardless of the deeper impact reductions might be having on the livelihoods of the rural population, the overall economy, or even whether this could serve to increase cultivation in subsequent years.

The Taliban prohibition of 2000/01 provides the most obvious example of this. Indeed, there are some who, though critical of the Taliban during their rule, now almost sound like apologists for the regime, when describing the dramatic reduction in opium poppy cultivation achieved under their rule. Citing the subsequent upswing in cultivation that followed their fall. Implicit within this narrative is a critical view of the failure of the post 2001 administration to control the level of opium poppy cultivation to the same extent.

Yet, despite speculation regarding the Taliban's motivations for imposing the ban, what is often missed in discussing the success of the ban, is the role that it played in actually establishing the conditions which in turn led to the subsequent rise in cultivation following the Taliban's fall. Not only did the Taliban prohibition cause the resulting rise in farmgate prices (increasing from US\$ 100 to US\$ 500 between September 2000 and July 2001), but it also led to an exponential rise in the value of what had until that point been opium denominated debt. Faced with the ban farmers were unable to repay in opium the advance payments that they had received on their crop. Traders swiftly converted these opium denominated debts into cash at the prevailing market price of US\$ 500 per kilogramme. For these farmers an advance payment of just US\$ 50, agreed prior to the planting season of 2000/01, in return for two kilogrammes of opium at harvest time had suddenly become a significant debt of US\$ 1,000.

For those farmers saddled with high levels of accumulated debt, maximising the amount of land they allocated to opium poppy was their only means of raising enough for repayment. For those without debt, the high market price for opium following the ban encouraged them to cultivate. At such high prices even those in more marginal areas where poor yields would otherwise have mitigated against cultivation (when prices had been lower) considered taking up cultivation. The increasing availability of wheat following the end of the drought, the freeing up of both internal and external markets, and the absence of formal governance, all contributed to making opium cultivation an attractive option across many parts of Afghanistan. From a livelihoods perspective the conditions were right for a massive increase in opium poppy cultivation in the 2001/02 growing season. Whilst we will never be sure whether the Taliban would have been able<sup>1</sup> to maintain a low level of cultivation for a second year in succession, it can certainly be said that the financial and social costs incurred by a

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<sup>1</sup> Or indeed willing should they have not obtained recognition from the General Assembly in October 2001.

large contingent of the rural population in strategic Pashtoon provinces did little to bolster their support once the events of September 11th 2001 unfolded.

Simply focusing on the aggregate level of production as a performance indicator in any given year also risks ignoring the diversity of climate, resources, language and culture but also governance, security and engagement in the opium poppy economy that prevails in Afghanistan today. This diversity makes it unrealistic to expect changes in opium poppy cultivation in one area to be simply replicated in another. In fact, experience has shown that successful reductions in one area are quite often offset by increases in another. This may be a simple consequence of the markets reaction to a shortage of supply, but may also be as much a function of the differing political and economic realities within and between neighbouring regions, provinces and districts. In Afghanistan simply defining measuring performance at the aggregate level and re-orientating policies (drugs, development or others) based on increases or decreases in national level data, means ignoring the reality of Afghanistan today and neglecting what lessons can be learned from qualitative changes taking place at provincial and district levels.

It is the intention of this paper to move beyond measures of aggregate levels of opium poppy cultivation and to explore the socio-economic, environmental and political processes influencing households in their decisions on the nature and level of their engagement in the opium economy. This *paper* is not meant to be exhaustive or definitive, it is very much work in progress. It is based on 437 indepth household interviews undertaken in eight provinces during the 2005/06 winter planting season. However, it also draws on a growing body of analysis of the role of opium poppy in rural livelihood strategies in Afghanistan, including three previous annual studies that form the background to this particular report. These have been supported by the Foreign and Commonwealth Office of the Government of the United Kingdom and undertaken in the winter planting seasons of 2002/03, 2003/04 and 2004/05 respectively.<sup>2</sup>

## 2. Methodology

The focus of this paper is on the rural household. Debates regarding the previous collapse of governance and how it has allowed traffickers to operate without sanction and corruption to flourish, though important in understanding the current situation, are not considered in detail here. This particular research looks at the current situation, particularly at the level of the household and how it is evolving.

Fieldwork was conducted in the provinces of Badakhshan, Balkh, Farah, Ghor, Helmand, Laghman, Nangarhar and Qandahar. To gain a greater understanding of the different factors that influence households in their decision to cultivate opium poppy, sites for fieldwork have been selected on the basis of physical accessibility (both remote and accessible to both markets and governance); the access of the local

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<sup>2</sup> The first report was conducted during the 2002/03 growing season for the United Nations Office on Drugs and Crime; the second was produced as a Technical Paper for the UNODC/ONDCP Second Technical Conference on Drug Control Research and covered the 2003/04 growing season. The third report in the series was produced for Afghan Drugs Inter Departmental Unit of the UK Government.

population to irrigation (both karez<sup>3</sup> and canals); the size of landholdings (both large and small); and experience of law enforcement efforts (this work including areas covered by eradication and interdiction efforts, as well as those not covered).

In total 437 interviews were conducted in 31 districts between 17th November and 12th December 2005. Interviews were conducted across a number of different locations in each district and included representatives from a range of different socio-economic groups. The team of fieldworkers consisted of eight Afghan national staff all of who have over ten years' experience undertaking indepth research into opium poppy and rural livelihoods in Afghanistan. Interviews were semi structured and conducted in a conversational manner. Due to the sensitive nature of the subject, notes were not taken during interviews but were written up once the interviews had finished and the interviewer had departed.

This particular study looks at what farmers are planting and why. Therefore implementation was timed in order to interview farmers in the field at planting time. At the time of the fieldwork, respondents reported that on average 40% of their land had already planted. In some areas, such as Helmand this average rose to as high as 68%, of which practically all (94%) the land that was to be dedicated to opium poppy had already been planted.

Interviews were conducted with respondents from a range of different socio-economic groups. Of those interviewed, 70% owned land. Of these 25% employed others to work their land, 60% worked their own land, and the residual 15% obtained further land on a tenancy or sharecropping basis (sometimes both), as well as farming their own land. Almost one third of those interviewed owned no land at all, obtaining access to land on either a sharecropping (25% of respondents), or tenancy basis (5% of respondents).

This report also draws on the examples given and stories that respondents told of events that were pertinent to their particular circumstances. These anecdotes (by their very nature), are not representative of the life stories of any one particular group, but instead are illustrative of the stresses and impacts of some of the changes currently underway in rural Afghanistan. These narratives represent the voices of Afghan farmers that are sometimes not heard in policy debates and discussions on opium poppy cultivation in Afghanistan.

Whilst any illicit economy presents fundamental research problems, the rural household continues to be the more accessible unit of analysis when looking at the opium economy in Afghanistan. Focusing on the household also provides a basis for cross referencing findings and, drawing on research on the role of opium poppy in rural livelihoods in Afghanistan over the last decade,<sup>4</sup> tracing changes in the socio-

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<sup>3</sup> A Karez system comprises of a series of wells and linked underground channels that uses gravity to bring ground water to the surface, usually far away from the source.

<sup>4</sup> See UNODC Strategic Studies Series; Pain, A. 'The Impact of the Opium Poppy Economy on Household Livelihoods: Evidence from the Wakhan Corridor and Khustak Valley in Badakhshan.' A Study for the AKDN Badakhshan Programme funded by Gtz, January 2004; Mansfield, D. 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' A Report for the Agha Khan Development Network, January 2004; as well as 'The Economic Superiority of Illicit Drug Production: Myth and Reality - Opium Poppy Cultivation in Afghanistan' and 'The Failure of Quid Pro Quo: alternative Development in Afghanistan'. Papers

economic, political and environmental processes that influence farmers in their decision to engage in illicit opium poppy cultivation. The same cannot be said for researching other aspects of the illicit economy, such as corruption and trafficking, access to information on which is far more problematic and where there is currently little comparative data, either quantitative or qualitative, to draw upon.

### **3. Contrasting the ‘Centre’ and ‘Periphery’**

In 2005 UNODC reported a 21% reduction in the level of opium poppy cultivation in Afghanistan, from 131, 000 hectares to 104,000 hectares between 2003/04 and 2004/05.<sup>5</sup> Significant reductions were reported in Badakhshan (minus 53%), Oruzgan (minus 58%) and Helmand (minus 10%). However, it was in Nangarhar that cultivation fell most, to a extent only seen previously during the Taliban prohibition, with cultivation falling from an estimated 28,213 hectares to just 1,093 hectares. Cultivation in neighbouring Laghman province was also reported to have fallen from 2,756 hectares to 274 hectares over the same period and as a result of similar concerted efforts by the local authorities of the region.

In the past the kinds of dramatic reductions witnessed in the eastern region last year have not been sustained into a second year, even in areas with more diversified on farm, off-farm and non farm income opportunities, and better access to assets such as land, water and governance.<sup>6</sup> However, based on the responses of those interviewed for this Study, concerns that the dramatic reductions in the level of opium poppy cultivation achieved in Nangarhar province in 2004/05 would be negated by a return to the unprecedented levels of cultivation in 2003/04 do not seem to have materialised. Instead in some provinces sustained reductions in the level of cultivation in those areas in close proximity to the provincial centre are apparent – though this is certainly not true of all provinces.

#### **3.1. Positive developments in Nangarhar**

According to the results of this Study, the low incidence last year of planting in those districts in close proximity to the provincial capital and within the Kabul river basin in Nangarhar, seem to be being sustained in 2005/06 (See Table 1). For example, none of those interviewed in Surkhrud district (near the centre of the province) had

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prepared by David Mansfield for the International Conference on Alternative Development in drug control and cooperation, Feldafing, January 7-12, 2002; Christopher Ward and William Byrd ‘Afghanistan’s Opium Drug Economy’. December 2004 World Bank South Asia Region PREM Working Paper Series, Report No. SASPR-5; William Byrd and Christopher Ward. ‘Drugs and Development in Afghanistan.’ World Bank Social Development Papers: Conflict Prevention and Reconstruction. Paper No. 18/December 2004; and PAL – Internal Document No. 2: Diversity and Dilemma: Understanding Rural Livelihoods and Addressing the Causes of Opium Poppy Cultivation in Nangarhar and Laghman, Eastern Afghanistan by David Mansfield, December 2004.

<sup>5</sup> UNODC Afghanistan Opium Poppy Survey 2005. The United States Government reported a more significant fall in the amount of land allocated to opium poppy with a reduction from 206,700 ha to 107,400 ha.

<sup>6</sup> For instance, the year following the 50% reduction in opium poppy cultivation reported in Helmand province in the 2002/03 season cultivation returned to its 2002/03 level even in the canal irrigated areas in close proximity to the provincial centre of Lashkar Gah.

cultivated opium poppy this season (see Table 2). Indeed, here there were signs of real change. Whilst complaining of the impact of enforcement of the ban, respondents in Surkhrud reported that *'opium poppy was forgotten to them'*. Eradication efforts in 2001/02, low yields 2002/03 and 2003/04, and a tendency to cultivate a smaller proportion of land with opium poppy, meant that the impact of the ban in 2004/05 was not felt as hard here as in other districts in the province. The economic consequences of non-cultivation were also lessened by the district's close proximity to the commodity and labour markets of the provincial centre of Jalalabad.<sup>7</sup> Respondents reported that with improved irrigation last year, they had obtained good yields from their vegetables plots. Onion production last year had resulted in good returns and this year had attracted traders to purchase crops in advance at the farmgate. There were even respondents that reported that they had relocated to Surkhrud district from more entrenched areas of opium poppy cultivation in Nangahar in order to take advantage of the agricultural potential of the area (see Box 1).

At the time of the fieldwork the situation was more mixed in the Nangahar districts of Chapahar and Khogiani. The availability of viable legal alternatives to opium poppy was less apparent in both these, particularly in the lower parts where water shortages had taken their toll. Respondents confirmed reports from last year that as a direct consequence of the opium poppy ban there had been an increase in the migration of young men from these districts in search of work. In Chapahar, some respondents argued that they would be looking to see whether people planted poppy in the district of Khogiani - whilst in Khogiani district respondents were waiting to see what happened in the district of Pachir Wa Agam.

	Wheat		Vegetables		Poppy		Fruit	
	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06
All	62.2	57.8	6.8	6.3	14.7	19.0	4.0	4.3
Badakhshan	72.9	72.9	2.6	3.3	8.3	8.8	1.8	1.9
Balkh	58.6	63.2	2.2	0.5	9.2	8.4	0.1	0.1
Farah	50.7	53.1	6.5	3.6	39.4	40.5	0.8	0.8
Ghor	90.4	90.6	1.5	2.9	6.3	3.0	3.5	3.5
Helmand	58.1	34.1	11.1	8.1	20.8	43.8	1.0	3.4
Laghman	72.8	70.9	26.3	25.4	0.0	0.2	0.3	0.2
Nangarhar <sup>1</sup>	82.1	74.8	9.8	10.3	11.7	12.5	0.0	0.0
Qandahar	41.2	31.5	6.7	8.6	27.1	33.8	25.1	22.9

In both districts there was a clear desire to cultivate opium poppy this year. In Chapahar 40% of those interviewed had already planted; all of these were located in the upper part of the district away from the district centre. There was a lower incidence of cultivation amongst respondents in Khogiani (25% of those interviewed)

<sup>7</sup> For a detailed review of the coping strategies households adopted in response to the ban on opium poppy cultivation in Nangarhar in 2004/05 see *Pariah or Poverty?: The Opium Ban in the Province of Nangarhar in the 2004–05 Growing Season and Its Impact on Rural Livelihood Strategies*, by David Mansfield, GTZ Project for Alternative Livelihoods in Eastern Afghanistan: Internal Document No. 11.

but the same pattern - of cultivating opium poppy some distance from Karga, the district centre - was common.

In both Khogiani and Chapahar, respondents reported that they would be allocating less land to opium poppy this planting season than they had in 2004/05. It is notable that in Chapahar and Khogiani, those interviewed reported that last years eradication campaign had led to smaller amounts of land cultivated with opium poppy being available for harvesting (3.3% and 0% of household land respectively). Were the full amount of land that respondents reported they would allocate to opium poppy this planting season to reach full maturation, the level of opium poppy cultivation would increase in Chapahar and Khogiani compared to 2004/05. However, this would still not be to the same the levels of magnitude as in the years immediately following the fall of the Taliban (and indeed the late 1990s) when the average amount of household land allocated to opium poppy in Khogiani could reach as high as 80%.<sup>8</sup>

Of those districts in Nangarhar covered by this fieldwork it is only Achin where respondents reported that during this year's planting season they would increase the amount of land allocated to opium poppy. With a third of those interviewed in Achin reporting that they were returning to mono-cropping opium poppy in 2005/06 it is of little surprise that the average amount of household land reported to be allocated to opium poppy this season rose to 85.1% (compared to 64.6% in 2004/05). However, even in Achin there is some restraint by comparison with the 2003/2004 season, when all those interviewed reported that the entirety of their land would be allocated to opium poppy.<sup>9</sup>

**Box 1: Sharecropper in Surkhrud**

I came from the neighbouring district of Khogiani last year [2004]. I lived there with my wife and two children, as well as my three brothers and their families. Between us we have 1 jerib of land. I had debts of 80,000 Afghanis [US\$ 1,600] but due to disease I did not get any yield from my opium crop in 2003 and in 2004 the authorities banned opium poppy in Khogiani. I wanted to go to Peshawar to fund work and repay my debt but my family did not let me go. My wife suggested we come to the district of Surkhrud to obtain land under a sharecropping arrangement. We came here with nothing. We got six jeribs of land and cultivated it all with onion. I got a very good yield and I sold them in the market for 30 Afghanis per Seer [US\$ 0.60/7 kg]. I took my money to Khogiani to repay my debt. We now have three sheep and one cow. This is the blessing of onions. This year I also want to cultivate all my land with onions

At the same time it is important to differentiate between different areas even within Achin district. For example, around the district centre, Kahi, there was some concern about cultivating opium poppy. There were reports that the district security commander had already made 25 arrests of those cultivating opium poppy and demanded 'guarantees' from these individuals that they would destroy their crop and not cultivate opium poppy again this season.<sup>10</sup> Interviewees claimed that patrols were being made of the area around Kahi every day to check to see whether opium poppy was being planted. However, in Upper Achin away from the district centre respondents were adamant that they would cultivate poppy and resist, with violence if

<sup>8</sup> Mansfield, D., (2004b), What is driving opium poppy cultivation? Decision making amongst opium poppy cultivators in Afghanistan in the 2003/4 growing season, Paper for the UNODC/ONDCP Second Technical Conference on Drug Control Research, 19-21 July 2004

<sup>9</sup> Ibid.

<sup>10</sup> Given that this incident took place just after planting and prior to germination it is likely that the crop was turned and not destroyed.

necessary, any efforts to destroy their crop. The belief that the local and national authorities were in a position to impose a ban around Kahi but could not do so in the upper parts of the district, prompted two respondents to leave the land they owned in lower Achin and take land on a sharecropped basis in the upper parts of the district so that they could more freely grow opium poppy there. Within the province as a whole there were also cases of respondents moving from more accessible districts to Achin in order to cultivate opium poppy.

### 3.2. Some progress in other provinces

There is also evidence that this type of sustained reduction in opium poppy cultivation (achieved in the more accessible parts of Nangarhar) is being replicated in similar areas within other provinces covered by this fieldwork. In the province of Laghman, according to the reports of those interviewed for this Study, the negligible levels of opium poppy cultivated in the 2004/05 growing season will also be sustained into 2005/06.

Good irrigation and relatively close proximity to both Jalalabad and Kabul has meant vegetable production occupies a large proportion of household land in the district of Mehtarlam and Qarghai within Laghman, and according to those interviewed they will continue vegetable – rather than opium – production in 2005/06. By comparison in the districts of Alishing and Alingar, where landholdings are considerably smaller and the markets more remote, households typically responded to last year’s ban by sending male members of the family in search of work in Kabul or Pakistan. What appears to have been a traditional seasonal labour migration pattern - with members of the family leaving for Pakistan during the winter months and returning in time for the opium harvest in spring - had been disrupted last year, with fewer young men returning to Alingar and Alishing in the spring as a result. It was anticipated that with the continuation of the ban on opium poppy cultivation, many of these migrants would not return to Alishing and Alingar at all.

**Table 2: Proportion of household land dedicated to opium poppy in 2005/06 as percentage of those interviewed**

	0%		0%><50%		50%><100%		100%	
	2004/5	2005/6	2004/5	2005/6	2004/5	2005/6	2004/5	2005/6
All	46	45	44	34	1	13	5	7
Ghor	57	80	43	20	0	0	0	0
Balkh	22	33	76	65	0	2	2	0
Badakhshan	51	47	33	40	4	2	11	11
Qandahar	30	23	61	47	5	28	3	2
Laghman	100	98	0	2	0	0	0	0
Helmand	38	17	48	33	12	47	2	3
Nangarhar	50	53	33	23	5	2	12	22
Farah	27	29	42	37	23	16	8	18

In Badakhshan province, increases in the district of Keshem (leading to a likely overall increase in the province) are contrasted with reports of lower levels of household land dedicated to opium poppy in Faizabad and Jurm near the provincial centre. Whilst progress in Farah province is less obvious, reports do suggest that

increases in the amount of household land allocated to opium poppy in Gulistan and Bala Bulok (with more marginal increases in Farah district). These are contrasted with quite substantial reductions in the amount of land allocated to opium poppy in Pushtrod in the centre of the province, which appear to be falling (from an average of 27% of total land in 2004/05 to 18.7% in 2005/06). Again, even in the district of Bala Bulok, respondents noted a tendency this year to relocate their opium poppy to an area less visible to the local authorities.

The introduction of opium poppy to Farah was blamed primarily on the drought and the subsequent sinking of tubewells across all four districts. As in other parts of Afghanistan, respondents claimed that growing legal crops would not meet the installation and recurrent costs of their tubewells. Respondents claimed to have learned about opium poppy cultivation from Helmand where they worked during the opium harvest season before subsequently beginning cultivation on their own land in Farah in the late 1990s.<sup>11</sup> Respondents in Pusht Rud and Farah claimed a history of poor yields and the threat of eradication had tempered their desire to cultivate opium poppy this season. Migration to Iran (and facilitating the movement of people and goods across the border for others) provided important income earning opportunities in these areas. However, in the more remote district of Gulistan, where landholdings were particularly small, (and the use of tubewells prolific) and where eradication efforts last year were allegedly used by the local authorities as a means to extort money from farmers, respondents reported that - despite this - cultivation would increase significantly (an increase second only to Achin in terms of the proportion of household land dedicated to the crop).

**Box 2: Running the risk in Chaghcharan**

We are three brothers. We have two jeribs of irrigated land. Every year we take it in turns and two of us go to Iran to find work. Last year I cultivated one jerib of land with poppy. We got a good yield (of three and a half kilogrammes). This year it is my turn to go to Iran. I have told my brothers that this year we will grow two jeribs of poppy and there will be no need for me to go.

We cultivated one jerib of my land with poppy this year [2005]. Three years ago [2002] we cultivated and did not get any yield. We did not grow for two years. Last season [2005] I cultivated one jerib of poppy as a test. I was not sure I would get a yield. In the end we got three kilogrammes of opium. I sold this for 6,000 Afghanis [US\$ 300] per kilogramme. We bought a motorcycle. Now it is easy for us to go to Chaghcharan. This year I will cultivate one jerib of poppy in the spring season.

In the province of Ghor the incidence of cultivation amongst respondents in the in the 2004/05 growing season was lower than in any other province (at 57% of those interviewed) other than Laghman. In 2005/06, respondents in Ghor claimed there would be fewer cultivating opium poppy, falling to 20% of those interviewed, and the proportion of household land dedicated to opium poppy would fall from 6.3% in 2004/05 to 3% this growing season. Reports of low yields and disease were common in both the western district of Sharak, bordering Herat and the central district of Chaghcharan, so much so that it prompted one respondent to comment that '*It was God that has banned opium poppy not the government*'. The experience of opium crop failure in the district of Sharak was such that fruit and vegetable production for the markets of Chast-i Sharif and Herat were considered a less risky venture than

<sup>11</sup> See Strategic Study #1: An Analysis of the Process of Expansion of Opium Poppy to New Districts in Afghanistan, (Islamabad, UNODC, July 1998).

poppy cultivation. In the district of Chaghcharan opium poppy was typically cultivated at the top or middle of the valley where access to irrigation water was less problematic and yields were higher. Opium yields of 3 –5 kilogrammes per jerib were cited.<sup>12</sup>

Employment opportunities in Iran were considered an essential element of livelihood strategies in both in Chaghcharan and Sharak. For those who had obtained low yields there was a preference to send family members to Iran to find wage labour rather than risk opium poppy cultivation. However, for those in the district of Chaghcharan with a more consistent supply of irrigation, opium poppy could obtain yields that prevented the need to avoid incurring the social and economic costs associated with migrating to Iran to find work. As a result this group would plant again this season (see Box 2).

### **3.2. A deteriorating situation in the South**

The situation in the South presents a real contrast to this varied picture in which reductions in the amount of household land dedicated to opium poppy in one part of a province is juxtaposed with reports of increases in another district, typically those further away from the provincial centre. In Qandahar and, in particular, Helmand where fieldwork was conducted in close proximity to the provincial centre (due to the security constraints of travelling further afield), respondents in all but one of the districts reported increases in the amount of land dedicated to opium poppy, regardless of proximity to the centre.

In Helmand, predicted increases this year are so significant they represent an increase of 23% in the proportion of household land dedicated to opium poppy amongst respondents between 2004/05 and 2005/06, from 20.1% to 43.8%. Indeed, 72% of those interviewed in Helmand province reported that they had increased the amount of land dedicated to opium poppy over the last twelve months, and three quarters or more of those interviewed in each of the districts except Nawa Barakzai claimed to have expanded their levels of opium poppy cultivation between 2004/05 and the 2005/06 growing season.

Reports of such a high proportion of household land allocated to opium poppy this season suggests total cultivation levels commensurate with the 1998/99 growing season (during which the highest levels to date were recorded). Then, 46% of household land in the central districts of Nad-e-Ali and Marja was cultivated with opium poppy, and the UNODC estimated that 44,000 hectares of opium poppy were cultivated in Helmand province alone.<sup>13</sup> In the northern districts of Kajaki and Musa Qala, where landholdings are smaller and access to irrigation more problematic, 70% of cultivated land was dedicated to opium poppy in 1998/99. It was not possible to visit these areas as part of this Study due to security constraints, however key

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<sup>12</sup> Fieldwork by the author in Chaghcharan and Sharak in August 2005 indicated that experience of cultivating opium poppy was limited. Varieties of opium poppy were mixed, the crop were not weeded and typically tended (and harvested) by the young. Plant height and capsule size were particularly small. Lancing was not undertaken in a systematic way resulting in yield losses (unpublished work for AREU).

<sup>13</sup> Figures derived from Agency Body for Afghan Relief, Helmand Initiative Socio-Economic Survey, April 2000.

informants from this area are currently reporting cultivation levels for 2005/06 of this order of magnitude.

Whilst not as dramatic, reports of increased amounts of household land being allocated to opium poppy in the province of Qandahar also stand out, rising from 27.1% of household land in 2004/05 to 33.8% in the current 2005/06 growing season. Respondents reported that the impact of the drought is still affecting levels of cultivation, despite improvements in the availability of irrigation water in 2004/05. Some karezes are reported to remain dry, others, along with the river and canal system, continue to experience a significant reduction in water flow. Consequently, irrigated land is still seen as a particularly scarce asset. In Qandahar, opium poppy is typically cultivated at its most concentrated in land irrigated by tubewells, and as in other parts of Afghanistan, respondents reported that they could not meet the recurrent costs of maintaining these (compounded with the cost of servicing the loans taken to pay for the tubewells initial installation) by cultivating legal crops. Whilst tubewells were generally found on larger landholdings, the costs of installation were typically made through loans, the sale of land - and from the previous proceeds of opium poppy cultivation.

#### **4. The Governance and Security Environment**

Experience in other countries confirms that illicit drug crop cultivation typically thrives in areas characterized by: proximity to international borders; difficult terrain; poor physical infrastructure, as well as by conflict. In such regions the state or government presence - in the form of civic administration, the provision of social services, such as education, health and welfare, and initiatives aimed at promoting economic and social development - is often largely nominal, or antipathetic to local populations. These areas are typically isolated from the wider national economy; the state's economic policies fail to penetrate, markets are fragmented, and the price of food items, basic commodities and agricultural inputs are considerably higher than in neighbouring regions.

The absence of the rule of law and the potential for violence in such areas deters long-term investment by either the public or private sector. The cumulative impact of this socio-economic, political, and administrative isolation is that many households in these areas pursue livelihood strategies that are largely independent of both the nation state and the national economy. Opium and coca, given their illicit nature, their high weight to volume ratio, and their non-perishable products, are commodities that flourish in such an environment.

However, Afghanistan is an anomaly in this respect. Opium poppy cultivation in Afghanistan is not confined to marginal, mountainous areas on the periphery of the country's borders, or far from national or provincial capitals. Instead it has been cultivated in some of the most fertile, well irrigated, and physically accessible areas of the country. This characteristic is perhaps one of the best indicators of the weak condition of the Afghan state, as well as the country's continuing instability and ongoing conflict. Since 2002, the international community has been supporting the Afghan Government in its efforts to increase its capacity to govern and extend the rule

of law beyond urban centres. This effort has included attempts to establish a framework for the prohibition of opium poppy cultivation.

#### **4.1. The illegality of opium poppy cultivation**

There is little doubt that households are aware that that opium poppy cultivation has been deemed illegal in Afghanistan, 82% of those interviewed for this Study reported that they knew of the Government of Afghanistan's ban on opium poppy cultivation, the majority (80%) of which had heard this from the radio. The efforts of the provincial and district authorities to reinforce the government's message seems to have been sustained into a second year - with four fifths of those interviewed reporting that the local authorities had announced that opium poppy was banned in the current growing season (this compares to 81% in 2004/05 and only 18% of those interviewed in 2003/04).

However, perceptions of the ban on opium poppy in Afghanistan appear to be far less uniform and far more context specific than the simple awareness of its existence would suggest. For instance, views amongst respondents in Helmand province were equally divided, 40% of those interviewed were of the view that the ban would be enforced, a further 40% were of the view that the authorities could not implement the ban, and a further 7% suggested the enforcement of the ban would be contingent on the provision of development assistance. These results are mirrored amongst respondents in Qandahar province where a total of 55% of those interviewed believed the ban could not be implemented, or could only be implemented if development assistance were provided.

Perhaps unsurprisingly this contrasts with the perceptions of those in Nangarhar, where three quarters of those interviewed thought that a ban could be implemented, and only 15 % that it could not be enforced. Respondents in Laghman province seemed to share this overall view. Perhaps reflecting their experience from the 2004/05 growing season, only 5% of those interviewed in Nangarhar (and none of those interviewed in Laghman) thought that banning opium poppy this year depended on the provision of development assistance. Respondents in Badakhshan (and specifically in Keshem and Jurm) more than any other province were of the view that the enforcement of the ban hinged on the provision of development projects (42% of those interviewed).

In the province of Balkh the views of respondents were also equally divided about the authorities ability to enforce the ban. However, whilst a small minority (5%) of all those interviewed for this study (in 8 provinces) thought the announcement of the ban was merely a formality that the authorities went through each year, in the province of Balkh as a whole one fifth of those interviewed were of this opinion. In Balkh this was not a view specific to any particular area, but featured in each of the four districts covered by the fieldwork.

It is also notable that in some areas, more than others, the district authorities seem to be playing a more active role this year in disseminating the central governments policy on opium poppy. Balkh does not appear to be one of these areas, given that only 5% of those interviewed in the province had heard about the ban on opium poppy from the district authorities. The only other province where the district authorities

appear to have fared worse was in Farah, where none of those interviewed cited the local authority as their primary source of information on the ban.

This is in sharp contrast with Helmand which was the only province where all of those interviewed were aware that the local authorities had imposed a ban on opium poppy cultivation this year. Half of the interviewees cited the district authorities as their primary source of information regarding the imposition of the ban. Yet despite this, it is in Helmand that respondents reported such a resolute increase in the average amount of land cultivated with opium poppy. However, this seeming contradiction should not be surprising given the current security situation in the province and the prevalence of anti government forces in the form of both the Taliban and drug traffickers even in those areas in close proximity to the provincial capital.

By comparison with Helmand the picture in Qandahar suggests a less active out-reach by the local authorities. Here the lowest number of those interviewed reported that the local authorities had announced a ban on opium poppy cultivation (53%) and only one fifth of those who were aware of the ban had heard about it from formal institutions at either the district or village level. Indeed, respondents and key informants report that whilst the Governor of Qandahar had directed district administrators to attend discussions in Qandahar city to reinforce the central government's position that opium poppy should not be grown, and that district administrators subsequently cascaded this message down through meetings in the district centres with village shuras, the members of the shura have been reluctant to disseminate these messages to the villager themselves for fear of being seen to be working for the government, and of subsequently being targeted by the Taliban.

In both Helmand and Qandahar (more so than in other provinces) respondents questioned the real commitment of the local authorities to tackle the drugs issue. Generally households were aware that opium poppy cultivation has been declared illegal by the national government but saw local government involvement in the cultivation and trade of opium as implicit support for continued opium poppy production. This view reinforced the perception that the counter narcotics agenda is being driven by the 'foreigners' rather than by the Afghan government itself. Reports of an announcement on the local radio station that NATO soldiers would be coming to the South to eradicate opium poppy, did not help to dispel this impression.

In Helmand, there was a general mistrust of local government officials, indicative of this was the comment: *'During the day they work for the government, during the night they are thieves'*. Not only were local officials perceived to cultivate opium poppy themselves but they were also seen to be actively involved in the drugs trade. There were numerous reports of the arrest by local police of those smuggling opium from Helmand and Qandahar to the province of Nimruz. In all but one of these cases the individuals involved were released after the payment of a bribe. It was a commonly held perception that the drugs seized were then sold on by local officials.

In other provinces, reports that opium was being traded openly in district bazaars was cited by respondents as evidence that the authorities were not really serious about clamping down on the cultivation and trade of opium. In the provinces of Farah, Balkh and parts of Badakhshan, interviewees said that it was common knowledge that

the local authorities imposed 'taxes' on the opium traders in the bazaar, further undermining their credibility when it came to imposing a ban on cultivation.

#### **4.2. The changing security environment**

Closely allied to these reports of the integrity of the local authorities is the perception of their capacity to guarantee the individuals physical security. And here again there is a notable division between the South and other parts of the country.

Two thirds (65%) of those interviewed were of the view that the security situation in their district had improved over the last twelve months, almost one third (32%) thought it had deteriorated and 2% of respondents 'did not know'. Respondents offered numerous examples of how security had improved over the last twelve months, most of these involving the increased authority and presence of the government. For example in the district of Alishing, in Laghman, improvements in the security situation were attributed to government soldiers patrolling the main road running into the district. In neighbouring Alingar, the appointment of a new security commander was seen to have had a catalytic effect.

In the provinces of Balkh, Farah and Ghor the Disarmament Demobilisation and Reintegration (DDR) process was seen to have reduced the number of 'armed men', who were seen as the main architects of insecurity and theft. In Ghor in particular, 97% of those interviewed believed security had improved over the last twelve months, attributing it mainly to the arrival of ISAF in the provincial capital of Chaghcharan. Respondents reported that there were now fewer incidents of armed men 'taxing' shopkeeper and traders and extracting money and livestock from farmers.

However, whilst in six of the eight provinces covered for this Study at least 70% of respondents believed security had improved over the last twelve months, in Qandahar and Helmand, 90% and 87% of respondents respectively, held the view that security had deteriorated. Respondents in Helmand and Qandahar gave a litany of examples of the worsening situation in the South including: the killing of NGO staff and soldiers from both the Afghan and United States' armies; the murder of ulema (clergy) associated with the government; schools and radio stations being burned down; the shooting of parliamentary candidates; suicide bombings; and NGOs being unable to work in the area.

There was much discussion by respondents in Qandahar and Helmand at the time of fieldwork about reports that the Taliban had issued *shabnameh*, 'night letters' in early November encouraging households to cultivate opium poppy. These letters were said to threaten households that did not cultivate opium poppy with death (on the basis that they were considered agents of the government) and promised protection should the government try and eradicate the crop. Whilst fieldworkers for this Study did not see these letters themselves, there was widespread knowledge of the circulation of the 'night letters' in the districts of Panjwai, Maiwand and Arghandab in Qandahar and Marja, Nad E Ali, Nawa Barakzai and Nahre Seraj in Helmand.

Whilst the vast majority of respondents did not appear to need to be encouraged to grow opium poppy this season, it was clear that these night letters have offered assurances to those who might have otherwise been put off, or who might have kept

their cultivation levels at the same rate as last year. One respondent highlighted this dilemma: *We don't know what to do. The government tells us not to cultivate poppy, the Taliban tells us we should. If we don't cultivate the Taliban will kill us, if we do the government will only destroy our crop*'. It seems possible that knowing the government and international community might encourage resolute action against an increase in cultivation, the Taliban or other elements hostile to the state, may well be trying to encourage opium poppy cultivation as a means of increasing tensions between the government and the rural population in the South.

In all four districts of Helmand there was a great deal of anger about the potential for eradication in 2005/06. The same was true in Qandahar. This reaction seems likely to have been bolstered by the Taliban's night letters. One respondent in Nahre Seraj commented. *'If the government brings forces to Helmand the people will fight against them as part of the Taliban. If the government comes and eradicates the opium crop by force, people will join the Taliban and fight them. If the government eradicates our poppy, the Taliban give good salaries, we will join them'*. Threats of violence in reaction to eradication were also expressed in the upper parts of Achin district in Nangarhar. This is an area where even the Taliban had problems imposing the ban on opium poppy in 2001, and where subsequent efforts have led to civil unrest, deaths and the curtailment of eradication by the local or central authorities. Similar threats of violence were made in Khogiani district.

In Qandahar stories of the inability of the provincial authorities, including the Governor, to travel safely within the province were widespread. The recent spate of killings of both district security commanders and administrators was seen to illustrate the limited reach of the provincial and local authorities. In all four districts of Helmand security was considered very poor. The government was perceived to have little control of the area. Conflict between those who had previously been senior commanders in the Taliban had created no go areas close to one of the arterial roads where the government could not enter. These reports were echoed in Qandahar where it was also a commonly held view that the government had little control outside the provincial capital and district centres, and that the Taliban moved freely in the rural areas.

A number of respondents in both Helmand and Qandahar even saw joining the Taliban as a potential livelihood strategy and source of three meals a day for those who found themselves struggling to make ends meet. A number of respondents cited examples of fellow villagers who were compelled to sell all or most of their household's long term productive assets to repay loans or who had simply elected to abscond, leaving home to join the ranks of the Taliban.

Moreover, it is important to qualify progress, even in those areas where security is perceived to be improving. For example, a respondent in Surkhrud district, which neighbours the provincial capital of Nangarhar, was clear in his view that security had improved over the last twelve months. However, he also reported a recent incident in the district capital *'where gunmen had fired on the local police station in Fatehabad killing two people'*. Such an example provides evidence of the relative nature of the improvements in security that respondents are reporting.

## 5. The Role of Eradication

Eradication, the physical destruction of the standing crop,<sup>14</sup> is becoming a more visible element of the Afghan drug control effort. UNODC reported that last year eradication was undertaken by provincial Governors, the Central Poppy Eradication Force (CPEF) and the Afghan National Police (ANP). In total it was estimated that 5,103 hectares of opium poppy were eradicated in 15 different provinces in 2004/05, with the majority of eradication occurring in Nangarhar (46% of the total), Helmand (26% of the total) and Balkh (16% of the total).

### 5.1. The geographic coverage of last years' campaign

Amongst those interviewed for this Study almost a quarter (24%) claimed that their crop had been destroyed in the 2004/05 growing season. However, if only those respondents who cultivated opium poppy in 2004/05 (and who were therefore liable to eradication last year) are included, the figure rises to as high as 43%. There are, however, considerable differences in the number of respondents who had their opium poppy crop eradicated in the 2004/05 growing season in the different provinces and districts, highlighting the regional focus of last year's campaign. In total there were 248 incidences of eradication reported by 164 respondents. Almost 69% of these incidences of eradication took place in the 2003/04 and 2004/05 growing season. It is interesting to note that none of those interviewed reported that their crop was eradicated in 2000/01 the year of the Taliban prohibition.

Given the dramatic reduction in the amount of opium grown between 2003/04 and 2004/05 it should not be surprising that the highest incidence of eradication was reported in Nangarhar, where 83% of those that cultivated opium poppy in 2004/05 claimed their crop had been destroyed. Respondents in Badakhshan, where UNODC estimate there was a 50% fall in production in 2004/05, also reported particularly high levels (77%) of eradication amongst those that cultivated opium poppy in 2004/05. In Helmand province eradication seems to feature rather more prominently, (68% of those respondents cultivating opium poppy claim to have experienced eradication) than might be expected, given reports of more marginal decreases in the level of cultivation between 2003/04 and 2004/05.<sup>15</sup>

Within provinces, the picture is even more diverse. In Nangarhar, given estimates by UNODC and the USG of a 96% reduction in the level of cultivation between 2003/04 and 2004/05 the trends in eradication might be expected to be uniform. However, in the district of Khogiani in Nangarhar province, three quarters of those interviewed and all the respondents that cultivated opium poppy last year reported they had had their crop eradicated in 2004/05. As previous fieldwork has shown, this was typically

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<sup>14</sup> The term 'eradication' or 'eradicated' is sometimes used to refer to a state in which opium poppy is no longer cultivated. This report recognises that the term 'eradication' refers to the physical destruction of the standing crop and that the end state in which opium poppy is no longer cultivated, known as 'elimination', is a consequence of a wide range of efforts of which 'eradication' can play an integral role.

<sup>15</sup> UNODC reported a 10% reduction in cultivation in Helmand province between 2003/04 and 2004/05 from 29,500 hectares to 26,500 hectares. For the same period the USG estimated cultivation had fallen from 58,500 to 38,500 hectares.

undertaken by the farmers themselves under the threat of arrest and imprisonment by the district administrator.<sup>16</sup>

Reports from those interviewed in Chapahar district in Nangahar also show that, of those that cultivated opium poppy in 2004/05 (40% of those interviewed), all of them claim that their crop had been destroyed last year. Whilst these figures could be a consequence of over reporting they may suggest a more extensive eradication campaign in some districts of Nangarhar than had previously been assumed and where low levels of cultivation had typically been attributed primarily to the 'restraint' of farmers. In the district of Surkhrud the picture is quite different. In this district, which is near the provincial capital of Jalalabad, farmers have better potential access to assets such as land and irrigation. It is also the district from which the previous Governor and many of the current power brokers of the province originate. None of those interviewed in this area reported that they cultivated opium poppy at all in 2004/05.

As one of the few districts in Nangarhar province that cultivated opium poppy extensively in 2004/05 it should be of little surprise that in Achin neither restraint (87% of those interviewed planted opium poppy) nor eradication (experienced by 31% of respondents who cultivated opium poppy) were as evident as in other districts. In Achin district, attempts to eradicate in 2005 provoked unrest, the death of a number of farmers and the withdrawal of local militia charged with eradication.<sup>17</sup>

## **5.2. How much of the crop was destroyed**

In some provinces, respondents reported that only part of their crop had been destroyed during the eradication campaign during the 2004/05 growing season. For example, in the district of Jurm, in Badakhshan two thirds of those who reported that their opium crop had been eradicated in 2004/05 claimed that only two biswa<sup>18</sup> of the crop had been destroyed. This seemed to be regardless of the amount of land that had been dedicated to opium poppy or their total landholdings, suggesting that a ceiling for the level of eradication might have been set.

In the provinces of Qandahar and Helmand there were incidences where only a proportion of the land dedicated to opium poppy was destroyed. This seems to have been more systematic in Qandahar, where two thirds of those reporting that their crop was destroyed in the 2004/05 growing season claimed that despite this the majority of their crop had been left intact. Eight respondents claimed that only one tenth to a fifth of their crop had been eradicated. These individuals had between one to six jeribs of opium poppy (and six to fourteen jeribs of land) and were located in the districts of either Maiwand or Arghandab. A further case in Maiwand district, revealed an individual who had cultivated ten jeribs of opium poppy (out of thirty three jeribs of his total landholdings) in the 2004/05 growing season, but reported that 70% of his crop had been destroyed. A respondent in the same village reported that his entire crop had been eradicated.

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<sup>16</sup> *Pariah or Poverty?: The Opium Ban in the Province of Nangarhar in the 2004–05 Growing Season and Its Impact on Rural Livelihood Strategies*, by David Mansfield, GTZ Project for Alternative Livelihoods in Eastern Afghanistan: Internal Document No. 11.

<sup>17</sup> Ibid

<sup>18</sup> One biswa is the equivalent of 100 square metres. There are twenty biswa in one jerib.

Where eradication did occur in Helmand province in 2004/05 (and it was reported by respondents in all four districts covered by this study) it seems to have been more comprehensive. Only three of the twenty-four cases where respondents reported having their crop destroyed claimed that some of their crop was spared. In the district of Nawa Barakzai a respondent with thirteen jeribs of land (of a total landholding of forty jeribs) dedicated to opium poppy had all but two destroyed. As with Qandahar, a respondent in the same village with ten jeribs of opium poppy (of a total landholding of thirty three jeribs) had their entire opium poppy crop destroyed, further illustrating the inconsistent way in which eradication was applied even within a single village.

**Box 3: Eradication in Gulistan in 2004/05**

‘Eradication took place here last year. The local government people came to eradicate our crop but it was for getting money not destroying poppy. They collected money then they left.’

‘Due to the drought I dug one tube well. Last year [2005] I cultivated eight jeribs of poppy. The local authorities came to destroy my crop. They said they would destroy it unless I gave them some money. I gave them 20,000 Afs [US\$ 400] and they left my crop alone’.

**5.3. Who is targeted by eradication**

Whilst it is not always clear why eradication has sometimes been undertaken in such a discretionary way, there was a clear consensus amongst respondents that some groups were more likely to be affected by eradication than others. Amongst all those interviewed there was a perception that eradication typically targets ‘the poor’ (62%) and those located nearer the road (33%). These responses were mirrored when respondents were asked which group is least likely to be affected by eradication, suggesting ‘the rich’ (62% of responses) and that those in less visible locations (29% of responses) were the least likely to have their crop destroyed.

Clearly there are questions around different definitions and perceptions of poverty

**Table 3: Impact of eradication on opium poppy cultivation in 2005/06**

	Number	Increase in % of land allocated to poppy between 2004/05 and 2005/06	Percentage of respondents			
			Increasing poppy cultivation between 2004/05 and 2005/06	Same level of poppy cultivation between 2004/05 and 2005/06	Decreasing poppy cultivation between 2004/05 and 2005/06	No poppy in 2005/06
Crop eradicated in 2004/05	107	3	36	25	17	23
Crop has been eradicated in last 5 years	164	19	36	29	4	31
Crop eradicated more than once	75	16	44	13	18	24
Crop never eradicated and growing in 2005/06	125	59	54	34	11	0

amongst respondents and the characteristics of the specific groups mentioned above, however in some areas the answers moved beyond these broad categories. In Qandahar province, those who cultivated opium poppy behind their compound walls, most typically those wealthy enough to meet construction costs, were cited by 15% of those interviewed as the least likely to be affected by eradication. In the province of Helmand 13% of respondents suggested that eradication was most likely to affect those who did not know people in positions of influence, whilst 15% said that it was least likely to affect those who were able and/or willing to pay bribes. A further 8% suggested that government officials were least likely to have their crop destroyed.

In Gulistan in Farah reports of corruption were endemic. Here there was a general consensus that eradication by the local authorities was aimed at revenue generation instead of at destroying the crop (see Box 3). In both Balkh and Badakhshan the perception was that those able and willing to pay bribes would not lose their crop. For example, in the district of Char Bolak, in Balkh, respondents suggested that for a payment of 4,000 to 8,000 Afghanis per village, (depending on the size of the village) the local authorities would only conduct a cursory eradication campaign. Due to better contacts with individuals in the district administration, it was suggested that in Keshem the crops of the wealthier members of the community were more likely to escape eradication.

Balkh and Badakhshan also illustrate where eradication campaigns are perceived by locals to target the most visible and accessible areas, with 77% of those interviewed in Balkh and 58% of respondents in Badakhshan suggesting that it was those located 'nearest the road' that were typically targeted during last years eradication campaign. By comparison, only 16% of those interviewed in Nangarhar perceived the campaign to primarily impact those cultivating opium poppy near the roadside. Interestingly, no more than 5% of respondents in the other five provinces considered in this Study suggested this group was either the most likely to be targeted for eradication or the least likely to avoid their crop being destroyed.

Amongst those interviewed there was little evidence of the perception that belonging to any particular ethnic group in Afghanistan had any impact on the targeting for eradication. Indeed, only one respondent of the 437 interviewed, (in Sholgara, Balkh Province offered the view that ethnicity was a determining factor, suggesting Pashtoons were more likely to have their crops destroyed.

### **5.3. Containment but not sustained abandonment**

Based on the results of this study, there appears to be some evidence that eradication, alongside other factors may play a role in constraining the expansion of opium poppy cultivation amongst some farmers. For example, the rate of growth in the average amount of household land dedicated to opium poppy amongst those whose crop had never been eradicated was higher than for any of those whose crop had been eradicated at some point over the last five years (see Table 3). Furthermore, a greater proportion of respondents who had never to date had their crop destroyed anticipated increasing their levels of cultivation in 2005/06.

Of those respondents whose crop had been destroyed in the 2004/05 season, 23% reported that they would not cultivate opium poppy in the 2005/06 growing season

and 23% reported that they would cultivate opium poppy this season but at a reduced level. Of those that reported that they would not cultivate opium poppy this season almost half were in Chapahar and Khogiani in Nangarhar, and one quarter were from the districts of Nad e Ali and Marja in Helmand, and Maiwand in Qandahar.

However, there is also considerable evidence to suggest that eradication has failed to constrain some households in their decision to cultivate opium poppy. For instance, 36% of those whose crop was eradicated last year reported that they would increase opium poppy cultivation this season and 25% reported that they would maintain the level of cultivation at the same level as last year. Furthermore, of those respondents that had experienced eradication, 46% reported that their crop had been destroyed on more than one occasion, yet, 44% of these reported that they would increase the amount of land they allocated to opium poppy in 2005/06.

In the province of Helmand almost half (49%) of those interviewed reported that their crop had been destroyed more than once, nevertheless and undeterred, 83% were cultivating opium poppy this season and two thirds had increased the amount of land they had allocated to the crop. In Nad e Ali three respondents reported that their crop had been destroyed on three separate occasions, (in 2000, 2002 and in 2005). Despite this, these individuals reported that they had planted opium poppy for the 2005/06 growing season; with two actually increasing the land they had allocated to the crop this year.

However, in Chapahar district, in Nangarhar province the response to repeated episodes of eradication has been more positive (from a drug control perspective). Of three respondents reporting that their opium poppy had similarly been eradicated on three separate occasions during the three consecutive years from 2003 to 2005 two had abandoned opium poppy altogether (one mortgaging his land to repay his accumulated debt), while the third continued to cultivate. However, as he had been compelled to sell his land to meet his living costs this was being undertaken on a sharecropping basis in a neighbouring district.

In trying to understand the relationship between eradication and opium poppy cultivation it is particularly interesting to compare those households that have shifted in and out of opium poppy this season (see Table 4). For example, of those households that had taken up poppy cultivation this season, 43% had experienced the destruction of their crop in the past (clearly none had experienced eradication in 2004/05 growing season as they had not cultivated opium poppy). Whilst the level of debt was no different than amongst those who had abandoned opium poppy this season (at around US\$900), the incidence of debt was higher. Almost three quarters anticipated paying off their debts by cultivating opium poppy and 84% believed they would repay it within one year.

Furthermore, of those intending to allocate all their land to opium poppy in 2005/06 the average debt was US\$ 2,148, the average landholding was 3.4 jeribs (compared

<b>Table 4: A comparison of those taking up and abandoning opium poppy in 2005/06</b>		
	<b>Taking up poppy in 2005/06</b>	<b>Abandoning opium poppy in 2005/06</b>
<b>Average landholding</b>	10 jeribs	15.5 jeribs
<b>Incidence of accumulated debt</b>	57%	49%
<b>Level of accumulated debt</b>	US\$ 900	US\$ 907
<b>Method of repayment</b>	71% say opium	15% say opium
<b>Over what time period</b>	76 % in one year	60% in one year
<b>Development Assistance</b>	73% benefited from projects	76% benefited from projects
	24% say assistance has increased over last 12 months	32% say assistance has increased over last 12 months
<b>Experience of eradication in past</b>	43%	49%
<b>Law enforcement action</b>	39% cite evidence of interdiction	17% cite evidence of interdiction
<b>Security</b>	64% got worse over last 12 months	76% say got better over last 12 months

to 13.1 jeribs for those cultivating poppy and 13.1 jeribs for the sample as a whole). All but three of three of these respondents were from Achin, Gulistan or Jurm.

This somewhat contradictory picture tends to suggest that the impact of eradication is quite location and context specific, and that households may well shift in and out of opium poppy cultivation depending on their specific circumstances, changing livelihood opportunities, and as a result of changes to the wider governance and security environment. The hypothesis that repeated episodes of eradication have actually led to households abandoning opium poppy cultivation on a sustained basis remains unproven.

## **6. Access to Credit: A Constantly Evolving System**

The system of informal credit for opium growing is one of the most flexible and dynamic aspects of the opium economy. In the late 1990s in areas in which opium poppy was concentrated, the traditional system of providing advance payments on a given amount of a crop, known as *salaam*, had become the dominant means by which farmers obtained credit.<sup>19</sup> The lenders preferred crop in these areas was opium. The amount paid as a cash advance was typically half the market price of opium on the day that the advance payment was agreed. Repayment to the lender was made at harvest time and in-kind. Those wishing to obtain a *salaam* payment typically did so

<sup>19</sup> See Strategic Study#3: The Role of Opium as a Source of Informal Credit. (Islamabad, UNODC, 1999).

in autumn, prior to the planting season, and/or during the winter months when food shortages were at their most acute.<sup>20</sup>

A failure to provide the agreed amount of opium at harvest time typically resulted in the debt being rescheduled - though generally in a way designed to maximise the returns to the lender. If an advance payment on a future opium crop was unpaid by the November after the harvest at which it was due, the debt would typically be converted into cash at the prevailing market price of opium. If this cash debt remained unpaid by the end of the first quarter of the following year it would subsequently be reconverted to opium at the salaam price (again at half the prevailing market price of opium). The end result of this was in effect a doubling of the amount of opium owed for each year that the original loan remained unpaid.

During 2000/01, the year of the Taliban prohibition, supply fell and advance payments of US\$ 50 per kilogramme of opium were monetised at the significantly higher price of US\$ 500 per kilogram. Those with outstanding loans saw their debts increase exponentially. The sale of long-term productive assets (such as land, farming equipment) and daughters were not uncommon strategies for repaying advance payments received in the 2000/01 growing season.<sup>21</sup> Those who had provided salaam in 2000/01 typically prospered, benefiting from what was in reality a 1,500% interest rate<sup>22</sup> and where borrowers could not repay in cash, obtained household assets at discounted market prices. In the 2002/03 growing season the salaam system continued unabated.

However, in the 2003/04 growing season the salaam system began to show signs of stress. Not only did the incidence of advance payments on opium become less frequent<sup>23</sup> lenders also appeared concerned about the impact of eradication and the potential for a dramatic fall in prices. As a result they began to discriminate between potential borrowers. Those with land could still receive the traditional payment of half the market price of opium, however, those individuals without land but with other assets that could be sold should their crop fail, received only 30%-40% of the current price of opium. Those who had neither land nor assets could not obtain salaam at all, as lenders perceived their opium crop to be at most risk from eradication and because they were seen as the least likely to be able to repay their debts if their crop were destroyed.

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<sup>20</sup> Fieldwork in 1998 revealed that 30% of those interviewed in selected districts of Nangarhar and Qandahar had taken a loan between mid September and mid November and a further 42% had taken loans between mid November and mid February. Ibid

<sup>21</sup> See UNODC as Strategic Study#9: Opium Poppy Cultivation in a Changing Policy Environment: Farmers' Intentions for the 2002/03 Growing Season. May 2003.

<sup>22</sup> 'The Impact of the Taliban Prohibition on Opium Poppy Cultivation in Afghanistan, 25 May 2001'. Paper prepared for the Donors Mission to Afghanistan, 23 April – 4 May 2001.

<sup>23</sup> By 2003/04 only 5% of those interviewed had received an advance payment on their future opium crop compared to 45% of respondents in the same month twelve months prior. Mansfield, D., (2004), What is driving opium poppy cultivation? Decision making amongst opium poppy cultivators in Afghanistan in the 2003/4 growing season, Paper for the UNODC/ONDCP Second Technical Conference on Drug Control Research, 19-21 July 2004.

This shift in lending patterns was consolidated in the 2004/05 growing season.<sup>24</sup> In the province of Nangarhar, advance payments on a future opium crop were simply not available throughout the season.<sup>25</sup> Although cash loans from relatives and shopkeepers became the most frequent method of obtaining credit, the amount and availability of loans was far more problematic and far more reliant on social networks than with the *salaam* system.<sup>26</sup> Some opium related loans were available but were given in opium itself (rather than cash) with lenders agreeing a price of repayment for each kilogramme at considerably higher than the current market price. This system, referred to locally as *jawzai*, was seen as less risky to the creditor than advance payments on the crop, requiring repayment in cash and therefore free from the risk of eradication. Furthermore, the repayment was at an agreed rate and was not vulnerable to fluctuations in the price of opium, which at the time were seen as very unpredictable.

### **6.1. Creditworthiness – no longer a function of opium poppy**

Once again during this season, in areas where opium poppy has become concentrated, and where an advance payment on a future crop has been the only means for the rural poor to access credit, traders are proving reluctant to provide *salaam* on the opium crop. At the time of interview only ten respondents of the 437 interviewed had obtained an advance payment on their opium crop for the 2005/06 growing season, and only four reported that they intended to take an advance on their opium crop later in the season. These cases were concentrated in Qandahar (in the districts of Panjwai, Spin Boldak and Arghandab), Gulistan district, Farah, Nahre Seraj in Helmand province, and in Achin district in Nangarhar.<sup>27</sup>

Reports of the changes in the *salaam* system in the district of Achin this year further highlight the constantly evolving nature of the informal opium credit system and how in some areas it is showing increasing evidence of stress. Not only was the incidence of *salaam* in Achin particularly infrequent in comparison to previous year but there were reports that borrowers were having to agree new terms of repayment should they default on the terms of their loan this year.

For example, the only respondent in Achin who had received *salaam* at the time of interview reported that he had received 50,000 Pakistan Rupees (PR) as an advance payment on seven kilogrammes of opium (current value 105,000 PR) from a local commander. However, he reported that the only way that he could get this loan was to agree that, should he not be able to provide the agreed amount of opium at harvest time, he would sell his household commodities up to the value of the loan to the commander at one half of their market value. The explanation for this development was that given the efforts by the government to ban opium poppy cultivation, lenders in the district were increasingly concerned about the potential for default this year and

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<sup>24</sup> None of those interviewed had taken an advance payment, known as *salaam*, on their future opium crop at the time of interview. Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> “The loss of access to *salaam* payments was seen as significant to the majority of respondents. As one respondent in Surkhrud put it: ‘*when we cultivate poppy everyone will give us a loan, now I have no poppy my pockets are empty*’” page 14. .

<sup>27</sup> In Khogiani, it was reported that traders were providing *salaam* to some but instead of being at 50% of the prevailing market price it was offered at 6-7,000 PR per kilogramme when the market price was 15-17,000 PR.

in subsequent years. Key informants reported that this type of agreement had been sanctioned by a tribal jirga in Achin in order to encourage traders to provide much needed loans.

Whilst cash loans for the 2005/06 growing season were far more evenly spread across the provinces and districts, even in Achin district only 12% of those interviewed had obtained a loan at the time of the fieldwork. It is certainly notable that even in Helmand province, (where advance payments on opium have been the accepted means of obtaining credit for at least the last ten years), cash loans in 2005/06 appear to outnumber opium denominated loans by twelve to one. Whilst this could be attributed to a surplus of cash amongst family friends and relatives and villagers that can be made available to an individual on an interest free basis (the preferred method of lending by borrowers) it is notable that four respondents received their cash loans from traders.

## 6.2. Levels of accumulated debts

For a variety of reasons households may find themselves unable to repay their seasonal loans on schedule. As has already been discussed, a failure to repay opium denominated loans at the end of the season can result in a considerable increase in costs to the borrower. Whilst some cash loans from extended family or friends would be interest free and there would be flexibility regarding the date of repayment, a failure to repay when requested would be considered dishonourable and might limit the individuals to obtain such loans in the future. Consequently, from both an economic and social perspective every effort is made to minimise the incidence of unpaid seasonal loans, often resulting in borrowers taking new loans to repay old ones.

Amongst those interviewed the incidence and amount of accumulated debt varied considerably by location. The highest incidence of accumulated debt was in Farah (61%) and Nangarhar (57%). Those in debt in the provinces of Nangarhar and Farah also had the highest average amounts of accumulated debt, US\$ 1,414 and US\$ 1,150, respectively, compared to respondents in other provinces (see Table 5). Respondents in Ghor, (an area where opium denominated debt made only a brief appearance in the 2000/01 and 2001/02 growing seasons) the average debt amongst those with unpaid loans was only US\$ 307.

	Proportion of households with accumulated debts (%)	Average debt amongst borrowers (US\$)
All	43	954
Ghor	47	307
Balkh	40	841
Badakhshan	33	632
Qandahar	35	913
Laghman	37	761
Helmand	33	844
Nangarhar	57	1414
Farah	61	1150

The majority (60%) of accumulated debts date back to the 2004/05 growing season, however, 36% of accumulated debts dated back to 2003/04. Nangarhar was the only province in which the proportion of unpaid loans from 2003/04 (54% of accumulated debts) was greater than those incurred in 2004/05 (34% of accumulated debts). Almost one quarter of those with accumulated debts blamed eradication of their opium crop as the reason their loans remained unpaid (see Box 4). This was particularly pronounced in Helmand (45% of those with accumulated debts) and

**Box 4: Eradication and accumulated debt**

I have four jeribs of land. Last year [2005] I cultivated two jeribs of poppy. After I had lanced my crop twice the authorities came and destroyed all of my crop. I had borrowed 100,000 Afs [US\$ 2,000] to pay for my agricultural inputs and my living expenses but could not repay it due to eradication.. This year I will grow two jeribs of opium but I will take land as a sharecropper far away from the roadside.

*Bala Bulok district, Farah*

Mohammed Khan had thirteen jeribs of land in the district of Marja but owed 100,000 Afghanis (US\$ 2,000) that he borrowed to meet household expenses in 2004. He cultivated seven jeribs of land with opium poppy in 2005 but it was destroyed by the government. His creditor wanted Mohammed Khan him to repay the loan but he could not. The village Jirga decided that Mohammed Khan should give his eleven-year-old daughter to his creditor as payment in kind. In 2006 Mohammed Khan was cultivating ten jeribs of opium poppy and was convinced he would resolve his economic problems.

*Marja district, Helmand*

Nangarhar (38% of those with accumulated debts) where eradication efforts have been more regular over the last three years. In the provinces of Badakhshan and Balkh, where eradication efforts have taken effect in the 2004/05 growing season, 29% and 20% of respondents respectively attributed their inability to pay their accumulated debts to the destruction of their opium crop.

A further fifth of those interviewed with accumulated debts blamed crop failure. In some areas this also included the failure of the opium poppy crop as well as wheat and vegetable and fruit crops. For example in the 2003/04 growing season there were widespread reports of particularly low opium yields and in many instances crop failure in Nangarhar and parts of Helmand province. Whilst this complaint was often accompanied by claims of aerial spraying, failure to comply with the basic principles of crop rotation has undoubtedly had an impact

on opium yields.<sup>28</sup> In Farah and Ghor, crop failure was the primary reasons cited for the failure to repay accumulated debts, reflecting how vulnerable crops are in these areas of climatic extremes.

Life events such as sickness and marriage were offered as a reason for unpaid debts by 12% of those interviewed and the acquisition of other assets such as land, livestock and motor vehicles by only 7% of respondents.

A more detailed review of the reasons for respondents failing to repay their accumulated debts within Nangarhar province reinforces the picture of diversity of experience and assets across districts even within a given province. For example, in Chapahar and Khogiani districts, the majority of respondents with accumulated debts blamed eradication for their inability to repay. In the district of Achin, where

<sup>28</sup> *Pariah or Poverty?: The Opium Ban in the Province of Nangarhar in the 2004–05 Growing Season and Its Impact on Rural Livelihood Strategies*, by David Mansfield, GTZ Project for Alternative Livelihoods in Eastern Afghanistan: Internal Document No. 11.

eradication has been much less comprehensive but where access to irrigation is more problematic, crop failure featured as much as eradication as the primary reason for loans remaining unpaid. Given the role of 'restraint' in reducing opium poppy cultivation in Surkhrud in 2004/05, and the incidence of disease and drought prior to that, it is perhaps unsurprising that none of the respondents from this region with accumulated debts proffered eradication as a reason for being unable to pay past loans.

### **6.3. Repayment strategies**

In many areas strategies for debt repayment have changed quite markedly in the last two years. In the 2002/03 and 2003/04 growing seasons, respondents saw few alternative means by which to repay their accumulated debts, with 68% and 85%, respectively, of respondents with outstanding loans reporting that opium poppy cultivation was their main method of debt repayment. In 2004/05, whilst still the most commonly cited solution to accumulated debt, continued opium poppy cultivation was only cited by 31% of those with unpaid loans. This year the cultivation of opium poppy (47%) is still the preferred method of debt repayment by those with outstanding loans, but the sale of legal agricultural produce (28%), the sale or mortgaging of land (6%), daily wage labour (6%), the sale of livestock (4%), migration to Pakistan or Iran (3%), and trading (2%) were some of the responses given as methods of debt repayment.

It is notable that in Nangarhar, (given the average amount of accumulated debt and the loss of opium as the traditional means of repayment), there is great uncertainty about how these debts will be repaid and a certain pessimism over how long it will take. Only 56% of those with accumulated debts anticipated paying them within one year; and 24% did not know how long it would take. Despite this diverse debt repayment methods are offered by borrowers, with 52% of those with accumulated debts offering the sale of legal agricultural produce or labour as a method of debt repayment.

This is in stark contrast to respondents in Qandahar and Helmand, the vast majority of which anticipate using the proceeds from this years opium poppy harvest to repay their debt over the next twelve months. Indeed, in Helmand province, all of those with accumulated debts cited opium poppy cultivation as their primary debt repayment strategy - no alternative was offered. In Qandahar, three quarters of those with accumulated debts claimed growing opium as their primary strategy for debt repayment

## **7. Coverage of the 'Carrot and Stick'**

### **7.1. An increased law enforcement effort**

Compared to only 10% of respondents interviewed in 2004, in 2005 almost 20% of those interviewed reported incidents of interdiction within their district, suggesting a significant increase in law enforcement presence over the last 12 months. The concentrated nature of the law enforcement effort (and indeed in some cases the concentration of likely targets) is evident by the fact that in both Helmand and Nangarhar 45% of those interviewed reported that there had been law enforcement

operations in their area over the last twelve months. This represents three times as many respondents as in any other province.

It is notable from the anecdotes and case studies that respondents cited that corruption is pervasive (see Annex 1). A number of stories mentioned the arrests of those involved in the trade of opiates and their subsequent release following the payment of some kind of bribe. What is also evident from these reports is that most of the risks associated with involvement in the movement of illegal drugs lies in theft, violence and intimidation from other traders which sometimes manifests itself as cooperation with the authorities in an attempt to eliminate local competition.

However, in relation to engagement in opium poppy cultivation (as opposed to trafficking), interdiction was not seen to have had an effect. Typically respondents saw interdiction as something that did not affect them directly or influence their decision to cultivate opium poppy. Where interdiction did have a more direct influence it was where respondents themselves were involved in the trade. In these cases, where opiates were seized, respondents not only reported the loss of the cash value of the drugs (sometimes these had not even been paid for but had been obtained on loan) but also the loss imposed as a result of having to pay a bribe to get themselves, relatives (and sometimes property) released from custody. In these cases an increase in opium poppy cultivation was often seen as a viable strategy for making up for the losses incurred.

## **7.2. Increasing access to development assistance**

There was no resounding sense amongst respondents of any increase in the amount of development assistance being delivered over the last 12 months with only 30% of the sample as a whole believing there were more projects being implemented in their district than 12 months previously (see Table 6). Not surprisingly given the security situation and comments regarding how its deterioration had impacted on NGO presence in the area, none of those interviewed in Helmand or Qandahar were of the view that there had been an increase in the amount of development projects in their district over the last 12 months. The reason behind a similar level of response in Farah however is far from clear.

However, there were some exceptions. In Badakhshan 87% of those interviewed believed there had been an increase in the number of projects being delivered in their district in the last year. Whilst in Laghman and Nangarhar almost half of those interviewed were of the view that there had been an increase in the rate of delivery last year. This can be contrasted with some of the statements from these same areas last year regarding the failure of the government to deliver on assistance in response to the enforcement of the opium poppy ban in 2004/05. Much of this dialogue would also seem to relate to the expectations on both sides of these discussions.

There was a general consensus amongst respondents though that these development projects would not influence households in their cropping decisions. Typically the view from those interviewed was that these projects, (even where there were multiple initiatives), did not generate sufficient income to meet 'family expenses'. For example, respondents in Helmand were supportive of the Cash For Work programme that was implemented last year in response to the ban on opium poppy cultivation.

The provision of 30-40 days work at US\$4-5 dollars per day was seen as providing valuable income for those that had either foregone opium poppy cultivation or had had their crop eradicated last year.<sup>29</sup> However, it was also argued that this work was of limited duration and that there was uncertainty over continued development assistance in the current security environment. Within this context and with the income from Cash For Work being insufficient to meet family needs, to repay accumulated debts, or act as a guarantee for securing future loans, the cultivation of opium was seen as a more secure option.

Most of the development assistance mentioned by respondents was in the form of collective goods - such as education, health and drinking or irrigation water - where the benefit was enjoyed by the majority of the community. This is not to say that these were the only initiatives in place, however these were the ones most commonly cited. References to more direct income generating activities remained very much in the minority of responses, although the wage labour opportunities that typically feature as part of National Solidarity Programme were commonly cited in those areas where it was being implemented.

In some provinces there does seem to be a growing diversity in the type of development assistance being implemented. In Nangarhar, for example, over half of those interviewed reported projects from three or more different sectors. There was also variation across the province with respondents in the district of Achin, citing physical infrastructure projects that are commonly referred to, but with four respondents also reporting the provision of loans (using which two report they will be looking to obtain a salaam payment on their opium in the coming months).

**Table 6: Perceptions of the delivery of development assistance**

	Proportion of respondents benefiting from development projects	Proportion of respondents who believed there had been an increase in the number of development projects in the last 12 months
All	72	30
Ghor	47	27
Balkh	72	47
Badakhshan	62	87
Qandahar	50	0
Laghman	100	47
Helmand	55	0
Nangarhar	73	47
Farah	100	0

However, it is also interesting that in Nangarhar, it is the most accessible district of Surkhrud that reports the lowest coverage of development projects and where the least number of respondents believe there has been an increase in development projects within the district over the last 12 months. Yet it is this same district that has maintained negligible levels of opium poppy cultivation for a further year. The fact that this district is a high potential area where households typically have better access to assets and a lower dependency on opium poppy cultivation cannot be unrelated. The experience in Surkhrud, combined with similar areas that are very much part of the 'centre' of other provinces, illustrate that strengthening and diversifying legal livelihoods is context specific. It suggests that developing an understanding of the process by which households move from illicit to licit livelihoods cannot be reduced to a simple assessment of the magnitude of development expenditure or the number of

<sup>29</sup> This is in line with Adam Pain's findings in Helmand in 2005. (Unpublished work for AREU).

development projects being implemented in a particular area, but instead requires a more detailed understanding of the nature of livelihoods in that area and of the changing role of opium poppy within them.

## 8. Conclusion

The 2005/06 growing season could be a watershed for Afghanistan. If the aggregate level of illicit opium poppy cultivation is seen to rise there may be calls for a rethink of the current Afghan drugs strategy, including (possibly) unrealistic demands to make development assistance more contingent on reductions in illicit opium poppy cultivation - and the championing of more robust (and less discriminate) methods of eradication. However, it is highly questionable whether national level data alone provides a sufficient basis to assess performance against any key objective in Afghanistan, least of all in the field of drug control. Not only does this kind of aggregate data not analyse or convey the causal factors behind the shifts in opium poppy cultivation in Afghanistan, it also ultimately ignores the diverse socio-economic, political and environmental factors that will ultimately shape results at the regional, provincial and district level.

It is clear that despite the headline figures there is a process of change taking place in parts of Afghanistan. Whilst the amount of cultivation in the province of Nangarhar as a whole is likely to rise this season compared with 2004/05, the continuing low level of cultivation in the relatively asset wealthy districts closest to the provincial centre will prevent a return to the unprecedented levels of cultivation in the province in 2003/04. This achievement should not to be understated. Historically, the kind of dramatic reduction in cultivation that was achieved in Nangarhar last year has immediately been followed by an increase of equal magnitude.

In 2005/06 this looks increasingly unlikely. Those areas in close proximity to the commodity and labour markets of Jalalabad that have traditionally had larger landholdings and better access to irrigation have not returned to opium poppy cultivation. There is evidence of increasing agricultural diversification in such areas, including some districts in Laghman, and investments in high value horticulture. As such, there is another prospect beneath the headlines, where in some provinces a real diversity is beginning to emerge between those areas in the 'centre' where progress is beginning to be made, and those on the 'periphery' where access to viable legal livelihoods is more problematic and a return to opium poppy cultivation is seen as essential to meet both basic needs and debt repayment.

Even within districts in Nangarhar where over the years opium has been more entrenched and where households are more dependent on cultivating opium poppy as a means of livelihood, there is an increasing tendency to reduce, or even shift out of opium poppy cultivation, again mainly in those areas in close proximity to the district centre. This is a trend not only in the eastern region, but also in Badakhshan, Balkh, and even Farah where there is evidence of similar patterns of behaviour.

By contrast the prognosis in the South is currently bleak. The incidence and level of cultivation is likely to increase significantly. Feelings of resentment towards the local

authorities for what is perceived as their failure to deliver on past promises of assistance, are compounded by the view that those in authority are involved in the opium business themselves and unable to protect the life and property of even those in close proximity to the provincial centre. This deterioration in the governance and security situation of the south should not only be seen in terms of the problems that the Government of Afghanistan has in extending its writ in what was traditionally the Taliban 'heartlands', but also represents a failure to create the secure environment for economic growth in which rural households can strengthen and diversify their legal livelihoods. It is in just such an uncertain environment that opium poppy cultivation thrives and by all accounts it will this season in Helmand, perhaps reaching levels comparable with levels of cultivation in the 1998/99 growing season.

Were this to happen and policy makers continue to focus on national level data, there would be a very real danger that dramatic increases in the level of cultivation in the south would overshadow the progress achieved in other parts of the country. There would also be a danger that the kind of qualitative changes that are beginning to appear in the opium economy would be missed. Yet, understanding the nature of these changes is essential to policy development and operational planning. For instance, the informal credit system associated with opium poppy cultivation is clearly under stress. Advance payments on opium are increasingly unavailable as traders assess repayment in opium as increasingly vulnerable to eradication. However, the impact this is having on the rural poor in those areas where opium poppy is at its most concentrated and where the cultivation of opium poppy was very much a qualifying criteria is unclear and needs to be explored if development interventions aimed at increasing access to rural finance are to achieve both development and drug control goals.

Law enforcement efforts also seem to be gaining a greater profile in rural communities but they are heavily focused on a number of specific geographical areas and even in these they are not considered to be having a direct impact on household decisions to engage in illicit opium poppy cultivation. Corruption remains endemic across the provinces and undermines the authority of the provincial and district administration to uphold the rule of law. The roll out of development interventions also continues with increasing signs of greater coverage and diversity in the types of assistance available in some areas. However, delivery is still predominantly physical infrastructure and direct income-earning opportunities are limited. Currently it would seem that for both law enforcement and development efforts the scale of the problem (and the current level of activity) is insufficient to reach the critical mass needed to tip the balance. However, it is important to recognise that in some of the relatively resource wealthy areas it is a state (rather than an international) presence that is actually maintaining a secure environment in which economic development can in turn be driven - for example by the private sector.

Not surprisingly progress on eradication is a mixed bag. Whilst apparently increasing its coverage, the implementation of an effective eradication campaign remains problematic. In some areas more so than in others, access to social and political networks and the finances to bribe officials can ensure an individual's crop escapes unscathed. On occasions the threat of eradication has become a vehicle for extracting money from local communities. There is also a perception that eradication is targeting the poor. Whilst the extent of this is unclear this perception remains hard to dispel, particularly given that in some areas there is a deeply held view that local

officials (sometimes even those charged with eradication themselves) are cultivating opium poppy on their own land.

Despite these problems eradication would appear to have had some impact on the scale and nature of household's engagement in opium poppy cultivation. For example, higher incidence of cultivation and rates of growth in the amount of land dedicated to opium poppy are reported amongst those households who have never had their crop destroyed, compared to those whose opium poppy has been eradicated in the past. However, judging by the fact that for the majority of those households that have lost their crop to eradication on more than one occasion, many of them continue to cultivate (and may even increase the amount of land they dedicate to opium poppy this season). The relationship between eradication and ultimately the abandonment of the crop remains unclear and likely to be quite context specific.

It is certainly clear that eradication can impose costs on the individual that without access to alternative sources of legal livelihood may lead them to actually increase their level of opium poppy cultivation in subsequent years, and that eradication can damage the nascent relationship between citizen and state. There are anti state elements that will no doubt seek to exploit any disaffection. The issuing of night letters by the Taliban encouraging opium poppy cultivation and offering protection against eradication are clear evidence of this.

There is a real need to look beyond aggregate indicators of drugs control. Typically illicit drug crop cultivation takes place in a fragile political, socio-economic and environmental setting. There is a delicate balance between reducing the scale and nature of illicit drug crop cultivation and the broader state building and development effort. There is no doubt that progress in reducing opium poppy cultivation can have political and economic ramifications for the household, area and region.

Finally, the wider impact of the continuation of low levels of opium poppy cultivation in some provinces in Afghanistan - in terms of its effect on economic growth, security and rural poverty - is currently unclear. Whilst rural livelihoods in Afghanistan have proven resilient over two decades of war and a prolonged drought developments in the south illustrate how fragile the security situation is and raises possible implications in terms of rapidly expanding levels of opium poppy cultivation when it is undermined. A tempered approach informed by a detailed understanding of the socio-economic, political and environmental processes by which rural households move from illicit to licit livelihoods is required.

## ANNEX 1

Daoud Khan worked as a sharecropper in Faizabad in 2003. He received ten kilogrammes of opium as his share [50:50 basis] for cultivating three jeribs of poppy. Daoud Khan decided that he would begin to trade in heroin. He borrowed sixty kilogrammes of opium and agreed to pay 10,000 Afs [US\$ 200] per kilogramme a month later [the market price at the time was 9,000 Afs]. When combined with his own opium, Daoud Khan took seventy kilogrammes of opium to a heroin laboratory where it was processed into ten kilogrammes of heroin. He hired a driver to take him and the heroin from Faizabad to Pul e Khumri. On the way the car was stopped and searched. Daoud Khan escaped but the driver was arrested and the heroin seized. After a month, and a bribe had been paid, the driver and vehicle were released. The driver returned to his house in the village. Upon his return Daoud Khan accused the driver of reporting him to the local authorities and receiving half the heroin in payment. Daoud Khan demanded the driver return his heroin or pay him its cash value. The driver denied the charge, demanding Daoud Khan repay him the 200,000 Afs [US\$ 4,000] that had been a paid as a bribe to obtain his release, 70,000 Afs [US\$ 1,400] for the lost income incurred as a result of his vehicle being compounded for a month and 30,000 [US\$ 600] Afs for the inconvenience caused. The disagreement went to the local jirga. The Jirga decided that the driver should be requested to swear on the holy Koran that he did not report Daoud Khan to the authorities and that Daoud Khan. The driver did so and it was decided that Daoud Khan should pay him the 300,000 Afs as requested. This decision left Daoud Khan with a debt for the opium he borrowed of 600,000 Afs and a further 300,000 to the driver [a total of US\$ 18,000]. He could not pay and fled to Iran leaving his family behind. Now his father and son try to meet the family's daily living expenses but very day people come to demand their money.

*Respondent in Faizabad district, Badakhshan*

Abdul Washir had no land and worked as a labourer. An opium trader gave Abdul Washir eighteen kilogrammes of opium to take to Iran. The trade told him that he would make a lot of money. The opium was seized en route but Abdul Washir escaped. When he returned to his village, the opium trader demanded his money from Abdul Washir. The Jirga decided that Abdul Washir would have to repay the money he owed. Abdul Washir sold all his household possessions which were only valued at 20,000 Afghanis (US\$ 400). In the end he had to give the cash and his seventeen-year-old daughter to the trader [whose age was around 60] as his third wife as repayment for the opium he lost.

*Respondent in Nad e Ali district, Helmand*

Jan Mohammed had no land, he worked with a heroin trader. He transported heroin from Badakhshan to Kabul and Pul e Khumri. For every 1 kilogramme of powder he transported he earned US\$ 200 – US\$ 300 in commission. After two years he saved US\$17,000. He began to work for himself. He purchased 20 Kabuli seer (140 kilogrammes) of opium with his own money and got a further 20 Kabuli seer on loan. Although the market price of opium was 35,000 Afs, Jan Mohammed agreed to pay a price of 40,000 Afs per seer after a six-month period (a total of 800,000 Afs). Abdul Jan transported all 280 kilogrammes to a laboratory where the opium was processed into 40 kilogrammes of heroin. He loaded 20kg of opium into a car to transport to Pul e Khumri but was stopped and the heroin taken by the security commander. He tried again with a further 20 kg. His heroin was seized again. Abdul Jan suspected that it was his previous employer that had reported him. To help repay his debt on the 20 seer of opium Abdul Jan sold his house for 500,000 Afs then he fled to Iran. His family now live with his father in law. Abdul Jan recently sent 50,000 Afs from Iran for his families living expenses

*Respondent in Keshem district, Badakhshan*

Daoud had no land and no job. One day one of his deceased father's friends asked him if he wanted to do some work for him, transporting opium from Afghanistan to Iran. Daoud took him up in his offer but was arrested on the Iranian side of the border with four Qandahari maun [18kg] of opium. He was sentenced to seven years in prison. Daoud's family only found out what had happened to him one year after he left for Iran.

*Respondent in Arghandab district, Qandahar*

I had five jeribs of land and a shop selling opium in Karga bazaar in Khogiani. From 2003 until the beginning of 2004 I made a profit of 120,000 Pakistani Rupees [US\$ 2,000] from trading in opium. I knew a man in Achin district who had a heroin factory. From 2004, I began to send my opium directly to the factory to be processed into heroin. I earned 500,000 Pakistani Rupees [US\$ 883,333] in 2004. The man who owned the factory in Achin also had good relations with people in Qandahar. In late 2004 we began to shift opium to there. We did this three times and gained a lot of money. On the fourth time we did this, the government attacked the vehicle in which we were transporting the opium and seized 16 maun [112 kg]. A further shipment of thirteen maun [91 kg at a price of 15,000 PR/kg] was also seized at Patak Pul e Chawki by the government in 2005. This time the vehicle and the driver were also seized. We had to pay a bribe of 500,000 PR [US\$ 8,333] to get them released. We have now lost all our capital and I have had to two and a half jeribs of land [at 400,000 PR/jerib] to meet my expenses. I only have a small car that I now use as a taxi.

*Respondent in Khogiani district, Nangarhar*

Six months ago the Afghan National Police came to my village. They searched the house of an opium trader and found 12 mazar seer of opium (168 kilogrammes) . They arrested the trader and his son. After four days the trade gave a bribe of 370,000 [US\$ 7,400] to the Mazar police to free his son. The trader was not released and went to the high court where he was given a two year jail sentence. The trader has now been released. He paid US\$ 4,000 and US\$ 500 per month so that he can live in his own house.

*Respondent in Chemtal district, Balkh*

In 2002 some Qandahari traders gave Rasul Jan money to purchase opium in Chemtal. He was paid 100 Afs [US\$ 2] for every kilogramme of opium he bought. In 2003 Rasul Jan decide that he would begin opium trading in partnership with the Qandaharis. His brothers did not agree to this but Rasul Jan went into business anyway [using family money not solely his own]. In 2003 Rasul Jan put up 300,000 Afs, [US\$ 6,000] against the Qandahari traders 600,000 [US\$ 12,000Afs] to purchase 100 kilogrammes of opium. By the end of 2003 their combined capital was 12,000,000 Afs [US\$ 240,000] and they had US\$ 2,000 profit each. In 2004, Rasul Jan and the traders bought a further 84 kilogrammes of opium in Chemtal. The Qandahari traders transported the opium to the south to sell but after three months the Qandahari traders had not returned with the money. Rasul Jan went to find them, he spent one month in Qandahar City without success. When he returned to Chemtal his brother asked for their share of the money he had used to go into business with the Qandaharis. Rasul Jan could not repay. The brothers took the disagreement to the jirga. The jirga decided that the brothers would have to wait for repayment suggesting that the traders may still return.

*Respondent in Chemtal district, Balkh*

Last year [2004] I sold 12 kg of heroin, to a trader from Nimruz that. I had known for some years. We agreed the price of US\$1,900 per kilogramme (and a total of US\$22,800). This trader was only to pay for the heroin after 3 months but he did not return to the village. After a while I went to Nimruz to request payment. I stayed at the trader's house but I overheard him speaking with his mother about killing me. His mother did not want him to kill me. I hid in the straw in the compound. The Nimruzi trader looked for me but did not find me. When he had left the house his mother let me go. I came back to the village. This Nimruzi trader owes me money but I cannot ask for it.

*Respondent in Keshem district, Badakhshan*

Said Mohammed has twelve jeribs of land. He also traded in opium. Six months ago Said Mohammed transported ten Qandahari maun [45 kg] of opium to Helmand but it was seized by government forces. Said Mohammed came under debt as he had not yet paid for the opium that had been seized. He owed 300,000 Afs [US\$ 6,000] and people were demanding their money. Said Mohammed fled and joined the Taliban.

*Respondent in Panjwai district, Qandahar*