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Dealing With the Illicit Drug Trade: The Afghan Quandary

By [Beth DeGrasse](#) and Ylli Bajraktari

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One of the greatest challenges to post-conflict Afghanistan is the alarming increase in poppy cultivation. Since the ousting of the Taliban regime, large-scale opium production and trafficking has hindered legitimate economic development and stable governance, shifting the focus of the international community from stabilization and reconstruction to combating narcotics.

One of the poorest nations on earth, Afghanistan faces a dilemma. Efforts to establish a stable government based on the rule of law are severely undermined by the fact that nearly 40 percent of the nation's economy is dependent upon an illegal drug trade. But if Afghanistan were to eliminate the source of 40 percent of its revenue without providing a substitute, achieving a stable government based on the rule of law would be impossible.

The U.S. Institute of Peace brought together 50 experts, drawn from the U.S. government, the Afghanistan government, academia, think tanks, and international and non-governmental organizations to discuss narcotics trafficking in Afghanistan, including issues of eradication, interdiction and crop substitution at an off-the-record session of its Afghanistan Working Group. This USIPeace Briefing, prepared by Ylli Bajraktari and Beth DeGrasse of the Institute of Peace, provides a summary of the issues, challenges and policy options discussed at the meeting.

The problem is growing...

Participants in the session pointed out that as narcotics production in Latin America declines, Afghanistan has become a major hub for cultivation of poppy and production of opium. According to international narcotics experts, 61,000 hectares of poppy fields covering an estimated 20 percent of the arable land in Afghanistan are under cultivation today as compared to under 30,000 hectares in 1994 and around 2,000 hectares in 2001. Poppy cultivation in Afghanistan today generates an estimated \$2.8 billion in total annual revenue, according to working group participants.

The dramatic increase in the narcotics trade has broad implications for Afghanistan's political, economic and social development, participants said. Control over narcotics activity by powerful warlords, some of whom hold positions in the government of Afghan President Harmid Karzai, undermines the authority of the central government. Cultivation and export revenue lines the pockets of Taliban diehards, Al Qaeda members, and others opposed to democracy in Afghanistan, according to some working group members. Drug money is recycled into legitimate enterprises, making the entire economy dependent on poppy cultivation.

...causing a shift in U.S. priorities.

The United States intervened in Afghanistan in 2001 to remove the Taliban regime that supported and allowed Al-Qaeda camps to flourish in its territory. The U.S. military remains in Afghanistan both to capture the remaining Al-Qaeda leaders and to create conditions that will prevent terrorists from returning. Working group participants noted that this cannot be done, without combating illicit narcotics, which provide funding not only for corrupt officials, warlords, and traffickers but also for the remaining Taliban and Al-Qaeda cadres.

Given this, the strategy of the United States and its coalition partners is to build a strong state that can uphold the rule of law, according to several people at the meeting. The U.S. Central Command (CENTCOM) budget for counter-narcotics efforts grew from just \$1 million in 2002 to \$73 million last year, but the focus of U.S. counter-narcotics efforts in Afghanistan remains assistance to the government in Kabul, including funds for:

- **Capacity Building:** The Departments of Defense and State and the U.S. Drug Enforcement Agency are providing training and equipment for new counter-narcotics special units, specializing in eradication and interdiction.
- **Logistics Assistance:** The Department of Defense is helping to establish a base outside of Kabul for counter-narcotics efforts, creating intelligence databases and providing counter-narcotics units with air transportation.
- **Coordination:** The United States is also helping to facilitate intelligence sharing; information sharing among border police, highway police and national police; and coordination among border police of neighboring states. Participants at the meeting generally agreed that it would be a mistake for the U.S. military to get directly involved in pursuing drug traffickers in Afghanistan. Nonetheless, some suggested that when cooperating with warlords in the pursuit of

Al-Qaeda, the U.S. military should make it clear that drug trafficking is unacceptable.

Target traffickers, not farmers

Poor Afghan farmers grow poppy in order to pay debts, participants noted. Their payments are normally made in fixed quantities of opium that are determined well in advance of the harvest. If they fall short in their payments, the farmers become increasingly indebted to drug traffickers and have to produce even more opium at the next harvest or face dire consequences. This vicious cycle can be broken by providing farmers with legitimate alternative livelihoods, which enable them to survive without poppy cultivation, and by interdicting the drug trade, which lowers the demand for poppy and reduces prices.

There is evidence that persistent eradication over several years has worked well in Latin America, and it may also be an important part of the solution in Afghanistan, but not in the absence of alternative livelihoods and interdiction. Without alternatives and interdiction, eradication causes farmers to fall short in paying their debts, raises the farm gate price, and encourages more planting of poppy. Traffickers, who maintain substantial stocks of opium, can benefit from higher prices (by selling their stocks), but farmers, who generally have no stocks, cannot. Eradication can be effective in a particular area if farmers have viable and profitable alternatives, if interdiction has destroyed drug traffickers' stocks, and if there is a general expectation that the rule of law will prevail. Therefore, the participants contended, there is a need for a balanced approach, with eradication, interdiction and state-building all essential components.

No easy or quick answers

Getting the policy mix right will not be easy, and even then it will take a long time to displace opium from its predominant role in the economy of Afghanistan. A decade or more of sustained effort will be required to break the economic links among drug traffickers, terrorists, warlords and corrupt officials, the working group concluded.

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This USIPeace Briefing was written by [Beth DeGrasse](#), program officer and Afghanistan Working Group facilitator, and Ylli Bajraktari, both of the [Peace and Stability Operations](#) program at the Institute of Peace. The views expressed here are not necessarily those of the Institute, which does not advocate specific policies.

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United States Institute of Peace - 1200 17th Street NW - Washington, DC 20036
(202) 457-1700 (phone) - (202) 429-6063 (fax)