

An Analysis of the Data on the Effectiveness of Policies in Controlling Production of Illicit Narcotics in Afghanistan

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Abstract

This analysis is focused on the data demonstrating the result and outcome of international efforts to reduce and ultimately eliminate production of illicit narcotics in Afghanistan. The United States (US) has spent more than \$8.5 billion in the last fifteen years to control production of illicit opium in Afghanistan. Not only it has not resulted in the lowering of illicit opium production in Afghanistan, the aggregate area under cultivation of opium poppy has tripled since the start of assistance program by the United States and the international community in 2002. This is not the result the administration, Congress and tax-payers were hoping for. The continued cultivation and production of opium in Afghanistan has a worrying effect on its security, health and development. It demonstrates the failure of policies to curtail illicit drug cultivation by, inter alia, promoting alternative agricultural products due to absence of rule of law, rampant corruption and lack of ability to establish government authority in that country despite tremendous efforts by the international community.

Additionally, there is the baffling nature of the data on the cultivation and production of opium in Afghanistan. Analysis of the data reveals the following:

1. A substantial increase for the area under cultivation of opium in the past fifteen years;

2. An upward trend in production efficiency (yield in kilogram per hectare) from 2002 to 2006 and downward trend post-2006;
3. Fluctuating prices from year to year from 2002 to 2015 with an average of \$142 per kilogram; and,
4. A statistical correlation between production level at any given year and the price of opium the following year.

The data suggests that decisions concerning cultivation and production of opium are made by farmers on a yearly basis given the expected profits, availability of water and fertile land, costs involved including advanced credit and payments to traffickers and regional players.

Keywords

Drug policy, Afghanistan, illicit opium production, drug control, US policy in Afghanistan

Introduction

Afghanistan is the major opium producer in the world, with an average of more than 82 percent of global illicit production from 2002 to 2015. (1) Since 2002, the United States has provided \$8.5 billion for counter-narcotics activities in Afghanistan. (2) A quarterly report released by a controlling agency in Washington reveals that State and Defense departments expenditures on countering opium production in Afghanistan since 2002 has not produced any result. (3) During the same period, other donors including the European Union (EU) and North Atlantic Treaty Organization (NATO) allocated billions of dollars to curtail illicit narcotics production and trafficking in Afghanistan.

Significant efforts went into projects by the donor community to control illicit narcotics in Afghanistan. Only in the first two years of the new Afghan government structure after the ouster of Taliban and the Bonn Agreement, between 2002 and 2004, projects worth more than \$30 million were developed and initiated by the United Nations Office on Drugs and Crime (UNODC) in Afghanistan funded mostly by the United States, EU, United Kingdom (UK), Italy, Germany and other European countries. It included projects in institutional capacity building of the Afghan government, drug demand reduction, promotion of alternative licit crop and livelihood development, drug law enforcement, border control and cross border cooperation, criminal law and criminal justice capacity building, reform of penitentiary system, and monitoring of opium production in Afghanistan. Many of the projects initiated during the above mentioned period have been extended since then and are still being funded by the donors.

There were also other projects worth billions of dollars funded and implemented independently by many countries involved with the Security Sector Reform (SSR), which included aspects for drug control and crime prevention. The group of eight donor nations for Afghanistan developed a scheme for the security sector reform in Afghanistan dividing it to five pillars, each to be directed by a lead donor. The US took the leadership for military reform; Germany was to lead the police reform, the United Kingdom leading counter-narcotics, Italy overseeing judicial reform, and Japan leading disarmament, demobilization and reintegration of the ex-combatants.

There are multiple reasons for the failure of policies to control illicit narcotics in Afghanistan which cannot be separated from the larger issue of failure of the international community to establish security and rule of law and promote development in that country. Analyzing the

reasons for such failure requires a separate study beyond the scope of this paper. The fact remains that despite all efforts, Afghanistan remains the leading producer of opium in the world. Table 1 lists the production of opium in Afghanistan and the world, percentage of production in Afghanistan compared to global production, area under cultivation and average farm-gate price of opium per kilogram from 2000 to 2015.

Almost 200,000 hectares (494,210 acres) was under cultivation in Afghanistan in 2015, an increase of almost three fold compared to 2002, while production of opium in 2015 was estimated at 3,300 metric tons (7,275,255 pounds), similar to the production level in 2002. The data suggests a reduction of production efficiency by threefold owing to environmental issues. If similar fate has hit the production efficiency of other agricultural products in Afghanistan, the government will have tremendous difficulty in addressing the basic needs of its poor population especially in rural areas.

Opium Production Ban by Taliban

In 2001, the last year of Taliban rule, the total illicit production was estimated at about 185 metric tons. The massive reduction of more than 3,000 metric tons compared to the production a year earlier in 2000 was due to the ban imposed by Taliban. On July 27, 2000, the Taliban leader, Mullah Omar, issued a total ban on opium poppy cultivation. With the forceful implementation of the ban in the planting season starting in September 2000, UNODC estimated the 2001 opium production at 185 tons. The effective implementation of the ban was unparalleled in the illicit narcotic business because of the scale of shortfall in supply and the fact that it was done domestically without international assistance. Although the Taliban cited

religious considerations for their proclaimed ban, such considerations could not have been the reason for the implementation of the ban; otherwise it would have been issued much earlier at the time of Taliban's taking control of poppy growing areas and would have included all aspects of illicit drug, including its trafficking. Despite the ban, buying, selling and trafficking of illicit drugs were not prohibited by Taliban. (4)

Some speculated that the action was part of a strategy to absorb the stocks and keep prices high. In a few months after the enforcement of the ban, the price of opium jumped tenfold, from \$30 to almost \$300 per kilogram and jumped as high as \$700 for a short time. The winners were those who had bought the available stock in advance, "insider trading" by Taliban affiliates. The losers were the farmers who had to sell their product to the creditors. Representing UNODC, the author accompanied an international donor assessment mission from Vienna to Afghanistan in April/May 2001 to examine the impact of the Taliban issued ban on poppy cultivation and among others also to assess the sustainability of the ban.

Trends in Opium Production

Since the fall of Taliban and the establishment of the Interim Government in Afghanistan, the production of illicit opium in Afghanistan has steadily increased. After September 11, 2001 attacks and the response by the United States against al-Qaeda and Taliban in Afghanistan, the ban imposed by Taliban was no longer observed during the cultivation season of 2001 and the production in 2002 jumped up again to 3,400 tons, almost similar to the levels the year before the ban. (5)

With the high prices for the opium, as high as \$700 per kilogram for a short period, and the vacuum created by the ouster of Taliban and lack of a dominant authority, the farmers were motivated to cultivate opium again in a massive scale. As a result, the area under cultivation for 2002 production, harvested between September and December 2001, rose by almost tenfold and the production was raised by almost eighteenfold from 185 to 3,400 tons. (6) Such a massive production by farmers and increase in profits, motivated more people in Afghanistan with influence in their regions to cooperate with traffickers or becoming traffickers themselves.

Since 2000, save 2001 when the production was halted due to the ban imposed by Taliban, the opium production in Afghanistan has been the source of 70 to 91 percent of world production, averaging at 82 percent of world production between 2002 to 2015. In 2003 compared to 2002 figures, opium cultivation in Afghanistan rose by 8 percent and the production increased by 6 percent equivalent to 76 percent of total global production. The opium cultivation in Afghanistan increased by 64 percent and production by 17 percent compared to 2003. The output of opium for 2004 was estimated at 4,200 tons, equivalent to about 87 percent of total global production. (7) It was reported that bad weather and disease that year lowered the opium yield per hectare.

In 2015, with 183,000 hectares of cultivation, the potential opium production was estimated at 3,300 metric tons, over 69 percent of global opium production. (8) Although, the 2015 data suggests a reduction in the opium production in Afghanistan, nonetheless, the overall changes in the area under cultivation in the past fifteen years does not reveal a steady progression towards imposition of rule of law and successful drug control strategy in Afghanistan.

Graph 1 below demonstrates production of opium in Afghanistan, global production and percentage of production in Afghanistan compared to global production. Except for years 2004 to 2008, the production of opium in other countries has been almost the same. Yet, the percentage of production in Afghanistan compared to global production has been dropping while the areas under poppy cultivation in Afghanistan have been increasing.

The other contributing element to opium production is the price. When farm-gate price per kilo of opium drops, farmers tend to cultivate less and when the price increases, more production ensues. Prior to Taliban ban in production of opium in 2001, the average price per kilogram of opium was in average \$30. After the ban and drastic drop in production, the price increased as high as \$700 per kilogram, averaging at about \$350 for 2002. (9) This led to a jump in production for 2001 cultivation season which reduced the prices substantially the following year. In the past several years, despite the aggregate increase in the area of cultivation, there has been a relative stability in the farm-gate prices, while the traffickers in the illicit supply chain have reportedly been making more profits.

Data Analysis

Graph 2 shows the trend in the cultivation of opium poppy in Afghanistan. It shows increases and reductions in the cultivated areas from year to year. It reveals that after the renewal of cultivation during 2002 and 2003 to the pre-ban levels, the production trend has been on an upward slope with some years doubling in cultivated areas.

Graph 3 illustrates the production of opium in metric tons in Afghanistan. The trend reveals a steady increase in production of opium in Afghanistan from 2002 to 2011, changing thereafter downward despite massive increased areas of cultivation.

Graph 4 demonstrates the production efficiency in kilogram per hectare for years 2000 to 2015. It reveals a slightly upward slope from 2000 to 2006. Thereafter, the slope changes to downward direction despite increases in hectares under cultivation. Based on the illustrated production efficiency, production in metric tons in 2015 is similar to the production level in 2002, despite almost three times of hectares under cultivation in 2015 compared to 2002.

There could be several reasons for the drop in yield per hectare from year to year. It could be that the environmental conditions in Afghanistan have resulted in downward production efficiency. If a similar fate has affected all agricultural products in Afghanistan and there has been a downward slope in the production efficiency of all agricultural products, then the downward slope of the production efficiency trend would have a rational explanation. If the downward slope is only true for opium poppy and other agricultural products have not been affected, then one could suspect that a certain disease effecting only opium poppy has been slowly building up in the supply chain. This would be the logical explanation if one can rely on the accuracy of the published data on monitoring drug production in Afghanistan.

Graph 5 reveals a correlation between production levels and the price of opium in the following year. This means that when the production shows a sudden increase, there will be a reduction in the price for the next year. This statistical correlation makes it more imperative to find a

reasonable explanation for the steady reduction in production efficiency despite gigantic increases in the cultivated areas and relative stability of prices.

Graph 6 shows the average price of opium per kilogram from 2000 to 2015. It demonstrates that before the Taliban ban on cultivation in 2001, the price of opium was relatively low. The price jumped up more than tenfold after the ban in 2002. With increased production, the prices dropped considerably in the following years, to an average of about \$115 per kilogram in the past decade. The prices have not changed considerably in the past six years, despite considerable increase in the area under opium poppy cultivation.

The graphs listed indicate the following:

1. The trend in opium production (metric tons) from 2001 to 2015 has an upward slope, changing to slight downward slope in 2011.
2. The area under opium poppy cultivation (hectares) from 2002 to 2015 has a steady upward slope.
3. The production efficiency (kilogram opium produced per hectare of opium poppy cultivation) has a steady downward slope from 2005 to 2015.
4. There is a statistical correlation between the level of opium production and the price of opium per kilogram the following year.
5. The price of opium per kilogram has not changed considerably in the past six years, despite noticeable increase in the area under poppy cultivation.

Potential Solutions

From 2002 to 2005, the production levels were about the same levels as during the latter years of Taliban before imposition of the ban. Starting 2006, however, the situation changed and production levels increased substantially. There are many factors which might explain the reasons for such an increase, despite the presence of more than 100,000 foreign troops in Afghanistan working to restore peace and security. Regardless of the factors involved, we can conclude that the efforts by the government and the international community to control illicit opium production in Afghanistan have been a failure. It suggests the failure of the international community to recognize the side effects of their policies in Afghanistan and the failure to address the root causes of the problem in a sustainable manner.

The players in drug production arena in Afghanistan are twofold: first, the farmers who cultivate opium because of a variety of reasons and second, the middlemen, traffickers and corrupt officials at all levels with huge amounts of profits earned from the illicit opium trade and their role in increasing production of drugs in Afghanistan. Although it is imperative to address the problems faced by the farmers and the need to provide alternative livelihood, the reason behind the increase in poppy cultivation lies behind the second group and the political realities of Afghanistan which limits the ability of the Government and the international community's actions against them.

The drug problem in Afghanistan has many aspects, including, economic, environmental, political, strategic, security, and corruption. Despite the good intentions of the donor community in supporting drug control activities in Afghanistan, the current policies for drug control in that

country are not working. The general economy of Afghanistan is underdeveloped and weak. In 2015, Afghanistan ranked 171 out of 187 countries in the United Nations Development Programme (UNDP) Human Development Report. The impoverished farmers with scarce water, lack of infrastructure to support other high profits agricultural products, and modest financial and technical resources are left with the only choice to make any profits from their lands. Exacerbated with rampant corruption, and lack of security, farmers' choice of opium production is protected by local and regional power centers. Absent NATO forces, the security situation in Afghanistan will face further challenges. The continued production of illicit opium in Afghanistan will impact the country's economic, political, health and security situation even further.

Solutions to the problem are not simple. They will be complex. It involves policies and measures for both inside and outside of Afghanistan. Dealing with the factors outside of Afghanistan, as long as demand for heroin remains high in Europe and North America, no supply-side initiative will have any chance of success. Moreover, as the problem is transnational and involves organized crime groups all over the world, more global and strategic drug control and law enforcement policies and cooperation will be needed to prevent public insecurity. Such cooperation will need to be strengthened with renewed political will in dealing with transnational organized criminals and taking the profits from the traffickers.

Inside Afghanistan, the focus must remain rooting out corruption, establishment of rule of law, and eliminating Taliban and other Salafi terrorist organizations. "Attempts by successive governments to control the Afghan opium poppy harvest – the source of most of the heroin that

reaches Britain – have been a spectacular failure... Ending the Afghan drugs trade was a key argument used by Tony Blair to justify deploying British troops to the country. He said in 2001: The arms the Taliban buy are paid for by the lives of young British people buying their drugs. This is another part of the regime we should destroy." (10)

If data were available, comparing data on the production efficiency of other agricultural commodities in Afghanistan with the downward trend for opium production efficiency post-2006 would reveal more on the accuracy of the estimates for opium production yield per hectare. Comparing the data could reveal whether the environmental reasons have also affected production efficiency of other agricultural products or the elements such as plant diseases have only affected opium poppy plants.

References

1. Taliban rule on Afghanistan ended in 2001. During the rule by Taliban and prior governments, the international community did not invest heavily on drug control in that country. The reason for that policy is beyond the scope of this analysis. In this paper, the focus is to analyze trends between 2002 and 2015, which coincides with the establishment of a government supported by the international community, host to more than 100,000 NATO troops and recipient of tens of billions of dollars to build up its infrastructure.
2. Special Inspector General for Afghanistan Reconstruction (SIGAR). 2016. "Quarterly Report to the United States Congress." 115. Washington, D.C.: SIGAR.
3. The Special Inspector General for Afghanistan Reconstruction (SIGAR) was established by the National Defense Authorization Act for FY 2008.
4. The author represented the Executive Director of UNODC in a multi-national delegation visiting Afghanistan to assess the result of the ban by Taliban in summer of 2001. The delegation included Ambassadors and senior level diplomats from US and European countries. The report of the mission was provided to the member states of the delegation and the Executive Director of UNODC.
5. The production estimate at any given year is for the cultivation in its previous year. Accordingly, the 2001 production level corresponds with the cultivation in the latter parts of 2000 and in some localities to the first couple of months of 2001.
6. UNODC. 2002. "Afghanistan Opium Survey 2002." 2-4.
7. UNODC and Counter-Narcotics Directorate of the Government of Afghanistan. 2004. "Afghanistan Opium Survey 2004." 1.
8. UNODC and Ministry of Counter-Narcotics of the Islamic Republic of Afghanistan. 2016. "Afghanistan Opium Survey 2015 – Socio Economic Analysis." 8.
9. The price of opium in any given year is mainly influenced by production of opium in the prior year and the availability of opium in the market.
10. "MPs slam UK record on controlling Afghan opium poppy harvest." *The Guardian*, May 12, 2014. <https://www.theguardian.com/world/2014/may/13/mps-slam-uk-record-afghan-opium-poppy-harvest>.

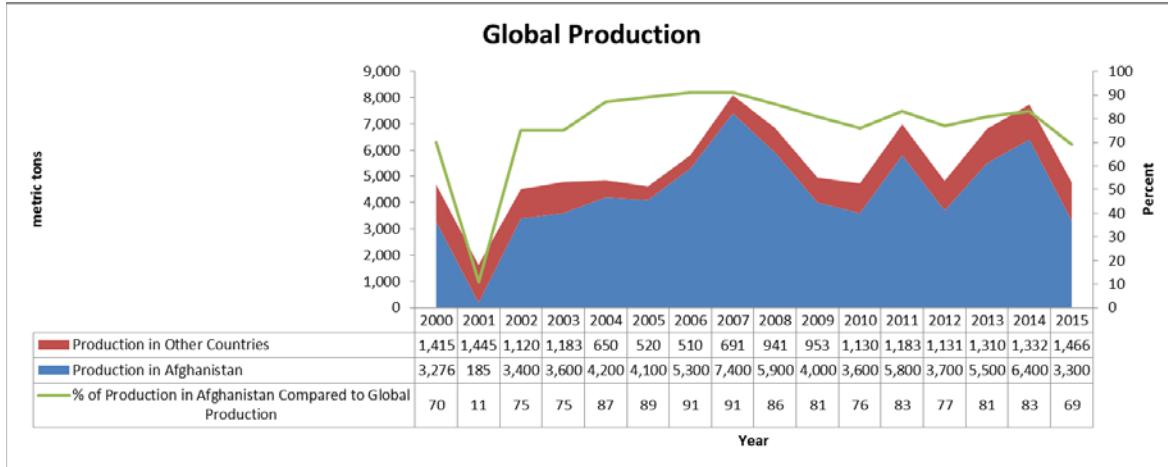
Tables and Graphs

Table 1 - Data related to the cultivation and production of opium in Afghanistan, 1999-2015¹

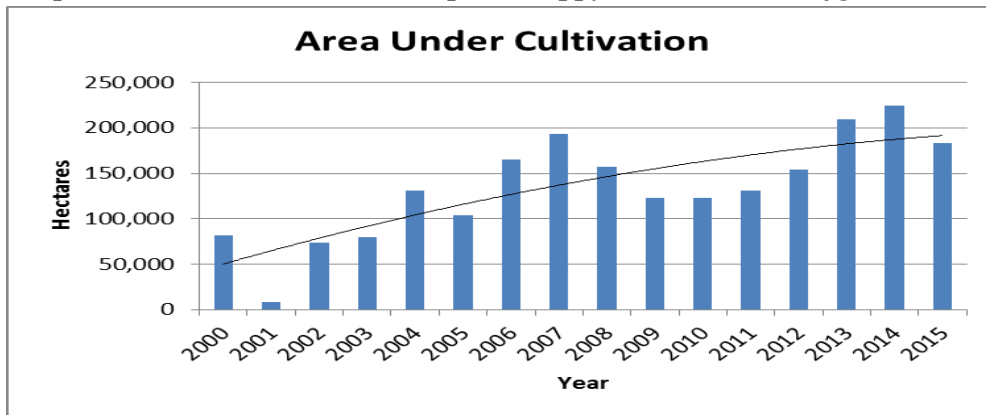
| Year | Production In Afghanistan (Metric Tons) | Global Production (Metric Tons) | % Of Production In Afghanistan Compared To Global Production | Area Under Cultivation In Afghanistan (Hectares) | Average Farm-Gate Price Of Opium In Afghanistan (Us Dollars/Kg) |
|------|---|---------------------------------|--|--|---|
| 2000 | 3,276 | 4,691 | 70 | 82,000 | 30 |
| 2001 | 185 | 1,630 | 11 | 8,000 | 30 |
| 2002 | 3,400 | 4,520 | 75 | 74,000 | 350 |
| 2003 | 3,600 | 4,783 | 75 | 80,000 | 283 |
| 2004 | 4,200 | 4,850 | 87 | 131,000 | 92 |
| 2005 | 4,100 | 4,620 | 89 | 104,000 | 102 |
| 2006 | 5,300 | 5,810 | 91 | 165,000 | 94 |
| 2007 | 7,400 | 8,091 | 91 | 193,000 | 86 |
| 2008 | 5,900 | 6,841 | 86 | 157,000 | 70 |
| 2009 | 4,000 | 4,953 | 81 | 123,000 | 48 |
| 2010 | 3,600 | 4,730 | 76 | 123,000 | 128 |
| 2011 | 5,800 | 6,983 | 83 | 131,000 | 180 |
| 2012 | 3,700 | 4,831 | 77 | 154,000 | 163 |
| 2013 | 5,500 | 6,810 | 81 | 209,000 | 143 |
| 2014 | 6,400 | 7,732 | 83 | 224,000 | 114 |
| 2015 | 3,300 | 4,766 | 69 | 183,000 | 129 |

¹ Data extracted from UNODC "Illicit Crop Monitoring reports in Afghanistan," 2000-2015; and UNODC "World Drug Report," 2015.

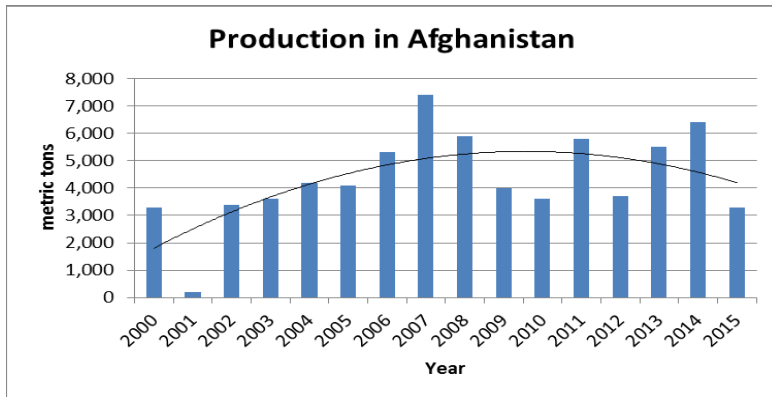
Graph 1 – Opium Production Data on Global and Afghanistan, 2000-2015



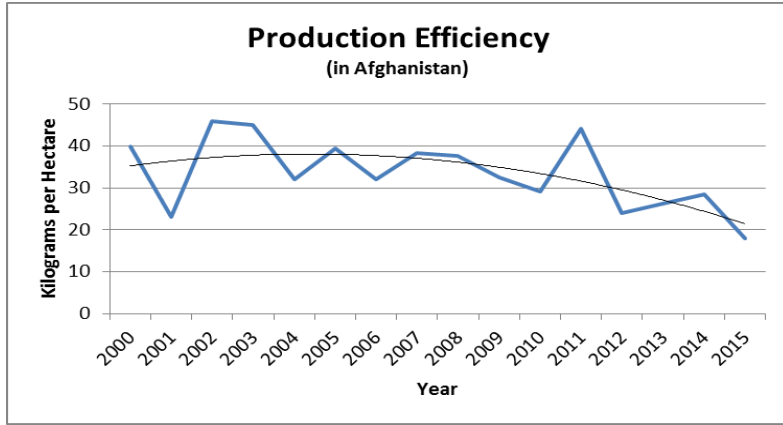
Graph 2 – Trend in Area Under Opium Poppy Cultivation in Afghanistan, 2000-2015



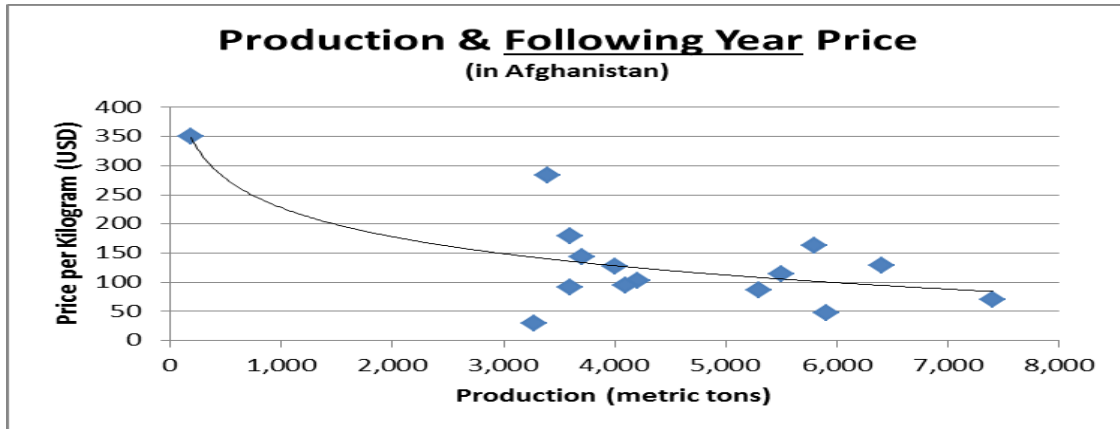
Graph 3 – Trend in Opium Production in Afghanistan, 2000-2015



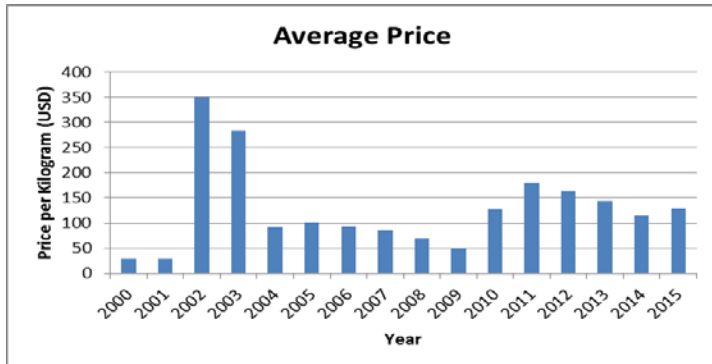
Graph 4 – Production Efficiency, Kilogram per Hectare, 2000-2015



Graph 5 – Opium Production and Following Year Price per Kilogram in Afghanistan, 2000-2015



Graph 6 – Average Price of Opium per Kilogram, 2000-2015



Author's Brief Biography

M. Reza Amirkhizi, Ph.D., is a lecturer of international law and politics at University of California, Irvine. He was formerly a staff member of the United Nations Office on Drugs and Crime (UNODC), serving as the Representative and Director of UNODC in Afghanistan and Senior Policy Adviser to the Executive Director of UNODC in Vienna. He was also the Senior Adviser to the Special Representative of the UN Secretary-General for Afghanistan. Prior to joining UNODC, as the Ambassador and Permanent Representative of Iran to the United Nations and other International Organizations in Vienna, he was elected as Chairman of the United Nations Commission on Narcotic Drugs for 1999-2000 sessions. As a diplomat at the Foreign Ministry of Iran, he also served as Adviser to the Minister, Director-General for International Political Affairs and Director-General for International Economic and Social Affairs. He received his M.A. in Government from California State University at Sacramento and a Ph.D. from Graduate School of International Studies at University of Denver.

Conflict of Interest

I declare that I have no proprietary, financial, professional or other personal interest of any nature or kind in any product, service and/or company that could be construed as influencing the position presented in, or the review of, the manuscript entitled *An Analysis of the Data on the Effectiveness of Policies in Controlling Production of Illicit Narcotics in Afghanistan*.