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“The Economy of Opium and Heroin Production in Afghanistan
and Its Impact on HIV Epidemiology in Central Asia”

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July 2007



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The Economy of Opium and Heroin Production in Afghanistan and Its Impact on HIV Epidemiology in Central Asia

Nader Ghotbi¹ and Tsuneo Tsukatani²

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<http://opioids.com/index.html>, http://www.rawa.org/opium_kids.htm

A solution for problems associated with illicit poppy cultivation and opium production in Afghanistan should include many strategies working hand in hand at the same time. Providing the local farmers with appropriate economic substitutes for poppy, relatively high profit crops that have a good market, (such as saffron, horticultural products and other alternative crops) is one of such strategies.

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Summary of Research Results

The dramatic increase of poppy cultivation and opium production in Afghanistan has led to a serious drug addiction problem in the world. The rising heroin use, because of needle sharing, may lead to a much higher incidence of HIV infection and AIDS in Afghanistan in the future.

We organized two expeditions into Afghanistan itself, one through the capital, Kabul and the other through Tajik border on Amu-Darya River and along the regions bordering the Central Asian countries. These expeditions included observations on sites and taking photographs and videos, sampling of soil, vegetation and water at random locations for further analysis, interviews with local authorities, and so on. We also used the data provided by other colleagues and organizations. We compared their information with our findings and sometimes used them to enrich and/or correct our own estimates.

The production and trade of illicit narcotics is one of the most significant challenges to progress in Afghanistan. As an economic challenge, it diverts agricultural land and labor from more beneficial uses and undercuts the prospects for developing more sustainable livelihoods. However, a solution for problems associated with poppy cultivation and opium production in Afghanistan requires the inclusion of many strategies. Providing the local farmers with appropriate economic substitutes for poppy is one of such strategies. Other strategies include assistance with agricultural needs such as irrigation systems and seeds, provision of training to farmers for cultivation of other crops, revival of the agricultural infrastructure including irrigation systems, assisting with economic needs of small farmer.

Key Words

Poppy, heroin, Afghanistan, Tajikistan, irrigation agriculture, HIV/AIDS, Amudarya, international cooperation

Preface

The dramatic increase of poppy cultivation and opium production in Afghanistan has led to the creation, and more recently in the aggravation, of a serious drug addiction problem in Central Asia, Afghanistan's other neighbor countries, especially Pakistan and Iran, and finally Afghanistan itself. In the current regional situation, there is a large increase in overall illicit drug use, including marijuana, opium and heroin, and intravenous drug abuse of mainly heroin. This large number of drug abusers relative to the size of the regional population is unprecedented in the socioeconomic history of the region.

The rise in the production of illicit drugs in Afghanistan and their traffic into local and regional markets, have exposed Afghanistan's neighboring countries to the spread of drug abuse and all other problems associated with it. For instance, Iran, a vast country with a population of about 68 million on Afghanistan's western border, is now facing a huge drug abuse problem, which has afflicted about 2.2 million of the society. On the south and east, the highly populated Pakistan has about 4.1 million drug addicts among a population of about 62 million. And on the northern borders of Afghanistan, there are the Central Asian states of Tajikistan, Uzbekistan and Turkmenistan with about 300,000 drug abusers (Figure 1- map of Afghanistan and its neighboring countries).



<http://media.maps.com/magellan/Images/AFGHAN-W1.gif>

Figure 1- The geographical position of Afghanistan in relation to its neighboring countries and the region. The capital (Kabul) and a few of the riparian rivers, as important water resources, have also been marked on the map.

Looking at the map, it is not difficult to comprehend why Central Asia stands out as a region with the highest global rise in opiate use in recent years compared with the past.

Central Asia functions as a major gateway for smuggling of the drugs along the route that passes through Russia and Eastern Europe to the destinations in Western Europe, which offer the highest prices for opium and heroin.

Currently, there are more than 150,000 drug addicts in Uzbekistan (a population of about 25 million), 55,000 drug addicts in Tajikistan (a population of about 6 million), and probably around 64,000 drug users in Turkmenistan (a population of about 5 million). The United Nation's estimates on the number of drug users in Central Asia also include the two other Central Asian states of Kazakhstan with 186,000 drug addicts (in a population of about 15 million), and Kyrgyzstan with about 100,000 drug users (in a population of about 5 million people).

The final destinations for smuggling of Afghan drugs are not limited to Western Europe. The rise of heroin from Afghanistan may be the biggest rising threat in the global fight against narcotics. For example, according to a recent United States Drug Enforcement Administration report, Afghanistan's poppy fields are now the fastest-growing source of heroin in the United States, accounting for at least 14 percent of the market in 2004 (compared with 7 percent in 2001).

Afghan drugs commonly bring about other associated problems in the regions they are introduced. For instance, a recent steep rise in drug overdose deaths in Los Angeles, USA is blamed on an influx of highly potent heroin from Afghanistan. Afghan heroin, which is notable for its purity, has rapidly overtaken lower-grade Mexican heroin in the USA. Along with this change, heroin-related fatalities in the city of Los Angeles and surrounding areas have increased by 75 percent in three years (from 137 in 2002 to 239 in 2005). And inside Afghanistan itself, the problem of drug abuse has now spread to all social groups, with both men and women affected. For the first time in its history, Afghanistan has opened clinics for drug addicts.

Although poppy cultivation in Afghanistan is the source for opium production and its smuggling to neighboring countries, opium and particularly heroin abuse used to be a lot less prevalent among Afghans themselves. However, the fall of the Taliban in 2001 led to the return of Afghan refugees who had been exposed to a much larger scale of drug abuse during their stay in camps in neighboring Pakistan and Iran.

Afghan addicts include former refugees who have returned from the neighboring countries of Iran and Pakistan (where a widespread drug addiction problem exists), as well as local residents who use opium to alleviate a variety of medical conditions such as tuberculosis, cold and asthma; it has even been reported that young children commonly receive opium as a painkiller. These phenomena may have had a significant role in the extension of drug addiction in Afghanistan.

The United Nations Office on Drugs and Crime (UNODC) reported a serious drug problem in Kabul in its Community Drug Profile report of July 2003. The lowest estimate of drug users in the city of Kabul was approximately 63,000. A survey showed that hashish was

the illicit drug used most commonly, with opium, heroin, and pharmaceuticals following. The number of opium addicts in Kabul alone was more than 30,000.

With opium being more expensive in comparison to hashish and pharmaceutical drugs, many opium users finally replace opium with more powerful alternatives such as heroin, and later they may change their habit from smoking heroin to direct intravenous use because usually at some stage they are going to face financial difficulties. The number of heroin users in Kabul jumped from 7,000 in 2003 to 14,000 in 2005. It is said that 40 to 50 percent of refugees use heroin and 20 to 30 percent use hashish; the total number of drug abusers in Afghanistan with a population of about 31 million is now estimated to be around one million.

One of the reasons is that drug production has been increasing, and in order to sell more of the product, a domestic market has developed in Afghanistan itself. At the current situation in Afghanistan, tens of thousands of drug users are in need of assistance with the social, financial and health-related problems associated with drug use. Some of these addicts may seek assistance to quit. On the other hand, many are abandoned in the communities they live in, or by their own families, because they are regarded as morally degenerate.

Heroin is especially important because of the severe health problems associated with the dependence on heroin. Heroin is mainly made in secret laboratories inside Afghanistan. Heroin costs relatively little in Afghanistan; it is just about 300 Afghani (six dollars) a gram, compared to 50 Afghani for bread. Hand in hand with the growth of the use of heroin, especially intravenous heroin, the threat of HIV/AIDS is increasing. The tendency of the users to inject heroin via shared needles has accelerated the rapid rise of HIV/AIDS cases in the region. The behavioral relationship of drug abuse (in any form) with promiscuity and prostitution should also be noted. HIV infection has made its way not only through illicit drug use but also through prostitution. Therefore there are deep social, moral, and political implications that connect all these problems.

Many factors may have contributed to rising rates of HIV infection in Afghanistan. Reconstruction efforts in Afghanistan have caused a large influx of its people returning home from neighboring Iran and Pakistan, some of whom carry this infection/disease. About four out of every 10,000 residents of countries neighboring Afghanistan have HIV/AIDS, with Iran and Pakistan having the biggest number of the affected. There are about 6,000 intravenous drug users in Kabul alone; most of them are heroin addicts having returned from refugee camps in Pakistan and Iran.

The two problems of drug abuse and HIV infection are therefore inter-related and commonly lead to a vicious circle where a higher addiction rate in the community leads to a higher incidence of HIV infection. For instance, the recent explosion of HIV cases in Central Asian countries has been, according to UNODC, in direct proportion to the rise in opiates taken through intravenous methods. The rising heroin use, because of needle sharing, may lead to a much higher incidence of HIV infection and AIDS in Afghanistan.

The number of people testing positive for HIV in Afghanistan is still low compared with neighboring countries; there were only eight cases reported in 2001, but they have increased to

61 cases in 2006 (November). Among the so far 61 confirmed cases of HIV/AIDS in Afghanistan, 18 are women and 43 are men; 15 were returning from Iran and 5 from Pakistan.

There are also between 1,500 and 2,000 suspected cases, the majority of whom are drug users. Increased numbers of drug users, migration of people, low levels of public awareness, limited facilities for rehabilitation and medical treatment, and a lack of a systematic surveillance system in Afghanistan are among the vulnerability factors that may make the situation much worse in the future.

Health ministry officials now consider HIV/AIDS a big enough problem to devote a portion of their relatively small budget to set up an HIV/AIDS department, and to place stricter screening controls on the Central Blood Bank, where most of the Afghani cases were discovered. Afghan authorities are now emphasizing on the "ABC" of HIV/AIDS, which stands for abstinence, be faithful and wear a condom. However, with respect to the prevailing social behaviors in a culturally conservative environment where religious influence is strong, the B may be the easiest message to get across in Afghanistan.

When an adult in a household is afflicted with blood-borne infections such as viral hepatitis or HIV/AIDS, the family spends more on health care while productivity and income drop dramatically. As more adults become affected and lose the ability to work as before, more families lose their savings and seek support from relatives, borrow money or sell their productive assets. Therefore such blood-borne infections have a deleterious effect on the weak economy of Afghanistan, which is still mainly dependant on foreign aids.

Following the surge of opium and heroin production in Afghanistan, Central Asia has now changed into a growing part of the global HIV/AIDS epidemics, which is threatening the economies of many developing countries including Afghanistan. Opium and specifically heroin production in Afghanistan have a large influence on HIV epidemics in Central Asian states including Uzbekistan, Tajikistan, and Turkmenistan, besides Afghanistan itself. In this regard, the North Afghanistan region has a big strategic significance, not only through drug smuggling across the border but also as a dynamic interface between Afghans and other peoples in Central Asia. Drug smuggling across the northern borderline depends on many economic as well as socio-cultural factors, which is especially obvious in the case of Tajikistan. Common social and economic factors between Afghan and Tajik peoples help with the creation of "risk environments" that are vulnerable to appearance of drug addiction. This drug addiction has led to an increase in heroin addiction, and the associated problems with poverty such as prostitution, have helped with the expansion of HIV epidemics in the region. The key factors of this socioeconomic situation include economic transition and decline, population migration and mixing, increasing unemployment and impoverishment, the growth of informal economies, evolving methods of drug production, distribution and consumption, and declines in public health infrastructure and its services as well as a cultural transition.

The identification of the root causes of the poppy problem requires an overview of the history of political conflicts and the related impacts on economic development in Afghanistan. Studies on the Afghan agricultural and farming livelihood, alternative economic livelihoods

and employment opportunities for people in Afghanistan may help with a better understanding and therefore with finding of more realistic solutions to the problem of opium production and smuggling.

But fighting the opium problem only at the borders is not enough and may even lead to aggravation of some existing problems; for instance, it may lead to a higher substitution of heroin for morphine, and therefore aggravate the HIV epidemic by increasing the number of heroin users relative to users of morphine. The reason is that for smugglers, heroin is a product that can be smuggled in less quantity but at higher price per unit of weight. For drug addicts too, it provides for a more powerful drug effect at a lower daily amount of intake, compared with morphine.

There is a lot of evidence suggesting that recent increases in HIV prevalence in Afghanistan's neighboring countries, including Iran, Pakistan and Central Asian states are associated with a rise in drug injecting behavior that is related itself to an increased availability and affordability of heroin; an increase in migration and population mixing enhance such effects.

It should be understood that the current HIV/AIDS epidemics in Central Asia and Afghanistan is mainly under the influence of injection drug use (heroin), with prostitution and homosexuality playing some accessory role in its epidemics.

In this article, we shall examine these factors, and suggest economic reasons and possible solutions to help with the control of the heroin addiction and HIV infection in Afghanistan and its neighbor countries.

Material & methods

There are significant methodological difficulties in doing standard research activities in areas of ongoing major conflicts, such as in Afghanistan. Such difficulties may appear at an early stage, for example in the physical process of raw data collection in areas of active conflict.

There are also a number of rather socio-political problems when collecting data, for example on the status of poppy cultivation or the role of women in economy; the sensitivity of opening up such issues introduces many challenges to the research planning.

The lack of required infrastructures on a nation-wide range also means that the gathered statistical data might be of a patchy and scattered nature compared with the overall view of parameters under question, and therefore sometimes the results cannot be extended to other locations without damaging the reliability of conclusions. Researchers should avoid from creating a partial image for a research problem that involves a whole country.

With this introduction, it becomes evident that the difficulties in collecting statistical data under these circumstances may stimulate researchers to share their collected data and information through separately planned field activities; sometimes reporting from the field replaces standard data collection on the field (journalism versus academic research) or local

informants are used to delve into sensitive issues when credibility of standard methods could be much lower.

Then a new issue may arise which is about the ethics in field research and reporting of data and information collected by all means. Further discussion of this controversial matter is to be left to experts on research ethics, but only to assert in here that we have used all available resources of data and information from reliable resources the authors knew even though it would be impossible to document them all as for standard research in non-conflict areas. The list of references at the end of this discussion paper, although covers a considerable amount of the sources of used information, it is not complete.

We organized two expeditions into Afghanistan itself, one in Kabul and the other to north of Afghanistan along the regions bordering neighbor countries of Tajikistan, Uzbekistan and Turkmenistan, but also used the data gathered by our colleagues who traveled to many locations in Afghanistan, including the southern provinces, and Central Asian states.

There are many international agencies, Non-Profit & Non-Governmental Organizations (NPO & NGO's) working on different aspects of the problems in this region, and we compared their information and sometimes used them to enrich and/or correct our own estimates. We certainly hope these discussions are based on the most reliable data that could have been gathered for use in a good analysis of the situation.

Research in conflict areas may be a good example of instances where applied research for purposes of humanity dominates the existing balance for inclusion of standard academic criteria. In the case of Afghanistan, we believe that applied research may present better policies to control the drug economy, help in finding balanced remedies for this great economic mishap, and finally help decrease the production and use of all illicit drugs in Afghanistan and its smuggling and trade to Central Asian states.

The history of poppy cultivation in Afghanistan

The historical background of poppy cultivation in Afghanistan provides many clues to an understanding of the changing trends in opium production and use in Afghanistan, the smuggling of drugs to regional countries and beyond, and the policies of the governments ruling over Afghanistan towards this issue. A brief knowledge of this historical background can help with a better comprehension of the current situation in Afghanistan.

Poppy cultivation has existed in Afghanistan at least since the year 1100 (CE). Arab traders along the Silk Road were the ones who first introduced poppies from Europe to Afghanistan as well as to Iran. Afghan geography has served both as an asset and a curse throughout its history. Being located in south-central Asia on the roads that connect the Indian subcontinent to Central Asia, it is at the crossroads of civilizations, cultures and commerce. At the same time, this geography has made it suffer from the conquests of Alexander the Great, Genghis Khan, and Tamerlane as well as other notorious conquerors.

Afghanistan has flourished in peaceful times and has been devastated by wars. The Afghans have defended fiercely their independence and in doing so have endured so many wars that there has been little opportunity to work on the serious task of nation building and creating of a sustainable government and/or an administrative system. Traditionally, the rulers of Afghanistan kept the nation under tyrannical tactics where all power was placed in the hands of the king.

In mid-eighteenth century the founder of contemporary Afghanistan, Ahmad Shah Abdali not only consolidated his rule in Afghanistan but also implemented some military excursions into India. He fought Indian rulers many times and eventually conquered Delhi, establishing a vast empire that would be difficult to keep for the rest of the century. Afghanistan became the object of the Great Game between the British colonial power and Russian expansionist policies in the 18th and 19th centuries, because of its location next to India. Later in 1920, King Amanullah, fell pray to internal and external conspiracies and was forced to go into exile in Italy.

Being mainly an agricultural society, food was grown at home and just before the Soviet invasion of the country in late 1970s the country had become self sufficient in wheat production. Some amount of industrialization in the form of small industries took place also. This included, in addition to the textile factories in Gulbahar, north of Kabul, a few other smaller plants in and around Kabul and in Kandahar.

Afghanistan's economy has been sustained on taxation on land and livestock where geography played a big role. Most of the government income came from customs duties levied on imports. Trade has expanded slowly and consisted mostly of luxury items such as carpets and karakul pelts. Hides and casings, fresh and dried fruits, wool and certain agricultural products formed major export items. Only in 1960s and 1970s export of Afghan natural gas to the Soviet Union brought some income for the government.

Although opium production existed in Afghanistan for a very long time, it did not reach a large scale until the Soviet invasion to Afghanistan in 1979. The disruption of Afghan government controls over opium production, along with an increasing market demand caused by falling production in Vietnam and Laos, which used to be the chief suppliers of opium to Europe, caused a significant growth in production rates in Afghanistan. Moreover, restrictions on opium cultivation and refining in Pakistan in the mid to late 1990 have made such activities move to Afghanistan. This shift resulted in the creation of new trade routes into Iran, Pakistan and Central Asia. Afghan jihad commanders encouraged opium cultivation in Afghanistan to finance their resistance towards Soviet occupation. They continued to rely on this income following the Soviet retreat in 1989 as they remained in constant conflict with each other. Opium and heroin production rose steadily and Afghanistan become the leading global supplier, overtaking Burma in the mid 90's. Therefore since 1979 a vicious trend of more or less steady increase in opium production appeared which has continued to this time.

Opium production continued its steady increase after the rise of the Taliban regime, but they pledged to save Afghanistan from the poppies. This increase in opium production was

related to economic difficulties arising from the cut of international support due to sanctions against the Taliban government. The Taliban were charging a 10% tax to opium farmers, with an income of about \$20 million or more each year, and were controlling the opium trade. The confiscated boxes of opium in this era would bear the words, "Not for use by Muslims". The Taliban's thinking could be characterized like this: "Western countries are sending us alcohol, they are sending us rockets. Poppy is our rocket. This is how we can fight them."

Later, in 2000, the Taliban, now controlling the majority of Afghanistan, banned opium cultivation and enforced harsh punishments against drug users. These measures, as well as severe drought in Afghanistan, effectively reduced the amount of available opiates in the world market, resulting in drug shortages in Europe and a ten-fold increase in its price.

After the Taliban were deposed in 2001, opium production recovered to near-record levels within a year following their removal from power, with 3,400 and 3,600 metric tons produced in 2002 and 2003, respectively. In 2003, the total income of opium farmers alone was equal to half of the legal gross domestic product. This fact demonstrated that despite the new government's declaration of a holy war on opium, regional commanders probably continued to rely on opium production and trafficking to maintain their grip on power.

Opium cultivation has revived in southern provinces and introduced in eastern and northern Afghan provinces, which is most probably due to the greater economic profits, as it is at least twelve times more profitable than wheat.

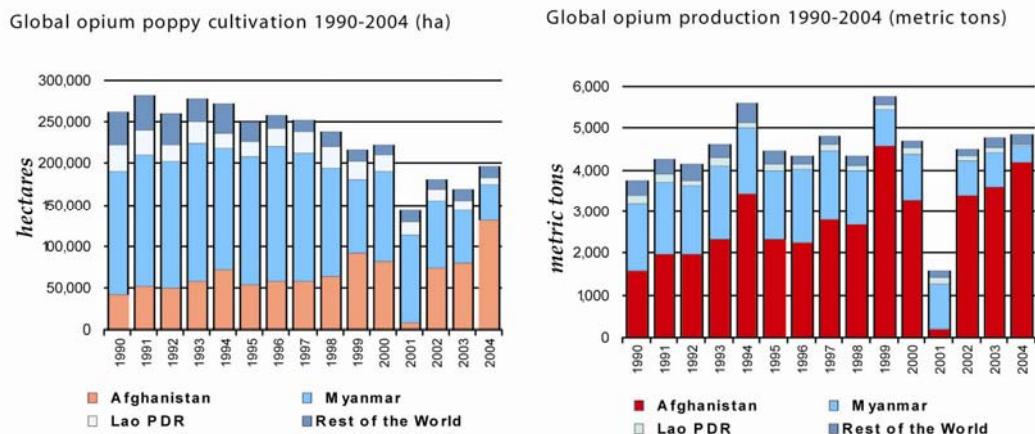


Figure 2- Opium production of the world and Afghanistan

In 2004, drought compromised opium crop yields so that the estimated crop yield did not exceed the record set in 1999. Despite this, Afghanistan produced 87% of the global opium supply. The UNODC survey in 2004 to assess opium production within Afghanistan reported opium cultivation in all provinces with 2.9% of all arable land devoted to this purpose.

This overproduction had a great impact on the gross income per cultivated hectare, 64% decreasing it; as a result the gross family income among opium farmers decreased. The opium

price per kilogram has decreased in all markets. However, prices are markedly different among provinces; the lowest prices are noted in the northeastern areas.

The UNODC survey used satellite imagery as well as photographing and GPS coordinates to cover 16% of all arable land in 10 provinces. They also performed a survey of farmers by sampling approximately 8% of all villages in 21 provinces, which represented 19% of the total cultivation area. This was the largest study performed to date for estimation of opium cultivation in Afghanistan.

According to the United Nations Security Council Resolution and the Bonn Agreement in 2001 the new government of Afghanistan should respect international obligations and cooperate with the international community in the fight against terrorism, drugs and organized crime.

In 2002, the Transitional Islamic State of Afghanistan (TISA) issued public orders banning cultivation, production, use and traffic of narcotic drugs, and simultaneously started the implementation of an eradication campaign. However, currently Afghanistan is the single largest producer of opium. Afghanistan is currently providing for around ninety percent of the global opium supply. Injection drug use and consequently HIV infection is currently following the opium trade route from Afghanistan through Central Asia in the north as well as Iran in west, and Pakistan in south. Although there is a lack of systematic studies, because of the current insecurity and insufficiency of infrastructures necessary for standard data collection in Afghanistan, it appears that heroin use is on the rise, as much as its traffic is also increasing.

Afghanistan's poppy fields have become the fastest-growing source of heroin in the United States. From 1980 through 1985, Afghan heroin dominated the U.S. market, with a 47% to 54% share. Afghanistan's share dwindled to 6% for much of the 1990s, as competition from Southeast Asia and Colombia grew. Meanwhile, the Taliban was cracking down as it gained territory, virtually eliminating poppy production after taking over the country. Once the fundamentalist Islamic government was overthrown in 2001, Afghans turned once again to the poppy trade to survive in one of the poorest countries in the world. Its share of the U.S. market doubled from 7% in 2001, the year U.S. forces overthrew the Taliban, to 14% in 2004. Poppy production in Afghanistan jumped significantly after the 2001 U.S. invasion destabilized an already shaky economy, leading farmers to turn to the opium market to survive. In the United States, Afghan and Mexican poppies tied for second place among sources of heroin in 2004. South America, led by top supplier Colombia, held 69% of the market. That figure had dropped 19 percentage points from the 2003 level as U.S. and Colombian efforts to eradicate the trade enjoyed success and as Afghanistan's share increased.

Supplies of highly potent Afghan heroin in the United States are growing so fast that the pure white powder is rapidly overtaking lower-quality Mexican heroin, prompting fears of increased addiction and overdoses. Heroin-related deaths in Los Angeles County soared from 137 in 2002 to 239 in 2005, a jump of nearly 75% in three years, a period when other factors contributing to overdose deaths remained unchanged. The jump in deaths was especially

prevalent among users older than 40, who lack the resilience to recover from an overdose of unexpectedly strong heroin.

The rise of heroin from Afghanistan is currently the biggest rising threat in the fight against narcotics in USA. There are more seizures and more overdoses. Not only is more heroin being produced from Afghan poppies coming into the United States, it is also the purest in the world. This potent heroin, which sells for about \$90 a gram in Southern California, has prompted warnings from some officials who deal with addicts that they reduce the amount of the drug they use. Many addicts seeking the most euphoric high employ a dangerous calculation to gauge how much of the drug they can consume without overdosing. An unexpectedly powerful bundle of heroin can be deadly. This is likely to increase the number of deaths by overdose, as addicts are not used to injecting doses containing such high concentrations of the drug.

A recent report released by the World Bank said U.S. and European efforts to end Afghanistan's \$2.3-billion opium business were failing. The production of opium used to produce heroin reached its highest level ever in Afghanistan in 2006. It accounted for more than one-third of Afghanistan's gross domestic product and 90% of the world's supply of illicit opium, mainly going to Asia and Europe. The poppy crop now drives the economy in some regions of Afghanistan, helping to fund the Taliban resurgence.

There have been an increasing number of seizures of heroin at U.S. airports and seaports from India, not a significant heroin-producing country but a major transshipment point for Afghan drugs. The seizure of heroin packages from India increased from zero in 2003 to 433 in 2005; more than 80% of total mail seizures of heroin arriving in the U.S. that year.

Afghanistan has emerged from more than twenty years of political and social unrest, armed conflicts and civil war. At the same time, it has emerged as the leading producer of opium in the world, which has had grave consequences for the neighboring geopolitical regions through creation of many problems associated with drug use and/or smuggling. These problems extend further to the issues related with injection drug use, such as a propagation of blood-borne infections, including hepatitis and human immunodeficiency virus (HIV).

Geopolitics of Afghanistan & the associated regional interactions

The eastern half of Afghanistan is made up of the mighty Hindukush range that runs from northeast to southwest losing its altitude and gradually flattening out in the dry deserts of the southwest. A few roads in Hindukush provide access to the north and the northeast (Figure 3 –map of the topographical geography of Afghanistan).

Vast areas of the country remain dry and thus uninhabited. But where there is a little water there are a few villages where hardworking Afghans get a living with difficulty from the land through basic farming techniques.

Support systems for economic growth are not well developed. Communication and transportation systems have just started expanding from their rudimentary state. A highway system envisaged to circle the country has not been completed and only a few major ones between major provincial centers are usable. Besides Kabul and Kandahar International airports, a few provincial airports are operable. The latter could only handle small aircraft.

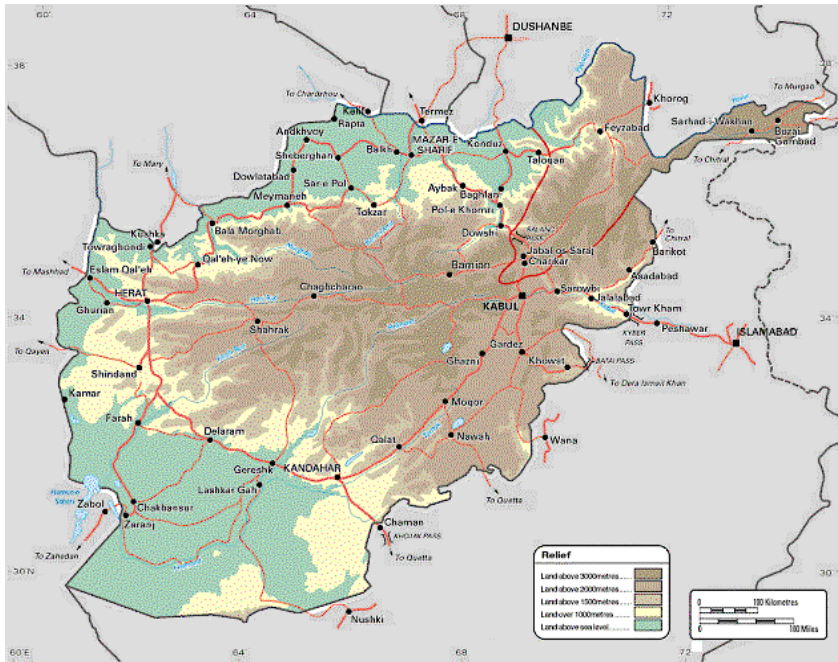


Figure 3- The topographical geography of Afghanistan. The relief as well as major rivers and lakes, have also been shown on the map.

During the long years of war waged by the Afghans against the Red Army, Afghan geography, its physical nature and extreme weather conditions gave the home advantage to the freedom fighters.

The River Amu in the north makes a natural border in parts of northern Afghanistan with Central Asian nations. Fast flowing rivers and streams that draw their water from the snow capped altitudes of the Hindukush and their many branches flow south and west. Their waters cannot be harnessed effectively for use except for the Hilmand-Arghandab waters, where a dam at Kajaki, near Kandahar, built in 1950s with the help of the United States, was one of the first attempts in recent times to exploit the rivers for irrigation and generating of electricity. The River Kabul has been dammed at three places also for hydroelectric plants.

The geography of Afghanistan has provided for severe winters when some of the roads become impassable and even some of the main highways such as the Salang highway that cross the Hindukush to the north may be blocked by snow and ice for several days during stormy winter weather.

The same geography that once gave Afghanistan the status of a buffer state between the advancing Russian expansionist forces in the north and the British colonial power in the south has gained a new strategic importance for the land of the Afghans.

The independence of Central Asian Republics of the former Soviet Union has provided for their peoples to be masters of their own destiny and their own resources. Some of these resources constitute natural gas and oil like those found and ready for exploitation at Daulatabad Gas Fields in Turkmenistan.

Furthermore there is a need for opening of the markets in all Central Asian countries for the exports from the south such as Afghanistan, Pakistan, Iran, and India and easier land connections to other countries of South Asia and the Middle East. Imports from Central Asia also need venues into the above region. The Afghan geography is the key to such venues. Iran has already invested in road building projects from its eastern cities to Afghanistan's northwest with possible extension to Trans-Oxiana.

Although Afghanistan is in some disadvantage because of its landlocked nature, it has also capitalized on its geographic location. Historically a trading nation with a strong private sector, Afghanistan has long served as a trade and transit bridge between three main geographic regions: Central Asia, South Asia, and the Middle East.

Promoting cooperation with neighbors and regional states in areas of common interest will help with increasing the stability, peace, and prosperity of a war-devastated Afghanistan. One way to achieve this is the development of regional trade and cultural ties between the Central and South Asian countries, where Afghanistan can serve as a geographic bridge. The development of productive relations is in line with the common interests of the people in the region, contributes to confidence-building, addresses long-standing political issues, and decreases tensions.

The extension of inter-regional economic ties can revive Afghanistan's historical role, and contribute to its economic recovery. Afghanistan's recent inclusion in the South Asian Association for Regional Cooperation (SAARC) and the adoption of the "Kabul Declaration" on regional cooperation at a 12-nation conference in Kabul in early December 2005 can facilitate the resurgence of Afghanistan as the hub of inter-regional economic exchange.

There are also a number of supporting projects under way, including the construction of the southwest Zaranj-Dilaram highway in Afghanistan that connects the country to the Chahbahar port of Iran, and a multilateral agreement in 2004 between Afghanistan, Iran, Tajikistan, and Uzbekistan on building transit routes connecting Central Asia with the Middle East through Afghanistan. Constructing a projected gas pipeline from Turkmenistan to Pakistan through Afghanistan is another potential opportunity.

However, transnational cooperation is influenced by geopolitical conditions. The benefits and costs of cooperation are not the same for all related countries. Therefore it is important to find a common denominator, such as building intra-regional transport routes.

Meanwhile, Afghanistan has long suffered from interference by neighboring and regional states. Despite the presence of international military forces in Afghanistan and their

stated commitment to uphold the independence, territorial integrity, and sovereignty of Afghanistan, it is still vulnerable to the neighbors' influence, which has the potential to either spoil or promote Afghanistan's development. The close link of HIV epidemiology with heroin production and abuse, is a good example how such interactions over the borders may work.

Many of the countries bordering Afghanistan have already witnessed epidemics of HIV and hepatitis C among intravenous drug users. There is a serious risk of outbreaks of HIV and hepatitis among injection drug users (IDU), which may extend further into the general population. Afghanistan's neighbor countries are now entering a stage of rapid increase in HIV cases due to injection drug use. For example, the latest figures from Iran (November 2006) show that 64.6% of all 13,702 cases of HIV and/or AIDS identified so far were infected through injection heroin use. The health authorities in Iran believe that the real number of HIV infected cases must be close to 70,000 people. Injection drug use and HIV have been documented to follow heroin trafficking routes.

Opium produced from poppies has had the greatest impact on risk of blood borne infections in Afghanistan. But there are also other illicit drugs produced in Afghanistan, which are being transported through the same routes, especially cannabis/hashish (marijuana).

The epidemic of injection drug use in Central Asia has been attributed to the poor socioeconomic conditions and proximity to opium trafficking routes. These factors may contribute to the increasing number of injection drug use in Afghanistan. However, Afghanistan has several other characteristics, which predispose its population to drug addiction and a transition to injecting use of heroin.

Refugees are at increased risk to adopt drug use, largely due to poor economic indicators and psychological changes leading to increased risky behavior. An estimated 3.5 million Afghans have repatriated within the last four years, a significant proportion of who remain internally displaced. It is very probable that drug use patterns and other risk behaviors were learned and imported to Afghanistan by this vulnerable population. Some of the recent drug use patterns are actually new behaviors learned by Afghan refugees in Pakistan, and to a lesser degree, Iran and the Central Asian Republics, where rates of both injection drug use and blood-borne infections are quickly rising,

Afghans may be disproportionately at risk for blood-borne infections resulting from injection drug use as displaced Afghan drug users have less knowledge regarding HIV transmission and engage in high-risk behavior with greater frequency when compared to Pakistani drug users.

A study done among injection drug users in Quetta, Pakistan revealed that, of 143 Afghans surveyed, none used condoms, only 4% had ever heard of HIV/AIDS, 18% injected drugs, and of those, 72% reported needle sharing, all of which displayed a significantly greater degree of risk than their Pakistani counterparts. Moreover, 41% of Afghan drug users stated they had engaged the services of commercial sex workers.

The experiences and influence of other countries in the region are an important consideration for predicting future requirements for anti-narcotic programs, and for reduction

of blood-borne infection rates in Afghanistan. Larger supplies of heroin are anticipated to be available in Afghanistan as production increases and spillover from new trafficking routes threatens to affect a larger number of people by reaching remote areas of the country.

Data for heroin production within Afghanistan is based on border seizures. Central Asian countries, particularly Tajikistan, are reporting record amounts of drug seized, with the disturbing trend of drug transition from opium to heroin as early as 2001. Security has increased at the Iranian border as a part of that country's response to rising drug use and violence associated with trafficking, but the heroin demand continues in Iran, driving trafficking activity. Additionally, trafficking has increased to Central Asia and Pakistan, with the risks of transporting blood-borne pathogens intrinsic to trafficking activities.

Traffickers routinely test the quality of the substance with the dealer/distributor in the next country, often sharing injection equipment. These activities allow transmission of infection from areas of presumed higher prevalence to Afghanistan and could initiate or fuel the final component of the cycle related to heroin.

Predisposing factors to the abuse of drugs in Afghanistan

Now after more than two decades of civil war, Afghanistan, one of the poorest countries in the world, is searching for stability and development. However, many years of war have compounded the challenges facing modernization of this mainly agrarian society, which has been based upon traditional and feudalistic social relations.

Afghanistan suffered the highest population displacement of a country in recent years. The civil war caused extreme hardship for millions of Afghans. Many families have lost their men, and the return of hundreds of thousands of Afghan refugees from Iran and Pakistan, has complicated the social picture further. The post-conflict reconstruction period has not offer tangible opportunities to most Afghans who struggle to survive. However, outside the towns, amidst the struggling reconstruction and recovery efforts, the opium economy is booming.

Afghanistan is also the world's leading supplier of opiates, with more than 1.7 million farmers estimated to be involved in opium production. According to the UN Office on Drugs and Crime (UNODC), the years of war and social disintegration have left the population "extremely vulnerable to a range of mental health problems, particularly chronic depression, anxiety, insomnia and post-traumatic stress disorder. In such a context the availability of cheap opium, heroin and other pharmaceuticals is causing a rapid rise in drug dependency in Afghanistan as well as neighboring countries".

In Kabul, where the medical services are primitive, massively overstretched and entirely unprepared for dealing with addicts, *the Nejat centre* (Salvation Center) offers a unique, residential treatment program. Despite being funded by various international donors, it has only 10 beds for residential addicts on its rehabilitation program. The provision for rehabilitation of opium addicts is almost negligible in Kabul as well as in other cities.



Figure 4-Nejat center in Kabul

In Herat city, a local drug-related prison houses those addicted and convicted of trafficking crimes as well as addicts seeking assistance. There are harsh conditions and there is no separation between those who voluntarily seek help and those serving part of their drug-related prison sentence in detoxification. Users often carry on using opium because they have developed an addiction, and the withdrawal pains are too challenging to endure. The opium user is often forced to bring an end to its use when resources are not enough to cover an addiction. With opium being more expensive in comparison to hashish and pharmaceutical drugs, it is not uncommon for the opium user to replace opium with more available and less expensive alternatives.

There are various ways to consume opium. In Kabul, the most common technique is to smoke it through a cigarette, a water pipe, or through a 'shekhi shang'. The latter method involves using a heated metal blade covered with opium. The resulting fumes are then inhaled through a tube. However, many users consume opium orally, or use it to make tea. Therefore, it is difficult to estimate the quantity of the opium intake, as the users themselves measure it in terms of beans and peas.

With a predicted average of two to three doses per day, at a cost of between Afg 20-50 (US \$0.40-\$0.60), opium users regularly have financial difficulties. Many resort to stealing and begging from family members and at bazaars. Withdrawal pains often prevent addicts from working, and thus they are unable to earn money. Often, drug addicts generate tensions, disagreements and fights within their family and the community they live in. In the family, a subject of crucial concern is often the household economy - money spent on drugs can drain already small purses.

Repelled by their neighborhoods, the opium users sense they are unwanted and have low levels of confidence. As the use of intoxicants is forbidden ('haram') under statutory law, there is also a risk of arrest and conviction.

Sufficient treatment and rehabilitation instead of custody may be more helpful in order to find a way out of the cruel cycle of drug addiction. The lack of awareness, openness and information concerning drugs in Afghanistan add to the severe predicament of drug users, as they often underestimate the character and the consequences of the drugs they use. With opium production rising, and without the restrictions implemented by the Taliban on individual use, the number of addicts in Afghanistan is bound to rise. In neighboring countries through which opium travels en route to world markets, the rise in addiction, with the accompanying rise in cases of HIV/AIDS, is reaching alarming levels.

The extent of drug abuse and addiction in Afghanistan

Afghanistan is the world's leading producer of opium and heroin, exporting drugs to Asia, the Middle East, Europe and the United States. But the scale of domestic drug abuse has only recently become apparent. Where there is more poppy cultivation there will definitely be opium addicts.

According to a joint 2005 survey by the United Nations (UN) and the Afghan Ministries of Counter-Narcotics and Public Health, there are close to a million drug addicts in Afghanistan. It has been estimated that 520,000 people were using hashish, 150,000 opium and 50,000 heroin. Helmand, the largest opium-producing province in a country that produces nearly 90 percent of the world's illicit opium, has seen a steady increase in addiction. In Helmand alone there are more than 70,000 drug abusers, many who take opium regularly. The real figure might be much higher as the number of drug abusers is increasing day by day due to growing insecurity, unemployment and widespread opium production in the province. Counter-narcotics officials in the capital Kabul also believe that the number of drug addicts is increasing but they do not have the resources to deal with the situation.

Afghanistan, scarred by nearly three decades of civil war and internal strife, has limited facilities for the treatment of drug abusers. There are only three drug addict rehabilitation centers in the country's 34 provinces. These are in Kabul, Badakhshan and Herat but more are being planned. The ministry of public health has launched numerous campaigns to highlight the problem.

The first nationwide survey on drug use, conducted in 2005 by the Ministry of Counter Narcotics and U.N. Office on Drugs and Crime, found nearly 1 million addicts in this nation of about 30 million people, including 60,000 children under age 15. The survey found that drugs of choice range from hashish, opium and heroin to pharmaceutical medicines. An estimated 5,000 children are addicted to opiates, and the remainders take cough syrup and other drugs. The actual numbers are probably much higher, especially for children and women.

There is no official drug user registry in Afghanistan, but in February 2001, UNODC conducted a study in five remote districts of four provinces. The estimated total adult population of these five districts (Khak-e-Jabar, Azro, Hesarak, Gardez, and Sayed Karam) was

120,000 people. According to the survey's informants, there were at least 694 opium users, 164 heroin users, 8,514 hashish users and 2,556 persons using recreational pharmaceuticals. It should be understood that these figures are only approximations.

Recreational opium use appears to be common in Kabul, based on data from a recent study conducted by UNODC in which 100 key informants and 200 drug users were interviewed. According to the data they gathered, there were at least 6,026 heroin users, 10,257 opium users, 26,415 hashish users, 15,526 pharmaceutical drugs addicts and 8,128 alcohol addicts within Kabul. However, these numbers are believed to be only conservative estimates. There are no documented reports for the number of drug users in other urban areas.

Although heroin in Afghanistan is predominately used by men, multiple sources have documented opiate use starting in childhood and affecting both genders. The Counter Narcotic Department (CND), which is the highest drug control authority under the Afghan presidential office, has estimated that approximately 500,000 people are addicted to different psychoactive substances in Afghanistan.

Heroin is easily accessible in Afghanistan and there is a disturbing trend towards injection of heroin alone and in combination with other substances. This behavior may be related to returning refugees who have learned such habits from other countries where injection use is common, such as Iran and Pakistan.

In Kabul, single use doses of opium cost about 20–50 Afghanis (\$0.50–1.00 US) whereas a typical dose of heroin costs about 40–50 Afghanis (\$1 US). However, prices are not stable and change with the seasonal availability of opium and heroin in the local market. In early 2003 the UNODC estimated, using a methodology of key informants, that the lowest estimate of drug users in the city was approximately 63,000. The same study showed that hashish was the top drug used, with opium, heroin, pharmaceuticals and alcohol following. The number of opium addicts in Kabul alone was more than 30,000. The estimations are that between 30~60,000 addicts live in Kabul, but such data may not be reliable in a society where few will admit to using drugs, which are considered unclean and are forbidden by Islam.

Pharmaceutical opiates and other psychoactive substances can be easily obtained from the estimated 15,000 registered pharmacies or many unregistered pharmacies. People can obtain different psychoactive drugs, sedatives, pain-killers and narcotics without a prescription and in unlimited quantities. As in Pakistan and India, some pharmacies are reputed to sell buprenorphine (Temgesic) and some addicts report using it, though there is no documented evidence.

Needles and other injection tools are available over the counter, but their cost may be prohibitive to drug users who are most often jobless. Pharmacies will probably remain as a common source of drugs since the Ministry of Public Health (MOPH) does not currently have the capacity to monitor pharmacies.

According to the latest reports in December 2006, drug addiction is also increasing among Afghan children. Some Afghan children have inherited their mothers' drug addiction from the womb, and drinking the opium-laced breast milk. After they are born, whenever they

cry, mothers may calm them with specks of opium diluted in tea. This is the hidden face of addiction in Afghanistan, where parents are spreading drug use in the confines of their homes. Many such children go on to smoke the opium that was fed to them. Some of these mothers blame the refugee camp where they lived in Pakistan or Iran for their experience of drugs. They might have taken opium for cough and aches.

The Ministry of Counter Narcotics has opened clinics and drug centers, but addiction is on the rise in the impoverished war-ravaged country as drug production has spiraled, making narcotics of increasing purity more available.

Opium production rose 49 percent in 2006 to 6,700 tons, enough to make about 670 tons of heroin. That's more than 90 percent of the world's supply and more than the world's addicts consume in a year. When the poppy cultivation increases, the number of addicts also increases. The addicts are now about 920,000 people, and this number is increasing day by day. Because there has been little drug education in Afghanistan, many people appear ignorant of the risks of addicting children and the social problems it brings.

Although the problem of drug abuse appears to be increasing in Afghanistan, addiction treatment is still limited. Medical services are provided to addicts through both public and private sectors, which, together, are not able to meet the demand for services. In the public sector, the National Mental Health Institutes, under direction of the MOPH, have functioning treatment and rehabilitation centers in several Afghan cities. The center in Kabul (Mental Health Institute) has only 30 treatment slots (June 2005). In a few provinces, there are branches of the Mental Health Institute, which provide outpatient services such as counseling, but these do not have an in-patient facility.

Identifying the frequency of the practice of feeding opium to babies is a challenge. If proper health facilities are not provided and people are not educated about the bad effects of this practice, it will certainly increase ... drug abuse treatment is not an easy task. These customs may change by raising awareness and providing families with access to adequate healthcare.

Around 200 Turkmen families live in an isolated farming community in Labjartara, a village to the north of Mazar-i-Sharif, near Afghanistan's borders with Turkmenistan and Uzbekistan. This village lies on the northern edges of Balkh province, one of Afghanistan's largest producers of opium according to the United Nations Office on Drugs and Crime (UNODC). The area is renowned for its cultivation of opium.

Here, feeding opium to small children is a practice which stems back centuries in Afghanistan, particularly among Ismaili communities in the northeastern province of Badakhshan and Turkmen families in the north of the country.

Here the reason for calmness of many infants is not playing with a toy or feeding on milk, but opium. Many mothers feed their children opium each morning and evening by placing tiny pieces of the narcotic into their mouth or mixing small quantities into milk or water. Giving the drug gives these mothers time to spend on the housework and care for other

matters. Afghan Turkmens, who form around 1.8 million of the country's 30 million people, are also renowned for their elaborate carpets.

Whenever babies cry, they feed them opium; it's usual, just to make them calm and quiet. If you give it too often you get bad side effects like vomiting. Figures obtained from the UNODC reveal that as many as 60,000 children in Afghanistan regularly use drugs, including opium.

Anecdotal evidence from doctors at a clinic in the southern city of Kandahar indicates that at least 25 children at the hospital died of opium overdoses in the last several years. There have been cases whose drug addiction started with a toothache. Relatives suggest putting a piece of opium in the mouth to relieve the pain. After a while they became addicted to it. There is a long queue of women waiting for treatment at a drug addiction clinic in Lashkar Gah, the capital of Afghanistan's southern province of Helmand.

The 20-bed clinic, founded in June by the Welfare Association for Development of Afghanistan (WADAN), an NGO in Lashkar Gah, is struggling to cope with the demand. And with beds reserved for male addicts, the centre has no choice but to treat the growing number of female addicts in their homes. They treat patients here for one month and after that provide them with vocational training such as tailoring and carpentry to enable them to support their families. Some of the patients lying in bed at the clinic blame unemployment for their addiction. Some addicts started abusing drugs more than 20 years ago, during the Soviet Union's invasion of Afghanistan. Others began smoking hashish after losing their job and soon were experimenting with tiny bits of opium. Within months, they would try heroin and get addicted to it, so that they would inject themselves with it several times a day.

There is a strong link between opium growing and consumption inside Afghanistan and its third largest export industry, which is carpet weaving. For many carpet-weaving women, opium has become a tool as vital as the looms they weave with; a narcotic they take not only to relieve the pain and physical discomfort of hours of carpet-making but also a drug they give to their children so they can weave and do housework.

Drug addiction rates soar in Afghanistan. According to a recent United Nations survey, there are nearly a million drug abusers in Afghanistan today. Almost 200,000 of them are hard-core opium and heroin addicts. Addiction rates in Afghanistan have doubled in the past two years, to the point that nearly a million people are now using illegal drugs.

Addiction rates throughout the country are higher now than ever before. The number of female addicts, in particular, is on the rise. More than 100,000 women addicts were identified in the U.N. survey, but the real number could be several times higher. Like the men, many of the women started taking drugs while living in refugee camps in neighboring Pakistan or Iran during the war against the Soviet Union, or the subsequent civil war. For thousands of these refugees, drugs were one of the only ways to relieve the pain and frustration of camp life.

Afghanistan produces an estimated 90 percent of the world's illegal opium, and the drug is readily available in almost every town and city throughout the country. When the strict Islamist Taliban group controlled the country in the late 1990s, it used draconian measures to

cut the opium crop sharply. But since the Taliban's overthrow in 2001, impoverished farmers have returned to growing the lucrative opium. The international community has committed millions of dollars to help Afghanistan fight opium production. But there is almost no funding to help drug addicts rehabilitate. Today, Afghanistan's grinding poverty and massive illegal drug trade are creating a new generation of addicts, male and female.

Currently, three nongovernmental organizations and a public hospital are trying to control this vicious circle starting from drug addiction that could lead to bigger problems for Afghanistan. The Nejat and Zendegi-e-Nawin detoxification centers and a section of the Kabul mental health hospital run programs to help users overcome their addiction. Together they have 40 beds for a rehabilitation course that lasts between 10 to 15 days. The rehabilitation plan is harsh; heads are shaved for hygiene and so that hair cannot be pulled out during the painful attacks of drug withdrawal; they also wear prison-style uniforms and may take cold showers when the pain gets too much.

Heroin substitutes like methadone are not authorized in Afghanistan. The authorities worry that with the absence of control seen in the country, methadone could find its way out of the pharmacies and into the underground market. One clinic only has room for 20 live-in patients. Another 20 patients take part in an out-patient program. In the entire country there are only four drug centers, with fewer than 100 beds among them.

For women the situation is even worse. The clinics are all reserved for men out of deference to Afghanistan's conservative social customs. Female addicts can only receive treatment in their own homes, and without the benefit of support groups.

The Afghan government plans to build at least five new clinics around the country. But so far, funding is short, and construction has yet to begin. For now the focus is on prevention. The U.N. is helping train local health workers and funds public awareness campaigns in an effort to limit the number of new addicts.

Some Afghan child addicts bring the heroin problem home. There are cases of children as young as four-year-old who has become heroin addicts. The child's father would smoke in the house when the child was playing and could breathe it in. Soon they would realize the child was addicted too. The Nejat Centre, which treats child and female drug addicts in the old city, has more than 900 women and 110 children on its books.

To pay for their addictions, addicts would sell their furniture, their carpets and even their clothes, leaving them destitute. People get desperate for drugs; they will do anything to get money. There have been addicts stealing shoes from outside a mosque to sell for drugs money.

The abundance of the drugs in Afghanistan has led to a sharp increase in the number of Afghans using it. The problem of drug addiction has increased hugely since the fall of the Taliban, especially among women. The latest United Nations report estimates that more than 2 per cent of the country's female populations are drug users and about 1 per cent of under-15s use drugs. For the male population, the figure is even higher, at 12 per cent.

The reasons for addiction are varied. Many people picked up drugs in the refugee camps of Iran and Pakistan, having fled there during the civil war. Others are depressed about unemployment and many are war widows who lost husbands in the years of strife. Other people, including children, become addicted while harvesting the poppy crop through their long exposure to opium. Some became addicted while cutting poppy plants. They may not be happy that they are addicts but they can't simply stop without treatment. There is no real employment for them either, and so they may do anything in order to get food and drugs.

Afghan drug boom fuels child addiction rates. Doctors estimate that there are more than 2,000 drug-addicted children in the western city of Herat alone.

Some children sell cigarettes for a living, and then may move onto stronger substances. They started smoking when selling cigarettes, then tried hashish with other kids. There are many young people like that in Afghanistan, where families have been torn apart over decades of war. Observers say that drug addiction among children has risen precipitously in recent years. This is especially true in western areas like Herat, because of the influx of returning refugees from neighboring Iran, where addiction rates are high.

The Shahamat Centre is a non-government institution that helps combat drug abuse. This center has seen a 20 per cent rise in juvenile addiction over last year. They have children between the ages of six and 16 at the centre.

There are many reasons why children start using drugs, including the lack of parental supervision, the large number of children orphaned by war, the return of refugees from Iran, and Afghanistan's booming illicit narcotics industry, which means drugs are readily available. It is estimated that there are more than 2,000 drug-addicted children in the city of Herat alone. A report issued by the United Nations Office of Drugs and Crime in late 2005 put the number of drug users in Afghanistan at 920,000, with 60,000 of them under 15.

In the year of 2006 and the next, opium and its derivative heroin will be even more plentiful, as poppy cultivation is on the rise despite eradication efforts sponsored by the international community. UNODC estimates that 60 per cent more land was planted with opium in 2006, so that the harvest will hit 6,100 tons. Homeless children are vulnerable to addiction and to exploitation as "mules" carrying drugs for the traffickers. The Khoja Abdullah Ansari orphanage in Herat provides shelter for about 1,000 children, but that's only 20 per cent of all the homeless children in the city. Some of the children in the orphanage were receiving treatment for their addiction.

Smugglers target homeless children because they make good couriers and arouse little suspicion with the police. Police headquarters in Herat, confirmed this; they had caught ten children who were being used to smuggle drugs, and through them, they were able to arrest the traffickers standing behind them.

Another cause of juvenile drug addiction is the widespread use of opiates to keep children quiet. The real reason for drug addiction in children is the high volume of poppy cultivation in the province. Many parents use poppy paste to calm their children, which then

leads to addiction. Some support organizations are trying to combat the practice by getting the word out to parents, through the mosques and schools, but the problem persists.

The private sector also has limited treatment resources, with only two non-governmental organizations (NGO) currently providing in-patient services. The Nejat Center has ten treatment beds and two outreach teams in each of their Kabul and Badakhshan locations. They may have the capacity to treat 20 addicts a month but there are about 3,000 people on their waiting list. From 2001 to 2003, 4335 drug addicts received treatment, with 956 treated at the Kabul Mental Health Institute and 1308 at the Nejat Center.

Another NGO, Welfare Association for Afghanistan (WADAN), has a fifteen-bed facility for drug addicts in Gardez, Paktiya Province. The standard of care for rehabilitation in Afghanistan is a fifteen-day in-patient stay, followed by continued counseling via outreach counselors in the home or return visits to the outpatient department. Methadone treatment has not yet been introduced, though several groups agree that substitution therapy is needed in this setting.

No data is available on relapse because there is not a reliable, functioning follow-up system. Human resources for rehabilitation activities are scarce, because there is a lack of trained staff and a severe shortage of female health workers and counselors. There are currently a small number of needle exchange programs in Kabul, orchestrated through Zindagi Nawin drug counseling programs (August, 2005). Such NGO activities are limited, with the majority conducted in Kabul city, though counseling and prevention activities are being conducted by Nejat in Kabul and German Technical Cooperation (GTZ) with NGO partners SHRO (Herat), Wadan, (Gardez and Kandahar) and KOR in Kabul and Faizabad.

Helmand, the largest Opium producing Province of Afghanistan that produced one third of world opium and has over thirty thousand drug users, has recently received a 20 bed drug-addicts Treatment Center. The Center is being funded by the UK government and is run in Lashkargah, the provincial capital by a local NGO, Wadan. The Southern province, according to the recent Joint Afghan-UN survey has over 30000 drug users, mainly of opium/heroin with around one million inhabitants.

The Recent Afghan-UN Drug Abuse Survey in the country that was carried out for the first time ever in late 2005 suggests there are over 900,000 drug users in Afghanistan including 150, 000 opium and 50,000 heroin users. But the country with that huge drug abuse problem including the newly inaugurated centre in Helmand enjoys less than 100 beds for treatment of drug users in centers scattered around the country. According to the Afghan National Drug Control Strategy (NDCS), the Narcotics phenomenon is tackled through a sustainable and comprehensive approach. The strategy was launched during the London Conference on Afghanistan early January this year. This approach puts law enforcement, provision of diversified Alternative Livelihoods, Treatment of Addicts and Counter Narcotics Institutional Building at the top of priorities.

Injection drug use and the HIV/AIDS problem in Afghanistan

Although Afghanistan is a major producer of heroin, injection drug use appears to be a relatively new phenomenon. Greater numbers of heroin users have been observed following the end of the Taliban regime and the return of Afghan refugees from neighboring countries. High-risk behaviors have been documented among Afghan injection drug users along with low HIV/AIDS awareness and virtually no condom use.

There are serious concerns over transmission of blood borne viruses through injection drug use. The prevalence of both hepatitis B and C among injection drug users compared with the general populations of countries bordering Afghanistan, such as Pakistan and Uzbekistan shows this to be a real problem. For instance in Pakistan, hepatitis C prevalence ranges from 5.3 to 7% in the general population, 22% in non-injecting heroin users, and 89% among injection drug users. Rising prevalence of hepatitis B and C due to injection drug use have been noted in other Central Asian Republics. Central and South Asia are experiencing a rapid increase in HIV cases introduced by injection drug use and the commercial sex trade. The HIV prevalence among injection drug users in neighboring countries is largely unknown. Recently, prevalence of 29.8% and 12.1% were reported among intravenous drug users in Dushanbe, Tajikistan and Tashkent, Uzbekistan respectively. Of all HIV cases in Iran, about 65% are among injection drug users. Injection drug use appears to be increasing in Afghanistan, and is raising concerns that a concentrated epidemic of HIV may ensue.

There have been efforts to increase awareness of blood-borne infection transmission among vulnerable groups in Kabul city by several non-government organizations, including ORA, Nejat Center, and GTZ, as well as by the Ministry of Public Health and the National HIV/AIDS Control Program (NACP). The outreach workers affiliated with these programs have established rapport with several marginalized risk groups, predominantly drug users. Preliminary findings from an on-going study of blood-borne infection prevalence among injection drug users in Kabul indicates that, of 67 surveyed, the majority report not sharing "works" and purchasing single use syringes from the pharmacy daily (cost 3 Afghanis = US\$0.06). However, another study surveying high-risk and sentinel population groups in Kabul, Herat, Mazar-i-Sharif, and Kandahar notes that only approximately 40% of those surveyed, including drug users, had ever heard of HIV/AIDS. (Action-Aid Afghanistan, August 2005)

According to the information obtained from the staff of a drug-rehabilitation center in Afghanistan (called *Nejat*), sometimes up to 10 people might use a single syringe. A French nongovernmental group called Medecins Du Monde (Doctors of the World) has started distributing free syringes to cut the risk of infection through sharing of syringes used for injection of heroin. They hand out the kits at known places of drug use and also a centre run by former (or current) users.

Prevention messages have also been disseminated to the general population. The NACP has engaged the religious community in dialogue about the risks of HIV to Afghanistan and

their role in community preventive education in a particularly noteworthy program. There have been few changes in the number or content of rehabilitation programs in Kabul city, though some NGOs wish to initiate substitution therapy following procurement of funding (German Technical Cooperation, July 2005).

UNODC is currently conducting a country-wide assessment of drug use, which may also provide compelling evidence for increasing both the available number and therapeutic options of rehabilitation programs. Additional in-depth studies of risky behavior, particularly before and after the introduction of a harm reduction program, would provide meaningful data. The growing number of injection drug users, the availability of heroin, and small, geographically-limited number of anti-narcotic and drug treatment programs in Afghanistan place the country at great risk for epidemics of blood-borne infection. Further research on blood-borne infection risk behaviors and sero-prevalence among drug users in Afghanistan would be helpful to better describe the current situation. Funding of programs to broaden education programs on HIV/AIDS and viral hepatitis, and drug treatment services should be an urgent priority.

Afghanistan currently has only 61 known cases of HIV, however its neighbors Pakistan and Iran have 74,000 and 14,000 cases respectively. Afghanistan's statistics could be misleading because diagnostic capacity varies and the real number of cases may be far higher as screening has been limited to blood donors.

Afghanistan has many of the conditions for the quick spread of HIV infection, such as high drug use and lack of public information on preventive measures. Little is known about the factors that influence the spread of HIV/AIDS in Afghanistan. There are many existing vulnerability factors that could fuel the epidemic, which require further investigation.

Health officials fear HIV may be spreading rapidly, but ignorance and denial cloud the issue. Some HIV/AIDS patients in Afghanistan are in hiding from their families, while waiting to die. Many of those living around them, may even not know that they are suffering from AIDS. Fear of tribal rejection creates a sense of shame that makes them go into hiding so that their families would not have to endure the shame.

HIV/AIDS is little-known and misunderstood in Afghanistan. Some healthcare professionals are warning that the conspiracy of silence surrounding the virus could be one of the factors facilitating its spread. According to the HIV/AIDS section at the Kabul Office of the World Health Organization, WHO, Afghanistan is facing an AIDS crisis. It has a very low number of registered cases, but now the disease could spread very quickly. People do not know anything about it, and there are a lot of factors such as the use of illegal narcotics and the return of refugees from abroad, which contribute to the situation.

Some estimate that there are at least 1,500 people infected with HIV in Afghanistan at present, most of whom are either unaware they are carrying the virus or are hiding the fact out of shame. Most of the cases involve people who have spent time in emigration. Refugees returning from neighboring Pakistan and Iran during Afghanistan's decades of war are bringing back foreign ways and disease. Other factors contributing to the rapid spread of HIV

include needle sharing among drug users; surgery where contaminated equipment is used; sexual relations; blood transfusions; and dirty razors in barber shops. Infected mothers can also pass the virus to their children in breast milk.

The government is developing a strategy for coping with the disease, helped by international organizations. The WHO has designed a five-year program that includes workshops for the public and overseas training for medical doctors. The Ministry of Public Health has prepared a nationwide approach to HIV prevention, but it lacks the necessary funding.

Some advocate a reliance on traditional Islamic values as a way to combat the spread of HIV/AIDS. HIV/AIDS awareness among the public is still at a very low level.

Possible solutions to the poppy problem in Afghanistan

The problem of poppy cultivation for production of addictive drugs in Afghanistan is generally considered the single most challenging factor to the long-term security and development of the country. However, Afghanistan has a relatively short history of opium production at such scales. As Afghanistan was emerging from the war economy in the 1980s, opium production soared in the past decade.

The country now produces nearly 90 percent of the world's opium. Opium revenue accounts for 52 percent of Afghanistan's licit gross domestic product (GDP) and constitutes about 30 percent of the total GDP. But only about one percent of the Afghan drug sale on the international market goes to the Afghan poppy farmers, and less than ten percent to Afghan traffickers and traders. The other 90 percent goes to traders and distributors outside Afghanistan. So opium is not only an Afghan problem, but also a problem of regional and global dimensions. Fighting narcotics requires a joint national and international effort.

The essential element of the Afghan counter-narcotics strategy is a five-pillar, counter-narcotics implementation plan that is based on a comprehensive, long-term, and sustainable approach toward the elimination of production, consumption, and trafficking of narcotics within and from Afghanistan. The main components of the plan include law enforcement, eradication, promoting alternative livelihoods, criminal justice, and regional cooperation. However, there is considerable disagreement among the national and international partners about strategic approaches and target priorities. The main issue is who to target first. Is it producers and farmers, or processors and traders? The farmers receive less than 20 percent of the drug revenue in Afghanistan. The rest goes to a nexus of traders, traffickers, illegal militia commanders, and corrupt government officials. Therefore targeting the nexus can have a much greater impact on the enterprise.

There are two groups of people involved in the drug business: those who do it out of need and those who are doing it out of greed. It so happens that the greedy ones often force the needy ones to produce opium by offering them cash credits, leasing their lands, and using

coercive methods. In 2005, farmers' income from opium poppies was \$5,400 (US) per hectare compared with about \$550 per hectare for wheat.

The Afghan government counter-narcotics program aims at developing the capacity to conduct targeted and verifiable eradication of 20,000 hectares or 15 percent of total poppy cultivation per year down to an overall crop of 10,000 hectares by 2013. Of the 21 percent decrease in poppy cultivation in 2005, only a five percent reduction was made through eradication; the rest was achieved through persuasion and offering alternative livelihoods in three major poppy-growing provinces (Nangrahar, Helmand, and Badakhshan). Afghanistan has also created a limited interdiction capacity. During the year 2005, the Afghan counter-narcotics police have destroyed about 180 heroin laboratories and 200 tons of narcotics-but that still represents less than five percent of opium production.

The lessons learned during the last four years suggest that targeting traffickers and traders has fewer negative effects and does not require providing alternative livelihoods. However, the interdiction capacity is limited, and the criminal justice sector responsible for processing drug-related crime is not up to the challenge. While interim arrangements to expedite the judicial process are taken, the involvement of international forces is needed to enhance the interdiction capacity.

ISAF's role in targeting drug laboratories, opium stockpiles, and trafficking routes not only helps Afghan counter-narcotics efforts but also curtails the flow of drugs to Europe, which gets 90 percent of its heroin from Afghanistan.

The illicit drug trade is a low-risk activity in a high-risk environment. In order to eliminate it, the situation needs to be reversed: the illicit drug trade must be made a high-risk activity in a low-risk environment. This entails the development of human security and firm establishment of the rule of law.

Eradication without providing for meaningful alternative livelihoods is not sustainable. Reduction of poppy cultivation takes more than a forcible eradication program. Eradication does not hold promise as a near-term solution, and forcible eradication can be counterproductive. Poverty and eradication have to be attacked simultaneously. Elimination of poppy cultivation should be sought through developmental approaches. The development of alternative livelihoods is a key to achieving long-term counter-narcotics goals.

However, the effort should aim at broader development targets that include building effective governance, supporting a strong civil society, and creating a social protection system. Creating alternative livelihoods must be linked to sustainable economic recovery. Focusing solely on alternative livelihoods in drug-producing areas is a shorter-term tactical response to the problem.

Alternative livelihoods should be considered as the goal rather than the means. Given the multi-dimensional nature of opium production in Afghanistan, counter-narcotics efforts should be mainstreamed into all aspects of development: security, economic growth, and governance. There are no quick and simple solutions.

Destroying one third of Afghanistan's economy without undermining stability requires enormous resources, administrative capacity, and time. Attempts to simplify the problem in order to make it manageable and appealing to the domestic policies of the donor countries do not lead to sustained progress. A counter-narcotics strategy should not narrowly focus on law enforcement, but address all other related aspects including security, governance, and development. Only a comprehensive, holistic approach to resolving the problem will succeed.

In December 2006, the Ministry of Public Health in Afghanistan conducted a 10 day training program on drug demand reduction for over 60 new staff recruited for two drug demand reduction treatment projects. The projects are funded by the Counter Narcotics Trust Fund (CNTF) of the Ministry of Counter Narcotics (MCN); they will establish two residential drug treatment centers and eight community based outreach centers.

The comprehensive training covered a wide range of topics including: the problem of drug use in Afghanistan, the classification of drugs, causes of addiction and phases of addiction, approaches for drug abuse prevention, use of motivational and post treatment counseling, detoxification strategies and other harm reduction techniques.

The training was delivered through a series of lectures, interactive sessions and practical workshops. The participants also visited the Nejat and Zendagi Naween drug treatment centers in Kabul where they had the opportunity to see treatment services being provided by doctors and nurses and learn from their experiences of supporting drug addicted patients.

The projects will establish two residential drug treatment centers, one in Jalalabad (Nangarhar) and one in Mazar (Balkh) and five community based outreach centers in the provinces of Sheberghan, Maimana, Kunduz, Bamiyan and Ghazni. Three additional community based outreach centers will be established in Farah, Ghor and Nimroz early next year.

Drug misuse and dependence is a growing social and health problem in Afghanistan, especially among returning refugees and women and is often linked to post-war trauma and to the fact that opium is easily available. Hence, the drug economy poses a serious threat to sustainable development in Afghanistan. The funded drug treatment projects will be enabled to provide integrated drug prevention, treatment and rehabilitation services in several provinces.

The key principles behind these projects are eight pillars for intervention:

1. Alternative Livelihoods
2. Building Institutions
3. Public Awareness
4. Law Enforcement
5. Criminal Justice
6. Eradication
7. Drug Demand Reduction and Treatment of Drug Addicts
8. International and Regional Co-operation

Some believe that poppy crop could be used in a positive way. An international security and development policy think-tank, the Paris-based Senlis Council, has suggested that the attempt to eradicate Afghanistan's opium poppy crop is ineffective and destructive, and should be abandoned. Instead Afghan farmers should be encouraged to grow the plants for production of morphine, codeine and other opium-derived painkillers in critically short supply around the world.

Instead of believing in the unrealistic idea of being able to eradicate poppy cultivation in Afghanistan in short-term, why not use the resource for legitimate and worthwhile purposes. The eradication policy assumes farmers will switch to other crops. But no alternatives pay enough, so it turns them against the struggling government of Afghan government who is trying to eliminate Taliban insurgents.

Farmers get \$100 to \$150 (U.S.) per kilogram for opium. After paying bribes, and payments for security and supplies to drug lords, they're left with little. They'd be better off in the legal trade, and the government would win support if it protected their crops.

Poppies are grown under stringent regulations in Australia, India, Turkey and France for production of painkillers. Supply is controlled almost like a cartel. Multinational giants in Britain, France, United States, Japan and Australia do most of the processing. These countries, along with Italy and Spain, account for nearly 80 per cent of global consumption. The mark-up between farm and hospital shelf is about 5,000 percent. Unmet demand in the seven main consuming countries is equal to 550 tons of opium a year, and, because doctors are using the painkillers more aggressively, there is a huge shortfall.

But other experts have dismissed the plan, saying it would founder on Afghanistan's "utter lawlessness". In Turkey they were able to force farmers to sell their crop to legal buyers. Here they will sell to the highest bidder, and the traffickers will always go higher, because they can still make a profit. Therefore the economics don't hold up in the case of Afghanistan.

The impacts of law enforcement on poppy cultivation, drug smuggling & abuse

The threat of forced eradication has a critical importance in the success of any counter-narcotics strategy. Alternative livelihood programs, even if successful, cannot fully replace the high income derived from poppy farming. According to public information surveys, farmers are aware of the ban on poppy production by the government of Afghanistan and their planned eradication, but many do not believe those measures will be enforced.

The UNODC surveys also indicate that fear of eradication is the single most effective deterrent to cultivation in Afghanistan. This finding highlights the importance of a strong eradication campaign.

The Eradication plans have been frequently revised following the disappointing results from the 2005 eradication efforts. Based on lessons learned, the Eradication efforts were

restructured to focus more on the provincial level. There are Poppy Elimination Program (PEP) teams, composed of Afghans and international experts and advisors, who visit the seven major poppy producing provinces (Kandahar, Nangarhar, Uruzgan, Farah, Badakhshan, Helmand, and Balkh). The PEP teams coordinate public information campaigns and alternative livelihoods programs, monitor cultivation and compliance, report significant developments to senior levels of the Afghan Government, and verify provincial eradication efforts; when needed, they may request eradication by national authorities.

The Afghan Eradication Force (AEF) currently consists of four mobile units of approximately 150 eradicators and security personnel each, supported by air assets. They can be deployed by the Afghan Government to help meet poppy elimination objectives. The AEF are supposed to be deployed when the provincial efforts fail or if provincial governors request such assistance.

There are also interdiction efforts, which are focused on decreasing narcotics trafficking and processing in Afghanistan. The purpose of interdiction efforts is to disrupt and dismantle large drug trafficking organizations operating in Afghanistan through the arrest and prosecution of the command and control elements of these organizations.

The Afghan Ministry of Interior has established the Counter Narcotics Police of Afghanistan (CNPA) for nationwide counter-narcotics law enforcement. They have had significant successes. For instance, in 2005, the CNPA seized 42.9 metric tons of opium and 5.5 metric tons of heroin. They also shut down 247 secret conversion labs. An additional 100-plus tons of opium and 30 tons of heroin were destroyed during operations of the Afghan Special Narcotics Force (ASNF), which is another paramilitary operational group within the CNPA. This special force has been in operation for two years, conducting interdictions and disruption activities against major drug operations, especially heroin laboratories, drug stockpiles, and wholesale market locations.

Currently, the Kabul government is planning to send 300 members of the Afghan Eradication Force (AEF), protected by an equal number of police, to destroy fields of ripening opium poppies in the centre of Helmand province, where Britain has some 4,000 troops. While British forces will not be directly involved in the operation, they will have to go to the aid of the eradication teams if they encounter armed resistance. The poppy fields to be targeted are on the Helmand River, near Lashkar Gah. The Afghan government has rejected calls for defoliants to be sprayed on the crop, and the plants will be cut down by hand, or crushed by tractors dragging heavy metal bars behind them. There were some 22,000 hectares of opium poppies in the target area. The Afghan operation might destroy up to a third, if it didn't encounter trouble. Despite the deployment of British forces in Helmand last year, opium production in the province soared by 160 per cent, faster than anywhere else in Afghanistan. A badly handled eradication operation in 2002 had sown deep bitterness: big growers paid bribes to save their crops, and it was small farmers with no other livelihood who suffered. Funds to compensate them were misspent or stolen. Poppy cultivation has since been declared illegal, and no compensation will be paid this time. Even if the AEF succeeds in destroying a third of

the poppies in their target area, or about 7,000 hectares, that would be barely one-10th of the total area under cultivation in Helmand, which could still produce more opium this year than last.

Opium dominates Afghanistan's economy: the illegal trade is worth \$2.6bn (∩1.3bn) a year, more than a third of the country's gross domestic product.

HELMAND: Afghanistan's largest province produces 40 per cent of its opium and half the heroin in Britain. The poppy-growing area grew 160 per cent in 2006.

Law enforcement and justice reform efforts in Afghanistan should include both police and justice efforts to increase overall rule of law. While some of these programs are focused specifically on counter-narcotics, there is a need for general programs to support the rule of law in Afghanistan as they improve public confidence in law enforcement by creating an atmosphere in which corruption, narcotics trafficking, and other illicit activities are suppressed.

It is also important to have an effective arrest and conviction mechanism, because without legal consequences to follow Afghan interdiction efforts, Afghan police can do nothing more than destroying the drugs they seize. They can only temporarily detain suspects.

The establishment of an effective criminal justice sector should complement the development of the Afghan police. Justice Reform efforts in Afghanistan have two primary components: criminal justice reform and corrections support. A subcomponent of both is support for counter-narcotics prosecution. Programs in both criminal justice reform and corrections are designed to support the work the police and interdiction units are doing to bring drug production and trafficking to a halt.

However, in remote areas with limited resources, assets, and markets, strong enforcement efforts against farmers are often ineffective. The eradication of opium poppy fields and reductions in cultivation resulting from the threat of eradication may also cripple some poor farmers and rural wage laborers who lack political support or are unable to pay bribes and cannot otherwise protect themselves. Therefore, anti-corruption efforts are key to the long-term success of the Afghan law enforcement sector and counter-narcotics efforts. Eliminating corruption is a high priority. Corruption in the eradication process has many negative side effects. Wealthy opium producers pay bribes to avoid having their crops eradicated, and thereby greatly reduce the effectiveness of counter-narcotics measures and gravely undermine the credibility of the government and its local representatives.

Corruption should be fully taken into account in designing and implementing counter-narcotics measures. Experience shows that implementation of eradication programs, especially if they are partial or limited to certain areas, is inevitably distorted by corruption, so they disproportionately affect the poor and those without local political connections. This underlines the importance of increased efforts to strengthen and reform key institutions such as the police in order to reduce their vulnerability to drug-related corruption and rebuild trust in government.

The United Nations Office on Drugs and Crime (UNODC) and the World Bank recently (November 2006) reported that the counter-narcotics efforts had deepened corruption and especially hurt the poorest of Afghan farmers. The efforts to combat opium production in Afghanistan are spoiled by corruption. The drugs trade may become consolidated in the hands of fewer powerful players with strong political connections.

According to a report entitled as Afghanistan's Drug Industry, the structure, functioning, dynamics, and implications for counter-narcotics policies and other efforts to combat opium have achieved only limited success and lack sustainability. Efforts to discourage farmers from planting opium poppy should be concentrated in localities where land, water, and access to markets are such that alternative livelihoods are already available. Certainly, rural development programs are needed throughout Afghanistan, and should not be focused primarily on opium areas; otherwise they cannot help prevent cultivation from further spreading. Success in reducing cultivation in one province often leads to increases elsewhere, or cultivation in the province itself rebounds in the following year, as it happened in Helmand province after 2003. Therefore, good results in a few provinces may not necessarily lead to sustained declines in total national cultivation.

It may be better to focus initially on interdiction efforts against drug traffickers and their sponsors who are the biggest threat to state-building, as well as opium-refining facilities. Interdiction efforts especially must target high-level profiteers whose wealth increases their potential for corrupting the state. This should be done while alternative livelihoods are progressively developed. Developing alternative livelihoods takes time, and there should be a realistic view of what can be achieved in the short term.

It may take a generation to free Afghanistan from opium. However, targets are needed to get concrete results; for example a doubling of the number of opium-free provinces from the current six provinces, to twelve provinces in a year from now. If eradication measures are concentrated in half a dozen provinces with low cultivation in 2006, provision of development support to farmers, and arrest of corrupted officials may make it possible to free them from opium.

It is necessary to bring to justice those driving the drug industry and fire the officials who support it. The latest UNODC report on opium production in Afghanistan in 2006 is discouraging. There has been a record opium harvest, with total cultivation increasing by 59 per cent and production by 49 percent. Afghanistan now accounts for more than 90 per cent of global illegal opium output. The bulk of opium growth in 2006 has been concentrated in Helmand and a few other highly insecure and insurgency-ridden provinces in the south. Elsewhere in the country patterns have been much more mixed, with increases in some provinces and reductions in others.

Yet, even in this record year, opium takes up less than 4 per cent of the total cultivated area in Afghanistan. An estimated 13 per cent of the population was involved in opium poppy cultivation. Most districts and localities do not grow opium. And although the opium economy

accounts for around one-third of total economic activity in the country, most Afghans are not part of the drug industry.

Although currently both groups of relatively richer and poor households cultivate opium poppy, the latter are much more dependent on opium for their livelihoods. The reality is that there are no easy answers to the problem of poppy cultivation, and short-term strategies may do more harm than good.

The Afghan leadership has ruled out aerial eradication by chemicals, because it poses particular risks. Opium poppy is interspersed with other crops and is commonly cultivated next to areas used for human settlement and livestock. It could also easily fuel discontent and strengthen the insurgency in the volatile areas in the south of the country.

In the meantime, anti-money laundering provisions need to be strictly enforced on banks in neighboring countries. Development aid organizations need to be more diligent in their use of the *Hawala system* to prevent their funds from getting mixed with illicit transfers. The Hawala (informal financial transfer) system in Afghanistan, may serve as a vehicle for drug money laundering. It is used as well for much more benign purposes such as transferring money to poor Afghans from relatives abroad. Apparently, banks in many of the developed countries as well as in the region play an important role in transferring money, which is used to purchase illicit drugs. This system poses particular challenges to the re-enforcement attempts. The reason is that imposing anti-money laundering provisions too quickly may discourage the Afghan people from using the formal financial sector.

The adverse impact of any policies on critical issues related to development should be carefully considered. Some of these policies against drugs mainly have an impact on poor farmers and rural wage laborers. Therefore, counter-narcotics strategies should keep short-run expectations modest, avoid worsening the situation of the poor, and adequately focus on long-term rural development. Phasing out drug production will take decades rather than months or years, and there is a need for an equally smart and effective strategy to curtail demand for opiates in the consuming countries. The Afghan Government needs to combat the high-level drug trafficking network and its protectors with international support.

Hasty poppy eradication in Afghanistan can sow more problems. The deteriorating security situation in Afghanistan reveals the high price of the slow pace of reconstruction there: Winning Afghan hearts and minds isn't as quick or easy as growing poppies. There is a dangerous mixture of growing insurgency, a population increasingly frustrated by a lack of economic progress, and another bumper crop of opium. Many Taliban insurgents have joined forces with some of the Pashtun drug traffickers in the south, to protect drug convoys for payoffs. They may carry out joint operations.

It should be noted that interdiction efforts might crowd out only small traders, only to consolidate the drug industry and strengthen the hold of local warlords, including police chiefs and government officials, on the drug trade.

The popular discontent in Afghanistan with the failure of Kabul to deliver security, social services, and basic livelihood is steadily growing. Although much has been achieved, expectations of improved living conditions have been growing at a much more rapid pace.

Especially there has been no significant progress in the fight against the narcotics economy. What has been hailed as success, namely the reduction of the area under poppy cultivation in 2005, has failed to provide viable alternatives for poppy growers.

In 2004, Nangarhar in eastern Afghanistan was estimated to produce approximately one-fifth of Afghanistan's opium. In 2005, its opium cultivation had decreased by as much as 96 percent. It was considered an eradication success, however, significant economic hardship and major social discontent followed. For many farmers, there was a 90 percent reduction in their total cash income, by as much as \$3,400. The Cash-for-Work programs designed to provide alternative livelihoods, such as digging wells, offered compensation significantly below income losses. The programs also failed to reach the poorest and most vulnerable. The impoverished farmers were forced to lower basic food intake and sell long-term productive assets, such as livestock and land. Many were left feeling betrayed that the promises to help make a new life were unmet, and many were going back to planting poppies in 2006. There is a similar situation to the south in Helmand.

The most pernicious side effect of the efforts in Nangarhar and Helmand was the inability of farmers to repay their accumulated opium debt. Creditors who lend money to farmers through the winter months and for purchase of seeds for the following season, double or triple the peasants' debts if they are not repaid in the same year. This is the only micro-credit system available. The farmers then have to grow even more poppy than they would have otherwise. If farmers take too long to repay, they face the possibility of being killed by the traffickers and having their houses seized. They are left with two options: Give away their daughters (girls as young as 3) as brides to the creditors or run away to Pakistan.

This migration to Pakistan especially threatens the counterinsurgency and state-building efforts in Afghanistan. First, migration forced by eradication further alienates the populace from the Kabul government and the international community sponsoring eradication. Second, the refugees easily become tools in the hand of the insurgency. In the 1990s, it was Afghan refugees sent to the radical madrassahs in Pakistan who comprised the bulk of the Taliban fighters. The shelter most easily available to Afghans driven out by eradication is once again the madrassahs. Therefore the success in curbing drug production in Afghanistan may come at the price of undermining state-building and empowering the insurgency.

The eradication of opium poppy before the establishment of legal alternative income-earning opportunities cannot reduce long-term production. It may also undermine the already strained relationship between communities and the state. The destruction of poppy crops may, in fact, lead to increased poppy cultivation in subsequent seasons as farmers seek to recover lost income. Only when they have real alternatives, does the threat of eradication actually impact on the decisions of farmers as to whether or not to cultivate poppy.

In September 2006, the head of the United Nations Office on Drugs and Crime reported that Afghanistan is now producing 92 percent of the world's supply of illegal opium, up from 87 percent in 2004. This new record cannot be reversed through increasing the counter-narcotics measures. The Afghan government must also reform a vital but neglected institution, which is the local police. Here is one example how the failure of local police led to the failure of counter-narcotics efforts.

In 2004, for the first time, many farmers in all provinces of Afghanistan chose to cultivate opium poppies. In response, the US and Afghan governments promised a major poppy eradication campaign. Aid agencies rushed to create an economic alternative for the thousands of Afghans who depended on poppy farming to survive. Alternative livelihoods can help Afghan farmers export high-value crops like saffron and cumin in the long-term. They may restore the orchards and vineyards that had once made Afghanistan a power in the raisin and almond markets. They may also provide credit to farmers who had relied on traffickers for affordable loans. However, in the short run, there is no time for such approaches and instead, public-work jobs should be created. There was such an "alternative livelihoods" project financed by the United States Agency for International Development in Lashkargah, which is the capital of Helmand Province, the opium heartland of Afghanistan. Shovels were handed out to thousands of local Afghans and they were paid \$4 per day to repair canals and roads. There was plenty of work on Helmand's grand but old irrigation system, which needs repair. By May 2005, millions of dollars had been paid and there were about 14,000 men on the payroll simultaneously. The program stimulated the provincial economy, and could become a fine start for long-term alternatives to poppy.

Security was an important issue. The provincial police was the only remaining source of protection. The Helmand police forces were half-organized militias under charismatic leadership and years of combat experience. Some of the policemen were not much reliable, and when the attacks by insurgents started, security was useless. The police responded with indiscriminate arrests, but they lacked the investigative skills to catch the killers.

There were rumors that the attackers were Taliban troops and also that the Taliban had been paid by local drug barons to attack the project. Within days, all the projects stopped and most of the staff went home.

Therefore, it is important to improve security in order to reduce Afghanistan's poppy cultivation. Aid agencies and the Afghan government cannot foster alternatives to opium while under fire. In chaotic times, Afghan farmers are more likely to plant poppy, which offers the surest and highest returns on investment. Some remote areas of Afghanistan have grown poppy since the time of Alexander the Great, but it was only during the breakdown of order in the 1980's that poppy cultivation increased in the irrigated plains of Helmand. If security can be restored, the farmers of Helmand may rebuild their province and return to licit crops.

Local police forces are the weakest link in Afghanistan's security net. After the fall of the Taliban, the United States and NATO put most of their energy into building a professional Afghan Army. The police forces were essentially surrendered to local warlords, because of a

lack of money and attention. Most Afghan policemen have now gone through a basic training course run by American and German police officers, but they return to units that are ill equipped, badly organized, founded on personal loyalty to a commander and accountable to no one.

The 4,500 British troops now fighting alongside Afghan soldiers in Helmand can defeat insurgents who muster in large numbers, but they cannot counter the Taliban's tactics of urban ambushes, suicide bombings and strikes on "soft" civilian targets like the irrigation channel project. For such projects, an effective police force is necessary.

The Afghan Army and foreign powers must create an environment in which a professional, accountable police force can take root. This means continued military action against large Taliban incursions, diplomatic pressure on Pakistan to stop providing a haven for insurgents, and a focus on shielding the large cities of southern Afghanistan, Lashkargah, Kandahar and Ghazni, long enough for the Afghan government to establish an improved police force there. It will also require an end to the insecurity enjoyed by warlords and major traffickers, who can order an attack safe in the knowledge that the Taliban will be blamed.

The new Afghan police force needs clear lines of authority, formal disciplinary procedures and methods for internal oversight and public complaint. The officers need adequate pay and equipment, which can come only from Western sources, and better training in investigation and civilian protection. To ensure that all this makes a difference, the United States and its allies must commit experienced Western police officers to field-based mentoring programs with provincial police forces.

The poppy boom won't be solved by police reform alone, of course. The Afghan government must purge drug kingpins from the federal and provincial governments, and continue disarming militias. Security was the Taliban's main selling point when it took control of the country in the 1990's; it could be again.

The fight against opium production has so far achieved only limited success, mostly because of corruption. Afghanistan's criminal underworld has compromised key government officials who protect drug traffickers, allowing a flourishing opium trade that may not be stamped out for a generation. Opium production in Afghanistan rose 49 percent this year to 6,100 metric tons. The harvest provided more than 90 percent of the world's opium supply and was worth more than \$3.1 billion.

Instead of sustained declines in cultivation, successful efforts to reduce poppy growing in one province often leads to increases elsewhere. Poppies take up less than 4 percent of the total cultivated area in Afghanistan, and most districts do not grow opium. But the \$3.1 billion export value of last year's crop accounted for around one-third of total economic activity in the country, and about 13 percent of Afghans are involved in the trade. There is also a need to curtail demand. The major consumers of Afghanistan's opium are Iran, Pakistan, the United Kingdom, Italy, Spain and Germany. It appears that the international community's approach to the drug fight here is wrong.

Currently, use of opium products is illegal in Afghanistan and a conviction results in a three-month prison sentence. However, in fact opium is still commonly used in many Afghan communities as medication for different conditions, particularly pain and respiratory complaints.

Opium use also has a traditional role in the societies of some groups. The highest regional use is noted in northeastern Badakhshan Province along the Tajik border, with 20–30% of the local population estimated to be addicted. High use rates have also been reported in districts of Herat and Farah Provinces (Figure 5- map of Afghanistan and its provinces). Afghan officials worry that more of their people will use drugs now that the Taliban religious police are no longer in power. Success, if it comes, will take years and require an improved economy and alternative ways for farmers to survive. That’s a problem, given Afghanistan’s stone age economy and the fact that warlords still rule the countryside.

Ultimately, success will depend on reducing demand around the world. The U.S. war on drugs has always focused on the supply end of the drug chain, when education and treatment at the demand end would be cheaper and more effective. Afghanistan offers another chance to get it right.



Figure 5- The geographical position of Afghanistan provinces. The Afghan capital (Kabul), province centers and some other major cities, have also been named on the map.

The role of economy in the poppy problem and vice versa

Economic development is the key to Afghanistan's future, since neither security nor governance may be sustainable without it. However, the dual challenge in Afghanistan is to increase the size of the legal economy and the revenues drawn from it.

According to the World Bank, Afghanistan's non-opium GDP in 2004 was \$5.8 billion while the government revenue was around \$250 million. The UNODC opium survey for 2005 shows that the total export value of Afghan opium was \$2.7 billion. The total licit and illicit GDP amounted to \$8.5 billion. The value of Afghanistan's opium sold on the international market is estimated to be worth from \$30 billion to \$60 billion (US).

The high share of opium production in GDP is noticeable. The livelihoods of the people of Afghanistan are more dependent on illegal narcotics than any other country in the world. According to estimates by the UN and IMF, the total export value of opiates produced in Afghanistan in 2005- 2006 equaled about 38 percent of non-drug GDP, down from 47 percent the previous year due to growth of the non-drug economy. Much of the trafficking profits do not enter the Afghan economy, but even if only a third of trafficking income stayed in the country, the direct contribution to the domestic economy would amount to 15 percent of the total, with more attributable to the multiplier effect of drug-financed spending.

Many believe a direct war on drugs must be avoided before economic development has progressed enough, because opium revenues now account for at least a third of Afghanistan's total economy. But such revenues allow drug traffickers, many of whom also maintain armed militias and hold government positions, to undermine Kabul's authority. Nevertheless, there is little that the Afghan government or international donors can productively do in the short run to counter opium production. Therefore a better goal could be to transform the conditions that permit the narco-economy to flourish; these include insecurity and economic stagnation.

A case in point is the 2005 eradication program. Originally hailed as a success, the program contributed to a 20 percent drop in cultivation of the opium poppy last year. This drop was almost entirely attributable to a 96 percent decrease in cultivation in a single province: Nangahar. However, a United Nations "rapid assessment survey" assessed that these gains were erased in 2006. Farmers there were disappointed when promises of substantial assistance never came through, and in the following year they reverted to growing poppy. There are at present no realistic alternatives to poppy cultivation for many of Afghanistan's farmers.

Afghanistan's drug revenues are large only relative to its thin economy, and even modest improvements in its rural economy-achieved through better infrastructure and the provision of credit, debt relief, and security-could allow eradication and law enforcement efforts to succeed.

The international community has provided millions of dollars for development but Afghanistan's economy still relies heavily on the trade in illicit drugs. The UN and the

government estimate the total export value of Afghanistan's opium in 2005 was US \$2.7 billion - equivalent to 52 percent of the country's official gross domestic product. Opium production in Afghanistan is a global problem and to tackle this long-term international commitment and assistance is needed.

The economy of Afghanistan grew 14% in the 2005, and is expected to expand by a similar amount in the 2006 financial year. In Kabul alone the number of cars and taxis has increased by one-third since last year to 400,000, up from fewer than 1,000 under the Taliban. Large sections of the city boast three- and four-storey buildings where mud brick houses stood only a few years ago. Even in Herat, there are 17- and 20-storey towers currently under construction.

Afghanistan still has one of the weakest governments in the world. The International Monetary Fund (IMF) estimates are that the total government revenue was just 5.4 percent of non-drug GDP in 2005-2006, which is less than any other country. Furthermore there are administrative difficulties in distributing the funds; the ten poorest provinces receive the smallest budgetary allocations, leading to nonexistent government presence and rampant security problems.

Afghanistan has almost the lowest rate of revenue to GDP in the world. Government revenue amounts to only four percent of the GDP, while the rate for most developing countries is ten percent and for developed nations is over 30 percent. The Afghan government is critically dependent on international funding for recurring costs. In no country in the world the collection of taxes is as weak as in Afghanistan.

According to the World Bank and International Monetary Fund, government revenue in Afghanistan is just about 5% of gross domestic product (GDP), which is lower than the impoverished governments of sub-Saharan Africa. Afghanistan government should raise domestic revenue to over 8 percent of GDP by fiscal year 2011, to cover 58 percent of the recurrent budget with its own resources, compared to 28 percent in fiscal year 2005.

Over the past four years, Afghanistan has made remarkable progress for the country's recovery. But in spite of its significant economic growth, the country's recovery is fragile and it cannot be sustained without prolonged international assistance. The economy grew 28.6 percent in fiscal year 2002-03; 15.7percent in 2003-04; and 7.5 percent in 2004-05. Available estimates suggest that by March 2006, the Afghan economy has grown by more than 80 percent since 2001. Much of the progress is attributed to foreign assistance and the illegal drug economy that amounted to 52 percent of licit GDP in 2005. The projected growth rate for the next decade is 10 to 12 percent.

The current government of Afghanistan has pledged to boost government revenue to 8% of GDP by 2011, which is a modest goal. The Afghan government will use its own money to meet recurring expenses such as paying salaries, and keeping the government offices running, while foreign donors will continue to pay the larger expenses of big projects, such as building schools and hospitals; Afghanistan won't be able to afford such expenses in the foreseeable future. However, Afghan's customs inspectors are not equipped to move quickly.

Official corruption is epidemic. The rugged mountainous borders are a smuggler's dream. The Taliban insurgency has made much of eastern and southern Afghanistan a no-go zone for any government official, let alone a tax collector. Most of all, Afghanistan's economy is dominated by goat herders, opium growers, street hawkers, shopkeepers and day laborers, few of whom have much experience with or enthusiasm for the paperwork required by a modern tax system.

The top personal income tax rate is 20%. 95% of Afghans earn less than \$3,000 a year and therefore pay no income tax at all. Customs duties average 4%, the lowest in the region. The corporate tax rate is 20% of profit, compared with 35% to 50% in Pakistan, 30% in China and nearly 37% in India. The government's domestic revenue rose from \$129 million in the fiscal year that ended in March 2003 to more than \$400 million in the fiscal year that ended in March 2005. About half came from customs revenue, taxes on imported goods. Customs collection is improving. Customs offices are getting computerized. And although corruption is still widespread, customs officials seem to be more honest and professional these days.

Afghanistan recently enacted legislation empowering government tax collectors to seize the assets of tax dodgers. That already has had an impact. The Finance Ministry for the first time froze the bank accounts of a big company that hadn't paid its taxes. The World Bank's Byrd says the new policies are smart but may not be enough. The tax policy side is in pretty good shape, but the implementation is a problem. There's corruption in tax administration and sometimes a lack of clarity in tax regulation.

The challenge of economic development in Afghanistan is about state building and economic development hand in hand with providing security and political reform. Recovery depends on the establishment of the rule of law and effective governance. Lack of progress in one area may prevent from recovery in other sectors.

Eradication of extreme poverty is also the first goal of Afghanistan in its recently adopted Millennium Development Goals (MDG). The Afghanistan's Millennium Development Goals MDG goals include: eradication of extreme poverty, achieving universal primary education, promotion of gender equality and empowering women, reducing child mortality, improving maternal health, combating diseases, ensuring environmental sustainability, and global partnership for development and enhancing security.

The country needs a secure environment and sustained growth over at least the next ten years to reduce poverty significantly by 2020. According to the MDG plan this growth would have to actively favor the poor by building their productive assets. Much of it is expected to come from non-poppy agriculture that contributes about half of the licit GDP and provides employment to two-thirds of the workforce. The plan envisions that investment in rural roads, power, and water will increase access to markets and provide impetus to the rural economy, reducing hunger and malnutrition.

A massive rural public works program to build a reliable rural road system and expand irrigation will help generate rural employment and wages, connect the rural population to the

market, and create the necessary conditions for poverty reduction. Achievement of these goals requires extensive, predictable, and sustained international aid.

The Afghan government also needs to widen its revenue base, through raising taxes and collecting state revenues, to support institution building and to meet the public demand for basic services.

The development of Afghanistan's private sector is not only a key to its economic growth but also a prerequisite for its active involvement in inter-regional trade. A recent survey indicates that Afghan firms perform better than comparable firms in neighboring Central Asian countries, though they lag in productivity behind Pakistan, India, and China.

Although new laws on investment, taxation of income, and customs reforms have liberalized the business environment, a shortage of electricity, access to land, corruption, security, trade regulation, taxation, and other infrastructure drawbacks are serious impediments. While there are no quick and simple solutions to these problems, removing the hurdles that deter domestic entrepreneurs and foreign investors should be given top priority.

Fighting corruption is a major challenge facing the developmental process in Afghanistan. According to the 2005 annual survey by the Berlin-based organization Transparency International, Afghanistan ranks 117th in terms of the Corruption Perceptions Index (CPI), among 159 countries surveyed. Although Afghanistan is considered less corrupt than most of its neighbors (including Pakistan, Tajikistan, Uzbekistan, Turkmenistan, and Russia) and 38 other countries, corruption remains a major obstacle in the way of reform and development. There is no simple and quick answer to this problem. But making the right decisions on fighting poverty, offering better salaries to law enforcement officers and the civil service, and adopting a zero-tolerance approach for corrupt government officials can contribute to achieving long-term anti-corruption goals.

Continued international security and economic assistance, may be necessary for many more years. The other option is for the country to slide back into the difficult past of instability and tension. Given the potentially devastating impact of a failed Afghan state in a globalizing world, leaving Afghanistan can no longer be an option. The key to the development of prosperity in Afghanistan is building a viable and capable state and a robust economy.

Telecom was one of the first big success stories in Afghanistan. Afghanistan's first four mobile-phone licenses were auctioned off, starting in January 2003. The Afghan-American and regional investors who got licenses have profited as the number of private mobile-phone users rocketed from zero to 1.5 million over the last five years.

Now finance and banking is growing fast. There have been many institutions from neighboring countries. Banks from Pakistan, Iran, India and the United Arab Emirates started opening branches in October 2003. In 2004, the first two local banks opened up, Kabul Bank and Afghanistan International Bank (AIB). By March 2007, 16 banks are expected to be operating in Afghanistan. What these investors see is a wide-open banking market.

When the Taliban fell in 2001, there were only a handful of moribund, government-owned banks that neither made loans nor collected deposits. In 2002 still there

was no unified currency in the country. Even today, less than one-third of Afghan businesses have a bank account. Fewer than 1% take out bank loans. Most Afghans prefer to use the traditional hawala system, an informal network of money-transfer businesses, to move money and take out loans. But since the hawalas typically charge interest rates of around 20%, there are plenty of interest-rate margins for anyone willing to undercut them.

Kabul Bank is now the biggest in Afghanistan, though it has just at \$206 million in deposits and \$122 million in loans. It's added \$45 million of those deposits, when it introduced its Shariah-law compliant accounts, which respect Islam's prohibition on interest, rewarding depositors with a monthly lottery instead. AIB is even smaller, with \$32.5 million in deposits and \$28 million in loans; it has focused on its ATM and Internet banking networks, serving top-drawer customers. Both are generating outsized profits: Kabul Bank has a return on shareholder's equity of 23.95%, and AIB boasts 21.4%.

The biggest carrot in Afghan banking right now is the right to handle government employee salaries. As a way of reducing the informality of the Afghan economy, 360,000 of an estimated 410,000 government employees will eventually be paid by direct deposit. The local banks are all bidding for this prize. The aim is not only to facilitate tax collection, as more Afghans earn their way into taxable brackets (which currently begin at \$250 a month), but to eliminate "ghost employees" on the payroll of government ministries.

Local and regional businessmen have been quick to see the huge opportunities presented by Afghanistan's booming economy. This economic growth together with decisive solutions to the insurgents and drug traffickers, can ensure Afghanistan becomes a stable member of the community of nations.

The UN estimates that in recent years nearly 80 percent of the income from narcotics went not to farmers, but to traffickers and heroin processors, some of whose profits corrupt the government and provide support for armed groups. The distribution of the proceeds of narcotics trafficking, not elections, largely determines who wields power in much of Afghanistan.

According to the United Nations Office on Drugs and Crime (UNODC), Afghanistan's opium harvest increased by nearly 60 percent in 2006 due to a massive jump in cultivation in the insurgency-hit south. UNODC's Annual Opium Survey found the area used for opium cultivation had reached a record 165,000 ha in 2006 compared with 104,000 in 2005. This is a crop of staggering size: 6,100 mt, which is 30 percent above world demand.

According to the UNODC survey, in the southern province of Helmand, cultivation soared 162 percent to 69,324 ha, accounting for more than 40 percent of the total area under cultivation in the country. The rise follows a 21 percent drop in cultivation in 2005. Only six of the country's 34 provinces were now opium free. Cultivation fell in eight other provinces this year, mainly in the north of the country.

Poppy eradication programs were insufficient and that more help and developmental projects were needed to provide farmers with alternative livelihoods. There needs to be more incentive to give to farmers to stop cultivating this crop. The United Nations has announced

that opium poppy cultivation in Afghanistan has soared and increased by 59% in 2006. According to the UN, Afghanistan supplies in 2006 some 92 percent of the world's supply of opium, which is used to make heroin.

Although the Western media blame the Taliban and the warlords and the US administration is committed to curbing the Afghan drug trade, yet in a bitter irony, US military presence has served to restore rather than eradicate the drug trade. The Taliban government was instrumental in implementing a successful drug eradication program, with the support and collaboration of the UN. Implemented in 2000-2001, the Taliban's drug eradication program led to a 94 percent decline in opium cultivation. In 2001, according to UN figures, opium production had fallen to 185 tons. Immediately following the October 2001 US led invasion, production increased

Narcotics constitute a major source of wealth formation not only for organized crime but also for the intelligence agencies, powerful business, drug traders and organized crime that are competing for the strategic control over the heroin routes. A large share of this multi-billion dollar revenue of narcotics is deposited in the Western banking system. Most of the large international banks together with their affiliates in the offshore banking havens launder large amounts of these so-called narco-dollars.

The UN estimates that for 2006, the contribution of the drug trade to the Afghan economy is of the order of 2.7 billion. More than 95 percent of the revenues generated by this lucrative contraband accrue to business syndicates, organized crime and banking and financial institutions.

According to the US State Department, Afghan heroin sells on the international narcotics market for 100 times the price farmers get for their opium right out of the field. Based on wholesale and retail prices in Western markets, the earnings generated by the Afghan drug trade are colossal. In July 2006, street prices in Britain for heroin were of the order of Pound Sterling 54 or \$102 a gram. One kilo of opium produces approximately 100 grams of (pure) heroin. 6100 tons of opium allows the production of 1220 tons of heroin with a 50 percent purity ratio. The average purity of retailed heroin can vary. It is on average 36%. In Britain, the purity is rarely in excess of 50 percent, while in the US it can be of the order of 50-60 percent. Based on the structure of British retail prices for heroin, the total proceeds of the Afghan heroin trade would be of the order of 124.4 billion dollars, assuming a 50 percent purity ratio. Assuming an average purity ratio of 36 percent and the average British price, the cash value of Afghan heroin sales would be of the order of 194.4 billion dollars.

While these figures do not constitute precise estimates, they nonetheless convey the large magnitude of this multibillion dollar narcotics trade out of Afghanistan. The cash value of these sales, once they reach Western retail markets, are in excess of 120 billion dollars a year. Narcotics are only next to oil and the arms trade: the third biggest global commodity in cash terms after oil and the arms trade. The Afghan trade in opiates (92 percent of total World production of opiates) constitutes a large share of the worldwide annual turnover of narcotics, which was estimated by the United Nations to be of the order of \$400-500 billion. Afghanistan

and Colombia is the largest drug producing economies in the world, which feed a flourishing criminal economy. These countries are heavily militarized. The drug trade is protected.

The IMF has estimated that global money laundering is between 590 billion and 1.5 trillion dollars a year, representing 2-5 percent of global GDP. A large share of global money laundering as estimated by the IMF is linked to the trade in narcotics.

Legal business and illicit trade are intertwined. There are powerful business and financial interests behind narcotics. From this standpoint, geopolitical and military control over the drug routes is as strategic as oil and oil pipelines.

It should be understood that the majority of the revenues associated with the global narcotics trade are *not* used by terrorists and warlords in Afghanistan. In fact, a large share of the revenues of narcotics is deposited in the Western banking system.

Intelligence agencies, powerful business, drug traders and organized crime are competing for the strategic control over the heroin routes. Most of the large international banks together with their affiliates in the offshore banking havens launder large amounts of narco-dollars. Legal and illegal undertakings are increasingly intertwined; the dividing line between "business people" and criminals is blurred. In turn, the relationship among criminals, politicians and members of the intelligence establishment has tainted the structures of the state and the role of its institutions including the Military.

The reconstruction of Afghanistan, a nation devastated by war and conflict, will be led by development in the infrastructure, construction, energy and agro-processing sectors. Some countries like Malaysia import more than half of the agro-processed goods and construction materials, all of which can be produced within Afghanistan. Afghanistan also has the potential to develop the energy sector, which is currently inadequate to meet the demand of the region while the pharmaceuticals sector also has strong demand.

The physical infrastructure requires major road connections, upgrading of airports, industrial parks with serviced factory and warehousing facilities, power networks being rehabilitated and fixed-line and mobile telephony networks. Afghanistan can be promoted as a "land bridge country", providing access to the regional markets. Afghanistan, which has been recording a gross domestic product growth of 10 per cent per annum over the past four years, has also registered 4,500 new investment projects worth US\$1.3 billion, creating 150,000 jobs since late 2003.

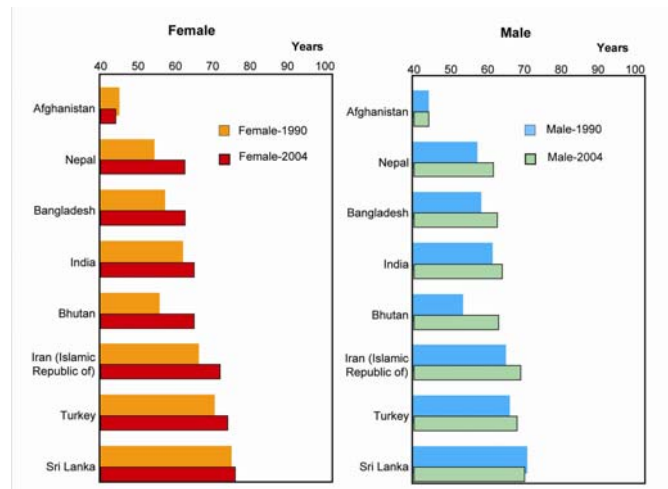


Figure 5-Life expectancy at birth in East and Northeast Asia

Afghanistan remains one of the poorest countries in the world, ranking near the bottom of the UN's Human Development Index. Its literacy rate is below that of Sierra Leone and Guinea-Bissau, and between one-third and a half that of its neighbor Iran. While there have been advances in school enrollments, particularly for girls, since the invasion, these remain at below 40%. Life expectancy at birth in Afghanistan is 75% that of Pakistan's, well below the average for low income countries, and below the average for low human development countries and least developed countries. There is a four in ten probability that an Afghan newborn will not live to age forty. One out of five children dies before the age of five. Despite modest improvements, birth weight of Afghan babies has remained low and fairly stable over the period before and after the invasion, at around half of all newborns. Half of five year olds are stunted in their growth.

Between 75 and 85% of Afghans have no reliable access to clean drinking water, and a smaller number have access to sanitation. Approximately eighty five thousand children under five die from diarrhea every year. Fewer than 14% of births are attended by any type of skilled health worker, and a woman dies of pregnancy related complications every half hour. It is to be noted that these samples of development indicators are the realities today, after several years of substantial international attention and intervention.

Fifty-seven percent of the Afghanistan population is under 18 years of age with little opportunity for employment. When construction projects boom, there is a shortage of skilled indigenous labor. Part of this labor is currently provided by tens of thousands of foreign workers (mostly Pakistanis and Iranians). India has pledged to provide vocational training for thousand of Afghans, but the creation of massive job opportunities will require more than that. No meaningful growth can be achieved without a substantial investment in human capital development. Capacity building in both the private and the public sector will be essential for the emergence of an effective civil service and a thriving private sector.

Afghanistan's development index is among the lowest in the world. The majority of Afghanistan's population suffers from a multidimensional poverty that includes inadequate access to productive assets, social services, health services, and education. The illiteracy rate is about 80 percent, and life expectancy is under 45.

Afghan women are among the most disadvantaged on the planet. Women's life expectancy is only 44 years, one of the lowest in the world. Only 15 per cent of women are literate, compared with 50 per cent for men. Statistics show that those women who do work are paid only half as much as their male counterparts. Maternal mortality rates in some parts of Afghanistan are the highest ever recorded. Most of these conditions pre-date the Taliban, and are more the product of deeply-rooted cultural traditions than a product of the fiercely fundamentalist but short-lived regime.

More than 2 million people displaced from their homes due to continued conflict have returned. However, approximately 3.4 million Afghans remain outside the country. Less noticed health indicators, such as the fact that more than 2 million Afghans suffer from mental health problems, underline the ticking time-bomb presented by the volatile and potentially toxic interaction between the lack of human welfare and heightened social and political instability.

Price controls still exist in stores in the major cities across Afghanistan. Prices of milk, eggs, cheese, bread, meat, fruits and vegetables and other consumables fall under the price control apparatus in each city. Several hundred of enumerators are employed in Kabul to go out to stores and check on prices daily. They can close a place down if the store-owner doesn't comply. Corruption is rampant as store owners keep the enumerators at bay. Here is an economic issue that is disastrous to bringing higher value-added, meaning higher-priced agricultural products that could compete with growing poppies to market. It is potentially devastating to the Alternative Livelihoods Programs designed to provide economic alternatives to poppy growing.

How can one compete with poppies if the price of one's higher quality output is pushed down to the levels of lower quality products? More than that, price controls repress entry into the market of new players and new Afghan products with varying prices and varying quality that could be found on the shelves in the stores in addition to low priced ones. This is one of the reasons why all higher-end or finished agricultural products are currently imported.

Afghanistan is the world's leading producer of illicit opiates, accounting for nearly 90 percent of the global supply according to U.S. Government figures. Almost 8.7 percent of the Afghan population was involved in opium cultivation in 2005. Additionally, the export value of Afghan opiates in 2005 is estimated at \$2.7 billion. However, 80 percent of this money goes to drug trafficking networks and does not support the local rural Afghan communities.

The cultivation, production, and trafficking of opiates is a destabilizing influence in any country, but such trafficking is particularly dangerous to an emerging democracy such as Afghanistan.

Promotion of economic development, rule of law, democratic elections, and a functioning civil society must be coupled with vigorous efforts to stem the tide of illicit narcotics and combat the accompanying corruption and instability. The continued support of counter-narcotics efforts must also continue as an important policy in Afghanistan.

“Livelihoods” are the capabilities, assets (both material and social resources) and activities used as a means of living. They are closely linked to survival and future wellbeing. A livelihood is sustainable when it can cope with and recover from stresses and shocks, and when it allows maintenance or enhancement of capabilities and assets, both now and in the future, while it does not undermine the natural resource base.

Afghan households use a combination of strategies to achieve sustainability in their livelihoods:

- a) Accumulation strategies to increase income flows and assets
- b) Adaptive strategies to spread risk by diversifying income sources or adjusting livelihood
- c) Coping strategies to minimize the impact of shocks by seeking alternative sources of income
- d) Survival strategies, which have the effect of depleting essential household assets and possibly undermining the future viability of the household

Providing farmers with economic opportunities and alternatives to poppy cultivation is an essential part of the counter-narcotics strategy in Afghanistan. The alternative livelihoods program will only be effective at changing farmers’ behavior if the risks and costs of poppy cultivation are increased through the other strategies.

Experience suggests that time is needed to provide sustainable livelihoods that are viable alternatives to growing poppy. Yet other factors push for quick solutions: the opium economy undermines the growth of the licit economy and it threatens the authority of the newly elected government. Thus, there is a need for immediate short-term assistance, as well as sustainable long-term economic development. Cash-for-work projects provide an immediate short-term alternative source of income to households that are dependent on the opium economy. These projects, such as cleaning irrigation canals and repairing roads, provide an income bridge until comprehensive alternative livelihood programs are in place.

Comprehensive Development agricultural and business projects accelerate economic growth, create jobs, and provide sustainable alternatives to poppy cultivation over the medium- to long-term. Several investment proposals are under consideration, including agricultural processing factories.

High Visibility Projects target provinces not covered by comprehensive development programs.

Inequitable economic growth seriously undermines Afghanistan’s development, as trade opportunities tend to be monopolized by the rich and powerful. The informal economy accounts for a large proportion of the Afghan economy, while the booming drugs trade is controlled by some commanders who keep farmers under pressure to produce opium poppy.

Even with some economic growth taking place in major cities since the end of the Taliban regime, large-scale investments and national emergency and development programs have reached different regions in Afghanistan unevenly.

Conclusions

Illicit narcotics trade is one of the most significant challenges to progress in Afghanistan. It undermines Afghanistan's growing democratic institutions, and fuels corruption and criminal and anti-government activities. As an economic challenge, it diverts agricultural land and labor from more beneficial uses and undercuts the prospects for developing more sustainable livelihoods. As a social challenge, it sows the seeds of addiction, diseases such as HIV/AIDS, and discord.

A solution for problems associated with poppy cultivation and opium production in Afghanistan is far more than a tight border control, and an integrated approach to dealing with the poppy problem should include many strategies working hand in hand at the same time. Providing the local farmers with appropriate economic substitutes for poppy, relatively high profit crops that have a good market, (such as saffron, horticultural products and other "alternative" crops) is one of such strategies. Other strategies include assistance with agricultural needs such as irrigation systems and seeds, provision of training to farmers for cultivation of other crops, revival of the agricultural infrastructure including irrigation systems, assisting with economic needs of small farmers for example through credit programs for small farmers' cooperatives, governmental investment in light industries, reconstruction of the economic infrastructures especially providing access to the markets, and other measures for revival of the trade and economy.

The seriousness of the narcotics problem in Afghanistan calls for a long-term commitment to combat narcotics production and trafficking. Efforts should be focused on the interrelated factors of public information, alternative livelihoods, elimination and eradication, interdiction, and law enforcement and justice reform.

Certainly, economic growth in Afghanistan may help lower the dependency on drug production and/or use. International support and aid may play a significant role if suitable targets for such intervention are sought; some economic interventions in Afghanistan may be quite helpful by supporting alternative livelihood systems, while others may not. One example is the impact of large volumes of wheat delivered as aid to Afghanistan in damaging the economic gains of farmers who had switched from poppy to wheat cultivation.

The significance of economic support for transition from poppy cultivation to alternative livelihoods is so much that a few researchers have suggested a quite controversial strategy in the form of temporary transformation of some of Afghanistan's illicit opium poppy cultivation into legal production of medical morphine and codeine.

There are also socio-cultural strategies which include public education and emphasis on the adverse effects of opium production such as its role in socio-political instability, spreading of infection and disease (especially HIV/AIDS), degeneration of the young manpower, and other social problems associated with it. Such strategies may especially use the socio-cultural reactions in the communities related to the emergence of HIV infection as a sexually transmitted disease in a Muslim society such as Afghanistan. Also the relationships between morphine and heroin production, drug addiction and heroin injection with the transition of HIV infection epidemics need to be stressed.

A public information campaign in Afghanistan can play a significant role in the effort to reduce the cultivation of opium poppy and the influence of the illegal drug trade. Besides a media campaign focusing on message development and product distribution, a public information effort should also include capacity building, training, and research. Media campaigns may include anti-drug messages spread through radio and television, posters, radio dramas, comic books, advertisements, cinema, calendars, billboards, banners, booklets, stickers, and matchbooks. The messages can be rotated according to the poppy planting and growing seasons. They should coincide with the period before planting (August through November), and convey messages to steer farmers away from planting poppy or warn farmers of the threat of eradication.

Overall campaign messages may include the ideas that growing poppy is against Islam and harmful for the reputation of Afghanistan.

Mullahs may deliver presentations on how poppy farming and the drug trade were 'haram' or against Islam. Local religious leaders may also deliver anti-poppy messages to congregations, and counter-narcotics messages can be delivered via loudspeakers at mosques.

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