

BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

The Obama Administration's New Counternarcotics Strategy in Afghanistan: Its Promises and Potential Pitfalls

By Vanda Felbab-Brown

Policy Brief #171

Nearly eight years after a U.S.-led invasion toppled the Taliban regime, Afghanistan remains far from stable. As President Barack Obama considers alternatives to increasing the number of U.S. troops in Afghanistan, his administration's new counternarcotics strategy meshes well with counterinsurgency and state-building efforts in the country. It is a welcome break from previous ineffective and counterproductive policies. The effectiveness of the policy with respect to counternarcotics, counterinsurgency and state-building, however, will depend on the operationalization of the strategy. The details are not yet clear, but the strategy potentially faces many pitfalls.

Efforts to bankrupt the Taliban through eradication are futile and counterproductive since they cement the bonds between the population and the Taliban. But interdiction is very unlikely to bankrupt the Taliban either. Security needs to come first before any counternarcotics policy has a chance of being effective. Counterinsurgent forces can prevail against the Taliban, without shutting down the Taliban drug income, by adopting an appropriate strategy that provides security and rule of law to the population and by sufficiently beefing up their own resources vis-à-vis the Taliban. Rural development is a long term and multifaceted effort. Simplistic strategies that focus simply on price ratios or try to raise risk through "seed-burn-seed" approaches are ineffective. Wheat replacement strategy as a core of the alternative livelihoods effort is singularly inappropriate for Afghanistan. Shortcuts do not lead to sustainable policies that also mitigate conflict and enhance state-building.



Above: Reuters/ Ahmad Masood - Men destroy opium poppies during a poppy eradication campaign in the eastern province of Ningarhar.

The Obama administration will need to reduce expectations for quick fixes and present realistic timelines to Congress, the U.S. public and the international community for how long rural development and other counternarcotics policies in Afghanistan will take to show meaningful and sustainable progress that advances human security of the Afghan people, mitigates conflict and enhance state building. Unless this is conveyed, there is a real danger that even a well-designed counternarcotics policy will be prematurely and unfortunately discarded as ineffective.

The New Strategy in Afghanistan's Context

In summer 2009, the Obama administration unveiled the outlines of a new counternarcotics policy in Afghanistan. The new policy represents a courageous break with previous misguided efforts there and thirty years of U.S. counternarcotics policies around the world. Instead of emphasizing premature eradication of poppy crops, the new policy centers on increased interdiction and rural development. This approach strongly enhances the new counterinsurgency policy focus on providing security to the rural population, instead of being preoccupied with the numbers of incapacitated Taliban and al Qaeda.

In Afghanistan, somewhere between a third and a half of its GDP comes from poppy cultivation and processing and much of the rest from foreign aid, so the illicit poppy economy determines the economic survival of a large segment of the population. This is true not only of the farmers who cultivate opium poppy frequently in the absence of viable legal and illegal economic alternatives. But, as a result of micro- and macro-economic spillovers and the acute paucity of legal economic activity, much of the economic life in large cities is also underpinned by the poppy economy. After a quarter century of intense poppy cultivation, the opium poppy economy is deeply entrenched in the socio-economic fabric of the society. Islamic prohibitions against opiates notwithstanding, the poppy economy inevitably underlies Afghanistan's political arrangements and power relations.

Profits from taxing poppy cultivation and protecting smuggling rings bring substantial income to the Taliban. A recent CRS report (August 2009) estimates the income at \$70-\$100 million per year, which accounts for perhaps as much as half of Taliban income. But many other actors in Afghanistan profit from the opium poppy economy in a similar way: former warlords cum government officials; members of Afghanistan's police; tribal chiefs; and independent traffickers.

Moreover, the Taliban and many others who protect the opium poppy economy from efforts to suppress it derive much more than financial profits. Crucially, they also obtain political capital from populations dependent on poppy cultivation. Such political capital is a critical determinant of the success and sustainability of the insurgency since public support or at least acceptance are crucial enablers of an insurgency. Indeed, as I detail in my forthcoming book, *Shooting Up: Counterinsurgency and the War on Drugs*, along with providing order that the Afghan government is systematically unable to provide and capitalizing on Ghilzai Pashtun sentiments of being marginalized, protection of the poppy fields is at the core of the Taliban support.

By not targeting the farmers, the new counternarcotics strategy is thus synchronized with the counterinsurgency efforts because it can deprive the Taliban of a key source of support. Its overall design also promises to lay the necessary

groundwork for substantial reductions in the size and impacts of the illicit economy in Afghanistan.

However, while appropriate in its overall conception, the new strategy has pitfalls. Specifically how to operationalize interdiction and rural development will to a great extent determine the effectiveness of the strategy—not only with respect to the narrow goal of narcotics suppression, but also with respect to counterinsurgency and state-building. While many of the details still remain to be developed, some of those that have trickled out give reasons for concern.

Effects of Previous Eradication-Centered Policy

During the 2008-09 growing season, the area of cultivation in Afghanistan fell by 22% to 123,000 hectares and opium production fell by 10 percent to 6,900 metric tons (mt). Much of this decline in cultivation was driven by market forces largely unrelated to policy: After several years of massive overproduction in Afghanistan that surpassed the estimated global market for opiates by almost three times, opium prices were bound to decline. Even at 6,900 mt, production still remains twice as high as world demand, leading to speculation that someone somewhere is stockpiling opiates.

More significant, the persistence of high production betrays the ineffectiveness of simplistic policies, such as premature forced eradication before alternative livelihoods are in place, which since 2004 (until the new Obama strategy) was the core of the counternarcotics policy in Afghanistan. Policies that fail to address the complex and multiple structural drivers of cultivation and ignore the security and economic needs of the populations dependent on poppy cultivation generate vastly counterproductive effects with respect to not only counternarcotics efforts, but also counterinsurgency, stabilization and state building.

The eastern Afghan province of Nangarhar provides a telling example. For decades, Nangarhar has been one of the dominant sources of opium poppy. But over the past two years, as a result of governor Gul Agha Shirzai's suppression efforts—including bans on cultivation, forced eradication, imprisonment of violators and claims that NATO would bomb the houses of those who cultivate poppy or keep opium—cultivation declined to very low numbers. This has been hailed as a major success to be emulated throughout Afghanistan.

In fact, the economic and security consequences were highly undesirable. The ban greatly impoverished many, causing household incomes to fall 90% for many and driving many into debt. As legal economic alternatives failed to materialize, many coped by resorting to crime, such as kidnapping and robberies. Others sought employment in the poppy fields of Helmand, yet others migrated to Pakistan where they frequently ended up recruited by the Taliban. The population became deeply alienated from the government, resorting to strikes and attacks on government forces. Districts that were economically hit especially severely, such as Khogiani, Achin and Shinwar, have become no-go zones for the Afghan government and NGOs. Although those tribal areas have historically been opposed to the Taliban, the Taliban mobilization there has taken off to an unprecedented degree. The populations began allowing the Taliban to cross over from Pakistan, and U.S. military personnel operating in that region indicate that intelligence provision to Afghan forces and NATO has almost dried up. Tribal elders who supported the ban became discredited, and the collapse of their legitimacy is providing an opportunity for the Taliban to insert itself into the decision-making structures of those areas. And all such previous bans in the province, including in 2005, turned out to be unsustainable in the absence of legal economic alternatives. Thus, after the 2005 ban, for example, poppy cultivation inevitably swung back.

The Ingredients of Success

Security

The prerequisite for success with respect to narcotics is security, i.e. sustained state control of territory. Without it, Afghanistan cannot be stabilized and the state strengthened; nor can counternarcotics policies be effective. Whether one adopts iron-fisted eradication or sustainable rural development as the core of a counternarcotics policy, security is essential. Without security first, counternarcotics efforts have not yet succeeded anywhere. Suppression without alternative livelihoods in place requires firm control of the entire territory to prevent illicit crop displacement and harsh suppression of the population dependent on illicit crops. Apart from being problematic with respect to human rights, this harsh approach is also very costly politically. Rural development requires security, otherwise investment will not come in, the population will not make risky long-term investments in legal crops and structural drivers of cultivation will not be effectively addressed. Development under a hail of bullets simply does not work, and in the context of insecurity, illicit economies persist and dominate.

Nor have counternarcotics policies, such as eradication or interdiction, succeeded in bankrupting or severely weakening any belligerent groups profiting from drugs anywhere in the world. Not in China, Thailand, Burma, Peru, Lebanon or even Colombia. Instead, they cement the bonds between marginalized populations dependent on illicit crops and belligerents plus severely reduce human intelligence flows to the counterinsurgent forces.

But counterinsurgent forces can prevail against insurgents and terrorists without stopping or reducing the terrorists' drug-based financial inflows—either by increasing their own forces and resources vis-à-vis the belligerents or by adopting a smarter strategy that is either militarily more effective or wins the hearts and minds. This was the case in China, Thailand, Burma, and Peru where counterinsurgents succeeded without eradication. Evidence that counterinsurgent forces can prevail without bankrupting the belligerents through eradication also holds in the case of Colombia where the FARC has been weakened militarily not because of the aerial spraying of coca fields, but in spite of it. Today, more coca is grown there than at the beginning of Plan Colombia; but as a result of U.S. resources and training, Colombian forces were capable of greatly weakening the FARC even though forced eradication virtually eliminated human intelligence from the population to the government.

Interdiction with the Right Focus

The broad focus of the new counternarcotics strategy on interdiction is well placed, but interdiction's effectiveness will depend on its objectives and execution. Just like eradication, interdiction will not succeed in bankrupting the Taliban. The Taliban has many other sources of income, including donations from Pakistan and the Middle East, taxation of legal economic activity, smuggling with legal goods, wildlife and illicit logging. In fact, it rebuilt itself in Pakistan between 2002 and 2004 without access to the poppy economy. Overall, drug interdiction has a very poor record in substantially curtailing belligerents' income, with only a few successes registered in, for example, highly localized settings in Colombia and Peru.

Instead, the objective of the policy should be to reduce the coercive and corrupting power of organized crime groups. But achieving that requires a well-designed policy and a great deal of intelligence. Previous interdiction efforts in Afghanistan have in fact had the opposite effect: they eliminated small traders and consolidated the power of big traffickers, giving rise to the vertical integration of the industry. They also strengthened the bonds between some traffickers and the Taliban (although many traffickers continue to operate independently or are linked to the government).

Large-scale interdiction that targets entire networks and seeks to eliminate local demand for opium from local traders, which some are arguing for, is extraordinarily resource-intensive given the structure of the Afghan opium industry. Prioritization will need to be given to devoting scarce resources to drug interdiction or directly to counterinsurgency. The odds of success are not high. But even if such an interdiction strategy did succeed in shutting down local demand, the policy would become counterproductive since in local settings its effects would approximate the effects of eradication, thus once again alienating the population. Such large-scale interdiction is thus not currently appropriate for Afghanistan.

But even the NATO-led selective interdiction of targeting designated Taliban-linked traffickers (the United States has identified fifty such traffickers) is not free from pitfalls. First, selective interdiction can actually provide opportunities for the Taliban to directly take over the trafficking role or strengthen the alliance between the remaining traffickers and the Taliban, thus achieving the opposite of what it aims for. In fact, interdiction measures in Peru and Colombia frequently resulted in tightening the belligerents-traffickers nexus and belligerents' takeover of trafficking.

Second, uncalibrated interdiction can provoke intense turf wars among the remaining traffickers, thus intensifying violence in the country and muddling the battlefield picture by introducing a new form of conflict. Mexico provides a vivid example of such an undesirable outcome. In the Afghan tribal context, such turf wars can easily become tribal or ethnic warfare.

Third, such selective interdiction can also send the message that the best way to be a trafficker is to be a member of the Afghan government, thus perpetuating a sense of impunity and corruption and undermining long-term state building and legitimacy.

Finally, the effectiveness of interdiction is to a great extent dependent on the quality of rule of law in Afghanistan plus the capacity and quality of the justice and corrections systems, all of which are woefully lacking in Afghanistan and are deeply corrupt.

Comprehensive Rural Development

Rural development appropriately lies at the core of the new strategy because, despite the enormous challenges, it has the best chance to effectively and sustainably strengthen the Afghan state and reduce the narcotics economy. But for rural development to do that, it needs to be conceived as broad-based social and economic development that focuses on improvements in human capital—including health care and education—and addresses all of the structural drivers of opium poppy cultivation. In Afghanistan, these drivers include insecurity; lack of physical infrastructure (such as roads), electrification and irrigations systems; lack of microcredit; lack of processing facilities; and the absence of value-added

chains and assured markets. They also include lack of land titles and, increasingly, the fact that land rent by sharecroppers has become dependent on opium poppy cultivation as land concentration has increased over the past eight years. Poppy cultivation and harvesting are also very labor-intensive, thus offering employment opportunities unparalleled in the context of Afghanistan's economy.

The price-profitability of poppy in comparison to other crops is only one of the drivers and frequently not the most important one. Without other structural drivers being addressed, farmers will not switch to licit crops even if they fetch more money than the illicit ones. By the same token, however, farmers are frequently willing to sacrifice some profit and forgo illicit crop cultivation as long as the licit alternatives bring them sufficient income and address all of the structural drivers, including the insecurity to which farmers are exposed in illicit economies.

Unfortunately, the wheat distribution program that was the core of rural development in Afghanistan last year (and that is slated to be its key component this year) is likely to be woefully ineffective for several reasons. First, in 2008, the program was based solely on an unusually high price ratio of wheat to poppy, driven by poppy overproduction and a global shortage of wheat. However, this price ratio is unlikely to hold; Afghanistan's wheat prices are dictated anyway by surrounding markets, such as Pakistan and Kazakhstan. Second, the program did nothing to address the structural drivers. In fact, it had counterproductive effects because the free distribution of wheat undermined local markets in seeds. Afghan farmers can obtain seeds; their challenge lies in how to obtain profit afterwards. Thus, some sold the wheat seed instead of cultivating it. Third, those who actually cultivated wheat frequently did so not for profit, but for subsistence to minimize costs of buying cereals on the market. In fact, because of land distribution issues, many Afghan farmers do not have access to enough land to cover even their subsistence needs with wheat monocropping. A key lesson from alternative development over the past thirty years is that monocropping substitution strategies are particularly ineffective. Fourth, if all of current poppy farmers switched to wheat cultivation, Afghanistan would experience a great increase in unemployment since wheat cultivation employs 88% less labor than poppy cultivation and harvesting do.

Instead of wheat, rural development in Afghanistan needs to emphasize diversified high-value, high-labor-intensive crops, such as fruits, vegetables and specialty items like saffron. Generating lasting off-farm income opportunities will also be important, but even more challenging than jump-starting legal agromarkets.

After eight years of underresourcing and neglecting agriculture development, the new counternarcotics policy's focus on the farm is appropriate. But the new strategy needs to take care not to throw away the baby with the bath water. The effort still needs to include developing value-added chains and assured internal and external markets plus enabling sustained access to them. Once again, thirty years of history of alternative livelihoods show that without value-added chains and accessible markets even productive legal farms become unsustainable and farmers revert back to illicit crops.

Finally, rural development requires time. Perhaps in no country in the world since Mao wiped out poppy cultivation in China in the 1950s did counternarcotics efforts face such enormous challenges as they do in Afghanistan—in terms of the scale of the illicit economy, its centrality to the overall economy of the country and hence its vast macro- and micro-

economic and political effects, the underdevelopment of the country and its human capital and the paucity of viable economic alternatives. Even under much more auspicious circumstances along all the above dimensions, counternarcotics rural development in Thailand took thirty years.

Conclusion

Clearly, there is a need to quickly bring some economic, social and rule of law improvements to the lives of the Afghan people. Without such quick, visible and sustainable change, it will become impossible to rebuild the confidence of the Afghan people in the future, harness their remaining aspirations and to persuade them that the central state with support of the international community is preferable to the Taliban or local warlord- or tribal-based fiefdoms. But there is an equal need to urge strategic patience in the United States—both for counterinsurgency and for counternarcotics.

Eradication can be a part of the mix of counternarcotics policies, but should only be adopted in areas that are free of violent conflict and where sufficient legal economic alternatives are available to the population. Interdiction needs to focus on reducing the coercive and corrupting power of crime groups. Before interdiction measures are undertaken, an analysis of second and third- order effects needs to be conducted. It needs to be carefully calibrated with the strength of law enforcement in Afghanistan to avoid provoking dangerous turf wars, ethnic violence and cementing the relationship between the Taliban and the traffickers. It also needs to target top traffickers linked to the Afghan government. Interdiction needs to encompass building the justice and corrections system in Afghanistan and broad rule of law efforts. Rural development needs to address all structural drivers of poppy cultivation. It needs to focus not only on the farm, but also on value-added chains and assured markets. It needs to emphasize diversified high-value, high-labor intensive crops, and not center on wheat.

Evaluations of counternarcotics policies need to back away from simplistic and inappropriate measures, such as the numbers of hectares eradicated or traffickers caught. Instead, the measures need to encompass the complexity of the issue, including, size of areas cultivated with licit as well as illicit crops, human development indexes, levels of education, the number of resource-poor farmers dependent on illicit crops for basic subsistence or vulnerable to poverty-driven participation in illicit economies, food security, availability of legal microcredit, prevalence of land titles and accessibility of land, infrastructure density and cost of infrastructure use (such as road tolls), availability of non-belligerent dispute resolution and arbitration mechanisms, quality of property rights, prevalence of value-added chains, and accessibility of markets.

The United States and its allies must reduce public expectations for quick fixes and dedicate increased resources to rural development for a long time. Although U.S. forces do not need to stay in Afghanistan for decades, economic development will take that long.

Author

Vanda Felbab-Brown is a fellow in the 21st Century Defense Initiative in Foreign Policy and the author of *Shooting Up: Counterinsurgency and the War on Drugs* (Brookings Press, forthcoming, December 2009). She focuses on the national security implications of illicit economies and strategies for managing them.