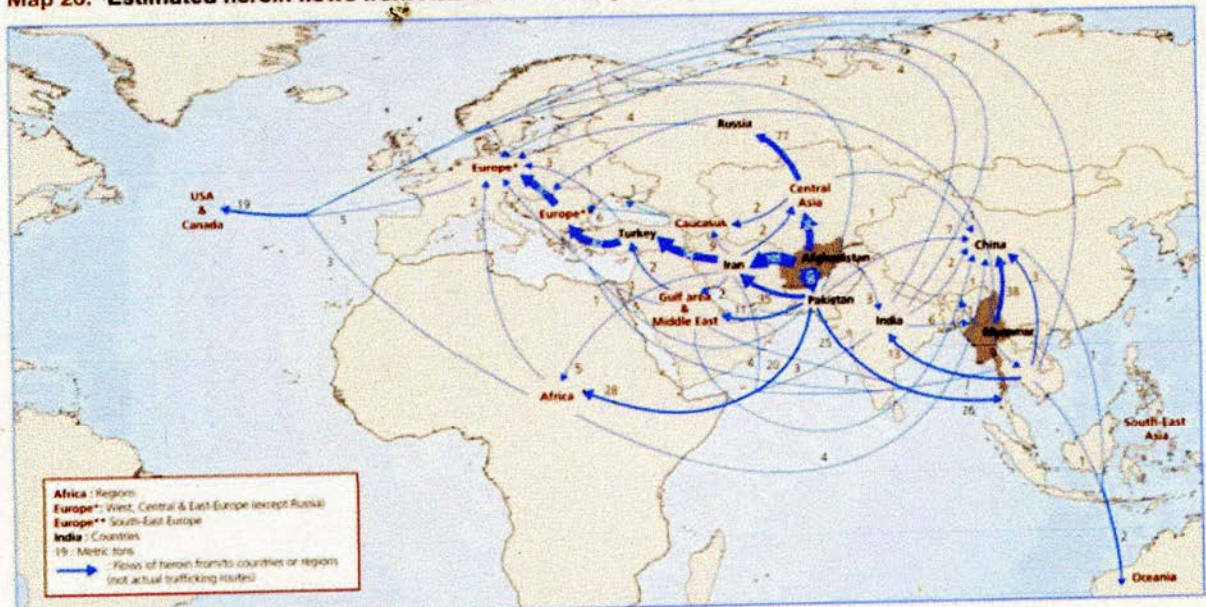


Anti-drug efforts in Afghanistan and Pakistan, how the current approach is a failure and why drug legalization would have a positive impact on broader foreign policy goals in the region.

I am grateful to Cato Institute for inviting me to talk here.

The South of Asia is a poor land, and Afghanistan is the poorest. With 42% of its population living below poverty it is no surprise that about 60% have given poverty as the reason for cultivating opium for the past nine years. Since 2002 about \$ 50 bln have been spent on Afghanistan on development. Apart from improvement in education and a few roads there is little to show except in Kabul, where Afeem Mahals or Opium Palaces and attendant luxury shopping complexes have come up. 90% of the world's opium comes from here and only 1% of the world's seizures are here. War on Drugs has only jailed the increasing drug users.

Map 26: Estimated heroin flows from Asia to the world (in tons)



Source: UNODC.

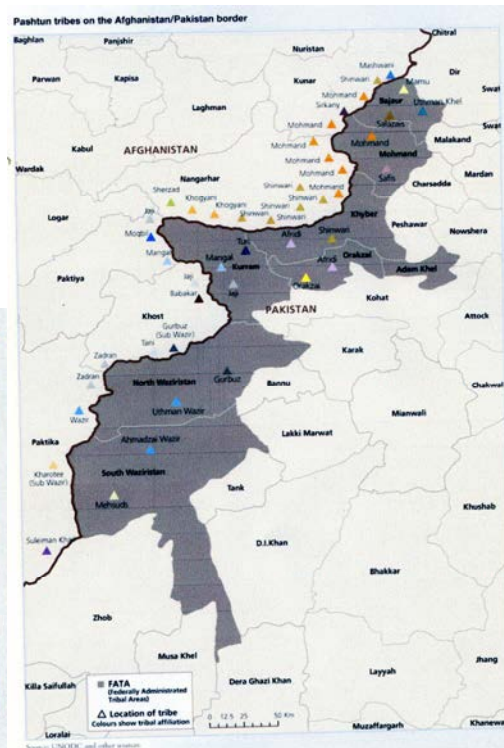
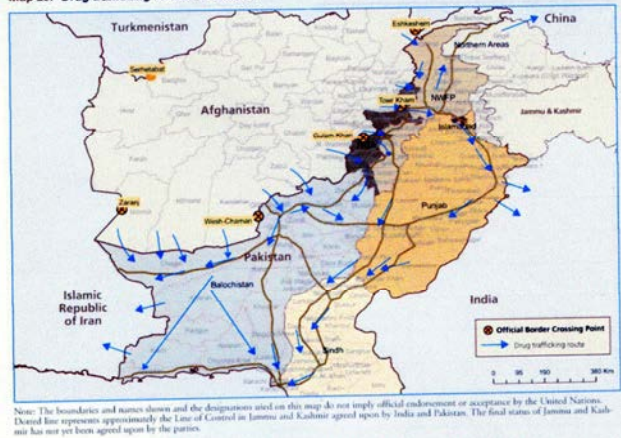
This map gives an idea how not only Russia, Iran, Central Asia and Europe are threatened but distant N. America too, which got about 19 tons in 2009 and 22 tons in 2010. Heroin abuse in the US has been growing proportionately.

Afghanistan produces the most opium and heroin, but without Pakistan's help its trafficking would be impossible. Congenial conditions in Pakistan ensure that for trafficking of heroin (150

t) there is no safer haven. On both sides of this open 2643 kms border between Pakistan and Afghanistan are people who have filial, cultural and economic ties with each other. None more steady than the three decade old one of narcotics.

The Afghanistan-Pakistan maps below show tribes and their locations on both sides of the border and drug routes. Most of the trafficking routes are in the south westerly Baluchistan region of Afghan and Pakistan. Till the 80s opium was cultivated in the shaded portions of the map in Pakistan. After US and UN bribed and forced out opium cultivation in Pakistan in the 80s the tribes took their poppy fields to Afghanistan.

Map 29: Drug trafficking routes in Pakistan

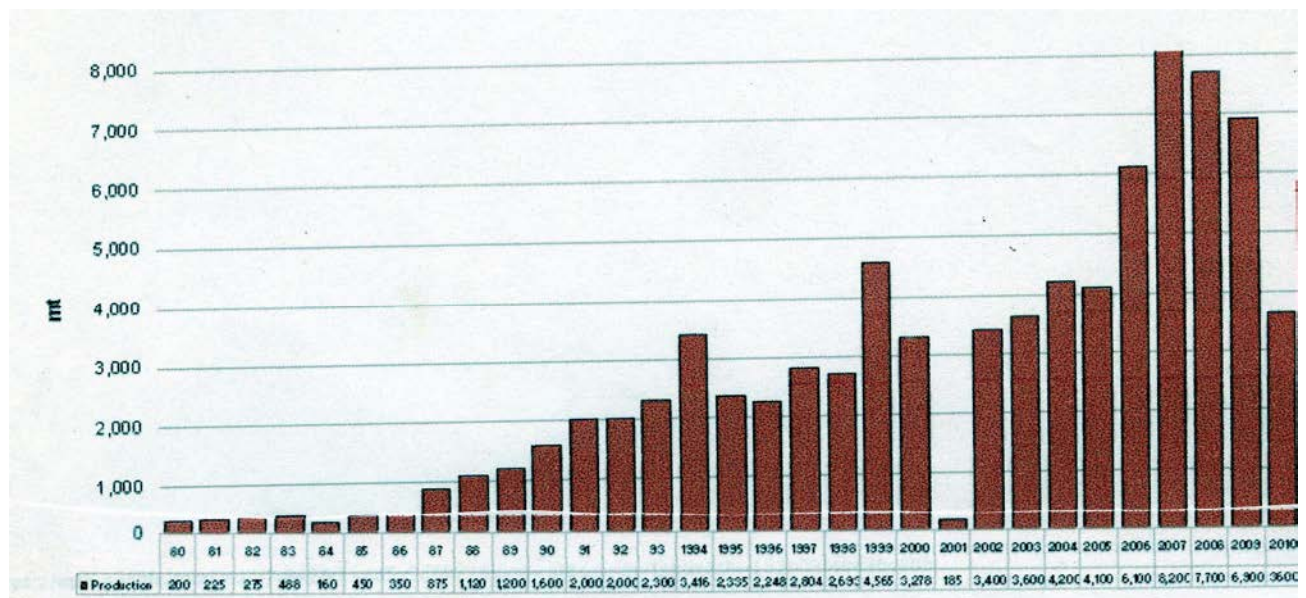


Pakistan has about 1 mln heroin and opium addicts. The latter (around 600,000) require about a 150 tons of Afghan opium at least. Despite this opium cultivation is again increasing in Pakistan.

Table 13: Global illicit cultivation of opium poppy and potential opium production, 1996-2010

| GLOBAL ILLICIT CULTIVATION OF OPIUM POPPY AND PRODUCTION OF OPIATES, 1996-2010 | | | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|-------|--------|--------|---------|---------|---------|---------|---------|---------|---------|
| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| NET CULTIVATION OF OPIUM POPPY IN HECTARES | | | | | | | | | | | | | | | |
| SOUTH-WEST ASIA | | | | | | | | | | | | | | | |
| Afghanistan | 56,824 | 58,416 | 63,674 | 90,583 | 82,171 | 7,606 | 74,100 | 80,000 | 131,000 | 104,000 | 165,000 | 193,000 | 157,000 | 123,000 | 123,000 |
| Pakistan | 873 | 874 | 950 | 284 | 260 | 213 | 622 | 2,500 | 1,500 | 2,438 | 1,545 | 1,701 | 1,909 | 1,779 | 1,721 |
| Subtotal | 57,697 | 59,290 | 64,624 | 90,867 | 82,431 | 7,819 | 74,722 | 82,500 | 132,500 | 106,438 | 166,545 | 194,701 | 158,909 | 124,779 | 124,721 |

Till 1979, the year Soviets invaded Afghanistan, about 150 tons of opium was being produced and mainly for local use. Between 1980 and 85 as the US supported Mujahideen started controlling more areas the production increased from 160 to 480 tons. The Mujahideen were supplied scarce fertilizers for this purpose. The table below illustrates how from 1987- the year the Soviets retreated- opium cultivation shot up.



According to a 1987 article by William Vornberger between 1980 and 1986 the US is estimated to have given around \$625 mln to the Mujahideen. It was clear by now that the US, the main financier of the war against the Soviets, was not interested in exterminating opium at the expense of the goodwill of the Mujahideen and the Taleban.

An article in the New York Times of May, 22, 1980 wrote "We worry about the growing of opium poppies in Afghanistan and Pakistan by rebel tribesmen..... Are we erring in befriending

these tribes as we did in Laos when Air America helped transport crude opium from certain tribal areas?" And the DEA, the only US organization sincerely trying to check this trafficking, was forced to cut its strength to two from 22 agents in the 80s. CIA agents replaced them.

After occupation by US led forces in 2002 strange turns by policy makers continued. All the Taliban were not hunted down. Take the case of Juma Khan of Zaranj in Nimroz.



This is his mansion in Zaranj. No other house matches its opulence or security phobia. His house is across the road from the Governor's office and two kms from Afghan Narcotics Force camp in Zaranj. Brazenly, caravans escorted by gun trucks such as the one below (which belonged to a rival war lord) would come and go unchecked.



In 2000 Juma Khan was the main negotiator between the Taleban and the US in discussions leading to the so called ban on poppy cultivation. In 2003 he was arrested for drug smuggling by US forces. Inexplicably released immediately, he became immensely wealthy through drug trafficking and bought properties in Dubai, Kabul and Zaranj. He was arrested from Indonesia in 2009 and has not been heard of since then.

In Time Magazine of 8.2.2004, Assistant Secretary of State International Narcotics and Law Enforcement Affairs, Bobby Charles observed, "He's obviously very tightly tied to the Taliban.... There are central linkages among Khan, Mullah Omar, and bin Laden."

This is not an isolated case. In December 2005, the U.S. Drug Enforcement Administration (DEA) seized nine tonnes of opium from the house of the then Governor of Helmand, Sher Muhammad Akhundzada. But, American and British military intelligence forces ensured that his name was not sullied. He then became a Member of Parliament. Similar is the case of Izzatullah Wasifi, once Governor of Farah Province and from 2007 the Director of the General Independent Administration of Anti-Corruption (GIAAC) for a couple of years. He was arrested in July 1987 with 600 gms of heroin in Caesar's Palace Hotel, Las Vegas and sentenced to four years in prison. Then there was Ahmed Wali Karzai, assassinated in July this year. He was the other power centre not only in Kandhar but also all of Afghanistan because of his drug links that made him super rich after April 2002. How was he allowed to be so powerful? He had appeased both the US and the Taleban, and was assassinated because of increasing rumours that he was a CIA asset.

These were not field errors. It was high level policy decisions to use some Talebs, who also became fabulously wealthy after they started assisting the US led troops. Such dubious appeasement policies cut off good advisers/informers and left the crooks to guide enforcement. The Taliban continue to lance the benefits.

The current approach is doomed to failure, as old links have not been broken and wrong people continue to be trusted. The UNODC diagram below explains how much heroin is being exported from Afghanistan. Much of it through Pakistan.

Map 13: Estimated regional heroin flows from Afghanistan, 2008



Many well known routes, to Pakistan and Iran, that ought to have been monitored on account of the brazen traffic of contraband in both directions became free trade zones for narcotics, precursor chemicals and arms to traipse out and in.



This picture taken in late 2006 from the Afghan Customs and Border Police Post at Kurki on Lake Sistan in Nimroz – a Baluch area- bordering Iran shows how lax the control was. It still is. Those tankers and trucks at the back are from Iran and have come in bringing petrol. Precursor chemicals to produce heroin are suspected to come this way for the cost of Acetic Anhydride is still the cheapest in Nimroz. About 5-600 tons of Acetic Anhydride (AA) are required by

Afghanistan every year to produce heroin. It comes through Afghanistan's SW border with Pakistan or with its Western border with Iran.

AA seizures last year have only been 30.8 tons in the immediate vicinity of Afghanistan, and about 38 tons from countries in Central and East Europe. These figures are from Europol. All other statistics are from UNODC.

The border with Pakistan has a couple of border points that look efficient and secure. Like this one at Torkham on the Jalabad – Peshawar road taken last month.



Yet a few miles on both sides of the border heroin and opium are sold openly today. The volume of trade can be guessed at by the several rehabilitation centres set up on both sides of the border. This impression of efficient security is only for show.

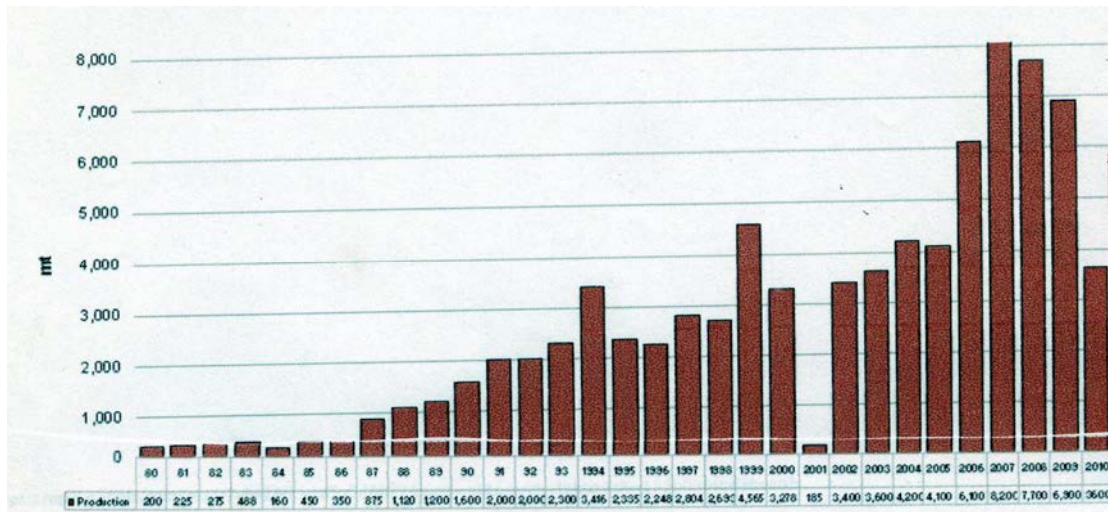
The picture below also taken last month shows the village of Marko, a little before the Torkham border crossing. Opium and heroin is bought and sold openly.



If this is the effectiveness of well organized check posts no wonder the unguarded Baluch border has rarely troubled narcotics and AA traffickers.

AA is carried in drums of 100 litres or jerry cans of 35 litres, and it needs a friendly atmosphere as prevails at Torkham or Kurki. In the more distant posts there was no record of intelligence, no records of earlier cases, no register of informers, nor of suspects or suspected villages, no account of secret funds not even a map showing the area and routes etc etc. Posts on the Pakistan side of the border are very well administered, but yet success is simply unknown.

The bar chart below shows



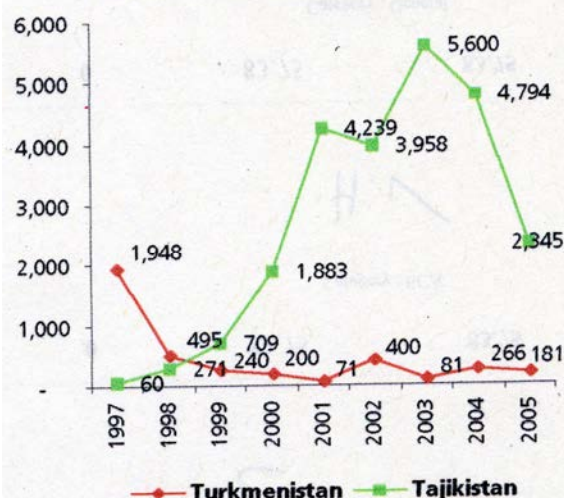
a steep fall of opium production in 2001. This was the fall that consecrated the Taleban as a principled group in the eyes of the US media and many other Governments. Never mind their persecution of women. The real story is different. It illustrates how public health was sacrificed to appease the god of commerce.



US Oil companies, eager to tap the immense gas reserves in Turkmenistan, wanted a pipe line from Merv through Herat and Nimroz in Afghanistan to Gwadar on Pakistan's west coast. To justify such a project the Taleban's image as opium producers would have to be changed for the American public. UNODC and US Government got the Taleban to promise that they would not grow opium. In March 2001 an obedient delegation from eight western countries and the UN were led by Taleban and Pakistanis to those areas where there was no cultivation and on return they dittoed the optimism of the west and certified that the Taleban had kept their promise.

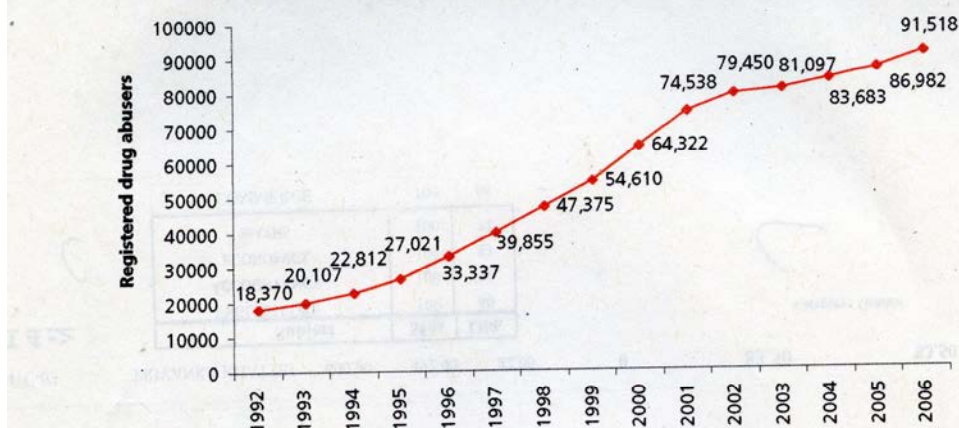
The truth was that a very severe drought had leveled their opium crops. All other crops had been decimated too. The opium production, though much less than the previous year's 3300 tons could have been about 6 times that of the laughable 180 tons trotted out by interested parties. Drug use of opiates in Central Asia, Iran and Pakistan continued to rise. Seizures too rose sharply. There was obviously no shortage of Afghan opium, as the charts below indicate:

Fig.14: Heroin seizures in Tajikistan and Turkmenistan, 1997-2005



Source: UNODC Annual Reports Questionnaire Data/Delta

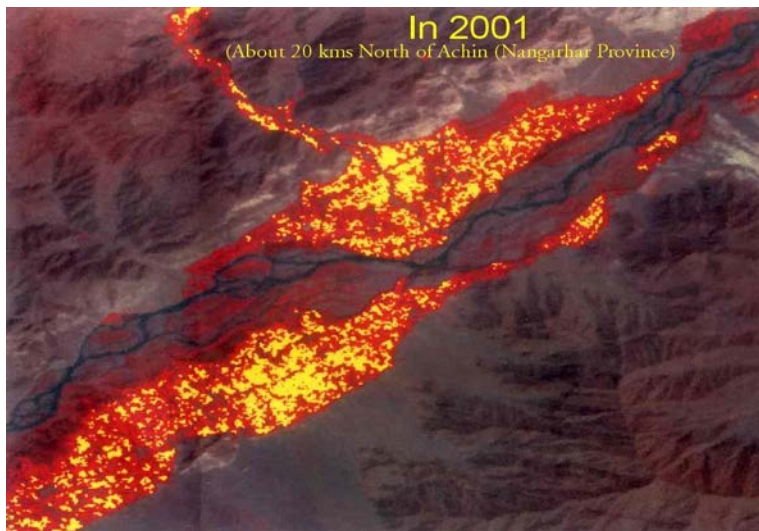
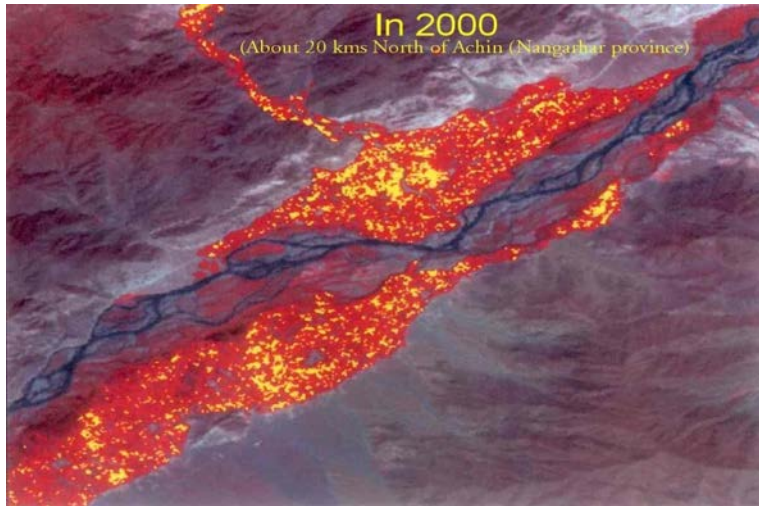
Fig. 16: Registered drug users in Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan



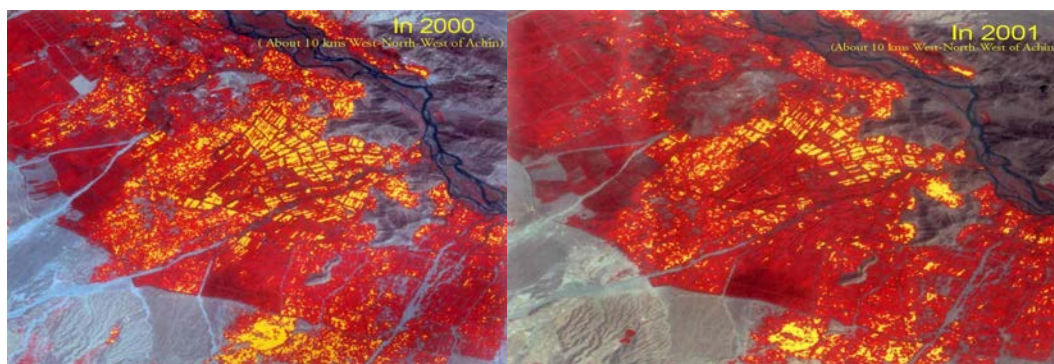
Source: UNODC Regional Office for Central Asia

India alarmed by attempts to make the Taleban into little darlings had planned a satellite survey of some cultivation areas. Photographs, soil and vegetation samples and of other crops from

some regions in the south were collected. These satellite pictures of fields in Nangarhar taken in March-April of 2000 and 2001 showed that opium was *sown* as usual. The first set shows an increase over 2000, and the second set shows a decrease. Attempts had been made to cultivate opium as before but a severe drought had affected production. The yellow pixels are opium fields.



Despite a margin of about 30% error the results indicated that opium production could have been about 1000 tons as against 3300 the previous year.



It required 9/11 to destroy the misplaced trust in Taleban. From that date all truck with Taleban ex or present ought to have ended. But it did not. After April 2002 many were allowed to escape to Pakistan, some joined the provisional Government and opium cultivation prospered. As did the Taleban. To collect their 10% commission efficiently (in 2011 they have earned about \$ 104 mln according to the UNODC) from the farmers the Taleban have one representative on the *shura* or village councils of all the 12000 or so opium growing villages.

The only way out of this sorry cycle of collusion, ineptitude and predictable defeat in all things narcotics is to decriminalize opium cultivation. This could reduce corruption too. The middle men and traffickers will be out. There would be no need for farmers to be 'protected' at 10% by the Taleban, or suffer extortion by the Afghan Border Police and Narcotics Force. Legalising opium cultivation was first suggested by SENLIS Council (now ICOS) in 2005. This sensible option was ridiculed and laughed out of all meetings. Some of Senlis's suggestions of control were too academic and innocent to be practical. Like that of village councils being the sole authority to manage opium production. A better and practical proposal can always be worked out.

The legalization of opium cultivation would work like this. INCB notifies certain areas of Afghanistan to cultivate opium. This first step is the most difficult, but if the US puts its weight behind it will be done- like in Turkey in 1974. Then a Competent Authority of the Afghan Government will declare regions that will be allowed to grow poppy. All the regions that are producing opium now could be licensed to begin with. Farmers apply for licenses at the nearest designated office by August in the south. At the time of giving licenses the farmer signs a contract agreeing to abide by the law and also agrees that if he does not give a Minimum Yield of say 40 kgs per hectare his license for next year will be cancelled. The licenses will be given by early October. The farmers can be subsidised to buy seeds and fertilisers and insure their crop. It will be convenient for licenses to be given for fields that are multiples of 100 sq mtrs. Trained Narcotics officials will keep track of each stage of the plants' growth till collection. At the time of lancing, when each farmer will be extracting opium every day, the village council could keep a daily record of each famer's opium collection. Both the register and the opium stocks will be subjected to checks by the Competent Authority.

On dates publicized well in advance, opium collection centres for groups of villages will collect opium. After weighing the opium, and conducting adulteration field tests each farmer will be paid most of the contracted rate of opium. The higher the yield above the Minimum Qualifying Yield the higher the rate of payment. The final payment will be made after each farmer's opium is assessed at the morphine manufacturing unit that will hopefully be set up in Afghanistan. Once the results are in, it will be inevitable that some farmers will not have given the Minimum Qualifying amounts. Those who cannot give good reasons will not be licensed for next year. For a few years such farmers can be guided and subsidized with alternative crops or sources of income. It is inevitable that every year some farmers will drop off. This is the scheme in a nut shell. It will take 5-10 years. Even then there will be diversion of 10-30%, but any day that is better than the present 100% that is being diverted.

Almost ten years of enforcement have come to naught. Now the only hope is in legalization. It will certainly reduce illicit opium supplies. This year about \$1 bln is expected to be made by the farmers, and \$65 bln by trafficking worldwide subsequently. About \$ 100 mln will be extracted by the Taleban from the farmers alone. (UNODC in Afghanistan Opium survey 2011). From 2005-8 the Taleban had collected more than \$600 mln from this sole surviving industry in Afghanistan. Legalization of cultivation makes economic and moral sense too. The Taleban would be starved of funds and the farmer will lead a life without fear.

This scheme will has an another advantage. Councils (*shuras*) in opium growing villages have been infiltrated by the Taleban. Till now no power on earth has been able to remove these eyes and ears of the Taleban, nor has any intelligence been able to ferret any one out. With legalization this villainous representation will end.

Years of exploitation bordering on slavery, where some farmers had to pawn their daughters for loans and woe to him whose field was destroyed for that would mean a missing daughter, will be an awful memory.

There were two reasons to reject this proposal. Corruption, and lack of legal demand for morphine. Till now many countries like the US, UK and India, organizations like the INCB and UNODC and pharmaceutical companies of the UK and USA have claimed that there is not enough demand. Not so says a Feb, 2011 WHO paper called *"A First Comparison between the Consumption of and the Need for Opioid Analgesics at Country, regional and Global Levels"* By Mari-Josephine Seya, Willem Scholten etc. They calculate that demand for morphine is about 7 times as high as the 350 tons projected today. The world has a potential of less than 10,000 tons and to produce the required morphine of about 2400 tons it will have to be at least 18,000 tons, and theoretically all of Afghanistan's present capacity can be utilized.

Monumental and wide spread corruption has been encouraged by enforcement. That is why perhaps the Afghan Government scoffs at this proposal. The many Government wings extort money from the opium farmers. To top it all the US led forces will not drop enforcement as that will mean they have failed. Though they are making moves towards admitting mistakes. Eradication is being used less by the US acknowledging its inhuman and unjust elements. From a high of 21,430 ha in 2003, only 3810 ha were destroyed in 2010. It is Russia, with about 2.5 mln opiate users, that is desperately insisting on eradication. In 2008 it consumed about 70 tons of heroin and 58 tons of opium.

Narcotics is an important corner stone of anxious Russia's foreign policy in this region. Iran has similar concerns in its foreign policy. In 2006 they had funded the construction of 28 fort like check posts in Afghanistan's west, and the border is still wide open. With the decline in opium production in SE Asia the Chinese heroin market gets most of its 45 tons from Afghanistan, and this is reflected repeatedly in their bilateral discussions. Pakistan is still not worried enough to make it even a part of its domestic policy. India is worried but apart from continuing to discuss the possibility of helping improve Afghanistan's enforcement ability it has done nothing. At President Karzai's visit last month a narcotics treaty was signed (third one) but nothing will come of it too. In India's border state of Punjab all the villages on the border with Pakistan have at least half its youth addicted to Afghan heroin.

Legalisation *alone* will not be sufficient. To be effective this scheme will have to consider the about 3 mln opiate users in the countries neighbouring Afghanistan. If they do not get their dosage they will ensure that illicit cultivation continues. They have already seen how fragile enforcement is. *To deal with this problem all these users could be registered, given opium through Government offices, dispensaries and hospitals in the affected countries of the region.* It is not a preposterous suggestion as it seems. It was briefly tried in India in 1959, and as soon as it helped tackle illegal demand India signed the UN Single Convention of 1961 and it was stopped. However, after much protests UN allowed India to have one more round. In 1972 all registered addicts, about 300,000 I think, began to get subsidized opium. For ten years addiction was contained and there was little diversion from legal cultivation. However as the older addicts died, and no new ones were allowed to register diversion started. By 1999 about a hundred official users were left, while the actual number would have been about 2 mln (its 3 million now). In that year India wrote to the INCB to renew the scheme once again so that diversion could end and these people could be helped with rehabilitation too. It was rejected, as were suggestions to the Government of India to ignore the Convention and go ahead. Result: Not only is there diversion from licit fields continuing, but India's own satellite surveys show that there is at least 20,000 hectares of illicit cultivation.

The European Parliament had on 21.9.2007 adopted **Resolution # RR/390526EN* recommending legalization of opium cultivation but nothing came of it as the US did not support it. Legalisation stands a chance only if USA supports it.

About 52% of opium is converted into heroin in Afghanistan, in places like Baramcha in SW Helmand, Jalalabad, Achin and many others. In Pakistan's Baluchistan the town of Dalbandin is similarly notorious and also for sheltering the Taleban if they are in danger in Helmand or Kandahar.

Afghanistan, which has about 1 mln or 3% of its population using opiates, has a sensible draft proposing decriminalization for users called *"*Possible Framework for developing strategy for Drug Demand reduction and Drug Use Related Harm in Afghanistan 2011-2015*" pending with its Ministry of Counter Narcotics for ten months. It will stay in that state I guess unless the US allows it to do so. Within the US, where every 19 seconds a drug user is arrested (Source: LEAP), this topic is taboo.

Opium production in 2011 is expected to be around 5800 tons says the latest UNODC Survey. 61% more than last year's 3600 tons. 65% of the areas that experienced thoughtless eradication have shown an increase in production. Another bad year for enforcement. Another profitable year for the Taleban. Legalisation could end this cycle of hopelessness.

I shall end with these pictures from an old Indian magazine. The top one was taken in 1999 and the lower one ten years earlier in 1989 when President Najibullah was just about managing to hold on to power. Afghanistan cannot recover till the Taleban are defeated. I don't think we can see this kind of joy in our life time unless appeasement is no more an option.



(India Today, 8th October, 2001)

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Copies of Documents marked thus * can be had from Cato Institute if desired.