This chapter first appeared in *High-Value Natural Resources and Peacebuilding*, edited by P. Lujala and S.A. Rustad. It is one of 6 edited books on Post-Conflict Peacebuilding and Natural Resource Management (for more information, see www.environmentalpeacebuilding.org). The book can be ordered from Routledge at http://www.routledge.com/books/details/9781849712309/.


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**The Janus nature of opium poppy: A view from the field**

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Online publication date: June 2012

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The Janus nature of opium poppy: A view from the field

Adam Pain

Opium, with its dream-inducing effects, is linked to Greek mythology: one of its derivatives, morphine, is named after Morpheus, the Greek god of sleep and dreams. But this chapter draws its inspiration from Roman mythology—specifically from Janus, the god of gates, doorways, and beginnings and endings. The figure of Janus, which is characteristically depicted with two heads facing in opposite directions, is used here to suggest that despite pervasive views of opium’s damaging effects, it also offers transformative potential for peacebuilding in Afghanistan. This potential can be realized in three areas: the crop can (1) directly improve household welfare; (2) help smooth the way for the resolution of local conflicts; and (3) serve as a strategic resource, both to build governance and to provide the basis for building a social contract at the local level. The purpose of the chapter is not to advocate the cultivation of opium poppy but to argue that as long as opium poppy exists, a more strategic response—one that takes into consideration the opportunities it creates—may be in order.

To many observers, opium poppy is associated with greed, criminality, and the Taliban insurgency that arose after the U.S.-led invasion in 2001—and is, by definition, destructive to efforts to build a state and create a durable peace. But this view fails to recognize that opium poppy cultivation is not so much a cause as a symptom: opium reflects the failure of the state prior to 2001—and, since then, the failure of the orthodox state-building model, which has yet to provide Afghanistan with a transition to security, a political settlement, or strong socioeconomic development (Goodhand and Sedra 2007).

That opium contributes to the financing of the insurgency is undeniable, although its magnitude as a funding source is open to debate (Guistozzi 2007). Nevertheless, its significance in Afghanistan’s informal economy is well documented (Ward and Byrd 2004), and there can be no doubt of its contribution to the rise of a shadow

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High-value natural resources and post-conflict peacebuilding

state.\(^1\) But the focus on opium’s role in the war and in the black economy—which has driven counternarcotics policy since 2001—largely ignores the more complex role that opium poppy plays in the rural economy, where 90 percent of the participants in the opium value chain are found (Pain 2010a).\(^2\) Evidence from the field suggests that from a rural economy perspective, opium has done more to offer social protection;\(^3\) generate economic growth; and, more controversially, contribute to local conflict resolution, than anything else on offer. Even more important, it has set the standards by which efforts to mitigate the wider costs of the opium economy can be judged.

Afghanistan’s conflicts are deep-rooted and multilayered, and local conflicts are intertwined with regional or national conflicts. The focus in this chapter is on the local dimension, on the grounds that the Afghan family and village are the only durable institutions in the country’s fractured landscape (Dupree 2004) and that they provide, however imperfectly, the fundamental public good of security that the state has historically failed to deliver. The chapter is divided into four sections: (1) a description of the context of opium poppy cultivation since 2001; (2) an examination of the factors that have driven the spread of cultivation; (3) a discussion of the effects of this spread; and (4) a consideration of opium’s transformative potential in the peacebuilding process.

**THE CONTEXT OF OPIUM POPPY CULTIVATION SINCE 2001**

The globalization of opium as a commodity owes much to the presence of the British in India, during the nineteenth century, and to the presence of the United States in Southeast Asia, during the twentieth. The irrepressible market for opium has been driven primarily by demand from the West, although usage elsewhere is growing. But the West has remained largely unaccountable for the effects of that demand.

Afghanistan has a long history of opium poppy cultivation and was legally exporting opium until cultivation was officially banned in the late 1940s. Cultivation continued at low levels into the 1960s and 1970s. The political instability that began in the late 1970s fuelled an increase in cultivation, but the greatest expansion has taken place since 2001; the timing alone makes it clear that opium production has been incidental to the deeper history of conflict in Afghanistan.\(^4\)

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\(^1\) In a shadow state, government officials use their positions to pursue their own or others’ interests, and provide services in return for payments.

\(^2\) **Value chain** refers to the activities—from production to processing to final product—that add value to a product.

\(^3\) **Social protection** refers to actions on the part of the state or communities that provide a safety net in times of shock (e.g., famine) or that address the effects of long-term poverty.

\(^4\) The banning of cultivation in Iran (1955), Turkey (1972), and Pakistan (in the 1980s) undoubtedly encouraged the persistence and spread of opium poppy cultivation within Afghanistan.
The response to the expansion of cultivation has evidenced an awkward tension between politics and governance. From one perspective, unprecedented expansion (between 2002 and 2007, a near tripling of the area devoted to the crop) can be regarded as a crisis that requires an immediate response; from another perspective, the expansion can be regarded as a development issue, which requires a longer-term response that is focused on causes, rather than a short-term response that is focused on symptoms. In other words, there is a tension between the “public good” of the West and decentralized, participatory approaches, which are fundamental to good governance and recognize individual rights, including the right to secure the means to a living. So far, the public good of the West—in practical terms, criminalization and eradication of cultivation—has had the advantage.5

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5 It is important to note here that the notion of legality is not absolute but is contingent on circumstances. Because the use of opium as a narcotic is widely defined as illegal, the production of opium for this market is criminalized in the West. But there is a second, legal market for opium—as a source of morphine and other pharmaceutical agents (such as codeine and thebaine); for such uses, opium can be legally cultivated, as it is in the United Kingdom.
High-value natural resources and post-conflict peacebuilding

If the cultivated area devoted to any other crop had nearly tripled—from an estimated 74,000 hectares in 2002 to 193,000 hectares in 2007—while remaining localized and occupying no more than 5 percent of the total agricultural land (UNODC and GOA 2004, 2006, 2007), an exploration of the processes driving such cultivation would have been a likely response. Those concerned with counternarcotics policy might also have been concerned about the geographical spread of cultivation: as of 2000, three provinces—Nangarhar, Helmand, and Kandahar—contained 80 percent of the area devoted to opium poppy; by 2003, cultivation had spread across twenty-eight provinces, and the area devoted to the crop in the three core provinces represented only 47 percent of the total (UNODC and GOA 2007). By 2007, however, cultivation was again concentrated in the three core provinces, which held 71 percent of the area in cultivation. Instead, however, the definition of policy success has largely focused on aggregate area—a statistic that is of questionable precision and reveals little about the sources of the change (Mansfield and Pain 2008).

First, why these three core provinces? In Helmand, the reasons can be traced to the 1990s, when a breakdown in the management of the province’s centralized irrigation system caused water scarcity, and the loss of subsidized inputs (credit and fertilizer) led farmers to shift from cotton to an alternative cash crop that had a functioning market (Pain 2006); similar factors may have played a role in Kandahar. In the case of Nangarhar, cultivation has been centered in small farms in resource-poor areas where there have been acute concerns about food security (Mansfield 2004). In all three cases, strong links to opium trading systems have been fundamental to cultivation.

After 2001, the expansion of cultivation was largely driven by price: before 2001, the price was US$50 to US$100 per kilogram, but it rose to a peak of US$600 to US$700 per kilogram between 2001 and 2003. Although the price declined to between US$100 and US$200 per kilogram in 2004–2005, the total area devoted to opium poppy cultivation continued to rise, reflecting the price advantage of opium over other crops, and the fact that its market functioned well. Although price fluctuations have contributed to shifts in and out of cultivation in many areas (Mansfield and Pain 2008), prices, overall, have been an important “pull” factor in the dynamics of cultivation.

The influence of social structures that regulate markets also has to be considered. Until 2001, the informal social regulation of the opium market—that is, the effect of class, ethnicity, and gender on regulating access to markets—was probably influential in keeping cultivation centered in the three core provinces; in Balkh, for example, control of the market by Pashtuns from Kandahar prevented other ethnic groups from accessing the opium market. After 2001, social regulation appears to

6 On the role of class, ethnicity, and gender in regulating access and returns in commodity markets in India, see Harriss-White (2003).

7 See Pain (2007a).
have relaxed, despite continued evidence that ethnic identity—and, therefore, access to the main traders—determines price (Pain 2006). Yet another aspect of the opium market is that it continues to function under conditions of insecurity, providing both credit and purchase at the farm gate (Mansfield and Pain 2008).

But general explanations are not sufficient to explain the dynamics of cultivation at the province and local level. Longitudinal fieldwork in four provinces (Badakhshan, Balkh, Ghor, and Nangarhar) has shown that resource availability, as well as market access and terms of trade, is a crucial driver in the dynamics of cultivation (Mansfield and Pain 2007).8 (So, for example, more remote, resource-poor areas have led the return to cultivation, while more central areas—with better access to land, water, and markets—have made more durable shifts away from the cultivation of opium.) Under the effects of these three drivers, opium poppy cultivation takes on the characteristic features of a “footloose crop”—that is, one that rapidly shifts location according to pressure gradients.9 For example, in Nangarhar—which, unlike Balkh, is a relatively ethnically homogeneous province (Mansfield 2004)—cultivation has had a particularly dynamic pattern, collapsing in 2005 because of threats and promises from the provincial governor, but rising again in 2006 and 2007 when promises were not delivered on, particularly in remote, resource-poor areas.

In Balkh, where the history of cultivation is tied to complex historical settlement patterns (resulting from Pashtun immigrants’ deliberate settlement of upstream areas) and to water availability, there have been four phases of cultivation (Pain 2006). First, before 1994, there was limited cultivation for local use. Second, between 1994 and 2001, cultivation was intensive but highly concentrated in upstream locations—in particular, in Pashtun communities. During the third phase, after 2001, there was more general cultivation, but it was affected by water availability. It is this period that offers evidence that deep, ethnically based tensions—generated by conflicts that began before 2001—were markedly tempered by the growth of the opium economy (Pain 2010b). This tempering effect occurred for two reasons: first, labor was mobilized across community divides; second, communities that had formerly been at odds were aware that they had a shared interest in the opium market and its benefits (Pain 2010b). This phase lasted until 2006, when informal coercive power exerted by provincial authorities in support of their own interests created an effective ban on opium cultivation (Pain 2008b). The transitions between the phases “have been driven largely by structures of informal power—socially determined, ethnically based . . . and associated with powerful individuals

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8 Counternarcotics measures have had both direct and indirect effects on these drivers, intensifying their effects at times and mitigating them at others. The interaction of these factors is complex and is context- and time-specific. For example, depending on the level of the perceived threat of eradication, opium prices can either increase (to respond to the increased risk) or decrease (if the risks are seen to be very high), thus pushing cultivation elsewhere.

9 This phenomenon is also sometimes known as ballooning.
and groups” (Mansfield and Pain 2007, 8); specifically, the more powerful groups were located upstream, and were therefore in control of water distribution.

Both pull and push factors (formal and informal counternarcotics actions that drive opium out of an area) explain the specific patterns of opium poppy cultivation. Price and market structures—that is, the ways in which informal market regulation affects price and availability—have been key promoters of expansion, which has occurred in response to deeply entrenched rural poverty. Such poverty was, in many areas, exacerbated by the 1998–2001 drought, which led many rural households to deplete their assets and go into debt. Poverty, however, is both socially and spatially differentiated. Specific patterns of cultivation—as in Balkh, for example—can be related to social and spatial characteristics: for example, poorer villages and households are more likely to be found downstream, and richer villages upstream; Pashtun villages are more likely to be upstream, and other ethnic groups to be downstream.

From this perspective, conflict is not a key driver of the dynamics of opium poppy cultivation, but it is not without a role. For example, despite indications that increased cultivation may temper conflict, conflicting evidence can be drawn from the contrary situation, when opium cultivation declines. In the case of both Nangarhar and Balkh, insecurity and violence increased (Mansfield and Pain 2008). There is certainly a correlation between insecurity and opium poppy cultivation: cultivation is a symptom of underlying livelihood and physical insecurity, and opium poppy is a low-risk crop in a high-risk environment. But field evidence is not kind to generalized explanations, including those derived from multiple regression models, which hold that opium poppy production is conflict induced.10

OPIUM, DEBT, AND ECONOMIC SECURITY

Early accounts of the spread of opium poppy after 2001 emphasized the role of debt,11 often denominated in opium, as a key reason for the continued cultivation of the crop. It was argued, moreover, that cultivation was leading farmers further into debt—and that, given the high interest rates being charged on loans against future crops, opium traders were, in effect, “narco-usurers” (UNODC 2003a). But advance loans against future crops are not unique to opium; moreover, although interest rates in 2002–2004 may have been higher for opium than for other crops, the higher rates could well have reflected the riskiness associated with the crop (because of the potential for crop failure, price fluctuations, and eradication) (Pain 2008b). Nevertheless, a perspective that linked opium to debt creation persisted. Thus, for example, the United Nations Office of Drugs and Crime concluded that “financing costs banking on informal credit, without a proper banking system

10 For an example of studies that rely on multiple regression models, see Lind, Moene, and Willumsen (2010).
in place, have been extremely high in Afghanistan and have clearly contributed to the spread of opium poppy cultivation in country” (2003b, 122).

In the core provinces, cultivators who took opium-based loans before the price increase of 2001 subsequently experienced a dramatic increase, in dollar terms, of their overall debt.\(^\text{12}\) It is far from clear, however, that the expansion of opium beyond the core provinces was linked to opium-denominated debt, although it may have been linked to the general decapitalization of the rural economy (that is, the outflow of capital) that resulted from the 1998–2001 drought. But the policy leap—from assumptions about a link between opium and debt, and the fact that credit is available only at high interest rates (Goeldner 2004)—to claims that opium cultivation evidenced a general lack of rural credit is simply not justified by the evidence. In fact, informal credit practices are widespread (Klijn and Pain 2007); most rural households have access to them—and, more to the point, much of the credit is interest free. More broadly, there is a tendency to regard “the informal” as problematic and to see it through the lens of opium poppy—as occurs, for example, with respect to the hawala system of money transfer. This tendency raises wider issues about approaches to peacebuilding and state building that emphasize the formal and neglect the positive attributes of the informal; these issues are returned to in the final section.

A 2008 examination of the linkages between opium and credit, based on fieldwork in Badakhshan and Balkh (both of which had seen significant expansion of cultivation after 2001), found opium poppy cultivation more likely to relieve than to create debt (Pain 2008b). According to detailed household histories, beginning in the 1990s, political instability, drought, and a growing need for credit had led to a general increase in the cost of informal credit; this increase predated the rise of opium cultivation. These histories also showed that in both Balkh and Badakshan during the key opium cultivation years, cultivation was primarily a means of securing food and relieving debt (Pain 2008b). Household members looked back on those years as a time of prosperity and viewed the decline of the opium economy as having had a primarily negative effect on their food security.

The benefits of opium poppy cultivation have been widespread; however, because of underlying social inequities, they have not necessarily been equally distributed (Pain 2007a). Landowners in areas with abundant resources have enjoyed the highest returns. But because of the higher labor demands associated with opium poppy, more land has been sharecropped out for opium cultivation than for wheat. This has led to increased demand for farm labor—which has led, in turn, to a substantial increase in labor wages.\(^\text{13}\) Opium poppy cultivation has

\(^{12}\) Because the debt remained opium denominated, as the price increased so did the dollar debt. For a review of the evidence, see Pain (2008b).

\(^{13}\) When landowners do not have the labor resources to cultivate opium themselves, they use sharecroppers. Sharecropping is a tenancy arrangement in which rent is paid through a share of the crop harvest; the proportion of the share depends on what portion of the inputs of production (land preparation, seed, fertilizer, etc.) were provided by the tenant.
also had significant multiplier effects on the rural economy.\textsuperscript{14} John Mellor (2005), for example, estimates that for each farm job that is directly related to opium, an additional 5.6 nonfarm jobs have been created.

In summary, the growth in opium cultivation since 2001 has had largely beneficial effects on the rural population: reducing poverty, relieving debt, and providing employment and food security. This supports the view that opium has transformed household welfare. Moreover, these benefits have dwarfed any that have been gained from the reconstruction effort.\textsuperscript{15} In July 2008, during a visit to Balkh, the minister for counternarcotics openly admitted that the government had failed to develop the region and apologized for the government’s disregard for the area.\textsuperscript{16}

And what of the linkages between opium and conflict? Here one must be careful to distinguish between localized conflict between villages over resources and the more specific interconnection between the opium economy and the insurgency in the south.\textsuperscript{17} The focus here is on the former—on a history of localized conflict that has often been linked to the control of natural resources and land. The limited evidence that exists, from Jan Koehler and Christoph Zuercher (2007), indicates that because of its poverty-reducing effects, opium has in some cases subdued or mitigated conflict. Koehler and Zuercher also note that opium has played an indirect role in ongoing conflicts, by rekindling land disputes and destabilizing the local power balance. Similar observations can be drawn from Balkh—both at the local level and, more interestingly, at the provincial level, where the rise and consolidation of the governor’s political power, which was built on the opium economy, has contributed to a regime of relative security; a similar level of security has not been achieved in the neighboring province of Kunduz, where opium has not been grown (Pain 2010b).

THE TRANFORMATIVE POTENTIAL OF THE OPIUM ECONOMY

Much of the policy response to opium poppy emphasizes its negative dimensions—and, despite the policy rhetoric, much of the practical effort has focused on opium eradication, an approach that has triggered resentment, protest, and resistance (Mansfield and Pain 2008; Pain 2010a). Moreover, there is little evidence to support claims, for example, of the beneficial effects of alternative livelihood programs that have been designed to replace opium.\textsuperscript{18} Thus, it is difficult to disagree with the judgment of Richard Holbrooke, who, as U.S. Special Representative to Afghanistan and Pakistan, described the U.S. counternarcotics effort in

\textsuperscript{14} The dynamic effects of the opium economy on the immediate rural economy have been widely noted. See, for example, Mansfield (2004) and Pain (2006, 2007b).
\textsuperscript{15} See Pain (2008a).
\textsuperscript{16} See “Minister Apologises for Lack of Progress in Balkh,” cited in Pain (2008a, 2).
\textsuperscript{17} Much of the literature on conflict in Afghanistan focuses on the connection between opium and the insurgency.
\textsuperscript{18} See Pain (2008a), specifically on Balkh.
Afghanistan as “the most wasteful and ineffective program I have seen in 40 years in and out of the government” (BBC News 2009).

Opium poppy cultivation has to be viewed in relation to the wider peace-building and state-building efforts in Afghanistan, which suffer from a number of problems (Suhrke 2006; Goodhand and Sedra 2007):

• The limitations of the original Bonn agreement.\(^\text{19}\)
• The conflation of a war on terror with a counternarcotics response and a state-building project.
• The creation, through excessive aid, of a rentier state.\(^\text{20}\)
• The application of an inappropriate model of state building.

With respect to state building, Lant Pritchett and Michael Woolcock (2004) have pointed out that in many development programs, the solution is the problem: the assumption that one can “skip straight to Weber” imposes a universal model of what a state should be and ignores historical processes of state building (Pritchett and Woodcock 2004,193).\(^\text{21}\) The state-building model being applied in Afghanistan has also failed to attend to, and build on, the only durable institutions in the landscape: the family and the village.

Opium poppy offers opportunities that could have been integrated into the state-building process. First, for producers, opium poppy has directly reduced poverty and provided livelihood security at a time when little else was on offer. Opium poppy cultivation has thus played a transformative role in the welfare of rural populations, but it could also have provided breathing space, during which resources could have been put in place that would have fostered a continuing shift out of poverty. There is also evidence, albeit tentative, that the opium economy has, in some circumstances, reduced tensions between communities and households, and thereby reduced potential for conflict. A more sensitive and strategic counternarcotics effort, to respond to Holbrooke’s judgment, would have taken both of these aspects into account and used the opium economy to gain time and to sustain support for wider state-building initiatives. Instead of defaulting to the eradication impulse, such an approach would have involved participatory and governance-building measures, at the local level, that were focused on the reduction of opium poppy cultivation.

A more sophisticated counternarcotics response would also have sought to understand opium-diffusion processes—and would have thereby discovered that social inequalities are the root issue underlying most conflicts in Afghanistan. In

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\(^{19}\) The Bonn Agreement (Agreement on Provisional Arrangements in Afghanistan Pending the Re-Establishment of Permanent Government Institutions) was signed on December 22, 2001, and resulted from a meeting, held under the auspices of the United Nations, between leading Afghan figures. The goal was to establish an interim authority in the country.

\(^{20}\) A rentier state derives a substantial part of its revenue from external sources.

\(^{21}\) Max Weber’s views on the role and functions of the state include a monopoly on the legitimate use of violence and an impartial and rule-bound bureaucracy.
this view, opium cultivation is largely a symptom of fundamental failures in state building—that is, a homegrown response to what the state had failed to deliver. Instead of attempting to destroy one of the few sources of welfare provision available to the rural poor, a more calibrated response would have taken notice of the standards and achievements, however imperfect, set by the opium economy. Such a response would have assigned greater value to informal and customary institutions and structures, including those that are central to dispute resolution. It would also have required a fairly substantial rethinking of the state-building model that is currently being applied in Afghanistan.

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