Anatomy of a Fallacy: The Senlis Council and Narcotics in Afghanistan

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Frédéric Grare is currently Visiting Scholar at the Carnegie Endowment for International Peace. He holds a PhD in International Relations from the Graduate Institute of International Studies, Geneva, and a superior degree in Political Science from the Paris Institute of Political Studies. From 2003 to 2005, he worked as Counselor for cooperation and culture at the Embassy of France, Islamabad. Prior to this assignment he was Director of the Centre de Sciences Humaines, New Delhi, and worked for the Program for Strategic and International Security Studies in Geneva. Dr. Grare’s most recent publications include Rethinking Western Strategies Toward Pakistan: An Action Agenda for the United States and Europe (Carnegie Endowment for International Peace, 2007); Pakistan-Afghanistan Relations in the Post 9-11 Era (Carnegie Paper No 72, October 2006); India, China, Russia: Intricacies of an Asian Triangle, co-edited with Gilles Boquerat (India Research Press, 2004); and Political Islam in the Indian Subcontinent: The Jamaat-i-Islami (Manohar and Centre de Sciences Humaines, 2004).
Abstract

Supplying the majority of the heroin consumed in Europe and nearly all consumed in Russia, Afghanistan's booming illicit drug market has not only entirely distorted the Afghan economy but also corrupted the country's nascent, fragile political system. While current norms regulating the production and traffic of illicit drugs have established the framework of an international prohibition regime, the policies associated with this regime have so far failed to stop or significantly slow the growing of Afghan opium. In 2005, in response to this situation, the Senlis Council, an international drug policy think tank, proposed the creation of a licensing system in Afghanistan which would allow the cultivation of opium for the production of essential medicines such as morphine and codeine. This system is intended to break the vicious circle of the drug economy by moving the opium trade into a legal system controlled by, and benefiting, the state. This paper adopts a critical view of the Senlis proposals, arguing that their underlying principles – economic, social and political – diverge only marginally from those underpinning previous approaches and have little potential for success under current political conditions. The paper concludes that, despite many imperfections, the current policies in place may be optimum given both Afghanistan's present situation and the structural problems inherent in the global war against drugs.
Introduction

Since the early 1970s, despite four US "wars on drugs" and billions of dollars spent on the issue, narcotics production and consumption have been on the rise. Narcotics production has risen in Southeast Asia, Central Asia and Central America, and consumption has followed. Between 1972 and 2002, in the United States alone, the number of heroin users increased over tenfold (McCoy, 2004: 26). While a similar phenomenon has been observed in Western Europe, drug consumption is no longer exclusively a Western problem. New markets are now emerging in places such as India, China and the former Soviet bloc. The consumption of opium and its derivatives (morphine, heroin) is today one of the most intractable global problems.

Norms regulating the production and trafficking of illicit drugs (the UN Single Convention on Narcotic Drugs (1961), the UN Convention on Psychotropic Substances (1971), the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988)) have established the framework of an international prohibition regime, but the policies associated with this regime have so far failed to stop or significantly slow the trend.

The characteristics of the drug market make it particularly difficult to comprehend. Demand for addictive drugs, by its very nature, is relatively inelastic. Whereas supply, on the contrary, has proved to be remarkably elastic and particularly so since the end of the Cold War. "In this new world order, repression in one source region, instead of reducing availability [has] instead stimulated it in another" (Ibid: 25), a result largely due to the diminishing coercive capacities of states.

Afghanistan's drug dilemma illustrates the point. One of the symbols of the Cold War, Afghanistan became the largest producer
of illicit opium and heroin during the 1990s while sinking into chaos and anarchy. By the end of the decade, it provided about 70 per cent of global illicit opium. Today, Afghanistan supplies the majority of heroin consumed in Europe and nearly all the heroin consumed in Russia. Even in the United States, a minor portion of the heroin consumed is of Afghan origin (Cornell, 2005: 23).

"The drug question is intertwined with fundamental issues of national, sub-national and transnational interests" (McAllister, 2000: 253). While the broad problem of production and trafficking is first a devastating public health issue, drug smuggling also affects societies through corruption, the distortion of the legal economy and associated violence. In Afghanistan itself, where consumption remains at a relatively modest level, drugs have not only totally distorted the economy but also corrupted a nascent and fragile political system.

The problem extends far beyond Afghanistan. The geography of drug trafficking reflects to a large extent the political changes that resulted from the end of the Cold War. Pakistan and Iran\(^1\) have been traditional routes of exports for opium and heroin. But the newer routes to Western markets are partly the result of the dramatic geopolitical changes that followed the collapse of the Soviet Union. The Central Asian States (particularly Tajikistan, Turkmenistan and Uzbekistan, but also Kyrgyzstan and Kazakhstan), have become major transit routes for Afghan opiates. The Balkans, Russia and the Caucasian states then become the logical routes to enter Europe.\(^2\)

\(^1\) Iran remains the major transit route to Europe.

\(^2\) It should be noted that the flow of drugs crosses the flow of chemicals, in particular acetic anhydride, required to transform raw opium. For Afghanistan, it comes from Russia via the Central Asian States, the UK, Italy, France and Germany and China via Kazakhstan. See: Conférence Ministérielle sur les Routes de la Drogue (2003), Conference Report, Paris, 21-22 May.
Drug consumption has become a significant issue in these countries of transit. In Iran, opium is consumed by some 2 million people (including 1.2 million heroin consumers). Pakistan, which had 20,000 heroin addicts in 1980, now has half a million chronic heroin users. It is estimated that 2.8 per cent of Pakistan's population over fifteen years of age abuses opiates (Cornell, 2005: 24). In Central Asia, heroin addiction has increased to an estimated 1 per cent of the population, and the infection rates of HIV and Hepatitis C have followed accordingly. The number of drug addicts is around 2 million in Russia and the situation is alarming in Central Europe and the Baltic states (Conférence Ministérielle, 2003). Thanks to risk mitigation policies, heroin consumption and the infection rates of associated diseases have stabilized or decreased in most of the Schengen countries, but both are increasing almost everywhere else.

The results of policies initiated by the international community in Afghanistan, whether voluntary (through compensation) or forced measures, are still to come. Production continued to increase in 2002, 2003 and 2004, both in terms of metric tons and hectares under cultivation. In 2005, despite a significant decrease in poppy-cultivated land, opium production fell only marginally. Indeed, the problem seems intractable, as eradicating poppy growing, and thus taking away livelihoods of individuals, comes into conflict with other policies of stabilization or counter-terrorism.

Drug production and trafficking is therefore a major governance issue, at global and local levels, with serious actual and

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3 The Schengen countries are the European countries that have abolished border controls among themselves. It should be noted that the Schengen principles of free circulation of people are backed by improved security measures to ensure that the EU’s internal security is not threatened.
potential security and diplomatic implications. Arising from the absence of governance at the local level, drug production and smuggling have become one of the main impediments to governance in Afghanistan. The problem, moreover, is disrupting the entire region as it feeds militancy, creating additional tensions between Afghanistan and its neighbors.

It is in this context that the Senlis Council, an international drug policy think tank, launched an initiative for the creation of a licensing system in Afghanistan which would allow the cultivation of opium for the production of essential medicines such as morphine and codeine. The idea is to break the vicious circle of the drug economy in Afghanistan by moving the opium trade into a legal system controlled by and benefiting the state. Additionally, this would make opium production a legitimate source of income that would contribute to stability and promote economic development.

The proposals contained in the feasibility report published by the organization and edited by Spivack et al. in September 2005 are interesting on two accounts: At first sight, they go against the conventional thinking of prohibition and try to address what has been so far a major failure of the international community. They claim to do so through a pragmatic examination of the issues at stake rather than through an ideological perspective. Second, they constitute an attempt by a civil society actor to shift the agenda of the major powers on an issue of crucial importance (Spivack et al., 2005b).

However, this paper adopts a more critical view of the Senlis proposals. As seductive as they may appear at first, the Senlis proposals are not a miracle solution. The principles on which they are based – economic, social and political – diverge only marginally from those underpinning previous approaches. Some
of the proposals could indeed be applied. However, their eventual success would require political conditions that are still missing in Afghanistan.

For the Senlis Council proposals to succeed, a market would have to come into existence in developing countries, where the Council states that the need for morphine-based pain killers is greatest. Between legitimate skepticism regarding the efficiency of present policies and the potentially greater need for licit medicinal use of opiates is the need for a market and for regulatory and law implementing authorities, all of which are currently lacking. This paper argues in particular that the political reconstruction of Afghanistan will not be, and cannot be, the happy outcome of the sudden legalization of opium.

In the present situation, the Senlis proposals would, on the contrary, speed up the transformation of Afghanistan into a narco-economy (which it already is to some extent) by legitimizing the position of the current drug lords who have succeeded the warlords in holding power in the country. The Senlis proposals would, moreover, fail to address the issue of trafficking. Whatever might be the intrinsic value of the Senlis Council's proposals as discussed in this paper, the legalization of opium production should at best be envisaged as a possible outcome of the political reconstruction of Afghanistan, not as its prerequisite.

The paper argues, therefore, that, imperfect as they may be, current policies may well be optimum for Afghanistan given the country's present situation and the structural problems (inelasticity of the demand vs. extreme elasticity of the sources) inherent in the global war against drugs, where, increasingly, experts consider that only a demand reduction will lead to a decrease of supplies.
2. The Reasons Behind Opium Production in Afghanistan

The development of a narco-economy in Afghanistan is clearly the result of continuing conflict. Three distinct phases in this conflict can be identified. The first followed from the Soviet invasion in 1979 and continued until the communist regime’s downfall in 1992. The second occurred between 1992 and the takeover of Kabul by the Taliban in September 1996. The third phase was characterized by the struggle between the Taliban and "everybody else" from 1996 to October 2001. Since then, the Taliban has continued to fight government forces (Labrousse, 2005b: 169).

(i) The opium production explosion was first the result of US disengagement from Afghanistan. Before the Russian invasion, the country produced only 100 tons of opium a year. Between 1979 and 1992, poppy cultivation was multiplied by ten. With the fall of the communist regime, the American supply of weapons and money dried up and the Mujahideen had to look for alternative financial sources to fund their struggle.

(ii) Opium production was also driven by poverty. According to the UN Food and Agriculture Organization, irrigated surfaces were halved between 1978 and the end of the 1980s, and diminished by another 37 per cent during the 1990s. Unfavourable climate and destruction of irrigation channels resulting from the war only made matters worse. In such conditions, opium production was increasingly considered the only avenue by which many Afghans could make a living, although it did not help to solve the country’s chronic food shortage (Chouvy, 2003). When the Taliban emerged in 1994,
annual production had reached 3,000 tons (see Table 1.1 below). Opium is a high-value, low-weight commodity for which there is a demand. It is well suited to Afghanistan’s climatic conditions and maximizes return on scarce irrigation water. There are sufficient returns at each stage of the supply chain. Some estimates suggest that for every hectare of opium poppy cultivated, as many as 5.6 jobs are created in the rural non-farm economy (Mansfield and Pain, 2005: 3). Its cultivation also facilitates access to credit and provides opportunities to access land on a sharecropping or tenancy basis (Ibid).

Table 1.1: Afghanistan Potential Opium Production, 1994-2005 (metric tons)

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(iii) Finally, chaos was a powerful facilitating factor. The increase in opium production in Afghanistan was not a linear process. In 1999, under the Taliban, production levels had reached a record 4,600 tons. In 2001, however, the same regime's ban led to a sharp decline in both cultivated areas and opium production. In the post-Taliban era, however, the absence of effective law enforcement combined with a tenfold fold increase in opium prices, drove production to 4,200 tons in 2004 (UNODC, 2005: 1). With the end of the Taliban era, opium and then heroin production, stopped being a source of funds to finance the war and became an income stream for a few greedy individuals with no political agenda (Chouvy and Daniel, 2005).
Today, some 264,000 Afghani families, roughly 1.7 million people, are estimated to be involved in growing opium poppies (Carpenter, 2004: 5). Table 1.2 above illustrates recent growth in opium poppy cultivation. Profits from the drug trade are equal to 52 per cent of Afghanistan's legal GDP. According to the UN Office on Drugs and Crime (UNODC), the potential value and income of the 2005 opium harvest to the Afghan economy was about US$2.7 billion (US$2.8 in 2004) (UNODC, 2005: 83).

**3. The International Approach to Combating Drugs in Afghanistan**

This explosion of opium cultivation since the fall of the Taliban has led President Hamid Karzai to describe the Afghan opium trade as "a worse cancer than terrorism or the Soviet invasion of 1979" (quoted in Felbab-Brown, 2005: 55), while the United States and the United Kingdom, as well as major international organizations, have declared that drugs "now constitute the greatest threat to Afghanistan's democratic consolidation and economic development" (Ibid). However, the complexity of the motivations behind poppy cultivation creates a series of dilemmas that makes the fight against opium cultivation extremely hazardous. As the benefits generated by illicit cultivation and trade in opium extend beyond a relatively small number of dealers and become the only source of income for many farmers, it has become extremely difficult to attack the former...
without affecting the latter, thus creating the risk of social unrest and political instability in an already very fragile polity.

Counter-narcotics policies could indeed undermine democratization. As Barnett Rubin puts it, "Afghanistan cannot be stabilized while the most dynamic sector of its economy is illegal, nor if more than half of its economy is destroyed" (quoted in Bonino, 2006a). Eradication, on the one hand, poses potentially disastrous risks for Afghanistan's economic reconstruction and political stabilization. Interestingly, the same concerns led the Taliban to renounce its initial attempt to eradicate poppy cultivation. Achieving successful alternative development, on the other hand, is an uncertain and long-term path that has yet to prove its validity in the Afghan context. Opium poppy cultivation also has side-effects. Because opium production uses arable land, food products have to be imported and inflation increases (Olivier, 2004: 51). Counter-narcotics measures can also affect counter-terrorism operations. They compromise intelligence gathering, alienate rural populations and allow local renegade élites to successfully agitate against the government (cited in Felbab-Brown, 2005: 56).

In 2004, after a long period of apparent unconcern during which the only anti-drug policy of the US was to push its British partners to assume primary responsibility for fighting poppy cultivation, the US Congress allocated US$1 billion to fight Afghanistan's poppy trade. This did not prevent production rising to a record level the same year. Responding to Congressional concern, then US Secretary of Defense Donald Rumsfeld stated that drug eradication in Afghanistan was now a high priority of the Bush administration. The congressional pressures combined with criticism from foreign capitals, in particular Russia and Central Asia, convinced the administration that "something had to be done." More important, however, was "the potential for
the drug commerce to corrupt Afghanistan's entire economic and political structure" (Carpenter, 2004: 3), undermining stability and the containment of other threats. The US administration was also concerned about "the opium trade providing a lucrative source of revenue for the Taliban, Al Qaeda and other enemies of the US-backed Karzai government" (Ibid).

The first comprehensive eradication program was initiated during the 2004-2005 growing season. Strong pressures against cultivation, the promise of development assistance, the threat (and practice) of eradication, uncertainties over prices, previous opium crop failure and concerns over access to wheat, all resulted in a substantial decrease in poppy-cultivated areas. The eradication program, run by the Afghan National Police and the Central Poppy Eradication Force in cooperation with provincial governors, resulted, in the eradication of some 5,000 hectares, according to UNODC (Ibid). Some farmers voluntarily refrained from poppy cultivation. The remaining 104,000 hectares, cultivated by an estimated 309,000 households (Afghanistan: Opium Survey, 2005: 118), produced output of 4,100 tons, a decrease of only 2.4 per cent. In March 2005, the Pentagon added military support to counter-narcotics operations and support to the Drug Enforcement Administration (DEA) to the mission of US military forces in Afghanistan.

The Dilemma of Political Stability and the War on Terror

Forced eradication is traditionally the US government's preferred anti-narcotics policy. Faced with crop destruction, farmers supposedly have increased incentive to abandon illicit cultivation in favor of growing legal products. Related activities such as transportation of illicit drugs, then decline. Financial resource flows to warlords and terrorists dry up. The entire production and "commercial" chain is thus dismantled (Felbab-Brown, 2005: 62).
As we have noted, however, everyone involved in Afghanistan's reconstruction and the war on drugs well understands that it is counter-productive to target farmers directly. The approaches adopted in Afghanistan rely on a combination of interdiction, eradication, and alternative livelihood interventions. The US president's National Drug Control Strategy, for example, focuses on "promoting alternative livelihoods for farmers, strengthening drug law enforcement and interdiction programs, supporting capacity building for Afghan institutions…" In this strategy, "eradication efforts [are] tied to development of alternative livelihoods where practical" (Office of National Drug Control Policy, 2004). While public information is also a pillar of this approach, eradication and alternative livelihoods are obviously the central elements of this policy. The effort is complemented by the inclusion of capacity-building programs in law enforcement and justice reform.

**Eradication**

The eradication policy is based on the conviction that "in addition to the obvious reason, eradication is needed to begin installing in the minds of the populace that the government is serious about not tolerating opium cultivation and that, by extension, there is significant monetary risk in planting opium poppy" (Ibid). Its objective is to reduce production by 20 per cent per year.

Eradication efforts are first led at the provincial governor level and closely monitored by the US, UNODC and the Afghan government. If this phase fails, the national government steps in. The Central Poppy Eradication Force was established in April 2004 to carry out centrally-directed eradication. A special force, the National Interdiction Unit, trained by the US DEA and operating under the Counter-narcotics police, re-emerged in 2005 as the Afghan Eradication Force, a force composed of five
teams, totalling about 150 people, led by international advisors reporting to both the US and Afghan governments. Finally, a new Counter-narcotics Ministry was created in December 2004, to replace the former Counter-narcotics Directorate and to coordinate and oversee counter-narcotics policies and the related activities of other ministries.

**Alternative Livelihoods**

The alternative livelihoods strategy is also of central importance. As indicated before, there is consensus in the international community that targeting farmers should be avoided so as to preserve a highly fragile political situation. The concept of alternative livelihoods emerged in 2002 from a number of factors. In particular, these included: an analysis of the weaknesses of the "alternative development" strategies\(^4\) of the past; recognition of the immensity of the opium problem; and the availability of substantial international aid allocated to reconstruction and development (Mansfield and Pain, 2005: 4). The objective is to address the causes of cultivation through a wider state-building and development agenda. Implicit in the concept is the recognition that opium poppy cultivation will not contract simply by enhancing licit livelihoods opportunities. Supporting agriculture is therefore an essential component of the strategy, but providing social and physical infrastructure as well as credit is also a key component of the wider strategy.

All these elements combined in 2005 to produce a sharp decline in opium-cultivated areas. The result was spectacular in Badakhshan

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\(^4\) In which the promise of alternative development is used as a bargaining tool to negotiate maximum reductions in levels of opium poppy cultivation from communities. Development assistance is seen as a compensation rather than a means by which to promote equitable growth and empower the poor. See Mansfield and Pain (2005): 5.
and Nangahar provinces. In Nangahar, poppy cultivation declined by 95 per cent. Overall, opium-cultivated areas contracted by some 27,000 hectares. However, due to favourable weather conditions, actual opium production declined by only 2.1 per cent.

Critics argue that, as the root causes of poppy cultivation have not been addressed, this decline is not sustainable. In some districts, farmers have announced that they will resume poppy cultivation if they do not receive further assistance (Labrousse, 2005a: 304). Officials in charge of the counter-narcotics operations are cautious regarding the future. Some experts contend, however, that a resumption of poppy cultivation in 2006 by some farmers should not necessarily be considered a failure, as it will take time for alternatives to become sustainable (Ibid).

4. The Senlis Council Proposals

This is the context in which the draft Senlis proposals were presented to the press in Kabul in March 2005. Placing its study in the legal framework established by the 1961 Single Convention on Narcotics Drugs, which contains provisions for the legal production of opium for medicinal purposes, the Senlis Council asserted that "current policy choose(s) to destroy a valuable natural resource, rather than turning it into a powerful driver for economic development" (Spivack et al., 2005b: 22). It called for the licensing of opium in Afghanistan for the production of medicine as an economically viable and controllable response to the extraordinary nature and scope of the illegal economy. This call was then followed by ten operational recommendations to the international community:

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1. Develop a "Fast Track System" for controlled licensing of opium production in Afghanistan.

2. Determine the optimal varieties of poppy for the implementation of a controlled opium industry in Afghanistan – explore new scientifically developed varieties that prevent production of heroin but are well suited to production of codeine, and "colour-coded" poppy flower blooms to indicate licensed fields.

3. Build a value chain that benefits Afghan farmers and provides both business opportunities and government revenue for Afghanistan.

4. Investigate special market access and branding possibilities for Afghan morphine and codeine.

5. Explore preferential trade agreements between Afghanistan and target export countries based on the US special trade agreements already existing with India and Turkey.

6. Instigate a "bottom-up" process to establish strong control systems to prevent diversion into illegal markets based on Afghan legal traditions.

7. Develop Afghanistan's future by integrating the Afghan economy stakeholders into development through amnesty provisions.

8. Develop farmer and field selection guidelines.

9. Urge full disclosure by the International Narcotics Control Board of the structure of existing actors in the licensed opium market.

10. Reorganize drug policy governance in Afghanistan, placing alternative livelihoods and development at the
forefront and averting the increasing militarization of drug policy in Afghanistan (summarized from Spivack, et al., 2005a: 2-3).

Reaction to the Senlis Council report has taken place in two phases; The Senlis Council presented its initial findings to the press in Kabul in March 2005 and released its full report in September 2005. In both cases, the *Feasibility Study on Opium Licensing in Afghanistan for Production of Morphine and other Essential Medicines* received some support from the international community or segments of it, as well as in the international media.

Expressing the views of the Afghan government, the Minister of Counter-Narcotics remained very cautious, saying his government would not have any problem with the proposals if it was demonstrated that they really helped (IRIN, 2005). Few commentators actually directly opposed the proposals.

The New York Times⁶ and several Asian newspapers published op-eds supporting the recommendations of the report. The former European Commissioner for Human Rights, Emma Bonino, was particularly active in promoting the idea on the eve of the London donors' conference for Afghanistan. Finally, in January 2006, a resolution of the European Parliament called on the London donors' conference to "take into consideration the proposal of licensed production of opium for medical purposes, as already granted to a number of countries" (Bonino, 2006b).

The idea that legalization of opium production could be part of the solution to the Afghan problem was not itself new. Several

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observers and analysts, recognizing that Afghanistan's economic reconstruction is largely financed by drug profits, argued that what could not be controlled had to be authorized, on the grounds that fighting drugs came into conflict with other priorities. Coalition forces were apparently initially told not to interfere with drug traffickers and to concentrate on security and reconstruction (Carpenter, 2004: 2).

What was indeed new, however, was the linkage between this controlled legalization and a supposed medical market for opiates and all its derivatives. From a highly condemnable activity, cultivating opium was now presented by the Senlis Council as being one with potential humanitarian benefits on two accounts: relieving the pain of millions in the third world and beyond, and providing a livelihood to the Afghan peasantry. It also had a semblance of economic rationality. Moreover, gone was the dilemma between political stability and the fight against drugs. As such, legalization provided a welcome escape from the deeply frustrating reality as well as moral comfort.

However, if many of the defenders of the Senlis Council proposals concurred regarding the supposed failure of existing drug policy in Afghanistan, there was little analysis of the actual content of the Senlis Council proposals and of the assumptions on which they are based.

The Economics of the Senlis Council Proposals

In March 2005, in a response to the initial findings of the Feasibility Study, the country office for Afghanistan of the United Nations Office on Drugs and Crime refuted both of its main arguments, contending that there was currently no market for licit opiate materials and that the "level of income through licit poppy cultivation for farmers would be minimal compared
to the profits made through illicit cultivation activities." The UN body concluded that "the introduction of licit poppy cultivation would certainly not provide an alternative to Afghan farmers at a wider scale" (UNODC, 2005).

One of the key assumptions of the Feasibility Study and subsequent recommendations is the existence of an untapped world market for opiates. This assumption is based on the 2004 annual report of the International Narcotics Control Board, the independent control organ of the United Nations drug control conventions. It is based as well on later statements made by its president, Professor Hamid Ghodse, who, during the 58th session of the World Health Assembly, in May 2005, drew international attention to the shortage of essential narcotic drugs needed for medical and scientific purposes. Both the report and the statement pointed out that six countries together accounted for 79 per cent of the global consumption of morphine, while "developing countries, which represent about 80 per cent of the world's population, accounted for only 6 per cent of the global consumption of morphine" (International Narcotics Control Board, 2005). According to the Senlis Council, the potential of the opiates market is so large "that it requires more than market regulation corrections, it calls for additional supply in opium products" (Spivack et al., 2005b: 58).

However, worldwide demand, as expressed by the market, is estimated to be about 400 tons of raw opiate material while the current production level is approximately 400-500 tons. The current global stocks of raw opiate material rose from 400 tons in 2000 to 850 tons in 2003 (UNODC, Country Office for Afghanistan, 2005). The 4,200 tons of opium produced in Afghanistan in 2004 would be transformed into about 500 tons of morphine that would simply add to the current surplus.
This does not mean that the Senlis Council's mathematics are wrong; but a market is not simply the sum of individual demands. It is also a set of institutional arrangements and requires legal national frameworks authorizing the consumption of drugs under medical supervision, national health care delivery systems, financial capabilities, personnel training and so forth, conditions that are presently lacking in most developing countries. This situation explains the current gap between potential demand and real stocks. "Simply raising levels of morphine production, whether by licensing opium production in Afghanistan, or by increasing the yields of current producers is unlikely to increase the medical consumption of morphine and codeine in the world" (Chouvy, Pierre-Arnaud, 2006).

In essence, the market is not simply a mathematical supply-demand mechanism: in fact, there is a significant demand for opium, but the actual size of the market – as well as the opium delivery and consumption framework – is too small for it to be met. So the Senlis Council is probably right in arguing that "the global shortage of opium based raw material exists due to significant unmet demand for opium based medicine such as morphine and codeine in patients with moderate to severe pain" (Spivack et al., 2005b: 58). However, the development of the necessary market mechanisms for ensuring the supply-demand match would extend far beyond the time necessary for the present reconstruction of Afghanistan.

Interestingly, although initially basing its assessment on the global needs for opiates-based painkillers, the Senlis Council recommended looking for special trade arrangements that could be concluded only with developed countries where the consumption of pain killers is already a reality, and where the demand could rise significantly in the years to come. This would certainly
be a possibility worth exploring but the problem then will be the control of production, as we shall see later in this paper.

Some observers disagree with the Senlis Council on the issue of economic viability and sustainability. They argue that legal opium poppy cultivation is already undertaken for pharmaceutical use by twelve countries in the world, eleven of which actually harvest poppy straw in the context of modern mechanized agriculture and produce a concentrate of poppy straw. India actually produces opium that requires numerous amounts of cheap labour. In 2004-2005, the average price of a keg of opium was US$26 in India. The Senlis Council argues that by licensing opium and reducing the margin received by the state as taxes would allow farmers to be paid US$52 per kg. However, this price hardly competes with the average return of US$102 provided in 2005 from the same opium sold illegally (Chouvy, 2006). Moreover, for the production to be sustainable, a number of farmers would have to be convinced to give up production for less lucrative crops, which is highly unlikely in a country where controls are very weak.7

Finally, whatever the merits of the Senlis Council calculations, they are based on the opium and/or morphine markets. Even if one accepts the figures proposed by the European think tank (The Senlis Council, 2005: 25, 29), they have to be compared with the prices obtained for the production and trafficking of heroin, production of which is increasingly taking place in Afghanistan itself and for which prices are dramatically higher. Even if the income received by the peasant is notably less than the income received by the trafficker, the latter still

7 At the time of writing, the price of mushrooms, considered a high value crop, was estimated at US$2/kg; interview by the author, Kabul, 2005.
has a comfortable margin from which to pay the peasant more than what the licit opium market would generate.

This is particularly true in the context of the development of a large heroin market in the region and beyond, in Central Asia, the Russian Federation and Eastern Europe. There are already more opiates users in those new heroin markets than in Western Europe, and there seems to be a large potential for further growth. Although the newer markets are not as profitable as Western European markets, they have the potential to offset the loss of profitability per transaction by expanding the consumer base (Spivack et al., 2005b: 312). Therefore, this makes it even more difficult to imagine that the creation of a morphine-based painkiller market would compensate for the loss of such a lucrative one.

It should be observed in this regard that there are precedents of legal opium production for pharmaceuticals. Throughout the 1960s "although the Turkish Marketing Organization was a legal pharmaceutical producer, Anatolia farmers exceeded their opium quotas and exported the surplus" to Iran and Western Europe (McCoy, 2004: 46).

5. The Issue of Control

The major argument put forward against the legalization of opium poppy cultivation by the United Nations Office on Drugs and Crime was, however, the absence of an adequate control system in Afghanistan. Even if one accepts the conclusions of the Senlis Council, there remains a number of crucial issues which, if they do not impede the recommended legalization of opium, decrease dramatically the attraction of this option. The issue of control is among them on at least two counts: its feasibility and its impact.
The Senlis Council argues for "a strong control system to prevent diversion to heroin trade – a "bottom-up approach" based on Afghan legal traditions" (Spivack et al., 2005a: 7) – and considers it a critical factor to the success of the licensing system. Taking into account the weakness and corruption of existing law enforcement mechanisms in Afghanistan, the Council proposes to use local control mechanisms such as Jirgas and Shuras, which are supposed to be "presently more effective in the country than the western legal system currently being established" (Ibid). These local control mechanisms would themselves have to be integrated with national law enforcement institutions that in turn would contribute "to bringing the relationship between rural communities and central authority to more collaborative grounds" (Ibid).

The authors recognize that armed political groups, commanders and warlords have positioned their loyalties within Jirgas and Shuras and admit that the risk of diversion cannot be overlooked. However, they consider that this situation represents "more manageable risks than the current threat of an entirely illegal market" (Ibid).

Even if one concedes the greater efficiency of local bodies as compared to the national law enforcement institutions, as well as acknowledging their limitations, it is obvious that the legalization of opium production would not offer sufficient incentives to farmers. The present illicit production itself is not enriching the peasants and is barely sufficient to ensure their survival. How, therefore, could the Shuras and Jirgas, representative of the local communities, go against the interests of these communities? The Taliban experience is particularly telling in this regard. With much greater law enforcement capacities than is presently the case in Afghanistan, the Taliban, too, had to renounce its initial ban on opium harvesting for fear of alienating the rural population. Even if legalization is not equivalent to a ban and does offer a partial
alternative, the most likely result is not the quasi-elimination of illicit trafficking with some remaining unavoidable diversions, but, at best, the continuation of the illegal market next to the legal one. The council argues that Afghan farmers would prefer a stable and lawful, if somewhat low income to a high and illegal one, but this proposition is valid only if the existence of strong law enforcement mechanism were to render highly uncertain revenues from illicit cultivation.

The Senlis Council does not ignore the need to accompany technical, legal and economic mechanisms with education, and indeed strongly emphasizes it. Yet, the success of such measures would require conditions that do not currently exist in Afghanistan. The proposal is therefore at best only a variation of the existing alternative livelihoods approach, replacing illicit poppy cultivation by licit poppy cultivation with the additional risk of continued dependence on warlords. In this perspective, Recommendation 10 – reorganize drug policy governance in Afghanistan, placing alternative livelihoods and development at the forefront and averting the increasing militarization of drug policy – would certainly make sense. But like alternative livelihoods, the success of this approach would be dependent on the achievement of broader development goals, including the establishment of those institutions required for formal governance, promotion of a strong civil society and strengthening of social protection mechanisms.

6. Opium Legalization and State Building

The preceding section intended to demonstrate that opium cultivation for medicinal purposes cannot be legalized if not preceded by state building and political reconstruction. The question of the potential impact of opium legalization on state building is also important.
The problem here is not only that the drug trade is funding terrorism or the Taliban, thus complicating the task of the Karzai government in establishing control over the country. This is indeed a serious matter that has to be addressed because the groups involved, Al Qaeda and the Taliban, wish to prevent the government from extending control over the entire country.

Yet the extent to which drug money is helping in this regard is debatable. Mirvais Yasini, head of Afghanistan's Counternarcotics Directorate, estimated in 2004 that the Taliban and its allies derived more than US$150 million in 2003 from drug trafficking, and asserted links between some major traffickers and Al Qaeda and Osama Bin Laden (Chouvy, 2004: 3-5). As for the latter pair, the National Commission on Terrorist Attacks Upon the United States concluded that it had "seen no evidence that Al Qaeda played a major role in the drug trade or relied on it as an important source of revenue either before or after 9/11. While the drug trade was an important source of income for the Taliban before 9/11, it did not serve the same purpose for Al Qaeda" (Roth et al., 2004: 22-23). But even the importance of the drug trade for the Taliban is exaggerated for obvious political reasons. According to Pierre-Arnaud Chouvy, a French specialist of drug geopolitics, the income generated for the Taliban by the drug trade in 1999, a year of record harvest, was estimated to be between US$80 and US$100 million (Chouvy, 2004: 3-5). It is difficult to imagine the Taliban getting more revenue from the drug trade while on the run than during their years in power. Yet it does indeed feed their resistance and, as such, should be eliminated.

Yet again, the nature of the threat should again be specified. As asserted by Ali Jalali, former Interior Minister of Afghanistan, "The insurgency in Afghanistan does not pose a strategic threat
to Afghanistan's government: it can for the foreseeable future not overthrow the government. What it can do is provide a sense of insecurity; which in turn weakens government control; leads people to lose trust; lose hope; the issue then turns into one of survival for people, leading to the proliferation of corruption and drug trade. In other words, the insurgency creates a condition of insecurity which prevents government functions from becoming effective" (emphasis in original, Jalali, 2005).

However, another risk, already a reality, results from the patient infiltration of the state apparatus by drug barons. Traffickers are everywhere: in the government, in the parliament, in the police, etc. A number of high-profile arrests and convictions would do much to change the incentive structure (Ibid). Some observers say they are now at the core of the new system, notably in the local and provincial administrations but also in the central one. These drug barons, who come from all kinds of backgrounds, are not fighting the government. They are quietly, discreetly infiltrating it. As observed by Olivier Roy, a state is useful to narco-traffickers as it provides them with the appearance of legality and a sanctuary in the name of national sovereignty (Roy, 2004: 51). Many high-ranking leaders are said to be now more or less directly linked with trafficking. At the local level, no administrator can fight the trafficking as he would risk alienating everybody, but also and more importantly, he would be disavowed by the higher echelons of the administration, either because the traffickers enjoy the protection of some high-ranking "godfather" or because he would have broken the local equilibria (Ibid: 52). In other words, it is not anti-state but, on the contrary, state actors who are benefiting the most from illicit opium cultivation and trafficking. What we are witnessing therefore is both the consolidation of an anti-state movement and the emergence of a narco-state.
Although it is not clear whether this is itself a politically destabilizing factor for Afghanistan, it is quite obvious that the legalization of opium in such a context would open up all kinds of uncertainties. First of all, it would legitimize the presence in official functions of a number of criminal elements, affecting the already weak credibility of a new and fragile government. It would also weaken the fight against illicit drugs by blurring the lines between what is licit and illicit.

The amnesty scheme proposed by the Senlis Council study would only reinforce this trend, as amnesty would be decided and implemented by a number of people already involved in, or more or less linked to, trafficking. This is also admitted in the study, which states not only that "such a measure could be more in the nature of a self-imposed amnesty if applied to servants of the State" but that "it would also serve to detract from ongoing anti-corruption efforts in Afghanistan" (Spivack et al., 2005b: 624).

This is a possibility, as acknowledged by the Senlis Council in its study, which states that, "since the opium trade inside Afghanistan is still mainly in the hands of Afghan drug lords, who function as intermediaries between foreign traffickers, it is feasible to consider that a democratic transition might even attract more international criminal groups to Afghanistan, especially if it is not accompanied by economic development, poverty reduction and an effective law enforcement system" (Ibid: 354). The study admits that "the outcome in the longer term will also depend on whether opium cultivation and production moves to other areas and whether domestic and international crime groups operating inside Afghanistan will switch from illegal to legal activities following the introduction of licensed opium and alternative livelihoods" (Ibid). However, the study does not provide any mechanism to ensure that negative "side effects" will be prevented. Moreover, none of the scenarios envisaged by the study
foresees a positive impact on regional and global production and trafficking. At best, illicit opium cultivation would move to neighbouring countries (Ibid: 361-362).

### 7. Conclusion

In his 2000 book on *Drug Diplomacy in the Twentieth Century*, William McAllister asserted that in the past, within the international struggle against drug production and trafficking, "demarcating and managing the boundaries between licit and illicit, ethical and unethical, profitable and marginal, became increasingly problematic" (McAllister, 2000: 246). From this perspective, the Senlis Council proposals can only be considered an aggravating factor because such demarcation would be made more difficult.

Whatever the shortcomings of the present policies, the Senlis Council proposals do not offer the miracle solution to Afghanistan's current lack of control over its drug production. They are in no way able to solve the current dilemma. On the supply side, they do not depart from existing strategies and would require the same amount of coercion; on the demand side, they do not attempt to reduce the demand but to increase it substantially through the consumption of opiates for medicinal purposes in developing countries. However, neither the market nor the conditions for its emergence currently exist. They would take, at best, years to develop.

Ali Jalali again provides probably the most accurate description of the current situation in Afghanistan when he asserts that "Growing poppies is at present a low-risk enterprise in a high-risk environment. The key will be to turning it into a high-risk enterprise in a low-risk environment" (Ibid). Legalizing opium production in such a context would only send the wrong message.
State building is therefore central to the issue. It is a prerequisite to an efficient reduction of opium and heroin production. State building will not eliminate drug trafficking but no counter-narcotic efforts will be successful without prior strengthening of the Afghan state's capacities. Police, and more generally, law enforcement agencies, will have to be reinforced before the drug processing and trafficking can be stopped. This effort will have to be accompanied by alternative livelihoods development in order to provide the farmers with a reasonable income, which the Senlis proposals would provide, at best, only for a limited number of farmers. Only when these conditions have been met could the legalization of opium production for pharmaceutical purposes be envisaged.
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