

# NARCO-JIHAD: DRUG TRAFFICKING AND SECURITY IN AFGHANISTAN AND PAKISTAN

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With much of the recent discussion about counterinsurgency efforts in Afghanistan focused on the question of possible shifts in broad U.S. strategy and new troop commitments, other dimensions of the conflict have faded from view. Perhaps chief among these is the role of narcotics trafficking and its impact on the central dynamics that underpin the quagmire in South-Central Asia. The situation that the United States and U.S. international allies face on the ground is driven by factors that far transcend al Qaeda and its regional affiliates.

A variety of regional tensions and festering problems—some of which date back decades—converge today on the Afghanistan-Pakistan border. Narcotics are significant not only as the chief economic driver among this cluster of issues but also precisely because they represent the single issue in which the greatest number of relevant players in the conflict have a direct stake. As Vanda Felbab-Brown points out in her contribution to this report, “a multitude of actors are deeply involved in Afghanistan’s opium poppy production, including the Taliban, all levels of the Afghan government, law enforcement, unofficial power brokers, and tribal elites.” Although opium proceeds may not serve as the Taliban’s single greatest source of income (donations from Islamic charities and private individuals in the Arab Gulf region contribute more to their coffers), narcotics are undoubtedly the economic lynchpin that connects the key players in the region. As Louise Shelley and Nazia Hussain illustrate in their piece, the dynamics in question are by no means confined to Afghanistan and Pakistan. Afghanistan provides the vast majority of the world’s opium supply as well as now being a major producer of cannabis resin. Global demand dynamics hence exert important pull effects in the immediate region. Likewise, with Russia and Central Asia serving as major through routes for narco-trafficking, this problem also needs to be seen in the context of broader regional factors, with Iran and Turkey also in the mix—a point also made by Ehsan Ahrari in his essay. When it comes to solutions, the analyses in this report illuminate key areas of potential impact. Felbab-Brown, for example, demonstrates that recent declines in poppy cultivation in Afghanistan are a result not so much of local counternarcotics efforts but rather stem from overproduction without commensurate increases in world demand. She also makes the crucial point that alternative agricultural solutions for Afghanistan that also rely on monocropping will likely fail to create the momentum needed for broad-based sustainable economic growth.

To invoke the concept of “narco-jihad,” then, is to recognize the seemingly counterintuitive juxtaposition of violence in the name of religious purity fueled in good measure by proceeds from illicit drugs. This NBR Special Report explores various facets of the phenomenon of narco-jihad in Afghanistan and Pakistan. Put together, the three papers that collectively compose this study represent a comprehensive, multi-perspective analysis that will be essential reading for policymakers and analysts of regional and global affairs alike.

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# The Drug Economy in Afghanistan and Pakistan, and Military Conflict in the Region

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## EXECUTIVE SUMMARY

This essay assesses the nexus between the narcotics economy and violent conflict in Afghanistan and Pakistan.

### MAIN FINDINGS

- While opium production in Afghanistan declined in 2008–09, it was significantly higher than the estimated total global demand for illicit opiates. Overproduction, not counternarcotics efforts, primarily accounts for the reductions in cultivation and production over the past two years.
- Price profitability of opium poppy is not always the most important structural factor driving the narcotics economy in Afghanistan. Insecurity and the lack of infrastructure, value-added chains, assured markets, legal microcredit, land titles, access to land rent, dispute resolution mechanisms, and the rule of law are frequently more important factors than price profitability.
- Currently a multitude of actors are involved in Afghanistan's opium poppy production, including the Taliban, all levels of the Afghan government, law enforcement, unofficial powerbrokers, and tribal elites.
- Without a legal alternative economy in place, poppy bans and eradication campaigns have proven economically devastating for the population, socially and politically unsustainable, and counterproductive for the counterinsurgency effort.
- Without a reduction in the global demand for illicit opiates, a significant reduction in the opium poppy economy in Afghanistan will shift production elsewhere, including possibly to Burma, Central Asia, or Pakistan.

### POLICY IMPLICATIONS

- An alternative legal economy cannot consist of a monocropping system, such as with wheat. For legal livelihoods to be sustainable and effective in Afghanistan, they need to consist of high-value, labor-intensive, diversified crops, such as fruits and vegetables.
- The longer alternative livelihood programs fail to provide economically sufficient replacements for opium poppies, the more problematic it becomes for local elites to endorse eradication and the more the local communities become susceptible to mobilization by the Taliban.
- A shift of the opium poppy economy to Pakistan would be highly detrimental to U.S. interests, further destabilizing the Pakistani government, threatening the government's territorial control and integrity, and fueling militancy by providing Pakistani jihadists and possibly also Baluchi insurgents with significant financial profits and extensive political capital that is currently not available to these groups.

This essay explores the interface of Islamic militancy with opium poppy cultivation and the drug trade in the Afghanistan-Pakistan region and draws implications for U.S. national security. It analyzes the evolution of the narcotics economy in the region since the late 1960s and the progressive involvement of various state and nonstate actors in the economy since then, with particular attention to current Islamist jihadi networks in the region. The essay also assesses the effectiveness of various counternarcotics policies, especially since 2001, and evaluates the effectiveness of these policies not only with respect to the narrow goal of narcotics suppression but also with respect to counterinsurgency, counterterrorism, state-building, and the stabilization of Afghanistan and Pakistan.

Although counternarcotics suppression policies progressively intensified in Afghanistan from 2001–09, they have not resulted in a substantial and sustainable reduction in the cultivation of opium poppies nor have they succeeded in curtailing the Taliban’s drug income. Instead, these policies have strengthened the bond between poppy farmers and the Taliban by alienating farmers from both the Afghan national government and local representatives, with negative repercussions for counterinsurgency efforts, including the diminishment of human intelligence flows on the Taliban and other jihadists. At the same time, efforts to promote alternative livelihoods have been underresourced and cast too narrowly, focusing almost exclusively on relative price ratios of opium to legal crops while largely ignoring the complex and multifaceted drivers of opium poppy cultivation.

After decades of cultivation and the collapse of legal economic opportunities, opium is deeply entrenched in the socio-economic fabric of Afghan society and underlies much of the country’s economic and power relations. Many more actors than simply the Taliban participate in the opium economy, and these actors exist at all social levels.

The longer alternative livelihoods efforts fail to generate sufficient and sustainable income for poppy farmers, the more problematic and destabilizing it will be for local elites to agree to poppy bans and the greater the political capital that the Taliban will obtain from protecting the poppy fields. An intense eradication campaign under current circumstances will likely make it impossible for the counterinsurgency effort to prevail. Yet, as many other cases of the nexus between drugs and insurgency and terrorism show, through greater resources and improved strategy, counterinsurgent forces can defeat insurgent groups deriving substantial income from drugs. Although the new U.S. counternarcotics strategy appropriately deemphasizes eradication, instead focusing both on interdiction of Taliban-linked traffickers and on alternative livelihoods, this strategy is not free of pitfalls. Its effectiveness with respect to counternarcotics and stabilization will be determined by the actual operationalization of interdiction and alternative livelihoods programs.

Without a decrease in the global demand for opiates, a precipitous collapse of the opium poppy economy in Afghanistan will result in the relocation of opium production elsewhere. Should production be relocated on a large scale to Pakistan, especially into the North-West Frontier Province (NWFP), Federally Administered Tribal Areas (FATA), Pakistan-administered Kashmir, or Baluchistan, the consequences for U.S. security interests would be even more severe and dangerous than if large-scale cultivation persists in Afghanistan. In such a case, jihadists targeting the United States and the government of Pakistan will be able to vastly increase their political capital with local populations, thereby enhancing their chances of greatly destabilizing the government of Pakistan and strengthening terrorism activities against the United States.

The essay proceeds as follows. The first section provides an overview of the narcotics economy in Afghanistan and Pakistan, including basic statistics, a brief history of the evolution of this economy in the region, and a survey of the myriad actors involved from the 1970s through the fall of the Taliban in 2001. Second, the essay analyzes the political economy of the drug trade in Afghanistan today and the trade's structural drivers. Third, the essay provides an overview of the current actors involved in the narcotics economy, from village-level actors to official and unofficial powerbrokers to the Afghan and Pakistani Taliban groups and international smuggling networks. Fourth, the essay assesses the effects and evolution of counternarcotics policies in Afghanistan, from a laissez-faire approach to intensified eradication, interdiction, and alternative livelihoods efforts. The essay concludes with an assessment of the narcotics economy and counternarcotics efforts, including the implications of such efforts for stability in Afghanistan and Pakistan and regional conflict dynamics.

## A Background of the Narcotics Economy in Afghanistan and Its Relationship to Conflict in Afghanistan and Pakistan

### *Current State of the Drug Economy in Basic Statistics*

The latest survey of Afghanistan's opium poppy economy by the United Nations Office of Drugs and Crime (UNODC) indicates that cultivation of poppy during the 2008–09 growing season stood at 123,000 hectares (ha) and opium production at 6,900 metric tons (mt).<sup>1</sup> While representing a decline from the 2007–08 growing season of 22% and 10% respectively, both numbers still remain very high.<sup>2</sup> Indeed, at 6,900 mt, the total production of opium in Afghanistan still significantly surpasses the total global estimated demand for illicit opium. For years, this demand was believed to be at approximately 3,000 mt a year. After several years of opium production in Afghanistan doubly or triply surpassing the estimated total global demand, the UNODC this year increased the total global demand estimate to 5,000 mt. Whether or not the actual level is 3,000 mt or 5,000 mt, however, it is very likely that multi-year overproduction in Afghanistan has resulted in significant stockpiles of either opium or heroin. Though stockpiles are regularly found in Afghanistan and many households hold some stocks of opium as an asset for times of economic stress, it is not clear whether most of the excess opium is held in Afghanistan or outside the country, nor is the size or ownership of the stockpiles known. A further contraction of opium production thus can be anticipated irrespective of counternarcotics efforts.

Indeed, most of the decline in poppy cultivation can be attributed to the multi-year overproduction, which has suppressed opium prices in Afghanistan to low levels, rather than to counternarcotics efforts. Moreover, given the unusually high price of wheat in Afghanistan last year, which made it prohibitive for many Afghans to buy enough subsistence cereal even with monocropping opium poppy, some Afghans switched a portion of their land to farm wheat to avoid purchasing wheat on the market.<sup>3</sup>

The UNODC estimates that 1.6 million Afghans were involved in opium poppy cultivation during the 2008–09 growing period, representing 6.4% of the total population. This number,

<sup>1</sup> United Nations Office on Drugs and Crime (UNODC), "Afghanistan Opium Survey 2009," September 2009, [http://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghanistan\\_opium\\_survey\\_2009\\_summary.pdf](http://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghanistan_opium_survey_2009_summary.pdf).

<sup>2</sup> Ibid.

<sup>3</sup> David Mansfield, "Sustaining the Decline?: Understanding the Changes in Opium Poppy Cultivation in the 2008/09 Growing Season," Afghan Drug Interdepartmental Unit of the UK Government, May 2009, ii–iv.

however—down from 2.4 million, or 9.8% of the population, in the 2007–08 growing period<sup>4</sup>—vastly underestimates the actual level of employment the opium poppy economy provides and its criticality for the overall economy of Afghanistan. The opium poppy economy is highly labor-intensive and provides both on-farm and off-farm income opportunities (such as employment for itinerant laborers during harvesting), thus offering employment opportunities unparalleled in today’s licit and other illicit economies in Afghanistan. The opium poppy economy has multiple and strong spillover effects: income from this economy underlies the important sectors of Afghanistan’s legal GDP, including construction, trade in durables and non-durables, and services, such as roadside restaurants and hotels. Overall, the micro and macroeconomic significance is far greater than the UN estimate of the number of opium households suggests.<sup>5</sup>

Although the 2009 UNODC survey did not provide an estimate of the size of the overall opium poppy economy as a percentage of GDP, based on previous years it is safe to assume that this economy is still somewhere between one-third and one-half of the overall GDP.<sup>6</sup> Such a level of economic dependence on an illicit drug economy is truly unprecedented in the history of modern drug trade since the end of World War II. Also, given that Afghanistan continues to be the third-poorest country in the world with a very low human development index, the political implications of such a large illicit economy are inevitably also great.

From Afghanistan, opium and, increasingly, refined heroin is trafficked to Western Europe and Russia via Iran, Pakistan, and Central Asia. Given that China is once again becoming a significant consumer of opiates, however, some of Afghanistan’s heroin is likely also sent to China for consumption, despite the fact that Burma continues to be China’s primary supplier. Some of Afghanistan’s heroin is also destined for the United States, but Mexico and Colombia continue to fill most of U.S. heroin demand, despite recent decreases of opium poppy cultivation in Colombia.<sup>7</sup> It is at these international traffic and consumer-country distribution stages where the most significant profits from the illicit trade are realized, many times surpassing the profits remaining within Afghanistan.

### *Overview of the History of the Narcotics Economy in Afghanistan and Pakistan*

Afghanistan first became a significant opium producer in the mid-1950s, after poppy cultivation was banned in neighboring Iran. Initially Iran was Afghanistan’s principal market. But in the mid-1970s, when Western demand for heroin greatly expanded, and political instability and a prolonged drought disrupted the flow of drugs from Southeast Asia’s Golden Triangle, Afghanistan and Pakistan began to supply large quantities of illicit opiates to the global market.<sup>8</sup>

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<sup>4</sup> UNODC, “Afghanistan Opium Survey 2009.”

<sup>5</sup> For details on its economic significance, see Edouard Martin and Steven Symansky, “Macroeconomic Impact of the Drug Economy and Counter-Narcotics Efforts,” in *Afghanistan’s Drug Industry: Structure, Functioning, Dynamics, and Implications of Counter-Narcotics Policy*, ed. Doris Buddenberg and William A. Byrd, UNODC, and the World Bank, 2006, 25–46, [http://www.unodc.org/pdf/afg/publications/afghanistan\\_drug\\_industry.pdf](http://www.unodc.org/pdf/afg/publications/afghanistan_drug_industry.pdf).

<sup>6</sup> UNODC, “Opium Amounts to Half of Afghanistan’s GDP in 2007, Reports UNODC,” November 16, 2007, <http://www.unodc.org/unodc/en/press/releases/opium-amounts-to-half-of-afghanistans-gdp-in-2007,-reports-unodc.html>.

<sup>7</sup> Information based on author’s interviews with UNODC, U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, Drug Enforcement Administration, and Office of National Drug Control Policy officials. See also U.S. Department of State, “2009 International Narcotics Control Strategy Report,” <http://www.state.gov/p/inl/rls/nrcrpt/2009/>; and United States Government Accounting Office (GAO), “Plan Colombia: Drug Reduction Goals Were Not Fully Met, But Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance,” October 6, 2008, <http://www.gao.gov/products/GAO-09-71>.

<sup>8</sup> See, for example, Scott B. MacDonald, “Afghanistan,” in *International Handbook on Drug Control*, ed. Scott B. MacDonald and Bruce Zagaris (Westport: Greenwood Press, 1992), 317; and Linette Albert, “Afghanistan: A Perspective,” in *Afghanistan in the 1970s*, ed. Louis Dupree and Linette Albert (New York: Praeger, 1974), 257.

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# Narco-Trafficking in Pakistan-Afghanistan Border Areas and Implications for Security

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## EXECUTIVE SUMMARY

This paper explores the global dynamics of the drug trade in the Afghanistan-Pakistan border area and analyzes the interface of regional actors with key players and networks outside the region.

## MAIN FINDINGS

- Afghanistan produces 90% of the world's opium supply, a third of which is transited through Pakistan. Opium is not the only illicit trade in the Pakistan and Afghanistan border regions, however. Afghanistan is now the second-largest cannabis resin producer in the world. There is also significant illicit trade in timber, antiquities, and cigarettes in the border areas.
- In addition to southern routes through Pakistan, drug traffickers rely on western routes via Iran and northern routes through the Central Asian states. As Russia became deeply integrated into the global drug market due to inadequate border controls and large-scale migration among the Soviet successor states, routes through Central Asian states have become extremely important in the global drug trade.
- The drug trade across the Afghanistan-Pakistan border is not only weakening state control but also cementing linkages among drug traffickers throughout the larger region, Taliban, insurgents, and criminal groups. In turn, this nexus of drugs, crime, and insurgents threatens NATO supply routes and offers resistance to ongoing military operations in Afghanistan and Pakistan's tribal areas. This nexus also poses a significant challenge because the networks of the drug trade that support the conflict are not contained within the Afghanistan-Pakistan region.

## POLICY IMPLICATIONS

- A culture dependent on illicit trade develops along with the societal norms supportive of this criminal activity. This suggests the need for incentives other than legitimate employment to encourage growers and marketers away from the drug business.
- Analysts and policymakers should not ignore drug-related activities of the warlords. Drugs and crime are not a peripheral problem to the establishment and maintenance of order. Now that the drug problem has grown significantly, in the future warlords involved with drug trafficking, once they no longer receive support from U.S. and NATO troops, will be less likely to cooperate in fighting terrorists. The warlords' accommodation is temporary and one of convenience.

The drug trade in the Afghanistan-Pakistan border areas has important implications for regional and global security that transcend the problem of the sale of drugs as an income source for citizens and conflict. Although the illicit drug trade constitutes a significant portion of Afghanistan's revenues, its impact is far more than economic. The instability and insurgency funded by the drug trade compound and perpetuate the political instability of Afghanistan, which now dates back 30 years to the time of the Soviet invasion.

Similar to the situation in Colombia, the drug trade aggravates the instability of decades of internal conflict. The situation in Afghanistan is even more acute, however. The revenues tied to the drug trade in Afghanistan represent a much greater share of national revenue than in Colombia. Drugs are believed to account for one-third of GNP in Afghanistan—a multiple of the situation in Colombia where, at the height the drug trade, drug production possibly accounted for a maximum of 10% of the economy.<sup>1</sup> Moreover, Afghanistan may be unique in that, according to the former finance minister, an estimated 60% of the country's economy is based on illicit trade.<sup>2</sup> Although the drug trade is the largest of the trade in illicit commodities, it is not the sole one. There is also a large illicit trade in antiquities, timber, and cigarettes, the latter being particularly important in funding terrorism.<sup>3</sup>

The consequences of the drug trade and other forms of illicit trade in Afghanistan are particularly acute. In Afghanistan, in contrast with Pakistan and Colombia, there is no central government that has control over a significant share of national territory. The control of the central government does not extend far beyond Kabul. Throughout the country, local warlords and tribal chiefs control territory at the regional level. Therefore, counter-drug policies established at the national level are very difficult to implement at the local level.

Policy focused on stabilizing Afghanistan and removing the support structure for terrorism without also effectively addressing the drug trade is erroneous. A short-term military focus on containing the militant elements in the Afghanistan-Pakistan border areas that ignores the long-term destabilizing implications of a drug economy in this region is likewise highly problematic.

Without containment at the source, drugs from Afghanistan and Pakistan flow to Russia, Western Europe, and Asia. The drugs transit through all the bordering countries, increasing addiction among the citizens of neighboring states and aggravating already elevated and destabilizing levels of corruption. The global impact of the drug trade—and its concomitant destabilizing effects—are evident elsewhere, such as on the U.S.-Mexican border and, more recently, in West Africa.

What is needed is a cohesive approach to these problems that addresses both the conflict in Afghanistan and Pakistan and the spillover effects on Central Asia and Iran as a transit corridor for narco-trafficking to other parts of the world. In this context, the prioritization of counterterrorism over counternarcotics is an erroneous and unsustainable distinction, given that stability in the Afghanistan-Pakistan frontier cannot be achieved as long as the drug economy continues to be a central source of funding for terrorists operating in these countries.

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<sup>1</sup> Francisco Thoumi, "Illegal Drugs in Colombia: From Illegal Economic Boom to Social Crisis," *Annals of the American Academy of Political and Social Science* 582, no. 1 (2002):102–16; and "Afghanistan Drug Industry and Counter-Narcotics Policy," World Bank, November 2, 2006, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/0,,contentMDK:21133060~pagePK:146736~piPK:146830~theSitePK:223547,00.html>.

<sup>2</sup> Author's interview with Ashraf Ghani, Dubai, November 2008.

<sup>3</sup> Aamir Latif and Kate Wilson, "The Taliban and Tobacco: Smuggled Cigarettes Give Boost to Pakistani Militants," Centre for Public Integrity, June 28, 2009, <http://www/publicintegrity.org/investigations/tobacco/articles/entry/1442/>.

This essay attempts to explore the global dynamics around narco-trafficking in the Afghanistan-Pakistan border area by analyzing the interface of regional actors with key players and networks outside the region and assessing the implications for U.S. security interests in the region. The first section proceeds with a brief background of how illicit drug-related activity in Afghanistan and Pakistan fits into the broader picture of the global narcotics industry. The second section explains the role of global supply and demand factors and their impact on the regional drug economy in Afghanistan and Pakistan, and the third section identifies key push and pull factors, drivers, and force multipliers within the global narcotics economy. The fourth section of the essay highlights the role key actors, groups, and networks assume in drug trafficking in the region. Lastly, a fifth section assesses the ongoing impact of the global narcotics industry on the conflict in the Afghanistan-Pakistan region and the prospects for stability, with specific reference to U.S. security interests.

## Study of the Afghan-Pakistan Border Area and Research Sources Used

The Afghanistan-Pakistan border area is a region of particular security concern. Although under separate governments, the populations on both sides of the border share common armed groups, with tribal linkages that transcend national borders. The loyalties of these groups to clan and tribe are greater than to the nation-state. The border regions of both societies contain impoverished populations and possess poor social indicators, rendering their residents susceptible to the pressures of criminal groups through direct or implied threats of violence. The great wealth acquired by these criminal and insurgent groups through the highly profitable drug trade allows them to exercise inordinate influence over the populations of the border regions.

The Pakistan-Afghan border, also known as the Durand Line, is 1,640 miles of difficult terrain spanning the southern deserts of Baluchistan to the northern mountain peaks of the North-West Frontier Province (NWFP) to the Federally Administered Tribal Areas (FATA).<sup>4</sup> Baluchistan, the largest and least-developed province, incorporates the entire length of Pakistan's border with Iran. The local insurgency, which aims to control the area's natural resources, makes Baluchistan a particularly dangerous area in Pakistan.<sup>5</sup> The NWFP of Pakistan shares the frontier with Afghanistan.<sup>6</sup> The province, which is contiguous with Baluchistan, has a predominantly Pushtun ethnic make-up and is governed according to Islamic precepts combined with tribal traditions.<sup>7</sup> The FATA constitutes around 25% of the NWFP but is administered according to legal and administrative systems established in the colonial period.<sup>8</sup>

Pakistan and Afghanistan are intricately linked through the drug trade; a quarter of the drugs produced in Afghanistan pass easily through Pakistan's border areas.<sup>9</sup> The border has always been a tribal area, over which Pakistan's central government has had limited control. In particular,

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<sup>4</sup> "Securing, Stabilizing and Developing Pakistan's Border Area with Afghanistan: Key Issues for Congressional Oversight," U.S. Government Accountability Office (GAO), GAO-09-263SP, February 2009, 11.

<sup>5</sup> Carlotta Gall, "Another Insurgency Gains in Pakistan," *New York Times*, July 11, 2009.

<sup>6</sup> Angel Rabasa et al., *Ungoverned Territories: Understanding and Reducing Terrorist Risks*, Project Air Force (Santa Monica: RAND Corporation, 2007).

<sup>7</sup> *Ibid.*

<sup>8</sup> *Ibid.*

<sup>9</sup> UN Office on Drugs and Crime (UNODC), *Afghanistan: Opium Survey 2009: Summary Findings* (Kabul: UNODC, September 2009), [http://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghanistan\\_opium\\_survey\\_2009\\_summary.pdf](http://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghanistan_opium_survey_2009_summary.pdf).

Waziristan, the NWFP, and the Swat Valley have become increasingly destabilized and fertile territory for drug smuggling.

Yet, the illicit drug trade is not confined to Pakistan and Afghanistan—there is a spillover effect on other countries in the region. Over the last decade, drugs have exited Afghanistan via the northern route through Central Asia.<sup>10</sup> Given the corruption, extreme poverty, increasing fundamentalism, and existence of some terrorist groups in these countries, the drug trade in Pakistan and Afghanistan presents an even broader security challenge.

### Research Sources

A variety of sources have been used to inform this essay. The quantitative data provided is largely drawn from the United Nations Office on Drugs and Crime (UNODC). This UN body has highly trained people on the ground and has great access to the regions where cultivation is underway.<sup>11</sup>

The essay is also informed by newspaper reports, primarily from Western sources. Even though one of the authors is fluent in Urdu and Punjabi, there is an absence of much in-depth coverage in newspapers in these languages. Pakistani newspapers generally report on drug seizures and destruction of drugs, and while Afghan newspapers report with greater in-depth coverage of the situation, not much data proved useful for the essay.<sup>12</sup>

The authors reviewed numerous analytical reports by experts in the region as well as congressional hearing documents. The essay further draws on one of the authors' decades of experience studying the drug trade in the former Soviet Union, including field work in the countries close to Afghanistan and Pakistan, and makes use of the extensive materials belonging to the Silk Road Studies project funded by a Swedish center. This project brings together specialists in the region who have extensive language and cultural knowledge of the Silk Road region countries; their research has focused on the drug trade, crime, and criminality.<sup>13</sup>

In addition, the authors referenced the research of Western scholars and specialists who have more recently focused on the drug trade in Pakistan and Afghanistan,<sup>14</sup> and also relied on the insights of scholars of the Pakistan Society of Criminology, who have conducted on-the-ground analyses of the drug trade in the border region and the links between such trade and insurgents.<sup>15</sup>

Much of the existing analyses reviewed for this study are fragmentary and deliberately selective. Moreover, many of these works do not correctly analyze the challenges of the drug trade due to a limited understanding of the complex tribal relations and the distinct culture and history of the region.

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<sup>10</sup> Author's discussions with high-level officials in the Kyrgyz drug control agency, October 2009.

<sup>11</sup> The authors, however, exercised caution in relying on the qualitative analyses provided in these sources, due to perceived biases in the data interpretation. For example, the same document attributes both greed and need to the residents of the south as explanations for the growth of poppy cultivation. These two motivations can occur simultaneously, but it is difficult to describe people who the UN has identified as living under one dollar a day as greedy.

<sup>12</sup> Reviewed materials include *Pajhwok Afghan News*, <http://www.pajhwok.com>; *RAWA*, <http://www.rawa.org>; *Kabul Weekly*, <http://www.kw.af/english/index.php>; and *Kabul Press*, <http://kabulpress.org/my/spip.php?rubrique60>.

<sup>13</sup> For example, the journal *China and Eurasia Forum Quarterly* has analyzed the drug issue, as have many of the project's research publications available on the Silk Road Studies website, [http://www.silkroadstudies.org/new/inside/.../CEF\\_quarterly.htm](http://www.silkroadstudies.org/new/inside/.../CEF_quarterly.htm). One of the authors was in residence at the center when it was located in Uppsala, Sweden.

<sup>14</sup> See, for example, Vanda Felbab-Brown, "Kicking the Opium Habit? Afghanistan's Drug Economy and Politics since the 1980s," *Conflict, Security & Development* 6, no. 2, (June 2006): 127–49; Vanda Felbab-Brown, "Afghanistan: When Counternarcotics Undermines Counterterrorism," *Washington Quarterly* 28, no. 4 (September 2005): 55–72; Jan Koehler and Christoph Zuercher, "Statebuilding, Conflict and Narcotics in Afghanistan: The View from Below," *International Peacekeeping* 14, no. 1 (February 2007): 62–74; Gretchen Peters, *Seeds of Terror* (New York: St.Martin's Press, 2009); and publications by Afghanistan Research Evaluation Unit, <http://www.areu.org.af/>.

<sup>15</sup> See Fasihuddin, ed., *Pakistan Journal of Criminology*, available at <http://www.pakistansocietyofcriminology.com>.

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# The Dynamics of “Narco-Jihad” in the Afghanistan-Pakistan Region

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**NOTE** The views expressed herein are strictly those of the author and do not reflect those of the APCSS, the Department of Defense, or the U.S. government.

## EXECUTIVE SUMMARY

This essay explores the global dynamics surrounding narco-trafficking in the Afghanistan-Pakistan border area, and assesses the implications for U.S. security interests in the region.

### MAIN FINDINGS

- A narco-jihad is being funded by the opium-related system of trade in narcotics in Afghanistan and Pakistan. In Afghanistan the narco-jihad has escalated to intense levels, while in Pakistan the strength of the narco-jihad is still growing.
- Afghanistan is the predominant global supplier of opium, and Pakistan is becoming increasingly involved with opium processing. Narco-trade in both Afghanistan and Pakistan interfaces with actors in Iran, Turkey, and Central Asia, which serve as transit routes to the global market. Terrorist groups and transnational drug and crime syndicates are involved in protection, price control, and distribution of opium to regional and global markets.
- In Afghanistan, narco-jihad is being sustained by the “iron triangle” of warlords, corrupt government officials, and the Taliban–al Qaeda nexus. In Pakistan, narco-trade is bringing in extensive amounts of laundered money. The Taliban in Pakistan are using these funds to carry out their own version of narco-jihad with an aim to weaken and eventually overthrow the civilian government in Islamabad.

### POLICY IMPLICATIONS

- The opium narco-trade in Afghanistan and Pakistan strengthens the chances of the prolongation of insurgency, as such trade funds a growing narco-jihad in the region.
- Narco-trade in Afghanistan functions through a variety of actors, each of whom is as important as the other. The physical removal or significant weakening of one of these actors will weaken the narco-trade, but only temporarily.
- Given the regional dynamics of the drug trade, a comprehensive strategy that treats Afghanistan and Pakistan as a single theater of war holds the most promise for defeating the narco-jihad.

A “narco-jihad” is being waged in Afghanistan and in Pakistan. The ferocity of this jihad in Afghanistan is quite intense and its strength in Pakistan is also growing. It is being funded by the opium-related system of narco-trade, which in turn increases the chances that the insurgency will be prolonged while also strengthening the major players in the narco-trade system. In the process, narco-jihad ensures that the central government of Afghanistan remains weak. The pervasive nature of narco-jihad poses a challenge to the efforts of the international security assistance force (ISAF), particularly with regard to whether to give priority to dismantling the narco-trade system or to nation-building efforts aimed at strengthening the capabilities of the central government and thereby enhancing governmental legitimacy.

In this essay the term “narco-jihad” describes a religion-based justification of the opium trade. Narco-jihad—i.e., jihad that is being funded by the narcotics trade—stems from the fact that the Taliban government in the 1990s imposed a strict ban on the cultivation of hashish because hashish was consumed by Afghans and Muslims. As one Afghan official explained to Pakistani journalist Ahmed Rashid, “Opium is permissible because it is consumed by Kafirs [unbelievers] in the West and not by Muslims or Afghans.”<sup>1</sup> Because the opium trade remains a major source of financing for the jihad led by the Taliban and al Qaeda in the Afghanistan-Pakistan (AfPak) area—and for the “holy” cause of defeating the Western “crusading” forces and returning Afghanistan to an Islamic government—the struggle itself has been characterized as narco-jihad.

In particular, this essay explores the global dynamics of narco-trafficking in the AfPak border area, analyzes the interface of regional actors with key players and networks outside the region, and assesses the implications for U.S. security interests in the region. Given the intricate and ever-widening scope of the narco-trade, the major underlying question is what are the prospects of defeating the forces of narco-jihad? Toward this end, the essay will first provide explanations that are at the base of narco-jihad in Afghanistan and examine how the current political environment in Pakistan is promoting the narco-jihad in both countries. Second, the essay will identify the actors in Afghanistan that form an “iron triangle” and describe how those actors and other external actors are interacting to promote global narco-trade. Pakistan’s role as an external promoter of narco-trade will also be discussed in that section. The third section will analyze the regional and global force multipliers. Finally, considering the escalating presence of U.S. forces in Afghanistan, this essay will conclude with an analysis of the implications of narco-jihad and the resulting instability for U.S. security.

## Afghanistan and Pakistan: Theaters of Narco-Jihad

### *The Roots of Narco-Jihad in Afghanistan*

The very term narco-jihad—or any religious rationale for creating “killing fields” in Afghanistan and Pakistan—is inherently anti-Islamic. Considering the radicalized environment of both countries, however, it is not surprising that such a rationale has emerged. Afghanistan, in particular, has not seen peace for several decades. Given the historical legacies of the past, Afghans are disinclined to trust foreigners, especially the British and the Americans; and the Afghans trust Pakistan even less. As fervently religious people, Afghans are likely to lend a sympathetic ear to any rhetoric that is couched in the language of Islam. In this context, the Taliban–al Qaeda nexus

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<sup>1</sup> Ahmed Rashid, *Taliban: Militant Islam, Oil and Fundamentalism in Central Asia* (New Haven: Yale University Press, 2001), chap. 9.

in Afghanistan characterizes jihad as being waged against the ISAF forces in a way similar to the so-called jihad waged against the Soviets occupying Afghanistan in the 1980s. The Afghans detest the U.S.-led ISAF campaign to “win the hearts and minds” of the Afghans with the same intensity as they did the Soviet Union’s explanation that that the Afghan regime had “invited” Soviet occupation. For many Afghan people, both campaigns are instances of occupation that legitimize the implementation of the jihad.

During the Afghan war against the Soviet occupation, *mujahideen* commanders started taxing the opium crop because the economy had fallen victim to the ravages of war. Increasing competition among the various jihadist groups necessitated the need for independent sources of funding to minimize the reliance on funds controlled by others. Opium cultivation and taxation of the crop emerged as one source. The mujahideen also sought to lessen their dependence on Pakistan—the chief conduit for distributing U.S. assistance in the struggle against Soviet occupation. Pakistan’s intelligence service, the Inter-Services Intelligence (ISI), was perceived to have its own strategic priorities and preferred groups for conducting the war.<sup>2</sup> Consequently, opium cultivation became increasingly significant for bankrolling the struggle against the Soviet Union. By the mid-1980s, Afghanistan was producing one-third of the world’s opium. Around this time “there was an arms pipeline going in, and a drugs pipeline coming out of Afghanistan.”<sup>3</sup> The “Kalashnikov culture,” which systematically destroyed peace and stability in Pakistan and Afghanistan between the 1990s and the first decade of the 21st century, emerged with a vengeance.

After capturing power in 1996, the Taliban were the first to use the opium trade to achieve political and economic ends. Primarily driven by their version of Islamic zeal, they had to justify the use of opium—which from the perspective of traditional Islam is forbidden—for the victory of their version of Islam. Though recognizing the “evil” nature of drugs, the Taliban allowed poppy cultivation. Mullah Omar, Afghanistan’s head of state, periodically expressed his willingness to both the United States and the United Nations to end poppy cultivation if his regime were given international recognition. The most significant aspect of the narco-jihad under the Taliban was when they started collecting 20% of the value of a truckload of opium as *zakat* (Islamic tax).<sup>4</sup> The Taliban continued to use the opium trade as an economic tool in the post-Taliban era.

Although narco-trade did not initiate the conflict in Afghanistan, such trade sustains and is sustained by the conflict. Narco-trade has strengthened the capacity of the insurgent movements in both Afghanistan and Pakistan while weakening the internal order and governments of both countries.<sup>5</sup>

### *The Rise of Narco-Jihad in Pakistan*

The term narco-jihad has a powerful meaning among the Taliban of Pakistan and their fellow radical Islamists. The Pakistani Taliban came into existence as an entity fairly recently (roughly around 2001, although the movement itself has been around since the early 1990s). Other radical

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<sup>2</sup> For a fascinating discussion of this point from the ISI perspective, see Mohammed Yusuf and Mark Adkin, *Afghanistan The Bear Trap: The Defeat of a Superpower* (Havertown: Casemate, 2001).

<sup>3</sup> Jonathan Goodhand, “Frontiers and Wars: The Opium Economy in Afghanistan,” *Journal of Agrarian Change* 5, no. 2 (April 2005): 198, <http://www.gtz.de/de/dokumente/en-opium-economy-2005-afg.pdf>.

<sup>4</sup> Rashid, *Taliban*, 118.

<sup>5</sup> For a lucid elaboration of this point, see Svante E. Cornell, “Narcotics and Armed Conflict: Interaction and Implications,” *Studies in Conflict and Terrorism*, 30, no. 3 (March 2007): 207–27, <http://www.ncjrs.gov/App/Publications/abstract.aspx?ID=239383>; and James D. Fearon, “Why Do Some Civil Wars Last So Much Longer Than Others?” *Journal of Peace Research* 41, no. 3 (May 2004): 275–301, <http://jpr.sagepub.com/cgi/content/abstract/41/3/275>.

Islamists, however, were nurtured for at least a couple of decades by Pakistan's ISI as a foreign policy tool against Indian-administered Kashmir. Between 2007 and 2009, this nexus of radicals turned against the Pakistani government, attempting to replace it with an Islamist one.

In Pakistan, even though the narco-trade has not yet reached the level that has prevailed in Afghanistan, the capacity of the insurgents to destabilize the government is on the rise. The AfPak border areas—including southern Afghanistan as well as the North-West Frontier Province (NWFP) and the Federally Administered Tribal Areas (FATA) of Pakistan—have remained important transit routes for narco-trade. In those regions, and in the contiguous Baluchistan province of Pakistan, the government's authority to maintain law and order has been steadily eroding, the Pakistani Taliban- and Baluchistan-related insurgencies are escalating, and Pakistan seems to be edging toward becoming another narco-state. The cumulative effect, in the words of Rashid, is that

Pakistan is close to the brink, perhaps not to a meltdown of the government, but to a permanent state of anarchy...we can expect a slow, insidious, long-burning fuse of fear, terror, and paralysis that the Taliban have lit and that the state is unable, and partly unwilling, to douse.<sup>6</sup>

## The Nexus between AfPak and Global Narco-Trade

### *Afghanistan's Predominance as the World's Opium Supplier*

The intensification of internal conflict over several decades, in combination with foreign occupation, was the primary driver in the dramatic escalation of Afghanistan's opium cultivation and production. Prior to the occupation by Soviet forces in 1978, "Afghanistan was self-sufficient in food production. Agriculture produce also accounted for 30% of exports, earning the country \$100 million annually in much needed foreign exchange."<sup>7</sup> According to one estimate, at the time of the pro-Communist coup of 1978 "Afghan farmers produced 300 metric tons (MT) of opium annually, enough to satisfy most local and regional demand and to supply a handful of heroin production facilities whose products were bound for Western Europe."<sup>8</sup> However, Soviet counterinsurgency operations conducted in the 1980s devastated the rural economy, causing a major decline in food production.

Afghanistan now leads the global production of opium. According to the UN's *World Drug Report 2008*, the area of Afghanistan under opium poppy cultivation accounted for 82% of the global total and over 92% of the world's opium production. Afghanistan also had a reported 32% rise in total farm gate value of opium production and a total export value of opiates to neighboring countries around \$4 billion in 2007. For the same year, 14% of Afghan households were reported to be involved in the opium trade.

Though the total number of provinces involved in the activity dropped in 2007, over two-thirds of the opium poppy cultivation was located in the southern region of the country, with the

<sup>6</sup> Ahmed Rashid, "Pakistan on the Brink," *New York Review of Books*, June 11, 2009, <http://www.nybooks.com/articles/22730>.

<sup>7</sup> William A. Byrd and Bjorn Gildestad, "The Socio-economic Impact of Mine Action in Afghanistan: A Cost-Benefit Analysis," Mine Action Programme for Afghanistan, June 2001, as cited in Barnett R. Rubin, "Road to the Ruin: Afghanistan's Booming Opium Industry," Center on International Cooperation, October 7, 2004, 2, <http://www.cic.nyu.edu/archive/pdf/RoadtoRuin.pdf>.

<sup>8</sup> Christopher M. Blanchard, "Afghanistan: Narcotics and U.S. Policy," Congressional Research Service, CRS Report, RL32686, June 18, 2009, 1, <http://www.fas.org/sgp/crs/row/RL32686.pdf>.