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What is Driving Opium Poppy Cultivation? Decision Making Amongst Opium Poppy Cultivators in Afghanistan in the 2003/4 Growing Season

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Bonded Labour in Nad e Ali

A sharecropper of 70 years of age, reported that due to the drought he had left Washir district in southern Helmand in 1999. He had come to Nad e Ali with his family of ten members (with only one son of working age) to work as a sharecropper. Initially the respondent had worked in another village before moving to his current location. In both villages he had cultivated one to two jeribs of opium poppy. However, last year his opium crop was eradicated and he had found himself unable to pay his outstanding debts to his landlord of approximately US$1,800. Without land, livestock, or a guarantor, the respondent reported that he was unable to obtain any further loans, not even an advance on his future opium crop. The landlord whose land he worked had agreed to give him further cash loans only on condition that he accept a reduced share of the final yield of the crops that he cultivated and that he did not work the land of anyone else. The respondent also had to agree that he would not work elsewhere until he had fully repaid his debts and that were he to die his family were responsible for repayment. The respondent agreed to these terms, including receiving only one sixth of the final opium crop (compared to the usual one third) as he felt he had no other option if he was to feed his family this coming season. At the time of interview the respondent complained that the landlord was becoming increasingly anxious about the sharecropper's movements and would not even allow him to leave the area for two nights in order to visit his extended family. This year the respondent claimed he was cultivating seven jeribs of opium poppy. He believed that if the crop was not destroyed he might be able to repay his outstanding debts. However, were the crop to be destroyed he claimed he would try and abscond, crossing the border into Pakistan.

Threats from Khogiani

In the 2000/1 growing season a landowner from Laghman received an advance payment of US$ 400 on seven kilogrammes of opium from a trader in Khogiani. However, the Taliban ban meant that he could not repay this debt. In 2002 the lender from Khogiani asked his sons, who were serving with the security commander in Laghman, to reclaim his money (plus interest). They did so at gunpoint, demanding fourteen kilogrammes of opium or its equivalent in cash at the time (approximately US$5,600). The Laghmani was told that if he did not repay in full he would be killed, his house fired and his livestock slaughtered. As the Laghmani had only cultivated half a jerib of opium poppy in 2002/3 and already used it to repay other debts he did not have much opium with which to repay the Khogiani trader. After much consultation the jirga decided that the Laghmani would need to give the three and a half kilogrammes of opium he retained from his harvest and the US$400 he had in cash to his the trader. The jirga also decided he would have to give two jeribs of his land in mortgage against his outstanding debt of US$4,000. The Khogiani trader intended to get his sons to work this land and cultivate all of it with opium poppy. The Laghmani claimed he had cultivated his remaining four jeribs of land with opium poppy this year so that he could repay his debts and regain ownership over the land he had mortgaged.

Jailed in Marja

A sharecropper in Marja district in Helmand reported that he had taken an advance payment of US$1,600 on the understanding that he would repay the lender ten kilogrammes of opium at harvest time in 2003. However, the sharecropper claimed that his crop was destroyed in the eradication campaign during the 2002/3 growing season campaign. In response his landlord took back the land blaming the sharecropper for failing to bribe the eradication team the US$200 necessary for them to spare the crop. The sharecropper indicated he did not have sufficient money to pay the bribe and once his crop was destroyed he could not repay his outstanding debts. In the 2003/4 growing season the sharecropper obtained five jeribs of land from a different landlord, however, his creditor had him imprisoned in the district jail for twenty-three days for defaulting on his loans. It was reported that the sharecropper's mother and current landlord appealed to the district administrator for his release insisting that the women of the family would help him in the field so that he could repay his debts. The sharecropper was released but was ashamed. He stated that 'no wife or mother work on the land in this district but mine are working with me. My nine-year-old daughter and my two younger children are also working with me. They cannot go to school as they help me on the land – this is the curse of debt'. He was cultivating all five jeribs of land with opium poppy.

EXECUTIVE SUMMARY

There are numerous reports that opium poppy cultivation in Afghanistan has increased in the 2003/4 growing season. Whilst we will not know how significant this increase is until August/September 2004, we do know that this growth in cultivation, both in terms of area, and in all probability the number of districts cultivating opium, has taken place at a time when opium prices have halved. In some districts, particularly those with a lower baseline in 2003, cultivation will have increased significantly, perhaps by as much as ten fold. However, in other districts increases will have been more marginal. There may well be districts in which the amount of opium poppy has actually fallen.

This diversity in the extent of cultivation amongst districts will be reflected at the household level where cropping decisions are actually made. Attempting to explain this diversity simply in terms of price, and the subsequent profitability of opium, will not further our understanding of the complex resource decisions that households face in their decision both to engage in opium poppy cultivation, and to what degree. Nor will it help explain the policy environment in which these decisions are made and to where households look in calculating some of the risks associated with their involvement in opium production.

This Study explores the different drivers that have influenced opium poppy cultivation in 2003/4, documenting the results of 219 indepth interviews conducted in 14 districts in four provinces of Afghanistan. It builds on fieldwork undertaken during the 2002/3 growing season and draws on the growing body of indepth research that has been undertaken on the role of opium poppy in rural livelihoods in rural Afghanistan.

The Study confirms that despite a significant fall in the farmgate price of opium prior to the planting season, overall the amount of opium poppy planted by those interviewed was expected to increase in 2003/4 compared with the previous growing season. It concludes that there are a number of factors that are driving this increase and that these differ by socio-economic groups and location.

It suggests that the growing confidence over the continued supply of wheat and stable wheat prices has allowed those households with the necessary resources to respond to price signals to dedicate more of their land to opium poppy, rather than cultivate wheat for their own consumption. For the resource poor, the Study suggests that the rules governing access to land and credit, as well as the demands of their creditors, ensures that they pursue the livelihood strategy that the resource wealthy dictate. This often means opium poppy cultivation.

In particular, the Study suggests that the increasing tendency to calculate rent on the basis of potential opium production is limiting the cropping choices of those households that lease land in opium poppy producing provinces. It concludes that the inflationary impact that opium cultivation has had on land prices and rents in areas such as Ghor where there are reports of a growing number of Nangarhari and Hemandi farmers leasing land to grow opium poppy, will impede the cultivation of licit crops.

Based on the fieldwork the Study also concludes that accumulated debt and the absence of alternative source of credit continue to drive opium poppy cultivation, particularly in areas where opium poppy production has become concentrated. The Taliban ban of 2001 and eradication in the 2001/2 and 2002/3 growing seasons are cited as the major causes of accumulated debt. It highlights that whilst many households have sold some of their long-term productive assets (including land, labour and daughters) as part payment on their accumulated debts, few see any alternatives to repaying their accumulated debts (or regaining their assets) other than through the cultivation of opium poppy. The Study notes that whilst the informal credit system on opium has adjusted to take account of the increase in risk traders have incurred due to eradication, so far it has had no impact on household decision-making.

The Study suggests that the policy initiatives in 2003 that aimed at raising the risks and social costs associated with opium poppy cultivation have not yet taken affect. In particular, that the rather ambiguous position of the local authorities on opium poppy has compromised the unequivocal statements by the central government outlawing the crop. It also indicates that the eradication campaign in the 2002/3 growing season may have contributed to further increases in opium poppy cultivation in 2003/4. Reports from the field suggest that by destroying the crops of the more vulnerable (who were least likely to have alternative sources of livelihood) and subsequently driving up their debts (payable in opium) many households believe they have little choice but to cultivate more opium in subsequent years. It is particularly notable that all those interviewed who were targeted by the eradication campaign in the 2002/3 growing season are cultivating opium poppy in the 2003/4 growing season and that they have, on average, increased the amount of land dedicated to opium by more than those whose crops were left undamaged.

In particular, the Study highlights the perception amongst many farmers that there are currently few alternative sources of livelihood to opium poppy cultivation. From the fieldwork, it is evident that this is not simply in the context of the potential income generated from its cultivation (where currently it is difficult to find alternatives that can compete), but in that opium production is increasingly acting as a medium to access resources critical for meeting basic needs. In rural Afghanistan a resource poor household without land has few non-farm income opportunities, and without credit is unable to invest in either agricultural production or the food they need during times of shortage. By cultivating opium they gain access to both, even though, as the Study illustrates, this is on exploitative terms. As the results of the fieldwork and the cumulative experience of the Taliban ban would suggest, expecting the resource poor to eliminate opium poppy prior to securing an alternative livelihood is unrealistic and can prove counter-productive. As such, the Study highlights that there will be a need for the careful phasing and targeting of drug control interventions, including development assistance and eradication, if there is to be a sustainable elimination of opium poppy cultivation in Afghanistan.

1. Objective

To identify the motivations and factors which have influenced the level of household opium poppy cultivation in Afghanistan in the 2003/4 growing season and how these vary by region and socio-economic group.

2. Introduction

Opium poppy cultivation in Afghanistan is both diverse and dynamic. The factors that drive household cultivation vary by location, socio-economic group, environmental conditions, levels of governance, and of course, time. This particular study builds on fieldwork undertaken during the 2002/3 season that documented the process of decision making amongst 214 farmers in 13 districts across four provinces of Afghanistan (Nangarhar, Helmand, Oruzgan and Badakshan) whilst they considered how much of their land to dedicate to different crops (including opium poppy). It revisits nine of these districts (as well as 5 new districts) and explores the changes that have taken place over the last season. The Study also enlarges the geographic area of study and covers the province of Ghor in the Central Highlands, an area where little is known about the processes that have led to the rapid expansion in opium poppy cultivation since 2001.

The Study draws on the growing body of indepth research that has been undertaken on the role of opium poppy in rural livelihoods in rural Afghanistan.[1] It seeks to capture the diversity amongst opium poppy cultivating households and explore the complex interaction of factors that influence households in their decision to cultivate opium poppy and how these vary by region and socio-economic group. It attempts to assess the impact different counter narcotics interventions, such as eradication, public awareness and the provision of more generic development assistance have influenced households in their decisions to cultivate opium poppy in the 2003/4 growing season. It is intended that this work will assist in developing a better understanding of the drivers of opium poppy cultivation since the fall of the Taliban, and inform policy makers in how to target and phase their interventions (both counter narcotics and broader development) more effectively.

[1] See UNODC Strategic Studies Series; Pain, A. 'The Impact of the Opium Poppy Economy on Household Livelihoods: Evidence from the Wakhan Corridor and Khustak Valley in Badakhshan.' A Study for the AKDN Badakhshan Programme funded by Gtz, January 2004; Mansfield, D. 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' A Report for the Agha Khan Development Network, January 2004; as well as 'The Economic Superiority of Illicit Drug Production: Myth and Reality - Opium Poppy Cultivation in Afghanistan' and 'The Failure of Quid Pro Quo: alternative Development in Afghanistan'. Papers prepared by David Mansfield for the International Conference on Alternative Development in drug control and cooperation, Feldafing, January 7-12, 2002; and The World Bank 'The Opium Economy in Afghanistan', Briefing Paper, March 2004.

3. Methodology

This Study is a follow-up to the fieldwork initially undertaken in November 2002 with the United Nations Office on Drugs and Crime (UNODC).[2] As in 2002, this Study focuses on the qualitative processes that inform household decision-making regarding opium poppy cultivation. It represents the results of 219 indepth interviews undertaken in 14 districts in four provinces of Afghanistan between 29 November and 29 December 2003. It was undertaken by the same team of four Afghan nationals that conducted the fieldwork during the 2002/3 season.

In order to gain a greater understanding of the different factors and influence households in their decision to cultivate opium poppy, districts were selected for fieldwork in 2002/3 on the basis of location (both remote and accessible); their access to irrigation (both karez and canal) the size of landholdings (both large and small); and their experience of eradication (both areas covered by the eradication campaign of the previous year and those that were not).

Whilst it was intended to undertake the fieldwork for this season's Study in the same districts as in 2002/3 to allow for some comparisons over the two years, the security situation in the south of the country prevented the fieldworkers revisiting the province of Oruzgan or the districts of Kajaki and Musa Qala in northern Helmand. The districts of Nawa Barakzai and Nahre Seraj in Helmand were included in the target areas to expand the sample in Helmand province. Given the increasing level of cultivation in the Central Highlands (and the paucity of information on poppy growing in these areas) the province of Ghor was chosen as an alternative to Oruzgan. Whilst security conditions in Pasaband (adjacent to Baghrani in Helmand) prevented fieldwork in the most prolific opium-producing district in Ghor it was possible to conduct interviews in Chaghcharan, Sharak, and Tawarah. As in 2002, interviews were conducted in the districts of Achin, Chapahar, Khogiani and Surkhrud in the province of Nangarhar, the districts of Marja and Nad e Ali in Helmand province and in the districts of Faizabad, Jurm and Keshem in the province of Badakhshan.

The interviews were conducted across a number of different locations in each district and amongst a range of different socio-economic groups. Interviews were semi-structured and conducted in a conversational manner. Due to the sensitive nature of the subject, notes were not taken during the interviews but written up once the interviews had finished and the interviewer had departed.

Given the current paucity of data regarding Afghan rural livelihood strategies it is not possible to determine whether this sample is truly 'representative'.[3] However, where

[2] This work was subsequently published by UNODC in 2003 as Strategic Study#9: Opium Poppy Cultivation in a Changing Policy Environment: Farmer's Intentions for the 2002/3 Growing Season. UNODC: Kabul.

[3] See Pain, Adam and Susan Lautze (2002) Addressing Livelihoods in Afghanistan, AREU Issue Series; and Alden Wily, Liz (2002) Land Rights in Crisis: A Preliminary Review of Land Tenure Issues in Present Day Afghanistan.

possible the findings of this Study are cross-referenced with other fieldwork, including earlier reports in UNODC's Strategic Studies series.

4. Access to Labour and Land

4.1. Household size and composition

The average number of members per household amongst those interviewed was 12.5. However, household sizes differed by province, with the largest average household in Nangarhar with 14.2 members and the smallest in Ghor, where the average was only 10.3 members. The average number of household members in Helmand and Badakhshan was 13.9 and 10.7 members, respectively.

For the sample as a whole 47% of household members were over the age of 12. As with 2002/3 the proportion of adult and children household members differed little across the provincial levels. In Nangarhar, the ratio of adult to children per household was on average 48:52, in Helmand 45:55, in Ghor 46:54 and in Badakhshan 50:50.

4.2. Land tenure

Only 41% of those interviewed worked only on their own land (landlords or owner cultivators). A further 19% worked their own land but took further land on either a sharecropping (16%) or tenancy basis (2%) or both (1%). Two fifths (40%) of those interviewed did not own land, but obtained land to work through sharecropping arrangements (27%), tenancy (12%) or both (1%).

At the provincial level, the proportion of respondents owning land varied considerably ranging with higher levels of land ownership amongst those interviewed in Badakhshan (71%) and Nangarhar (71%) compared to Ghor (56%) and Helmand (41%). The skewed nature of land distribution within provinces is further highlighted by the pattern of land tenure within and between provinces. For instance, in Helmand and Ghor, respondents typically either owned land, sharecropped land or leased land. However, in Badakhshan, and in particular Nangarhar, land tenure arrangements amongst respondents was a more complex picture in which households obtained land through a combination of different means including ownership, sharecropping, tenancy.

Consequently, although the proportion of respondents that exclusively worked their own land (34-49%) was relatively consistent between the provinces, the proportion of respondents that owned land but obtained further land for cultivation through sharecropping arrangements, tenancy or both varied considerably (see Table 1). In Badakhshan, and Nangarhar, 60% and 46% respectively of respondents with land obtained further land through sharecropping arrangements, tenancy or both, compared to 16% in Ghor, and only 11% of respondents with land in Helmand. This pattern of land tenure may reflect more equitable land ownership within the provinces of Nangarhar and Ghor, and possibly the relatively small sizes of landholdings.

In Badakhshan and Nangarhar, respondents reported that households also worked on mortgaged land, known as *grau*. This was land on which they had obtained a loan and not yet repaid. Where the debtor worked the land (essentially as a sharecropper) interest was paid to the creditor on an annual basis in the form of 50% of the total crop produced on the land. Where the creditor worked the land, or employed others to do it, they received the entire crop as interest.[4] Respondents and key informants reported that in both cases it was the creditor that decided what was grown on the land.[5] The debtor would only regain control over their land and accrue its total yield once the loan had been paid in full. Mortgaged land was found to be rare in Helmand province due to the relatively large size of the landholdings of those that owned land, and its relatively low value. Consequently rather than mortgage their land, respondents in Helmand would tend to sell a parcel of their land outright.

In Helmand, as well as Ghor, what is most notable is the high proportion of respondents gaining access to land through tenancy arrangements, 26% and 16% respectively, compared to Nangarhar (3%) and Badakhshan (2%).[6] Whilst the disproportionate number of tenants amongst respondents in these two provinces might support the growing anecdotal evidence of households obtaining land to maximise the level of opium poppy cultivation, it may also reflect the increasing tendency for the rentable value of land to be determined by its productivity in terms of opium rather than its potential wheat yield, as was traditionally the case.[7] In Ghor, in particular, respondents reported a growing influx of Nangarhari and Helmandi farmers that have been moving into the province since the onset of the drought in 1998 and the introduction of the Taliban ban on opium cultivation in 2001.[8] Indeed, familiar with the appearance of Nangarhari farmers looking for land the field workers for this Study were approached a number of times whilst in Chaghcharan and asked if they were looking for land in the area to grow opium poppy.

[4] Key informants report that generally the creditor will only work the land if they have their own land in he same village.

[5] For a more detailed discussion of the *grau* system in Badakhshan see 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' A Report for the Agha Khan Development Network by David Mansfield, January 2004.

[6] Research has indicated that there is a very low incidence of renting land in Badakhshan. See Strategic Monitoring Unit, SMU Area Reports: Badakhshan. Strategic Monitoring Unit Afghanistan: Islamabad. Page 19; and 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' A Report for the Agha Khan Development Network by David Mansfield, January 2004.

[7] It is worth noting that despite increasing rents in many opium poppy growing areas, the economic returns on leased land are preferable to those on sharecropped land. However, rents in areas where opium poppy has become concentrated are increasingly set at a level that households would not be able to pay the were they to cultivate wheat. For instance, a respondent in Nawad Barakzai reported that he had leased 25 jeribs of land for the equivalent of 5.4 metric tons of wheat, however, the land could only produce around 3.5 metric tons. Similarly, fieldwork in Nad e Ali in 2003 revealed that rent was set at 3,375 kg per hectare but the land produced only 1,350-1,600 kg of wheat. See UNODC Strategic Study#9: Opium poppy Cultivation in a Changing Policy Environment: Farmer's Intentions for the 2002/3 Growing Season.

[8] Respondents and key informants reported that cultivation in Ghor had begun in Pasaband in 2001 and spread from there. The Taimani tribe, which has traditionally worked as seasonal labourers in the opium poppy fields of Helmand, as well as Helmandi farmers and traders, were blamed for its introduction.

Table 1: Patterns of land tenure (percentage of respondents)								
Province	**Landlord (%)**	**Owner cultivator (%)**	**Sharecropper (%)**	**Tenant (%)**	**Sharecropper / tenant (%)**	**Owner cultivator/ sharecropper (%)**	**Owner cultivator/ tenant (%)**	**Owner cultivator / sharecropper / tenant (%)**
Nangarhar	3	38	22	3	5	23	5	2
Helmand	0	34	33	26	0	5	2	0
Ghor	0	49	29	16	0	7	0	0
Badakhshan	2	40	27	2	0	27	0	2
Total	1	40	27	12	1	16	2	1

The average amount of land owned amongst all those interviewed was 14 jeribs.[9] At a provincial level average landholdings differed considerably. Respondents in Nangarhar owned the smallest average landholdings with 4.7 jeribs. In Ghor, Helmand, and Badakhshan, respondents owned on average 17.2 jeribs, 18.8 jeribs and 20.4 jeribs, respectively. The relatively large average landholdings in Badakhshan and Ghor are possibly explained by the fact that these figures refer to total landholdings and do not differentiate between irrigated and rainfed land.[10] In Helmand, the selection of districts in the more accessible (and secure) canal irrigated areas in the south will have led to larger average landholdings. The scarcity of both irrigated and rainfed land in Nangarhar is further reflected in the average amount of land sharecropped (4.8 jeribs), compared to Ghor (9.9 jeribs), Helmand (11.9 jeribs) and Badakhshan (11.9 jeribs).

4.3. Access to cultivated land

A review of the data for cultivated land also illustrates the degree of disparity between the provinces. For instance, amongst the 219 respondents the average cultivated land was 13.5 jeribs; however average cultivated land ranged from 6.8 jeribs in Nangarhar to 21.4 jeribs in Badakhshan. This compares with 13.9 jeribs amongst those interviewed in Ghor and 14.2 jeribs in Helmand. At the district level, there was even greater disparity in the average amount of land cultivated by those interviewed, ranging from 3.8 jeribs in Achin district, Nangarhar, to 30.1 jeribs in Keshem district (an area with large amount of rainfed land) in the province of Badakhshan (see Table 2).

When cultivated land is compared with the average amount of land owned by respondents, it is possible to see the importance of accessing land through alternative land tenure arrangements, such as sharecropping and tenancy. This is particularly so in each of the districts in Nangarhar where the average amount of land cultivated systematically exceeded the average amount of land owned. This is in contrast with Helmand where in all but one district (Nahre Seraj), the average amount of land owned exceeded the

[9] A jerib is the traditional unit of measurement for land in Afghanistan. It is the equivalent of one fifth of one hectare.

[10] 'Rainfed agricultural land accounts for about 46% of the total agricultural land area of the village territories in the three districts [Chaghcharan, Tawarah and Saghar]' in Baseline Survey Report: Chaghcharan, Tawarah and Saghar districts of Ghor Province, Afghanistan, by Afghanaid, December 1998.

average amount of land cultivated. It is likely that this land was either left fallow or, more likely, reserved for the cultivation of either cotton or melon.

The amount of cultivated land was also found to differ by socio-economic group. Not surprisingly those respondents who hired sharecroppers to work their land, namely landlords, reported the largest area of cultivated land with an average of 71 jeribs. Those who worked their own land and only hired labour during peaks in the cropping season, called owner cultivators, were found to have the second largest area of cultivated land with an average of 17.8 jeribs. Sharecroppers and tenant farmers had much smaller parcels of cultivated land with an average of 8.9 jeribs and 7.2 jeribs respectively.

Table 2: Average cultivated and owned land, by district

District	Cultivated land (jeribs)	Owned land (jeribs)	Cultivated land as a percentage of owned land (%)
Surkhrud	9.8	4.6	213
Khogiani	8.8	8.1	109
Chapahar	5.1	3.7	138
Achin	3.8	2.4	158
Nawa Barakzai	20.7	28	74
Nahre Seraj	7.1	5.2	137
Nad e Ali	12.7	13.9	91
Marja	6.6	7.1	93
Chaghcharan	20.7	30.7	67
Sharak	10.3	11.2	92
Tawarah	10.7	9.3	115
Jurm	16.5	17.4	95
Keshem	31.5	31	102
Faizabad	15.2	11.7	77

5. Cropping Patterns in 2001/2 and 2002/3

5.1. The dominance of wheat over the last two seasons

Fieldwork in 2001/2 in the provinces of Badakhshan, Nangarhar, Helmand and Oruzgan revealed that generally wheat was the favoured crop amongst respondents. Whilst there were provincial differences, on average 59% of the cultivated land of those interviewed was dedicated to wheat compared with 32% of cultivated land to opium poppy and 2% of land to both fruit and vegetables.[11] According to this years fieldwork it would seem that the 2002/3 season was also one in which wheat remained the dominant crop. Whilst the

[11] The figures cited here do not always add up to 100% as many respondents in 2001/2 systematically under reported the land they dedicated to fruit and vegetables. Kitchen gardens were often over looked as these crops were mainly cultivated for household consumption.

exclusion of Oruzgan and the northern districts of Helmand from this year's fieldwork make comparisons over the years problematic, on average 75% of the cultivated land of respondents was dedicated to wheat in 2002/3, compared to 23% to poppy and 2% to fruit and vegetables.[12]

Provincial level figures for Nangarhar and Helmand would seem to be consistent with reports from UNODC[13] that estimated a significant reduction in the level of opium poppy cultivation in Helmand in 2002/3 and little change in the overall level of cultivation across Nangarhar between the 2001/2 and 2003/2 growing seasons. Whilst the relative stability in the average proportion of household land dedicated to poppy in Badakhshan is contrary to UNODC estimates, the large amount of rainfed land in this province might mitigate against a significant increase in the proportion of total household land dedicated to opium poppy.

Table 3: Proportion of household cultivated land dedicated to different crops in the 2001/2 and 2002/3 growing season, by province

	Wheat (%)		Vegetables (%)		Opium Poppy (%)		Fruit (%)	
Province	**2001/2**	**2002/3**	**2001/2**	**2002/3**	**2001/2**	**2002/3**	**2001/2**	**2002/3**
Badakhshan	78	83	2	1	15	16	0	0
Nangarhar	49	50	5	4	42	46	0.5	0
Helmand	50	71	0.5	1	35	25	5	2
Ghor	Na	83	na	0	na	14	na	3

As in 2001/2, only three districts were found to cultivate on average less than half of their cultivated land with wheat in the 2002/3 growing season and as in 2001/2 they were the districts of Khogiani (34%), Chapahar (41%) and Achin (7%) in Nangarhar. In Helmand, the average amount of cultivated land dedicated to wheat varied from 51% in Nahre Seraj to 82% in Nawa. In accordance with the reduction in opium poppy cultivation reported in the districts of Marja and Nad e Ali between 2001/2 and 2002/3, wheat occupied on average 76% and 61% of the cultivated land of respondents, respectively, compared to 51% and 54% of the cultivated land of respondents last growing season. As with the previous year wheat was by far the most dominant crop in all three districts in Badakhshan occupying more than three-quarters of the land in each district.

5.2. The intensity of opium poppy cultivation

Just over one fifth (21%) of respondents were found to exclusively cultivate opium poppy in the 2002/3 growing season compared to 15% in 2001/2. Nangarhar remained the province in which opium poppy was most intensively cultivated with as many as 43% of those interviewed reporting that they only cultivated opium poppy in the 2002/3 growing

[12] The inclusion of Ghor, and the districts of Nawa Barakzai and Nahre Seraj in Helmand, will clearly have increased the average amount of total cultivated land dedicated to wheat, as compared to Orzugan, and the districts of Musa Qala and Nawzad in Helmand, these are areas with larger landholdings and consequently in which opium poppy is cultivated less intensively.

[13] UNODC Afghanistan Opium Poppy Survey, October 2003. UNODC: Kabul.

season (55% in 2001/2). This compared to only 15% of respondents in Badakhshan, 13% in Helmand and 7% in Ghor who were found to monocrop opium poppy last season.

As with 2001/2, monocropping in Nangarhar was concentrated in the district of Achin where 88% of those interviewed reported that they only cultivated opium poppy. Achin was the district with the lowest average household cultivated land (only 3.8 jeribs). Respondents in the district of Chapahar also reported a high incidence of monocropping with over 53% of those interviewed indicating that they only cultivated opium poppy in 2002/3. Chapahar was the district with the second lowest level of household cultivated land (5.1 jeribs). In every other district - except Khogiani (where 31% of respondents reported that they only cultivated opium poppy), less than 25% of those interviewed mono-cropped opium poppy.

Further analysis of the average landholdings suggests an inverse relationship between the amount of cultivated land and the intensity of opium poppy cultivation. For instance, for those households that only cultivated opium poppy, the average landholding was 3.26 jeribs. This compares with an average landholding of 16.3 jeribs for those that cultivated less than half of their land with opium poppy, and an average landholding of 21 jeribs for those that dedicated less than 25% of their land to opium poppy. Where wheat is monocropped, the average cultivated land was found to be 6.5 jeribs.

The relationship between land holdings and the intensity of poppy cultivation also seems to hold when the sample is differentiated by land tenure (see Table 4). This should be of little surprise given the tendency for landlords and owner cultivators to have better access to cultivated land, as discussed above. For tenants, however, the proportion of cultivated land dedicated to opium poppy may not be simply a function of the size of landholding but also the tendency for the rentable value of land, in areas in which opium poppy is concentrated, to be determined by its productivity in terms of opium rather than its potential wheat production, as has been the tradition. This shift in the method for calculating the rentable value of land would seem to compel households to cultivate opium poppy whether they wish to or not.

The labour intensive nature of opium poppy cultivation would help to explain the concentration of opium poppy in areas where access to cultivated land is limited. For instance, it is estimated that opium poppy cultivation requires 70 person days per jerib (compared to only 8.2 for wheat).[14] Whilst most households require additional labour during the harvest period the resource poor are particularly reluctant to recruit significant numbers of wage labourers and have tended to maintain a level of cultivation that is commensurate with the family labour supply.

Households have been found to stagger the planting of their crop, cultivate a combination of varieties of opium poppy with different maturation periods, and maximise the use of

[14] This figure, derived from the Socio-Economic Baseline for UNDCP's Target Districts in Afghanistan, is consistent with estimates provided by other analysts in South and South East Asia. See *'Alternative Development: The Modern Thrust of Supply Side Policy'* by David Mansfield in the United Nations Bulletin on Narcotics, Vol. LI, Nos. 1 and 2, 1999.

family and reciprocal labour as a way of minimising the need to hire labour.[15] Even when the farmgate price of opium is high, the resource poor have been found to be reluctant to significantly increase the level of household land dedicated to opium poppy cultivation due to the requirement of wage labourers to be paid at the end of each working day during the harvest season. For the poor this financial outlay can mean borrowing money at an interest rate of around 100%. With uncertainty over yields and farmgate prices at harvest time, this is a risk that many are unwilling to take.[16]

Table 4: Proportion of household cultivated land dedicated to different crops in 2002/3 growing season, by land tenure

	Average cultivated land (jeribs)	Wheat (%)	Vegetables (%)	Opium Poppy (%)	Fruit (%)
Landlord	71	82	2	9	2
Owner cultivator	17.8	75	1	19	4
Sharecropper	8.9	67	1	30	1
Tenant	7.2	59	2	40	0

6. Prospects for Cultivation in 2003/4

6.1. The cloud

Almost two thirds of those interviewed (63%) indicated that they would increase their level of opium poppy cultivation in 2003/4. Less than one third of respondents reported that they would maintain their current level of cultivation and only 5% reported that they would reduce the amount of land they dedicated to opium poppy.

Helmand province had the largest proportion of respondents that reported that they would increase the amount of household land that they would dedicate to opium poppy in the 2003/4 growing season (72%). In both Ghor and Badakhshan, two thirds of those interviewed reported that they would increase cultivation this season whilst one third argued they would maintain their opium poppy cultivation at the same level as in 2002/3. In all the provinces there were just a handful of respondents that indicated that they would actually reduce cultivation. Nangarhar was the only province in which the majority of respondents (51%) reported they would maintain the same level of opium poppy cultivation as in the 2002/3 growing season. This tendency was particularly prevalent in the districts of Khogiani and Achin where the intensity of opium poppy cultivation has typically given little space for extra land to be dedicated to the crop.

[15] See 'The Economic Superiority of Illicit Drug Production: Myth and Reality - Opium Poppy Cultivation in Afghanistan'. Paper prepared by David Mansfield for the International Conference on Alternative Development in drug control and cooperation, Feldafing, January 7-12, 2002;

[16] 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' A Report for the Agha Khan Development Network by David Mansfield, January 2004. Page 19.

Given the lower levels of cultivation in 2002/3 and the relatively large size of irrigated landholdings in the canal area where the fieldwork was conducted, there is clearly greater scope for larger rates of increase in opium poppy cultivation in Helmand province. For example, 58% of those respondents that reported that they would increase the amount of land they dedicated to opium from 2002/3 to 2003/4 by more than 5 jeribs were in Helmand province, compared to 13% from both Nangarhar and Badakhshan and 15% from Ghor.

Moreover, 55% of those respondents that reported they would increase the level of cultivation in Helmand in 2003/4 reported that they would increase the amount of land they dedicated to opium by between five and ten jeribs. A further 15% reported that they would increase the level of opium poppy cultivation by more than ten jeribs. The circumstances of these respondents varied. For instance, in Nad e Ali one respondent, an owner cultivator, indicated that they had increased the level of cultivation from 9 jeribs in 2002/3 to 30 jeribs in 2003/4. This was despite reports of eradication in the area (eleven of those interviewed in Nad e Ali had their crops destroyed in 2003). In Marja, the respondent who reported the largest increase in cultivation from 2002/3 to 2003/4 reported that he had increased the amount of land he dedicated to opium poppy from 2 to 30 jeribs over the last season. This individual had his crop eradicated by the 2003 eradication campaign. Whilst In Nawa Barakzai the two individuals that reported the largest increases in cultivation, a tenant and a sharecropper did not have their crop destroyed in 2003 but had some of the largest accumulated debts amongst the entire sample (the equivalent of US$8,000).

In Nangarhar, Ghor and Badakhshan respondents generally reported more marginal increases in the amount of household land dedicated to opium poppy. For instance in Nangarhar, two thirds of those respondents who reported that they would increase the level of opium cultivation this season indicated that this increase would be by 2 jeribs or less, whilst one quarter reported that the increase would be by between 5 and 10 jeribs. Similarly, in Ghor and Badakhshan the majority of those who reported that they would increase the amount of land dedicated to opium poppy indicated that the increase would be by 2 jeribs or less. In Ghor only 2 respondents reported that they would increase the level of opium poppy cultivation by more than 10 jeribs. Both were in Chaghcharan. In Badakhshan only one respondent, located in Faizabad, reported that they would increase the amount of household land dedicated to opium poppy by more than 10 jeribs.

Not surprisingly there was no single characteristic that distinguishes this group that increased opium poppy cultivation so significantly from those that increased production only marginally or maintained cultivation at 2002/3 levels. All socio-economic groups were present. However, 44% of those whose crop was eradicated in 2002 reported that they had increased the amount of opium poppy they cultivated by 5 jeribs or more compared to 17% of those whose crop was not destroyed. It is also interesting to note that 29% of respondents that reported that they would increase cultivation by 5 jeribs or more were tenants, compared to 12% for the sample as a whole. In Helmand, tenants made up 41% of those who reported that they would increase cultivation by more than 5 jeribs over the coming season (compared to 26% of all those interviewed in Helmand). A

further 8% of those interviewed that reported that they would increase cultivation by more than five jeribs had leased land over and above the land that they had previously owned or sharecropped in order to increase their level of opium poppy cultivation. As before, this may well point to a tendency for households to seek land with which to maximise opium poppy cultivation but it may also denote the increasing tendency within Afghanistan for access to land (particularly in areas in which opium poppy is concentrated) to be determined by the households capacity (and willingness) to cultivate opium poppy.

Table 5: Proportion of household cultivated land dedicated to different crops in the 2002/3 and 2003/4 growing seasons , by province

	Wheat (%)		Vegetables (%)		Opium Poppy (%)		Fruit (%)	
Provinces	**2002/3**	**2003/4**	**2002/3**	**2003/4**	**2002/3**	**2003/4**	**2002/3**	**2003/4**
Badakhshan	83	73	1	1	16	26	0	0
Nangarhar	50	37	4	3	46	60	0	0
Helmand	71	41	1	1	25	56	2	2
Ghor	83	70	0	0	14	27	3	2
Total	75	57	1	1	23	40	1	1

6.2. The silver lining

Whilst each of the provinces reported an increase in the proportion of household cultivated land dedicated to opium poppy, it was only in the provinces of Nangarhar and Helmand that respondents reported opium poppy would be the dominant crop in 2003/4 (see Table 5). In both Ghor and Badakhshan, despite increases in opium poppy cultivation, respondents reported that on average only one quarter of household cultivated land would be allocated to opium poppy. For the respondents as a whole only 40% of cultivated land was dedicated to opium poppy.

Not surprisingly, at the district level, respondents in Chaghcharan, Sharak and Tawarah in Ghor, and in Jurm, Keshem and Faizabad in Badakshan, reported that wheat would continue to be the crop to which the majority of land would be dedicated in 2003/4. Indeed, it was only in the districts of Nahre Seraj, Marja and Nad e Ali (districts that saw significant reductions in opium poppy cultivation between 2001/2 and 2002/3)[17] that respondents reported that they would increase opium poppy cultivation to such an extent over the 2003/4 season that wheat would no longer be the dominant crop. In these districts the increase in the amount of household land dedicated to opium poppy is such that there is almost a sense of households trying making up for the shortfall in income (and capacity to repay outstanding loans) imposed by last years eradication campaign.

Similarly, dramatic increases in districts such as Surkhrud in Nangarhar province have to be seen in the context of the particularly low level of opium poppy cultivation reported in 2002/3 (118 ha). In the districts of Khogiani and Achin, where opium poppy is most concentrated, the increase in the amount of household land dedicated to opium poppy

[17] For instance, UNODC reported that the level of cultivation in Nad e Ali fell from 29,400 jeribs (5,880) hectares in 2002 to 4,350 jeribs (870) hectares in 2003.

from 2002/3 to 2003/4 were more marginal, probably due to the shortage of cultivated land. It is however interesting that in Achin 88% of those interviewed reported that they exclusively cultivated opium poppy. Whilst this may well be a rather unrepresentative sample it may also denote an increasing confidence amongst households, even in these more remote areas, in the functioning of the market for wheat.

Table 6: Proportion of household cultivated land dedicated to different crops in the 2002/3 and 2003/4 growing seasons , by district

	Wheat (%)		Vegetables (%)		Opium Poppy (%)		Fruit (%)	
District	2002/03	2003/4	2002/03	2003/4	2002/03	2003/4	2002/03	2003/4
Khogiani	34	29	2	1	63	69	0	0
Chapahar	41	20	3	0	56	80	0	0
Surkhrud	87	67	10	9	3	24	0	0
Achin	7	0	0	0	93	100	0	0
Nawa Barakzai	82	61	0	0	14	35	4	3
Nahre Seraj	51	28	0	0	49	72	0	0
Nad e Ali	61	21	1	0	37	79	0	0
Marja	76	36	3	2	20	61	1	0
Chaghcharan	85	68	0	0	13	30	1	1
Sharak	86	77	0	0	7	18	6	5
Tawarah	70	68	0	1	25	29	4	3
Jurm	70	63	0	0	30	36	0	0
Keshem	94	87	1	1	5	11	0	0
Faizabad	76	56	1	1	23	43	0	0

7. Wheat versus Opium?

7.1 The inadequacy of a simple comparison of returns

When asked for an explanation for their reasons for why they are cultivating more or less of a particular crop the simple answer from respondents often relates to the economics of production. As we will see below and from the case studies cited, the more detailed discussion that follows from these initial responses, regarding household livelihood strategies, access to resources, and the influence of the wider policy environment, illustrates a far more complex picture.

Moreover, even the more superficial explanations for adjustments in the amount of land dedicated to a particular crop are far from clear. For example, 50% of those interviewed indicated that they would either maintain the same level of wheat cultivation or reduce their wheat cultivation due to its low price. Yet despite this all but 30% continued to cultivate wheat. Similarly two thirds of respondents indicated that they would cultivate more opium poppy due to the higher income that they could generate but at the same time three quarters were still cultivating wheat, of which half dedicated more than half of their total cultivated land to wheat. This tendency to cultivate both wheat and opium is despite

estimates of opium generating gross returns from nine[18] to fifty[19] times more per unit of land than wheat and evidence of wealth accumulation amongst specific socio-economic groups.[20]

According to the data from this fieldwork the relationship between opium poppy and wheat cultivation is certainly not the zero sum game that many commentators depict. For instance, whilst 63% of households report that they will increase the amount of land dedicated to opium poppy compared to the previous season, only 45% report they will reduce their level of wheat cultivation in 2003/4.[21] Furthermore, one tenth of household reported that they would increase the amount of land dedicated to both wheat and opium poppy cultivation and 2% reported they would reduce both.[22]

Where households do report that they will be increasing the amount of land dedicated to opium poppy and reducing their level of wheat cultivation, there is a tendency to reduce the area dedicated to wheat by an amount greater than the increase in the area dedicated to opium poppy. For the sample as a whole for every one jerib increase in opium poppy, there is a reduction in wheat cultivation of two jeribs. However, there are a number of respondents who reduce the level of wheat cultivation by significantly more (up to twelve jeribs per jerib of opium poppy). This inequality would seem to make sense given the resource intensive nature of opium poppy cultivation and reflects the multiple factors that households need to consider when deciding what crops they will cultivate, over and

[18] See Daniel Molla 'Food Aid, Wheat Price and Poppy Cultivation in Afghanistan: Is there a link?' Unpublished paper. November 2003. Page 2.

[19] See UNODC 'Afghanistan: Farmers Intentions Survey 2003/4, January 2004. UNODC: Kabul. Page 4.

[20] A review of net returns per unit of land and how these are distributed to the different socio-economic groups involved in opium poppy cultivation gives a more accurate account of the complex resource decisions households are required to make when allocating land to different crops. This suggests that the net returns on opium differ considerably according to the assets that a household has at their disposal. Where households have surplus natural assets, such as land and water, and sufficient income from alternative sources of financial assets that they do not need to sell their opium crop in advance but can sell it later in the calendar year (when prices have increased) they can generate significantly higher returns than those who only have their labour to sell. Inequitable land tenure and credit arrangements ensure that the resource rich always generate a net profit on opium. The resource poor are not always so fortunate. A comparison of actual net returns per jerib in Badakhshan suggest that a landlord has the potential to earn between US$1,253 and US$2,653 compared to actual net returns of US$179 to US$379 to the sharecropper. For more detailed analysis see Mansfield, D. 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' A Report for the Agha Khan Development Network, January 2004; and 'The Economic Superiority of Illicit Drug Production: Myth and Reality - Opium Poppy Cultivation in Afghanistan'. Paper prepared for the International Conference on Alternative Development in drug control and cooperation, Feldafing, January 7-12, 2002;

[21] Of those interviewed, 43% report they will maintain the same level of cultivation as in 2002/3 and 10% reported they would increase the level of wheat cultivation compared to the previous growing season.

[22] Most of these respondents were in the provinces of Ghor and Badakhshan where access to rainfed land (and good rains) might allow for an increase in the cultivation of both winter crops. For the sample as whole a comparison between the change in the amount of land dedicated to wheat and the change in the amount of land dedicated to opium from 2002/3 to 2003/4 reveals there is not a significant relationship between the two data sets (correlation coefficient of -0.32).

above the potential returns they will generate.[23] Indeed, in remarking on their decision on cropping patterns respondents cited access to land (29%), water (1%) and seeds (1%) as constraints on their allocation of land to different crops.

7.2 Price inelasticity?

Certainly, the relationship between the price of agricultural commodities and level of cultivation is not simple. For instance during the drought years, research indicated that households determined how much land to dedicate to wheat based on estimates of water availability rather than the market price.[24] Other fieldwork suggests that even when the farmgate price of opium is high, if households are concerned that they will not be able to purchase wheat on the open market at a reasonable price, households will favour wheat cultivation.[25] More recently, in the 2002/3 growing season despite relatively stable wheat prices, wheat cultivation expanded significantly (32%) across Afghanistan and in the majority of opium poppy producing provinces.[26] This occurred at a time when opium poppy prices were at some of their highest in the last decade yet its cultivation remained relatively static (with only an 8% increase in total cultivation from 2001/2 according to UNODC).

Furthermore, a review of the level of opium poppy cultivation suggest that opium poppy cultivation is relatively price inelastic (See Graph below). This should be of little surprise: after all opium poppy cultivation is only one part of a more complex livelihood strategy in Afghanistan. It requires a range of different inputs, including land, water, and cheap or unremunerated (and during certain parts of the agricultural cycle relatively skilled) labour. Increasing the cultivation of opium poppy imposes opportunity costs on other aspects of the household livelihood strategy.

For instance, land will need to be reallocated from food crops or other potential cash crops possibly causing an imbalance in the traditional crop rotation systems that maintain the productivity of the land.[27] Labour may need to be redirected from non-farm income

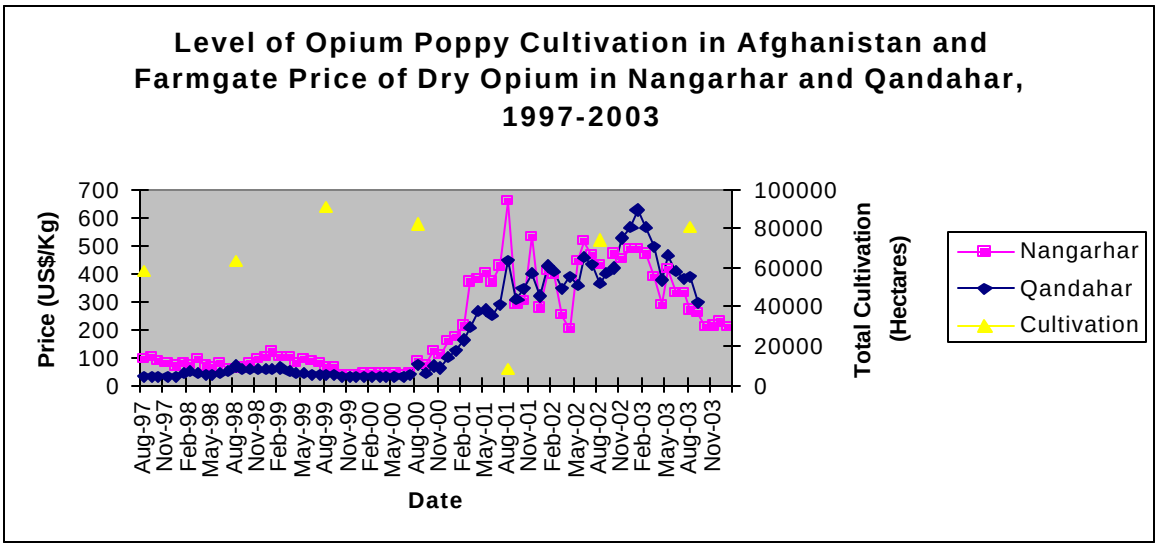
[23] Opium poppy does not only require up to seven times more labour per unit of land but tends to receive more fertiliser, and water (when it is available).

[24] See Andy Hale Afghanistan Food Aid Impact Assessment, Chemonics International Inc., December 2002.

[25] 'Phillips has indicated that the rural cultivator in Afghanistan will balance the amount of land sown with poppy with household food requirements. When basic foodstuffs such as wheat and flour can be easily purchased for reasonable prices the farmer may opt to dedicate a greater proportion of land to poppy cultivation. However, when wheat becomes too expensive or too difficult to purchase the farmer will reduce the amount of land planted with poppy and increase wheat cultivation, until the balance of the two corresponds with household food and cash requirements' see UNDCP Afghanistan: Assessment Strategy and Programming Mission to Afghanistan, May - July 1995.

[26] See Daniel Molla 'Food Aid, Wheat Price and Poppy Cultivation in Afghanistan: Is there a link?' Unpublished paper. November 2003.

[27] '*For instance, a number of respondents reported that if opium poppy were to be cultivated on the same piece of land for two years in succession, the reduction in poppy yields (20-30%) would be followed by a fall in wheat yields (30-50%) in the third. Whilst respondents reported that fertiliser could be used to offset some of the reductions caused by failing to rotate crops, the soil would soon become 'diseased"* See 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' A Report for the Agha Khan Development Network by David Mansfield, January 2004. Page 18. It is also worth noting that key informants claim the widespread disease in the opium poppy



opportunities and may need to be hired during periods of peak demand (such as weeding and harvest). The reduction in wheat cultivation will reduce the availability of straw for livestock that has traditionally acted as a guarantee against food insecurity. Moreover, the capacity of the household to respond to fluctuations in opium prices will also be determined by the availability of agricultural inputs and in most source areas in Afghanistan access to inputs such as land, water and labour are governed by traditional systems rather than the free market.

Consequently, whilst significant increases in illicit drug crop cultivation may generate higher economic returns, it can also upset the delicate equilibrium that households have established between the different elements in their livelihood strategies. As such the pursuit of higher returns is likely to expose households to greater risks. Risks that the resource poor can ill afford to take. For the resource poor, food security continues to be the primary concern.

However, key informants report that there was a growing confidence in the effectiveness of the wheat market amongst respondents.[28] As such, households reported they were less concerned about the need to produce a minimum amount of wheat for fear that wheat would be unavailable (or unaffordable) in the local bazaar. Experience suggests that in this situation households are more able to concentrate their resources on the production of cash crops, such as opium, as a means of purchasing their food supply.[29] As such, for the

crop in the district of Khogiani in 2002/3 is a consequence of the lack of crop rotation combined with excess moisture and fertiliser use.

[28] This is supported by further indepth research in Badakhshan. See Pain, A. 'The Impact of the Opium Poppy Economy on Household Livelihoods: Evidence from the Wakhan Corridor and Khustak Valley in Badakhshan.' A Study for the AKDN Badakhshan Programme funded by Gtz, January 2004; and Mansfield, D. 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' A Report for the Agha Khan Development Network, January 2004.

[29] In fact in areas where opium is grown on both irrigated and rainfed land (such as Ghor and Badakhshan) the increasing concentration of opium poppy on irrigated land is illustrative of the improving climatic conditions and confidence over future food supplies. For instance, in the past households in Badakhshan have cultivated opium poppy along with wheat in both irrigated and rainfed lands. This has been a risk

wealthy, who have the resources to respond more to changing price signals, the end of both the civil war and the drought, and the subsequent recovery of the wheat market, may have facilitated an increase in opium poppy cultivation. For resource poor, the rules governing access to land and credit, as well as the demands of their creditors, ensures that they pursue the livelihood strategies that the resource wealthy dictate, as will be discussed below, often this means opium poppy cultivation.

8. Mixed Messages

8.1. Perceptions of the central government's position on opium poppy cultivation

Fieldwork in 2002/3 revealed that there was widespread knowledge of the ban on opium poppy cultivation in Afghanistan declared in January 2002.[30] This year respondents were asked if they were aware of the pre planting season statements by President Karzai that reiterated the ban on opium production.[31] Whilst four fifths (81%) of those interviewed were aware of the statement, the level of awareness differed across the provinces. For instance, in Nangarhar 90% of those interviewed were aware of the central government's continuation of the ban on opium poppy in the 2003/4 season, 88% in Badakhshan, 74% in Ghor and 70% in Helmand.

However, whilst aware of the continued ban almost half of those interviewed did not believe the central government had sufficient influence over the provinces to implement it (47%). This lack of confidence in the authority of the central government was most prevalent in Nangarhar where 78% of those interviewed did not believe the central authority could impose its will on the province. In Helmand and Badakhshan only 40% of those interviewed held the view that the central government had insufficient influence in the provinces compared with 22% of respondents in Ghor.

Almost one third of those interviewed believed that the central government could implement the ban opium poppy but indicated that this was on condition that the government was strong enough to impose its will. This view was most commonly held in Badakhshan, where 63% of those interviewed held this position, compared to 36% in Helmand, 22% in Nangarhar, and 9% in Ghor.

Only 11% of those interviewed claimed that central government could implement a ban on opium poppy cultivation but blamed their ignorance of the ban as an excuse for continued cultivation in 2003/4. A further 10% reported that they were completely unaware of the ban.

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averse strategy aimed at protecting the household against crop failure and spreading the demand for labour. Given the high incidence of rainfall in 2001, households could concentrate their opium poppy cultivation in the irrigated lands and dedicate more of their rainfed areas to wheat cultivation. By pursuing this strategy households have been able to increase their opium yields whilst maintaining food security.

[30] In 2002/3 all of those interviewed were aware of the ban on opium poppy cultivation. See UNODC Strategic Study#9: Opium Poppy Cultivation in a Changing Policy Environment: Farmer's Intentions for the 2002/3 Growing Season. UNODC: Kabul. Page 10

[31] This statement was made on Radio Afghanistan on 23 October 2003.

8.2. Perceptions of the local authorities position on opium poppy cultivation

Awareness of the central government's policy on opium differs markedly from the more ambiguous position respondents believed the local authorities had adopted over opium poppy cultivation. In particular, 82% of those interviewed were not aware of the local authorities issuing a ban on opium poppy cultivation. At the provincial level as few as three (5%) of respondents in Nangarhar, 7 (11%) in Helmand and nine (19%) in Badakhshan believed the local authority had issued a statement banning opium poppy cultivation. It was only in Ghor where a significant number of respondents (46%) indicated that the local authorities had banned opium poppy cultivation (however many were of the view that this was only for the winter season and that this would be lifted in the spring).

For the majority of respondents the local authorities lacked credibility when it came to the implementation of a ban on opium poppy cultivation. More than half (55%) reported that members of the local government, commanders and officials themselves had cultivated opium poppy and were therefore not in a position to insist others refrained from cultivation. A further 11% reported that the local authorities had a vested interest in opium poppy cultivation but did not specifically indicate what this was (the vast majority of these respondents were in Ghor). In Nangarhar and Badakhshan, a number of respondents (n5) were still reporting the local authorities failure to provide compensation during the eradication campaign of 2001/2 as the reason why they could not implement the ban on opium poppy cultivation during the 2003/4 season. A further 4% of those interviewed (all in Achin district in Nangarhar) reported that the local authorities failed attempts to eradicate opium poppy cultivation in 2002/3 illustrated that they were not in a position to implement the ban this year (for more details see Section 8).

Only 11% of those interviewed believed the local government could ban opium poppy, of which the vast majority were in Helmand (92%) in the districts of Marja, Nad e Ali and Nahre Seraj. Despite holding this view (and as many as 50% of them having had their crop eradicated last year) all of these respondents had cultivated opium poppy in 2003/4.

9. The Threat of Eradication

9.1. Eradication in the 2002/3 growing season

Almost 90% of those interviewed were aware of the previous season's eradication campaign. At the provincial level it was only in the district of Ghor (where no eradication has been undertaken in previous seasons) that respondents were unaware of the 2003 campaign. In Helmand, Nangarhar and Badakhshan all of those interviewed were aware that an eradication campaign had been undertaken the previous season.

Despite such high levels of awareness only 15% of those interviewed reported that their crops had been destroyed in the 2002/3 growing season.[32] Of those who had experienced

[32] This compares with 30% in 2002/3.

eradication last year the vast majority (91%) were in Helmand scattered across all four districts, Nawa Barakzai, Nahre Seraj, Marja and Nad e Ali. In Nangarhar, eradication was limited to 3 respondents two of whom were located in Chapahar and one in Khogiani. The low incidence of eradication amongst respondents is perhaps surprising given the reports of the destruction of 22,000 hectares.

Respondents and key informants reported that the eradication campaign in the 2002/3 growing season had generally been targeted against the more vulnerable and that the crops of the wealthy and influential were not destroyed.[33] The rationale for this approach was attributed to local political interests and structures. In particular, it was suggested that district administrators, charged by the provincial governors for delivering eradication targets, were unwilling to eradicate the crops of the more influential within the district, for fear of reprisals. It was also reported that the crops of those with the financial resources to pay bribes or those who were employed by the local authorities were often spared. For instance, one respondent in Marja complained that whilst his one jerib of opium poppy had been eradicated his neighbour, who worked for the local authority, had retained his five jeribs of opium poppy. Another reported that his failure to pay a bribe of US$ 200 to prevent the 10 jeribs of opium poppy that he was sharecropping with his family from being destroyed had led to him being thrown off the land by the landlord and unable to pay his debt of US$ 1,800. He claimed he was subsequently imprisoned for defaulting on his debt.

9.2 Its impact on decision-making

All of those respondents who had their crop destroyed in the 2002/3 growing season were found to cultivate opium poppy this season. Of this group only one (3%) reduced the amount of land they dedicated to opium compared to the previous year, six (18%) retained the same level of cultivation and twenty-six (79%) increased cultivation. As such, the average amount of land dedicated to opium poppy reported by those households who had their crop eradicated last year doubled from 4 jeribs in the 2002/3 growing season to 8 jeribs in 2003/4. For those households that did not have their crop eradicated the average amount of land dedicated to opium poppy increased from an average of 3 jeribs to 4.5 jeribs. Amongst this group 3% reported that they reduced the amount of land dedicated to opium poppy between 2002/3 and 2003/4, 38% retained the same level of cultivation and 66% increased cultivation.

Respondents were asked how the 2002/3 eradication campaign had influenced them in their decision to cultivate opium poppy in 2003/4. Amongst those who had their crop eradicated the most popular explanation for their decision to increase the amount of land dedicated to opium poppy was the level of debt they had accrued (27%), compared to 5% of those whose crop had not been eradicated. Indeed, of those households whose crop had been eradicated last year the average accumulated debt was US$1,295 compared to an average debt of US$930 for those households whose crop had been harvested.

[33] See 'the Impact of Afghan Transitional Authority's poppy eradication programme on rural farmers' in Mercy Corps Mission Report, September/October 2003 by Anthony Fitzherbert. *'In Helmand and Uruzgan the eradication programme was both punitive and selective – 'protect friends (the powerful) eradicate the others (the weak and those who would not or could not pay)'*

Moreover, 88% of those who had experienced eradication last year had accumulated debts compared to 42% of those interviewed who had not had their crop destroyed.

A further third of those whose crop had been eradicated indicated that their decision to continue to cultivate opium was determined by their need to access land. Two thirds of this group simply reported that the decision to cultivate opium poppy lay with the landowners (they did not indicate whether they disagreed with this decision) whilst the other third actually stipulated that the landowner would not allow them to work their land unless they cultivated opium poppy.

One sixth of those whose crop had been eradicated reported that opium poppy was currently the only way to meet household living expenses. A further sixth suggested that they would continue to cultivate as the majority of other farmers in the areas were cultivating unabated. Only 6% of those who had their crop eradicated suggested that their continued cultivation was due to the failure of the authorities to deliver assistance.

Household case studies (see inside covers) illustrate how eradication last year exacerbated the already fragile socio-economic situation of some respondents. For instance a number of respondents reported that when their crop was destroyed they were compelled to sell their land, daughters and farm equipment in order to repay (and often only partially) the advances payments they had received on their opium poppy crop. It was indicated that respondents came under intense pressure from their creditors to repay (for more detail on debt see Section 9 below).

This pressure could sometimes manifest in coercion, threats of violence and the kidnapping of family members. The *jirga*, the traditional body responsible for local conflict resolution, was often active in trying to ensure that these disputes were resolved without recourse to violence.[34] In all these cases, respondents saw an increase in opium poppy cultivation in 2003/4 as one of their only means of regaining the assets they had been compelled to sell when their crop had been destroyed. Many reported that they looking for extra land to rent or sharecrop (or had already done so) so as to increase opium poppy cultivation beyond their current landholdings.

9.3. The threat of eradication in 2003/4

Only 1% of respondents indicated that they would not cultivate opium poppy in 2003/4. However, these individuals had not cultivated opium poppy previously. One sixth of those interviewed (the vast majority located in Ghor) simply suggested that eradication did not affect their decision to cultivate, as it had not been implemented in their area last year. A further 9% of respondents cited the fact that others were cultivating opium poppy therefore they were going to do the same in 2003/4.

However, over three-quarters (78%) of those interviewed indicated that they would cultivate opium poppy regardless of eradication due to insufficient household assets. By far the largest element of this group (86%) suggested that without opium poppy they

[34] It was often argued that there was a preference for the jirga to act as mediator in these cases as its members did not request payment as opposed to officials from the local authority.

would have insufficient financial assets to either meet their household expenses or repay outstanding debts. The other 14% of this group indicated that they did not have sufficient natural assets to refrain from opium poppy cultivation: 1% because they did not have sufficient water to cultivate other crops; 13% because their access to land was determined by a willingness to cultivate opium poppy.

These claims and continued opium poppy cultivation (even amongst those households whose crop had been eradicated in both 2001/2 and 2002/3 growing seasons) suggests that respondents do not perceive the risk of cultivating opium and having it eradicated outweighing the benefits of pursuing a licit livelihood. It is certainly clear that the net returns per hectare at planting time of US$ 6,720 (although actual returns would differ by socio-economic group) were potentially high, particularly when compared with the actual cost incurred prior to the more labour intensive periods of weeding and harvesting (US$ 120).[35]

However, much more importantly, respondents consider the opportunity cost of planting opium poppy and having it eradicated as low. For instance, cultivating wheat instead of opium poppy is generally not an option as few have sufficient lands (and high enough yields) to meet their household food requirements. Where they do, low wheat prices mean that they cannot satisfy their other basic needs though its sale. The production of cash crops is constrained by low yields, insufficient water, poor infrastructure, limited markets, price fluctuations and potential border restrictions making it a relatively risky endeavour compared to opium production. Moreover, a household that does not cultivate opium poppy will typically find access to credit more problematic exposing the household to greater risk during times of food scarcity or during periods of productive investment.

Indeed, without opium poppy cultivation the majority of respondents (59%) reported that they could not repay the debts they have accumulated without selling their long-term productive assets, including land (53%), livestock (1%) and daughters (5%).[36] Whilst taking extra loans (10%), thereby committing the family to further opium poppy cultivation in subsequent years, and absconding to Pakistan or Iran (21%) were also cited as alternatives to opium poppy cultivation, only 10% cited the pursuit of other economic opportunities as a livelihood strategy were their opium crop to be destroyed.

[35] This assumes that the net costs of production consisted of fertiliser (at a rate of 250 kg of Urea and 250kg of Diammonium Phosphate per hectare and a cost of US$10 per 50 kg), oxen (at a rate of 10 days per hectare and a cost of US$2 per day)) and labour (at a rate of 40 person days for land preparation and sowing, 100 days weeding , 200 days for harvesting, and 40 days for seed collection and field clearance at a cost of US$2 per labour day – except for harvesting at US$4 per day). It assumes an average yield of 40Kg/ha at a price of US$200/Kg

[36] In 2001/02, there was an increase in the level of debt incurred by those who had their crop destroyed. In the 2002/03 season the level of accumulated debt amongst those whose crop was eradicated was significantly higher (US$ 1,320) than those who had not had their opium poppy destroyed (US$543). For more detail on debt repayment strategies see UNODC Strategic Study#9: Opium Poppy Cultivation in a Changing Policy Environment: Farmer's Intentions for the 2002/3 Growing Season. UNODC: Kabul.

Key informants reported that the wealthy and influential had little to fear from eradication. The process of eradication in the 2002/3 growing season where the wealthy had either used bribery, social connections or the threat of reprisals against the local administration to protect their crops was used as an illustrative example. Analysis of the data would go some way to supporting this, indicating that 61% of those who reported that there crop was destroyed in the 2002/3 growing season were landless (either leasing or sharecropping land) compared to only 38% of those respondents who inhabited the districts in which eradication took place but did not have their crop destroyed. It was suggested that given the failure of the local authorities to target the wealthier members of the community in 2002 this group felt they could cultivate with impunity in the 2003/4 growing season.

The degree of scepticism regarding the capacity of the local authorities to eradicate was also dependent on location. In the more remote tribal areas of Nangarhar hostility to eradication was particularly pronounced. For instance, in the district of Achin respondents indicated that based on last years experience they had little to fear from eradication. They reported that the local authorities attempts to eradicate in Achin in the 2002/3 growing season had been thwarted when the inhabitants attacked the eradication team with stones.[37] They reported that the tractor that was to be used for eradication in had been abandoned when the local authorities fled the area. Similarly, respondents in Khogiani claimed that they had threatened to fight the local authorities if they attempted to eradicate their crop. It was reported that only a limited amount of eradication took place (primarily on government owned land) before the authorities returned to Jalalabad. Key informants report that these two districts are particularly difficult to eradicate due to the homogeneity and strength of the Shinwari and Khogiani tribes that inhabit these, and many of the neighbouring, districts.

Respondents reported that those individuals who did fear eradication and had sufficient resources were taking evasive action. For instance, it was reported that resource rich respondents had built high walls around their land in the districts of Marja and Nad e Ali as a way of circumventing eradication in the 2003/4 growing season. Whilst the height of these structures were intended to conceal cultivation from the local authorities it was also reported that respondents intended to build a one room house within the walled compound and locate the family, and in particular the women of the household, there during the harvest season. Respondents believed that even if the local authorities were aware that opium poppy were being cultivated within the walled compound they would be unwilling to enter and destroy the crop as they would be breaking the rules of *purdah* and would face a backlash from the local community.

Respondents claim that for the resource poor there were few options for avoiding eradication. The construction of perimeter walls and bribes were generally beyond their financial means. However, one respondent in Marja reported that he had avoided eradication in the 2002/3 growing season by flood irrigating his land at the point when the eradication team had arrived in his village but prior to them visiting his land.

[37] One respondent claimed that he had informed the team 'first you kill me and then you can eradicate my land'

Allegedly, concerned about getting bogged down in ankle deep mud, the team had left the respondent's crop indicating they would return in a few days when the field had dried. The team did not return.

10. Hampering Access to Credit

10.1 Structural Changes in 2003/4

As opposed to the 2002/3 growing season, where 45% of respondents had received an advance payment, known as *salaam*, on their future opium crop at the time of interview, only 5% of those interviewed had already received an advance on their opium crop during the planting season for the 2003/4 season. Of particular significance was the low incidence of advance payments in Helmand (0%) and Nangarhar (9%) compared to the previous season where 63% of those interviewed in Nangarhar and 61% of those in Helmand had received *salaam* on their opium crop. This change in the pattern of loans is all the more significant when it is considered that 94% of those interviewed in Helmand and Nangarhar in 2003/4 had already planted their opium at the time of interview and would typically be considered more credit worthy.[38]

The low incidence of advances in Badakhshan in the 2003/4 season (13%) is comparable with last season where only 16% of respondents had taken salaam at the time of interview. The preference for spring planting in Badakhshan would seem to be a possible explanation for the low number of advances obtained at the time of interview. In Ghor, none of those interviewed had obtained a loan. However, as with Badakhshan the preference for spring planting (only 16% of those interviewed had planted opium) would seem to militate against respondents reporting a high incidence of credit on their future opium crop.

However, the particularly low number of loans on opium in Nangarhar and Helmand is important. Previous fieldwork has indicated that 30% of those interviewed (n108) obtained loans between mid September and mid November, the start of the winter planting season. A further 42% received credit between mid November and mid February, a period in which many households experience food shortage. For the rural poor, obtaining credit during these two periods is critical and it is notable that none of those interviewed in Helmand had received a seasonal loan as of 14 December.

The situation of the rural poor is further exacerbated by the increasing tendency of traders to set the level of the advance payment on opium according to socio-economic group. Key informants reported that where *salaam* was provided there was an increasing tendency to offer preferential rates to those with assets. Therefore those with land would receive the traditional advance payment of 50% of the market price of opium that day, however, those individuals without land but with other assets (such as farm equipment, livestock etc) received only 30%-40% of the current price. It was reported that those with

[38] See Strategic Study#3: The Role of Opium as a Source of Informal Credit in Afghanistan. UNODC: Islamabad.

neither land nor other assets could not obtain any loans as traders perceived them as the most risk of eradication and the least able to repay their debts if eradication took place.

For instance, one respondent whose opium had been eradicated in 2002/3 reported that his need for a seasonal loan (and his high levels of outstanding debt) had pushed him into accepting a sharecropping arrangement that was more akin to bonded labour. Under this arrangement he received only one sixth of the final yield of the crops that he cultivated (including opium)[39] and was unable to work anywhere else until his debt was fully paid. If he died before the debt was paid (he was seventy years old) his son was responsible for the outstanding debt.

The low incidence of lending by traders was blamed on the both the fear of eradication and the prospect of a fall in opium prices (due to the level of planting this year). Both would result in losses to the trader. The move by traders to adjust the rate of the advance on opium according to socio-economic group was seen as a direct reaction to the continuing levels of debt amongst opium poppy cultivators and the potential for further eradication in 2003/4.

Yet despite these low levels of lending on opium during the planting season respondents continued to cultivate opium poppy unabated. Both respondents and key informants anticipated that lenders would be more willing to provide loans once the season progressed (50% of households in Nangarhar and Helmand were looking to obtain an advance payment on their crop later n the season) and as in any other year those that cultivated opium would gain preferential, if not sole, access.[40] Consequently, respondents that wished to obtain credit over the winter period, a time of food shortage for many, believed they had little choice but to cultivate opium poppy.

10.2 Accumulated debts

Just over half (52%) of those interviewed had debts that they had not repaid from previous years. The highest incidence of unpaid loans was in Helmand where 69% of those interviewed had accumulated debts, compared to 52% in Nangarhar, 42% in Badakhshan and 36% in Ghor. This compares with 69% of those interviewed in Helmand in 2002/3, 66% in Nangarhar and 66% in Badakhshan. Fieldwork was not conducted in Ghor in 2002/3.

Many of these accumulated debts spanned a number of calendar years dating back as far as 1998. However, as opposed to 2002/3, where 2001 featured as the source for 50% of accumulated debts, only 33% of respondents in 2003/4 indicated their debts dated back to the year of the Taliban ban.[41] Instead, 2002 featured as the most frequently reported year

[39] Whilst the distribution of the final yield under a sharecropping arrangement will vary according to the inputs (land, labour, water, farmpower, seed) that both landowner and sharecropper contributes, in the southern provinces sharecroppers typically receive one third of the final opium poppy crop.

[40] See UNODC Strategic Study#3: The Role of Opium as an Informal Source of Credit. UNODC: Islamabad.

[41] Fieldwork in 2001and key informants for this Study suggests that the Taliban ban had a particularly negative impact on household debt. With the successful implementation of the ban in 2001, many households found themselves unable to repay the amount of opium on which they received an advance. To

in which debts were accrued (49%). Two of the largest debts reported (by two respondents in Khogiani) attributed their debts to the destruction of their opium poppy crop in 2002.

Helmand reported the highest level of accumulated debt with an average debt amongst those interviewed of US$2,373. Accumulated debts in Nangarhar, Badakhshan and Ghor were considerably lower at US$769, US$337 and US$127 respectively. In all three provinces in which fieldwork was conducted in both 2002/3 and 2003/4 the average household accumulated debt fell.[42] Whilst there needs to be caution in comparing data on debt from 2002/3 and 2003/4 given the different individual households interviewed (and districts in Helmand), the lower incidence and level of debt at the provincial level may reflect a level of repayment that respondents have been able to make given the relatively higher farmgate price in opium over the last season.

Analysis at the district level reveals considerable divergence in average levels of household debt. As in the 2002/3 growing season, those districts with greater levels of average household debt seem to be in those in which opium poppy cultivation is more concentrated. Respondents in the districts of Jurm, Keshem and Faizabad in Badakhshan and in particular Chaghcharan, Sharak and Tawarah in Ghor reported considerably lower levels of average accumulated household debt compared to those interviewed in districts in Helmand and Nangarhar.

A comparison of average household debt amongst respondents and average household debt solely amongst debtors reveals even greater levels of borrowing than district averages suggest. Levels of accumulated debt amongst those in debt were systematically between two and four times higher than the level of debt amongst all those interviewed, highlighting the degree of socio-economic differentiation that exists amongst opium poppy cultivators even at the local level.

Indeed, key informants and previous fieldwork[43] suggests that the level of debt is a key determinant of the actual returns on opium poppy cultivation. Those households that are not using opium production as a means of servicing debt will benefit from the relatively high farmgate price that opium can currently obtain. However, for those that have accumulated significant debts, even relatively high opium prices do not allow them to fully service their loans, particularly where a household is repaying in-kind in the form of raw opium. For instance, a number of respondents reported that their failure to repay salaam payments had resulted in a significant increase the amount of opium that they were expected to repay. One particular individual from Khogiani district in Nangarhar

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ensure that the advances were repaid, lenders converted the repayment due in-kind into cash payments. However, this conversion was based on the price of opium at harvest time 2001 (on average US$ 500 per kilogramme). The monetisation of advances was the equivalent effect of charging interest at 1,000-1,500 per cent. For more detail see 'The Impact of the Taliban Prohibition on Opium Poppy Cultivation in Afghanistan, 25 May 2001'. Paper prepared for the Donors Mission to Afghanistan, 23 April – 4 May 2001.

[42] In 2001/2, the average accumulated household debt was US$3,010 amongst respondents in Helmand, US$1,477 in Nangarhar and US$ 428 in Badakhshan.

claimed that a trader that had given him an advance payment of US$400 on 4 kilogrammes of opium in 2000 was now demanding 20 kilogrammes or the equivalent cash value of US$ 7,200. This was not atypical. Many respondents reported that their opium debts had at been doubled each year that they had failed to repay. The Taliban ban, in particular, and the eradication campaigns of 2001 and 2002 were seen as the major causes of accumulated debt.

An analysis of accumulated debt across the different socio-economic groups suggests there is a greater incidence of debt amongst more vulnerable groups. For instance, over two thirds of sharecroppers interviewed had accumulated debts compared to 60% of tenants, 40% of owner cultivators and none of the landlords interviewed. Whilst the incidence of debt varied by socio-economic group the level of accumulated debt varied little between sharecroppers, tenants and owner cultivators at US$635, US$ 577 and US$ 421 respectively. This would tend to suggest that the quite stark patterns in rates of accumulated debt at the district and provincial level outweigh any trends that might exist amongst the different socio-economic groups for the sample as a whole.

Table 7: Average level of household debt by district

District	Average accumulated debt amongst all respondents (US $)	Average accumulated debt amongst those in debt (US $)
Surkhrud	769	1,538
Khogiani	869	2,780
Chapahar	307	653
Achin	1,106	1,362
Nawa Barakzai[44]	6,838	7,862
Nahre Seraj	1,220	2,033
Nad e Ali	679	1,273
Marja	940	1,282
Chaghcharan	99	296
Sharak	157	295
Tawarah	124	372
Jurm	584	1,557
Keshem	122	297
Faizabad	316	677

[44] In Nawa Barakzai, one particular respondent who reported an accumulated debt of US $50,000 skewed the average household debt. This individual, a mullah, claimed that he had taken this loan from a trader in Quetta, Pakistan, prior to the end of the Taliban's rule in 2001. He had subsequently given this money as salaam to farmers within his village and the neighbouring area. However, whilst those within his own village had repaid him in opium others had not claiming he was a Talib (he claimed to have been imprisoned for 25 days due to this accusation). To pay some of his outstanding debt the respondent had sold 25 jeribs of land and given his daughter to the trader in Quetta. The respondent reported that know his nephew was working within the provincial administration he anticipated his debtors repaying the money he had lent them.

10.3 Strategies for repayment

As with 2002/3, the main strategy for the repayment of accumulated debts was through the cultivation of opium. As many as 85% of those with outstanding debts saw continued opium poppy cultivation as their main method of repayment (compared with 68% in 2002/3). This strategy was often combined with the pursuit of wage labour opportunities (25% of total number with accumulated debts) within the province or across the border in Pakistan or Iran. Only two respondents reported that they would use the profits they obtained from the other cash crops they were growing to repay their outstanding loans.

In Nangarhar and Badakhshan a number of households had mortgaged land in order to repay some of their accumulated debts. Where these households retained some of their own land they cultivated opium poppy intensively (often monocropping on the land they owned) as a means of repaying their outstanding debt and reacquiring their mortgaged land. Indepth fieldwork[45] and key informants for this Study indicate this is a common strategy for repaying outstanding debts in Nangarhar and Badakhshan and regaining possession of mortgaged land. However, typically it is a strategy that only succeeds where the household has only mortgaged some of their land. Where all the household land has been mortgaged there is little chance that the individual will regain ownership as the debtor will receive insufficient returns from their land. One key informant indicated that of the ten people in his village in Nangarhar who had mortgaged their land in the last three years, two had regained their land, five still worked their own mortgaged land, and three had lost their land entirely. All had resorted to increasing their level of opium poppy cultivation as a means of repaying their loans.

For the lender giving a loan against land has major benefits. An annual interest to the lender constitutes half the final crop. Not insignificant to the lender particularly where they have insisted on the cultivation of opium, as many of them do. Moreover, if the borrower defaults the lender takes permanent ownership of the land at a fraction of its market value. For instance, key informants report that in Achin one jerib of land with a value of around US$10,000 could be mortgaged for the equivalent of approximately US$2,000.

Of particular concern was the fact that only one third of respondents with accumulated debts believed that they would repay these over the next twelve months. A further third anticipated that it would take two years to repay their current level of debt, whilst the final third thought they would be able to repay their current level of debt over a three to six year period.

Not surprisingly given the average level of household debt, respondents in Helmand and Nangarhar were particularly pessimistic about the time it would take them to repay their loans. For instance, only 5% of those with accumulated debts in Helmand and 20% of those with accumulated debts in Nangarhar anticipated repaying their debts in the next 12

[45] See 'Coping Strategies, Accumulated Wealth and Shifting Markets: The Story of Opium Poppy Cultivation in Badakhshan 2000-2003' by David Mansfield. A Report for the Agha Khan Development Network, January 2004

months, compared with 60% of those with accumulated debts in Badakhshan and 93% of those with accumulated debts in Ghor. This would suggest that many respondents in Helmand and Nangarhar currently have a long-term commitment to opium poppy cultivation as a means of repaying their current levels of debt. Clearly where further advance payments on opium are obtained (and/or respondents find themselves unable to repay these debts due to disease or eradication) respondents will have to increase the length of their commitment to opium poppy cultivation.

11. Findings

Despite a significant fall in the farmgate price of opium prior to the planting season, overall the amount of opium poppy planted by those interviewed was expected to increase in 2003/4 compared with the previous growing season. However, the potential for increases in the level of cultivation differed by province. With significant reductions in the amount of land dedicated to opium poppy in 2002/3 and access to relatively large irrigated landholdings, respondents in Helmand reported the largest increases in the level of opium poppy cultivation. In Nangarhar, substantial increases in cultivation were constrained by small landholdings and the already intensive nature of opium poppy cultivation in some districts. In Ghor and Badakhshan increases were more marginal with wheat still occupying the majority of respondents' cultivated land.

Opium poppy is cultivated more intensively in areas, and amongst socio-economic groups, with limited cultivated land. For example, those households that exclusively cultivated opium poppy had in average only 3.26 jeribs of cultivated land compared to the 21 jeribs of cultivable land of those households who dedicated only 25% of their land to opium poppy. Where households did monocrop opium poppy (particularly where it was widespread) it tended to be in those districts with lower than average sized landholdings. Sharecroppers and tenant farmers, who on average had more limited landholdings, were also found to dedicate a far greater proportion of their cultivated land to opium poppy compared with landowners (both owners cultivators and landlords).

Confidence over the continued supply of wheat and stable wheat prices has aided opium poppy cultivation in 2003/4. Households are less concerned about being able to purchase wheat on the open market due to the opening of the international borders facilitating commercial wheat imports, and with the recovery of domestic wheat production. This has allowed those households, with access to the inputs to do so, to dedicate more of their land to cash crops, in particular opium, rather than cultivate wheat for their own consumption. However, despite this growing confidence the vast majority of households still dedicate much of their land to wheat.

The increasing tendency to calculate rent on the basis of potential opium production is limiting the cropping choices of those households that lease land in opium poppy producing provinces. Traditionally the rentable value of land is determined by its potential wheat production, however, in areas in which opium poppy is concentrated, rents are increasingly calculated on the basis of the amount of opium produced from the land. In these areas households that cultivate wheat are unable to pay their rent as production is lower than the rentable value of the land. In support of this, there is certainly evidence from this Study that tenant farmers cultivate a greater proportion of their land with opium poppy compared with those that own their land. It is likely that the inflationary impact that opium cultivation has had on land prices and rents will constrain the shift from illicit to licit crops. Of particular concern is the impact the growing number of Nangarhari and Hemandi farmers leasing land in Ghor will have on local land prices and subsequently on levels of opium poppy cultivation.

The ambiguous position of the local authorities on opium poppy has compromised the statements by the central government outlawing the crop. Households look to the example set by local government in calculating the risks associated with opium poppy cultivation. The central government is considered too remote and its writ too limited for its decision to ban opium poppy cultivation to be taken seriously in the provinces. Production by local powerbrokers and officials as well as the collection of the agricultural tithe, *ushr*, on opium by clerics has been interpreted as a sanction to continue to cultivate the crop.

The process by which farmers were targeted for eradication in the 2002/3 growing season has created the conditions for further increases in opium poppy cultivation in 2003/4. With the loss of their crop more vulnerable farmers (who have typically been the targets for eradication) have felt compelled to cultivate opium poppy in subsequent years in order to pay off accumulating levels of debt (most of it payable in opium). Despite having their crop eradicated (and some having experienced two consecutive years) this group of farmers continues to cultivate opium poppy often at an increasing level. Wealthier households, who have generally avoided eradication due to their political contacts, or the payment of bribes, have been given the impression that they can cultivate with impunity. In the 2003/4 growing season this group has also increased the level of cultivation. It is particularly notable that all those interviewed who were targeted by the eradication campaign in the 2002/3 growing season are cultivating opium poppy in the 2003/4 growing season and that they have, on average, increased the amount of land dedicated to opium by more than those whose crops were left undamaged.

Despite some concern that eradication may take place households are still cultivating opium poppy. Most blame the lack of alternatives to meet household basic needs (for many insufficient land and large household sizes means that mono-cropping wheat is not an option) and the high levels of accumulated debt that are attributed to the Taliban ban and eradication in the 2001/2 and 2002/3 growing seasons. Consequently, despite the risk of eradication households still gauge that the

gains of cultivating opium poppy still far outweigh the risks of planting and subsequently losing the crop. For the wealthy, who have little to fear of eradication, opium poppy remains a way of accumulating assets not only through the direct returns from cultivating opium poppy but through the inequitable credit and land tenure arrangements associated with opium poppy cultivation.

Accumulated debt and the absence of alternative source of credit continue to drive opium poppy cultivation, particularly in areas where opium poppy production has become concentrated. Many households are still living with the consequences of the Taliban's ban on opium poppy cultivation in 2001. Their failure to repay the advances that they received on their opium crop that year has led to mounting debt, often payable in opium. For some the amount of opium due exceeds their annual production. There have been further increases in the level of accumulated debt for those whose crop was eradicated in the 2001/2 and/or 2002/3 growing seasons. Whilst households have sold some of their long-term productive assets (including land, labour and daughters) as part payment on their accumulated debts, few see any alternatives to repaying their accumulated debts (or regaining their assets) other than through the cultivation of opium poppy.

The informal credit system on opium has adjusted to take account of the increase in risk traders have incurred due to eradication but so far it has had no impact on household decision-making. As opposed to previous years traders in Nangarhar and Helmand have proven reluctant to provide advance payments on the 2003/4 opium crop, and where advances were paid rates differed by socio-economic group. This has increased the vulnerability of some, forcing them into more exploitative land tenure arrangements. It has not, however, affected the household's decision to plant opium poppy. Without an alternative source of credit, most respondents still believe that those that cultivate opium poppy will get preferential access to credit form traders, even if the terms are not as favourable as they once were.

The Barber of Achin

A barber in Khogiani took an advance payment of US$ 400 on 4 kilogrammes of opium from an opium trader in 2000 so that he could pay for treatment for his sick father. Due to the Taliban ban the barber did not have the opium to repay his debt. In fact he did not repay any of his debt for three years. The respondent reported that the trader now wanted the equivalent of twenty kilogrammes of opium, or the equivalent of US$ 7,200 as payment for the original loan and the interest accrued. The barber did not have the money. With the mediation of the local jirga it was decided that the barber would give the trader his daughter against US$3,200 of the loan and mortgage two jeribs of his land against the remaining US$4,000 he owed. The barber hoped that he would be able to repay the rest of his loan and regain his land. If he did not he would lose his land forever. He intended to cultivate opium in order to repay this debt.

Revenge in Marja

A respondent in Marja district in Helmand, reported that his absentee neighbour owned 30 jeribs of land. In the 2001/2 growing season he had received almost US$4,000 as an advance payment, known as salaam, on his future opium crop. However, all seven jeribs of his crop were eradicated that season and he was unable to repay the thirty-three kg of opium that he owed. In order to repay the debt the respondent reported that his neighbour sold ten jeribs of land. In the 2002/3 growing season the neighbour once again cultivated seven jeribs of opium poppy. Once again he had took an advance payment on his future opium crop (but this time only the equivalent of only US$1,000 on twelve kilogrammes of opium); and once again his entire crop was destroyed and he was unable to repay his debt. However, the respondent reported that this time his neighbour did not sell his land to raise the finances to repay his debts but absconded to Oruzgan threatening to kill those responsible for the destruction of his opium crop. Primarily the neighbour blamed his cousin for the destruction of the crop as he had worked on the eradication team in both 2002 and 2003. The respondent reported that despite the village jirga's attempts to negotiate in Oruzgan, his neighbour insisted that he would take his revenge (badal) and would get the ten jeribs of land he had sold 'times ten'. Meanwhile, his neighbour's cousin dismisses the claims that he was responsible for eradication. He blames the district administrator on whose order he destroyed his cousin's field. The cousin currently waits at home with his Kalashnikov. He does not leave his house even to cultivate his own land, fearing attack.

The Flying-Coach of Chaghcharan

A landowner with four jeribs of land in Chaghcharan in Ghor reported that during the drought he had lost five hundred sheep and ten cattle. He claimed that he and his family had had to leave their home and travel to Herat in 2001 where they ended up in Maslakah camp for the internally displaced. The respondent reported that when the drought finished he and his family of twenty-two members returned to his land. In 2002 he cultivated opium poppy with the help of some farmers from Helmand. He had subsequently travelled to Lashkargah in Helmand to sell his opium where he received the equivalent of US$240 per kilogramme (compared to US$160 – 200 per kilogramme in the local bazaar). With the money he had purchased a 'flying-coach' and a motorbike. The respondent reported he had no interest in replenishing the cattle and sheep he had lost in the drought but would work as a driver transporting people in his 'flying-coach'. His three brothers would continue to work the land and would once again cultivate opium poppy this spring.

Debts in Chapahar

A sharecropper in Chapahar received the equivalent of US$1,400 from a trader as an advance payment on seven kilogrammes of opium in 2002. However, his entire crop was destroyed during the 2003 eradication campaign. The Trader insisted on the immediate payment of his loan. As the sharecropper had neither opium nor cash the trader took his oxen and cow as a payment against US$700 of the loan. The sharecropper had cultivated six jeribs of land with opium in 2003/4 in order to repay the remaining US$700 of his debt. He stated that 'these people who own the land gave it to me to cultivate opium poppy not wheat, opium is the only way I can repay my creditors'. The sharecropper claimed that if his crop were eradicated again this year he would flee to Peshawar.