The Key to Reducing Afghanistan's Drug Economy

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Goal of CN in Afghanistan

- Support security and building of national state by weakening the link of drug trafficking to corruption, warlordism, terrorism.

- Gain support of Afghan people and minimize harm to economy and society.

- Goal is NOT to solve drug problem of rich countries. This is their problem.
The Importance of Opium in Afghanistan’s Economy

Source: Provided to Center on International Cooperation by Antonio Maria Costa, Executive Director of United Nations Office on Drugs and Crime, Vienna.
Evidence of Increased Opium Processing in Afghanistan

Seizures of opiates in countries neighbouring Afghanistan (Pakistan, Iran, Central Asia)

Seizures of opiates in countries in Central Asia, based on calculation in kilogram heroin equivalents

Source: Provided to Center on International Cooperation by Antonio Maria Costa, Executive Director of United Nations Office on Drugs and Crime, Vienna.
Drug Income as Percentage of Legal GDP

![Graph showing drug income as percentage of legal GDP for different countries.](image-url)
Income from Opium compared to International Aid to Afghanistan (2002-2003)
Security and Economic Assistance in Peace Building Operations (data courtesy of the RAND Corporation)
Strategy against Narcotics, for Security and Development

1. Law Enforcement: Against Traffickers, Laboratories, Political Sponsors

2. Alternative Livelihoods for Rural Communities: Roads, Debt Relief, Employment, Land

3. Macroeconomic support: balance of payments, currency, government revenue
Law Enforcement

♦ Attack sponsors and profiteers
  – Enforce constitutional requirement that officials must disclose assets. No traffickers or sponsors in the cabinet, or as governors.
  – Destroy heroin laboratories and stop precursor imports.
  – Arrest major traffickers, protectors. Extradite abroad if possible.
♦ Do not start with crop eradication.
Alternative Livelihoods

♦ Not crop substitution. Drivers of poppy cultivation are debt and access to land, not profit.
♦ Attack on traffickers lowers farm prices.
♦ Community development: employment, roads, schools, power.
♦ Access to market.
♦ Debt relief. Cancellation of mortgages.
Macroeconomic support

- Narcotics help to finance imports, construction, trade.
- Impact on exchange rate, price level, effective demand.
- Indirectly support government revenue.
- Hence need study by World Bank, IMF of impact of drug elimination, and plan to mitigate negative effects.