SHARING THE LOAD¹

The distributive nature of the opium trade in, and from, Afghanistan

David Mansfield

1. Introduction

Smuggling opium has distinct advantages. As a low-weight and relatively high value product it is more remunerative to smuggle opium than other drugs, like cannabis, and it presents fewer logistical challenges than the smuggling of bulky legal goods that are so often ferried across national borders in an attempt to bypass regulation and duties, such as fuel and consumer items. Once dried, it is also easier to transport than fresh or “wet” opium, with a lower weight and a notably less pungent smell, and therefore harder to detect by law enforcement. While clearly converting opium into morphine base, heroin base or heroin hydrochloride offers further financial benefits, as well as additional advantages with regard to reduced weight-to-value ratio and detectability, this is not an activity that everyone can, or wishes to, pursue. The cost of inputs, and access to know-how, markets and official protection, as well as social mores, restrict the number of opium traders that make the move up the value chain into the processing of opiates (Mansfield, 1998, p. 21).

Opium has long been smuggled from those nations where cultivation has been concentrated, such as Afghanistan, Pakistan, India, and Iran in south Asia, and Myanmar, Vietnam, Thailand and Laos in Southeast Asia, to consumers within each region and further afield. Currently, the vast majority of opium seizures are made in Iran, marking Afghanistan’s primacy as producer of almost 90% of global opiates, the role Iran plays as a consumer nation of opium, and its position as a major conduit for opiates travelling to Europe, as well as to the efforts the Government of the Islamic Republic of Iran (GIRI) to stem the trade (UNODC, 2020a, pp. 9 & 12). For example, in 2018, GIRI seized 644 metric tons of opium, 91% of global opium seizures. It also interdicted 21 metric tons of morphine, and 25 metric tons of heroin, the equivalent of 53% of global opiate seizures once converted into common heroin equivalents (UNODC, 2020a, p. 13). After Afghanistan – whose authorities seized 27 metric tons of opium in 2018 – the next largest seizures were made in Pakistan where 19 metric tons of opium were seized the same year, almost 50% more than the seizures made by all other countries combined. As such, these three nations – Afghanistan, Iran and Pakistan – constitute 98% of all opium seizures.

Perhaps, it should be of little surprise given some of the risks to researcher and the researched that there has been little empirical work done directly with those that smuggle opium. Instead, much of

the scholarly work in this field focuses on the reports of drug control organizations, claims of what has been seized, and estimates of the revenues generated by the drug trafficking groups involved.

For those of us who have spent some time conducting research in drug producing and transit countries, the kind of aggregate statistics and generalisations used to describe the drugs trade prove frustrating. Economic reductionist arguments about high prices and the insurmountable profitability of opium poppy cultivation dominate policy discussions on the motivations for opium poppy growth in Afghanistan, and drug crop cultivation globally. These figures prove misleading, offering inaccurate estimates of the income earned from opium production, ignoring the cost of inputs, as well as the fact that different land tenure and credit arrangements significantly alter the net returns earned by a rural household growing poppy. By failing to document and understand the diverse livelihoods of those cultivating poppy – the different kind of crops grown, the role of livestock and the range of other incomes generated by the household – and how the income earned from opium poppy cultivation is distributed amongst the multiple actors involved, organisations like United Nations Office on Drugs and Crime grossly (UNODC) overestimate the amount earned by those cultivating opium poppy in Afghanistan.

Consequently, either by design or default these estimates imply that those cultivating opium poppy earn significantly more than they do and argue that the most effective way to tackle production is through a limited set of drug control tools: (i) crop eradication as a way of increasing losses, compelling farmers to look for alternatives; and (ii) more restrictive rural development efforts known as “alternative development” that offer farmers inputs to cultivate a limited set of alternative legal crops. These are the very same policies advocated and implemented by drug control organisations like UNODC, and the United States Government’s Bureau of International Narcotics and Law Enforcement Affairs in the State Department (INL).

We can see the very same broad-brush descriptions used when discussing “poppy farmers” in the narratives about opium smugglers and traders. Profit, and normative terms such as “greed” are implied in discussions about their motives, when outlining the price differentials as opiates move from one country to another or in discussions about gross profits.

In fact, official and scholarly literature on illicit drugs is littered with statistics highlighting the high value of the trade. Estimates offered of the gross value of the trade typically register in the hundreds of billions, and the UNODC calculates that the value of the opiate trade alone stood at US\$55 billion in 2009 (UNODC, 2012, p. 127). In the media and scholarly works, the narrative of the high value and profitability of the trade is often exemplified with a comparison of relative prices for a kilogram of heroin as it moves from one country to another, making its way from source in the global south from Afghanistan, through transit nations, and into what are seen as the consumer nations in the global north, in Europe and North America (Babor et al., 2010, p. 21). References are also made to the manifold increase between the price of opium purchased at the farmgate in Afghanistan and the equivalent weight of heroin sold in the streets of the United Kingdom (Inkster and Comolli, 2012, p. 19). None of these estimates, however, talk of profit – defined here in terms of total revenue minus total costs – of the drugs trade, or what the individuals involved get paid; the costs of doing business are not considered, and profit is only implied, not calculated.

There is some more detailed analysis that offers calculations of the gross profits earned on trade in opiates, which, for example, differentiates by each of the countries involved in upstream trafficking along the Balkan route or through central Asia (Paoli et al., 2009, p. 278; UNODC, 2015). However, here again the costs of smuggling – transport, bribes, storage and investments in innovation – are not factored in; the only costs considered are the price of opiates at the point of purchase in one country and this is compared with the price when sold across the border. As such, we remain largely unsighted on the structure of the drugs trade in

the very countries where it is produced and smuggled, and how these gross profits are distributed amongst the population involved (OAS, 2012, p. 24; UNODC, 2020, p. 31). While some scholars like Barbor et al. (2010: 63) refer to “networks rather than organizations or firms,” suggesting “long chains of participants,” and estimate that “heroin may be bought and sold ten times in the chain connecting opium production in Afghanistan to retail sales in Rome,” drug policy makers and analysts are often left wondering whether this is an accurate account of the number of actors involved in the chain. Other questions are “What are the benefits accrued by the different participants?” and ultimately, “How profitable is the trade in drugs to those directly involved – and therefore are the current policies of interdiction, arrest and imprisonment the most effective response?” The narratives of the “warlord,” the “drugs baron,” “the Taliban,” and other nomenclature denoting power and implying market dominance thrive in this analytical vacuum. We have to look for more nuanced and detailed case studies on the smuggling of other goods – such as the ones discussed in this book – to understand better that “smugglers are ordinary people, not profit driven criminals, who hope to improve the quality of their lives and that of their families” (Weigand, 2020, p. 7).

This chapter takes a closer look at those involved in the trade and smuggling of opiates in Afghanistan to understand just how embedded this economy is in local communities and their surroundings: how many people are employed; what costs they incur; how much they are paid; and how interdiction, conflict, and border infrastructure impact on those involved and the money they earn. The chapter consists of three further sections. The next section documents the trade and smuggling of opium with a particular focus on the border provinces of Nangarhar and Nimroz. It draws on in-depth interviews with 96 individuals directly involved in the opium trade and charts how traders, smugglers and others benefitting from the trade have responded to what have been quite dramatic changes in the environment for the purchase, transportation and sale of opium within and on the borders of Afghanistan. The third section distils the lessons learned from these case studies and provides an assessment of some of the wider economic effects of the trade in opium, including estimates of the incomes earned and levels of employment. Finally, there is a conclusion that argues that the business model in the opium trade in Afghanistan is one largely made up of loosely affiliated independent traders and service providers looking to make the most of one of the few remunerative income earning opportunities that exist. This model stands in stark contrast to the narratives of vertical integration, control and vast profits that often dominate discussions about the drugs trade in Afghanistan, its neighbours, and other nations where drugs are sourced.

2. Smuggling opiates: the cost of doing business in Afghanistan

This section examines the cost of smuggling opiates within and from Afghanistan. It draws on in-depth interviews with those directly involved in the purchase and smuggling of opium in two border provinces, Nimroz and Nangarhar, as well as a body of research conducted over more than two decades in other opium producing provinces of Afghanistan, including Badakhshan, Ghor, Helmand and Kandahar. Nangarhar and Nimroz are of particular interest because both provinces have a long history of opium production and cross-border smuggling in a range of different commodities besides drugs. Both have also experienced profound socio-economic and political change due to the Afghan reconstruction effort following the fall of the Taliban in 2001. However, while the eastern province of Nangarhar saw a concentrated international presence and high levels of reconstruction funding between 2001 and 2014, it is the once remote province of Nimroz that experienced the more dramatic change: it was transformed into a major gateway for international trade by investments from neighbouring Iran

and its trade partner, India. This section looks at how investments in both provinces and the conflict impacted the opium trade. In the context of this research, the term opium “trader” denotes the person that owns the opium, buying and selling it to other parties for an income; a “smuggler” or “transporter” refers to the person moving opium from one place to another for the trader, in return for an agreed fee, usually at a fixed price per weight.

2.1 Coping with the increase in the cost and risk of cross-border smuggling in Nimroz

The province of Nimroz lies in the southwest of Afghanistan and borders both Pakistan and Iran (see Figure 15.1). Levels of opium poppy cultivation have always been relatively low in Nimroz, particularly compared to other southern provinces like Helmand and Kandahar. With a harsh desert climate and salinated ground water, cultivation is limited to the more fertile district of Khash Rud bordering Bakwa in Farah Province. Instead, the comparative advantage of Nimroz lies in its location, situated between the primary opium growing provinces of the southwest and cross-border markets in Iran and Pakistan.

Once a remote desert area with a relatively small population, the province has recently been transformed by two significant investments in infrastructure that have expanded and canalised the trade of licit commodities like fuel, construction material and other transit goods through the provincial capital of Ziranj and restructured and redirected the movement of illicit goods, including drugs. These important investments in physical infrastructure have been made largely by Iran and aimed at increasing the volumes of trade. For example, in 2005 the GIRI funded

Figure 15.1 Map showing southwest Afghanistan and the province of Nimroz bordering Iran and Pakistan.

Figure 15.2 Imagery of the Iranian border wall south of the provincial capital Ziranj, Nimroz.

the building of the Pol-e Abrisham bridge across the Helmand river on the outskirts of Ziranj, thereby creating an official border crossing where none had existed before. Then between 2005 and 2009, the Government of India (GoI) provided US\$100 million for the construction of a highway from Ziranj to Delaram, connecting the border crossing at Ziranj to Highway One and onward to facilitate travel to Afghanistan's major cities. Along with further construction within Iran, these infrastructural investments are part of the wider geopolitical rivalry between Pakistan and China on one hand, and India and Iran on the other, aimed at realigning trade away from Pakistan towards Iran's deep seaport in Chabahar. Alongside those investments encouraging trade through Ziranj, there were further investments designed to reduce smuggling. The most significant investment was the GIRI's improvements in its border infrastructure, in particular the construction of a border fence along the length of the Iranian border with Afghanistan, and a wall five meters in height and 70 miles in length centred on the areas around Ziranj (see Figure 15.2).

Prior to the start of this major construction project in 2007, the border between Afghanistan and Iran was bounded by a series of berms and ditches built in the late 1990s. While more restrictive than in the 1980s and 1990s when the Baloch people that straddle both sides of the border could move across the border relatively freely by foot, donkey and in some places by pickup, these barriers did little to deter the movement of people and goods. In fact, with limited agricultural land, the economic survival of many of the Afghan villages along the border depended on their ability to trade across the border smuggling everything from diesel and electrical goods to drugs and people.

With the completion of the border wall in 2013, opportunities for smuggling were dramatically curtailed. The formalisation of cross-border movements, including visa requirements for

Afghans, at a price of US\$430 per person per trip, further limited who could move easily across the border and accrue the economic benefits of cross-border smuggling (Mansfield, 2020, p. 46). Moreover, along with the border fencing and wall, the GIRI also located military bases at regular intervals along the border. Mobile Units were also established in the Iranian Border Guards (IBG) Command. Typically, its personnel were not from the border area, or posted in a single location, so these mobile units were harder to bribe, and more likely to fire upon those trying to breach the border infrastructure. Some drug smugglers talked of how predictable the accommodations they reached with the more permanent local IBG were, but claimed senior officers and the mobile units would often press for arrests and seizures. One smuggler in Makaki, in the district of Kang, concluded that the mobile units had made smuggling “very dangerous work.”

As such, the opportunities for small-scale decentralised smuggling diminished to such an extent that villages reported a significant outflow of the number of young men – some by up to 70%. For example, villages like Kruki in Kang, once a major smuggling hub in the late 1990s/early 2000s is now all but abandoned, in part due to flooding in 2004, but largely due to the Iranian border fortifications restricting the amount of smuggling (see Figure 15.3). Many other villages have suffered the same fate.

The challenges and dangers drug traders and smugglers faced are put into even greater context when we consider the monies earned. On the face of it, gross profits per kilogram look relatively attractive. They could purchase a kilogram of opium in Bakwa in neighboring Farah for between US\$50 and US\$70, depending on quality, and sell it for anything from US\$103 to US\$121 in a village across the border in Iran, or for between US\$155 and US\$187 in more distant locations like Zabul or Zahedan. However, when the actual costs of smuggling are calculated, the net profits on drug smuggling are much less rewarding – around US\$30 per kilogram.

Figure 15.3 Imagery of the abandoned border village of Kruki in Kang district, Nimroz.

Table 15.1 Costs incurred by an opium trader of transporting 1 kg of opium from Bakwa to Iran

Category of payment	Recipient	Low		High	
		USD/kg	% of costs	USD/kg	% of costs
"Tax"	Taliban	0.18	1	0.18	0.5
Fee	Smuggler (Bakwa to Afghan Border)	3.91	20.4	6.51	18
Bribe	Afghan Border Police	1.69	8.8	3.26	9
Bribe	Iranian Border Guard	3.18	16.6	4.56	12.6
Fee	Landowner	0.65	3.4	0.65	1.8
Bribe	Afghan National Police	1.73	9	2.21	6.1
Fee	Smuggler (cross-border)	7.82	40.8	18.89	52.1
Total		19.17	100	36.27	100

As Table 15.1 shows, the far greater part of the cost of smuggling, approximately two thirds, is absorbed by those paid to transport the opium, the smugglers themselves. "Bribes" to government officials and "taxes" to the Taliban represent a smaller part of the overall cost, absorbing the remaining one third. However, arrangements with law enforcement officials on both sides of the border can be rather precarious and involve multiple individuals. In the journey from Bakwa in Farah to the border with Iran, the Taliban, the Afghan Border Police (ABP) and the Afghan National Police (ANP) all take tribute. On the Iranian side of the border there are payments to be made to the IBG. While none of these payments are particularly high, each reduces the net profits of the opium trader requires time to arrange and are subject to renegotiation and vulnerable to breach.

While the payments made to smugglers makes up the larger part of the costs of the drugs trade, costs remain relatively low within Afghanistan at between US\$4.00 to US\$6.5, depending on the distance travelled. Payments mount for those responsible for transporting opium over the border. Here a smuggler from the Iranian side will receive around US\$8 to take a kilogram of opium from the border crossing, and transport it to the Afghan trader's nominated contact in a village in Iran, a potential distance of between 1 and 4 kilometers. Where these contacts are further afield, in places like Zahedan or Zabul, the smuggler will receive a higher level of payment, up to US\$19 per kilogram for a journey that may be as far as 200 kilometers. As such, although transportation costs rise as the distance travelled increases, these costs can be offset by the higher price the trader will receive for their kilogram of opium.

With many of these cross-border opium traders in Afghanistan reporting that they trade anything from 40 to 65 kilograms per month into Iran, net incomes can vary from US\$1,200 to US\$2,000 per month. However, many feel vulnerable and cite examples of friends or family members who have been arrested, and some cite the consequences. For example, one trader from Charburjak district talked of his brother who lived on the Iranian side of the border having been imprisoned for 11 years in Zahedan after being caught with 60 kilograms of opium. The trader talked of his own involvement in opium smuggling: "I do this work to find money to release my brother."

In the context of better management of both costs and risks, a number of traders report how susceptible their income is to fluctuations in the price of opium in Iran: so much so that a fall in the price of opium on the other side of the border will prompt Afghan traders to cease cross-border smuggling and store their opium, rather than take a loss. Fearful that an inventory leaves

them even more vulnerable to arrest, seizures, and greater extortion by the authorities, some pay other villagers – those not known for their involvement in the trade – to store their opium at a flat rate of US\$0.25 per kilogram.

Since 2018, traders have adopted strategies to manage risks and reduce costs more effectively, including the building of large catapults, known locally as *wolloks*, to propel drugs over the Iranian border wall. Made of steel and rubber strapping left behind by “foreign military forces,” these catapults stand at around 1.5 meters in height, and can fire one kilogram between two hundred and three hundred meters. Bypassing the need to pay the IBG, as well as targeting the load directly at contacts across the border, this saves traders up to US\$4.5 per kilogram in bribes as well as a fee of around US\$ 4.00 per kilogram for those carrying the opium across the border. Traders report that on a “good night” six to eight people can propel 50 kilograms of opium across the border into Iran, resulting in a reduction of almost US\$500 in costs.

These developments show that with net profits of less than US\$30 per kilogram, and significant risk of arrest, injury and even death, opium smugglers have had to adapt or abandon their trade. Many smaller traders have chosen the latter, conscious that opportunities for smuggling have diminished dramatically with the fortification of the border, not just for opium, but also for the other commodities, including fuel and people. In the absence of the extra income household members earn from these goods across the border, livelihoods have proven unsustainable, hence the outmigration of family members, many moving across the border to Sistan and Baluchestan in Iran. Those that persist do so in the absence of other viable opportunities. Deprived of the chance of moving across the border without a passport and visa to find work, and in the face of a rapidly devaluing currency and fewer work opportunities in the construction trade in Iran, many find themselves on the border with little to do.

Those that have remained have had to adapt to the new circumstances where the costs of smuggling have increased and net profits fallen. As such, volume has proven critical to profitability. For those that remain, there is a limit to how much they can move, and many complain that the trade in opium has become concentrated amongst those with access to the necessary capital and patronage networks, especially those with links to government officials. Indeed, those looking to move more significant volumes across the border have looked at other ways than to scale the Iranian border structures, by either passing through the official crossing at Milak, drawing on more sophisticated concealments and the involvement of officials, or re-routing their cargos south to the Afghanistan/Pakistan border, and the town of Baramchar in Helmand. This latter route entails much larger shipments consisting of convoys of up to 16 cars: ten Toyota Landcruisers containing up to 600 kg of drugs each, and six Datsun pick-ups, four at the front two at the back, all carrying armed men. Carrying up to six tons of drugs, the cost of shipment via this kind of convoy is around US\$15.00 per kilogram, cutting even further into net profits.

2.2 The impact of violence and conflict on opium smuggling in Nangarhar, in eastern Afghanistan

The eastern province of Nangarhar has long been one of the major opium growing areas in Afghanistan. Traditionally, cultivation has been concentrated in the mountainous districts to the south of the province bordering Pakistan; areas that have a long history of resisting the writ of the provincial authorities in Jalalabad and have periodically engaged in violent resistance to those that rule in Kabul (see Figure 15.4). These are the same areas in which cross-border smuggling of licit as well as illicit goods has been an economic mainstay and where heroin, and more recently, methamphetamine, processing is concentrated.

Figure 15.4 Map of Nangarhar, showing the main smuggling routes into Pakistan.

As in Nimroz, the gross profits on opium look relatively attractive with the price fluctuating between US\$68 and US\$78 per kilogram over much of the period between mid-2014 and late 2018, when purchased fresh in the villages of Sherzad, selling in intermediate markets in Markikhel and Markho for a few dollars mark up, or for between US\$103 to US\$122 per kilogram on the mountain pass at Tabai or across the border in the Tirah valley. However, since 2015 Nangarhar has seen some rather dramatic shifts in drug smuggling routes, largely due to the conflict that has beleaguered many of the southern districts in the Spinghar that have led to a rise in the cost of smuggling. The Afghan government's efforts to ban opium cultivation in Nangarhar, as well as law enforcement interventions, have played some role in disrupting the flow of opiates through Nangarhar but only on a temporary basis. Far more enduring shifts have been a function of the conflict between the Afghan government and the US military, with – on occasion – the support of Taliban forces, and the Islamic State– Khorasan Province (ISKP), and subsequently the GoP building a border fence along much of its border with Nangarhar.

ISKP moved into Achin in early 2015. Initially, these were thought to be just Orakzai families fleeing² the fighting between Pakistani military forces and Tehrik i Taliban militants in the nearby Tirah valley in Pakistan. Within four months, however, these “guests” had declared themselves ISKP and overrun the strategic Mahmand valley in Achin, expelling the Taliban along with most of the residents who resisted their brutal rule (Mansfield, 2016, pp. 12–13). Upon taking control of the valley in July of 2015, ISKP banned cannabis cultivation and gave the drug traders in Shadal bazaar – a major trading hub for opiates and hashish in the province – one month to leave the area. The subsequent winter season opium poppy cultivation was also prohibited by ISKP in the upper parts of Achin. By late 2015, ISKP had gained further ground in Nangarhar, overpowering the Taliban in some of its strongholds in the southern districts of

Nangarhar and subsequently penetrating parts of Shinwar and Khogiani. Fearful of ISKP gaining a dominant position in Nangarhar, an unlikely alliance formed among the forces of the Afghan government, the Taliban and the US. The campaign culminated in the USG dropping the Massive Ordnance Air Blast (MoAB) – or “Mother of All Bombs” – on the ISKP’s stronghold some 3 kilometers from Shadal bazaar in April 2017, and a significant US military presence in the area until as late as July 2020.

The fighting across the Spinghar – but particularly in Achin – from July 2015 had a profound effect on drugs smuggling across the province and beyond. The well-trodden routes through the mountains that had been used by travellers and smugglers en route to Pakistan were no longer secure. In particular the bazaar in Shadal, a focal point of the fighting, had to be abandoned as the major entrepot for opiates and hashish en route to Tirah in Pakistan, first due to ISKP, then due to the presence of US and Afghan government forces. In response, the hub of the drugs trade in the eastern region moved to Markoh, in Shinwar, located on the main Jalalabad to Torkham highway. Although far less remote than Shadal, the move to Markoh was accompanied by a significant rise in the cost of smuggling drugs to Pakistan, particularly for those in the southwestern districts of Sherzad, Khogiani and Pachir wa Agam. Traders and transporters from these districts found themselves unable to take the direct route southeast through Khogiani, and Kot to Achin, and had to reroute north to the area around Jalalabad and along backroads to Markoh, where the drugs are sometimes stored before being handed off to other smugglers and routed through Tabai in Durbaba.

This shift led to a significant increase in smuggling costs incurred by traders (see Table 15.2). For example, in early 2015, the direct route from Sherzad to Durbaba – although quite time consuming given the three to four day journey by mule – cost only US\$3.40 per kilogram. However, by 2018, a more circuitous route via Markoh emerged, involving multiple vehicles and a journey by foot from Shinwar to the pass at Tabai in Durbaba, increasing the cost of transportation to US\$13.10 per kilogram. There were further additional costs incurred as a result of storage in the area around Markoh (US\$0.50/kg), where, as in the borders of Nimroz, villagers were asked to maintain the inventory of traders and smugglers fearful that the authorities would raid their shops or homes around the main bazaar. Even those opium traders in Shinwar who did not need to reroute their opium due to the fighting across much of the Spinghar were subject to an increase in transport costs over this same period, from US\$4.9 to US\$8.1, due to prevailing levels of insecurity and uncertainty.

If the rise in transport costs within Afghanistan were not significant enough, developments on the border with Pakistan further cut into trader net profits. As with Nimroz, smugglers in Nangarhar transport opium through areas where different armed actors demand a small payment. In return, they allow goods to pass and offer some protection against interdiction. These payments are made by the smugglers and passed on to the trader. While some of these payments may be to members of the ANP or ABP⁵ on the journey between Sherzad and Markoh – or to local Taliban commanders⁶ – they are relatively small, and do not appear to be part of a coherent system. On the other hand, payments to the Taliban in Shinwar district, the local authorities in Durbaba, and the Amman Committee in Tirah are understood as “rules” that are paid by all those involved in the opium trade.

Within Afghanistan, the payments to both the Taliban and the local authorities remained consistent between 2014 and 2018 despite the ensuing violence in Achin and across much of the Spinghar. However, the cross-border fee – the payment to the peace committee in Tirah, Pakistan – increased more than five-fold from US\$1.52 to US\$7.60 per kilogram. This rise in costs is directly attributed to the border fence built by the Government of Pakistan (GoP), to restrict the movement of fighters and drugs, as well as to demark Pakistan sovereignty over a

Table 15.2 Costs incurred by an opium trader from transporting 1 kg of from Sherzad to Pakistan

Category of payment	Recipient	2014		2018	
		USD/kg	% of costs	USD/kg	% of costs
Fee	Smuggler (Sherzad to Tabai)	3.40	68.7		
Fee	Smuggler (Sherzad to Markoh)			5.1	23.8
	(Tax to Taliban) ³	(0.51)		(0.49)	
	(Bribe to Authorities)	(1.52) ⁴		(1.47)	
Fee	Storage Villager			0.5	2.4
Fee	Smuggler Markoh to Tabai			8.14	38.1
Bribe	Amman Committee, Tirah	1.52	30.9	7.6	35.7
Total		4.90	100	21.2	100

border that has been contested for centuries. As the Iranian border infrastructure redirected and restructured the drugs trade in Nimroz, so this border fence restructured the drugs business on Nangarhar's border with Pakistan (Mansfield, 2020, pp. 44–45). Initially built along the Mohmand districts of Lalpur and Goshta, along Nangarhar's northern border with Pakistan the GoP fence canalized trade through the official crossing at Torkham, and the smuggling routes in the southern district of Durbaba (see Figure 15.5). Creating a virtual monopoly route through Tirah, the Amman committee took the opportunity to charge greater amounts for those moving any goods – including opium – through their area of influence.

The result is that, with opium prices at both the level of farmgate and trader in the east remaining relatively stable between 2014 and 2018, net profits on the cross-border trade in opium fell by as much as US\$16 per kilogram, from between US\$30 to US\$40 per kilogram in 2014 to between US\$14 and US\$22 per kilogram in 2018. As with Nimroz, with traders reporting sales of between 40 kilograms and 100 kilograms per month, incomes could be between US\$560 to US\$2,200 per month (the equivalent of between US\$6,720 and US\$26,400 per annum). While markedly higher than a national average income of the equivalent of US\$500 per annum, with an average of 15 household members – significantly larger than the average household size of eight in Afghanistan – the daily income per person for those trading opium in Afghanistan could be as low as US\$1.20 in 2018. While smugglers may receive as much as US\$90 for their journey from Markoh to Tabai, and do this journey four times a month,⁷ that money is shared amongst an average household of 17 family members. As such, for both trader and smuggler, the opium business is a valuable source of income, but is not enough for a family to prosper; like for those that cultivate opium poppy, it is only one source of income in a much wider portfolio of activities.

3. What do these case studies tell us about opium smuggling in and from Afghanistan?

There are a number of salient points that can be drawn from this more detailed analysis of the changing conditions under which opium is traded and smuggled in Nangarhar and Nimroz, each of which have wider implications for the study of smuggling and the effects of prohibition more generally.

The first is that while undoubtedly the smuggling and trade in opium offers higher levels of income than many other livelihood options, particularly given that the vast majority are

Figure 15.5 Mapping of the border fence built by the GoP with an initial focus on the Mohmand tribal areas north of Torkham

illiterate and without other marketable skills,⁸ net profits are much lower than commonly assumed. As these provincial examples show, when the costs of the cross-border trade are included, net profits rarely exceed US\$40 per kilogram of opium and are often considerably less. Earlier in-depth fieldwork on the production of heroin base and methamphetamine production indicate low net profit margins, at US\$45 per kilogram and US\$23 per kilogram, countering many of the more generalised claims about excess profits (Mansfield, 2019, p. 46; EMCDDA, 2020, p. 15).

The reality is that the costs of smuggling opium are high. In contrast to the movement of legal goods across secure terrain, illicit drugs in Afghanistan are smuggled through conflict affected areas where a multitude of armed actors operate. In the context of Afghanistan, these armed actors do not just take the form of the state and its adversaries in the Taliban, but numerous other groups that may have loose affiliations with either or both sides, often operating somewhat independently. Often these groups are backed by the local population as well as having strong connections with criminal and political groups in neighbouring countries.

Each of these entities typically will require a tribute for not interfering with the movement of drugs across their territories or for the security they provide in the area – “safe passage” – but do not have such a dominant position that they can close down the trade without experiencing significant pushback from the population. This suggests a relationship between armed actors—including state actors and insurgents – and the local population involved in the production and trade in opiates that is much more negotiated than current narratives argue. Violence, including efforts at interdiction or banning production, is often used as a bargaining mechanism, deployed to improve rent extraction, as well as performative, designed to show the key donors and

international agencies that the authorities are “committed” to counternarcotics efforts – what Mansfield (2018) refers to as the “theater of counternarcotics” – rather than concerted attempts at prohibition.

The case studies also show that the more a route is divided among different armed groups and the more fragmented these groups might be, the greater the costs incurred by traders en route. The conflict in the Spinghar region of Nangarhar, as well as the newly established border infrastructure along the Afghanistan/Pakistan border and Afghanistan/Iranian border, served further to segment these journeys bringing yet more actors – in the form of both smugglers and rent seekers – and further increase the costs for opium traders.

When opium prices are rising, it might be possible for traders to absorb these extra costs, but the conflict in Achin and the construction of the border walls first by the GIRI and then by the GoP occurred at a time when opium poppy cultivation in Afghanistan was exceeding all previous records and opium prices were falling. The collapse of the Iranian rial due to the imposition of US sanctions not only lowered the prices Afghan traders received for their opium but dampened market demand in Iran. In fact, with repeated devaluations, and opium prices in Nimroz traditionally denominated in Iranian toman (the equivalent of ten rial), many Afghan traders were reluctant to be paid in a currency that was fast losing value and, erring on the side of caution, refrained from trade, and pressed to fix prices in US dollar equivalents (Mansfield, 2018, pp. 12–13).

The second salient point these case studies raise is related to the first, and it is just how critical effective risk management is in the opium economy given the low profit margins. In fact, some traders were found to limit their business interests to a small area; for example, trading only in Markikhel in Sherzad where they were familiar with the farmers, traders, and armed actors they transact with. These individuals worked at the very margins of the trade, buying opium at as low a price as possible, negotiating for more generous volumes and selling maybe one or two days later when prices might be higher. Without capital or contacts, these traders were unable to carry the challenges of delayed cash flow or the risk of being caught and having their drugs seized. Even with those that trade further afield, there is a distinct preference for working with those that are already known, and many traders and transporters look to purchase and sell opium and move it along routes where they are familiar with those that they encounter. They believe their ability to draw on familial connections or patronage networks important to negotiate reductions in “taxes,” “gifts” or “charity” and to avoid arrest and/or seizure (UNODC, 2020, p. 12). The segmentation of journeys into “familiar” routes allows traders and smugglers to manage risk even if it does increase costs. These examples further highlight how managing risk is more important to those involved in opium smuggling than maximising revenues, further countering the narratives that dominate discussions on transnational and organized crime that emanate from organizations like UNODC.

The example of the multicar convoys operating out of Bakwa travelling to Baramchar in Helmand, highlights how those traders with more capital and powerful connections might be able to avoid the truncated nature of the journeys that other smaller and less influential opium traders engage in. No doubt similar examples could be found were it possible to obtain details from those smuggling large amounts of opiates through the official borders at Torkham or Ziranj, drawing on the support of officials. However, as the convoy example shows the cost implications are significant, with transport costs, and no doubt bribes and fees markedly higher, resulting in significantly lower profit margins per kilogram, and even greater emphasis on the need to move significant volume to maximise income, hence the scale of the shipments moved via Baramchar.

The third salient point from these case studies is the large number of different actors involved in the movement of drugs from within Afghanistan and its borders, and how much employment and income it generates. The same can be seen with the smuggling of other commodities within Afghanistan with the trade in undeclared fuel, transit goods and minerals creating employment, income and rents for armed actors that is measured in the millions (Mansfield, OSDR and Alcis 2021). As the example for Nangarhar shows, the movement of a kilogram of opium from a farm in upper Sherzad to the Afghan border at Tabai can involve as many as three different smugglers and just as many traders buying and selling the crop. There are other payments to those who consider themselves service providers, the Taliban and the local authorities, who offer security in return for the “taxes,” “gifts” and “bribes.” This journey within Afghanistan entails three separate journeys and payments to as many as nine different actors, of which seven are directly employed in the opium business, the other two extracting rent. A further journey from the pass in Tabai to the valley in Tirah entails payments to the Amman Committee. While the journey from Nimroz to Iran is not quite as segmented, it still entails payments to two smugglers, a possible fee for storage, and four further payments for the different armed actors en route. As such, both the Nangarhar and Nimroz cases highlight just how much Babor et al. (2010: 63) underestimated the number of transactions made, in their suggestion that “heroin may be bought and sold ten times in the chain connecting opium production in Afghanistan to retail sales in Rome;” in the case of Nangarhar, opium changes hands three times before it even leaves Afghanistan, four times if we are to include the farmer cultivating it.

It is of course difficult to put a precise figure on how many people overall might be involved in cross-border smuggling of opium in Afghanistan, but even if only half the amount of the 482 metric tonnes UNODC (2018) estimate of opium grown in Nangarhar in 2018 were handled by the kind of opium traders and smugglers interviewed for this research – with the rest either processed into opiate derivatives, or transported through Torkham or other borders by more influential traders trading much larger amounts – then it is likely that the shipment would involve a minimum of 600 traders and smugglers and possibly more than 1,500 (see Table 15.3). It would also involve over US\$250,000 in payments to the Taliban per annum and almost US \$880,000 in fees to the local authorities. Along with those storing opium in their household compounds for a small fee, so that traders can minimise the risks of arrest and seizure, and other service providers such as guards, labourers and those purchasing opium at the farmgate for the trader – *commissionkars* – the opium trade is likely to employ thousands of people in Nangarhar alone, and possibly tens of thousands across the country.

Table 15.3 Estimate of the number of traders and smugglers in Nangarhar

District to Hub ⁸	No. of Traders	If 40 kg/ month	223	No. of Traders	If 100 kg/ month	89
	No. of Smugglers	If 30 kg/ month	287	No. of Smugglers	If 80 kg/ month	111
Hub to Border	No. of Traders	If 40 kg/ month	446	No. of Traders	If 100 kg/ month	178
	No. of Smugglers	If 30 kg/ month	594	No. of smugglers	If 80 kg/ month	223
Total			1550			601

Combined with a labour-intensive opium crop, that is estimated to create jobs for hundreds of thousands of people, and in-country heroin production, as well as flourishing supply chains in both cannabis-hashish and now ephedra-ephedrine- methamphetamine, it is highly probable that the drugs economy is by far the largest employer in Afghanistan. Once the multiplier effect is also factored in, the economic effects of the drugs economy become almost impossible to ignore by development donors and International Monetary Institutions, like the World Bank. In fact, there is perhaps something to be said for the distributive nature of the opium trade in its current form. A more dominant vertically integrated business model – such the one found in the opium convoys from Bakwa, or across the official borders in places like Ziranj and Torkham – is likely to be much less distributive, supporting the accumulation of profit, wealth and influence in the hands of a few. As such, it is clear that tackling the opium trade cannot be simply a matter of law enforcement, but requires a sustained long-term development effort.

4. Conclusion

The current literature on the global drugs trade and trafficking offers little when it comes to how costs and benefits are distributed along the supply chain beyond generalised estimates of gross profits at a country level and the calculations that show the bulk of the revenue accrued is in the global north. There is an absence of data as to how these profits, estimated for different nations, are distributed amongst the various actors involved in drug producing and transit nations. We learn little to nothing of the structure of the trade within these countries where the opium economy is likely to make up the greatest proportion of its gross domestic product.

In this analytical vacuum, the narratives that often dominate are those where it is the “warlords,” “drug barons,” “cartels” and other violent actors that exert control over the opium economy and absorb the bulk of the profits made. In Afghanistan, this has typically manifested in accounts in the media and official reports that it is the Taliban that profits most from the drugs trade, generating revenues measured in the hundreds of millions and controlling the supply chain from farm through to processing and final sale at the border (Brownfield cited in AFP, 2017; Department of Defense, 2017).

This chapter has drawn on empirical evidence and documented the multiplicity of actors involved in the opium trade in two provinces of Afghanistan. It has shown the large number of actors and transactions involved in the purchase, transportation and sale of opium within Afghanistan and on its borders and has documented the more decentralised and negotiated nature of the trade, one in which armed actors like the Taliban, and those working for the government, are not controlling or directing the trade but are service providers, providing “safe passage” for a fee. It has shown just how embedded the trade and smuggling of opium is in the local economy of these two provinces, providing income and direct employment for a large number of people, as well as indirect jobs for a wide range of service providers. Alongside other smuggled goods such as the cross-border value chains in fuel, minerals and transit goods, these economies employ more people, and generate far greater income and rent for border communities than any other industry.

By drawing on the experiences of those directly involved in the drugs trade, this chapter has also documented the high costs associated with the segmented nature of the opium trade in Afghanistan, the low profit margins and the strategies adopted to manage risk and move large volumes. This chapter points to a business model for the opium trade that sits in contrast to narratives of vertical integration, control and vast profits, and points to a supply chain in Afghanistan that consists of loosely affiliated independent traders and service providers looking to make the most of one of the few remunerative income earning opportunities that exist.

Former drivers, mechanics, farmers and soldiers, residing in conflict affected areas where the cost of living is so high and the quality of welfare services so poor, engage in an illicit trade that is one of the only ways to make sufficient monies for them and their families to prosper.

Notes

- 1 This chapter draws on fieldwork funded by the UKRI Global Research Challenge Fund project “Drugs and (dis)order”, as well as research funded by the Afghan Research and Evaluation Unit, Natural Resources Management project funded by the European Union. The work was conducted in partnership with the Organization of Sustainable Development & Research and Alcis Ltd.
- 2 Initially, around 100 families from the Orakzai tribe arrived in the Mahmand valley from Pakistan in March 2015, fleeing the GoP’s counter insurgency initiatives targeting the TTP in the Tirah valley. These were joined by families from other parts of Pakistan. In July 2015 these refugees had taken control of the valley and raised a black ISIS flag at Shadal bazaar. For more details see David Mansfield, “The devil is in the detail: Nangarhar’s continued decline into insurgency, violence and widespread drug production” AREU, February 2016.
- 3 Paid from the smugglers fee.
- 4 Paid from the smugglers fee.
- 5 These payments rarely exceeded US\$1.20 – but often less than US\$0.30 – per kilogram and were intermittent not regular.
- 6 Payments to local Taliban commanders would be referred to as “komak,” [komak is usually translated as “help”] gifts, and be made of any one of wealth, not just opium traders. Commanders claimed that these payments were for food, clothes and other items for the commander and his soldiers, for their “jihad.” Requests for these payments would be sporadic, often timed after each agricultural season, and while demands would initially start at around US\$500 to US\$600, the amount ultimately paid by the opium trader would rarely exceed a total of US\$120.
- 7 This journey is initially by car and then a four hour walk to the border.
- 8 Of the 96 interviewed, 69 (72%) were reported being illiterate, 10 (8%) claimed to have finished school up to 6th grade, 8 (8%) up to 9th grade, 4 (4%) up to 10th grade and 5 (5%) up to 12th grade.
- 9 The District to Hub figure excludes a further 25% of the yield on the basis that the crop in districts such as Achin, Shinwar, Deh Bala and Kot will be transported directly to the border at Tabai and will not be first routed to Markoh.

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