

June 2022

Narcotics Smuggling in Afghanistan:

Links between Afghanistan and Pakistan

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Suggested citation

Fazli, S. (2022). *Narcotics smuggling in Afghanistan: Links between Afghanistan and Pakistan*. SOC ACE Research Paper No. 9. Birmingham, UK: University of Birmingham.

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SOC ACE is funded by the UK Foreign, Commonwealth, & Development Office. The views expressed here do not necessarily reflect the UK Government's official policies.

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Acronyms and abbreviations

AML/CFT	Anti-Money Laundering/Countering Finance for Terrorism
ANDSF	Afghan National Defence and Security Forces
ANF	Anti-Narcotics Force
APTTA	Afghanistan-Pakistan Transit Trade Agreement
IS-K	Islamic State-Khorasan
ISAF	International Security Assistance Force
DAB	Da Afghanistan Bank
FATA	Federally Administered Tribal Areas
FATF	Financial Action Task Force
LSE	London School of Economics
MVTS	Money or Value Transfer Services
NATO	North Atlantic Treaty Organization
OFAC	Office of Foreign Assets Control
PDPA	People's Democratic Party of Afghanistan
PMSA	Pakistan Maritime Security Agency
SIGAR	Special Inspector General for Afghanistan Reconstruction
TTP	Tehreek Taliban Pakistan
UNHCR	United Nations High Commissioner for Refugees
UNODC	United Nations Office on Drugs and Crime
US	United States

Summary

The Taliban's 3 April 2022 edict prohibiting poppy cultivation and the use and trade of all types of narcotics across Afghanistan could have grave implications for a collapsing economy. Poppy is the country's most valuable cash crop, and its labour-intensive cultivation employs several hundred thousand people, pushing up wages and living standards of those directly and indirectly involved. Requiring little water, the poppy's resilience in adverse agricultural conditions makes it an attractive long-term investment, especially during one of the worst droughts in decades. The new ban would affect farmers in the rural southwest region, where many Taliban leaders are from, as well as influential players across the opium and heroin supply chain. In the absence of significant financial incentives to these constituencies, the risks of a major backlash probably outweigh any benefits of enforcing a poppy ban.

Providing such financial incentives would be dependent on significant foreign assistance. Some prominent experts and commentators infer that international legitimacy and funding was the Taliban's primary motivation in announcing the edict. If so, there are no signs yet that the move will generate the desired response. Afghanistan has been politically and economically isolated since the Taliban's August 2021 forceful seizure of power. The freezing of around \$9 billion in central bank foreign reserves, held mostly in the US, triggered a collapse of the local currency and major liquidity crisis, while aid cut-offs and sanctions triggered hyper-inflation and impeded trade and other business. There are indications that the international community, led by the US, is softening its position to prevent an economic collapse affecting millions of Afghans who face starvation. Without tangible Taliban commitments to basic rights and equality, however, especially of girls and women, deeper international engagement, including on counter-narcotics, is unlikely.

How willing and able the Taliban will be to enforce its edict may remain unclear for several months. The ban came amid the poppy harvest in the southwestern provinces of Helmand and Kandahar, bastions of both poppy cultivation and Taliban support. Significant quantities, therefore, may have already been harvested. Transporting them up the supply chain, and to western destinations, will depend on resourceful transnational crime groups. The most important of these are arguably in Pakistan, which shares Afghanistan's longest border and most of the routes for westward movement of illicit goods, people, and cash from Afghanistan. Criminal networks here traverse the Indian and Iranian borders, and also move their product by sea off the southern Makran coast and Karachi port, to European, African, Asian and Australian markets. These networks, and the geography in which they operate, also require close examination. By better understanding the context and trends, policy-makers will be better able to assess policy options and their implications, especially in Europe, the destination of significant volumes of heroin from Afghanistan

1. Introduction

On 3 April 2022, the Taliban banned poppy cultivation and the ‘usage, transportation, trade, export and import of all types of narcotics across Afghanistan’ (Office of the leadership of the Islamic Emirate of Afghanistan, 2022). If implemented, this prohibition would have grave implications for a collapsing national economy.

Even before the Taliban’s August 2021 victory, drought and the COVID-19 pandemic had eroded the rural and urban sectors alike. After the Taliban’s forceful seizure of Kabul, however, most foreign assistance, on which Afghanistan heavily depended, stopped. The freezing of around \$9 billion of Da Afghanistan Bank (DAB) foreign reserves, held mostly in the US, triggered a collapse of the local currency (Parkin & Stubbington, 2022). The US/NATO withdrawal also ruined a lucrative war economy and a services industry that grew around it. An internationally isolated Taliban now faces rising food insecurity and a desperate population (Abbasi, 2022; Gannon, 2022; O’Donnell, 2022).

The Taliban’s pariah regime accommodates booming illicit markets that generated major revenues for its insurgency against the Republic. This illicit economy pivots around the opium and heroin trade. While the US, UK and other international partners determined that poppy cultivation was feeding the insurgency, many Afghan stakeholders, inside and outside the government, viewed it as a source of stability—and eradication efforts a source of instability. Indeed, the Taliban benefited from International Security Assistance Force (ISAF)-backed poppy-eradication efforts, exploiting the grievances of local communities that were among the hardest hit (Felbab-Brown, 2021; Gopal, 2014. For earlier detailed reporting of the impact of eradication efforts on the Taliban, see Anderson, 2007).

Poppy cultivation certainly has fuelled past conflicts in Afghanistan, but it has also provided steady and much-needed rural income, starting with poppy farmers in the rural southwest (Fishstein, 2014). Thus, for a young Taliban regime, whose leaders are also from the same region, the risks of a major backlash probably outweigh any benefits of enforcing a poppy ban; curbing the opium trade could provide armed rivals the same opportunity to tap rural discontent that eradication efforts under the Republic provided the Taliban insurgency.

This paper examines Afghanistan’s narcotics trade and smuggling patterns, which are intertwined in different ways with the economic fate of the Afghan state and society. It begins with a brief overview of how a collapsing formal economy lends itself to transnational organised crime before a specific discussion about the drug trade. It traces the Taliban’s historic stance towards narcotics, from its First Emirate (1996–2001) to its almost 20-year insurgency against international forces and the Republic (2004–2021) they backed. In doing so, it will try to assess the prospects of the 3 April edict.

The centre of gravity of Afghanistan’s various illicit drug networks is the opium trade, although cannabis production and a rising methamphetamine market would also merit separate attention. Iran, Pakistan and Tajikistan have long been the key transit points for the illicit movement of drugs from Afghanistan (Kerry, 2010). Afghanistan’s longest

border is with Pakistan, believed to provide most of the trafficking routes from the opium production hotbeds of Helmand and Kandahar.¹ Thus, the Pakistan-based networks that transport drugs from the Durand Line to ports and Pakistan's other land and maritime boundaries, from where they reach markets in Asia, the Persian Gulf, Africa, and eastern and western Europe, also require close examination. By better understanding the context and trends, policy-makers will be better positioned to assess policy options and their implications, especially in Europe, the destination of significant volumes of heroin from Afghanistan.²

This paper is based on extensive review of secondary material, including official documents, research and policy papers, historical accounts, and news reports from established media outlets.

To fill gaps in the literature, the author conducted several remote interviews with Afghanistan and Pakistan analysts, Pakistani security and counter-narcotics officials, and other stakeholders. Given the sensitivity of the topic, most of these sources chose to remain anonymous. The paper also draws on the author's unpublished research, conducted in 2020–2021, on Pakistan's drug trade, on which there is limited recent literature. This included field visits to Torkham, in the border area between Pakistan and Afghanistan, and extensive interviews in Khyber Pakhtunkhwa, Balochistan (remotely), Karachi, and Islamabad, with counter-narcotics and other law enforcement and security personnel; low-level drug peddlers, recovering addicts, and drug workers; and cross-border local traders, civil society activists, and journalists. That research built on the author's expertise on South Asia cross-border security and political dynamics.

2. A collapsing formal economy

2.1. Feeding on a desperate population

Afghanistan's economy was already struggling before the Taliban's August 2021 takeover. The beginning of a reduction of US forces in 2011, ahead of a planned 2014 troop withdrawal, shrank Afghanistan's economy and labour market, revealing how the country's economic gains 'had merely been the result of an overheated wartime economy, and were not sustainable' (Special Inspector General for Afghanistan Reconstruction, 2021). Although President Barack Obama eventually decided to delay a full withdrawal amid worsening security, troop numbers continued to decline rapidly.³ Foreign reconstruction funding also dried up, and some 500,000 people lost their jobs between 2014 and 2016, according to the International Monetary Fund (IMF) (International Monetary Fund, 2016).

The COVID-19 pandemic aggravated this trend. A national union of workers and employees estimated that around 2 million people lost their jobs by May 2020 (Omid, 2020). These job losses enlarged the market for human smugglers (Hoang, 2022). The pandemic forced many Afghans abroad to return (as employers laid off domestic and foreign workers), but with few prospects amid lockdowns, restrictions, and an already failing economy at home. As restrictions eased in neighbouring countries, reviving their formal and informal sectors, returning migrants looked to move again. Facing border closures, travel restrictions, and pauses in visa services, they relied on smugglers to get them to neighbouring countries (Mixed Migration Centre, 2020). But border closures and enhanced controls necessitated riskier routes, pushing fees up significantly: one survey found that smugglers' fees for a journey from Zaranj to Tehran were almost 30% higher on average in July and August 2020 than in the third quarter of 2019, and 25% higher for the journey from Spin Boldak to Quetta, Pakistan.

As a full US withdrawal approached,⁴ Afghans grew increasingly desperate to leave the country. According to UNHCR (n.d.), in June 2021, there were 2.6 million Afghan refugees, comprising 11% of the world's recorded refugee population, the highest number after Syria (6.7 million) and Venezuela (4 million). By August 2021, more than 570,000 Afghan refugees had sought asylum in Europe, the second highest number after Syrians (Morris & Hruby, 2021).

The Taliban takeover created a new crisis, accompanied as it was with a shrinking of the Afghan National Defence and Security Forces (ANDSF) and civil service, restrictions on women in the workplace, halting of infrastructure projects, and major reductions in foreign aid, trade, and investment. By January 2022, half a million workers had lost their jobs, according to the International Labour Organization (ILO) ('Afghanistan', 2022). This coincided with one of the worst droughts in decades, affecting most of the country and forcing internal displacement of nearly 700,000 people (International Federation of Red Cross and Red Crescent Societies, 2021). One media report, citing people smugglers, suggested that by March 2022, 5,000–6,000 Afghans sought to flee illegally every day, four times more than before August 2021. Another reported that the daily average

number of vehicles smuggling Afghan migrants from Nimruz into Balochistan rose from around 50 to 150 immediately after the Taliban victory. Smugglers' fees spiked in tandem (Karimi, 2022; Ellis-Petersen et al., 2021).

2.2. Illicit financial flows

The international response to the Taliban's forceful seizure of Kabul hit the country's banking sector particularly hard. The freezing of around \$9 billion central bank (Da Afghanistan Bank, or DAB) foreign reserves, held mostly in the US, triggered a collapse of the local currency (Afghani) and a decline in the scale and frequency of US dollar auctions (Parkin & Stubbington, 2022). It also caused a liquidity crisis. Aid cut-offs and sanctions triggered hyper-inflation, including of food, and impeded trade. In January 2022, inflation for basic household goods reached 42%, compared to the same period in 2021, according to the World Bank. Imports were down by over 65% (Landay, 2022).

Informal financial flows have increased sharply as a result. It is worth noting, however, that much of the Afghan economy ran on such flows well before the Taliban takeover, whether for criminal activity such as drug trafficking, or regular business. Even with significant international support, the Republic's Anti-Money Laundering/Countering Finance for Terrorism (AML/CFT) regime was weak (Giannakopoulos & Passas, 2017). The government, too, used hawala (informal money transfer) services in districts without formal banks.⁵

Pakistan, Iran, and the United Arab Emirates (UAE) were the main intermediary countries for illicit financial flows, receiving funds via the banking system from consumer market countries. Those funds were then channelled to Afghanistan through both Money or Value Transfer Services (MVTs), such as hawala, and cash couriers. Opiate traders relied on capital acquired this way, for example to provide loans to farmers (Financial Action Task Force, 2014).

Small businesses in particular have long relied on informal finance, for example paying for food and medicine imports through hawala operators, at high fees. Large transactions, including major humanitarian assistance, however, were typically transferred through regular banks before August 2021. As corresponding bank relationships have ended since the Taliban takeover, it is unclear whether hawala operators can accommodate such scale. (For a discussion of hawala operators' limitations, see *Afghanistan's Future*, 2021; and International Crisis Group, 2022a.)

Transactions with Afghan banks all but stopped as US, UN and other sanctions on the Taliban and Haqqani Network now applied to the ruling regime in Kabul, and amid a lack of clarity about what activities would be permissible (see Talley & McCaffrey, 2021; and Silic, 2022). The new government imposed capital controls to help curb inflation and prevent a collapse of the banking sector, including withdrawal limits for individuals, non-government organisations (NGOs), and companies, and allowing withdrawals only in local currency. This fostered public mistrust of banks that may outlast a return to normal (Bijlert, 2021). Indeed, banks became a major target of public protest. As Pforzheimer and Grieco (2022) described, '[b]anks are wary of transferring money even for legally permitted activities [...] Afghans have taken the hit, losing jobs and livelihoods

as well as access to their own bank accounts, leading to credible reports of people selling their organs and their children in the face of starvation’.

Amid growing international outrage about the humanitarian impact of US sanctions, which in practice impeded aid flows into the country, the Biden administration issued a series of ‘general licenses’ clarifying what activities would be permissible, through the treasury’s Office of Foreign Assets Control (OFAC). The most consequential, the 25 February General License 20, allows for most transactions that do not involve direct transfers to Taliban, Haqqani Network or other listed individuals, or entities they own (US Treasury Department, 2022). While the legal impediments have largely receded as a result, Afghan banks are still not integrated into the global banking system. The analysis quoted above continued, ‘[t]he recently announced OFAC General License 20, which seeks to normalize most commercial and financial transactions in Afghanistan, will be rendered meaningless if bold action is not taken now to find a competent corresponding bank’ (Pforzheimer & Grieco, 2022).

Russia’s invasion of and war in Ukraine has compounded the problem. Wheat imports from Kazakhstan, for example, were transacted through Russian banks, something of which Afghan businesses are now wary, given US and European sanctions on several Russian banks (Afghanistan Analysts, personal communication, March 2022).

The demand for hawala services—by humanitarian organisations, NGOs, businesses, and individuals—has risen significantly, as have rates for their use. (According to one major study, these rates rose from 2% before August 2021 to as high as 13% afterwards; see Norwegian Refugee Council, 2022.) Responding to this demand, many new players are entering the hawala business (Afghanistan Analysts, personal communication, March 2022). Even businesses that maintain and used to pay dealers through bank accounts are turning to hawala, given the problems in sending and withdrawing money through formal institutions. The same applies to foreign remittances from the Gulf and elsewhere. It is also reported that the use of cryptocurrencies, previously limited if not non-existent, has also spread (Silic, 2022).

The larger Afghanistan’s informal economy grows, and the more constrained legitimate activity becomes, the more demand there will be for illicit markets and activity to fill the breach. More people may also become available for employment in drug trafficking and other smuggling networks, as well as to expand these networks’ customer base.

3. Understanding Afghanistan's drug trade

3.1. Poppy Cultivation

As Vanda Felbab-Brown (2020), a leading expert on illicit narcotics, contends: 'Perhaps nowhere in the world has a country and the international community faced an illicit drug economy as strong as the one in Afghanistan'. Afghanistan produces the vast majority of the global opium supply (UNODC, 2021). Poppy is the country's most valuable cash crop, and its labour-intensive cultivation employs several hundred thousand people, pushing up wages and living conditions of those directly and indirectly involved (SIGAR, 2021). Warlords and traffickers lend money to farmers to plant poppy, collecting the opium paste directly from them (Farrell, 2017). Poppy cultivation thus provides ready access to credit and easy sale, avoiding the risks of transporting the crop to market. It also offers tenant farmers access to land, and daily wage labourers significant opportunities during the harvest seasons. Poppy farmers have been able to use profits to invest in deep wells, water pumps, and solar panels (SIGAR, 2021). Secondary and tertiary markets and sectors that have grown around poppy cultivation include fertilisers, herbicides, tractors, transport, construction, rest stops, food, and fuel stations (Felbab-Brown, 2021). For many Afghans, food security, children's education, and meeting everyday costs would be impossible without the poppy.

That Afghanistan's illicit drug economy provides a financial lifeline to many is all the more relevant now that the country is economically isolated and on the brink of economic collapse. Even before the Taliban's victory, drought and the COVID-19 pandemic had weakened rural and urban economies alike. Requiring little water, the poppy's resilience in adverse agricultural conditions makes it an attractive long-term investment. In the words of Gopal (2014, p. 202), poppy is 'hardier than wheat or corn and [has] two harvesting seasons to boot'. While droughts adversely affected other crops, UNODC has reported that since 2020 poppy cultivation has risen, quality heroin exports are in the hundreds of tons, and that Afghanistan's illicit opiate economy's gross output is estimated at \$1.8 to \$2.7 billion (UNODC, 2022). The total value of opiate is thought to exceed 'the value of [Afghanistan's] officially recorded licit exports of goods and services' (UNODC, 2021).

Decision-makers in Kabul, elected or not, are compelled to measure the adverse impact of poppy cultivation—on health and human capital, the formal economy, internal security, state building, and Afghanistan's international relations—against this narrative of poverty alleviation and rural economic security.⁶

3.2. A new entrant

Methamphetamines have added to Afghanistan's illegal drug market, creating a new international supply chain that passes through Pakistan and, via traditional heroin maritime trafficking routes, onward to eastern and southern Africa (Eligh, 2021). This is

reportedly driven in part by the ‘discovery’ across central and northern Afghanistan of abundant *Ephedra sinica*, a shrub that contains a natural version of ephedrine. Ephedrine is the chemical precursor that was previously extracted from medicines containing pseudoephedrine, imported from Iran and Pakistan at high prices. The ephedra plant provided ‘a cheap, local and naturally abundant source of ephedrine. In turn, Afghanistan’s cities – and even its impoverished rural areas – are seeing a flood of crystal meth use and addiction’, according to Hendriks (2020). While there is evidence that synthetic precursors continue to be used, the discovery of ephedra as a reliable ephedrine source has reduced costs possibly by half, creating ‘a boon for those in the mountainous highlands of Afghanistan, too cold and too dry for opium poppy and cannabis cultivation’, according to a London School of Economics (LSE) team led by David Mansfield (2019). A related *Vice* report said,

Using ephedra as a means of mass-producing the drug has never been feasible due to the quantity of raw material needed. But combine economic motivation, a rising demand for meth among drug users in Kabul, and poor farmers willing to work for \$30 a day harvesting the wild crop, and you have all the ingredients for a novel, innovative industry. (Power, 2019)

UNODC (2021) has said that ‘high regional and global demand for methamphetamine, coupled with a saturated market for opiates, could push further expansion of manufacture of methamphetamine and other synthetic drugs’ in Afghanistan.

Methamphetamine distribution could therefore build on existing opium and heroin supply chains, including via Pakistan (Eligh, 2021). Even with the relative ease of producing crystal meth from common medicines and chemicals, Pakistan’s coast guards regularly seize large quantities of methamphetamine along Balochistan’s Makran coast, apparently destined for Iran, and mixed loads of heroin and crystal meth have become more common (Pakistani counter-narcotics official, personal communication, March 2022; Pakistani senior intelligence official, personal communication, April 2022). The large quantities are probably more than Iran consumes and could, therefore, be destined for the Gulf, Turkey, and Europe (Eligh, 2021). Drug rings could therefore be exploiting their existing transnational networks that bring Afghanistan’s illicit drugs into Europe to move cheap, abundant methamphetamines as well. Hence, while it is unclear how much of a threat Afghan meth production poses to Europe—and views on this vary significantly—this is something to monitor.

4. The Impact of the Taliban Takeover

4.1. The Taliban and the drug trade

In the 1990s, the Taliban participated in Afghanistan's civil war for a relatively brief period before seizing Kabul. Their posture towards the drug trade was mostly formed during the First Emirate. The Second Emirate, on the other hand, is the product of an almost 20-year insurgency, during which Taliban leaders and local commanders established relationships with farmers, labs, smugglers and others in the value chain, which were crucial to the movement's success, as discussed below. The prospects of the 3 April 2022 narcotics ban should be assessed in this context.

4.1.1. The First Emirate

While the Taliban officially banned poppy cultivation during its First Islamic Emirate (1996–2001), the group has always had an ambivalent posture on drugs. More often than not, it has benefited from illicit narcotics. Opium production in fact doubled in the first three years after it first took control of Kabul in 1996 (UNODC, 2003). The Taliban struck a delicate balance between the perceived un-Islamic nature of drug use with the economic benefits, by outlawing consumption of opiates but allowing opium production and trade (heroin was banned outright). Applying a 2.5% *zakat* (almsgiving) and a 10–20% *ushr* (an Islamic agricultural tax) on opium production and trade, and even on heroin labs, brought millions of dollars annually to Taliban coffers (Rashid, 2008).

Many experts believed that the Taliban's later ban on poppy cultivation was motivated by a desire for international legitimacy (see Mansfield, 2016; Berry, 2021; Clemens, 2021; and Felbab-Brown, 2021). Market factors may have also contributed to the ban, as overproduction had depressed opium prices (Rashid, 2008; Felbab-Brown, 2020). The measure was remarkably effective, prompting a massive reduction in cultivation (UNODC, 2003). Yet, it covered too brief a period—from July 2000 to October 2001—to draw definitive conclusions about its long-term prospects, including whether the ban would have sustained political support. Indeed, one of the possible reasons for the delay in imposing the ban was that the Taliban 'knew it would be unpopular with farmers' (Farrell, 2017, p. 131). An earlier informal prohibition of the drug trade in Helmand in early 1995, under Taliban control, is instructive: by 1996, the ban was largely lifted (Felbab-Brown, 2021). The national ban might have seen a similar fate.

Some experts claim that the Taliban had already begun changing its stance, in response to a popular backlash, by the time of the US/NATO October 2001 invasion (Landay, 2021). Some also attributed defections to anti-Taliban forces after October 2001 to these resentments. A power vacuum, and other security and political dynamics after NATO toppled the Taliban, produced an enormous poppy revival (SIGAR, 2021).

4.1.2. *The insurgency*

Through the Security Sector Reform framework established in 2002, the UK took the lead on counter-narcotics, making a commitment to help eliminate poppy cultivation within ten years (Berry, 2021; Farrell, 2017). Viewing illegal drugs as a separate problem from the Taliban insurgency, the US initially gave it low priority. Furthermore, the US war strategy hinged on winning the support of the Afghan people, making it reluctant to take any action that risked alienating poppy farmers—a significant portion of the population—or friendly warlords who profited from opium trafficking (Whitlock, 2019). The US changed its stance, however, in the face of mounting evidence of links between the opium trade and the insurgency (Kerry, 2010; Whitlock, 2019). A revitalised opium industry also risked jeopardising western and domestic efforts to build a democracy, and strangling the legitimate economy.

The result was a haphazard mix of policies and strategies to curb Afghanistan's drug trade, which included aerial spraying of poppy fields, bombing and other interdiction of labs, depots and transportation, and rural development programmes—with limited success (Gopal, 2014). Warlords and drug lords backed both by the US and Kabul exploited eradication policies to target the competition and keep prices high. The efforts also eroded trust between the Afghan government and its international partners, and fed the Taliban's propaganda mill. A Special Inspector General for Afghanistan Reconstruction (SIGAR) (2018) report concluded: 'No counterdrug program undertaken by the United States, its coalition partners, or the Afghan government resulted in lasting reductions in poppy cultivation or opium production'.

Financial incentives did little to lure farmers away from cultivating poppy, and in fact did the opposite. In 2002, the UK government's offer to pay farmers \$700 an acre to destroy their poppy crops 'ignited a poppy-growing frenzy', as farmers sought to benefit both from the \$30 million UK programme as well as the open market (Whitlock, 2019). Similarly, a later US programme that paid Helmand farmers to build or renovate canals to irrigate fruits and other crops inadvertently improved irrigation for poppy. Programmes to substitute poppy for other crops such as wheat led farmers to produce both (Gopal, 2014). Corruption was another problem, as officials and political elites across the spectrum—including, for example, then President Hamid Karzai's brother, Helmand Governor Sher Mohammed Akhunzada, and Kandahar Governor Gul Agha Sherzai—allegedly profited from the drug trade (Gopal, 2014).

Helmand and Kandahar were the geographic heart of both the insurgency and poppy production. As one military affairs expert said: 'The Taliban were able to draw support from growing popular discontent at Afghan government efforts, with international backing, to eradicate opium poppy in Helmand' (Farrell, 2017, p. 226; see also Giustozzi, 2009). Although the Taliban maintained sanctuaries in Pakistan, and received some funding from Pakistani and private Arab donors, the funds were not enough to sustain what became a two-decade insurgency. The drug trade was one activity that met that gap.⁷ Some insurgents were directly involved, while the Taliban leadership benefited by taxing farmers, labs, traffickers, and other actors (Kerry, 2010). Applying *zakat* and *ushr* to poppy cultivation not only brought the insurgency a major and reliable financial source, but also a religious justification for it. In the process, the Taliban developed what

one expert likened to ‘solid public–private partnerships’ across the value chain (I. Bahiss, personal communication, March 22, 2022).

Experts and officials disagree on the magnitude of the Taliban’s drug-trade profits, their estimates ranging widely between \$40 million to \$400 million annually. US officials estimated that the drug economy was generating an annual \$200 million for the Taliban (Whitlock, 2019).

4.1.3. *The Second Emirate*

The year before the US-led forces withdrew, the Taliban tested a cannabis ban in parts of the southeast under their control, after extensive consultations with religious scholars and various of the movement’s own commissions, possibly to assess local reactions. Conspicuously, this did not apply to poppy (Muzhary, 2021). After assuming power in Kabul in August 2021, the Taliban announced its intention to restrict Afghanistan’s illicit drug economy, echoing its policy in the final 15 months of its previous regime. Uncertainty over the Taliban’s drug policy in the long term reportedly led traders to stockpile raw opium, pushing up prices (UNODC, 2021). For the first several months, the regime’s most public response to drugs was the characteristically heavy-handed and often inhumane treatment of users and addicts (Al Jazeera, 2021). Then, on 3 April 2022, it announced its prohibition on poppy cultivation and drug trafficking and use.

Several factors will shape the implementation of the ban. Some prominent experts and commentators infer that international legitimacy or favour was the Taliban’s primary motivation (Bjelica & Clark, 2022; Durso, 2022). César Guedes (personal communication, 6 April 2022), who headed UNODC in Afghanistan, said: ‘Now the Taliban can tell the international community, “Help us enforce us this ban, otherwise it won’t work and we’ll be back to zero”’. There are no signs yet, however, that the move will generate such a response.

The Taliban’s record on women’s rights and other human and civil rights has so far dictated the level of western engagement with Kabul. On 17 March, the UN Security Council decided to extend the UN special political mission in Afghanistan to March 2023. In addition to humanitarian assistance and diplomatic engagement, the Security Council highlighted the need to promote human rights and gender equality (United Nations Security Council, 2022). A week later, on 23 March 2022, the Taliban reversed a decision it made two days earlier to re-open girls’ secondary schools, announcing that the schools would remain closed until the regime evolved new policies to ensure compliance with ‘Islamic law and Afghan culture’ (as quoted in Barr, 2022). Two days later, US officials announced the cancellation of scheduled US–Taliban meetings in Doha in response to this reversal (Greenfield & Landay, 2022). Without tangible Taliban commitments to basic rights, including of girls and women, the international community is unlikely to engage Kabul on counter-narcotics, especially given past failures during the Republic, discussed above (Bjelica & Clark, 2022; Berry, 2021).

How willing and able the Taliban is to enforce its edict, in the absence of international support, may remain unclear for several months. In the south, opium poppy planted in October and November is harvested in April and May. As one analysis concluded, ‘[i]t is likely only to be in the autumn, therefore, when farmers in poppy-growing areas are

deciding what to sow that it will be clear how serious the Taliban are in enforcing this ban, and farmers in obeying it' (Bjelica & Clark, 2022).

Furthermore, the crop growth cycle begins later in the country's north than in the south (UNODC, 2022). Northern provinces near or on the border with Turkmenistan and Tajikistan have seen a rise in poppy cultivation in recent years (UNODC, 2015). With large Tajik and Uzbek populations, these have historically been areas of Taliban opposition. (For background information, see Barfield, 2012; and Rubin, 2002.) The Taliban may, therefore, be willing to test the ban on poppy cultivation on the summer harvests in these provinces, with less to lose than if it were doing so against its rural support base in Helmand and Kandahar.

Two other factors make implementation more challenging today than in 2000–2001. In 2000, Afghanistan's population was just over 20 million; today, it is almost 39 million (World Bank, n.d.). In addition, poppy cultivation has spread considerably, from an estimated 64,500 hectares (ha) in 2000 to an estimated 177,000 ha in 2021 (Bureau of South Asian Affairs, n.d.; UNODC, 2022). The ban would therefore have to be enforced over significantly more territory, against a crop that is sustaining more people (Bjelica & Clark, 2022).

Enforcement will also depend to some extent on the Taliban's cohesion. According to two experts, ISAF's bid to fragment the insurgency had the reverse effect, as the Taliban leadership took pains to integrate disparate parts of the movement. In the years leading up to the US/NATO withdrawal, the leadership made concerted efforts to break rogue networks within the insurgency. To prevent more emerging, the Taliban allowed local commanders significant autonomy, provided they did not defy leaders' edicts and strategic goals (two Afghanistan Analysts, personal communication, March 2022; Watkins, 2020).

Any factionalism within the Taliban is minimal compared to the divisions in the People's Democratic Party of Afghanistan (PDPA) in the 1970s and 1980s, and the mujahideen in the 1980s and 1990s (Rubin, 2002; Barfield, 2012). The insurgency nevertheless had several distinct groups: a leadership that came from Kandahar and led the first Islamic Emirate; the Haqqani Network operating in the eastern Loya Paktia region and Pakistan's North Waziristan, which maintained links with the Taliban leadership but pursued its own agenda; former mujahideen who had no history or previous links with the Taliban but joined the cause of the opposing a foreign occupation; and newcomers who were similarly motivated to attack international forces and its Afghan government ally, and gravitated towards the Taliban because of its perceived legitimacy and access to resources.

In the ongoing transition from an insurgent movement to a government and state, as the Taliban leadership tries to centralise authority and resources, it will have to grapple with a dynamic that has proved challenging to every Afghanistan government: the balance of power between the centre and the periphery (Thier, 2020). Furthermore, there continue to be major discrepancies between formal and informal power, with commanders who hold no state functions reportedly giving little weight to relevant ministries' statements or instructions. Internal conflicts are common at the operational

level, for example with commanders detaining rival commanders' foot soldiers, inviting retaliatory arrests.⁸

As a movement, the Taliban has reportedly been more cohesive at the strategic level, with the leadership quick to respond to perceived threats to that cohesion (Watkins, 2020). Hence, while the immediate prospect of breakaway factions that would pose a security threat is limited, there are conspicuous differences in how local commanders tackle social issues, such as female education and NGO activities, making that environment difficult to predict and varied by region (Afghanistan Analysts, personal communication, March 2022).

Maintaining internal coherence has been a dynamic process, requiring shifts in power arrangements and devolution of authority to local commanders. The most consequential of these may be the elevation and integration of the Haqqani Network into the leadership structure, which began in 2016. As so-called Eastern Pashtuns, Haqqani Network leaders represent a distinct constituency in the east, and different methods and closer relationships to transnational jihadist groups like Al Qaeda than the Quetta- (and now Kandahar)-based leadership.⁹ Differences of opinion and narratives about who won Kabul—negotiators in Doha or the Haqqani Network's fighting force on the ground—reportedly triggered clashes between the Haqqanis and the Taliban's lead negotiator in Doha, Maulana Baradar, in September 2021 (Reuters, 2021). Baradar's apparent demotion, as the new deputy prime minister, and Haqqani Network leader Sirajuddin Haqqani's appointment as interim interior minister, along with other Haqqanis receiving prominent portfolios, suggests that the leadership is favouring the hardened militant core over relatively more political players.

This has implications for trafficking. The Haqqani Network had integrated itself into Pakistan's tribal belt economy, especially in North Waziristan. According to a 2016 analysis, the group allegedly sought 'new and primarily illicit ways of generating revenue by expanding into drug trade, import and export businesses, and numerous shady operations' (Weinbaum & Babbar, 2016). Depriving a key element of the regime (and, previously, of the insurgency) of a major revenue stream would be risky. Furthermore, to offset the risk of foot soldiers joining other armed groups such as Islamic State-Khorasan (IS-K), the leadership may be inclined to grant such fighters significant space to indulge in local criminal enterprises and rent-seeking from illegal mining, logging and, perhaps above all, the drug trade.

Due to the dynamics described in this section, any sustained action to enforce the narcotics ban will require significant international pressure and incentives, given the revenues poppy cultivation brings to state and society, and the potential for social unrest or even violent opposition to such a ban. If viable alternatives remain limited, the Taliban regime is unlikely to pursue aggressive opium poppy-eradication efforts. Monitoring the flow of poppy already harvested in the southwest, and the upcoming autumn planting season, will help gauge whether poppy cultivation, and opium and heroin trafficking, will maintain an upward trend in the long term, despite the 3 April edict.

5. The Pakistan Channel

5.1. Overview

Most of the income from Afghanistan's opiates is in their manufacture and international export, with the domestic market accounting for a much smaller share (UNODC, 2022). Afghanistan's opiates follow various routes to European markets, including a Balkan route that first passes through Iran and Turkey, and a southern route that passes through Pakistan and Iran, and onward to Asian, African, and western and central European markets.

Afghanistan's longest border, at roughly 2,640 kilometres (km), is with Pakistan, the main destination for the country's exports (Rocha, 2017). Even when Afghanistan is at its most politically and economically isolated, its geographic and community links with Pakistan serve to some extent to mitigate some of the attendant hardships. This applies to legitimate and illegitimate activities alike (International Crisis Group, 2014). It is indeed difficult to provide a full accounting of landlocked Afghanistan's illicit markets without examining the Pakistan channel.

Pakistan remains the main informal financial conduit into and out of Afghanistan (Norwegian Refugee Council, 2022). While foreign and local currencies are smuggled across the border, larger volumes are moved through hawala providers. Most if not all of the capital flight of US dollars after the Taliban victory was via Pakistan; and, inversely, Pakistan-based hawala operators and couriers were used to send in money, including US dollars.¹⁰

Border areas in the two provinces that abut Afghanistan—Balochistan and Khyber Pakhtunkhwa (KP)—have long been tenuously governed and, in large parts, inaccessible to civilian institutions and civil society (see International Crisis Group reports 2006, 2009, 2018a, 2022b). While this border has often been described as porous, a combination of perilous terrain and new infrastructure to control cross-border movement has made illegal crossing, especially of large cargo, reserved for those with sufficient financial and logistical resources, and connections to officials and other power brokers.¹¹

Organised crime in Pakistan was built around the wars in Afghanistan, from the 1980s to the present, and the disruptions and mass movement of people and goods that resulted from them. Inherently transnational, it depends on networks that traverse borders with Afghanistan, Iran, and India (from where drugs are then trafficked to East and Southeast Asia and Australia), as well as move illicit goods by sea off the Makran coast and Karachi port in the south (westwards to East Africa and eastwards to Southeast Asia and Australia; UNODC, 2015). Opium and heroin provided the foundations, but the infrastructure that developed, of transporters on land and sea, corrupt officials at entry and exit points, recruiters and intermediaries connecting suppliers with clients, can be used to move any kind of resource (Rubin, 2002; Haq, 1996).

Although there is still some poppy cultivation in Pakistan, the drug trade's centre of gravity is Afghanistan, and the networks that transport opium, heroin, methamphetamines and other illicit substances cross Pakistan's land and maritime borders for western markets. By the early 2000s, Pakistan had eradicated poppy cultivation in large swathes of territory. Some poppy cultivation continues in remote parts of Balochistan and KP's tribal belt, but heroin traffickers mostly rely on raw ingredients from Afghanistan and Iran. Precursor chemicals also come into Gilgit Baltistan from China, the UAE, Central Asia and India, but some of this is believed to be transported into Afghanistan (National Initiative Against Organised Crime, 2020). Regular seizures of large amounts of acetic anhydride, sulphuric acid, and other precursors for heroin processing, suggest that there is at least some heroin production in Pakistan, though probably not on the same scale as in the 1980s and 1990s (Pakistan counter-narcotics official and senior intelligence official, personal communications, April 2022).

During the 1980s and 1990s, a handful of large, politically connected families, along with other legitimate enterprises, particularly trucking, dominated Pakistan's drug trade (Anderson, 2007; Haq, 1996). The emergence of new, medium-sized enterprises, especially in Balochistan, gradually eroded that control (Green, 2012; UNODC, 2011). Many new groups are also turning to dealing methamphetamines, with lower barriers of entry than opium and heroin.¹²

5.2. Political context

Cross-border informal trade and smuggling is a way of life and financial lifeline for communities on both sides of the Durand Line. Most of this smuggling has been of licit goods, a by-product of the Afghanistan–Pakistan Transit Trade Agreement (International Crisis Group, 2014). Before August 2021, electronic and other items, deliberately ordered in excess by Afghan buyers, would arrive at Karachi port and be transported through Pakistan and imported into Afghanistan tax-free, before being smuggled back into Pakistan and sold at a premium. Pakistani warlords and militants benefit from these arrangements by taxing this movement. Similarly, smugglers bribe customs officials, border police, military and paramilitary institutions, and others.

Pakistan's unilateral fencing along the Durand Line has reduced but not eliminated illegal cross-border movement of people and goods.¹³ Freight relations with Afghanistan during the Republic, a result of Pakistani support to the Afghan Taliban, along with Kabul's historic refusal to recognise the Durand Line, constrained border security/management efforts. Border tensions have continued even after the Taliban's return to power. In October 2021, for example, Taliban authorities closed the Spin Boldak-Chaman border crossing after Islamabad refused a request to allow Afghans to cross this border with their national identity cards rather than travel documents. They re-opened it the following month (Khan, 2021). In December, Taliban and Pakistani soldiers clashed during a Taliban bid to disrupt Pakistan's border fencing between Nangarhar and Pakistan's Pashtun tribal belt (Ahmad, 2021).

According to a senior Pakistani intelligence official, who monitors crossing points between Balochistan and Afghanistan, Pakistani security officials believe that Afghan

drug traffickers comprise a powerful lobby against the border fence, and have dictated the Taliban's recent protests. He added that these officials expect trafficking rings to pressure the Taliban to raise the issue with Islamabad again as they need to transport opium and heroin from the most recent poppy harvest (Senior Pakistani intelligence official, personal communications, April 2022). A top counter-narcotics official echoed this argument. While it is difficult to verify these claims, the perceptions themselves reflect what Pakistani stakeholders believe is at stake in managing this border. Yet, these officials also admitted that while the border fence has significantly curtailed illicit cross-border movement, the large volumes of narcotics produced in Afghanistan meant that traffickers would be willing and able to pay large sums to counter-narcotics, paramilitary, customs and other border security personnel. Also factoring in mountainous terrain that is difficult to police, they expected the usual quantities of raw and processed substance from the most recent harvest to enter Pakistan (Senior Pakistani intelligence and counter-narcotics officials, April 2022).

5.3. Onward journey: the nature of the border provinces

5.3.1. Balochistan

Most of Pakistan's drug-trafficking routes that originate in Afghanistan pass through Balochistan (Jain, 2018). With a 1,460-km border with Afghanistan, a 960-km border with Iran, and a 770-km Makran coastline on the Arabian Sea, Balochistan's land and maritime boundaries have numerous entry and exit points for smuggled goods. Significant volumes enter from Helmand into Balochistan's Chagai district, and are transported south to the fishing towns on the Makran coast, where they are loaded onto dhows or small boats headed to the Gulf and East Africa, with Europe possibly the ultimate destination.

In the 1980s, heroin-processing laboratories spread in the province's remote regions, particularly Chagai, geographically Pakistan's largest district, which borders Kandahar, Helmand and the 'drug-smuggling hub' of Nimroz (Rasmussen, 2017). Along with Zahedan in Iran's Sistan Balochistan province, this tri-state intersection forms the notorious Golden Crescent, one of Asia's two main opium-producing regions. Insurgencies by Iranian Sunni Baloch militant groups like Jundullah and its successor Jaishul Adl, Pakistani Baloch nationalist/separatist militants, and the Taliban until August 2021, created a conducive environment for criminal networks to flourish. Although drug seizures are common here, general insecurity and insufficient coordination between Iranian, Afghan and Pakistani border security agencies, make the Golden Crescent a haven for smuggling weapons, currency, gold and people (Marhoon, 2020).

Balochistan's idiosyncratic system of law enforcement compounds the problem. Formal policing is limited to the province's 'A' (urban) areas, while poorly trained and equipped tribal militias answerable to tribal chieftains police its rural 'B' areas—over 90% of the province (International Crisis Group, 2014), including large border districts like Panjgur, which is an opiate export point. These tribal units mostly protect roads, whereas police

forces, with community-based intelligence networks and investigative capacity, would be better suited to detect criminal groups and activity.

Responsible for patrolling border areas, the paramilitary Frontier Corps is also the main counter-insurgency force; the Pakistan Maritime Security Agency (PMSA), under the navy, polices the Arabian Sea; and the federal Anti-Narcotics Force (ANF) is stationed at entry and exit points (Jamal & Patil, 2010). A heavy security presence has nevertheless proved incapable of preventing illicit movement; policing maritime routes is reportedly the weakest link.¹⁴

Rule of law is virtually non-existent in many parts of Balochistan. Drug and other crime barons, tribal chiefs, public representatives and local elites virtually run a parallel economy, based on smuggling (Barrech, 2020). Today's most prominent Baloch militant groups operate near the Makran coast, and reportedly find sanctuary in Iran (Baloch, 2017). Others continue to operate from Afghanistan. Despite heavy-handed military and intelligence operations, and repeated government claims of having neutralised separatists, a low-level insurgency persists: the first months of 2022 have seen a significant rise in insurgent violence, a proliferation of armed secessionist groups, and potential new operational alliances between them. The Taliban victory in Afghanistan, inspiring armed struggle, is one possible factor (Rana, 2022). Explicit evidence of Baloch militants' involvement in the drug trade is limited, but they do depend on a weapons supply from organised criminal groups that also traffic narcotics. It is, therefore, in Baloch insurgents' interest to give organised criminal groups safe passage, which in turn enhances these criminals' ability to operate in some of Balochistan's most volatile regions. Drug gangs in these areas travel in large, heavily armed convoys and caravans, and armed clashes with security agencies occur periodically.

5.3.2. Khyber Pakhtunkhwa

Khyber Pakhtunkhwa's border with Afghanistan stretches across eight districts from Chitral in the north to South Waziristan in the south. Six of the eight were previously part of the Federally Administered Tribal Areas (FATA), which had a separate constitutional status. Lacking formal rule of law, police and courts, and full constitutional rights, FATA was an economic and political backwater. After years of deadly conflict, FATA was finally merged with the rest of KP through the 25th constitutional amendment, in 2018, abolishing its separate status (International Crisis Group, 2018b).

Tenuous, informal governance had made FATA a haven for criminals and militants, including drug and other smugglers (International Crisis Group, 2009, 2018b). In the years following the US/NATO invasion of Afghanistan, Pakistan Taliban groups, eventually coalescing into the Tehreek Taliban Pakistan (TTP), asserted control across the tribal belt, eliminating much of the tribal leadership and also criminal masterminds who were potential rivals. In the process, the TTP absorbed smuggling networks and, similar to their Afghan counterparts, tapped the drug trade for revenue, mostly through taxing movement and extorting traffickers.

Military strikes displaced and disrupted the TTP, particularly after 2014, forcing many leaders and commanders to sanctuaries in Afghanistan. But heavy-handed operations

came at a price. Scorched-earth strikes destroyed agriculture and other livelihood sources, while cross-border security measures, such as the border fence, constrained trade and other legitimate economic activity (International Crisis Group, 2018b). More alarmingly, the gains may prove short-lived: apparently inspired by the Taliban victory in Kabul, the TTP has revived and accelerated the pace of attacks against state targets in the tribal belt, from within Pakistan as well as across the border (Mir, 2022).

As it is, remnants of armed Islamist militant groups maintained a presence in various parts of the tribal belt, including hotbeds of drug smuggling and production in Khyber district (where Torkham, the busiest Pakistan–Afghanistan crossing point, is located).¹⁵ These groups tax trucks reportedly transporting crystal meth and heroin, arms and other smuggled goods from Tirah Valley to Jamrud town. Pakistan’s border fence, and tighter controls at Torkham and other formal crossing points, have certainly impeded smuggling. There are, however, numerous gaps in the fence, particularly in its southern half. Consequently, those who control southern routes and choke points no longer face tough competition from traffickers in northern tribal districts, and are able to extract higher rents for use of those routes.

In a region that, despite the 25th Amendment, remains informally governed in large swathes, drug rings rely on a wide network of high- middle- and low-level dealers, transporters, and facilitators, many of whom are not aware of their role in organised criminal networks: so-called ‘mules’ who typically cross the Afghanistan–Pakistan border on foot or on donkeys or horses; truckers who conceal illegal substances in their vehicles across official border crossings, like Torkham, with or without the drivers’ knowledge; dealers who reportedly use women in the garments business on both sides of the border, concealing drugs in their fabrics or saturating those fabrics with methamphetamine; and peddlers who exploit out-of-school children in the tribal districts, many of them Afghan refugees, by dressing them in school uniforms, packing their school bags with narcotics, and sending them hitchhiking to Peshawar and other cities, where their cargo is unloaded and distributed by partners in the trade.¹⁶

Whether opium and heroin enter from Balochistan or Khyber Pakhtunkhwa, it is when these goods have to cross provincial and national borders (by land, sea, or air), necessitating payoffs to security, customs, immigration, and other officials, that larger, more resourceful players have a distinct advantage over smaller competitors.¹⁷

6. Implications for European governments

6.1. Overview

The Taliban's August 2021 victory led to reassessments within governments, think tanks, the press and beyond of the successes and, especially, failures of US-led counterinsurgency strategies. A similar reckoning with counter-narcotics strategies is also overdue. As a *Washington Post* review of confidential government documents and interviews concluded: 'Of all the failures in Afghanistan, the war on drugs has been the most feckless' (Whitlock, 2019).

Western political and institutional support to build Afghan counter-narcotics capacity is inconceivable in the short term, least of all that of a police force answering to an interior ministry headed by a prominent designated terrorist, Sirajuddin Haqqani.¹⁸ To the extent that the US and UK governments and the European Union (EU) engage the Taliban on security, it will probably not extend beyond Al Qaeda and IS-K-oriented counter-terrorism.¹⁹ Nevertheless, the Taliban could again be trying to make counter-narcotics a basis for international engagement, with its current ban. In the absence of financial and economic incentives, however, it is doubtful that the Taliban would again commit to enforcing its poppy-eradication policy, for reasons outlined earlier. Nor has the international community set eradication as the price of legitimacy.

With rising desperation in Afghanistan, western governments should think beyond interdiction, and consider what the growing influence and resourcefulness of transnational criminal groups means for their political interests *within* this strategic region, where they have already invested considerable sums towards strengthening rule of law and formal economies.²⁰ That influence is as much a socioeconomic problem as one of law enforcement, and a good anti-trafficking strategy will address both.

6.2. Re-engaging in Afghanistan

In a collapsing Afghan economy, with hundreds of thousands losing work since 2020, already cheap labour has become significantly cheaper (Kazemi, 2020)—a major advantage for opium traders seeking more farm hands. Mitigating Afghans' economic despair may be an unattainable ideal, especially as the Taliban's record on human, civil and political rights continues to make deep economic engagement politically unpalatable in the west. The Taliban's March 2022 reversal on allowing girls' secondary education has already impeded whatever little diplomatic engagement there was with the Emirate.²¹

There are some important and less politically sensitive measures the UK and EU, following the US lead, can take to prevent the formal economy's total collapse. As discussed earlier, OFAC's General License 20 has cleared a path for foreign banks and businesses to resume Afghanistan-related activities. Many are, however, unlikely to do

so without a professional central bank. UK and EU governments could play a key role in helping professionalise Da Afghanistan Bank, though it is debatable how much political and financial capital they could devote to this in the context of Russia's war in Ukraine.

The fate of the DAB's foreign reserves consumes much of the public debate.²² Given the ramifications on liquidity and the Afghan currency, this is understandable. Yet, an equally if not more important, question is whether the Emirate wants and is able to run a professional central bank. Taliban actions since General License 20 have been counter-productive. DAB's new deputy governor is sanctioned by the US, UN, and EU for AML-CFT-related activities (Talley et al., 2022). While General License 20 allows transactions with Afghanistan's governing institutions regardless if they are led by sanctioned individuals, this appointment 'increases the risk profile more than it was before', according to a specialist on economic sanctions, who added: 'It adds a wrinkle and a challenge to an already challenging environment' (Talley et al., 2022).

Donor funding is an equally urgent long-term issue. The Taliban's ability to revive the economy without such funding will be severely limited. A key pillar of the counter-narcotics strategy—developing livelihood alternatives and the licit economy—was an immediate casualty of the Taliban victory, as most foreign assistance stopped.

Nor are Afghanistan's neighbours filling the breach—including the most economically powerful regional actor, China. According to one Beijing-based China expert, Beijing is unlikely to shoulder a major economic assistance burden without a US (or western) lead, because it believes this is primarily a western responsibility (and, earlier, because of suspicions that Chinese engagement with Afghanistan would provide the US a pretext to sanction yet more Chinese companies; Chinese expert, personal communication, March 2022). The scale of Chinese assistance so far—a mere \$31 million—reflects that hesitation (BBC News, 2021). China's investment risk appetite is also shaped by security concerns and threats from groups like IS-K. An attack such as the October 2021 suicide bombing of a Shia mosque in Kunduz, by a Uighur militant whose stated intention was reportedly to protest the Taliban's tacit approval of the suppression of China's Muslim population, may erode Beijing's willingness to undertake major projects with large contingents of Chinese personnel (Gibbons-Neff & Arian, 2021).

It is important that rescuing the Afghan economy should remain an objective in and of itself rather than a means to a counter-narcotics end, which would again risk warping the metrics of success. Farmers and labourers could potentially look to licit rural and off-farm economies if those economies proved profitable and stable over the long term. As rural and broader economic development will take time, and make barely any progress at all without considerable foreign support, counter-narcotics policy analysis should start with accepting that no significant reduction of Afghanistan's poppy economy is foreseeable in the near term.

6.3. Looking to Pakistan?

With the Taliban in power in Kabul, western counter-narcotics activities to curb drugs emanating from Afghanistan will be likely to focus on transit countries, as was the case before the Taliban's 2001 ouster. Pakistan is already among the countries that receives

the highest level of international counter-narcotics assistance (SIGAR, 2018). While interdiction figures prominently, again it hinges on Islamabad's willingness and ability to prosecute high-level, politically connected traffickers and senior officials who facilitate them. In Pakistan's corrupt and weak criminal justice system, such prosecutions are rare. Nor is international counter-narcotics support conditioned on investigative and prosecutorial success.²³

As Pakistan's counter-narcotics lead institution, the federal Anti-Narcotics Force is the partner agency of choice for the UK, US and other governments. Led by an army major-general rather than a civilian, the ANF relies heavily on kinetic operations, and on arrests and seizures as the metric of success, rather than investigations against organisations that could take years (Senior Pakistani counter-narcotics official, personal communication, April 2022).²⁴ In a highly punitive legal regime that focuses on possession, the upshot is that low-level mules and peddlers are punished, in some cases with the death penalty, rather than suppliers and their powerful bosses. As a result, major traffickers continue to operate.

Seizures at air and land ports, and at sea, may indeed reduce illicit cargoes destined for western Europe. But as long as traffickers continue bringing drugs across the Durand Line, the influence of drug rings in the border regions and beyond will continue to grow. The more resources and local influence organised criminal groups have, the better their ability to serve domestic, regional, and international demand.

Donors may achieve important results by looking beyond law enforcement. Donor and civil society access to Balochistan is limited, as is the potential for rigorous oversight. Opportunities are more promising in the other border region, KP's tribal belt, which saw major democratic reform through the 2018 FATA-KP merger, and where the UK in particular has invested considerable financial and political resources for stabilisation and peace (Foreign, Commonwealth and Development Office, n.d.). As in Afghanistan, therefore, the debate should not stop at the quantities reaching European streets, but should consider the impact of Pakistani drug-trafficking networks on rule of law, a burgeoning formal economy, and institutional development in the former FATA.

In helping counter that impact, three areas stand out for deeper donor engagement: high-level UK and EU advocacy with both the federal and KP governments to revive a successful FATA-KP merger, including full economic as well as political enfranchisement, as a top national policy priority; supporting the development of a nascent police force and judicial system in the tribal districts, part of the broader KP provincial criminal justice sector (International Crisis Group, 2022b); and supporting victims of and those most susceptible to traffickers' influence, including addicts seeking treatment, and those arrested for low-level drug offences. Making the latter more of a policy priority could help enhance the public discussion about the adverse impact of drugs, which has already grown amid concerns about rising methamphetamine use among KP youth, and those who traffic them (Shinwari, 2019).

7. Conclusion

Insecurity explains only part of the failure of international and domestic efforts to eradicate or reduce Afghan poppy cultivation after the Taliban was ousted in 2001. The fact that farmers and other stakeholders could see few long-term alternatives to a lucrative and resilient crop was far more significant. Those alternatives are even more elusive today.

At this early stage, determining whether the Taliban's 3 April 2022 edict reflects a desire to permanently halt poppy and opium production is necessarily speculative. International legitimacy, and concerns about market saturation and profits, cannot be ruled out as motives.²⁵

How will the Taliban implement the April 2022 poppy cultivation ban, especially if it does not receive sufficient financial and other assistance from foreign governments? The leadership would presumably be influenced by the opium trade's contribution to Afghanistan's economy; the interests of the Taliban's rural constituencies in Kandahar and Helmand, as well as commanders, rank-and-file, and allies who profit from the illicit drug economy; and the prospect of instability in the event of major discontent within those constituencies. Even if the Taliban leadership seriously pursued the ban, it is unclear whether it would be able to impose its will on regional commanders. The Taliban leadership has made a project of maintaining internal coherence, and managed this effectively during the insurgency. Whether it can replicate that success as a government remains to be seen.

If the Taliban does ultimately achieve something close to a monopoly over the use of force, it would be in a better position to eradicate or control the opium and heroin supply. Its actions would, however, be dictated by balancing complex and competing international and domestic pressures. At the other end of the spectrum is the prospect of state collapse. Organised crime, already powerful, would flourish in that environment. While western governments would continue interdiction and other measures against the illicit movement of drugs, as would neighbours like Pakistan and Iran, the transnational networks that traverse this region would perhaps again prove sufficiently resourceful to overcome those efforts.

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Endnotes

1 It is reported that six of the nine major drug-trafficking routes from Afghanistan pass through Pakistan's Balochistan province (see Eligh, 2021; Jain, 2018).

2 By some estimates, 95% of Europe's heroin comes from Afghanistan's opium, most probably already processed in Afghanistan, though with some manufactured from opium in European labs (UNODOC, 2022; BBC News, 2021; UNODOC, 2015).

3 From around 100,000 in 2011 to around 2,500 when President Biden took office in January 2021. See Special Inspector General for Afghanistan Reconstruction [SIGAR]. (2021).

4 In April 2021, President Biden announced that all US troops would withdraw by 11 September 2021, following the February 2020 accord reached by his predecessor, Donald Trump, for US forces to leave by May 2021 in return for Taliban pledges not to allow Al Qaeda and others to use Afghanistan soil to threaten the US and its allies (Ryan & DeYoung, 2021; see also Agreement for Bringing Peace to Afghanistan between the Islamic Emirate of Afghanistan which is not recognized by the United States as a state and is known as the Taliban and the United States of America, 2020).

5 For an extensive account of hawala's origins and use in Afghanistan, see Thompson (2011). Afghanistan passed new AML/CFT laws in 2014, including criminalising money laundering, but enforcement was slow. In its final budget before its collapse, President Ashraf Ghani's government presented a plan to regularise the hawala system, to meet a basic FATF commitment. Hawala brokers would have to register as financial services companies and submit to greater scrutiny. With a national union of hawala operators calling a strike in protest, the proposal became a major hurdle in passing the budget—compelling the government to yield to many of the hawala brokers' demands; Shapour, 2021).

6 Without strong political buy-in from the regime in Kabul, which would in turn need cooperation from regional powerbrokers particularly in the southwest, any future international counter-narcotics efforts in Afghanistan would probably yield the same limited results as during the Republic, as discussed in Section 4.1.2.

7 Taxing the movement of ordinary goods through areas under Taliban control was another major revenue source (Alcis et al., 2021).

8 It should be noted that such local-level conflicts also occurred during the insurgency (see Gopal, 2014).

9 Afghanistan's two main Pashtun tribal confederations are the Durrani, who form a southern elite around Kandahar and ruled Afghanistan virtually uninterrupted until 1978; and Ghilzais located throughout the east, who form the largest Pashtun group and were the core of both the People's Democratic Party of Afghanistan (PDPA) and the Taliban. The so-called Eastern Pashtuns trace a different lineage, and straddle the Afghanistan-Pakistan border. See Barfield (2012), and Brown & Rassler (2013).

10 Indeed, 'illegal flows of scarce foreign currency to Afghanistan via informal remittance systems' were a likely factor in Islamabad's decision to allow bilateral trade to be conducted in Pakistani rupees, according to the International Crisis Group (2022a).

11 These findings draw on the author's earlier unpublished research on the narcotics and other smuggling in Pakistan's border regions from 2020–2021.

12 These findings draw on the author's extensive unpublished research on Pakistan's drug trade; see also Eligh (2021).

13 Pakistan began constructing the border fence in earnest in 2017, despite Kabul's protest. See Farmer and Mehsud (2020).

14 These findings draw on the author's extensive unpublished research into Pakistan's drug trade from 2020 to 2021. The author also conducted remote update interviews with a senior Pakistani law enforcement official, with a senior intelligence official, and with a security analyst in March 2022.

15 These findings draw on the author's unpublished research on Pakistan's drug trade, and visits to Torkham in 2020 and 2021.

16 These findings draw on the author's unpublished research on Pakistan's drug trade, conducted from 2020 to early 2021, including field visits to the Torkham border area and to drug rehabilitation centres in Peshawar, and interviews with local traders, civil society activists, and law enforcement personnel in Torkham; with low-level drug peddlers, recovering addicts, and drug workers in Peshawar.

17 These findings draw on the author's extensive research on the drug trade in Pakistan's border regions from 2020 to 2021. Here, travel agents/agencies play a critical role, connecting dealers to travellers, including during the annual Hajj pilgrimages to Saudi Arabia. The agents provided clients with luggage bags, but hid narcotics in those bags, usually without the clients' knowledge. Typically, a facilitator who accompanies the pilgrim to Mecca arranges for the drugs' transfer to Saudi-based Pakistani handlers. See Firdous and Mehboob (2019).

18 A \$10 million reward for information leading to Haqqani's arrest remains current. See US Federal Bureau of Investigation (n.d.).

19 The February 2020 US–Taliban accord committed the Taliban to various measures preventing Al Qaeda and others from using Afghan territory to threaten the US and its allies, with no references to drug trafficking. See Agreement for Bringing Peace to Afghanistan between the Islamic Emirate of Afghanistan which is not recognized by the United States as a state and is known as the Taliban and the United States of America (2020).

20 For example, to see UK development and other assistance in the former FATA, see Foreign, Commonwealth and Development Office (n.d.).

21 On 25 March 2022, US officials announced the cancellation of scheduled US–Taliban meetings in Doha due to this reversal (see Greenfield & Landay. 2022)).

22 In February 2022, the Biden administration decided to transfer half of the DAB's \$7 billion held in the US to a consolidated Federal Reserve Bank of New York account, seeking to enable access to those funds to meet the needs of the Afghan population. The other half would remain in the US, subject to ongoing litigation by US victims of terrorism who have brought claims against the Taliban. See The White House (2022).

23 This finding draws on the author's unpublished research into Pakistan's drug trade, including international counter-narcotics assistance, from 2020 to 2021.

24 For further discussion on the flaws in Pakistan's counter-narcotics regime, see National Initiative Against Organised Crime (2020).

25 According to UNODC (2022, p. 7), '[s]ustained high levels of production may have saturated the opium market, as average farm-gate prices at the 2021 harvest time remained very low, inspite of an 13% increase of the farm-gate price of dry opium at harvest time, from an average of 55 US\$/kg in 2020 to 63 US\$/kg. Prices below 100 US\$/kg were observed the last time in 2009 (not adjusted for inflation)'.
