

# **The Ban on Opium Production across Nangarhar - A Risk too far?**

## **1. Executive Summary**

Risk is a reality that has to be managed by households in rural Afghanistan. However, some communities are more likely than others to experience risks and at the same time are the least likely to adapt and recover from the adverse outcomes when they materialise. Where repeated and concurrent risks prompt a large number of households to adopt coping strategies that indicate high levels of economic stress and growing impoverishment, there is a need to recognize the implications of this and to find ways to target the vulnerable.

In rural Nangarhar many of the communities most likely to experience natural risks like drought, as well as risks that are the result of human activity, such as conflict are also those who have over the last decade been the most reliant on opium production. The impact of a comprehensive opium ban across the province for the third consecutive year has hit those communities who are most vulnerable to repeated and concurrent risks the hardest. Where these risks are then compounded by the economic costs of illness, injury or death, or other life events such as marriage, households are left increasingly destitute, creating the conditions that foster further economic and political instability. Other communities with better access to natural resources and regional trading hubs are not as exposed to risk and have other options. They have endured and progressed despite abandoning opium poppy, aided by their proximity to labour and agricultural markets and their access to development investments.

With respect to the optimal sequencing of development and counter narcotics interventions there is much to be learned from the experience of these economically more privileged communities and their path out of opium production. While there are questions over the proportion of development funding that should be allocated to areas with limited economic potential, the increasing number of households adopting coping strategies that undermine their future earning capacity and place their family members at risk of physical harm and possibly death, suggests that there have been insufficient investments both within these more marginal areas and in the zones of higher economic potential. The sale of opium stocks, and assets purchased with the proceeds of opium, as well as the absence of viable on-farm and non-farm income in these marginal areas mean that the negative effects of the prohibition of opium will be cumulative. With the likelihood of continued exposure to repeated and recurrent risks – including further opium bans - the population in these areas is likely to see their position deteriorate even further in the next few years.

It is clear that assistance to the communities in these areas needs to be refocused. Appropriate responses to the complex, dynamic and highly localized risks that communities face cannot be shaped by narrow institutional mandates and an eagerness to resolve what appears to be an immediate problem, be that resurgent opium production or the increasing levels of violence by armed anti-state actors. Instead, interventions need to be based on a better understanding of the multiple and recurrent risks that these communities have to manage. They need to articulate how the causes of these risks will be addressed and develop strategies to mitigate the impact of risk on the most vulnerable. Consequently, there is also a need for more flexible funding mechanisms than is currently in place which can both develop medium and long term development plans for these areas and work across sectors in accordance with the priorities of local communities.

## **2. Introduction**

For the last six consecutive opium poppy growing seasons, this author and his Afghan colleagues have been undertaking detailed research in the rural areas of Nangarhar province in eastern Afghanistan. This work has included in-depth fieldwork in a number of districts during both the opium planting season and at the time of the harvest. In its initial years this work sought to explore the sustainability of the different and intermittent bans on opium production imposed in the province between the 2004/05 and 2006/07 growing seasons.<sup>1</sup> More recently, fieldwork has continued in the light of the more sustained prohibition that has been implemented over the last three consecutive growing seasons<sup>2</sup> by the current Governor of Nangarhar, Gul Aga Shirzai.

While the primary focus of this longitudinal research has been to identify the different coping strategies households have adopted in response to the various bans on opium production, it has become increasingly evident that the impact of the ban on opium production cannot easily be isolated from the effect of the range of other shocks rural households experience with fairly regular frequency in a province like Nangarhar. In fact, over the last six years of this research, different groups within the population of Nangarhar have been exposed to the

---

<sup>1</sup> Mansfield, David (2005). "Pariah or Poverty?: The Opium Ban in the Province of Nangarhar in the 2004–05 Growing Season and Its Impact on Rural Livelihood Strategies." GTZ Project for Alternative Livelihoods in Eastern Afghanistan: Internal Document No. 11; Mansfield, David (2006) Opium poppy cultivation in the provinces of Nangarhar and Ghor' A report for AREU's Applied Thematic Research into Water Management, Livestock and the Opium Economy. AREU, Kabul. December; Mansfield, David (2008) Resurgence and Reductions: Explanations for Changing Levels of Opium Poppy Cultivation in Nangarhar and Ghor in 2005-2007. A report for AREU's Applied Thematic Research into Water Management, Livestock and the Opium Economy. AREU, Kabul. May 2008.

<sup>2</sup> Mansfield, David (2009) Poppy Free Provinces: Measure of Target? A report for AREU's Applied Thematic Research into Water Management, Livestock and the Opium Economy. AREU, Kabul. July 2009; Mansfield, David (2009) Unpublished paper for Development Alternatives Inc. May 2009.

materialization of a number of different risks including drought, insecurity (and the violence and intimidation associated with it), sickness or death in the family, dramatic increases in food prices, crop failure, and the collapse of the market price for certain licit agricultural crops.

Over the last few decades, opium production has been one of the more successful ways that many rural households in Nangarhar have better managed the environmental, economic and political risks that they are exposed to. Opium poppy has a number of characteristics that other crops lack. It tends to produce a yield even in those years where a shortage of irrigation water makes it more likely that other crops will fail. The relatively high value of opium has also financed the installation and recurrent costs of tubewells in those areas that have been particularly vulnerable to drought. Moreover, confidence in what appeared to be a guaranteed market for opium and the fact that traders have been willing to purchase opium at the farm gate has both aided the creditworthiness of rural households in need of loans and reduced the transaction and transport costs of trade to the farming population in remote areas. Furthermore, the labour intensive nature of the crop and the staggered nature of the harvest have provided significant wage labour opportunities to the rural population within Nangarhar as well as in neighbouring provinces. Unable to address the multiple economic, political and environmental factors that increase the occurrence and impact of risk, many households in Nangarhar, as in other parts of Afghanistan, have used opium production as a means to mitigate the impact of the shocks that they experience with relative frequency.

Over the last fifteen years there have been successive leaders in Nangarhar that have implemented bans on opium production most of which have lasted only a single season.<sup>3</sup> These shortlived bans have represented a further risk that rural communities have been required to manage. In terms of cropping, the typical response to these short-term bans on production has been to replace opium poppy with wheat for home consumption. To make up for the loss in income incurred by abandoning opium production, farmers have reduced their expenditure on healthcare and food items such as meat and fruit, as well as sending males in search of employment, or even withdrawing children from school. Where they have had them, households have also sold opium stocks as well as other items of value such as livestock, jewelry, motor vehicles and land.

---

<sup>3</sup> For example, Haji Qadir of the Eastern Shura succeeded in significantly reducing cultivation in 1995 only for it to rise again in 1996. In 2001 Haji Kabir of the Taliban was responsible for imposing a ban across the entire eastern region which resulted in cultivation falling to negligible levels, as it did in the other parts of the country where the Taliban were in control. Cultivation rose once again once the regime collapsed in November 2001. Since the fall of the Taliban opium has also been prohibited by Haji Din Mohammed, the brother of Haji Qadir, who as Governor of Nangarhar succeeded in reducing cultivation from an estimated 28,000 hectares (ha) in 2003/04 to 1,200 ha in the 2004/05 growing season. While cultivation was slower to recover after this particular ban, in the 2006/07 growing season cultivation reached an estimated 18,000 ha. Latterly it has been Governor Gul Aga Shirzai that has been behind the ban on opium production imposed in the 2007/8 growing season and that has endured up to the current season.

The short duration of these bans on opium have typically allowed households to return to opium production in subsequent years and recoup some of their losses.

However, in the 2009/10 growing season Nangarhar has experienced an unprecedented third consecutive year of negligible levels of opium production. Hence the prohibition of opium would currently appear to be less of an intermittent risk and more of a predictable event. The loss of opium production as a strategy for better managing risk has clearly hit some locations and some sections of the population harder than others. In some case it has compelled groups to adopt coping strategies that suggest high levels of economic stress. In other cases the effective ban on opium production has had little long-term impact, and households have been able to manage the loss of opium without welfare losses. Using detailed fieldwork from the 2009/10 growing season this paper documents how households in Nangarhar have managed both a further year of negligible levels of opium production and the other risks that they may have experienced. It outlines the characteristics of (i) those groups that have absorbed, responded to and recovered from the impact of this third consecutive year of an effective ban on opium production as well as any other risks that have materialized this growing season, and (ii) those groups that have experienced severe welfare losses due to the concurrence of a number of different risks this season and the accumulated impact of the loss of one of their most important risk mitigation strategies over the last two decades – that of opium production. In developing a typology of the geographic areas and socio-economic groups and how they manage risk, this paper will also draw on some of the historical data collected over the duration of this research.

The paper is divided into three further sections. The first section offers an overview of the different categories and types of risks that households in Nangarhar face. It outlines how the population in some areas of Nangarhar is more susceptible to risk than others, in part due to the fact that these risks reoccur over time but also because these areas tend to be subject to a number of risks concurrently. Indeed, in the 2009/10 growing season some areas have been subject to drought, an increase in military conflict and a ban on opium production; and within these areas individual households may also have experienced illness, injury or death.

The second section documents how households respond to these risks and how this varies by area and socio-economic group. The analysis offered highlights that the population in those areas most susceptible to risk lack accumulated wealth and have limited opportunities and are therefore the least resilient to the adverse effects of risk. As this section illustrates, the consequences can be dramatic, with significant welfare losses being experienced by those in the more remote and resource poor areas. In these areas the ban on opium production has left households with few risk mitigation strategies.

The final section offers some concluding comments. It puts forward a clear delineation between those groups that have prospered through opium production and those that have grown it to better manage risk. It suggests that the impact of the loss of opium production as a risk mitigation strategy in those areas most exposed to repeated and concurrent risk is cumulative and needs to be addressed. If it is not, then further impoverishment and further destabilization in the more remote and vulnerable parts of Nangarhar province is likely.

### 3. Differing Levels of Risk Exposure

All households in Afghanistan experience risk; however, their capacity to manage it is dependent on the nature of the risk and the assets and capacities of the household. For the purpose of this paper risk signifies the possibility that an undesirable state of reality (adverse effects) will occur as a result of natural events or human activities. Shock refers to the materialization of that risk or risks<sup>4</sup>. The literature suggests that risks can be natural or the result of human activity; they can impact on individuals (idiosyncratic) or particular groups (covariant), or they can affect most or all of the population (macro). Risks can reoccur over time (repeated) or occur concurrently with other risks (bunched); and they can materialize infrequently but have a dramatic effect on welfare (catastrophic) or occur frequently but have limited impact (non-catastrophic).<sup>5</sup>

What can be seen from fieldwork in a cross section of different districts in Nangarhar is that the population of some areas of the province is more exposed to risks than others. In part this is because there is a greater probability that risks will materialize due to the specific socio-economic, political, and environmental conditions that prevail in these areas. Some of these risks, such as drought, reoccur and can be considered relatively predictable events in parts of the province. Others such as military conflict or disputes over land may also be more probable in some areas rather than others due to the particular political conditions that prevail. In some areas these risks may coincide and are compounded by the kind of risks that the entire population of the province is subject to such as the significant increases in the cost of living experienced since 2007, as well as the ongoing threat of illness, injury and death. Table 1 provides an outline of the diverse, repeated and often concurrent risks which communities in Nangarhar can experience.

This section documents the different types of risk, and in some cases multiple risks, that households in a number of different areas of Nangarhar were exposed to during the 2009/10 growing season. Where appropriate historical data is also used to document the changing nature of risk over the longer period covered by

---

<sup>4</sup> Holzmann, Robert, Lynne Sherburne-Benz and Emil Tesliuc (2003) Social Risk Management: The World Bank's Approach to Social Protection in a Globalizing World. World Bank, Washington DC, page 6.

<sup>5</sup> Ibid

this study. Initially the section provides a brief overview of the province. It then discusses areas covered by the fieldwork where risk was at its lowest this season and where the population was typically only exposed to the kind of idiosyncratic risks that can result in a considerable loss of welfare to a specific household but do not affect the community as whole. The section then focuses in more detail on the areas where risk is experienced both collectively by a population and in many cases concurrently with a number of other risks. As will be discussed later in the paper, it is the confluence of collective and concurrent risk compounded by a low resource base that leads to a population adopting coping strategies that reflect high levels of economic stress and render recovery unlikely. These kinds of coping strategies are most apparent in those areas in which opium production has been one of the most important risk mitigation strategies, with obvious implications regarding targeting rural development investments and current counter narcotics efforts in the province.

### **3.1. Overview of the province**

The province of Nangarhar is located on Afghanistan's eastern border with Pakistan. It neighbours the provinces of Laghman and Kunar to the north, Kabul and Logar to the west and Paktia to the south. The three provinces of Nangarhar, Laghman and Kunar together represent a geographically enclosed basin of interlocking valleys drained by the Kabul and Kunar rivers and their subsidiary streams. To the south of Nangarhar lie the Spin Ghar Mountains, to the north the massif of the eastern Hindu Kush and Nuristan.

Nangarhar is one of the most densely populated provinces in the country. The estimated population of 1.8 million mainly consists of Pashtuns, although in the northern districts of the province around Dar-e-Nur the Pashai people dominate. The provincial centre is Jalalabad, which is located at the confluence of the Kabul and Kunar rivers. The Kabul River runs in an easterly direction through the province before flowing into Pakistan.

The province of Nangarhar has what is considered a sub-tropical or Mediterranean climate with mild winters (except in the mountains) and hot summers. There is a broad range of agricultural crops cultivated in the main river basin of the province including citrus and olive trees. Double cropping can be achieved in areas irrigated by the Kabul and Kunar rivers. In those areas reliant on seasonal flood streams or on the underground irrigation systems known as *karez*, water shortages are more common and cropping patterns more limited. Drought has had a significant effect on these areas during the late 1990s and early part of the twenty-first century.

Jalalabad is the provincial centre and represents a regional economic hub for the eastern region. Throughout the 1980s and 1990s, Nangarhar province was one of the major recipients of development assistance from aid agencies located across the border in Peshawar, Pakistan. Peshawar continues to dominate the

province economically, with considerable amounts of trade between Afghanistan and Pakistan passing through the official border crossing at Torkham situated 45 km from Peshawar and around 60 km from Jalalabad, as well as a variety of unofficial border crossings throughout the province. There is a strong history of migration and trade between Nangarhar and Paktoonkhwa Province (formerly known as the North West Frontier Province) in Pakistan with both areas having ethnic groups that straddle the border. The importance of Pakistan to the provincial economy is symbolized by the fact that the Pakistani Rupee remains the common currency across the province including in Jalalabad.

### **3.2. Areas of low risk exposure**

Risk is less apparent to the population in the lower districts of Nangarhar located in the Kabul river basin. Irrigated by the Nangarhar canal and the Kabul River, these areas have not been as affected by the low snowfall during the winter of 2009/10 or insufficient spring rains in February and March 2010. The proximity of the major market of Jalalabad and improved road access to Kabul mean that vegetable traders purchase crops at the farm gate in Surkhrud and Kama, as well as increasing amounts from lower Shinwar and Bati Kot due to the growth in the bazaars in Markoh and Jani Khel. The population in districts such as Kama and Surkhrud also has easy access to Jalalabad, which has seen employment opportunities and daily wages increase over the last twelve months.

Households in the districts of Kama and Surkhrud have typically cultivated only a limited amount of opium poppy even in the 1990s, subsequently abandoned the crop in the 2004/05 growing season, and did not return to opium production even in 2007/08 when there was resurgence in many other parts of the province. Hence the prohibition of opium production in the 2009/10 growing season does not present much of a problem for the population of these two districts.

In fact, the population in the district of Kama does not currently feature in Table 1 other than as being subject to idiosyncratic risks, such as illness, injury and death, which any household in Afghanistan is vulnerable to. In Kama the absence of the kind of risks that communities face as a whole, known as covariate risks, in the 2009/10 growing season is largely because the canal intake that provides water to the lower part of the district has been repaired. This access to sufficient water, combined with an asphalt road to Jalalabad has meant lower Kama is less vulnerable to water shortages in the spring and has seen an increasing presence of traders purchasing vegetables at the farmgate. Combined with the larger landholdings found in the district, economically the population is comparatively well off. This year the security situation has also continued to improve following a series of destabilising events in 2008 which culminated in a series of arrests, and greater involvement by both the rural elite and the population in monitoring the movement of strangers within the district: *'We pray to Allah for security for the whole country that we have in Kama'*

Table 1: Main Sources of Risk and Responses in target districts of Nangarhar, Afghanistan					
	Risk	Type	Effect	Area	Responses
Province	Inflation	Macro and repeated	<ul style="list-style-type: none"> <li>• Dramatic Rise in cost of food items and agricultural inputs</li> </ul>	<ul style="list-style-type: none"> <li>• Upper and Lower Surkhrud</li> <li>• Upper and Lower Kama</li> <li>• Upper and Lower Shinwar</li> <li>• Lower and Upper Khogiani</li> <li>• Lower and Upper Achin</li> </ul>	<p><b>Absorb and Recover:</b></p> <ul style="list-style-type: none"> <li>• Increase number of household members in search of wage labour opportunities, including in development projects</li> <li>• Increased crop diversification where markets exist</li> <li>• Loans from extended family</li> </ul> <p><b>Erode, and Undermine</b></p> <ul style="list-style-type: none"> <li>• Reduce household expenditures including food and healthcare</li> <li>• Sale of household assets, including livestock</li> <li>• Work as itinerant harvesters in southern Afghanistan,</li> <li>• Enlist in the Afghan National Army</li> <li>• Withdraw children from education in search of employment, including ANA.</li> <li>• Arrange marriage of</li> </ul>
District/Sub District	Drought	Covariate and Repeated	<ul style="list-style-type: none"> <li>• Fall in yields of winter crops</li> <li>• No or failed summer crops</li> <li>• Increased cost of irrigation due to greater reliance on tubewell (rented and owned )</li> </ul>	<ul style="list-style-type: none"> <li>• Lower Khogiani</li> <li>• Lower Achin</li> <li>• Parts of Upper Achin</li> <li>• Upper Shinwar</li> <li>• Upper Surkhrud</li> </ul>	
	Military Conflict	Covariate and Repeated	<ul style="list-style-type: none"> <li>• Injury and loss of life</li> <li>• Move away from crops that require more irrigation, due to reduced mobility during night</li> <li>• Loss of wage labour opportunities due to concerns over household security</li> </ul>	<ul style="list-style-type: none"> <li>• Lower Khogiani</li> <li>• Upper Khogiani</li> </ul>	
	Land Conflict	Covariate	<ul style="list-style-type: none"> <li>• Injury and loss of life</li> <li>• Increased time allocated to tribal obligations including jirga, guarding land etc</li> <li>• Costs of guarantee (machalgha) and blood payment for those killed paid by families within tribe</li> <li>• Loss of wage labour opportunities due to tribal obligations and concerns over household security</li> <li>• Reduction in profits for business in affected areas</li> <li>• Division of school and relocation of pupils and teachers</li> </ul>	<ul style="list-style-type: none"> <li>• Lower Achin</li> <li>• Upper Achin</li> </ul>	
	Poppy Ban	Covariate and Repeated	<ul style="list-style-type: none"> <li>• Loss of on-farm income</li> <li>• Loss of wage labour opportunities during harvest</li> <li>• Less land available for cultivation on sharecropping basis for land poor</li> <li>• Limited access to credit</li> <li>• Wider economic effects on economy due to fall in disposal incomes</li> </ul>	<ul style="list-style-type: none"> <li>• Upper and Lower Surkhrud</li> <li>• Upper and Lower Kama</li> <li>• Upper and Lower Shinwar</li> <li>• Lower and most of Upper Khogiani</li> <li>• Lower and most of Upper Achin</li> </ul>	
Household	Illness	Idiosyncratic	<ul style="list-style-type: none"> <li>• High economic costs of treatment especially if patient needs to go to Pakistan</li> </ul>	<ul style="list-style-type: none"> <li>• Upper and Lower Surkhrud</li> <li>• Upper and Lower Kama</li> <li>• Upper and Lower Shinwar</li> <li>• Lower and Upper Khogiani (although higher probability due to conflict)</li> </ul>	

<b>Table 1: Main Sources of Risk and Responses in target districts of Nangarhar, Afghanistan</b>					
	<b>Risk</b>	<b>Type</b>	<b>Effect</b>	<b>Area</b>	<b>Responses</b>
				<ul style="list-style-type: none"> <li>• Lower and Upper Achin (although higher probability due to conflict)</li> </ul>	<ul style="list-style-type: none"> <li>• daughter at young age in return for lower bride price</li> </ul>
	<b>Injury</b>	Idiosyncratic	<ul style="list-style-type: none"> <li>• High economic costs of treatment especially if patient needs to go to Pakistan</li> </ul>	<ul style="list-style-type: none"> <li>• Upper and Lower Surkhrud</li> <li>• Upper and Lower Kama</li> <li>• Upper and Lower Shinwar</li> <li>• Lower and Upper Khogiani (although higher probability due to conflict)</li> <li>• Lower and Upper Achin (although higher probability due to conflict)</li> </ul>	<ul style="list-style-type: none"> <li>• Mortgage and sale of land</li> </ul>
	<b>Death</b>	Idiosyncratic	<ul style="list-style-type: none"> <li>• High economic cost of funeral and social obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Upper and Lower Surkhrud</li> <li>• Upper and Lower Kama</li> <li>• Upper and Lower Shinwar</li> <li>• Lower and Upper Khogiani (although higher probability due to conflict)</li> <li>• Lower and Upper Achin (although higher probability due to conflict)</li> </ul>	

Lower Surkhrud also does not feature as an area where the population is subject to covariate risk in 2009/10. Irrigated by the Nangarhar canal, and adjacent to the labour and agricultural commodity markets of Jalalabad, as well as the security apparatus of the state, the population in lower Surkhrud has not been subject to drought, insecurity and/or conflict over land. Increased crop diversification and the exploitation of trade and wage labour opportunities in Jalalabad have also mitigated the effects of the prohibition of opium poppy.

### **3.3. The risk of drought**

Other areas have been far less fortunate than the district of Kama and lower Surkhrud. Located away from the Kabul river and the Nangarhar canal, and downstream from the tributaries that are fed by the snow melt from the Spin Ghar mountains, upper Surkhrud, along with lower Achin, lower Khogiani and Upper Shinwar are more vulnerable to water shortage and crop failure during dry years like 2009/10. In fact, all of these areas experienced lower yields during the winter months in the 2009/10, 2007/08, 2005/06, and 2003/04 growing seasons. Even in a good year, when there is sufficient water during the winter growing season, these areas see a dramatic reduction in the amount of land that is cultivated during the summer months when compared to the area planted during the winter (see Figure 1 & 2).

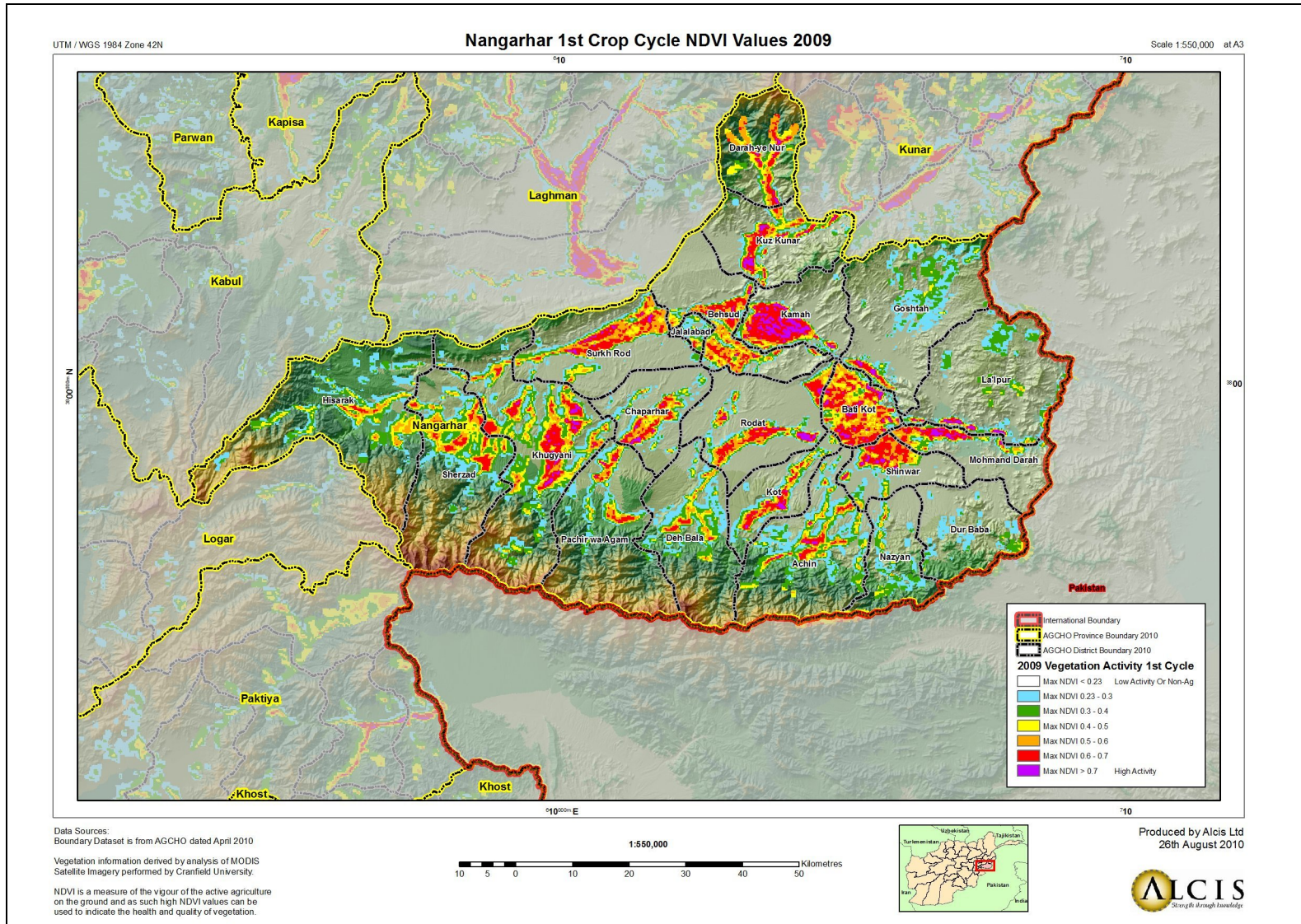
This year, respondents in upper Surkhrud, lower Achin, upper Shinwar and lower Khogiani all anticipated lower yields from their winter crops due to water shortage. In lower Achin the wheat crop was visibly dry and harvesting had already begun by the second week of April. In upper Shinwar respondents had already harvested their crop and reported that yields were half of those they had obtained in the 2008/09 growing season. Few in this area anticipated that they would plant a summer crop. In areas like lower Khogiani, where the population obtained good yields and gross returns from their tomato (25,000 to 35,000 PR/jerib) and groundnut (28,000 to 32,000 PR/jerib) in the 2008/09 growing season thereby allowing the impact of the opium ban to be better managed, this loss of summer cash crops due to drought represents a further and significant financial loss.

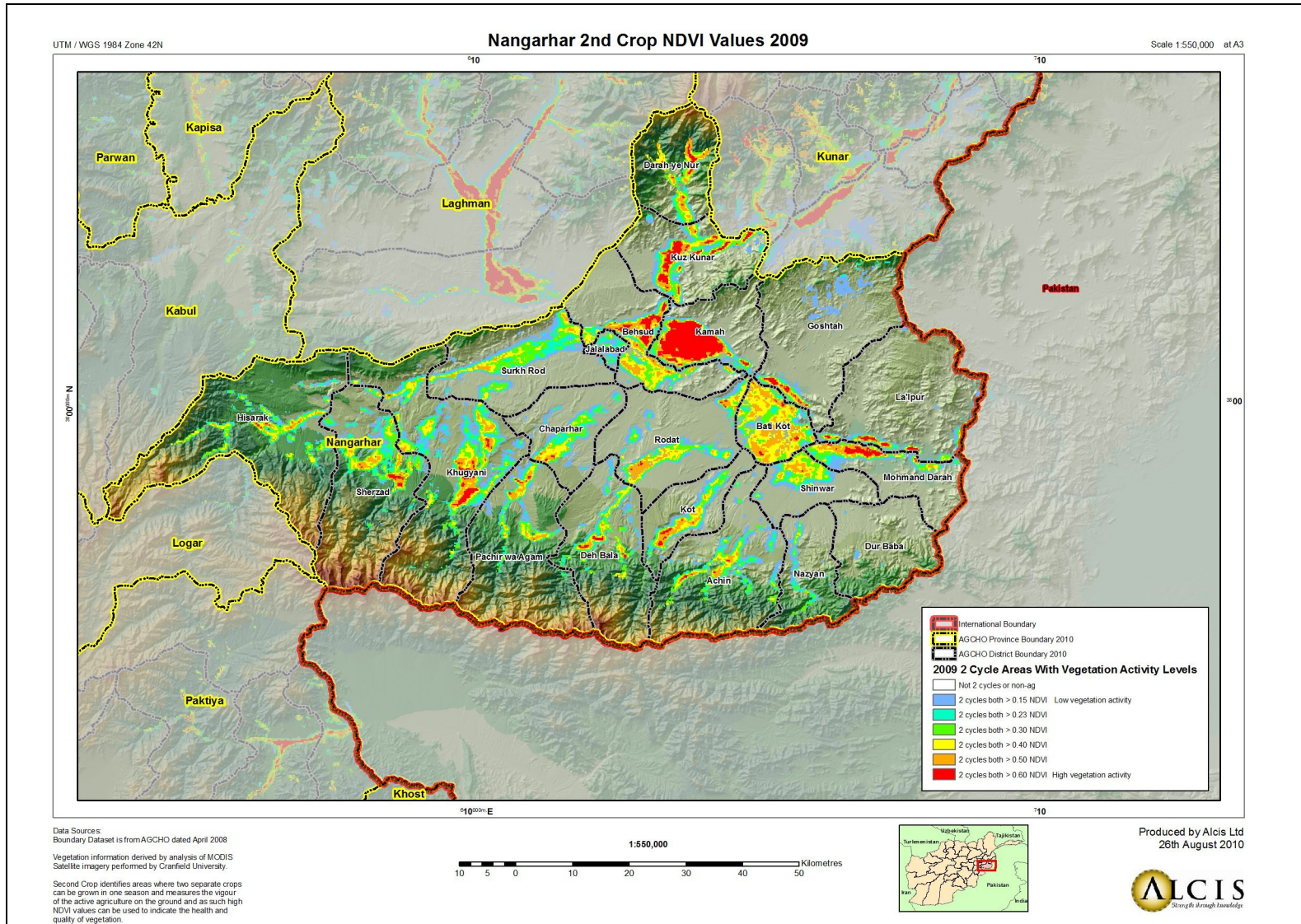
The numerous tubewells that have been installed in this drier zone south of the canal - many of them funded from the proceeds of opium production or the credit that opium cultivation has attracted<sup>6</sup> - has offered little respite to the dry conditions in the 2009/10 growing season. High diesel prices have led to a rise in the recurrent costs for those that have installed tubewells and increased the rent for those that do not have their own.<sup>7</sup> In some areas, such as in Fatehabad

---

<sup>6</sup> Reflecting the changing nature of the economy in upper Surkhrud one respondent reported that they had obtained a loan of 200,000 Afghanis (Afs) from a bank so that they could install a tubewell during the 2009/10 growing season.

<sup>7</sup> For example in Gulahi a respondent reported that it cost 450 PR per hour to rent a neighbour's tubewell and that to irrigate one jerib of land required four hours. This respondent reported that last year the wheat crop had been irrigated six times. However, this year the crop was irrigated only once.





in upper Surkhrud, Marouf Chinar in lower Achin, and Gulahi in upper Shinwar, respondents reported that conditions were so dry that owners were unwilling to lease their tubewells, or if they were, water would run out after only a short period of time and would be insufficient for irrigation. With the imposition of the opium ban in these areas in the 2009/10 growing season and the absence of other viable cash crops, respondents typically questioned the cost-effectiveness of using tubewells for wheat and limited their use during the winter season to an absolute minimum.

#### **3.4. The risk of conflict**

In some of the areas of Nangarhar where drought has already limited livelihood options and has diminished the population's capacity to manage risk, conflict is imposing further shocks on the population. For example, in the district of Khogiani military conflict pervades, while in Achin a land dispute that broke out in March 2010 between tribes in the upper and lower areas, has further increased the welfare losses that the population was already experiencing due to drought in the 2009/10 growing season and the continuation of the ban on opium production.

The immediate effect of both the military conflict in Khogiani and the land dispute in Achin has been to reduce the number of men able to search for seasonal employment outside the area – something they have had to engage in more frequently with the ban on opium production in the province. Respondents in both areas reported that concerns for the security of their family during their periods of absence prevented them going in search of seasonal employment in Kabul.

In Achin the land dispute between the Sepoy tribe in the upper part of the district and the Alisherkhel in the lower area (see Box 1) had also drawn tribal members into a number of commitments, including numerous meetings and a responsibility for guarding the disputed land, all of which has reduced the amount of time available for paid employment. One respondent from the Sepoy tribe complained: *'For two or three months we don't do anything. Everyday we have a jirga!*' The loss of wage labour opportunities due to these commitments and concerns over the ongoing security situation comprise a heavy burden particularly for those households that are both without cash crops (in part due to the drought and in part due to the opium ban) and do not have a sufficient number of working age males able to find wage labour opportunities.

The land dispute has imposed further financial costs on the population of Achin by imposing a 'tax' on each married family of up to 6,000 PR. This tax has been required so that each tribe can pay a guarantee, known as *machalgha*, to the jirga that adjudicates over the dispute. While compliance with the terms of the jirga and its final decision will lead to the money being repaid, many anticipate that the dispute will not be resolved quickly. Those families without sufficient cash to pay their contribution are expected to compensate by spending a longer period of time guarding the disputed land.

### Box 1: Favouring one, upsetting all: the land dispute in Achin

In mid-March, only a few weeks after the signing of the 'Anti Taliban Shinwari Pact' by the elders of the Shinwari tribe, a violent conflict broke out between two of its sub tribes: the Sepoy and the Alisherkhel. While the dispute is over desert land located to the south of Ghani Khel (the district centre of Shinwar) and to the north of Kahi (the district centre of Achin), the Alisherkhel claim that the origins of this dispute actually lie with the favouritism that both the Governor of Nangarhar and the United States military have shown to the main protagonist in this conflict - Malik Niaz, a Sepoy leader from the Rahimdakhel. *'For 1000 years there has been a desert and Malik Niaz did not come and capture this land. Now that he has the guns of Gul Aga Shirzai and the US he brings his people and takes this land'*

The Alisherkhel claim that Malik Niaz was given up to four hundred guns by Governor Gul Aga Shirzai in the latter part of 2009 following an armed conflict with Talibs belonging to the Afridi tribe in October. It is claimed that the formation of an armed militia, known as an *Arbaki*, under the leadership of Malik Niaz, bolstered his income, confidence and ambitions and directly led to the ongoing land dispute. The Alisherkhel believe that the Governor with the support of US forces has given succor to Malik Niaz following his conflict with the Taliban. The Alisherkhel suggest that the Sepoy were given tents by the Governor, which they used to occupy the land, and were protected by the Afghan National Police for as many as eleven days while the foundations stones for houses were laid. The Alisherkhel claim their attempts to meet the Governor during the early stages of the dispute and to stop the building were spurned. It is also alleged that Malik Niaz's fellow Sepoy tribesman and rival Malik Usman (Haiderkhel) is related by marriage to Governor Gul Aga Shirzai. Ultimately the Alisherkhel claim that they were provoked into attacking the Sepoy due to the failure of the Governor and Afghan security forces to protect their interests. While there is confusion over the actual number of people that died in the subsequent fighting, with claims ranging from fourteen to thirty-two, it is clear that most of the injuries and casualties were among the Sepoy.

Many believe that despite the current agreement to keep the peace, the loss of life that occurred means the dispute will not be easily resolved. Respondents on both sides of the conflict believe that there is a real risk that the dispute will escalate, drawing in different tribes within the Shinwari on each side of the conflict. While the Alisherkhel are clearly not impartial in their claims, even those who are not directly involved in the conflict believe the Governor has interfered in what are tribal issues. Politicians such as Malalai Shinwari (Achin), Babrak Shinwari (Nazian) and Faridoun (Goshta) have already become involved in the dispute. There is a real fear that any decision that is seen to favour the Sepoy (which Sepoy respondents were confident of) would prompt the Alisherkhel to oppose the government. Respondents among the Alisherkhel, the Sepoy and within the jirga report that a number of Taliban groups on the border with Pakistan in Durbaba have approached the Alisherkhel to offer their support. *If Malik Niaz fires on our people, this is easy we will go to the Taliban. The Taliban has said to Pekhwa people "if you find a way for us we will fight with Malik Niaz's people"*.

To resolve this dispute a jirga of three hundred tribal elders from all twenty-two districts in Nangarhar was formed. These three hundred elders included members from the Mohmandi, Khogiani and Shinwari tribes. They met with both the Sepoy and the Alisherkhel. An amount of 40,000,000 PR was taken from both the Sepoy and the Alisherkhel as machalgha, a deposit, to guarantee the peace for a twelve month period. In the discussion with the Sepoy and the Alisherkhel it was agreed that a smaller jirga of thirty members would decide on the case and base their decision on Shinwari traditions. At the time of fieldwork the jirga had decided that the desert land on the west of road between Ghani Khel and Kahi would be given to the Sepoy, while land in the Gurukoh area near the Torkham bazaar (where the Sepoy and Alisherkhel are also in dispute) would be allocated to the Alisherkhel - if both sides could provide thirty elders who would swear on the holy Koran (qasam) that the land was theirs. It was reported that the Sepoy had accepted the jirga's decision but the Alisherkhel had not, believing both pieces of land belonged to their tribe. The Alisherkhel believed that the jirga's decision had been influenced by the Governor and mounted a delegation of fifty elders to travel to Kabul and request that the President remove Governor Gul Aga Shirzai from his post. As of 26 July 2010 the Alisherkhel had still not accepted the jirga's decision, and unlike the Sepoy had not had their machalgha payment of 40,000,000 PR returned.

A number of shopkeepers and traders also reported a fall in profits since the onset of the conflict in Achin. For example, a trader in Kahi<sup>8</sup> claimed that profits had fallen from between 300 and 400 PR per day before the dispute to between 100 and 120 PR per day. Moreover, as a member of the Alisherkhel tribe this respondent feared that he would no longer be allowed to lease the shop by the owner who was from the Sepoy tribe. Even in Markoh in lower Shinwar an Alisherkhel a trader reported that there had been a downturn in trade (from 10,000 -13,000 PR/day to 7,000 PR/day) due to the land dispute and the dominance of Sepoy traders and customers in the bazaar. This respondent also claimed that he had a number of Sepoy friends and relatives who had been bereaved during the recent fighting over the disputed land and that he could not offer his condolences as tradition required due to this ongoing tribal dispute. There were also reports that the secondary school in Kahi had been divided since the dispute and that half of the teachers and all of the children from the Alisherkhel tribe had been relocated to the lower part of Achin district while children from the Sepoy tribe remained in situ. Villages in lower Achin inhabited by members of the Alisherkhel tribe also claimed that 'Malik Niaz' and the Sepoy had restricted the flow of water to the lower part of the district despite the dry conditions that prevail across much of the area this year.<sup>9</sup>

These examples illustrate that the risks associated with the land dispute in Achin are not just economic and quantifiable but are psychological and have a broader and perhaps more dominant effect on people's perception of their overall welfare and their exposure to future risks. Therefore the land dispute in Achin has rendered communities more risk averse and has led to households adopting coping strategies that limit their options and therefore their earning capacity. The military conflict in Khogiani district shows similar effects, with households declining the option of cultivating high value horticultural crops due to concerns that they will require irrigating and tending at night when security is at its worst – a pattern of behaviour that is also prevalent in areas of chronic insecurity in the south.<sup>10</sup>

Those interviewed in Khogiani suggested that the population in both the upper and the lower parts of the district perceive the presence of United States military forces and insurgent groups as an increasing threat to their physical security. Specific incidents cited during the course of the fieldwork, such as the death of thirteen people<sup>11</sup> during an aerial bombardment of Dagga Kalay one week earlier, were cited as examples of the deteriorating security situation as well as the increased risks households were subject to (Box 2).

---

<sup>8</sup> The nature of the products being sold by this and other traders have been changed to protect their identity.

<sup>9</sup> Water comes from Spinghar and is divided by thirty days: twenty one days to Rahimdakhel, Babrakhel and Haiderkhel and nine days to Alisherkhel

<sup>10</sup> David Mansfield, "Sustaining the Decline: Understanding the Nature of Change in the Rural Livelihoods of Opium Poppy Growing Households in the 2008/09 Growing Season," a report for the Afghan Drugs Inter Departmental Unit of the UK Government (May 2009).

<sup>11</sup> During interview respondents reported that these thirteen people were a mix of both 'Talibs' and 'locals'.

The presence of Taliban in the upper parts of the district including Pirakhel ‘during day light hours’ and Adamkhel ‘at night’ further fuelled the view that respondents lived in an unpredictable environment that they needed to manage: ‘no one knows who is our friend and who is our enemy’. Those working for the government felt particularly threatened, and one respondent who was a school principal reported that he had already been warned for allowing his school to be used for voting during the Presidential election. Night letters have also been distributed warning mullahs not to offer funeral prayers for those killed fighting for the Afghan National Army (ANA) or Afghan National Police (ANP) in the south.<sup>12</sup>

**Box 2:**

*One week ago US forces came to my village at night. They surrounded my house. When I opened the door someone from the ANA called me over. He asked me ‘where are your sons?’ I told him one of my sons is in the ANA and one is in university. An American soldier asked about the Karzai government. I told him that this government is weak as foreigners can come at night, sit outside my house and knock my door’*

Upper Khogiani

### 3.5. The risk of a poppy ban

Of course, conflict is not new to these areas, particularly in an overpopulated, resource poor district like Khogiani which has frequently been disrupted and divided by tribal rivalries. Drought is also a repeated, and to some extent, predictable phenomenon in many parts of the province. What perhaps has been less predictable given the levels of cultivation in Nangarhar over the last twenty years has been the ban on opium production since the 2007/08 growing season. In fact, no opium poppy was seen during the course of the fieldwork in April 2010 although there were rumours of low levels of cultivation in isolated valleys in the districts of Shirzad, Khogiani<sup>13</sup> and Pachir Wa Agam.<sup>14</sup>

The primary reason for continued low levels of planting in the province is the view that the provincial and district authorities retain sufficient control ‘during the day’ to enforce a ban on opium poppy - even in those areas ‘where it no longer has control at night’, such as in the district of Khogiani. Local elders that the authorities recognize as interlocutors between the state and communities, known as Maliks, continue to play an instrumental role in the enforcement of the ban, through (i) their role as advocates of government policy during the planting season; (ii) their withdrawal of political support for those that transgress, (iii) their function as intermediaries in the distribution of largesse, and, according to respondents in the Spin Ghar piedmont (iv) their responsibility for informing the

<sup>12</sup> In October 2009 a mullah near the district center of Khogiani is reported to have had ‘his ears cut’ for ignoring this warning.

<sup>13</sup> Efforts to destroy these crops to support the province regaining the ‘poppy free’ status that it had been accredited with in 2008 but lost in 2009, prompted violent reactions in Khogiani culminating in the loss of nine lives. See UNODC Periodical Report on Poppy Eradication Verification in Afghanistan, 28 June 2010, No 17. Page 13.

<sup>14</sup> Later attempts at eradication in the districts of Shirzad and in Pachir wa Agam led to reports of the Provincial Council and community representatives protesting to Governor Gul Aga Shirzai.

authorities should anyone cultivate opium poppy. The Maliks, however, remain the primary target of much of the frustration and anger that communities feel towards the ban on opium poppy.

Indeed, communities recognize that the provincial Governor Gul Aga Shirzai was much less involved in travelling to the districts and disseminating information on the ban on opium poppy during the 2009/10 planting season than he had been in previous years, largely delegating this role to the district authorities. At the time farmers interpreted the Governor's lack of involvement as a result of his focus on his own political career as well as fear for his own safety. By April 2010 there were consistent reports that the Governor had severely limited his travel and no longer attended the numerous ceremonies and events that he had in the past. During fieldwork much of the criticism targeted at the Governor focused on his alleged interference in the land dispute in Achin – a far more immediate issue - rather than on his role in the opium ban.

For some communities and farmers in Nangarhar the loss of opium production has been merely inconvenient. When it was allowed, opium production provided just another income stream in an already diverse portfolio. It supported further investments in capital as well as in licit economic enterprises including the purchase of taxis, the setting up of small businesses and trading in livestock. While in the initial years of the ban in Nangarhar some of this capital may have been sold by this more privileged group to make up for any income deficit. This response, however, was only in the short term until such time as the returns on increased crop diversification and non-farm employment and trade could be realized.

Moreover, some argue that the ban on opium has provided security gains. For example, while many of those interviewed in lower Shinwar lament the loss of opium, there is recognition that there have been some improvements in physical security as a result. These improvements in security were largely attributed to the reduction in the raids on household compounds by government and foreign forces as well as local thieves. Inter-village rivalry and enmity were often seen as the source of information on which official house searches were based. The presence of opium stored in household compounds from previous seasons simply offered rival families and factions the opportunity to report their adversary to law enforcement officials and subject them to a house search and subsequent arrest. With inventory depleted, an important justification for raids on household compounds has been removed. *'Every time the American forces and the Afghan forces came to our village. Now they do not. It is good to ban poppy'*

This type of support for the opium ban (albeit partial) is not found across Nangarhar or even across Shinwar, where views differ considerably in the upper part of the district where the land does not fall under the canal, where the population densities per unit of irrigated land are much higher, and where there are less opportunities for commercial agriculture. In areas such as upper

Shinwar, as well as across the districts of Achin and Khogiani, communities have seen opium production as a way of better managing the repeated and covariate risks that they are exposed to. Farmers in drought-prone areas such as upper Shinwar, lower Khogiani and lower Achin have both funded the installation of tubewells and paid the recurrent costs with opium production. They have also been able to obtain advance payments on their future opium crop during the difficult winter months, a period of food scarcity for many with small landholdings and large numbers of family members. The vibrant farmgate trade in opium has reduced transaction and transportation costs, as well as the physical risk of travel in insecure and often remote environments with poor infrastructure. Similarly, the opium poppy harvest has provided local daily wages mitigating the need to leave the family in search of protracted periods of employment.

In summary, it can be seen that the population in some parts of Nangarhar have relatively low exposure to risk, while in others communities are exposed to repeated and concurrent risks. In fact, over the last two years the population in areas like lower Kama have reduced the level of risk they are subject to due to interventions by communities themselves, as well as the development efforts of national institutions and both civilian and military actors from the international community. This is despite the loss of opium production. However, in areas experiencing drought or conflict the prohibition of opium has further increased the population's exposure to risk as well as reducing its ability to manage it. For example, in lower Achin and Khogiani drought, conflict and an effective ban on opium production have overlapped in the 2009/10 growing season. Managing such concurrent risks is challenging enough, but the fact is that those communities most exposed are the least able to absorb the effects of these risks. This is particularly the case in the absence of opium production for a third consecutive year, resulting in responses that suggest increasing levels of economic stress as well as signs of increasing political instability.

#### **4. Responding to Risk**

A community or household that is exposed to risk may not necessarily be made more vulnerable to poverty as a result. Some households are more resilient than others and can absorb, respond to and recover from risk or even multiple risks without significant losses to welfare. They may be able to draw on other income streams, obtain loans through existing social networks or use more formal systems of credit, offering collateral as required. They could even sell assets if necessary. Others may be less equipped to absorb the adverse effects of risk due to the limited resources they have at their disposal. Their options may be far more limited and may result in responses that undermine their longer-term earning capacity and lead to increasing levels of poverty.

This section documents the varying responses to the different levels of risk that communities in the study sites in Nangarhar have experienced in the 2009/10 growing season. It begins with those areas where communities have either not experienced covariate risk or managed it without any losses to welfare. Better resource endowments, including proximity to the regional economic hub of Jalalabad, have created opportunities for the population in these areas to diversify on-farm and non-farm income which has been critical to risk management and capital accumulation.

This section then goes on to look at communities in areas that have not only been the most exposed to repeated and concurrent risk but who are least able to manage it without significant losses to welfare. These are the communities that in the past have been most dependent on opium production as a way of better managing the risks that they have become so frequently subject to. What can be seen from this analysis is how in the immediate years following the ban the sale of opium and assets purchased from their proceeds mitigated the adverse effects of shocks. Now that inventory is exhausted and there are fewer assets to sell, it is enlistment in the Afghan National Army that has replaced opium production as the primary risk mitigation strategy in these areas.

#### **4.1. Absorb, Respond, and Recover**

As the previous section highlighted, some of the communities in areas covered by this Study have not been subject to covariate risk in the 2009/10 growing season. Others have actually seen risks reduced in the 2009/10 growing season and have become more resilient due to both the interventions of others and the risk mitigation strategies that households have put in place over the last few years. In one particular area covered by this study, communities have been exposed to covariate risk in the 2009/10 growing season but have been offered a risk mitigation strategy but by default not by design. In each of these areas households have typically been able to manage whatever risks they have been exposed to and have not had to respond with strategies that have undermined their future earning capacity.

Those communities that have been in a position to manage risk in the 2009/10 growing season are typically located in the Kabul river basin and have well irrigated land that gets two, or even three, crops per year. These areas have also seen an increase in wage labour opportunities over the last twelve months due to the increase in the demand for labour and in daily wage labour rates in Jalalabad city, the growth in jobs due to a major construction effort in Surkhrud district at Chemtala camp, and the employment opportunities created by development investments in Kama and lower Shinwar. The combination of income and crop diversification has typically served the population of these areas well and has shielded them from both seasonal fluctuations in agricultural prices and the full effect of the ban on opium.

For example, there have been increasing levels of crop diversification in the districts adjacent to Jalalabad since the implementation of the opium poppy ban in the 2004/05 growing season. Indeed, districts such as Kama and Surkhrud did not experience resurgence in cultivation even in the 2006/07 growing season when the vast majority of districts in Nangarhar returned to widespread opium production. Access to irrigation throughout the year has allowed the population in both lower Surkhrud and upper Kama to cultivate a multitude of crops during both the winter and summer growing seasons and has helped maintain food security and generate on-farm income. Recent repairs to the canal intake in 2009 have provided a more reliable source of irrigation during the summer months and have allowed the population of lower Kama to follow suit. The recovery in the prices and markets for key agricultural crops in the 2009/10 growing season, most notably for onion and green bean, has also provided an economic boost to the population in these areas.

In fact, in 2009 onion prices have been buoyant, higher than they had been since 2005, and traders typically purchased onions at the farm gate in lower Kama for between 60,000 PR and 80,000 PR per jerib. This prompted higher levels of onion cultivation in the 2009/10 growing season. Payments at the farm gate in upper Surkhrud where onion is typically concentrated in the district were lower than in Kama in 2009 at between 35,000 PR and 60,000 PR per jerib, due to water shortages and lower yields but still a considerable improvement on prices over the previous two seasons. Moreover, as opposed to April 2009 when there had been reluctance to purchase the onion crop at the farm gate, in Surkhrud in April 2010 a number of respondents said that they had already sold their crop and received from 42,500 PR to 60,000 PR per jerib.

The price of green bean, an important cash crop in upper Kama, also increased during the 2008/09 growing season compared to the previous year, prompting some increase in the level of cultivation in 2009/10. Farmers reported traders paying between 30,000 PR to 60,000 PR per jerib at the farmgate in 2009, with prices ranging from 60 PR to 200 PR per seer over the season - a significant increase from 2007 when prices were as low as 7 PR per seer. After such a poor year in 2008, there was renewed confidence in the market for green bean. The only constraint on increasing production further was the labour intensive nature of the crop. Taro is also being cultivated in increasing amounts in lower Kama in 2009/10. As in lower Shinwar it has been intercropped with wheat and typically earned around 28,000 PR to 40,000 PR per jerib (gross) in 2009.<sup>15</sup> In summer, rice, followed by cauliflower (30,000 PR/jerib) is cultivated providing both food and cash income.

In lower Surkhrud okra continues to be an important cash crop during the winter season but is also increasingly cultivated after the wheat crop in May/June. In 2009 farmers reported gross returns similar to those in 2008 of between 40,000

---

<sup>15</sup> In Kama two respondents reported receiving as much as 60,000 PR per jerib for their taro.

to 60,000 PR per jerib.<sup>16</sup> In April 2010 farmers in lower Surkhrud already reported sales of salad onion (32,000PR to 40,000 PR/jerib), radish (18,000 PR/jerib), Spinach (20,000 PR), coriander (15,000 PR to 25,000 PR/jerib), and carrot (28,000 PR/jerib) during the 2009/10 growing season.

There are also signs of increasing levels of crop diversification in other districts covered by this research. For example, in the 2009/10 growing season there is a growing interest in the production of horticultural crops for sale in the lower parts of Shinwar and even in those areas on the upper side of the canal in Ghani Khel which have more reliable irrigation.<sup>17</sup> The success of onion and okra in the 2008/09 winter season, and tomato and taro during the spring and summer, has encouraged an expansion in both the area dedicated to these crops amongst respondents in lower Shinwar and the number of people cultivating them. In the village of Gulahi in upper Shinwar, for example, melon has been intercropped with wheat in the 2009/10 growing season, whereas previously only opium poppy, or during previous years of prohibition, wheat, was grown.

The growth in the demand for vegetable crops from traders in the bazaar in Markoh in lower Shinwar as well as in Jani Khel in neighbouring Bati Kot has encouraged this shift in cropping patterns. Traders are purchasing at the farmgate in lower Shinwar and in Bati Kot with more regularity than they had been in the 2007/08 growing season. The same levels of agricultural diversification and trading at the farm gate cannot be seen in upper Shinwar or in Achin or Khogiani where wheat continued to dominate the landscape during the winter season in 2009/10.

While increasing crop diversification has been a trend that has been visible in the districts of Kama and Surkhrud since the beginning of this research in the 2004/05 growing season, and more prominent in lower Shinwar since 2008/09, migration in search of non-farm employment has been an immediate response to the implementation of the opium poppy ban across the province. In part this is an obvious reaction to the rural unemployment created by the opium ban.

As a labour intensive crop requiring an estimated seventy person days per jerib, previous prohibitions of opium production led to a surplus of labour in the provincial bazaar at Bajazai Chawk, fewer days of employment and lower wage labour rates. However, in Jalalabad in 2010 unskilled daily wage labour was paid 300 PR to 350 PR (and sometimes even 400 PR) per day compared to only 200 PR to 250 PR per day twelve months ago. Skilled workers, such as bricklayers and carpenters, claimed to earn between 800 PR and 1,000 PR per day,

---

<sup>16</sup> To overcome labour constraints, either due to the age of family members or the number of those in the household with more attractive non farm income opportunities, landowners in the area are leasing their land later in the season with the okra already planted. This arrangement allows a farmer to subcontract the more arduous and labour intensive tasks of weeding and harvesting (which is undertaken up to 30 times) to other farmers in return for half the value of the crop.

<sup>17</sup> Respondents in upper shinwar cultivating these crops are typically using tubewells or are located close to the Nangarhar canal and are pumping water out of the canal illegally.

compared with 500 PR to 700 PR per day in 2009. Furthermore, there were more days of employment available to the extent that some workers reported they would not be going to Kabul during the summer to find employment as they did in previous years but would remain in Jalalabad: *'Anyone who wants to find work in Jalalabad can find it'*

For those in the districts of Kama and Surkhrud employment in Jalalabad has played a critical role in increasing income and managing the risk of both crop failure and seasonal fluctuations in agricultural prices in the absence of opium production. The proximity of these areas to the provincial centre has made it easier to travel to Jalalabad to obtain daily employment and return home at night avoiding both accommodation costs and extended periods away from the family. This is still the case for many in these districts. Yet, in 2010 there were also reports of increasing employment opportunities in both Kama and Surkhrud, as well as in Shinwar, and signs of a growing preference amongst respondents for working locally even if it was at lower wage labour rates. Increasing wage labour opportunities in the districts of Shinwar and Kama were seen to be largely as the result of an increase in development investments, in particular the roll-out of the National Solidarity Programme. Respondents in both districts also reported an increase in employment under 'NGOs'<sup>18</sup> building infrastructure such as culverts, roads and in lower Shinwar working on a series of micro-hydro projects.

In Surkhrud district the increase in the number of jobs available locally was driven by a major housing project in Chemtala on land distributed by the Jalalabad municipal authorities for the resettlement of returnees. Daily wage labourers earned 250 PR per day for unskilled work and could get as many as six days of work per week. One respondent had three members of his household working in construction jobs in upper Surkhrud and commented that *'this year there is a lot of work and we don't like to cultivate more vegetables. If there is daily wage – that is better than farming'*. Respondents in the upper part of the district viewed this work particularly favourably given the potential impact of the drought in this area in the 2009/10 growing season. Indeed, the employment created by the housing project in Chemtala represents an important risk mitigation strategy for communities in an area that is regularly exposed to both drought and seasonal fluctuations in onion prices. Without the work it has provided and the upturn in onion prices in 2010 it might have been a difficult year for those in upper Surkhrud who did not already have access to sufficient non-farm income.

#### **4.2. Erode and Undermine**

Away from the Kabul river basin the risk mitigation strategies do not look quite so robust. Yet as discussed above these are the very areas where communities are more exposed to repeated and concurrent risk. In Khogiani, Achin and upper

---

<sup>18</sup> Respondents are often not aware of the particular institution implementing projects and whether it is part of government, a contractor or a non government organisation. 'NGO' is often used as a catch all by respondents for all organizations implementing in rural areas.

Shinwar, crop diversification is less apparent and wheat still dominates the landscape during the winter months - three years after the abandonment of opium poppy. Small landholdings and high population densities mean that very few households in these areas are self-sufficient in wheat. Cash is required to make up the food deficit, yet the distance to market, low levels of demand, high transport costs and regular water shortages all constrain the production of high value horticultural crops.

In lower Achin, land cultivated with wheat in winter is largely planted with maize in the summer. Similar cropping patterns are seen in upper Shinwar and lower Khogiani. The production of cash crops in these particular areas is largely limited to land that is irrigated by tubewell or in parts of upper Shinwar when it is adjacent to the Nangarhar canal and can be irrigated (illegally) by water pump. But even here farmers are reluctant to pay the recurrent costs for crops that may not yield a profit, and they tend to cultivate cash crops only in those years where the spring rains and snow is not in such short supply.

In Upper Achin there is some evidence of increasing levels of onion production in 2009/10 compared to last year, but given the small size of landholdings none of those interviewed cultivated more than one jerib, and most only planted half a jerib. Cotton is cultivated in the summer, but again the shortage of land, as well as low productivity and prices, means it offers little income to households. At least in upper Khogiani tomato and groundnut – relatively high value crops - are cultivated during the summer. These crops have offered some respite to the income deficit households have experienced as a consequence of the opium ban. However, small landholdings, high population densities and the high proportion of household members who are not working mean that the income generated from the sale of cash crops in these areas is typically insufficient to meet basic needs.

There is also a multiplier effect of the loss of the opium economy in these areas. There is less economic activity in the bazaars of Kahi and Shadal in Achin. A large number of shops have closed, including a number of businesses that have participated in this longitudinal Study.<sup>19</sup> One respondent, a carpenter in Achin, stated that *'When opium was cultivated I found more work. I sold windows and doors, but now there is less work and there are fewer people building houses'*. Those businesses that remain open are still owed significant amounts of money by local farmers and do not anticipate these loans being repaid in the near future. Respondents report that loans are harder to obtain now that opium is prohibited, and they increasingly rely on the sale of assets including land, and where possible credit from the extended family to meet the costs of marriage, illness or funerals.

---

<sup>19</sup> In the 2009/10 growing season the third (a hotel) of four shops that have been part of this longitudinal study since 2005 closed and the proprietor moved to Kabul to work for another hotelier.

Faced with economic downturn and repeated and concurrent shocks, as well as limited agricultural alternatives aside from opium production, households in these areas have typically resorted to coping strategies that reduce consumption but which also undermine their future earning capacity and push them further into poverty. The most obvious and immediate response has been to reduce household expenditures by consuming less meat and fruit, replacing clothes less frequently, and reducing spending on healthcare. Respondents report that sick family members often go untreated, in some cases even for serious conditions such as kidney stones. The sale of livestock is also common amongst respondents in Khogiani, Achin and upper Shinwar. Typically sales are of dairy cows rather than goats or sheep, suggesting a reduction in the consumption of milk and dairy products within the family.

Those that have been in a better position to absorb these shocks are those with larger landholdings and who were in a position to cultivate more land with opium poppy before the current prohibition. These households produced a surplus of opium over and above the amount required to meet household expenditures (including the impact of any shocks) and invested in other legal income streams such as livestock, transport and/or trading. However, even in these cases repeated and concurrent risks as well as the cost of life cycle events such as marriage have led to sale of assets including vehicles and the mortgage of land. Reports of opium sales are notably absent amongst respondents in the district of Achin, Khogiani and Shinwar suggesting rural households in Nangarhar currently hold little to no stocks.<sup>20</sup>

The strategy of selling opium stocks and assets purchased with its proceeds has gathered pace over the last three years of the opium ban in these districts. Combined with the absence of viable on-farm and non-farm income opportunities in the area, households that have already depleted their assets and are no longer in a position to manage future risks or life cycle events have increasingly engaged in work in which they risk physical harm or even death. Indeed, in the absence of opium production enlisting in the Afghan National Army (ANA) has become the primary risk mitigation strategy for those in the districts of Shinwar, Achin and Khogiani (see Box 3). For example, in the district of Achin more than half of those interviewed had members of their household in the ANA; in Shinwar it was over a third; and in Khogiani one quarter of respondents had members of their household in the ANA.

**Box 3:**

*'Life is worse day by day. I am very angry about the government and the ban on opium poppy. When the government banned opium they promised the elders that they would make a dam, but the government has done nothing. If this situation continues I will send another son to the ANA'*

<sup>20</sup> It could be argued that the absence of sales is a result of respondents' unwillingness to report their engagement in what is considered by the state as an illegal activity. While there could be some justification for this argument, the longitudinal nature of this study and cross verification with key informants suggests that these claims are true and there is little inventory amongst the farming population in these areas.

Some of those interviewed had a number of male members from their household in the ANA. One respondent in lower Shinwar reported that four of his sons had enlisted. All of them had been in the ANA for less than three years, the most recent having joined four months before. This was a common feature across all of those interviewed who had a members of their household in the ANA, with 72% (n18) having enlisted in the last twelve months and 96% (n24) having been in the ANA for three years or less.

**Box 4:**

*'My nephew was in the ANA. He was injured in a blast in Gardez. He lost his feet and one hand. This is very difficult. My son is in the ANA. There is no other work. I am unhappy to send my son to the ANA but I don't have any other way.'*

Lower Achin

While the salary from joining the ANA was a welcome contribution to household income, serving in the ANA is not without risks, and many respondents expressed frustration and anger that they did not have any other choice. A respondent in Marouf Chinar in lower Achin reported that his options were so limited that he had withdrawn his son from school (Grade 10) seven months ago and that the son was now serving in the ANA in Khost. Respondents with family members in the ANA

were very aware of the risk to life and limb that enlistment represents (see Boxes 4 and 5). Indeed, a respondent in Upper Shinwar reported that his brother had joined the ANA two and half months prior to being interviewed. However on realising that he would be posted to Helmand on the completion of his training, the brother had gone absent without leave and had returned to his village. This was despite the fact that without his income and with only one jerib of land and twenty four members of the household - of which only three were able to work outside the farm – this family was increasingly faced with the prospect of mortgaging or selling their land as the only way of meeting basic needs. It was reported that in this same village four soldiers had been killed in action this year but that the Mullah had not given them funeral rites.

None of those interviewed with family members in the ANA reported that they had joined for any other reason than economic necessity. Respondents in Shinwar even suggested that the crime rate had fallen in the area since 2008 because those involved had joined the ANA.

It is also notable that in the districts of Kama and Surkhrud – areas that are less exposed to risk and where households have largely succeeded in diversifying on-farm and non-farm income - none of those interviewed in 2010 reported having members of their household in either the ANA or the ANP. Nor were there reports from these

**Box 5**

*'It is dangerous in Uruzgan and I worry that I will be killed but, when I come to my house [in Achin] there is no food and cloth. If I found work here that paid 3,000 PR a month and the government gave me a salary of 20,000 PR [for the ANA] I would not go to Uruzgan'*

Upper Achin

districts of households sending sons to work as itinerant opium harvesters in the southern districts of Helmand and Kandahar. Yet, there were a number of cases of the latter (although fewer than in previous years) in the districts of Khogiani and Achin, despite concerns about security, low wage labour rates and the high cost of transportation to the southern provinces.

It is clear that the impact of the ban on opium has been felt far harder in those areas that have been more exposed to repeated and recurrent risk. These are the very same areas where opium had become the primary risk mitigation strategy. Without opium production households have been forced to adopt coping strategies that are both eroding whatever assets they may have accumulated prior to the prohibition, as well as placing family members at risk of physical harm and possibly death. The sale of opium stocks and the assets purchased with the proceeds of opium, as well as the absence of viable on-farm and non-farm income in these areas mean that the negative effects of the prohibition of opium will be cumulative. With the likelihood of continued exposure to repeated and recurrent risks the population in these areas is likely to see its position deteriorate even further, with adverse consequences for political stability. In contrast, it is those communities that are less exposed to shocks, and who in the past cultivated opium to accumulate further capital rather than solely to mitigate risk, that have endured in the absence of opium production and who would appear to have been the primary beneficiaries of development investments.

## 5. Conclusions

In rural Afghanistan land ownership, socio-economic status and welfare are closely entwined.<sup>21</sup> A household that has enough land to produce an agricultural surplus for sale is on the whole in a better position than those that do not have sufficient land to meet their own food requirements. While both types of households are likely to draw on wage labour as a way of increasing income and spreading risk, the household with the larger landholding can use this extra income to increase their assets rather than just to address their food deficit.

In the light of these considerations, those located in the Kabul river basin in Nangarhar find themselves in a more privileged position than those who live south of the Nangarhar canal. Blessed with relatively large landholdings and enough irrigation to obtain two, sometimes three crops each year, the population located in districts in the watershed of the Kabul River typically can generate an agricultural surplus. Commercial agriculture is supported by the proximity to consumer markets in Jalalabad as well as Kabul. Their location, economic potential and the flat nature of the terrain has meant investments in infrastructure have been prioritised, thereby reducing transport costs, post-harvest losses and

---

<sup>21</sup> The World Bank (2005) Afghanistan- Poverty Vulnerability and Social Protection: An Initial Assessment. Human Development Unit, World Bank, Washington DC. June 2005.

facilitating the farmgate trade in high-value horticulture. The history of landownership and the penetration of the state in these low lying districts has aided political stability and encouraged investments by both the private and public sectors.

The population in those areas located within the Kabul river basin of Nangarhar is exposed to risks, but they are of a considerably lower order and frequency than those outside this area. Of course illness, injury and death continue to pose a risk to the welfare of individual households in these areas, as they do across rural Afghanistan, but there is considerably less probability that the population as a whole will experience the kind of natural and man-made shocks, such as drought and conflict, that other communities in Nangarhar experience with much greater regularity. Communities in some areas have even seen the risk of drought and subsequent crop failure reduced due to recent development investments, and the growth in on-farm and non-farm income opportunities has helped them better manage morbidity and death, as well as the high costs of marriage.

As a relatively high value – low weight, non-perishable product with assured demand, opium has given land-poor households in the more remote rural areas of Nangarhar the opportunity to meet their basic needs and, in good years, repay debts and even accumulate some assets. The crop's responsiveness to irrigation and its resilience in the face of dry conditions have made opium poppy ideally suited to the conditions in the Spinghar piedmont where the population is subject to both frequent drought and political instability. Efforts to simply replace opium poppy with another high-value crop in these areas will not succeed. The majority of legal crops will prove economically unviable unless there is a transformation of the socio-economic, political, physical and environmental infrastructure in these areas – which would require a timescale and level of investment for which there is increasingly less appetite amongst politicians and policy makers.

The areas that have prospered despite the loss of opium poppy have not simply replaced one crop with another. Instead, a multitude of different crops have been grown, often intercropped on the same unit of land. Non-farm income has also been further diversified, with households capitalising on increased wage labour opportunities both within the area and in the major labour markets in Jalalabad and Kabul. This process of diversification combined with the lower incidence of covariate risk has allowed communities in the Kabul river basin to abandon opium production without the kind of significant losses to welfare that can lead to an economic downturn and increased political instability.

There is much to be learned from this process of rural change. What seems clear is that those communities that are most exposed to frequent and recurrent risks and the least able to absorb and recover from them, are those that have been hardest hit by the ongoing opium ban. They have experienced significant losses

in welfare and are increasingly adopting coping strategies that will harm their future earning capacity and place members of their households in physical danger. Moreover, the impact of the ban on these communities is likely to be cumulative. The depletion of assets – in the form of either opium or items purchased with its proceeds – continues. It is now unclear how even the relatively better-off might absorb the shocks that will undoubtedly strike the Spinghar piedmont in the near future. Sending more young men to join the ANA may be an option for rural households but it is one that is not without challenges when those enlisting have little enthusiasm for the task and when increasing numbers are being injured and killed.

The continued political support of communities in the Spinghar piedmont is increasingly contingent on a critical mass of the population experiencing incremental improvements in their quality of life in the short term while retaining a confidence that there will be more substantial welfare gains in the future. The development investments both within these outlying districts and in areas of greater economic potential have been insufficient to deal with the economic consequences of the ban on opium. Understandably, greater priority was initially given to the lower lying areas within the Kabul river basin where communities have greater economic potential. However, the level of economic growth in these areas has been insufficient and has failed to create the 'pull factors' for the population in more marginal areas that are both the most susceptible to repeated and concurrent risk and the most dependent on opium production. While employment opportunities in Jalalabad are increasing and there is a growing farmgate trade in horticultural crops that is expanding into new territory, there are still very few households south of the Nangarhar canal that are experiencing the benefits of this economic growth.

Economic investments in the Spinghar piedmont remain limited and largely focused on district centres. Infrastructure projects, primarily roads, continue to be the priority for the international community and particularly for the military. While improving the road system can reduce transport costs and post harvest losses, as well as increase access for both civilian agencies and security forces the bulk of the rural population only benefit from increased income opportunities during the construction phase. Roads remain a necessary but not a sufficient condition for sustained economic growth. Some nine years after international engagement started there is still inadequate attention given to developing more sustainable income generation opportunities in these areas both in the agricultural sector (including livestock) and in micro-enterprise development. The longer term investments in both physical infrastructure and institutions that are required for effective watershed management in the valleys of the Spinghar continues to be neglected.

Political interventions in these more marginal areas have not always been well considered and as in the case of Achin have exposed the population to further risk and helped destabilise the district. Too often there is a tendency to favour

what are perceived as powerful local interlocutors. International actors have legitimized their close engagement with these individuals on the basis of their 'traditional role' as 'tribal elders'. Little consideration is given to how this preferential treatment has exacerbated tensions with rival elders and enhanced the economic and political power of what are often unpopular local elites. In the attempt to get things done quickly there has been a failure to support and engage more collective decision making processes and broaden the distribution of benefits.

Assistance to the communities in these areas needs to be refocused. Appropriate responses to the complex, dynamic and highly localized risks that communities face cannot be shaped by narrow institutional mandates and an eagerness to resolve what appears to be an immediate problem, be that resurgent opium production or the increasing levels of violence by armed anti-state actors. Instead, interventions need to be based on a better understanding of the multiple and recurrent risks that these communities have to manage. They need to articulate how the causes of these risks will be addressed and develop strategies to mitigate the impact of risk on the most vulnerable. Consequently, there is also a need for more flexible funding mechanisms than are currently in place which can both develop medium and long term development plans for these areas and work across sectors in accordance with the priorities of local communities.