

Der Bürgerkrieg in Syrien und der gewaltsamen Konflikt in der Ukraine relativieren diese positive Einschätzung. Dort, wo die Politik in falsche Bahnen gerät, ist auch der Fußball machtlos. König Fußball kann politisch missbraucht werden und regiert auf keinen Fall die Welt. Dennoch: Fußball kann weltweit gewissermaßen als Antibiotikum dienen, das bei bestimmten Symptomen zur Linderung oder Heilung von sozialen Problemen beitragen kann. Er hat zweifellos auf viele Menschen eine fast magische Wirkung. Doch was ist sein Geheimnis? Die

Antwort gibt kein geringerer als Uwe Seeler, der konstatierte: „Das Geheimnis des Fußballs ist ja der Ball.“<sup>47</sup> Vom Ball wissen wir seit Altbundestrainer Sepp Herberger, dass er rund ist. Und wo muss das Runde gemäß Helmut Schulte hin? Genau, ins Eckige! Nach dieser grundlegenden, fast philosophischen Erkenntnis beende ich diesen Aufsatz mit den Worten von Giovanni Trapattoni: „Ich habe fertig!“

47 Zitiert in: <http://zitate.woxikon.de/fussball> (Zugriff: 10.6.2014).

# Economic and Political Restraints for Reducing the Drug Economy in Afghanistan

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**Abstract:** The stability of present-day Afghanistan is challenged by the pullout of international troops as well as the uncertainty of foreign aid receipt after 2014. But these problems will be mostly cushioned by the country's drug economy, which has influenced Afghan politics. It is questionable whether or not a new president of Afghanistan is able to survive politically if he attempts to eliminate the drug economy without offering better incentives for those involved. This article examines the role of the economy, foreign aid and political restraints for reducing the drug economy in Afghanistan. Furthermore, the article looks at alternative developments to the drug economy and the regional approach of Comprehensive Development.

**Keywords:** (Drug) economy, foreign aid, counter narcotics, alternative and comprehensive development

**Stichworte:** (Drogen) Ökonomie, Entwicklungshilfe, Drogenbekämpfung, alternative und vernetzte Entwicklung

## 1. The Afghan economy after the collapse of the Taliban regime

Despite long-term financial support and external aid, Afghanistan is still regarded as one of the poorest countries. The industrial sector of the economy has been developing slowly. Most companies and factories constructed by the Soviets in the 1960s and 1970s have either been destroyed or are not competitive. Traditional branches such as agriculture, trade and craftsmanship cannot make up for the current deficit (DAN 2012: 2). The government of Afghanistan is therefore working towards WTO membership with a modified and less complicated tax system, simplified licencing procedures as well as registration for companies and an improved export of goods. Taxes on imports were low and this resulted in the import of cheap goods, which also meant that goods and products made in Afghanistan could not compete on the market (DAN 2012: 2). But these state measures had a negative impact on local production. Due to the low tax and customs dues, Afghan goods and products were replaced by cheap imports and external goods. For example, a company in Herat that was responsible of producing tomato paste had to face bankruptcy due to low production costs in Iran and the low prices offered for the same product by Iran. Another good example is the printing business in Afghanistan, which could not develop, as large printing orders went to Pakistani (printing) companies due to low production and material costs, low customs charges for imports, and low transportation costs (DAN 2012: 18).

But the main issues for the economic development in Afghanistan are geographical conditions. The mountains that are dominating the landscape of Afghanistan are a hindrance to transport and infrastructure, and the dry climate is a challenge to the development of agriculture. Therefore, Afghanistan remains dependent on neighbouring countries such as Pakistan (see GIZ Afghanistan). In the years 2006-2010 the bilateral trade between Afghanistan and Pakistan increased from 850 million USD to 2.5 bn. USD. In 2010 and 2011 exports from Pakistan to Afghanistan amounted to 2.3 bn. USD. In contrast, within the same period of time Pakistan imported goods from Afghanistan only amounted to an official 172 million USD (Central Asia Online 01/20/2012). Mostly because of cheap goods from Pakistan, Afghan products have not been competitive within the region, and foreign aid has only to some extent been able to cushion the economic difficulties since 2002.

### 1.1 Foreign aid as a maintainer of the Afghan economy

The contribution of foreign aid was decisive to the Afghan economy. The total expenditure for foreign aid from 2002 amounts to 62 bn. USD. The security sector has been the largest recipient of assistance. About 50% of foreign aid was given to the Afghan National Army and the Afghan National

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Police. 55 % of the total sum of the development aid has been announced at international conferences for Afghanistan (Tokyo, Berlin, London, Rome and Paris) (ReliefWeb, 30/11/2009). In 2011 the total budget for foreign aid and development assistance was 6.5 bn. USD, of which only 771 million USD were spent on humanitarian aid. Thus, Afghanistan has been the fourth largest recipient of foreign aid and development assistance worldwide in 2011. The country received 35% of its gross national income as a financial support from the outside, with government revenues of 4.5 bn. USD in 2011 (Global Humanitarian Assistance 2012).

The donor countries have made an effort to adjust their strategies and to take into account real conditions and actual developments in Afghanistan. A large part of the economic development in Afghanistan was based on the services sector due to foreign aid priorities such as the construction industry, the logistics sector as well as transportation in general. An inquiry panel of the US government has warned that this type of foreign aid, when misspent, might lead to corruption, instability and insecurity as well as a distortion on the jobs and goods markets (US-Senate Committee on Foreign Relations 2011: 2). In the meantime, the international community has called for a change of the development approach to "Aid for Trade" (DAN 2012: 13). »Aid for Trade helps developing countries, and particularly least developed countries, trade. Many developing countries face a range of supply-side and trade-related infrastructure obstacles which constrains their ability to engage in international trade« (WTO.Org). Besides, the international community has offered its support for Afghanistan in connection with the world market, in lifting trade and transit barriers as well as in the development of infrastructure and the exploitation of natural resources (DAN 2012: 22). Yet past aid projects related to supporting the rural economy did not have any positive effect on reducing the drug economy in Afghanistan.

## 1.2 Poppy-free economy?

Afghanistan maintains its leading position in the global opium production. With over 154,000 hectares under cultivation in 2012 the Afghan opium production was estimated at 3,700

tons, which is, however, 36% less than in 2011 (UNODC/MCN 2013: 18). But in 2013 opium poppy cultivation increased to 209,000 hectares, 36% more than in 2012. Accordingly, opium production increased by 5,500 tons, 49% more than in 2012 (UNODC 2014: 4). Opium production is a well supported and a complex structured industry of local and regional beneficiaries. A large number of those people participating in this business work directly for various branches in the drug economy rather than in poppy cultivation itself. Most people earn a living by indirect additional labour that corresponds with the demand of the drug industry, for example the construction industry, trade, repairs as well as gastronomy and hotels (Rubin/Sherman 2008: 28). Each hectare of opium poppy created employment for up to 5 or 6 people in the rural and non-agricultural sector (AREU 2005: 3). It is such a robust industry that even poppy eradication campaigns of the government and donor incentives for reduction of the drug economy could neither stop nor decrease opium production. Moreover, these measures did not bring any positive results for the country's rural economy.

On the contrary, the eradication of opium poppy fields increased the geographical distribution for growing opium poppy. Also the opium ban of the Taliban could not stop growing poppy by Afghan peasants. For instance, farmers in the province Ghor (in central-Afghanistan) found it lucrative and profitable to grow opium poppy after the Taliban ban on cultivation led to increased prices (AREU 2006: 28). Afghan farmers grow opium poppy for security reasons, both physical and economic security. When conditions proved to be hard and insecure, the opium production seems to be the only alternative for farmers in rural areas in order to provide them with credits, services, access to markets and land (Rubin/Sherman 2008: 28).

Most of the field eradication measures were carried out by the ministry of internal affairs with the support of provincial governors. But these state measures could not stop the poppy cultivation from growing because the Afghan government failed to promote alternative crops in opium-producing areas. Since 2008 three provinces came to the fore as the main producers of Afghan opium: Helmand, Farah and Kandahar, which altogether produced 83% of opium-poppy in Afghanistan in 2012 (UNODC/MCN 2012: 20). Therefore, counter narcotics measures beyond these insecure provinces cannot make much of a difference to the country's total opium cultivation.

### Eradication and opium cultivation in Afghanistan 2005-2012 (in hectares) (UNODC/MCN 2012: 17).

Year	2005	2006	2007	2008	2009	2010	2011	2012
Governor-led Eradication (GLE), (ha)	4,000	13,050	15,898	4,306	2,687	2,316	3,810	9,672
Poppy Eradication Force (PEF), (ha) *	210	2,250	3,149	1,174	2,663	0	0	0
Total (ha)	4,210	15,300	19,510	5,480	5,351	2,316	3,810	9,672
Cultivation (ha) **	104,000	165,000	193,000	157,253	119,141	123,000	131,000	154,000
% poppy in insecure provinces of South & West	56%	68%	80%	98%	99%	95%	95%	95%
Poppy-free provinces	8	6	13	18	20	20	17	17
Number of provinces eradication carried out	11	19	26	17	12	11	18	18

\* The activities of the Poppy Eradication Force (PEF) were discontinued after 2009.

\*\* Net opium cultivation after eradication.

Provinces are considered poppy-free when they have less than 100 hectares of opium cultivation (UNODC 2014: 4). Almost half of all Afghan provinces were poppy-free in 2012, but this did not change the whole picture of opium production in Afghanistan. Traditional agriculture in Afghanistan was hardly a promising tool for the well-being of rural households (AREU 2011: 13). Opium was by contrast a great factor to stimulate other businesses in rural areas where political decisions are made by religious dignitaries, traditional elites and local power brokers and where the central government has a limited scope of action. Moreover, opium was a crop with high returns and served as a guaranteed source of revenue under harsh and insecure conditions as compared to other agricultural crops (AREU 2010: 17).

## 2. Political restraints in reducing the drug economy

The Taliban's ban on opium production in the early 2000s alienated poppy farmers significantly from the Mullah regime in 2001. But in autumn 2001 the Taliban lifted their ban on poppy cultivation, fearing that frustrated poppy farmers would cooperate with the Northern Alliance and the USA to overthrow the Taliban regime (Felbab-Brown 2010: 132). After the fall of the Taliban some of the warlords and power brokers integrated in the Afghan government structures manipulated counter narcotics policies and made huge profits from illicit economy (Felbab-Brown 2010: 137). Their subordinate commanders on the ground more often than not misused the government's counter narcotics policy. Some local commanders exaggerated figures of poppy cultivation areas for field eradication. In doing so, they benefited from donor compensations as well as from bribes for waivers of eradication and from political power in the face of landlords and farmers whose fields they spared (Felbab-Brown 2010: 138-139).

But one of the key elements and "security providers" of the drug economy are the Taliban. They collaborate with opium traders who serve mainly as "relationship establishers" of the drug economy. Moreover, »opium traders are the main beneficiaries and manipulators of the opium market in Afghanistan« (UNODC 2011: 14). According to the Afghan Ministry of Counter Narcotics (MCN), data from 2012 shows that about 2.5 million peasants and their family members cultivated opium poppy in Afghanistan (MCN 2012: 51), i.e. almost 10% of the total population.

In southern Afghanistan for instance, more officials were involved in the drug trade than the Taliban (AREU 2010: 22). But president Karzai persistently denied the involvement of

Afghans in drug trade and stated: »The international mafias are involved in drug trafficking, not the Afghans. The Afghans are working day and night in order to eliminate poppy« (see Ministry of Counter Narcotics). According to the MCN of Afghanistan, the Ministry of Internal Affairs commanded 2,700 police officers for counter narcotics operations in 2012, but their amount gradually decreased year by year. The Ministry of Defence had only 12 officers and the Border Police had only 6 officers at their disposal for counter narcotics operations (MCN 2012: 15, 60-61). Yet the counter narcotics policy of the Afghan government emanated primarily from tactical considerations of the coalition forces' security agenda. The USA did not intend to prosecute any Afghan opium traders who were not connected to terrorists or insurgents (cf. Corti/Swain 2009: 43).

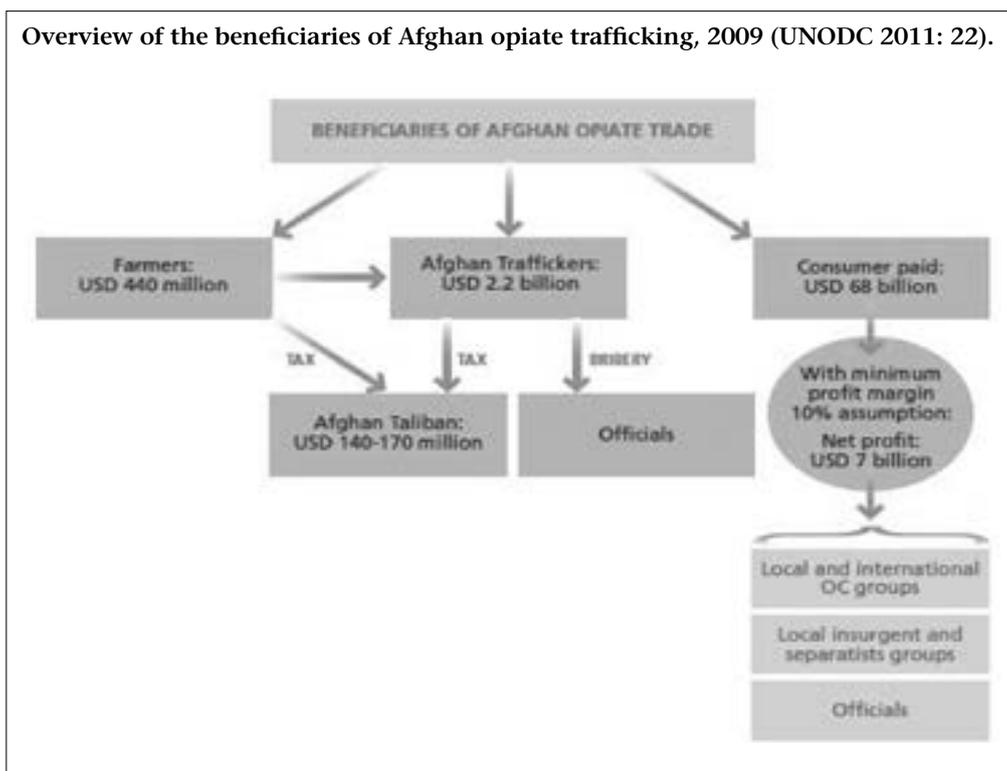
*"The current counter-narcotics strategy has no explicit plan for managing the transition, sequencing the different policy tools, or building the state institutions simultaneously with trying to use them. These are, however, the key questions for counter-narcotics strategy. The one exception is the statement that eradication should be carried out "where access to alternative livelihoods is available," a principle with no mechanism for implementation"* (Rubin/Sherman 2008: 38).

»The Government's counter narcotics policies can only be implemented if the international community is willing to continue its financial and technical assistance« (MCN 2006: 28). But:

*"It is not possible to create effective institutions for counter-narcotics enforcement when such a high proportion of a society's power holders are directly or indirectly beholden to the drug trade and can see no way to move out of it"* (Rubin/Shermann 2008: 40).

It is more likely that the western donor countries will support Afghanistan with a limited development aid for alternative projects to reduce the drug economy after 2014. This is because

Overview of the beneficiaries of Afghan opiate trafficking, 2009 (UNODC 2011: 22).



the alternative projects in poppy cultivation areas did not dissuade many Afghan farmers from supporting the Taliban and resisting the corrupted central government.

### 3. What is *alternative development* for Afghanistan?

Projects for alternative livelihoods or development are usually based on sweeping ideas. Those projects aim to bring about a development that is questionable, a »development in the drug environment« (AREU 2005: 2). Projects for alternative development trying to combat the drug economy are in theory a promise of the foreign aid, which is used as a tool for negotiations in order to reduce poppy cultivation. In this case, success is measured not in terms of sustainable changes and improvements of the living conditions for the rural population, but instead in reducing the number of hectares and not in terms of decreasing the dependency on opium poppy as a means of income and property. This idea to development assistance is seen rather as a means of compensation than as a tool of fostering and strengthening for the sake of an adequate wellbeing of poor rural populations (AREU 2005: 5).

There were apparently some positive initiatives to reduce poppy cultivation in remote areas of Afghanistan. For instance, in 2010 the German project *Roses for Nangarhar* extracted 30 kg of rose oil from 100 tons of rose blossoms in the eastern part of Afghanistan (Bio-markt.info, 09/02/2011). But the market for rose oil was very small, because altogether just 3,000 kg of rose oil were produced, mainly in Iran, Turkey and Romania, which sold for around 13.5 million euro on the world market (Frankfurter Allgemeine Zeitung, 15/07/2006). But is it worthwhile to produce 100 tons of rose blossoms in order to extract only 30 kg of rose oil in a conflict region? Moreover, it is hard to compete with the main producers of rose oil, as the Afghan rose oil can only satisfy 1% of the global demand. Another initiative was state-supported saffron production. 3 of 4 tons of saffron exported from Afghanistan in 2012 came from the western province Herat (Afghanistan. Ru, 26/05/2013), which actually had not been considered a key opium poppy area. Saffron was not a suitable plant for the main opium provinces such as Helmand, Farah and Kandahar. Worldwide some 300 tons of saffron are produced annually. Over 90 percent of saffron is produced in Iran. In sum, both rose oil and saffron are not regarded as "mass consumer goods" for Afghans and they have been relatively expensive on foreign markets (Icarda.Org). Regarding saffron and rose oil, there is a risk that these products could be re-exported and re-labelled as expensive Pakistani goods, as has been the case with dried Afghan mushrooms (Tolo News, 11/07/2011). The same may happen with cotton or other valuable agricultural products because Afghan goods are subject to numerous restrictions in the region.

Today's presidential candidate Ashraf Ghani suggested ten years ago a plan to eliminate the drug economy by fostering industrialization in Afghanistan. Being the former finance minister, Ashraf Ghani initiated the state framework *Securing Afghanistan's Future* (SAF) and also investigated the influence and effect of a possible eradication of opium poppy in a study of 2004. The results of the evaluation therein reveal that the eradication of the drug economy could be achieved within a period of 15

years without reducing the living conditions, provided that the legal economy will grow at a rate of 9% each year. The growth rate alone would not ease the shock as the loss of opium could not produce the same kind of growth within those areas of social groups. Hence, a sector and redistribution policy is required (Rubin/Sherman 2008: 35). The interim strategy of Afghanistan National Development (I-ANDS) subscribes to this goal. However, there were not further steps taken to integrate this aim into the counter narcotics policy with the macroeconomic planning. Instead, the development components have been limited to small-format rural development. At a meeting with officers of the drug enforcement agency, farmers from Helmand have demanded cotton subsidies from the government as incentives for changing from opium poppy to cotton cultivation. Even if cotton alone is not competitive, Ashraf Ghani's proposal argues that the textile industry would be competitive. A fixed set of textile quotas for Afghanistan in the larger market, combined with an investment in simple manufacture, could raise chances for employment opportunities in Afghanistan. According to Ashraf Ghani, the brand "Made in Afghanistan" or "Made in Afghanistan by Afghan Women" could compensate for the raised costs for production and transport (Rubin/Sherman 2008: 35). Yet Ashraf Ghani's proposal is locally framed and based on modest resource allocation in Afghanistan. A sustainable approach would assume the geographic broadening of this approach and applying it to a regional cooperation framework. Here, I suggest the following approach for regional cooperation and sustainable economic development to reduce the drug economy in Afghanistan. This is worth considering in further discussions in relevant academic circles and development aid policy institutions.

### 3.1 The approach of Comprehensive Development

Comprehensive development comprises a regionally framed approach of measures of development policy of an aid donor and economic dependent collaboration between resource-rich and resource-poor neighbouring countries. This cooperation boosts an economic development by a resource-dependent industrialization of relatively stable border areas in a conflict-laden country. Moreover, this cooperation enables neighbouring countries and international donors to pursue their interests related to security policy and economy. The approach of Comprehensive Development requires many theoretical amendments and practical examples from different regions in crises. Taking Afghanistan and its resource-rich neighbouring countries such as Uzbekistan and Turkmenistan as examples, this approach could be applied in theory.

### 3.2 Resource-dependent industrialization of the northern provinces of Afghanistan

In the quite stable northern provinces of Afghanistan such as Balkh, Jowzjan and Faryab it could be possible to promote small and mid-size factories which would import their raw

materials from the Central Asian neighbouring countries. What kind of raw material could be sustainable for economic development of northern Afghanistan? For example, cotton and its components such as seeds and stems. With the help of mid-sized enterprises one could expand a local textile industry in order to process cotton in northern Afghanistan. Small enterprises could produce cooking oil, soap from cotton seeds as well as protein-rich forage from oil cake of cotton. Cotton stems serve as alternative material to produce boards, an optimal construction material for the region.

For instance, there are already cotton fabrics in the provinces Balkh and Kunduz, which in addition to cotton fibre produce also cooking oil and forage. A company located in Balkh works under auspices of the „Northern Afghanistan Project for Cotton and Oil Development“ (NAPCOD), the Joint Venture between the *Dagris Group*, the French Agency for development, and the Afghan government (AREU 2007: 9). But this factory had problems: the old equipment that has been produced in Germany and the Soviet Union in the 1940s and 1960s, lack in skilled specialists (many of them were trained in the Soviet Union), lack of systems of quality control, inconstant power supply and a shortage of cotton itself sold by farmers not directly to fabrics, but mostly with more expensive prices on black markets (AREU 2007: 9). These barriers for development could be more effectively removed by a close partnership with Central Asian neighbouring countries, Western aid donors and Russia. Besides, the mentioned provinces are well linked with neighbouring countries of Central Asia. There is easy access due to links among Russia, Eastern Europe, the Gulf region and Kazakhstan, Iran and the Caspian Sea. Uzbekistan has already built a railway line to Mazari-Sharif (Balkh province), and Turkmenistan is planning the construction of the railway lines to the border districts of the Afghan provinces Jowzjan and Faryab (Tolo News, 07/08/2011).

### 3.3 Raw materials from Uzbekistan, Turkmenistan and Kazakhstan; industrial facilities constructed with assistance from the West and Russia

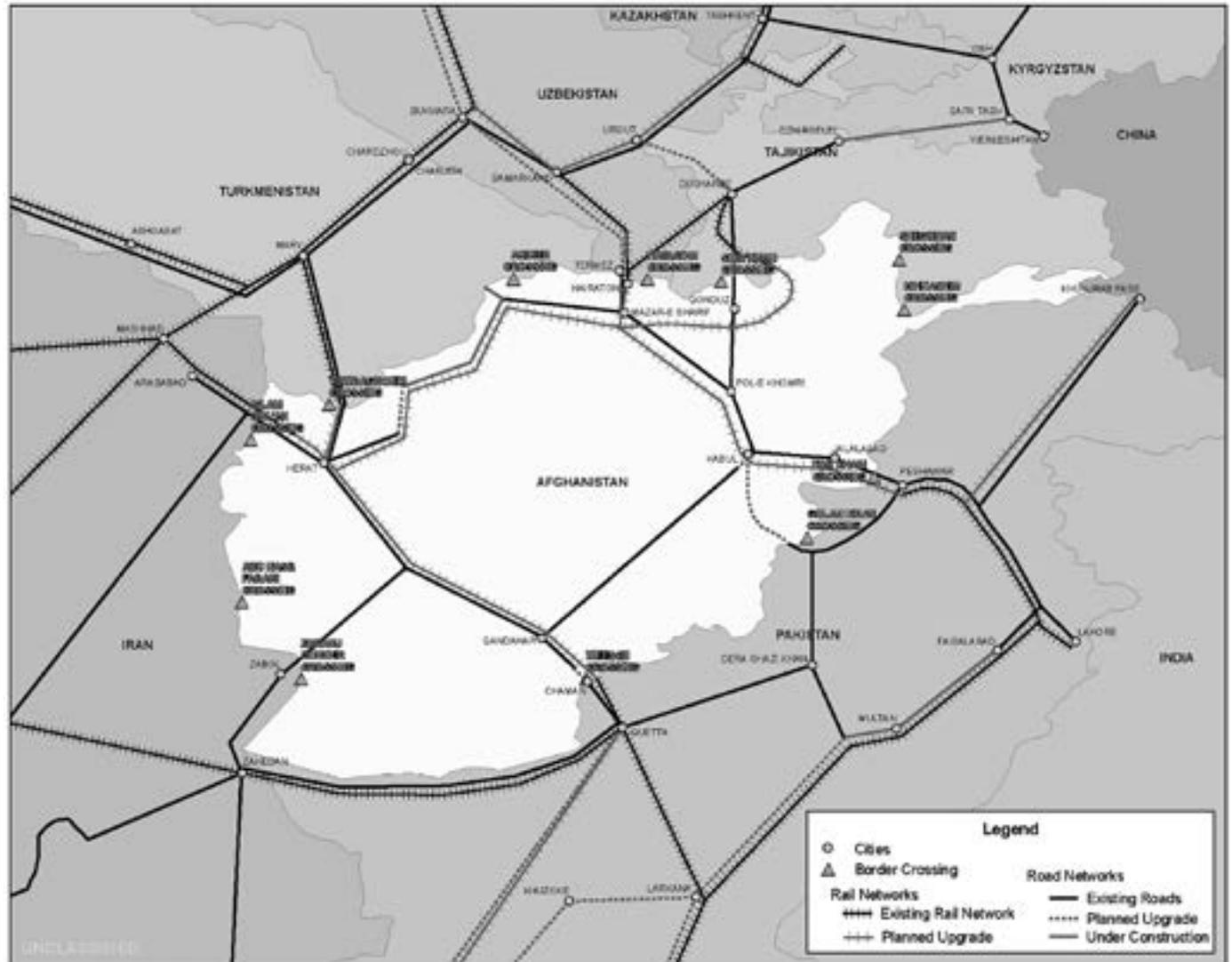
Integrating the northern neighbour countries of Afghanistan such as Uzbekistan and Turkmenistan in an economic and export-oriented development cooperation would not only optimize the import of raw materials but also improve northern export corridors of Afghanistan. The question remains, however, who can co-finance and cooperate to install such industrial facilities to process cotton and its components in Afghanistan? Furthermore, which regional power is advocating an eradication and stemming distribution and consumption of drugs from Afghanistan? Russia. As the biggest drug consumer country in Europe, Russia today is challenged by 8 million drug addicts (FSKN, 28/06/2013) and counter narcotics costs of about 50 bn. USD annually (Itar-Tass, 24/04/2014). Russia has intended to foster alternative development to the illicit economy in Afghanistan by regional initiatives, which are, however, mostly considered now as single-handed in the region.

At the time of the Soviet development aid, 142 industrial facilities were built in the 1960s and 1970s. Yet Russia is still able to provide them with replacement parts. Russia could cooperate with Western development projects for a “resource-dependent industrialization“ in northern Afghanistan and contribute to reduction of opium production in Afghanistan. The same can be said for Kazakhstan. The country is also famous for its wheat export in the region. Wheat from Kazakhstan could further contribute to industrialization of northern Afghanistan by producing relevant products both for internal consumption and for export purposes. A significant role of Western aid donors is to some extent in participating with targeted financial resources, monitoring and consulting Afghan business people when buying industrial facilities for small and mid-size companies. Donors could also support the production of goods as well as their sale or export in order to enhance the cooperation within the region to foster the comprehensive development. Moreover, Western development aid could bring together Russian transit ways and infrastructure and entrepreneurs from the Central Asian countries and Afghanistan.

Thanks to local products, e.g. foods in particular, high prices in Afghanistan might sink partially and demands on local markets could be satisfied. Moreover, locally made products could be bought also by aid organizations for humanitarian aid. Materials intended for the construction industry could be used both for Afghan and for regional development projects. One could for instance use existing *Oriental Shops* to offer Afghan textile products in those countries participating in the project or in other developed countries with a label that states „*Made for Peace in Afghanistan*“ (see also the proposal of Ashraf Ghani about textile industry). Selling the produced goods for humanitarian purposes will be a marginal but a safe profit; it is beacon of hope for Afghan companies. The sale of goods to potential consumers with the label “Made for Peace in Afghanistan” is also highly promising, as these products can be consumed worldwide by Afghan Diasporas for peacekeeping and solidarity reasons.

Projects similar in theory include a network of projects with the local production of raw materials from neighbouring countries and are planed in the western and northern border provinces of Afghanistan. In 2013 private companies such as *Ansar* and *Kingston* that focus on fuel delivery to the Afghan market were planning to set up two small enterprises for oil processing. Experts share the opinion that those companies will be capable of processing Afghan oil in the near future. One of the companies will be located in the province Herat. The other one is placed close to the border of Uzbekistan, in the northern town Hairaton. To start with, these two companies will be in charge of processing oil from Russia and Kazakhstan. Afterwards, these companies will be processing the Afghan oil. Their focus will be on the production of petrol and gasoil. The Chinese company CNPC started to extract oil in Afghanistan, i.e. in the northern province Sari Pul, near the river Amudarya. This also means that oil processing companies could get crude oil from this Chinese company (Afghanistan.Ru, 26/10/2012). Both experts and scientists place a great value on the construction of Afghanistan’s infrastructure. They state, for instance, that new roads, rail networks, power supply lines and pipelines have to

Map: Road and rail road networks, existing and planned, connecting through the “Afghanistan hub” (Silk Road Studies 2010: 38).



be introduced to the country and be closely connected with neighbouring countries (Silk Road Studies 2010: 10).

The approach of *Comprehensive Development* closely links Afghanistan with the neighbouring countries in the North and makes a large contribution to solving social-economic and security-related problems. Western development projects can link these regional development potentials in the struggle to weaken the drug economy. This will be the cornerstone for the cooperation between Western, Russian, Central Asian and Afghan companies. Economic projects for comprehensive development can also support farmers especially from drug-producing southern and western provinces. They could partially supply companies in northern Afghanistan with cotton and other raw materials and thereby slightly reduce poppy cultivation in their areas. The plan also fosters security cooperation in the region. The neighbouring countries in the North are challenged by threats arising from Afghanistan, like Islamic extremism and drug trafficking. Joint security cooperation with Afghanistan would assume first of all the political and economic support of decision makers from neighbouring countries in order to

establish stability and a poppy-free Afghan economy. The future president of Afghanistan has to keep in mind that the drug economy will continue to challenge the central government and political processes after 2014. An optimal way to reduce the drug economy's political and economic influence is to foster Afghan industrialization based on regional resources and international cooperation.

#### 4. Summary and Conclusions

The post-war economy of Afghanistan has been hardly conceivable without foreign aid and yields from the illicit economy. Almost 10% of the Afghan population was involved in opium production. The majority of Afghans was employed in rural areas and depended on agriculture. Therefore, the rural economy remains fragile and instable, especially when opium poppy production offers more incentives for peasants than other rural businesses. Being mostly marginalized from the western development aid, the Afghan peasants were forced to

find ways and means to survive in volatile conflict zones of the border regions with Pakistan and Iran. A shortage of agricultural products and economic problems of rural households have been compensated so far mostly by profits from opium. The eradication of poppy fields has resulted in a geographical spread of poppy cultivation to other areas, in a deterioration of the economic situation, in a loss of loyalty of Afghan peasants towards state institutions and in further recruits for the insurgency against the Afghan government.

The ban on opium production by the Taliban demonstrated on the one hand the power of law enforcement of the Taliban, but on the other hand challenged their regime stability in 2001. Regional warlords and power brokers who sided with the US forces against the Taliban regime were integrated in the key ministries of the interim government of Afghanistan after 2002. They misused the state institutions and permanently manipulated the counter narcotics policies of the Afghan government, generating huge profits from the drug economy. But the main beneficiaries and “regulators” of the Afghan drug economy have been opium traders who maintain good relationships both with state officials, local power brokers and insurgents. The official government of Afghanistan persistently denied the participation of officials and Afghans in the drug economy, instead, they have held international drug networks accountable for it. Karzai’s central government and the coalition forces led by NATO did not pay much attention to allocating sufficient resources for counter narcotics policy in general. They have prosecuted only those drug dealers who collaborate with anti-government elements. Counter narcotics policies were dominated by security considerations of donor countries and coalition forces.

A new counter narcotics policy of the Afghan government after 2014 will probably depend mostly on the negotiated framework of the Bilateral Security Agreement (BSA) and on the priorities of the post-2014 NATO mission *Resolute Support*. After July 2014, the results of the run-off for the presidency will be decisive for the future reconstruction of Afghanistan. Both presidential candidates Ashraf Ghani and Abdullah Abdullah promised to sign the Bilateral Security Agreement (BSA) with the USA, which was rejected by current president Karzai. The question here is whether Karzai’s successor will maintain the status quo of the Karzai government’s counter narcotics policy or whether he will be able to conduct an effective counter narcotics policy. This would include more public awareness and prosecution of main opium traders as well as fostering regional projects to curtail the drug economy. Another question is whether Karzai’s successor will be able to integrate the neighbouring countries of Central Asia into a regional partnership to bring about chances for alternative development of the Afghan economy.

International aid funds corrupted government structures all over the country. Despite the abuse of development funds in rural areas there were attempts to foster alternative models for reducing poppy cultivation in Afghanistan. But most projects were donor-dependent, short-framed and hardly sustainable to really have an impact. Nevertheless, there were seemingly sustainable project ideas of Afghan authorities. But they remained largely unrecognized by international donors. This has been the case with Ashraf Ghani’s initiative of

introducing the plea-label in the textile and clothing industry. But his model was not designated properly and neglected the scarce availability of resources in Afghanistan. In contrast, the approach of *Comprehensive Development* demonstrated sustainable development and long-term cooperation possibilities in Central Asia.

This suggested approach could represent the solid foundation of an efficient development and coherent economic cooperation in the Central Asian region after the withdrawal of NATO combat troops and a possible post-2014 reduction of external aid to Afghanistan. The realization of this approach would support the development of functional infrastructure and the establishment of export-oriented and competitive industrial companies. It would be more constructive to adjust future alternative projects aimed at reducing the drug economy to local industrialization based on resource potentials of neighbouring countries, on the availability of international aid as well as on human capital in Afghanistan. Cooperation between donors, the Afghan government and Central Asian states will be indispensable to contain the drug economy, to build a stable Afghan state, and to combat common threats in the region in 2014 and thereafter.

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