

# THE BALANCED APPROACH TO OPIUM ELIMINATION IN THE LAO PDR

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## **Abstract**

Laos is presently the third largest producer of illicit opium in the world. Committed to its obligation to national policies, as well as international conventions, the Government of the Lao PDR is committed to eliminating illicit opium poppy cultivation in the country and has set a target of doing this by 2006. Opium as part of the shifting cultivation system is largely grown by ethnic minorities in some of the most remote, poorest, and least accessible regions of northern Laos. The national programme strategy to eliminate opium balances three key components: alternative development, demand reduction and law enforcement. Elimination of opium poppy cultivation, shifting cultivation and poverty are ranked as national priorities. To achieve these, a complementary and synergistic development partnership must be formed.

## **Introduction**

In the colonial era, opium monopolies were responsible for a major part of administrative revenues in Laos. After independence, poppy fields were used to fund various paramilitary activities. Cropping expanded until the border areas of Laos, Myanmar (Burma) and Thailand achieved notoriety as the 'Golden Triangle' in the early 1970s. In 2000, the Lao PDR was the third largest producer of illicit opium after Afghanistan and Myanmar. In 2001, after the Taliban banned opium poppy cultivation in Afghanistan, the Golden Triangle was responsible for producing some 76% of the world's illicit opium and accounted for 85% of the total area under illicit poppy cultivation. In 2002, after the fall of the Taliban, Afghanistan regained its position as the number one producer of illicit opium followed by Myanmar and Laos (UNODC 2003b).

In 1949, China had an estimated 1.34 million ha of opium poppy and some 20 million addicts, but it had virtually eliminated both cultivation and addiction by 1952 (Zhou 1997). Major illicit opium producing countries in the east Asian region, such as Laos, Myanmar, Thailand and Vietnam, have enacted legislation against the production and consumption of illicit drugs and have policies and set goals for the elimination of production. During the United Nations General Assembly 20<sup>th</sup> special session in 1998, member countries agreed to work towards eliminating or significantly reducing cultivation of illicit drug crops, including opium poppy, by 2008. Committed to its obligation to national policies as well as international conventions, the Government of the Lao PDR (GoL) has set a target of eliminating illicit opium poppy cultivation in the country by 2006.

In Laos, opium is mostly produced by ethnic minorities as their main cash crop. The product is a way of life, providing cash to buy rice and other basic essentials, and also being used as a medicine. In the absence of health services it provides relief from aches and pain as well as respiratory ailments. It is also used for recreational and traditional ceremonial purposes, but in many cases frequent use leads to addiction. Laos has the second highest opiate consumption rate worldwide. Opium addiction is closely associ-

ated with household social and economic problems and increasing household and village poverty. High rates of addiction deprive highland communities of otherwise productive members.

Opium poppy - as part of the shifting cultivation upland farming system - is cultivated in some of the most remote, isolated and least accessible regions of northern Laos. These regions have some of the highest levels of poverty in the country, and in some areas may have sensitive conditions that could affect national security and stability. These upland mountainous areas lack the socio-economic and physical infrastructure that is a prerequisite for development. Many problems are associated with such areas: villages often have no roads and reaching them requires days of walking; there is a lack of access to health, education, and water; many ethnic group families have a poor understanding of the Lao language, while women especially have heavy workloads; families can be rice deficient for up to four months of the year and livestock also suffer from poor health and nutrition. Since 1997, Amphetamine Type Stimulants (ATS) abuse and trafficking have been posing new dangers to society in the Lao PDR.

To address this situation, there is a need to develop opportunities for income generation, credit and marketing. Efforts are required to strengthen local extension capability to develop and provide access to proven technologies that can improve household livelihood strategies. First of all though, there is a need to address the severe shortfalls in funding for interventions.

The National Drug Control Programme, launched in 1994, calls for a gradual balanced approach to eliminating opium poppy cultivation with an emphasis on Alternative Development (AD). The National Programme Strategy "The Balanced Approach to Opium Elimination in the Lao PDR" was prepared in 1999 in response to an agreement between the GoL and UNODC to eliminate opium in six years through an accelerated rural development programme in major opium producing districts (UNODC 2000). The GoL and UNODC-supported Palaveck project, which commenced in 1989, demonstrated that strong supportive clan leadership and successful community participation in AD interventions can reduce opium without need for punitive measures or forced eradication. This led to further assistance, including the Nonghed AD project, which was able to reduce opium from 332 ha in 1999 to 26.7 ha in 2002. In 2003 UNODC supported four alternative development projects in Boonnuea, Nhot ou and Phongsaly districts of Phongsaly Province, Nonghed district in Xiengkhuang Province, Xamneua district in Huaphanh Province and Long district in Luangnamtha Province. The national programme strategy is to eliminate the causes of opium production and balances three key components: alternative development, demand reduction and law enforcement. Alternative development is to replace the socio-economic incentive behind opium production, demand reduction is to eliminate the opium need of addicts, and law enforcement is to stop trafficking to internal and external markets.

In 1998 some 26,837 hectares was under opium poppy cultivation in the Lao PDR. By 2003, mostly due to the committed efforts of the GoL, opium poppy cultivation had been reduced to 11,973 hectares and the government reported that of this, only 7,847 hectares was actually harvested. This represents a reduction of some 70% in six years, which is very commendable. However it is important to ensure that opium elimination efforts do not outpace the provision of sufficient alternative development and demand reduction interventions to all needy areas.

The United Nations General Assembly Special Session (UNGASS) on the World Drug Problem in 1998 defined AD as “a process to prevent and eliminate the illicit cultivation of drug crops through rural development measures in the context of sustained national economic development in countries taking action against drugs, recognizing the particular socio-cultural characteristics of the target communities and groups”. The International Conference on “The Role of Alternative Development (AD) in Drug Control and Development Cooperation”, held at Feldafing in Germany during 2002, states in its final declaration that, “as regards a balanced approach between AD and law enforcement, AD should neither be made conditional to a prior elimination of drug crops nor should a reduction be enforced until licit components of livelihood strategies have been sufficiently strengthened”. In the Lao context, AD is evolving to mean providing long-term support to sustaining the elimination of opium. The annual national opium poppy cultivation survey of 2003 estimates that the average opium farmer earned 46%, or US\$ 92, of his/her annual income (about US\$ 205) from opium poppy cultivation (UNODC 2003). This is roughly equivalent to the income that could be generated from the sale of a cow or a small buffalo, one tonne of rice, a couple of pigs, five goats, fifty chickens or two pieces of woven silk (Boonwaat 2003).

## **Lessons learned**

Considering the diverse and complex socio-economic, cultural and environmental conditions found in upland opium growing areas, there is no ‘one solution fits all’ approach to AD. Alternative Development project strategies have evolved to include a matrix of approaches and an integrated mix of interventions based on a holistic vision of development, including community strengthening, use of appropriate technology, income generation, financial services, socio-economic and physical infrastructure, natural resource management, and good governance.

The matrix of interactions between government policy, science and technology, investment and finance must be understood and used in an integrated manner to augment what locals already do well and the assets to which they have access. Thus, it is important to work both through livelihood systems at the micro level and through the policies that affect them at the macro level.

Regarding indicators, one has to consider the concept of sustainable human development, outlining a process of enlarging people’s choices. The most critical of these are: to lead a healthy life, to be educated, and to enjoy a decent standard of living with freedom, self respect and respect of others.

National poverty indicators for poor villages include those related to lack of access to education, health, safe water and access roads - conditions common in most opium poppy cultivating villages. Of the 47 poorest districts identified under the National Poverty Eradication Programme, more than two-thirds (32) grow opium poppy. Of the 72 poor districts, 45 grow opium poppy. Of the ten priority districts, seven grow opium poppy. Huaphanh province had the highest absolute number of poor villages and the highest opium production in 2003 and Phongsaly province had the highest percentage of poor villages and the third highest opium production (Committee for Planning and Cooperation 2003). As such the criteria for success of opium elimination should include indicators not only for opium elimination but also for poverty reduction, as well as for those related to sustainable human development.

Lessons learned from AD projects show that interventions which are identified, planned, implemented and monitored utilising a community-based, participatory approach have a higher rate of community ownership, success and sustainability. These should build on community strengths and assets (Boonwaat 2003).

In the Lao context it is crucial to balance all three components of the balanced approach. When eliminating opium it is especially important that the provision of alternative development is geared with the treatment and rehabilitation of opium addicts and the enforcement of community laws and rules.

Experience and lessons from other illicit crop producing countries have shown the crucial need for special alternative development programmes targeting remote isolated opium producing areas. These special development programmes are provided until these areas have reached a certain level of development, before they can be reintegrated into the normal national socio-economic development planning processes.

Gender mainstreaming is an important part of the village participatory approach of AD projects. Women, as the mainstay of their households, do the majority of household work and generate up to 80% of household cash income by working in the fields, especially in the labour-intensive aspects of opium production. Most highland ethnic groups, however, award women little status or opportunity. The education of girls is given low priority and the decision-making role of women outside the household is severely limited. As part of the UN system, UNODC is required to promote gender mainstreaming under its mandated function as the coordinator and centre of expertise in drug control (Bazalgette *et al.* 2000).

Lessons learned include the benefits of setting up and working with activity interest groups, rather than focusing on individual households: promoting the use of group extension and training methods ensures women's participation. It was found that women might feel shy at an individual level, with predominantly male project staff, but have no problem in working together as a group (Boonwaat 2003). Another important lesson involves the need to mobilise and involve the masses in drug control and prevention. Six districts were declared opium free in 2003, including Beng District in Oudomxay Province. UNODC operated an AD project in this district from 1999-2001 and it was found that upland farmers' coping strategies to counter the loss of opium income included increasing rice and maize production, and using their project-learned skills for disease prevention and livestock husbandry to increase pig production. The pigs were then sold to traders that visited the villages using newly constructed access roads. Farmers reported that the income received was comparable with that received from opium (Boonwaat *et al.* 2003).

Extension approaches have evolved to include a flexible combination that includes study and dialogue to create awareness and interest, followed by participatory strengths and assets assessment, and building on indigenous skills and knowledge to improve household livelihood strategies. Identification, planning and implementation of interventions are carried out by Village Development Committees, with the formation of activity interest groups. Training is provided through the intensification of appropriate technical support which leads to action utilising community-selected pilot families within the same activity groups. Participatory monitoring and evaluation of lessons learned is carried out at all stages and followed by networking and expansion of best practices. Consolidation of activity groups is carried out to manage supply inputs and sales, thereby ensuring continued development of technology and exchange.

Various appropriate approaches and technologies have been developed to improve socio-economic infrastructure. These include community construction of access roads, educational and health facilities, village water supply etc. An important lesson learned is to ensure community contribution to and ownership of the various schemes. More success is achieved by improving existing livelihoods rather than introducing new ones. Appropriate technologies have been developed to improve income and this work needs to be continued. An example is adding value through agro-processing: the difference in price between coffee beans and a finished cup of coffee ranges from US\$ 2 for a kilo of green beans, to US\$ 10 for roasted beans, to US\$ 20 for roasted retail beans, to US\$ 100 for a cup of prepared coffee (Diskul 2003). The global coffee industry is estimated at some US\$ 65 billion of which only US\$ 6 billion, goes to farmers.

The importance of a market-driven approach instead of a product-driven one is a lesson sometimes learned the hard way. Some projects have promoted trials to produce crops and commodities and only then started to look for markets, rather than conducting market studies first and involving the private sector in efforts to increase village income opportunities.

AD projects have tried to introduce and provide access to micro-credit, some with more success than others. Village revolving funds that are managed by the community and are not cash based, but have interest paid back in kind, have been more successful in remote areas. These includes village rice banks and livestock banks.

## **Conclusion**

Opium poppy cultivation has been reduced significantly in the Lao PDR during the last six years. It is important to ensure that indicators for success in eliminating opium include not only reductions in area cultivated, but also relate to ensuring food security and improvements to sustainable livelihoods and sustainable human development. The issues related to opium, stabilisation of shifting cultivation and poverty elimination must be addressed together. This requires a long-term approach that should continue even after most farmers have stopped opium poppy cultivation.

It is estimated that some 70,000 households have cultivated opium poppy in the Lao PDR. Women are the mainstay of these households. Although women do most of the work involved in producing opium, it is usually men who control the proceeds. Given a choice, nearly all women would give up opium cultivation voluntarily. This makes them key players in the success of opium elimination and emphasises the need for gender mainstreaming.

Elimination of opium poppy cultivation, shifting cultivation and poverty are ranked as national policy priorities for the Government of the Lao PDR. To eliminate opium, issues related to poverty reduction as well as stabilisation of shifting cultivation must be addressed, as they are synonymous in the opium poppy growing areas. To achieve this a complementary and synergistic development partnership must be formed between all relevant parties.

UNODC's operational priority is to identify and promote best practices for expansion and replication on a national scale, with the aim of mainstreaming drug control issues into national development priorities, policies, strategies and programmes. These include the National Poverty Reduction Programme, which is targeting the 47 poorest districts

with ten priority districts, the National Stabilisation of Shifting Cultivation Programme, the Forest and Land Allocation Programme and the policy for decentralisation.

There is no one-step answer. A variety of economic options and programmes should be promoted, some of which will work better than others. To achieve success will take time, commitment and money and will require a long-term approach that focuses on building up local capacity, based on self help, and is aimed at the sustained elimination of opium production and consumption.

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