

Consolidating Power in Fragile States: Evidence from Afghanistan's Poppy Ban

Afghanistan's 2022 ban on opium poppy cultivation created a rare case of abrupt, policy-induced resource depletion in a fragile state. As opium production accounted for up to 14% of Afghanistan's economy, the ban generated a large but unevenly distributed shock with implications for conflict and political control. We use this policy shock to study how resource depletion reshapes conflict dynamics and power consolidation in a fragile state. Using a district-month panel and a difference-in-differences design with continuous treatment intensity based on pre-ban poppy cultivation, we find that the effects of the ban differ sharply across violence types and space. Districts more exposed to poppy cultivation show signs of economic grievance, including more protests and riots, but no broad increase in organized armed conflict. By contrast, districts with pre-existing anti-Taliban resistance activity experience declines in organized violence after the ban. These patterns are difficult to reconcile with an opportunity-cost versus contest-effect intuition traditional in the literature in which the same marginal actors switch between production and fighting. We therefore propose a framework in which farmers and fighters represent distinct groups with different incentives and constraints. The framework is consistent with our findings that the ban directly harmed exposed farming districts while indirectly weakening organized resistance capacity elsewhere.