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THE SMUGGLERS' LANDSCAPE:
GEOGRAPHY, ROUTE SELECTION AND THE GLOBAL HEROIN TRADE

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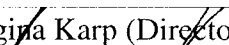
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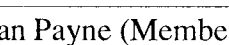
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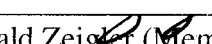
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ABSTRACT

THE SMUGGLERS' LANDSCAPE: GEOGRAPHY, ROUTE SELECTION AND THE GLOBAL HEROIN TRADE

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Old Dominion University, 2004
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This study focuses on transnational smuggling, and puts forth an analytical framework from the smugglers' perspective with respect to route selection, focusing primarily on aspects of economic, political, and human geography. It is predicated on three interconnected decision-making domains that constitute the smuggler's operational landscape, namely access, risk and connectivity, which interact to drive the smugglers' perceptions of route attractiveness. The first two domains operate reciprocally, primarily at the national level of analysis, and together both shape and are shaped by the third at the transnational level to form a feedback loop. With respect to connectivity, the convention of the smuggling vector is also introduced.

As a benchmark commodity, heroin is used to demonstrate the utility of this approach with the primary aim of applying and validating the generic geographic smuggling model, meant to be extensible in terms of space, time and commodity. A review of the literature, focusing on the range of smuggled commodities, the nature and evolution of smuggling actors, the complex relationship between smuggling networks and nation-states, and potential modes of transportation by land, water and air. A discussion of the spatial parameters of the global heroin trade itself, with specific reference to the geography of supply and demand, is also undertaken.

For case studies, Afghanistan has been chosen as one of the two largest opium

cultivators worldwide, as well as by virtue of its recent and dramatic history. In addition to established cocaine smuggling routes and methods, Colombia has also become a primary heroin source country with respect to the U.S. market. Finally, Nigeria is a known transit hub without being a center of production, demonstrating that factors other than mere proximity can be decisive.

Each case study first examines those geographic and historical factors that shape heroin smuggling at the national level, focusing on the themes of terrain, tradition and domestic turmoil, before considering the various sets of smuggling vectors that proceed outward via various modes and points of transit to their final destinations. This methodology not only highlights data gaps inherent in analyzing black markets, but also optimizes extant sources of information.

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ABBREVIATIONS

9/11	Reference to the terrorist attacks of 11 September 2001
ACSI	Americas Counter Smuggling Initiative, operated under USCS auspices
AEGD	<i>Association d'Études Géopolitique des Drogues</i> , or Centre for Geopolitical Drug Studies, successor organization to OGD
ATS	Amphetamine-type stimulant
AUC	<i>Autodefensas Unidas de Colombia</i> , or United Self-Defense Forces of Colombia
BASC	Business Anti-Smuggling Coalition, operated under USCS auspices
C-TPAT	Customs-Trade Partnership Against Terrorism, operated under USCS auspices
CATF	Chemical Action Task Force, established under G-7 auspices
CCC	Customs Co-operation Council
CIA	Central Intelligence Agency (U.S.)
CIP	Carrier Initiative Program, operated under USCS auspices
CNC	Crime and Narcotics Center, CIA
CSI	Container Security Initiative, operated under USCS auspices
DEA	Drug Enforcement Administration, U.S. Department of Justice
DIA	Defense Intelligence Agency, DoD
DMP	Domestic Monitoring Program, DEA
DoD	U.S. Department of Defense
DOJ	U.S. Department of Justice
DOT	U.S. Department of Transportation
ECOWAS	Economic Community of West African States

ELN	<i>Ejército de Liberación Nacional</i> , or National Liberation Army (Colombia)
EMCDDA	European Monitoring Centre for Drugs and Drug Addiction (E.U)
EPIC	El Paso Intelligence Center, DEA
ETA	<i>Euzkadi ta Askatasuna</i> , Basque separatist group (Spain)
FARC	<i>Fuerzas Armadas Revolucionarias de Colombia</i> , or Revolutionary Armed Forces of Colombia
FATF	Financial Action Task Force, established under G-7 auspices
FDLE	Florida Department of Law Enforcement
FinCEN	Financial Crimes Enforcement Network, U.S. Department of the Treasury
FSU	Former Soviet Union
G-7	Group of Seven major developed countries (U.S., Canada, U.K, France, Germany, Italy and Japan, expanded to G-8 by inclusion of Russia in 1997)
GAO	U.S. General Accounting Office
GIS	Geographic information system
GTO	Geographical Targeting Order (U.S.)
HIDTA	High Intensity Drug Traffic Area, as designated by ONDCP
IAPH	International Association of Ports and Harbors
ICCSS	Interagency Commission on Crime & Security in U.S. Seaports
IMF	International Monetary Fund
INL	Bureau for International Narcotics and Law Enforcement Affairs, U.S. Department of State
INCB	International Narcotics Control Board (U.N.)
INCSR	International Narcotics Control Strategy Report, issued by INL
INS	Immigration and Naturalization Service, U.S. Department of Justice

IRA	Irish Republican Army
ISI	Inter-Service Intelligence Directorate (Pakistan)
LSD	Lysergic acid diethylamine
LTTE	Liberation Tigers of Tamil Elam (Sri Lanka)
MARAD	Maritime Administration, U.S. Department of Transportation
MDMA	3, 4-methylenedioxymethamphetamine, also known as “Ecstasy”
MNC	Multinational corporation
MCRI	Multinational Chemical Reporting Initiative, established under G-7 auspices
MRTA	<i>Movimiento Revolucionario Tupac Amaru</i> , or Tupac Amaru Revolutionary Movement (Peru)
MT	Metric ton, equivalent to 1,000 kilograms or 2,200 pounds
NAFTA	North American Free Trade Agreement between the U.S., Mexico and Canada, implemented in January 1994
NDIC	National Drug Intelligence Center, U.S. Department of Justice
NDLEA	Nigerian Drugs Law Enforcement Agency
NGO	Non-governmental organization
NNICC	National Narcotics Intelligence Consumers Committee (U.S.)
NNPC	Nigerian National Petroleum Corporation
NWFP	North-West Frontier Province, Pakistan
OAU	Organization of African Unity, renamed the African Union in 2003
ODCCP	Office for Drug Control and Crime Prevention (U.N.)
OGD	<i>Observatoire Geopolitique des Drogues</i> , now defunct, succeeded by AEGD
ONDCP	Office of National Drug Control Policy (U.S.)

OPEC	Organization of Oil Producing Countries
PKK	<i>Partiya Karkeran Kurdistan</i> , or Kurdistan Worker's Party (Turkey)
PNC	<i>Policía Nacional de Colombia</i> , or Colombian National Police
RICO	Racketeering-Influenced and Corrupt Organizations statutes (U.S.)
SADC	Southern African Development Conference
SL	<i>Sendero Luminoso</i> , or Shining Path (Peru)
SPS	Strategic Problem Solving process, implemented by the USCS
TTA	Transit Trade Agreement, governing cross-border trade between Afghanistan and Pakistan
TCO	Transnational criminal organization
TEU	Twenty-ton equivalent unit, the standard cargo container size
UHV	Upper Huallaga Valley, Peru
UNDCP	U.N. International Drug Control Programme
USCS	U.S. Customs Service
WCO	World Customs Organization

CHAPTER I

INTRODUCTION

The terrorist attacks of 11 September 2001 (9/11) cast the need for the global community to effectively deal with organized criminal activity that transcends national borders into sharp relief. Given the ongoing reaction to this event, with regard to both the nation-state itself and the wider international system, the post-Cold War era may now be truly seen as a time when concern over transnational security threats has reached parity with the more traditional state-versus-state calculus of power. In this context, the term “transnational” is used to refer to the movement of information, money, physical objects, people, or other tangible or intangible items across national boundaries, when at least one of the actors involved in this movement is non-governmental.¹

While terrorism has become most prominent aspect of such transnational criminal activity, it is intertwined with a number of related phenomena and enabling factors. Similarly, though perhaps prosaic by comparison, the ability of various types of groups to successfully engage in smuggling, namely the illegal movement of goods across international borders or jurisdictions, nonetheless lies at the heart of many of these non-state actors’ capabilities. For instance, in addition to providing logistical support for terrorist and other armed groups, the movement of various proscribed commodities across international borders for profit is both globally endemic and highly lucrative.

This paper follows the format requirements of Kate L. Turabian, *A Manual for Writers of Term Papers, Theses, and Dissertations*, 6th ed., rev. John Grossman and Alice Bennett (Chicago: University of Chicago Press, 1996).

¹ This definition comes from Phil Williams and Ernesto U. Savona, “The United Nations and Transnational Organized Crime,” *Transnational Organized Crime* 1, no. 3 (Autumn 1995), 4-5.

Moreover, smuggling forms an essential component of numerous other transnational criminal enterprises, ranging from intellectual property and copyright violations to illegal immigration, and from the fencing of stolen property to the potential placement of weapons of mass destruction.² According to Robert Mandel, among the most pressing transnational concerns within this issue area are the smuggling of drugs, arms, migrants and hazardous materials.³ These also parallel what Moise Naim refers to as the “five wars of globalization,” namely the challenges of controlling the illegal trade in drugs, arms, intellectual property, migrants and money at the global level.⁴ Finally, a host of other illegal activities often support smuggling in turn, including bribery, forgery, money laundering, and both the threat and use of violence.

Much of this activity takes place at the direction, or at least under the auspices, of transnational criminal organizations (TCOs), the nature and evolution of which are discussed at greater length in the next chapter.⁵ Incidentally, alternative labels

² The various manifestations of this activity are discussed at greater length in Appendix A, “Typology of Smuggled Goods.”

³ Robert Mandel, “Deadly transfers, national hypocrisy, and global chaos,” *Armed Forces & Society* 25, no. 2 (Winter 1999), 307-31.

⁴ Moises Naim, “The five wars of globalization,” *Foreign Policy*, January-February 2003, 28-37. For a more extensive overview of this phenomenon, see also Edgardo Rotman, “The globalization of criminal violence,” *Cornell Journal of Law and Public Policy* 10, no. 1 (Fall 2000), 1-42.

⁵ The concept of TCOs will be referred to prominently throughout this study. As such, it is useful to put forth a working definition of the term from the outset. To begin with, the U.S. law enforcement community considers any “continuing and self-perpetuating criminal conspiracy, having an organized structure, fed by fear and corruption, and motivated by greed” as a criminal organization. This definition comes from U.S. Interagency Working Group, *International Crime Threat Assessment* (Washington, DC: GPO, December 2000), Ch. I, 4, available at <http://www.fas.org/irp/threat/pub45270index.html>, accessed 15 July 2004. Furthermore, the same source notes the following as common characteristics of most TCOs: seeking financial gain; requiring member loyalty through ethnicity and family considerations; pursuing the corruption of government officials; a hierarchical structure; diversity in terms of types of crimes; an organizational maturity that transcends individual personalities; and multi-jurisdictional activities. However, one of the most succinct definitions of TCOs as “organized crime groups that have a home base in one state but operate in one or more host states where there are favorable market opportunities,” comes from Williams and Savona, 6. This definition will be taken as a point of departure, with aspects of its underlying concepts discussed at length within the context of this analysis. For more on this issue, see also

encompassing this issue include international, global or multinational organized crime, as well as the more disconcertingly nonjudgmental “gray-area phenomenon.”⁶ However, at this juncture it is sufficient to note, as does Peter Andreas, that while such groups engage in numerous types of illegal activity, “the cross-border dimension of their business largely involves smuggling in one form or another.”⁷

While most studies of illegal activity tend to approach issues from the law enforcement point of view, in this instance the analysis is consciously skewed toward assessing the most logical course of action in specific operational environments from the smugglers’ perspective. This dissertation examines how, in an age of increasing globalization and logistical sophistication, the actual routes and methods by which black market commodities make their way from supply to demand areas shift in accordance with the smugglers’ perceptions of how, and where, such business can be most expeditiously and profitably transacted. As such, this activity may be seen as following the paths of least resistance, or those routes that are the most attractive to the relevant smuggling actor in terms of offering the highest profits with the least risk of compromise.

Phil Williams, “Organizing Transnational Crime: Networks, Markets and Hierarchies,” *Transnational Organized Crime* 4, no. 3 / 4 (Autumn / Winter 1998), 60-6.

⁶ Peter A. Lupshka, “Transnational Organized Crime Versus the Nation-State,” *Transnational Organized Crime* 2, no. 1 (Spring 1996), 21-48. Broadly speaking, this issue can become very taxonomically confusing if one chooses. As an example, by one definition, transnational criminals are those based in one country who cross international borders to commit crimes before returning home. Alternately, international criminals are characterized as tending to establish ongoing illegal enterprises in two or more countries. David L. Carter, “International Organized Crime: Emerging Trends in Entrepreneurial Crime,” in *Understanding Organized Crime in Global Perspective*, ed. Patrick J. Ryan and George E. Rush (Thousand Oaks, CA: Sage Publications, 1997), 139. To avoid this, throughout this study the term “TCO” will be used generically to delineate a relatively wide range of actors, with the specific context set forth as necessary. For instance, it is the author’s contention that many terrorist groups in fact can fit the definition of a TCO, provided they extend their operations across national borders to undertake various types of illegal activities, particularly with respect to funding.

⁷ Peter Andreas, “Smuggling Wars: Law Enforcement and Law Evasion in a Changing World,” *Transnational Organized Crime* 4, no. 2 (Summer 1998), 76.

The focus of this study is on the parameters of this geographic attractiveness as it influences smuggling route selection, both at the national and transnational levels of analysis. As such, in some ways the responsive behavior of smuggling actors resembles the type of two-level game described by Robert Putnam.⁸ Similarly, in framing this issue with respect to legitimate commerce, Toby B. Gooley notes the four main factors determining route selection are physical infrastructure, proximity to suppliers and consumers, political and tax considerations, and international trade conditions.⁹ However, as smuggling actors engage in their operations, additional dimensions must be taken into account in assessing the path of least resistance.

For instance, in his excellent book on the global drug trade, Paul B. Stares cites the need for an understanding not only of illegal economic activity itself, but also the forces that shape it. These factors include, but are not limited to, economic liberalization, globalization, political developments in key countries, and geographic advantages and constraints.¹⁰ An added dimension is the sheer growth of world trade as a complicating factor. In response to higher volumes of import and exports in which contraband can be concealed, national governments are also under pressure to lower trade barriers and streamline customs procedures. This in turn helps to multiply the number of unmonitored international transactions that can be exploited.

In general, there are three overriding themes that emerge from the analysis of the smugglers' landscape. The first is that, while smuggling can be found across the globe,

⁸ Robert Putnam, "Diplomacy and domestic politics: the logic of two-level games," *International Organization* 42, no. 3 (Summer 1988), 427-60.

⁹ Toby B. Gooley, "The Geography of Logistics," *Logistics Management & Distribution Report* 37, no.1 (January 1998), 63-5.

¹⁰ Paul B. Stares, *Global Habit: The Drug Problem in a Borderless World* (Washington, DC: Brookings Institution, 1996), *passim*. Incidentally, numerous others have also noted the impact of these factors, all of which will be examined at further length in the next chapter.

the terrain, traditions and domestic turmoil of certain nations can make them particularly attractive to smugglers. This notion of attractiveness becomes more readily apparent in the context of the case studies, and forms the crux of the national level of analysis. A second and related observation is that despite their often greater resources, in geographic terms national actors are more highly circumscribed in their actions than transnational ones, while at the same time the level of cooperation between states necessary to effectively counter smuggling at the transnational level is generally lacking. Finally, the degree to which various black markets are interrelated at all levels, often in fact directly linked by various forms of illegal transactions, must be recognized and taken into account.

As Shona Morrison points out, among other rationales for a strategic approach to the analysis of smuggling is to more effectively allocate limited national resources, as such decisions are often made more in response to immediate threats than in consideration of less tangible future activity. The natural result of this tendency is that most models tend to focus strictly on the routes that are being used at any given point in time, rather than the dynamics that either shape these routes or their potential successors. As such, a deeper understanding smuggling route attractiveness, or the reasons why smugglers exhibit a preference for one route over another, as well as how these perceptions change over time, is necessary.¹¹

More broadly, in addition to calling for more sophisticated methodologies that are not necessarily predicated on a rigid preoccupation with numbers, Phil Williams observes that an important endeavor of data collection and analysis relating to transnational

¹¹ Shona Morrison, "The Dynamics of Illicit Drug Transshipment and Potential Transit Points for Australia," *Transnational Organized Crime* 3, no. 1 (Spring 1997), 1-2.

organized crime should be anticipating developments and even, potentially, detecting anomalies in predicted outcomes. Echoing Morrison, he also stresses the need to put particular emphasis on the dynamics of illegal activity. In particular, this includes, but is not limited to, the possible redistribution of criminal activity from one region to another; the efforts of TCOs to co-opt legitimate political and economic actors; their expansion into new market niches; and the formation of cooperative relationships.¹²

The various manifestations of transnational smuggling phenomena are determined to a high degree by an exceedingly complex set of physical, political, economic and human factors that shape the parameters of smugglers' decision-making, particularly at the national level of analysis.¹³ Given the spatial component inherent to each of these dimensions, the common interface among these discrete sets of variables can be seen as geographic in nature. Collectively, this template of the smugglers' operational environment is referred to throughout this analysis as the smugglers' landscape. To illustrate the dynamics that shape this landscape, the specific benchmark commodity under scrutiny throughout this study is heroin, though trade interactions with other illegal goods are also addressed as they arise.

As David G. Hansen notes in discussing the strategic utility of geographic analysis, "The ageographical quality of our world causes many of us to overlook the geographical motives for behavior."¹⁴ As such, an important aim of this study is to

¹² Williams, "Organizing Transnational Crime," 82-5.

¹³ The concept of complexity, or how discrete elements organize themselves into complicated structures that emerge with apparent spontaneity and adapt over time, has itself evolved into a subject of study. In the context of the philosophy of science, for instance, parallels among complex systems ranging from ecosystems and economies to physics and meteorology are drawn in M. Mitchell Waldrop, *Complexity: The Emerging Science at the Edge of Order and Chaos* (New York: Touchstone / Simon & Schuster, 1992).

¹⁴ David G. Hansen, "The Immutable Importance of Geography," *Parameters* XXVII (Spring 1997), 59.

demonstrate the utility of spatial analysis or explaining observable patterns of black market activity, in this case the transportation of illicit goods. Rather than a categorical distribution, such as those seen in statistical analyses, spatial analysis centers on variations spread out along a surface. The inherent challenge is to meaningfully elaborate upon those factors that constitute the dominant selection criteria used by international criminal organizations, either deliberately or by default, to determine the attractiveness of a particular transnational smuggling route.

An important precedent for a geographical approach to the analysis of black market logistics can be found in various reports issued previously by the now-defunct Paris-based Observatoire Géopolitique des Drogues (OGD), specifically with reference to the issue area of drug trafficking.¹⁵ However, there are two distinct differences between those efforts and this one. First, an attempt has been made to develop a more systematic framework for the analysis of smuggling trends and patterns than those found previously. Second, this framework is not, in theory, limited to the smuggling of drugs, but rather consciously designed as an open architecture able to accommodate a wide range of contraband.

This study is predicated upon the idea that transnational smuggling route selection is a function of smugglers' spatial perceptions regarding the relative attractiveness of available routes, filtered through the decision-making domains of access, risk and connectivity. While the various aspects and interactions of these decision-making domains are discussed below, the overriding goal is to develop a means of sorting diverse

¹⁵ As of this writing, the final report put out by this organization was Observatoire Geopolitique de Drogues (OGD), *The World Geopolitics of Drugs 1998 / 1999* (Paris: OGD, April 2000). Since then, its work has been superseded by that of the Association d'Études Géopolitique des Drogues (AEGD, or Centre for Geopolitical Drug Studies).

data points, observations, trends and events that shed light on the phenomenon of transnational smuggling. As such, this smuggling template is developed first in its generic form without reference to a specific commodity, and then applied to the global trade in heroin.

The Smugglers' Perspective: Initial Assumptions

Before expanding upon the conceptual framework that underpins this study, it is first necessary to place transnational smuggling phenomena in context to circumscribe and more meaningfully address the issue. To facilitate this task, a number of assumptions must be made in advance. Despite being initially put forth in this section, however, many of these themes are expanded upon in greater length in the context of subsequent chapters.

As noted above, within this conceptualization the cornerstone of the smugglers' landscape is geography. From this perspective, the unifying principle among those physical, economic, political and human factors that have a direct impact upon the smuggling landscape is their spatial elements. Thus, in order to navigate through their complex landscape, smugglers must rely either consciously or subconsciously on an underlying framework of geographic logic in order to select among possible routes to determine which is the most attractive.

This assertion itself rests upon two main assumptions. The first and most basic of these is that there in fact exists a fundamental link between these various aspects of geography and transnational smuggling activity that is analogous in many ways to that between geography and more legitimate commercial activity. The second is that, *ceteris*

paribus, smuggling route selection tends to follow the path of least resistance, as noted above, with respect to the overall smuggling landscape as contraband moves from point of origin to final destination.

As such, it is taken as a given that black market economic activity, as well as licit commerce, is inextricably connected to physical geography.¹⁶ As evidence of this, in many respects transnational smuggling patterns seem to correspond geographically to those of legitimate trade. Similarly, globalization in its many manifestations has greatly increased opportunities for both licit and illicit trade. As a result, policies of economic liberalization, such as the removal of trade barriers, can be seen as facilitating the movement of smuggled goods as well. With respect to economic geography, smuggling can certainly be seen to follow those spatial conduits that ensure the highest relative rate of return, even if that route is not the most direct one available. Thus, the trade-offs between profitability and risk in determining the attractiveness of a given route become readily apparent.

Moreover, the geography of transnational smuggling is obviously shaped by the international political landscape as well. The interaction between economics and politics within this issue area are readily apparent, given nation-states' desires to control their borders. In particular, the variable porosity exhibited by the world's many borders testifies to the wide range of capabilities among nation-states in this respect.¹⁷ Finally,

¹⁶ With respect to the interaction between economics and geography, Paul Krugman notes that "the subject of economic geography is important in itself; it sheds light on international economics, and it is a valuable laboratory of understanding economics in general." Paul Krugman, *Geography and Trade*, Gaston Eyskens Lecture Series (Cambridge, MA: MIT Press; Leuven, Belgium: Leuven University Press, 1991), xi.

¹⁷ This issue will be discussed at much greater length in the next chapter. However, for a more traditional analysis of logistics within the realm of legitimate commerce, see Gooley, 63-6; and, more comprehensively, Donald F. Wood and James C. Johnson, *Contemporary Transportation*, 3rd ed. (New York: Macmillan Publishing Company, 1989).

human factors such as demographic and migration patterns also have a definite and discernible impact on transnational smuggling activity.

As this proposed geographic smuggling framework has been consciously designed as an open architecture that is both functional and extensible in nature, it can in theory accommodate any illicit commodity. Thus, a corollary assumption is that, in the illegal movement of disparate goods, certain analogous dynamics exist that transcend the specific attributes of the commodities themselves. The smugglers' decision-making process can thus be analyzed regardless of the commodity in question, given the appropriate parameters. In its broadest application, such a generic analytical framework can serve as the basis for the generation of various permutations depicting the movement of a wide range of illegal goods, given the geospatial and other data inputs of supply and demand as dictated by the relevant black markets.

The final assumption to be made is that the transnational smuggling activity is question be primarily motivated by profit, which is incidentally almost always commensurate with risk. While it is by no means accurate to say that such enterprises are never undertaken for other than economic purposes, there are a number of reasons for circumscribing the discussion in this manner. To begin with, in both conceptual and practical terms, this allows the actions of smugglers to be characterized more homogeneously as those of relatively rational economic actors, as opposed to those underpinned by potentially idiosyncratic and diverse political agendas.

For instance, as mentioned at the outset, smuggling is often linked both explicitly and implicitly to terrorism, in many respects a valid association that is assessed further in the next chapter. Despite obvious commonalties, however, by its nature smuggling is

qualitatively different from terrorism. For instance, terrorist acts tend to be singular and dramatic occurrences, generally devastating in intent and, when successful, in execution, and usually involving perpetrators, victims and some sort of message or demand directed toward a larger target and a wider audience.

By contrast, smuggling activity can be functionally represented most accurately as an ongoing activity represented by a series of discrete iterations. As such, it is best conceptualized as more of a process than as an event, and in this respect has more in common with other economically motivated crimes such as for-profit extortion, hostage-taking or piracy. In turn, the goal of the nation-state in countering terrorism is geared toward total threat elimination, while smuggling countermeasures generally serve to raise the risk threshold of doing business in a given venue above acceptable limits and to thus increase the probability of an unsuccessful transaction. While smuggling can certainly form an adjunct to crimes motivated primarily by politics rather than economics, in nearly every instance and particularly where middlemen are involved, there is almost always some form of profit incentive at work as well.¹⁸

However, an excellent example of politically motivated smuggling can be found in the various scenarios of terrorist groups moving weapons of mass destruction into a

¹⁸ This issue will be dealt with at greater length in next chapter. However, the following passage, though somewhat lengthy, illustrates the convergence of these different types of organizations: “With the substantial decrease in state-sponsored support, many insurgencies and extremist groups reach out to criminal networks to acquire arms and supplies that cannot be obtained through more traditional or legitimate channels. Unlike insurgent groups, criminal groups are well connected to outside gray market arms merchants, transportation coordinators, money launderers, and other specialists who can provide the weapons and other logistics support once given by state sponsors. Organized crime groups are also more likely than armed illegal political, ideological, or religious movements to have stables of corrupt contacts in customs, immigration, and other law enforcement authorities to facilitate the smuggling of weapons and other contraband to extremist and insurgent groups. Armed groups are also turning to criminals to acquire high-technology items, like encryption software or global positioning equipment, that are otherwise unobtainable.” U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 6-7.

target country via established commercial channels.¹⁹ Though for the most part such cases fall beyond the bounds of this discussion, an assessment of the ulterior motives involved in transnational criminal activity that encompasses smuggling as a constituent element can serve to sharpen the analytical approach set forth herein. While both the confluence and divergence between economic and political agendas definitely exists, the focus here remains on the former, though the latter is addressed as it arises in context.

Under this set of assumptions, the smuggler is thus best seen as an opportunist responding to the conditions inherent to a specific operational landscape, working under a framework of bounded rationality, and filling a niche left vacant by more conventional economic entities. Most often, the smuggling of particular commodities is presented in terms of a security threat, a purely economic activity or a development issue, as is discussed in the next chapter. However, an analytical framework based on geography can encompass the most pertinent elements of each approach onto a common template in order to model the landscape that smuggled commodities must move through.

The Smugglers' Landscape: Access, Risk and Connectivity

To begin developing a generic geographic smuggling model, there are several issues that need to be addressed from the outset. The first is to set the initial context of the discussion with respect to the broader dimensions of geographic analysis. The second is to conceptualize access, risk and connectivity as they apply to the smugglers' decision-making processes with respect to route selection and the resultant accrual of expected

¹⁹ As of this writing, this issue has become increasingly more prominent. See, for instance, Michael Richardson, "Countries join with the U.S. to screen cargo for terrorist shipments," *International Herald Tribune*, 23 September 2002, 3.

profits. Finally, the analytical framework representing the parameters of the smugglers' landscape must be fully rendered, taking into account both decision-making domains that shape the smugglers' perceptions of the relative attractiveness for a given route.

As a point of departure, the diagram below highlights the three primary conceptual axes of geographic analysis, namely those relating to space, time and perspective. In terms of the spatial axis, although the smuggling route selection criteria can be applied across various levels of analysis, the explicit focus is on smuggling routes originating in one nation and then crossing international borders. The temporal axis highlights changes to the smuggling landscape over time. Finally, the perspectives of various geographic disciplines form the fundamental parameters of black market logistics, and as such are critical to the furtherance of this analysis:

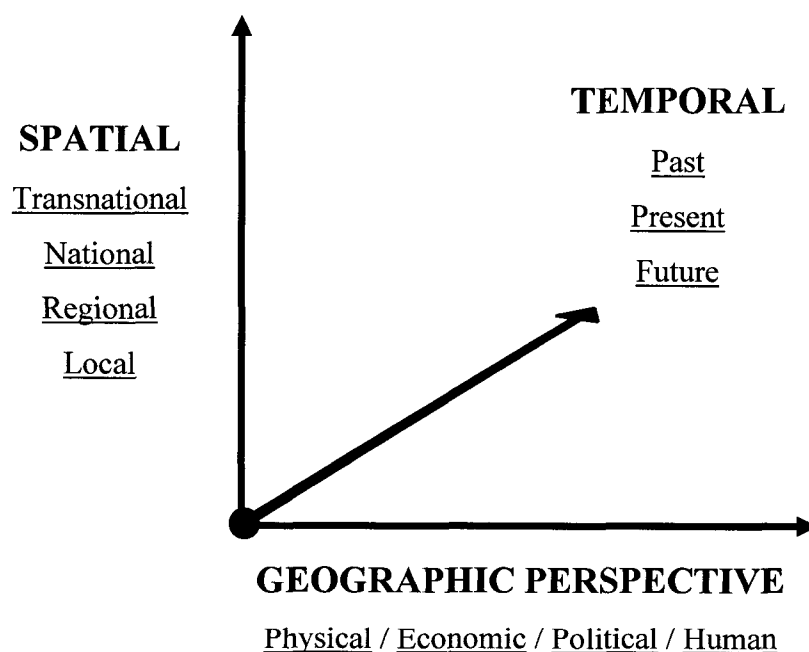


Fig. 1. Dimensions of geographic analysis²⁰

²⁰ This diagram is adapted from Bruce Mitchell, *Geography and Resources Analysis*, 2nd ed. (New York: Longman Scientific and Technical, 1989), 6. As originally presented, it represents an attempt to describe

Building upon these three axes, the generic spatial model put forth to assess the decision-making process governing smuggling route selection falls into three distinct, though interrelated, domains. As mentioned previously, these are access, risk and connectivity. Each of these three decision-making domains can be seen to have a distinct spatial dimension with respect to physical, economic, political and human geography. However, having returned to the framework implied by these discrete decision-making domains, a clarification of terms becomes necessary.

To begin with, in this context access is most simply defined as the smugglers' degree of confidence in and control of a smuggled commodity throughout the logistical process, determined primarily at the national level. This has been modified slightly from traditional logistical usage, that of a nodal attribute that measures the effort necessary to reach all other nodes or certain nodes from a given node within a network. Rather than a more common, static formulation, such as the various methods that topographically examines the number of links between point A and point B, in this representation a more dynamic process serves to illustrate this basic attribute of the smugglers' decision-making criteria.²¹ However, as Eugene Van Cleef notes, "Access should not be confused with mere distance. It does not necessarily imply nearness."²²

In this conceptualization, access encompasses all the potential efforts that a smuggling actor can take to maximize operational efficiency in moving contraband

an analytical framework in three dimensions for the analysis of natural resources in terms of factors such as dispersal, allocation, demand and distribution. In that context, it may be seen as an ancillary tool for resource management and development.

²¹ Examples of standard accessibility measures with respect to a given network include the beta index, which compares the number of links in a network with the number of available nodes; the gamma index, which compares the actual number of links with the maximum number; and the Shimbel index, which measures the minimum number of links necessary to connect one node with all nodes in the network.

²² Eugene Van Cleef, *Trade Centers and Trade Routes* (New York: D. Appleton – Century Co., 1937), 13.

through a logistical network linking points of origin to final destinations, by extension increasing the probability of a successful transaction and the its resultant profits. As such, it represents a highly divergent set of factors that the transnational smuggling can at least attempt to control, and that in turn can actively cause a given route to be perceived as more or less attractive.

By contrast, those factors that serve to impede access, often referred to as friction of distance, fall under the heading of risk. As such, with respect to smuggling, risk may be defined as the probability that the use of a given smuggling route will result in a successful transaction, with the implication that there are forces at work that may either intentionally or unintentionally be working to reduce that probability. In terms of the path of least resistance, risk *is* resistance. Moreover, the inverse correlation between risk and profit in practical terms is also worth reiterating at this juncture.

In his extensive study of the evolution of risk as a concept, Peter L. Bernstein writes, “The essence of risk management lies in maximizing the areas where we have some control over the outcome while minimizing the areas where we have no control over the outcome and the linkage between cause and effect is hidden from us.”²³ Risk may be thought of as the consequences of an undesirable event, multiplied by the probability of its occurrence. In even simpler terms, risk may be thought of as the set of factors that tend to “push” smuggling activity toward different routes by making a given route relatively less attractive, as opposed to those that serve to “pull” such activity to the

²³ Peter L. Bernstein, *Against the Gods: The Remarkable Story of Risk* (New York: John Wiley & Sons, 1996), 197.

given route by enabling smugglers' access and thus increasing that route's attractiveness.²⁴

Risk management for smuggling actors, as well as other entities, is the process of avoiding controllable risks and planning for uncontrollable risks. Though not the sole extant factor, interference emanating from the nation-state can be seen as the primary source of smugglers' risk, as noted above, though an unsuccessful smuggling transaction could also be the result of accident, natural disaster or the actions of other non-state actors. However, it is interesting to note that risks that can be surmounted may serve to make the resultant reward that much greater in terms of profit margin. After all, the Chinese character for risk is composed of two distinct components, one denoting "danger" and the other "opportunity."

Finally, connectivity may be defined with respect to the decision-making process related to the actual modes of transportation and methods of concealment used to transport smuggled commodities across international borders. The traditional usage of the term refers to the attribute of a network that measures the number of links necessary to reach all nodes from all other nodes. It is always an aggregate characteristic that refers to the network as a whole rather than a single node. In other words, connectivity is the level of effort needed to reach across a given network.

In practical terms, and as a dynamic concept, connectivity can only be assessed via observation of the various routes taken during smuggling transactions across multiple iterations. Intuitively speaking, the adage of one's reach exceeding their grasp is

²⁴ A concise introduction to risk concepts can be found in U.S. Coast Guard, "Risk 101" (Washington, DC: USCG, December 1999), available at <http://www.uscg.mil/hq/gm/risk/old%5Fsite/about/risk%5F101.htm>, accessed 15 July 2004. For a more extensive discussion, see also Bernstein, *passim*.

germane, if one thinks of access as representing a given smuggling actor's grasp, while access minus risk stands for their reach. In this context, connectivity is the geographic manifestation of this balance and empirically represents the path of least resistance. The systemic interaction among these three decision-making domains can be seen in the following diagram:

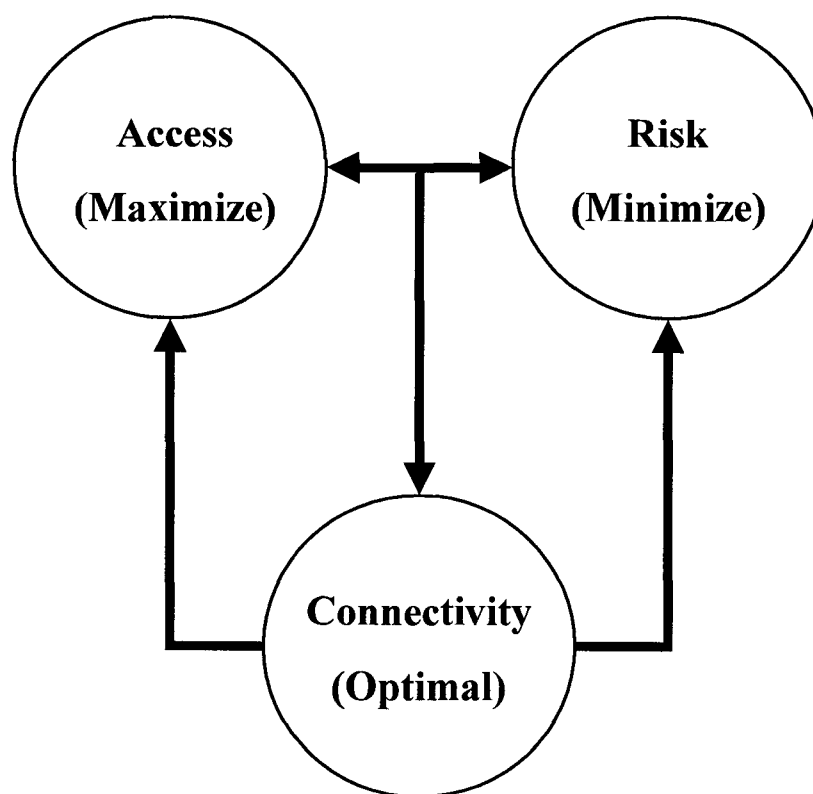


Fig. 2. Generic smuggling model: domains of decision-making

The underlying rationale for this generic smuggling model is that, for a given smuggling event, smuggling route selection is primarily dependent on the smugglers' attempt to maximize access and minimize risk, in an effort reach optimal connectivity, which as noted above is analogous to the path of least resistance. Furthermore, decisions regarding connectivity will in turn effect future perceptions of both access and risk,

depending on the success of the route selected, in a form of feedback that serves to close the loop and pave the way for subsequent decision-making. To continue this train of thought, the following diagram serves to delineate the most relevant levels of analysis, as well as some of the key factors that allow smuggling to flourish, a set of issues addressed further in the next chapter:

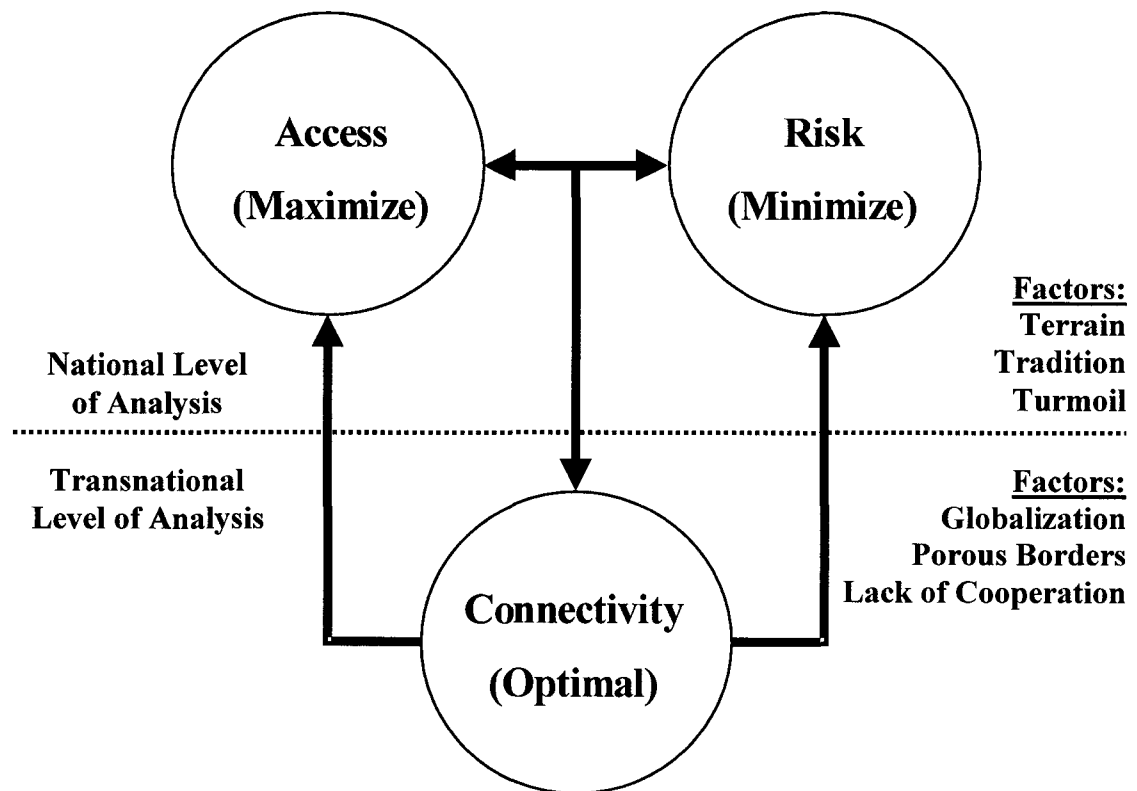


Fig. 3. The smugglers' landscape: a functional schematic

From the smuggler's point of view, the balance between maximization of access and minimization of risk are the key determinants of specific geographic routes and modes of transportation at the national level. Simultaneously, connectivity reflects the transnational business climate facing a given smuggling actor, as reflected in the dynamic

interaction between access and risk across all national territories situated along the route from point of origin to destination.

Furthermore, as the relevant smuggling event occurs the attempt is made to optimize connectivity at the transnational level, as assessed in terms of such factors as success, speed and volume delivered. This assessment, in turn, serves as feedback into the smuggler's perceptions of access and risk. Application of this set of decision-making processes underpins the evolution of the smugglers' perceptions of a given route's attractiveness over time, with the resulting decision being to continue using the same route, or either modifying or replacing that route with another more viable alternative.

Outline of Study and Chapter Overview

Thus far, this chapter has introduced the topic of transnational smuggling as an issue with global relevance, outlined a number of initial assumptions that further the development of an analytical framework for smugglers' decision-making with respect to route selection, and put forth such a model in conceptual terms. Moving forward, Chapter II expands upon many of the themes noted thus far by way of a review of the relevant literature relating to smuggling as a security issue. As such, it examines in greater detail the range of smuggled commodities, the nature and evolution of smuggling actors, the complex relationship between smuggling networks and nation-states, and the potential modes of transportation offered by land, water and air.

As noted previously, to narrow the scope of study to manageable proportions, a single commodity is used to demonstrate the utility of geographical analysis in this context. Due to the global prominence of the international trade in illicit drugs as well as

other factors, heroin has been selected as the benchmark commodity. In some ways serving as a second review of the literature with specific respect to drug trafficking, Chapter III addresses the geography of the international heroin trade in detail. Due to the interconnected nature of both money laundering and the black market in the chemical precursors used to process heroin, these issues are also addressed in this context.

Chapter IV serves to outline the methodology that is employed in the case studies, as well as to highlight the various data gaps inherent to the analysis of black markets. With respect to access and risk, the definitions put forth in the previous section are operationalized at the national level, most saliently with reference to aspects of physical, economic, political and human geography. Similarly, at the transnational level the issue of how to meaningfully address connectivity is also discussed at length.

In particular, to more empirically measure connectivity the convention of the smuggling vector is introduced in order to illustrate the dynamic nature of transnational smuggling activity. Briefly, for each transaction involving contraband, a vector exists, consisting of the specific route, which can be separated into path segments or legs and transitional nodes, as well as the associated human element. By analyzing sets of both observed and expected smuggling vectors, certain trends emerge whereby the utility of the model itself may be assessed in terms of its capacity to identify the divergences between theory and reality. In turn, these divergences may be used to gain deeper insight into the behavior of black market logistics in response to various changes in the smuggling landscape.

Chapters V through VII comprise three case studies related to the global heroin trade, respectively focusing on Afghanistan, Colombia and Nigeria. Not only is each a

major hub of heroin smuggling activity, but also illustrative of the truly worldwide nature of this activity by virtue of their locations in separate regions. Furthermore, despite a high degree of divergence at first glance, all three countries share a number of common traits. For instance, a number of themes relating to terrain, tradition and domestic turmoil emerge as key factors allowing smuggling activity to flourish at the national level.

Afghanistan has been chosen by virtue of the fact that, together with Burma, the two countries account for roughly 90% of world opium production. Furthermore, in recent years, Colombia has become a major supplier of heroin to the U.S. market, though as yet production is not as proportionally significant in global terms. However, the smuggling routes and methods established to move large quantities of Latin American cocaine have been adapted to smuggle heroin, a phenomenon that represents the ways in which different smuggled commodities can be handled in similar ways. Finally, Nigeria represents an interesting case in that it has become a well-documented transit hub without being a major drug producing area, demonstrating that factors other than mere proximity can play a determining role in smuggling route selection.

Each case study involves an examination of the country in question at the national and transnational levels of analysis. In as systematic a manner as possible, given the gaps in available data, the format is to first establish the physical, political, economic and human geographic factors that have played in shaping the relevant domestic smuggling landscape at the national level. Then, the movement of heroin outward from the country in question and the corresponding smuggling vectors and proceeding outward via various modes and points of transit to their respective final destinations are examined. Finally, an

assessment of this empirical data using the models, conventions and parameters that have been previously introduced is conducted.

At each level of analysis, the aim is to meaningfully apply the generic smuggling model to the country in question and its relevant smuggling vectors. Taken together, these represent an attempt to validate the analytical framework of the smugglers' landscape through empirical observation by assessing how closely the two types of smuggling vector sets, observed and expected, overlap for each case study. The final chapter, Chapter VIII, serves not only to summarize the results of this analysis, but also to point the way toward further applications of this theoretical approach and methodology.

CHAPTER II

LITERATURE REVIEW: SMUGGLING, STATES AND SECURITY

Ever since the human animal first engaged in economic activity recognizable as such, political entities have sought to regulate this behavior, to various degrees and with mixed success. As Andreas points out, “Smuggling is an extraordinarily diverse form of trade that is as old as trade itself.”¹ In some respects, smuggling is the concrete manifestation of the ongoing and often fundamental tension between economics and politics at any given point in space and time.

Furthermore, it appears abundantly clear that if demand is not met through licit market activity, black markets will emerge and be serviced in relation to their profit potential.² Not only is this an age-old phenomenon, but a truly international one as well. Wherever and whenever opportunity exists, such opportunism naturally arises. As these profit incentives collide with the interests of nation-states, the resultant friction serves to shape the smugglers’ decision-making processes and operational landscape.

On its own merits, the relevance of illicit economic activity in global terms seems self-evident. For instance, one projection puts forth a range of between \$500 billion and \$1.5 trillion, or 5% of the gross world product, which is laundered every year as a profit

¹ Andreas, 76.

² Put another way, “The iron law of capitalism is that where there is a demand there will be a supplier if the profit is high enough.” Alan Block and William J. Chambliss, *Organizing Crime* (New York: Elsevier, 1982), 32. While the authors are writing with specific reference to the growth in demand for narcotics and the subsequent rise in organized criminal activity in the United States between the 1930s and 1950s, this appears to be a truism across a wide range of regions and eras. For more analysis of the interaction between supply and demand in the context of the illicit drug market, see also Fernando Garcia Arganaras, “The drug war at the supply end: the case of Bolivia,” *Latin American Perspectives* 24, no. 5 (September 1997), 59-80; and, with specific reference to the Canadian market, “Heroin seizures do not limit drug supply,” *United Press International*, 21 January 2003, 1008020w9101.

on illegal activities.³ It may be further assumed that aggregate black market revenues, which would include a certain portion that is not laundered and yet another portion that is carried out under a barter system, represent an even larger share of the world economy.⁴

As noted previously, this chapter focuses on the most salient category of smuggling actors, TCOs. The first section deals with the nature and evolution of these groups, as well as the observable range of smuggled commodities. The second addresses the complex relationship between smuggling actors and nation-states, the latter being the primary source of risk with regard to the operations of the former.⁵ Finally, the various aspects of land, water and air modes of international transportation that shape the manifestations of connectivity are examined with respect to transnational smuggling activity.

However, before moving into a discussion of smuggling actors *per se*, a preliminary overview of transnational issues with the field of international security is in order. As of this writing, the impact of the 9/11 terrorist attacks has yet to resound fully

³ "Crime without punishment," *The Economist*, 28 August 1999, 17. The U.S. Office of National Drug Control Policy (ONDCP) puts forth the slightly lower but still impressive figure of \$300 billion per year as the proceeds of international organized crime. U.S. Congress, Senate Committee on Armed Services, Subcommittee on Emerging Threats and Capabilities, "The Department of Defense's Role in U.S. Drug Control Policy," Testimony of Barry McCaffrey, Director, ONDCP, 27 April 1999, 7. As a third and final representative estimate, Jessica T. Matthews notes the estimate of \$750 billion per year globally, "of which \$450-500 billion is in narcotics." Jessica T. Matthews, "Are Networks Better Than Nations?" *New Perspectives Quarterly* 14, no. 2 (Spring 1997), 11.

⁴ For instance, with particular reference to sub-Saharan Africa, OGD, *World Geopolitics of Drugs* (2000), 19-20, notes that, "drug money buys other goods with a high value-added that serve the purpose of a hard currency. These goods – gold, diamonds, non-ferrous metals, as well as cash crops like coffee and cocoa – have long been part and parcel of the informal exchanges that generate large profits, and their well-oiled networks are often under the protection of states, highly placed individuals, and even geopolitical interests outside of Africa." In particular, this source offers specifics relating to black market diamonds, a subject also addressed in Appendix A.

⁵ Other potential sources of smugglers' risk, such as those posed by competing criminal elements or from internal elements within a particular TCO, must be mentioned at this juncture. From the smugglers' point of view, as was said of the British Empire in the nineteenth century, there are no friends but only interests. However, for the most part this aspect of risk will not be addressed directly due to the various obstacles inherent to systematic data collection within this area. The exception will be where such competition comes to prominence via relatively reliable sources.

through the field. However, there can be little doubt that a wide range of security issues relating to non-state actors that were formerly seen as peripheral has finally, and by broad consensus, come into the mainstream. Similarly, various pressures stemming from globalization and related worldwide trends can be seen as having a distinct impact upon once unassailable assumptions regarding the primacy of the nation-state within the international system.

While in hindsight the point may seem almost moot, it is worth revisiting the debate that existed within the realm of international security regarding what should be rightfully included under its purview. In the past, specialists in the field have tended to focus on the security threat inherent in the dealings among nation-states, understandably so given the field's roots in classical realism and focus on the nation-state as its primary unit of analysis.⁶ Such analytical frameworks reflect the intellectual dominance of the realist school of thought that has held sway since the end of the Second World War.⁷

However, even prior to 9/11, within the field a number of key questions were being asked, primarily revolving around the issue of security from what, and for whom. While this first set of issues is involved with expanding the scope of inquiry, the second is more directly concerned with levels of analysis. One particularly notable example of

⁶ The essential elements of classical realism can be found in Hans Morganthau, *Politics Among Nations: The Struggle for Power and Peace*, 6th ed., rev. by Kenneth W. Thompson (New York: Alfred A. Knopf, 1985). These include the aforementioned focus on the nation-state as the primary unit of analysis, as well as assumptions relating to the structural anarchy of the international system and the relative capabilities of actors within this system.

⁷ Comprehensive discussion of realism and both related and competing schools of thought can be found in Charles W. Kegley, Jr., ed., *Controversies in International Relations: Realism and the Neoliberal Challenge*, (NY: St. Martin's Press, 1995); David Baldwin, ed., *Neorealism and Neoliberalism: The Contemporary Debate* (NY: Colombia University Press, 1993); and Robert O. Keohane, ed., *Neorealism and its Critics* (NY: Colombia University Press, 1986).

an effort to meaningfully engage both of these sets of issues can be found in the work of Barry Buzan.⁸

With respect to expanding the scope of inquiry within the field of international security even further, others have also previously attempted to steer this debate in new directions. For instance, Simon Dalby discusses the range of issues generally considered as “non-traditional” and even irrelevant during the Cold War period.⁹ Other proposed additions to the international security agenda include ecological issues, feminist analyses, and a renewed focus on the security of previously marginalized groups.¹⁰ Even the study of terrorism, despite the issue’s recent rise in prominence, tends to be framed in terms of

⁸ Barry Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era*, 2nd ed. (Boulder, CO: Lynne Rienner, 1991). Vertically, Buzan’s analysis moves along the axis from individual to national to regional to international, while horizontally he addresses the spectrum of military to economic to political threats. In particular, he also notes the often-overlooked aspect of the nation-state as a source of threat, most significantly with respect to the security of the individual. This view, contrasting state and individual sovereignty, is also echoed in Kofi Annan, “Two concepts of sovereignty,” *The Economist*, 18 September 1999, 49-50.

⁹ Simon Dalby, “Security, Modernity, Ecology: The Dilemmas of Post-Cold War Security Discourse,” *Alternatives* 17 (1992), 95-134.

¹⁰ Within respect to the environment, see Thomas Homer-Dixon, “On the Threshold: Environmental Changes as Causes of Acute Conflict,” *International Security* 16, no. 2 (Fall 1991), 76-116; Norman Myers, *Ultimate Security: The Environmental Basis of Political Stability* (New York: W.W. Norton & Co., 1993); and Michael T. Klare, *Resource Wars: The New Landscape of Global Conflict* (New York: Henry Holt & Co., 2001). As a counterpoint that highlights the debate in question, an opposing viewpoint is put forth in Marc A. Levy “Is the Environment a National Security Issue?” *International Security* 20, no. 2 (Fall 1995), 35-62. In particular, while conceding that environmental issues can pose a direct physical threat to state interests, the author argues that the parallel and more indirect political threat, “is at once both the weakest substantive threat . . . and the strongest intellectual challenge in the field of security studies.” For more on feminist interpretations of international relations, see Cynthia Enloe, *Bananas, Beaches and Bases: Making Feminist Sense of International Politics* (London: Pandora Press, 1989); V. Spike Petersen, *Gendered States: Feminist (Re)Visions of International Relations Theory* (Boulder, CO: Westview Press, 1992); J. Ann Tickner, *Gender in International Relations: Feminist Perspectives on Achieving Global Security* (New York: Colombia University Press, 1992); and Christine Sylvester, *Feminist Theory and International Relations in the Post-Modern Era* (New York: Cambridge University Press, 1994). Finally, examples of work focusing on marginalized ethnic groups include Eric Wolfe, *Europe and the People Without History* (Berkeley: University of California Press, 1982); Marc S. Miller, ed., *State of the Peoples: A Global Human Rights Report on Societies in Danger* (Boston: Beacon Press, 1993); and Michael Renner, *Fighting for Survival: Environmental Decline, Social Conflict and the New Age of Insecurity* (New York: W.W. Norton, 1996), which directly links these challenges with the aforementioned issues involving the environment.

the impact on and threat to the nation-state rather than as a legitimate subject in its own right.¹¹

With respect to the latter, and with relevance to the focus of this study, is the apparent trend toward the increasing convergence between TCOs and terrorist groups.

For instance, as one U.S. government report notes:

One of the most significant developments since the end of the Cold War has been the growing involvement of insurgent, paramilitary, and extremist groups – whose crimes are primarily against the state – in criminal activities more associated with traditional organized crime groups and drug trafficking syndicates. Although various insurgent and extremist groups have been involved in traditional criminal activities before, particularly the drug trade, their role typically was more a subsidiary one of extorting or offering protection to drug trafficking and crime groups operating in the areas they controlled. Partnerships that some of these insurgent or extremist groups had with drug traffickers and other criminal organizations were often fleeting, but sometimes longer-standing symbiotic arrangements based on a coincidence of interests. In either case, the relationship was often marked by mutual suspicion and wariness.¹²

As state sponsorship of terrorism began to wane along with the bipolar Cold War paradigm, logically enough alternate means of funding were found, with drug trafficking being arguably the most visible such manifestation of this phenomenon at the global level. However, while this theme is expanded upon as it arises, particularly with respect to the case studies, the focus will remain on economically motivated smuggling actors

¹¹ For instance, explicitly making this connection as a major assumption for her study, Annamarie Oliverio notes that, “terrorism and the state are assumed to be symbiotically related. Thus, the discourse of terrorism is inextricably related to the art of statecraft.” Annamarie Oliverio, *The State of Terror*, SUNY Series in Deviance and Social Control, ed. Ronald A. Farrell (Albany: State University of New York Press, 1998), 19-20. See also “What is terrorism?” *The Economist*, 2 March 1996, 23-5; and Martha Crenshaw, “Thoughts Relating Terrorism to Historical Contexts,” in *Terrorism in Context*, ed. Martha Crenshaw (University Park, PA: University of Pennsylvania Press, 1995), 3-24.

¹² U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 6. This linkage is also made by, among others, Stephen Blank, “Narcoterrorism as a threat to international security,” *World and I* 16, no. 12 (December 2001), 265-79; Alex P. Schmid, “The Links Between Transnational Organized Crime and Terrorist Crimes,” *Transnational Organized Crime* 2, no. 4 (Winter 1996), 40-82; and Richard Clutterback, *Terrorism and Guerrilla Warfare: Forecasts and Remedies* (London: Routledge, 1990), 89.

rather than organizations with a political agenda that turn to criminal activity as means to an end.

Similarly, in geographic terms the operational areas between TCOs and terrorists often coincide, logically enough given the fact that, at the national level, the same types of factors relating to terrain, tradition and domestic turmoil allow both to flourish. As one U.S. official puts it, "Terrorists tend to live, operate, and derive support from the lawless corners of the world . . . Narcotraffickers and drug producers, like international criminals, also seek out those corners of the world where their behavior will not be subject to government control or punishment. So it is not surprising that there is often an overlap between those that engage in terrorism and those engaged in other internationally unacceptable behavior."¹³

Despite a long-standing and direct relevance, however, the place of TCOs within the international security literature has been relatively ambiguous in the past, as have issues related to organized crime in general. Emblematic of this debate, Louise Shelley is able to ask whether or not transnational organized crime presents an imminent threat to the nation-state itself.¹⁴ At roughly the same time, official U.S. interest in TCO activity had risen to the point that it was being put forth as a potential replacement for the Cold

¹³ U.S. Congress, House Judiciary Committee, Subcommittee on Crime, Statement of Michael A. Sheehan, Coordinator for Counterterrorism, U.S. Department of State, 13 December 2000. Incidentally, not only does this testimony predate the events of 9/11, it also holds up both Afghanistan and Colombia as prime examples of this phenomenon. For more recent analyses, see also U.S. Department of Justice (DOJ), Drug Enforcement Administration (DEA), Intelligence Division, Europe/Asia/Africa Strategic Unit, "Drugs and Terrorism: A New Perspective," *Drug Intelligence Brief*, DEA-02039 (Washington, DC: DEA, September 2002), available at <http://www.usdoj.gov/dea/pubs/intel/02039/02039.html>, accessed 15 July 2004; and U.S. Congress, Senate Judiciary Committee, Subcommittee on Technology, Terrorism, and Government Information, "International Drug Trafficking and Terrorism," Testimony of Asa Hutchinson, DEA Administrator, 13 March 2002. Incidentally, both also discuss Afghanistan and Colombia to illustrate their points, while the former also includes Turkey and the latter Peru. Aspects of all of these examples will be addressed as they arise in context.

¹⁴ Louise I. Shelley, "Transnational Organized Crime: An Imminent Threat to the Nation-State?" *Journal of International Affairs* 48, no. 2 (Winter 1995), 463-89.

War as a focus for international security concerns.¹⁵ However, even earlier the issue of TCOs had become significant enough to be addressed directly by Boutros Boutros Ghali during his tenure as Secretary-General of the United Nations.¹⁶

At present, it suffices to say that non-state actors capable of sustaining and even escalating transnational activities detrimental to the interests of nation-states have demonstrable relevance to the field of international security, even beyond the context of terrorism. Specifically, Williams and Savona cite the various types of threat presented by TCOs to sovereignty, to societies, to national stability and state control of territory, to democratic values and public institutions, to economies and financial institutions, to democratization and privatization, to development efforts, and to global regimes and codes of conduct.¹⁷

Moving more directly to the issue of levels of analysis, the concept of the nation-state as the key building block of the international system traditionally dates from the Treaty of Westphalia in 1648. With the waning of bipolarity as the prevailing Cold War-era paradigm, there has been a major effort to articulate the parameters of potential successors. As such, a major issue within the field of international relations is whether or not the nation-state will even continue to hold sway, or in turn be unseated by its various

¹⁵ See R. T. Naylor, "From Cold War to Crime War: The Search for a New 'National Security' Threat," *Transnational Organized Crime* 1, no. 4 (Winter 1995), 37-56. As a tangible example of this school of thought, in February 1996, the Clinton administration for the first time publicly recognized international organized crime as a national security issue facing the United States in its National Security Strategy presented to Congress. See U.S. President, Office of the White House, *A National Strategy of Engagement and Enlargement* (Washington, DC: GPO, February 1996), 25, available at <http://www.fas.org/spp/military/docops/national/1996stra.htm>, accessed 15 July 2004.

¹⁶ Boutros Boutros Ghali, "Transnational Crime: The Market and the Rule of Law," *Vital Speeches* 61, no. 5 (15 December 1994), 130-2.

¹⁷ Williams and Savona, 32-9. For more on the security implications of organized criminal activity for various types of military operations, see also Graham H. Turbiville, Jr., "The Organized Crime Dimension of Regional Conflict and Operations Other Than War," in *Ethnic Conflict and Regional Instability: Implications for U.S. Policy and Army Roles and Missions*, ed. Robert L. Pfaltzgraff, Jr., and Richard H. Schultz, Jr. (Washington, DC: Strategic Studies Institute, US Army War College, 1993), 125-46.

challengers, including international organizations, multinational corporations and a range of other sub- and supra-national actors. As a potential threat to the global status quo, the growing relevance of smuggling actors falls squarely within the realm of the much wider ongoing debate regarding the so-called “end of the nation-state.”¹⁸

Though the actual death-knell is decidedly premature, the nation-state as the basic unit of the international system is in the process of becoming less dominant, less independent and less separate, due to a range of economic, military and technological developments. As such, various transnational, extra-national and sub-national entities are becoming more prominent vis-à-vis the nation-state, though they by no means set to replace it.¹⁹ While the entire breadth of this debate extends well beyond the purview of this study, there are several aspects that are directly germane.

To begin with, the accelerating pace of globalization and economic liberalization is rightly held up as one of the most salient factor shaping international change in the post-Cold War era.²⁰ The conceptualization of a “borderless world” that some see on the horizon, if not already at hand, almost by definition will lead to the relative diminution of

¹⁸ While by no means encompassing the issue in its entirety, the parameters of this debate are concisely laid out in “The nation-state is dead. Long live the nation-state,” *The Economist*, 23 December 1995, 15-8. For an analysis of these issues based more on political than economic grounds, see also Grant T. Hammond and Bryant P. Shaw, “Conflict, the Rise of States, and the Decay of Nations,” *Journal of Conflict Studies* 15, no. 1 (Spring 1995), 5-29, and, with specific reference to the European context, Gurutz Jauregua Bereciartu, *Decline of the Nation-State*, trans. William A. Douglas (Reno: University of Nevada Press, 1994).

¹⁹ This more moderate view is supported by Peter Marden, among others, who astutely notes that, “rather than championing the demise of the statist project as signifying a historical shift in the position and power of the state, emphasis should be put on the ‘reconstituted state’ and the contradictory tensions implicit in such a transformation.” Peter Marden, “Geographies of Dissent: Globalization, Identity and the Nation,” *Political Geography* 16, no. 1 (1997), 58.

²⁰ For an overarching view of the globalization process and its ramifications that is both comprehensive and accessible, see Thomas Friedman, *The Lexus and the Olive Tree* (New York: Anchor Books, 2000). Friedman also provides a useful definition of globalization as well, “the inexorable integration of markets, nation-states and technologies to a degree never witnessed before – in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is enabling the world to reach into individuals, corporations and nation-states farther, faster, deeper and cheaper than ever before.” Friedman, 9.

the nation-state. For instance, coming from a relatively extreme perspective with respect to this phenomenon, Kenichi Ohmae points to the speed and volume of international transactions, the global flow of information and the nation-state's shifting role from creating wealth to destroying it. Of these, it is the last of these observations that is the most telling in this context.

In general, Ohmae contends that nation-states lack the will, incentive, credibility, tools and political base to play an effective role in the evolving global economy. Quite pointedly, he notes that, "By heritage and by experience, nation-states are comfortable with the market's invisible hand only when they can control or regulate it."²¹ As such, some types of smuggling activity can be seen in certain respects as being illegal merely because certain states or groups of states consider them so.

One criticism that can be made of this view is that it does not fully take into account the continuing roles for types of power other than economic and the underlying need for strategic stability.²² This point has been both well made and reiterated in various works by Joseph Nye, who posits three levels within the international system. These are the military, the economic, and the transnational, with the latter being largely beyond the control of any single government. Incidentally, under this conceptualization transnational smuggling activity as an issue area falls squarely within the latter category, where hegemonic policies are least effective. However, Ohmae is correct to note that one effect

²¹ Kenichi Ohmae, "Putting Global Logic First," *Harvard Business Review* 73, no. 1 (January-February 1995), 120. Specifically, the author sees regions, at both the inter-state and sub-state levels, as the primary building blocks of the new borderless economy, an earlier exposition of which can be found in Ohmae, "The Rise of the Region State," *Foreign Affairs* 72, no. 2 (Spring 1993), 78-87. For a relatively more balanced view of the globalization process, see also "Unfinished battle," *The Economist* (web edition), 10 April 1999.

²² See Joseph S. Nye, Jr., *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990); and, more recently, *The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone* (New York: Oxford University Press, 2002).

of globalization is to empower increasingly nimble competitors, rather than just large ones. Such organizations are increasingly enabled to challenge the nation-state, which in turn may be seen as adapting as well.²³

With respect to this issue, David C. Jordan notes that drug trafficking and other transnational issues highlight the divergence of opinion with respect to the globalization of the market economy. In particular, while some see this phenomenon as too large for the nation-state, and thus requiring supranational institutions and mechanisms, others hold that it is too small for the nation-state, and is thus best addressed via sub-state or non-state actors.²⁴ In fact, Jessica T. Matthews cuts to the heart of the matter by asking whether, in the post-Cold War era of globalization, networks are in fact more efficient than nation-states.²⁵

The germaneness of this dichotomy is addressed at greater length below, as transnational networks serve as the basic structure for most TCOs. However, at this juncture it is sufficient to note that it is this asymmetry between the organization of national and non-state actors that has posed a major conceptual challenge in the past to the inclusion of a number of transnational security issues under the aegis of international security. The next section examines in greater detail both the nature and evolution of the actors behind much of the observed transnational activity at the global level, as well as the range of goods moved in this manner.

²³ For instance, with respect to the evolution of the nation-state in response to these pressures, see Richard Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (New York: Basic Books, 1986).

²⁴ David C. Jordan, *Drug Politics: Dirty Money and Democracies* (Norman, OK: University of Oklahoma, 1999), 3. However, the author continues by citing the indispensable role of nation-states ruled by democratically accountable governments resistant to various types of related corruption in curbing the expansion of TCOs.

²⁵ Matthews, "Are Networks Better Than Nations?" 10-13.

Smuggling Actors and Smuggled Commodities

To begin to examine the issue of smuggling actors and smuggled commodities, it is useful to return to the initial assumptions of the overarching motives for such activity. As noted at the outset, despite their linkages in general a distinction can be made between economically motivated actors on the one hand, and politically or ideologically motivated actors on the other.²⁶ For instance, weighing in from its own organizational perspective, the U.S. Customs Service Strategic Plan for 1997 goes so far as to note that “financial gain remains the motivating factor behind most smuggling activity.”²⁷ As such, rather than a social psychological or other explanation of smuggling activity, this analysis remains predicated upon profit as the primary stimulus, to include both monetary and non-monetary or barter transactions.²⁸

²⁶ While the relationships between transnational organized crime and terrorism are well documented and have already been touched upon, for the purposes of study consideration of profit motives will remain the primary focus of analysis. However, as such linkages become germane within a specific context or case study, they will be dealt with at that point. The motivational distinctions between these two types of groups is highlighted by Phil Williams, “Transnational Criminal Organizations: Strategic Alliances,” *The Washington Quarterly* 18, no. 1 (Winter 1995), 59-60, as is the potential skewing of threat assessment by failing to differentiate in this respect. Interestingly, from a security point of view, it is worth reiterating the trend toward convergence of international organized crime and international terrorism. Paradoxically, this may actually serve to make at least some potential terrorist targets within the transportation sector less viable, since the relevant branches of such criminal enterprises may opt for targets that will not have a direct negative impact on their own bottom line.

²⁷ U.S. Department of the Treasury (DOT), Customs Service, *U.S. Customs Service Strategic Plan* (Washington, DC: USCS, 1997), 20. The relevant passage continues by noting that, “while there are no reliable estimates of the size of the problem, various analysts have estimated that criminal activity generates proceeds of \$100-200 billion annually,” reiterating both the scope of and uncertainty surrounding this issue.

²⁸ The literature supporting this point of view is outlined in Block and Chambliss, 3-10. Alternative analyses range from Marxist to Freudian, and generally characterize criminal activity as either a political statement or a psychological disorder. While other approaches may be more fitting for the examination of certain types of illegal acts, the thrust of this study lends itself most readily to the use of profit as the key motive. However, as smuggling activity analyzed in the case studies that does not appear to readily conform to this model, these exceptions will be noted.

However, even among profit-seeking criminal actors, despite commonalities of motivation a great diversity exists among smuggling actors in terms of organization.²⁹ While not all smuggling is particularly organized, smuggling is a distinct function of nearly all developed transnational criminal enterprises, and the level of this development with respect to operational capabilities constitutes one possible analytical delineation of smuggling activity. As such, this variation can be most easily conceptualized as a spectrum.³⁰

At the lower end there are, understandably enough, the petty forms of smuggling that tend to utilize more mundane methods to move less exotic commodities, and operate with a greater reliance on opportunity than planning. However, at the upper end, there exists a level of sophistication that rivals that of any successful, legitimate multinational corporation (MNC), a parallel that is discussed at greater length below.³¹ The following diagram illustrates this conceptualization:

²⁹ Highlighting this diversity, Louise Shelly offers four different methods of categorizing TCOs, namely by their relationship to the legitimate economy; by structure, product and membership; by political and terrorist links; and by assets, revenues and cost of their activities. Louise Shelly, "Identifying, Counting and Categorizing Transnational Criminal Organizations," *Transnational Organized Crime* 5, no. 1 (Spring 1999), 18.

³⁰ Andreas, 80-1, underlines this point with the following: "Smuggling organizations come in all forms and sizes. While smugglers are often lumped together under the banner of 'organized crime,' this is highly misleading because of the extreme variation in the levels of organization and degree of criminality. Smuggling is an illegal transnational enterprise, but how organized and how criminal depends on what is being smuggled and the intensity and form of state control efforts."

³¹ Though a rather common comparison, it is handled particularly well by Williams, "Transnational Criminal Organizations," 57-72, who takes it as his main theme.

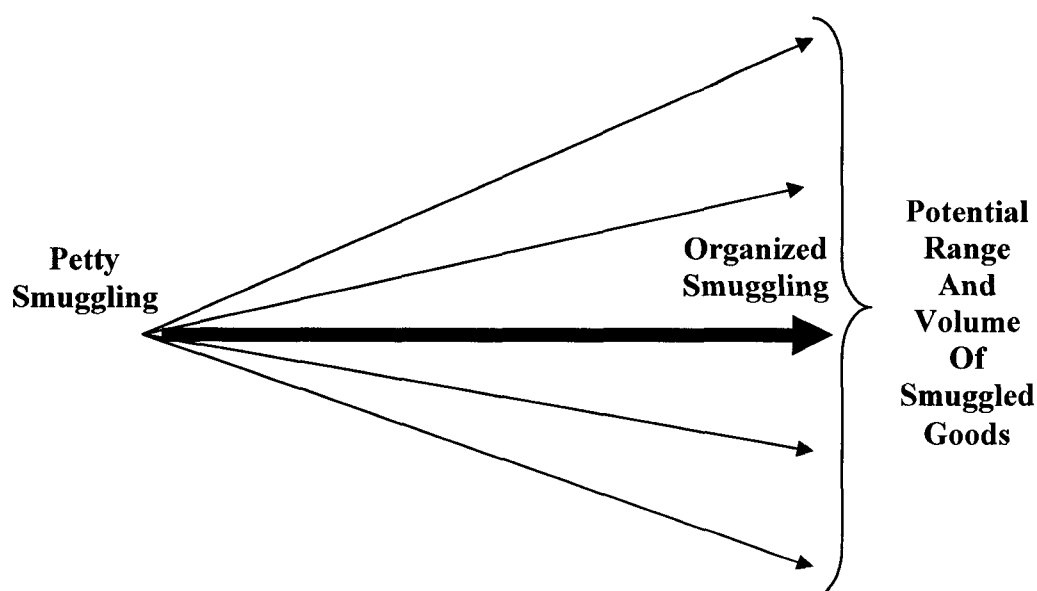


Fig. 4. Spectrum of transnational smuggling activity

While petty smuggling may logically account for a greater number of smuggling events, in terms of both potential volume and range of smuggled goods it is the better organized groups that are poised to service black markets on a more meaningful scale.³² Petty smuggling certainly has a distinct and measurable impact, and may in fact comprise a far greater share of international smuggling activity than most would realize. However, at present it does not appear that any authoritative study exists examining the full range of transnational smuggling activity to include the lower end of this spectrum.

Conversely, at the upper end of this spectrum are transnational criminal actors with varying degrees of efficiency and areas of specialization. In general, common characteristics of such organizations include: a lack of ideology; an organized hierarchy; continuity over time; a willingness to threaten or use force; relatively restrictive

³² For example, in theory anyone who passes through U.S. Customs with the odd box of Cuban cigars or an extra bottle of liquor is technically a smuggler, albeit on a petty scale. Similarly, the combination of loose border control and high import duties has led to situations of endemic low-level smuggling throughout various parts of the world. Certain aspects of this issue are discussed further in the context of Appendix A.

membership; profits gained through criminal activity; the provision of illegal goods and services to segments of the general population; neutralization of some public officials and politicians by corruption or intimidation; seeking monopolies of specific goods or services; assigning specialized activities to gang members; a code of secrecy; and careful planning to meet long-term goals.³³

Though certainly not synonymous with smuggling actors *per se*, TCOs appear to account for a large portion of observable smuggling activity and as such have come to represent the archetypal smuggling actor as this activity approaches the upper bound of the spectrum. Thus, the focus of this study remains on TCOs, as by their nature they tend to engage in transactions involving illegal commodities that require extensive economies of scale, special handling, higher risk or an enhanced degree of operational planning and coordination in order to make them profitable.³⁴

As such, inherent to this conceptualization of transnational smuggling activity is the issue of what is being smuggled. The expansion of smuggling activity at the global level may be clearly seen by the very diversity of commodities involved. Ranging from the mundane to the exotic, smuggling actors deal in everything and anything that will

³³ Brian Sullivan, "International Organized Crime: A Growing National Security Threat," *Strategic Forum*, no.74 (March 1996), available at http://www.ndu.edu/inss/strforum/SF_74/forum74.html, accessed 15 July 2004. Moreover, with respect to the focus of this study, the author continues by noting that, "The most important factor in the growth of organized crime has been the development of a global network for illegal drug trafficking that produces multi-billion dollar profits." However, while drugs remain the most important smuggled commodity worldwide, for many countries the importance of smuggling extends well beyond this issue area. For instance, although Madagascar is a very marginal actor in terms of legitimate global trade, with respect to the transnational trade in endangered species it is a major player. See Andreas, 79.

³⁴ Categorizations of smuggled commodities are discussed at further length below, and outlined more fully in Appendix A. However, looking forward to the next chapter, at this juncture it is worth noting the following: "Large-scale international movements of cocaine and heroin are almost entirely controlled by transnational organized crime groups, for whom drugs are consequently a primary source of revenue. Thus the illicit drug economy and organized crime are more or less interdependent." United Nations Drug Control Programme (UNDCP), *World Drug Report* (Oxford, UK: Oxford University Press, 1997), 133.

turn a profit. However, in general illicitly traded commodities may be divided into three categories, despite a certain degree of overlap. First, there are goods that are *de facto* illegal or at a minimum strictly controlled, merely by their nature. Most often, some form of broad international consensus underlies this designation. Among the more salient examples within this category are narcotics, endangered animal parts and fissile materials.

Second, there are *de jure* illegal commodities, the possession of which may or may not actually be illegal, depending on the circumstances. These may include instances where import or export is dependent on such factors as authorization of recipient or consignee, or official notification to the relevant authorities regarding point of origin and intended destination. This category can potentially encompass a wide range of goods, including gemstones, artifacts, gasoline, cigarettes, and, in the context of illegal immigration, even human beings.

Often these first two categories are subject not only to national controls but also to multinational agreements with varying degrees of scope and effectiveness. Moreover, while the lack of broad agreement can undermine efforts to address transnational smuggling, even in cases where consensus exists the variation in law enforcement at the national level remains significant.³⁵ However, there are two principal inducements to the formation and promotion of such multilateral prohibition regimes.

³⁵ For instance, "As the trend toward market liberalization and an increasingly open global trading system continues, prohibitions rather than tariffs and quotas increasingly drive the business of smuggling. For, at the same time as there has been a general liberalization of trade, there has also been an increase in the selective criminalization of trade through prohibitions." Andreas, 77-8. The author continues to by pointing out that, while some prohibitions, such as those against heroin and cocaine, are virtually universal, others are more nation-specific.

The first is the inadequacy of unilateral and bilateral law enforcement measures in the face of criminal activities that transcend national borders. The second is the role of moral and emotional factors related to neither political nor economic advantage but instead involving religious beliefs, humanitarian sentiments, fears, prejudices, paternalism, faith in universalism, the individual conscience, and the compulsion to proselytize. Ultimately, the success or failure of an international prohibition regime in effectively suppressing a particular activity depends, however, not only on the degree of commitment to its norms or the extent or resources devoted to carrying out its goals but also on the vulnerability of the activity to enforcement measures.³⁶

As the third and final category of smuggled goods, there are otherwise legitimate commodities that are smuggled predominantly in an effort to avoid duties or related taxation, which may in fact overlap with the category of *de jure* smuggled commodities noted above. In such cases, often there exists some form of state or functionally analogous monopoly control that serves to artificially restrict supply, and as such diversion to meet pent-up demand is common in these instances. Generally speaking, wherever a situation of differential pricing exists and the resultant profit potential offers incentives beyond the threshold of the associated risk, some form of arbitrage naturally arises, generally facilitated by smuggling activity in cases where the trade in question has been deemed illegal.³⁷

However, it is important to note that the legality or illegality of trade in a given commodity not only depends on where such transactions are conducted, but when and by

³⁶ Ethan A. Nadelmann, "Global prohibition regimes: the evolution of norms in international society," *International Organization* 44, no. 4 (Autumn 1990), 479-526.

³⁷ For a more extensive examination of these categories, see Appendix A.

whom. Two historically salient examples can be found in the slave trade and the opium trade, the latter directly germane to the focus of this study and discussed at greater length in the next and subsequent chapters.³⁸ Moreover, globalization further complicates the nation-state's task of distinguishing between legal and illegal trading activity. To return to Andreas, "Depending on the political winds and dominant social norms of the day, what is illegitimate trade in one era may be legitimate trade in another."³⁹

As the result of the globalization process, the parameters of which have been already described, the trend toward both the convergence and integration of black markets also appears to be growing more prominent. Furthermore, the two-way nature of illegal trade is all too easily overlooked, particularly in analyses predicated solely upon threat. This phenomenon can be seen most readily in the convergence of such overlapping black market activities as small arms traded for illicit diamonds, stolen artwork traded for contraband cigarettes and even cocaine traded for heroin. Similarly, law enforcement pressure with respect to one commodity may lead smuggling actors use established routes to expand into new market segments and areas of specialization.⁴⁰

As Patrick Clawson and Rensselaer W. Lee III note, "transnational criminal alliances are essentially fungible – they can be used to transport virtually any

³⁸ For more on the slave trade, see Hugh Thomas, *The Slave Trade: The Story of the Atlantic Slave Trade, 1440-1870* (New York: Touchstone, 1999); and, for more on this issue's historical manifestations in the Islamic context, Ronald Segal, *Islam's Black Slaves: The Other Black Diaspora* (New York: Farrar, Straus and Giroux, 2001). Modern manifestations of this phenomenon, particularly as it relates to sexual slavery and prostitution, are also discussed in Appendix A in the context of illegal immigration.

³⁹ Andreas, 78.

⁴⁰ For instance, some analysts trace the explosive growth of human smuggling to the international crackdown on drugs over the last twenty years, using established drug smuggling networks. As further evidence of this phenomenon, the United Nations estimates that this trade generated between \$1.5 and \$2 million annually at the beginning of the 1990s. A more recent estimate for human trafficking at the global level ranges from eight to nine billion dollars, with much of this activity associated with the sex industry. See "World faces deluge of human trafficking," *CNN.com*, 31 August 2000. This subject is also examined at greater length in Appendix A. Similarly, the next chapter will discuss linkages between various black markets as they relate to the global heroin trade.

commodity.”⁴¹ Moreover, for any given smuggling route and method, the ability of transnational smuggling networks to simultaneously move various types of illegal goods can be seen as a testament its overall effectiveness. Given the assumption that smuggling activity is predicated upon turning a profit, the market forces of supply and demand may be seen as paramount, particularly in terms of their spatial dimensions as characterized within the context of the smugglers’ landscape. However, as these parameters change over space and time, the corresponding routes may be seen to shift as well.

As such, the smugglers’ operational landscape itself continues to evolve over time, largely in conjunction with the numerous trends relating to issues of globalization and law enforcement. In response, the dramatic growth of TCOs is also demonstrably apparent.⁴² As Peter A. Lupshka points out, “Transnational organized crime is not a new phenomenon. Cross-national organized crime and contraband have existed since time immemorial along adjacent borders. What is new is the scale of the activity and the fact that organized crime now possesses tools once reserved for nation-states.”⁴³

Such criminal actors serve to facilitate a widening range and volume of smuggled goods throughout an increasingly interconnected world economy, as discussed at length

⁴¹ Patrick L. Clawson and Rensselaer W. Lee III, *The Andean Cocaine Industry* (New York: St. Martin’s Press, 1998), 89. The authors also point out that the resultant smuggling routes created “by agreement” between TCOs can be harnessed to facilitate the movement of items not generally considered as market-related, such as weapons of mass destruction. See also OGD, *World Geopolitics of Drugs* (2000), 12, which notes that “all illicit commodities are intimately linked. Once it has proven its profitability, no network, no trafficking connection restricts itself to an individual territory or product.”

⁴² An excellent table of global and regional trends encouraging the growth and diversification of transnational organized crime can be found in John McFarlane, “Transnational Crime, Corruption, and Crony Capitalism in the Twenty-First Century: An Asian-Pacific Perspective,” *Transnational Organized Crime*, 4, no. 2 (Summer 1998), 2-3. See also Jordan, 71-98.

⁴³ Lupshka, “Transnational Organized Crime,” 23. For a concise overview of the historical growth of TCOs in this context, see also Williams and Savona, 7-10. Moreover, the projected future of such organizations is discussed in Robert J. Bunker and John P. Sullivan, “Cartel Evolution: Potentials and Consequences,” *Transnational Organized Crime* 4, no. 2 (Summer 1998), 55-74. In particular, the authors assess the evolution of drug cartels from hierarchical organizations to networked criminal actors capable of challenging the legitimacy and solvency of nation-states.

above. Furthermore, paralleling this rise of TCO activity, the study of organized crime itself has also evolved from assumptions that all such activity was monolithic in nature, to a growing realization that criminals can be observed in conflict as often as in cooperation.⁴⁴ As a result, in recent years there has been something of a return to this view, albeit often in a more sophisticated form.⁴⁵

⁴⁴ See Block and Chambliss, 10-13. In the United States, for instance, for years the dominant assumptions were that organized crime was not only centrally directed but also primarily of Italian-American lineage. Despite the facile surface appeal of this proposition, much explanatory value was lost in applying this relatively simplistic model. Similarly, a primary feature of early studies on organized crime is a focus on domestic rather than transnational manifestations. An example of both these tendencies, dating from the late 1960s, can be found in Donald R. Cressey, "The Functions and Structures of Criminal Syndicates," in Ryan and Rush, 3-15. However, this latter work does exhibit a fairly advanced analysis of the functional division of criminal labor. P. Williams and C. Florez, "Transnational criminal organizations and drug trafficking," *U.N. Bulletin on Narcotics*, 2-003 (1994), also notes the need to meaningfully address the issue of transnational criminal linkages without falling into the trap of seeing a monolithic conspiracies at every turn. For instance, examples of criminal groups preying upon one another abound. One recent example of this can be found within the immigrant smuggling market, in which reports have surfaced of groups kidnapping each other's "clients" in order to both maximize profits and stifle competition. "Smugglers of illegal immigrants face threat from other smugglers," *CNN.com*, 8 September 2000. Alan Block, *Space, Time and Organized Crime*, 2nd ed. (New Brunswick, NJ: Transaction, 1994), 33-4, also discusses not only outright violence between groups but also the strategic utility of informing to law enforcement authorities on competitors' activities. For more on the broadening scope of criminological perspectives with respect to levels of analysis, see also William F. McDonald, "The Globalization of Criminology: The New Frontier is the Frontier," *Transnational Organized Crime* 1, no. 1 (Spring 1995), 1-22.

⁴⁵ Examples utilizing variations on this thesis include: Claire Sterling, *Octopus: How the Long Reach of the Sicilian Mafia Controls the Global Narcotics Trade* (New York: Touchstone / Simon & Schuster, 1990), positing the continuing primacy of the Sicilian Mafia in the international narcotics trade; Claire Sterling, *Thieves' World: The Threat of the New Global Network of Organized Crime* (New York: Simon & Schuster, 1994), expanding on a putative strategic alliance between the Sicilian Mafia and Russian organized crime; taking a slightly different focus, Martin Booth, *The Triads: the Growing Global Threat From the Chinese Criminal Societies* (New York: St. Martin's Press, 1991); and Jeffery Robinson, *The Merger: The Conglomeration of International Organized Crime* (Woodstock, NY: The Overlook Press, 2000). By contrast, Naylor, "From Cold War to Crime War," 37-56, is particularly critical of Sterling's work as a vast oversimplification of the types of complex interaction taking place among various TCOs. A more moderate stance, involving a "criminal mosaic" evolving in the United States as an alternate model, can be found in William Kleinknecht, *The New Ethnic Mobs: The Changing Face of Organized Crime in America* (New York: The Free Press, 1996). This view is also underlined in U.S. Intergency Working Group, *International Crime Threat Assessment*, Ch. I, 5, which notes that, "Much more than in the past, criminal organizations are networking and cooperating with one another, enabling them to merge expertise and to broaden the scope of their activities." For an overview of the competing schools of thought regarding models of organized criminal activity, see also Boronia Halstead, "The Use of Models in the Analysis of Organized Crime and Development of Policy," *Transnational Organized Crime* 4, no. 1 (Spring 1998), 1-24.

For instance, Phil Williams warns that treating TCOs as “part of a single global challenge is not only misleading conceptually, but could encourage policy response that is as ineffective as it is undifferentiated.” Echoing the aforementioned network metaphor, he further notes that while large, fixed, hierarchical organization may present an easier target, the more prevalent “looser, less formal network structures” actually present a greater challenge.⁴⁶ This in turn corresponds with Lupshka’s observation that “loose cross-group alliances and ‘marriages of convenience’ are increasingly occurring between different nationally rooted organized crime groups.”⁴⁷

However, even without resorting to the debatable proposition of monolithically conceptualizing transnational organized crime, the sophistication of and cooperation among TCOs does appear to be growing. For instance, Michael Lane writes that, “In the global economy, domestic criminal organizations seize on new opportunities to link with international criminal organizations, often resulting in international money laundering, narcotics trafficking and other international cartels.”⁴⁸ Similarly, as John Kerry succinctly puts it, “Crime was a natural for globalization.”⁴⁹ Robert J. Bunker and John

⁴⁶ Williams, “Transnational Criminal Organizations,” 60-1. Furthermore, the author continues by noting that, “The notion that there is a relatively small number of global conglomerates linked in a vast criminal conspiracy also underestimates the threat . . . The reality is not only more messy but also more unsettling – and less susceptible to easy solutions.” This view is echoed in Shelley, “Transnational Organized Crime,” 488-9. Moreover, in the context of the transnational drug trade, there also appears to be a trend toward putting profits and mutual gain at the forefront. For instance, as noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 6, “Traffickers from many countries increasingly are eschewing traditional preferences for criminal partnerships within single ethnic groups and collaborating in the purchase, transportation and distribution of illegal drugs. Nontraditional trafficking groups – including rebel armies and extremist organizations – have also turned to the drug trade as a means of raising revenue.”

⁴⁷ Lupshka, “Transnational Organized Crime,” 23.

⁴⁸ Michael H. Lane, *Customs Modernization and the International Trade Superhighway* (Westport, CT: Quorum Books, 1998), 19.

⁴⁹ John Kerry, *The New War: The Web of Crime That Threatens America's Security* (New York: Simon & Schuster, 1997), 20. At the global level, the author continues by noting the “Big Five” international criminal organizations at present as the Italian Mafia, the Russian mobs, the Japanese *yakuza*, the Chinese

P. Sullivan also note that, being essentially borderless, networks established by TCOs “display a remarkable capacity to flow around legal or geographic boundaries.”⁵⁰ The next section examines the ramifications of globalization in this context, particularly with respect to the nation-state.

In the spatial context, the ability to control or, at a minimum, observe the movement of contraband at each step in the transnational logistical process is an essential capability for the smuggling actor. From this perspective, among other positive attributes the network structure serves to maximize access and thus optimize connectivity along the length of a given smuggling route. As such, in terms of their organization TCOs are prominent among the various types of non-state actors that have embraced the transnational network model.

As Matthews notes, the growing efficacy of networked organizations in the international arena, as opposed to the more traditional hierarchies found within nation-states, is demonstrable with respect to non-state actors. To use her definition, “In a network, individuals or groups link together for joint action without building a physical, formal institutional presence.”⁵¹ In general, criminal activity, constrained by the threat of legal action and other operational grounds to a relatively high degree of secrecy, naturally tends toward this type of structure.

triads and the Colombian cartels, as well as a number of smaller, more specialized groups centered on such countries as Nigeria, Poland, Jamaica and Panama. While by no means authoritative, and of course subject to change over time, this characterization appears essentially valid. On the subject of structural changes in the organization of criminal activity over time, see also Block, 53.

⁵⁰Bunker and Sullivan, 56.

⁵¹Matthews, “Are Networks Better Than Nations?” 11. Furthermore, as noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 3, “The dynamics of globalization . . . particularly the reduction of barriers to movement of people, goods, and financial transactions across borders, have enabled international organized crime groups to expand both their global reach and criminal business interests.” See also Williams, “Networks, Markets and Hierarchies,” 74-8.

The case can certainly be made that traditional and often domestically-based organized crime hierarchies are giving way to more fluid and task-specific decision-making entities which allow for greater flexibility in such matters as asset allocation and risk management. In embracing this updated operational model, TCOs can be seen as becoming even more tenacious in their own right and serving as umbrellas for various affiliated criminal activities.⁵² In fact, the term TCO itself implies at least a minimal degree of horizontal and vertical integration. As such, smuggling actors must be considered at the forefront of Ohmae's "nimble competitors" vis-à-vis the nation-state.

Regarding terminology, it is interesting to note the distinction between "illegal networks" and "illegal practices." As Josiah McC. Heyman and Alan Smart write, "Illegal networks specifically indicates a ordered web of people centered on an illegal activity, and implies [though it does not necessarily require] an alternative social world to the formal, legal state." While opting for the looser "illegal practices" in order to encompass the intentional or unintentional involvement of nation-states in various types of criminal activity, the authors do highlight the additional insight gained by a focus on the network concept: "Networks rest on the human capacity for mutuality, trust and exchange in relationships."⁵³

A formulation that serves to underline this aspect of TCO structure is put forth by Peter Marden, who characterizes non-state actors of this type as networks of economic, social and cultural relations occupied by conscious association in separate locations that

⁵² The decentralization of decision-making within smuggling organizations is exceedingly difficult to assess. However, for a perceptive overview of the phenomenon in this context, as well as a comparison between international criminal organizations and multinational corporations, see Williams and Florez, 1-11.

⁵³ Josiah McC. Heyman and Alan Smart, "States and Illegal Practices: An Overview," in *States and Illegal Practices*, ed. Josiah McC. Heyman (New York: Oxford Press, 1999), 17.

link themselves for specific political and social ends.⁵⁴ With reference to this definition, ethnic ties or some analogue appear to be the most common organizing principle and substantially serve to at least somewhat mitigate these issues of trust, without which the resort to violence would be that much more common. This is, of course, not an especially modern phenomenon; for instance, in the 14th century, the Islamic historian Ibn Khaldun wrote, “Group feeling results only *from blood relationship or something corresponding to it.*” [emphasis added]⁵⁵

In short, there usually exists some sort of feeling which underlies the commonality of group purpose, often based on such actual or assumed bonds as kinship, culture, religion or language, that underpins trust among members of a transnational network.⁵⁶ It should also be mentioned that, historically, examples of ethnically-based transnational trading activities organized along these lines have been quite common.⁵⁷ In

⁵⁴ Incidentally, the basis of Marden’s analysis is geographical, with an emphasis on issues of identity and the control of territory within the evolving international system. While the author makes this characterization primarily with reference to a range of non-governmental organizations and ethno-cultural groups, it is also particularly apt in describing international criminal organizations. Marden, 41.

⁵⁵ Abd al-Rahman Ibn Khaldun, *The Muqaddimah: An Introduction to History*, trans. Franz Rosenthal, ed. N. J. Dawood (Princeton: Bollingen Series, Princeton University Press, 1989), 98. The range of theories involving ethnicity and ethnic identity is extensive, and includes primordial, contextual and functional approaches. Similarly, models of inter-ethnic relations primarily aim at addressing issues of conflict, cooperation and coexistence. While somewhat beyond the direct scope of this study, some key general works dealing with these subjects include Nathan Glazer and Daniel P. Moynihan, ed., *Ethnicity: Theory and Experience* (Cambridge, MA: Harvard University Press, 1975); Donald L. Horowitz, *Ethnic Groups in Conflict* (Berkeley, CA: University of California Press, 1985); Urs Bitterli, *Cultures in Conflict* (Stanford: Stanford University Press, 1989); and Joseph V. Montville, ed., *Conflict and Peacekeeping in Multiethnic Societies* (Lexington, MA: Lexington Books, 1991).

⁵⁶ This conceptualization forms the basis of Harold R. Isaacs’s classic treatment of the subject, *Idols of the Tribe: Group Identity and Political Change* (Cambridge, MA: Harvard University Press, 1975).

⁵⁷ Extended studies of this phenomenon include Joel Kotkin, *Tribes: How Race, Religion and Identity Determine Success in the New Global Economy* (New York: Random House, 1992), and Philip D. Curtin, *Cross-Cultural Trade in World History* (New York: Cambridge University Press, 1984). Edward R. Kleemans and Henk G. van de Bunt, “The Social Embeddedness of Organized Crime,” *Transnational Organized Crime* 5, no. 1 (Spring 1999), 19-36, also examines this phenomenon in its criminal manifestations using data from the Netherlands. For more on issue in the African context, see also Janet MacGaffey and Rémy Bazenguissa-Ganga, *Congo-Paris: Transnational Traders on the Margin of the Law* (Oxford, UK: International African Institute, in association with James Currey and Indiana University Press, 2000), 12-16. The next chapter also addresses this topic with particular respect to money laundering.

the context of TCOs, Lupshka notes, “At present most transnational organized crime groups have a single ethnic character or national identity root, with cells inserted into nation-states where aspects of their criminal enterprises take place.”⁵⁸ In particular, from a geographic point of view, organized crime often develops where states are weak, such as in border areas, less accessible regions and economically depressed territories.⁵⁹

As will be seen in the various case studies, group cohesion among members of TCOs is crucial to maintaining organizational control and achieving common goals. In the context of this study, the primary spatial application of organizing principles predicated on solidarity ties fall within the realm of human geography. As such, a number of ongoing trends serve to facilitate the spread of this phenomenon. For example, as with the globalization of trade, international travel and tourism have also become increasingly easy.⁶⁰

Moreover, the sheer volume of people crossing international borders both voluntarily and involuntarily as either political or economic refugees is also accelerating.⁶¹ Patterns of migration and demography are thus extremely relevant as they allow these smuggling actors to increase their scope both geographically and operationally. While the vast majority of immigrants are law-abiding, increasing international migration has enormous value for TCOs that have an ethnic basis by facilitating the spread of network structures and providing enclaves that serve as

⁵⁸ Lupshka, “Transnational Organized Crime,” 22.

⁵⁹ This issue is examined at length in Frank Bovenkerk, “Organized Crime and Ethnic Minorities: Is There a Link?” *Transnational Organized Crime* 4, no. 3 / 4 (Autumn / Winter 1998), 109-26. Furthermore, the author also notes that ethnic specialization is often to be found among criminal organizations.

⁶⁰ For a concise overview of this phenomenon’s historical context, see “Humanity on the move,” *The Economist* (web edition), 31 December 1999.

⁶¹ A broad-ranging survey of recent migration trends can be found in “The longest journey: A survey of migration,” *The Economist*, 2 November 2002, 3-16.

recruiting grounds.⁶² These transnational ties also provide access to supplies of contraband goods, potential clients, new and existing markets, and other sources of operational support.⁶³

Finally, to return to a theme introduced earlier, TCOs may also be seen as functionally analogous to MNCs, though with certain specific features that obviously distinguish their activities from licit trade. Most significantly, there is the common driving motivation between legitimate corporations and ongoing smuggling enterprises, namely the pursuit of profit maximization. In particular, operations that do not generate sufficient marginal revenue will be the least likely to continue. The exception to this rule would be where ideology or some other non-commercial interest underlies such activity.

As noted above, another parallel with legitimate multinational corporations can be seen in TCOs' response to wider trends of globalization. For instance, as Matthews notes, "Precisely the same forces that are shaping the legitimate global economy are nourishing another new non-state actor, globally-integrated crime," transforming local operations into global enterprises.⁶⁴ Extending this observation further, Andreas points

⁶² Williams and Savona, 9-10. See also "A world of exiles," *The Economist*, 4 January 2003, 41-3; "There is another country . . ." *The Economist*, 19 August 2000, 26-7, dealing with migrant communities in the U.S.; and, for more on the security dimensions of the issue, Khachig Tololyan, "The Impact of Diasporas on US Foreign Policy," in Pfaltzgraff and Schultz, 147-60. However, with respect to the U.S., perhaps the most salient historical example linking immigration to organized crime is that of the southern Italy, and specifically Sicily, following a period of mass emigration to not only the United States, but also Canada, South America and Australia. The opportunity for transnational linkages among the branches of organized crime affiliated with this ethnic group came in 1943, when the U.S. government released a number of jailed Mafia figures, notably Salvatore "Lucky" Luciano, in order to facilitate the Allied invasion of Sicily. The impact of this wartime expediency is addressed in Alison Jamieson, "The Transnational Dimension of Italian Organized Crime," *Transnational Organized Crime* 1, no. 2 (Summer 1995), 152-6.

⁶³ Kleemans and van de Bunt, 25. However, the authors do rightly note that ethnic homogeneity is not the sole determinant of criminal associations. In particular, their research from the Netherlands also appears to indicate that more ethnic diversity can be found toward the final end of the smuggling distribution chain.

⁶⁴ Matthews, "Are Networks Better Than Nations?" 11-2. Among the specific aspects of globalization noted by the author are dramatic increases in the volume of goods and people crossing borders, competitive pressures to keep trade flowing, deregulation and privatization of government owned businesses, growing

out that, “The economic importance of smuggling suggests that there is not just a formal, above-ground dimension of regional and global interdependence, but an informal, underground dimension as well. For some countries, it is the smuggling-based part of the economy that is most responsive to (and integrated into) US and global markets.”⁶⁵

However, the most salient differences between MNCs and TCOs lie in the latter’s relative lack of constraints. This distinction can be seen as part of a wider comparison made by James Rosenau between sovereignty-bound and sovereignty-free actors.⁶⁶ While the legitimate multinational corporation’s activities are sanctioned by the nation-state, despite occasional invective from the dispossessed, the disgruntled and the politically motivated, smuggling actors are those that engage in illegal transactions, as defined by consensus among nation-states. As such, it is in the very use of the term “legitimate” that a key difference lies. In simplest terms, one type of organization adheres to the rules laid out by the powers that be within the international system, while the other does not.

Specifically, despite certain parallels with MNCs, illegality has compelled TCOs to be much more fluid in structure and functionally cooperative as situations arise.⁶⁷ Specifically, Lupshka notes a number of factors that constitute the “competitive edge” enjoyed by TCOs vis-à-vis MNCs. These include access to vast amounts of capital, a lack of jurisdictional and other boundaries, the ability to use corruption as a means of

ease of communication, rapidly shifting commercial alliances and the emergence of global financial systems. This view is also echoed in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 1, which notes that, “International criminal networks have been quick to take advantage of the opportunities resulting from the revolutionary changes in world politics, business, technology and communications that have strengthened democracy and free markets.”

⁶⁵ Andreas, 79.

⁶⁶ See James Rosenau, *Turbulence in World Politics* (Princeton, NJ: Princeton University Press, 1991), passim.

⁶⁷ William and Savona, 29-30.

leverage, recourse to the threat and use of violence, organizational flexibility, a wide latitude to eliminate unproductive components, organizational secrecy and an emerging global network.⁶⁸ However, as Pino Arlacchi points out, “The cost of doing business within the illegal economy is much higher than in the legal economy – which is reflected in the market price of most illegal goods. This largely is due to additional costs incurred in the attempt to minimize the risks of being caught.”⁶⁹

Organizational aspects relating to group affinities among members of TCOs have already been addressed. However, barring the sanction of the nation-state, issues of trust that are taken for granted in the course of legitimate commercial activities occur in the absence of formalized legal structures, such as those enforcing contracts via torts and associated regulation of business relationships. As a result, both the threat and use of violence serve to fill the void and underlie the activities of organized crime in their operational context.⁷⁰ This in turn further threatens the long-standing Westphalian monopoly on organized violence that nation-states have formally reserved for themselves dating back to 1648, as is discussed at length in the next section.

In spite of these many differences, Morrison makes a strong case for potential qualitative changes among TCOs in response to various pressures that may impel them toward evolutionary paths more closely paralleling the MNC model than their predecessors. Specifically, she notes that:

⁶⁸ Lupshka, “Transnational Organized Crime,” 34-8.

⁶⁹ Pino Arlacchi, “The Dynamics of Illegal Markets,” *Transnational Organized Crime* 4, no. 3/4 (Autumn / Winter 1998), 8.

⁷⁰ For a wealth of recent anecdotal evidence in support of this assertion, see Roy Godson and William J. Olsen, “International Organized Crime,” *Society* 32, no. 2 (January-February 1995), 18-30. The authors discuss examples ranging from Colombia to Italy to Burma in context, as well as the trends behind the growth of such activity.

. . . a cloak of legitimacy rather than a cloak of secrecy will be required to take full advantage of the trafficking opportunities afforded by free trade agreements and investment in privatized services – whereas in the past, political weakness and social disruption were the foundations of trafficking. This is not to deny that social and political disruption will continue to play a role in drug transshipment but simply to argue that subtler methods of operation will be required in order to avoid the attention that violence and intimidation attracts from the international business community, foreign governments and local law enforcement.⁷¹

Functionally speaking, she further points out that, as traffickers become more sophisticated and establish a veneer of legitimacy, they are better able to diversify their business interests and become multi-commodity providers. In particular, they may become less focused on maintaining direct links to various supply areas, and instead specialize in providing support services, transportation expertise and protection for shipments of a wider variety of contraband.⁷²

To summarize, the following passage serves to succinctly illustrate the nature and evolution of TCOs into actors capable of effectively challenging nation-states within the bounds of certain issue areas:

International criminal networks . . . have taken advantage of the dramatic changes in technology, world politics, and the global economy to become sophisticated and flexible in their operations. They have extensive worldwide networks and infrastructure to support their criminal operations; they are inherently flexible in their operations, adapting quickly to challenges to rivals and from law enforcement; they have tremendous financial resources to draw upon; and they are completely ruthless.⁷³

As such, although the topic has been tangentially addressed already, at this juncture the complex relationship between TCOs and nation-states needs to be examined in much greater detail.

⁷¹ Morrison, 16-7

⁷² Ibid.

⁷³ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 5. See also Andreas, 81-2.

Smuggling Networks and Nation-States

This chapter began with an overview of the debate surrounding the nation-state's primacy vis-à-vis non-state actors as the pace of globalization continues to increase. As noted at the outset, an understanding of the transnational network structure found among most smuggling actors is essential to assessing the various states of conflict and coexistence that exist between TCOs and nation-states. Most saliently in this context, a key advantage of the former is the fact that international logistical systems are also arranged as networks, a topic that is addressed in the next section. However, in general nation-states are not organized in this manner, and are furthermore constrained geographically by their international borders. Finally, levels of cooperation among these discrete actors do vary widely across issue areas.

As such, two inextricably connected aspects, the structural and the spatial, delineate the primary arena for interaction between these disparate types of actors. While TCOs are capable by definition of operating beyond the jurisdiction of any individual nation, the actions of nation-states are circumscribed in terms of jurisdiction while at the same time being called upon to implement international law.⁷⁴ Thus, nation-states are in some ways at a distinct disadvantage vis-à-vis smuggling actors, despite their numerous other advantages.

⁷⁴ See UNDCP, *World Drug Report* (1997), 157. Further underlining this inherent asymmetry between nations and criminal networks, U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 9 observes that, "while globalization has allowed international criminals to operate virtually without regard to borders, government and law enforcement agencies remain limited by national boundaries." This report continues by noting, "National sovereignty concerns and jurisdictional restrictions are impediments to targeting criminal activities that cross international boundaries. Unlike criminals, governments and law enforcement agencies must respect other nations' sovereignty and legal statutes in law enforcement operations."

In terms of both issue area and geographic area, smuggling may be seen as presenting a distinctly asymmetrical challenge to the nation-state. With respect to this prevailing asymmetry between nation-states and TCOs, Bunker and Sullivan point out that as longstanding assumptions of struggles between nation-states or their coalitions over the preservation and extension of national sovereignty are challenged and in danger of becoming irrelevant, “At national levels the adversary will not necessarily be an emerging peer competitor.”⁷⁵

In consideration of the structural differences between TCOs and nation-states, from the smuggler’s perspective the nation-state’s primary function is ostensibly that of imposing risk and deterring access. However, the relationship between smuggling actors on the one hand and the nation-state on the other is much more complex than may appear at first glance. As such, it defies a simplistic “us-versus-them,” “good-guys-against-bad-guys” analysis.

Along these lines, Heyman and Smart rightly observe that, “State law inevitably creates its counterparts, zones of ambiguity and outright illegality . . . Having grown in necessary connection, state law and evasion of state law must be studied together.”⁷⁶

There is a need to take such symbiosis into account when analyzing topics falling within

⁷⁵Bunker and Sullivan, 57. However, the authors continue by noting that, with respect to activity below the nation-state threshold, “At sub-national levels, organized criminals and gangs will not necessarily be the usual suspects.”

⁷⁶Heyman and Smart, 1. The question of who defines various types of activity as illegal, and the underlying legitimacy for so doing, has been a theme in the study of organized crime over the past several decades. For a synopsis of this literature, see Block and Chambliss, 4-15. For a concrete example of this type of interaction between nation-state and TCO, note the tacit agreement between the government and the *yakuza* in Japan, by which criminal activity is unofficially tolerated as long as it takes place within certain parameters. Calvin Sims, “Gangster Shoot-Out in Tokyo Violates an Unspoken Pact,” *New York Times* (web edition), 9 August 2000.

this issue area, rather than taking all nation-state pronouncements to the contrary at face value.

Paradoxically, in a borderless world smuggling would not exist. As Andreas notes, “The state-smuggler relationship is a paradoxical one, defined by irony and contradiction: the smuggler is pursued by the state, but at the same time kept in business by the state. The smuggler is dependent on the state in a multitude of ways.” Specifically, nation-states tacitly or openly contribute to the creation of markets and de facto price supports, facilitate the emergence of more efficient smuggling groups by counter the less efficient, and tolerate or otherwise allow corruption to flourish. He continues by noting that smuggling activities “reveal both the power and limits of the state: even as the state fails to deter smuggling, there is no smuggling without the state. Laws, and the selective nature of their enforcement, are what make smuggling possible.”⁷⁷

According to Lupshka, there are three distinct stages of TCO interaction with nation-states. These are the predatory, when the group is circumscribed within a particular geographic area, focused primarily on immediate rewards, subject to the prevailing political and economic sectors, and easily disciplined by law enforcement authorities; the parasitical, as the group develops a corruptive interaction with legitimate political entities, and melds control of a territorial base with the provision of illicit goods

⁷⁷ Andreas, 82-7. Moreover, not only can smugglers’ assets be directly allocated to the state via various forms of forfeiture, those involved in such illegal activity constitute a major source of primary information used by law enforcement agencies to control smuggling. The author even goes as far as to note that, in some respects, smuggling keeps law enforcement in business by underlining its continued relevance in an era of constrained resources. In the context of drug trafficking, as will become more salient in the next section, Jordan also notes the ambiguous relationship between governments and TCOs: “The economic model alone does not include an awareness of governmental support of and protection for drug trafficking. Furthermore, it impedes an enhanced understanding of the embedded nature of criminal activity within the political system.” Jordan, 55-6.

and services to those holding power within the nation-state; and the symbiotic, when there becomes a separate but equal bond of mutuality between organized criminal actors and the political system of the nation-state.⁷⁸

Similarly, manifestations of illegal activity, even in the face of at least nominal deterrence on the part of nation-states, may be seen in terms of the following typology: market persistence, predicated on continued demand for a good or service proscribed by the authorities; ambiguous persistence, where activity is *de facto* illegal but generally tolerated due to a significant degree of social legitimacy; managed persistence, where significant profits accrue to the state as the result of a given activity despite its illegality; rebellious persistence, where internal political actors, opposed to the government in question, have control over either the region or the activity itself; and subversive persistence, where an outside political actor supports an illegal economic activity.⁷⁹

It has been previously noted that the behavior of TCOs is generally unpinned by both the threat and use of violence, which in turn challenges the nation-state's monopoly on the legitimate use of force.⁸⁰ Interestingly, in the modern era this monopoly is the subject of widespread consensus throughout the international system in all but the most circumscribed of situations, and serves as a primary pillar of the current international system.

⁷⁸ This typology is laid out in Lupshka, "Transnational Organized Crime," 30-2.

⁷⁹ This terminology and taxonomy comes from Alan Smart, "Predatory Rule and Illegal Economic Practices," in Heyman, 103-5.

⁸⁰ As noted in UNDCP, *World Drug Report* (1997), 130, "Lack of recourse to legal redress . . . implies higher transaction costs, because new entrants are liable to be coerced by better established, more powerful organizations or individuals. In other words, entry into a market place and to market position have to be fought for in ways that lie outside legitimate business practice." See also Lupshka, "Transnational Organized Crime," 29-30.

However, not only can extralegal actors employing the use or threat of violence be readily observed throughout history and often coexisting with a wide range of other political structures, a strong case can be made for their essential role in the rise of the nation-state itself in its present form.⁸¹ At an even more fundamental level, Joshua Charap and Christian Harm even go so far as to posit that nations themselves may have developed as the hegemonic results of gang warfare.⁸²

As with a wide range of other illegal endeavors, in the smuggling context the use of the carrot complements that of the stick. The smuggling process thus may also be characterized as highly dependent on the facilitation of corruption, particularly with respect to the commercial transport of contraband. With reference to the generic smuggling model, the access decision-making domain is integrally tied to the smuggler's ability to control the smuggling process, and represents a key component of risk mitigation and avoidance.

The ability to co-opt the agents of the nation-state, if not the nation-state *in toto*, serves as a key element in a TCO's operational success. Functionally speaking, in the absence of corruption the movement of contraband via commercial methods would become virtually impossible. Most often, such corruption is manifest in various forms of

⁸¹ Examples of this range from the use of mercenaries, both medieval and modern, to the various types of sanctioned and non-sanctioned private organizations such as the British and Dutch East India Companies. Although this theme runs through a number of works, for a focused analysis see Janice E. Thomson, *Mercenaries, Pirates and Sovereigns* (Princeton, NJ: Princeton University Press, 1994), 21-41, 69-105; Thomas W. Gallant, "Brigandage, Piracy, Capitalism and State-Formation: Transnational Crime from a Historical World-Systems Perspective," in Heyman, 25-61; Block and Chambliss, 221-8; and Michael Howard, *War in European History* (New York: Oxford University Press, 1976), 20-53.

⁸² See Joshua Charap and Christian Harm, "Institutionalized Corruption and the Kleptocratic State," *IMF Working Paper* WP/99/91 (July 1999), 12. Incidentally, this hypothesis is underpinned by the assumption that the relevant geographic landscape favored either offensive or defensive military action, which then defined the limits of spatial control. As such, these proto-nations represented the optimal reach of a given hegemonic hierarchy, while borders arose as the result of an anarchical equilibrium of cooperation as neighbors realized that mutual conquest was not an option.

bribery, with intimidation used as necessary in a supporting role. As this section's focus is on TCO interaction with the nation-state, the issue of public sector corruption is of the essence.⁸³

Like smuggling, corruption is a complex phenomenon that can be found in many forms throughout history and in every part of the world. In general, the question is not whether corruption exists at a given time and place, but rather to what degree. However, there does appear to be an important distinction to be made in terms of scale between systemic corruption and corruption on the part of individuals or small groups. While the task of meaningfully measuring corruption is admittedly difficult, there does appear to be a consensus regarding the root causes of public sector corruption.⁸⁴ In particular, the

⁸³ The majority of the literature on corruption tends to be confined to consideration of the public sector. For instance, even while acknowledging the difficulty of defining the phenomenon, Vito Tanzi writes, "The most popular and simplest definition of corruption is that is the abuse of public power for private benefit." Vito Tanzi, "Corruption Around the World: Causes, Consequences, Scope, and Cures," *IMF Working Paper* WP/98/63 (December 1998), 8. The impact of corruption on international trade is discussed at length in Shang-Jin Wei, "Natural Openness and Good Government," *NBER Working Paper* W7765 (June 2000), available at www.nber.org/papers/w7765, accessed 15 July 2004. See also Nikos Passas, "A Structural Analysis of Corruption: The Role of Criminogenic Asymmetries," *Transnational Organized Crime* 4, no. 1 (Spring 1998), 42-55, which does note the general failure of regional and multinational efforts to meaningfully address corruption within the private sector. While the public sector serves as a solid point of departure, this study will attempt whenever possible to incorporate a consideration of the private sector into the analysis as well. While recognizing that the climate for endemic corruption is generally set by the public sector, the rationale for this decision rests on the importance of the private sector in carrying out smuggling transactions. Consideration of potential corruption should not exclude anyone in a position to enable criminal activity. One precedent for this broader definition may be found in the U.S. RICO (Racketeering-Influenced and Corrupt Organizations) statutes, which are targeted almost exclusively toward the private sector. The following section will address private sector corruption more directly, with a focus on international logistical networks.

⁸⁴ Within the literature, economic and political analyses of corruption are among the most common approaches. For instance, Friedrich Schneider and Dominik Enste use an "equilibrium" analogy by which the size of a country's illicit economy may be positively correlated to factors such as high levels of government regulation, weak rule of law and large discretionary corporate and personal tax burdens. Friedrich Schneider and Dominik Enste, "Shadow Economies Around the World: Size, Causes and Consequences," *IMF Working Paper* WP/00/26 (February 2000), 19-26. Similarly, Tanzi notes that the causes of public sector corruption may be broken down into those that affect demand, such as regulations, tax systems, spending decisions and the provision of goods and services at below-market prices, and those that affect supply, such as bureaucratic traditions, public sector wages, penalty systems, institutional controls, government transparency and leadership examples. Tanzi, 3. See also Paolo Mauro, "Why Worry About Corruption?" *IMF Economic Issues* no. 6 (1997), 1-19, specifically focusing on the

same types of social solidarity networks that characterize TCOs find a parallel in motivating corruption.⁸⁵

Furthermore, as with other types of criminal activity, levels of corruption demonstrably higher than acceptable global norms may be seen as inimical to good governance, defined as the management of a nation's economic and social resources in ways that maximize the public good.⁸⁶ Generically speaking, in political systems with ineffective or unregulated systems of institutional checks and balances where corrupt elites are allowed to flourish, access to political office tends to be limited to a relatively small group and officeholders are able to avoid, undermine or otherwise circumvent measures entailing transparency or accountability.⁸⁷

opportunities for corruption stimulated by governmental economic intervention in terms of rents and rent-seeking; and Steven N. S. Chung, "A Simplistic General Equilibrium Theory of Corruption," *Contemporary Economic Policy* 14, no. 3 (July 1996), 1-5, which puts forth the notion of public officials as constrained self-maximizers, and as such hypothesizes that in much of the developing world, regulations and controls are formulated in order to open and maintain opportunities for corruption; the danger in transitioning to a free market system without the benefit of solid private property rights is that corruption becomes integrally entrenched. However, one of the most comprehensive treatments of the subject can be found in Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge, UK: Cambridge University Press, 1999).

⁸⁵ For instance, Tanzi, 8-9, notes that, "In several cases of corruption, the abuse of public power is not necessarily for one's private benefit but it can be for the benefit of one's party, class, tribe, friends, family and so on." As corruption is anything but a monocausal phenomenon, its socio-cultural aspects need to be fully addressed. While this may be seen as something of a gap in the literature, many of the available corruption indices do in fact take this dimension into account. These will be discussed further in the next chapter. Rose-Ackerman, 130-2, also notes the detrimental impact of public sector corruption via patronage systems within ethnically divided societies.

⁸⁶ The negative effects on a given nation-state include, but are not limited to, the erosion of political legitimacy, the loss of investor confidence, and the erosion of international efforts across issue areas ranging from trade to public health to development. See G. Shabbir Choma, "Corruption – And How It Affects the Legitimacy of the State," *U.N. Chronicle* 35, No. 11 (Spring 1998), 88-90; Robert S. Leiken, "Controlling the Global Corruption Epidemic," *Foreign Affairs* 105 (Winter 1996), 55-73; Andrei Shleifer and Robert W. Vishny, "Corruption," *Quarterly Journal of Economics* 108, no. 3 (August 1998), 599-618. For discussion of a practical set of strategies aimed at explicitly linking anti-corruption efforts and good governance, see also McFarlane, 17-24. However, dissenting views specifically those holding that corruption may have some redeeming features, may be found. For example, see Gordon Tullock, "Corruption Theory and Practice," *Contemporary Economic Policy* 14, no. 3 (July 1996), 6-14. While this sentiment may not resonate with the general international consensus, as an extant and divergent point of view it is worth mentioning.

⁸⁷ Jordan, 37-8.

While not the sole entities engaging in or taking advantage of these behaviors, TCO activity is inextricably intertwined with the issue of corruption, the existence of which in a specific operational context constitutes a distinct force multiplier.⁸⁸ Within the public sector, leverage gained either by corruption or intimidation allows these groups to gain high level protection for themselves and their activities, access insider information on potential and ongoing investigations, and influence legislation or regulations that could affect their interests.

For their part, corrupt officials may opt to participate to secure financial rewards, avoid pressure and reprisals, and gain either political or personal favors from criminal groups.⁸⁹ As Susan Rose-Ackerman notes, “Corruption is often embedded in the hierarchical structure of the bureaucracy. Low-level officials collect bribes and pass a share to those at higher levels – perhaps in the form of an up-front payment for the job itself. Conversely, higher-ups may organize and rationalize the corrupt system to avoid wasteful competition between low-level officials.”⁹⁰ However, corruption not only in government, but also in business and throughout society, is necessary to fully enable transnational smuggling.

From the smugglers’ perspective, there appears to be an optimal level of political corruption and overall instability that will best facilitate their activities. For instance, as Morrison notes, rather than the outright chaos that is found in war zones, a lower level of

⁸⁸ Illustrative of this, Leiken notes that the range of nontraditional threats rising to prominence in the post-Cold War era, in particular terrorism and smuggling activity, have little in common analytically “except that all are aided at critical junctures by official corruption.” Leiken, 56. The author also notes the growth of TCOs as prime movers in exploiting these opportunities.

⁸⁹ See U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 7-8. In addition to echoing many of the points noted above, this source also observes that, “Criminal groups are most successful in corrupting high-level politicians in countries that are their home bases.” This phenomenon will be discussed at greater length in the case studies.

⁹⁰ Rose-Ackerman, 49.

civil disorder may in fact be more desirable from the smugglers' perspective in terms of their ability to control their operational environment by maximizing access and minimizing risk. Conversely, political systems that allow high levels of corruption to flourish are also magnets for smuggling.⁹¹

Moving on the consideration of the spatial, in terms of geography one defining, perhaps *the* defining, characteristic of the nation-state is the control of certain territorial borders.⁹² Nearly the entire surface of the earth is organized along such lines, and, under the international system, governments purport to hold political sway in the form of national sovereignty within their respective borders. However, as Matthews notes, a distinct divide exists between "the essence of statehood, which is a fixed and precisely defined territory, and the amorphous geography of the resources and threats."⁹³

As the edges of the nation-state, international borders and their relevant crossing points can be seen as focal points for both smuggler and the nation-state. The relative porosity of international borders can be seen largely as a function of the physical terrain in question, the nature of the relevant national actors' border control policies, and the effectiveness of the specific law enforcement entities charged with implementing those policies.

⁹¹ Morrison, 2-4. Methods of assessing the various types of relevant political risk factors at the national level will be discussed further in Chapter IV.

⁹² For instance, Buzan, 60-6, makes use of the terminology of "physical base" to differentiate this concept from both the idea of the state and its institutional expression. In noting the common usages of the concept of security, Dalby also highlights the spatial dimensions of the nation-state's duties, namely the social contract that calls for the state to "provide order within its boundaries." In making the case for "anti-geopolitics" and questioning the traditional approach to security and its various levels of analysis, the author frames the issue of transnational threats primarily in an ecological context. However, an analogous critical framework using smuggling as a test case may also be made. Dalby, 97-8, 107-10.

⁹³ Matthews, "Are Networks Better Than Nations?" 10.

In general, as noted at the outset of this study, national boundaries are increasingly subject to a wide range of political, economic and social pressures. For instance, regional integration of existing national territories, particularly with respect to trade, is occurring in tandem.⁹⁴ The enhanced ease with which not only goods, but people as well, can cross international borders, while serving as the engine of globalization and associated economic growth, also offers immense opportunities for illicit activity.⁹⁵

Similarly, there has been a marked increase of sovereign territorial entities, as well as an even greater number of aspirants to nationhood, which also serves to complicate the issue. While many factors have helped to facilitate this upward trend, overall it can be traced in turn back to the sheer number of nation-states that have come into being over the past fifty years.⁹⁶ As a result, "There has probably never been a period where more governments on Earth have codified what is right and what is wrong,

⁹⁴ The most salient example of this may be found in the case of the European Union, in both its widening and deepening efforts. Interestingly, it may be argued that regional economic integration does not negate national borders, but rather redefine them without lessening their significance. See "Good fences," *The Economist*, 19 December 1998, 19-22.

⁹⁵ The international transportation of goods will be the focus of the following section. However, continuing with the E.U. example, under the terms of the Schengen Agreement, citizens of those countries opting to join no longer require passports. In addition to concerns regarding illegal immigration, the proliferation of cross-border crime within the region implies the need for a higher degree of coordination among the relevant law enforcement, legislative and judicial entities. For a more in-depth analysis of these challenges, see "European borders: melting," *The Economist*, 24 August 1998, 40; "A single market in crime," *The Economist* (web edition), 16 October 1999; and, focusing on a particularly active segment of the immigrant smuggling market, Carlotta Gall, "China's Migrants Find Europe's Open Back Door," *New York Times* (web edition), 22 April 2000.

⁹⁶ For instance, there have been three distinct waves of nation-state creation during the twentieth century. These have come in the wake of World War I, with the various post-war settlements; of World War II, particularly with respect to decolonization in Africa and Asia; and of the Cold War, which not only gave rise to the Soviet successor states but in many respects reconfigured the international consensus regarding the nature of sovereignty and the inviolability of natural borders. Recent illustrations of this continuing trend can be seen in the Balkans with the former Yugoslavia, in sub-Saharan Africa with the case of Eritrea, and in the Indonesian archipelago with the case of East Timor. A holistic view of this phenomenon is offered in Graham E. Fuller, "Redrawing the World's Borders," *World Policy Journal* 14, no. 1 (Spring 1997), 11-21. In the African context, see also Ali Mazrui, "The bondage of boundaries," *The Economist*, 11 September 1993, 28-30.

or when there were more organizations operating beyond these established norms and standards.”⁹⁷

Moreover, as Williams and Savona note, uneven criminal justice and law enforcement capabilities among nation-states mean that degrees of risk vary considerably according to the location of the organization and its associated jurisdiction. Consequently, transnational criminal organizations tend to have operational bases in areas where risks are low and to engage in providing illicit goods and services to markets where the profits are very high.⁹⁸

Furthermore, smuggling actors have shown a marked willingness to exploit any areas of potential vulnerability, and, in keeping with the principle that such activity opportunistically follows the path of least resistance, will continue to do so in the future. Taking this idea further and underlining the symbiosis between smuggling actor and nation-state, Andreas posits that, “Just as some countries and regions have a special niche in legal trade, so too do different countries and regions have a niche in illegal trade. The industrialized countries dominate legal trade; illegal trade is an area of significant comparative advantage for many developing countries.”⁹⁹

Thus, it is hardly surprising that one Central Intelligence Agency (CIA) study found that, “Crime groups typically target regions experiencing economic or social

⁹⁷ Leonard Sullivan Jr., *Meeting the Challenges of Regional Security*, (Carlisle, PA: Strategic Studies Institute, U.S. War College, 1994), 1. In support of this view on a regional scope, see “A goat, a rug, special price?” *The Economist*, 3 December 1999, 38-9. Interestingly, the latter article underlines not only the endemic movement of outright contraband throughout the Middle East but also, and even more commonly, “everyday household goods subject to high tariffs or stiff regulation” on the part of various national governments.

⁹⁸ Williams and Savona, 5.

⁹⁹ Andreas, 78. While is demonstrable across a wide range of issue areas, in the context of drugs this study will elaborate further on the issue of heroin production. However, another excellent example of a regional specialization can be found in the competitive advantage of the Andean countries of South America with respect to cocaine, certain aspects of which will be addressed in Chapter VI.

turmoil to take advantage of burgeoning black markets for consumer and other goods.”¹⁰⁰

With respect to the economic turmoil, Morrison also notes the impact of insecure commodities markets or transitional economies, whereby disruptions or fluctuations of the market for a commodity on which a nation or region depends, or movement from centralized to market control of economies, can serve to stimulate smuggling activity.¹⁰¹

In its more extreme forms, such organized criminal activity can even undermine the very fabric of national institutions and control of territory, albeit most often when other pressures are already extant. With particular reference to the focus of this study, Stares notes that, “Not only does drug traffickers’ presence and behavior undermine the authority of government, but in some cases they prevent it from being properly established. The vital process of nation building becomes stalled, if not derailed, in the process.”¹⁰² In this respect, states that have failed or are in the process of failing can be seen as particularly at risk.

Expanding on this dimension, Larry Goodsen makes the added distinction between developed and developing states, with the former influenced by the forces of integration and the latter by those of fragmentation. Under this conceptualization, the ex-

¹⁰⁰ U.S. Central Intelligence Agency (CIA), Crime and Narcotics Center (CNC), “International Organized Crime and Cargo Theft,” CNC 99-10007D (Washington, DC: CNC, December 1999), iii. See also “War and money: The business of conflict,” *The Economist* (web edition), 4 March 2000, which notes the prevalence of such profiteering, as well as the economic incentives paradoxically imparted by efforts at imposing international sanctions.

¹⁰¹ Morrison, 5-6

¹⁰² See Stares, 97. However, even among more developed nations, there is a growing awareness of the seriousness of this issue. At a recent symposium on NATO and European security, the narcotics and organized crime issue figured prominently in the discussion of future threats. Winston Wiley, Associate Deputy Director for Intelligence, Central Intelligence Agency, “Transnational Threats to NATO in 2010,” presented at *1998 European Symposium*, National Defense University, Washington, DC, 10-11 February 1998. Moreover, the issue of the increasing power and influence of criminal organizations over the political and economic structure of nation-states is also worrisome, particularly in a scenario where such countries become safe havens where criminals can operate with virtual impunity, protected by the concept of sovereignty under international law. U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. IV, 4-5.

Communist and newly industrialized states are being pulled in both directions simultaneously. In this light, he notes that, “It is not just a question of whether governments hold onto their territory, but whether governments increasingly become meaningless or at least less meaningful actors within their society, and which factors constrain their sovereignty.”¹⁰³ Along these lines, H. Richard Friman also posits a direct linkage between a state’s territorial integrity and potential involvement in smuggling.¹⁰⁴

As such, various types of vulnerable areas, or “interspaces,” exist within the international system that are highly susceptible to smuggling, as well as other criminal activity, since monitoring and enforcement assets dedicated to these places are notably lacking. Major types of interspaces would include extended and unprotected national land and water borders, the territories of failed or failing states, and the high seas.¹⁰⁵ Within the context of the international system, the phenomenon of states that, for a

¹⁰³ Larry Goodsen, *Afghanistan’s Endless War: State Failure, Regional Politics and the Rise of the Taliban* (Seattle: University of Washington Press, 2001), 185. The author also includes a table of variables, including the geostrategic position of the state in question, the economic well-being of the society, the strength of state institutions, and the stability of the population, with respect to hypothesized impacts on state failure. Incidentally, these variables roughly parallel the aspects of physical, economic, political and human geography put forth in this study. Another depiction of a world divided into three discrete groups can be found in Jeffrey Sachs, “A new map of the world,” *The Economist*, 24 July 2000, 81-3. Here, the distinction is made between the technology innovators, the technology adapters and the technology excluded. In general, this framework appears much more optimistic in its underlying assumption that technology can be a panacea for development.

¹⁰⁴ H. Richard Friman, “Just Passing Through: Transit States and the Dynamics of Illicit Shipment,” *Transnational Organized Crime* 1, no. 1 (Spring 1995), 73.

¹⁰⁵ The concept of these “interspaces” is put forth admirably, though primarily with respect to the maritime context, by Kevin Burke, “Waterway and Port Security,” *Proceedings of the Marine Safety Council* 56, no. 4 (October -December 1999), 61-2. While somewhat beyond the scope of this study, a related discussion of the analogous case both on the high seas and along littoral areas where piracy flourishes can be found in “Those in peril on the sea,” *The Economist* (web edition), 9 August 1997. For a land-based example of this phenomenon, see Ian Fisher, “Somali Business Stunted By Too-Free Enterprise,” *New York Times* (web edition), 10 August 2000. Moreover, Bunker and Sullivan, 56, also note the sub-national aspects of this phenomenon, even down to the neighborhood level, where residents are placed at risk by breakdowns in public safety, endemic violence and inter-gang warfare, with the resulting “failed community” being the local analogue of the failed state.

variety of reasons, are unable or unable to control their borders is crucial to the ability of the smuggling actor to flourish.¹⁰⁶

In the post-Cold War era of global economic integration, a definite bifurcation exists between the imperatives of opening borders to commerce and limiting the direct economic roles of states on the one hand, and of controlling prohibited types cross-border transactions. As Andreas notes, “The regulation and monitoring of cross-border flows is central to the modern state’s claims of territorial sovereignty.”¹⁰⁷ While the industrially developed countries may be relatively better able to deal with the pressures inherent to this issue area, nation-states as a class may be seen as ceding a certain degree of sovereignty almost by default, as it is nearly impossible for even the most to even monitor all such activity.

In most cases, a wide range of law enforcement entities may be seen as having a role in enforcing national laws and international agreements with respect to border control. However, as a segue into the next section, a discussion of the singular role of customs administrations as the most salient concrete interface with respect to this issue area is in order. As the primary organizations charged with regulating legitimate cross-border commercial activity, customs administrations throughout the world are at the forefront of the nation-states efforts to counter smuggling activity.

Unlike other government organizations, customs administrations are neither wholly domestically nor internationally focused, but rather charged looking both inward

¹⁰⁶ In a holistic sense, this is a major component of the thesis put forth by Robert D. Kaplan, “The Coming Anarchy,” *The Atlantic Monthly*, 273, no. 2 (February 1994), 44-6, 48, and expanded further in *To the Ends of the Earth: A Journey to the Frontiers of Anarchy* (New York: Vintage, 1996), and *The Coming Anarchy: Shattering the Dreams of the Post Cold War* (New York: Vintage Books, 2000).

¹⁰⁷ Andreas, 75.

and outward simultaneously. As Lane notes, “Customs organizations throughout the world hold a unique position within a country’s government and within the international community. Protection of a nation’s borders, collection of duties and taxes, and the operation of a customs administration are uniquely sovereign responsibilities”¹⁰⁸

The challenges faced by customs administrations are abundantly clear, and growing more complex. For instance, as Lane continues by pointing out, “Transnational criminal trafficking in weapons, munitions, and drugs is familiar to all customs organizations. Today, transnational criminal organizations are adding money laundering, fraud, child pornography, environmental crimes, and terrorism to the list of traditional customs violations.”¹⁰⁹ In the wake of 9/11, the last of these in particular has taken on a particularly heightened urgency.

The range of responses to smuggling on the part of customs organizations includes the monitoring of shipments, country of origin certification and various other forms of administrative controls.¹¹⁰ However, worldwide these entities are subject to a fundamental paradox, specifically that of balancing the demand for speedier, cheaper and less intrusive clearance of goods and people with the need for more effective law enforcement, regulation and compliance assurance. Furthermore, these conflicting imperatives must be addressed as the volume of trade continues to increase across the global economy,

¹⁰⁸ Lane, 4, 16. For more on this topic with respect to the E.U, see also “Anything to declare?” *The Economist*, 21 September 2002, 52-3.

¹⁰⁹ Lane, 101.

¹¹⁰ These responses on the part of the nation-state are addressed more extensively in Friman, “Just Passing Through,” 66-8.

Despite the mixed success of customs organizations in meeting these challenges, risk mitigation measures taken by smuggling measures are increasingly prevalent. For instance, as Morrison notes, “transit points may increasingly be chosen, not for the protection that internal chaos or corruption provides, but because they have no known involvement in the illicit trade in drugs and therefore less likely to arouse the suspicion of Customs Services.”¹¹¹ Furthermore, while customs operations are greatly enhanced by new technology and the application of data analysis techniques, as discussed in the previous section smugglers are also growing more sophisticated, employing much of the same, and sometimes better, technology in more innovative ways.¹¹² Such criminal groups are also able to leverage a wide range of talent in support of their operations.¹¹³

The resultant pressures of sustaining legitimate economic activity while at the same time controlling black market transactions is the key challenge facing nation-states and their agents. From just a cursory survey, it is obvious that even the most effective of organizations cannot cover every point of entry, particularly when unofficial means of

¹¹¹ Morrison, 9. Furthermore, adding to the inherent obstacles to effective control of borders, the author also points out that in many cases the only information that custom’s services will have available relates to a given shipment’s last port of call.

¹¹² Lane, 117. A recent CIA report also notes that international organized crime groups appear quite able to tap into information-sharing networks related to transportation as necessary to carry out their activities. U.S. CIA, CNC, “International Organized Crime and Cargo Theft,” iii.

¹¹³ According to U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 5, “Globalization has bred a more professional criminal element. International criminals make use of the latest commercial and technological developments to expand and improve the efficiency of their operations, and they have the financial resources to obtain whatever access, know-how, and technology they may need or desire. Many criminal groups employ individuals with specific access to facilitate their operations. As a result, they are able to quickly identify and adapt to market conditions.” In particular, “Major drug smuggling and other international criminal groups use transportation specialists and legal experts to research commercial flows and learn about tariff laws and administrative procedures in the world’s major commercial ports. With such information, they are able to exploit international air, sea, and land shipping to move drugs, arms, other contraband, illegal aliens, and even money past law enforcement and customs.”

access are added to official ones.¹¹⁴ Consequently, the gap between custom's resources and missions will continue to widen for all nation-states.

Even within these constraints, at any given border crossing security measures represent the effort to balance expedience and efficiency with respect to both economic and security considerations. However, "perfect" security would virtually eliminate or at least irrevocably delay most legitimate transnational commercial activity as well.¹¹⁵ While the nation-state is not becoming irrelevant by any means, it has rather been given the choice of participating in and shaping the process of globalization, or fighting what appears to be a losing battle against market forces.

In many ways, smuggling graphically illustrates the divergence between the interests of state and those of non-state actors. With respect to international borders, smuggling route selection follows the path of least resistance by capitalizing on various political factors such as corruption, internal stability, external conflict and economic policies, which serve to increase the vulnerability of a given country to such activity. Conversely, from the smuggler's point of view, a primary source of operational risk comes from the efforts of nation-states to stem the flow of contraband. It is the

¹¹⁴ This issue is not only outlined well but also constructively engaged by Colin Vassarotti, National Director, Office of Business Systems, Australian Customs Service, "Customs 2000: Risk Analysis in the New Millennium," presented at *Risk Management in the New Millennium* Conference, Stockholm, Sweden, 1-3 December 1999. Interestingly, a reverse engineering of the proposed customs risk management process may serve to highlight areas of potential criminal exploitation. This topic will be addressed further in Chapter IV.

¹¹⁵ At present, most customs organizations' levels of scrutiny seldom make this an issue. For instance, in the United States, which may be expected to have one of the highest inspection rates given the scope of its resources, less than 2% of import and 1% of export cargo using the maritime mode of transportation is physically inspected. U.S. Interagency Commission on Crime and Security in U.S. Seaports (ICCS), *Report of the Interagency Commission on Crime and Security in U.S. Seaports*, Fall 2000, 87, available at <http://www.securitymanagement.com/library/seaport1200.pdf>, accessed 15 July 2004. However, in the wake of 9/11 this issue has taken on an even more pressing aspect and it is reasonable to expect inspection rates to rise.

mechanics of this flow, and its supporting logistical networks, that constitute the focus of the next section.

Potential Modes of Transnational Smuggling

The transnational movement of both goods and people is obviously an integral function of the world economy. In particular, the transshipment of both licit and illicit commodities continues to become increasingly cheaper and easier. The growth of international trade, as noted above, has also resulted in a correspondingly enhanced window of opportunity for transnational smuggling. In this context, criminal elements vie for operational access to various forms of transnational logistical networks, while nation-states attempt to impose risk upon such activities. The resultant equilibrium between access and risk is manifest in the potential modes of transportation, which in the generic smuggling model is captured as connectivity via the path of least resistance.

Up to this point, the approach to these issues has been largely theoretical in nature, focusing on the concept of smuggling rather than its more concrete physical manifestations. While the case studies further illustrate how theory becomes practice, this section serves to delineate the various modes of transportation available to smuggling actors, namely by land, by water, and by air, as well as the interaction between licit and illicit uses of these commercial channels.¹¹⁶ Moreover, an additional dimension of

¹¹⁶ Paralleling his taxonomy with respect to the development of trade centers, Van Cleef, 6-15, also delineates modes of transportation in a similar manner. However, given the date of publication (1937), the analysis of air routes is understandably the least developed among the three modes.

modern logistics is the intermodal connectivity that serves to link these networks into a seamless whole.¹¹⁷

Before moving on to a direct consideration of these transnational logistical linkages, however, it is necessary to introduce a third major set of actors into the calculus of smuggling, along with smuggling actors and nation-states, namely those within the private sector. In particular, the cross-border activities of commercial entities are often the subject of the nation-state's scrutiny, generally via customs administrations as noted in the previous section and largely with respect to the subversion of legitimate transport networks for criminal ends. As an example, Petrus C. Van Duyne and Michael Levi point out that the transport business is frequently targeted by TCOs and often bears the stigma of being highly vulnerable to such infiltration.¹¹⁸

As Andreas notes, "while the methods of smuggling are as diverse as the commodity being smuggled, most smuggling parallels the methods and routes of legal commerce."¹¹⁹ In general, commercial transportation appears to lend itself more readily to the movement of large amounts of contraband. By contrast, the smuggling of smaller

¹¹⁷ For an overview of trade globalization from the logistical perspective, to include discussion of intermodality, see "Delivering the goods," *The Economist* (web edition), 15 November 1997. As noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 2, "The advent of intermodal commercial shipping – including standardized cargo containers, computerized cargo tracking, and automated cargo-transfer equipment – enables shippers to securely and efficiently transfer containers delivered by sea to other ships for onward shipment or to commercial railroads and trucks for overland transportation. Criminals are able to exploit the complexity of the intermodal system to hide drugs or other contraband or to conceal the true origin and ownership of [the] cargo within which the contraband is hidden." These trends and their impact on the various modes of transportation will be discussed at greater length below.

¹¹⁸ See Petrus C. Van Duyne and Michael Levi, "Criminal Financial Investigation: A Strategic and Tactical Approach at a European Level," *Transnational Organized Crime* 5, no. 1 (Spring 1999), 50-2. Furthermore, with specific reference to the maritime context but applicable across all transportation sectors, U.S. DOT, Office of Intelligence and Security, *Port Security: A National Planning Guide* (Washington, DC: DOT, 1997), 11, available at <http://www.uscg.mil/hq/g-m/nmc/security/portplan.htm>, accessed 15 July 2004, notes that "Smugglers are utilizing front companies or exploiting legitimate shippers in the process."

¹¹⁹ Andreas, 80.

amounts of contraband becomes more attractive as the value of the contraband increases in relation to its volume.

Legitimate trading activity also tends to be concentrated through official border crossings such as road and rail checkpoints, seaports and airports, while non-commercial border crossings tends to be more dispersed and may not necessarily utilize the same points of access. However, such movement of both people and goods certainly constitute viable and parallel windows of opportunity to smugglers, and will be discussed as they arise in relation to the potential methods of smuggling by land, water and air, and in the context of the case studies. If relatively less attention is paid at this point to such private activity, it is not because it is less important as a phenomenon, but rather because it is more difficult to meaningfully assess than analogous commercial activity.

With regard to the flow of international trade, the following passage outlines the tensions between the private sector and national governments that naturally arise from their divergent interests:

The . . . private sector typically considers maintaining the unimpeded flow of cargo to be paramount and expects government law enforcement agencies to assert the principle [sic] role in countering criminal exploitation of the transportation system. Governments, on the other hand, increasingly expect the commercial industry to assume more responsibility for preventing crimes against their transportation and logistic systems, particularly in such crimes as cargo theft. Governments also expect companies to cooperate with law enforcement agencies to prevent such crimes as drug smuggling in commercial cargo, which serves the public interest, and to comply with governmental efforts to collect revenues from international trade and protect the integrity of its borders from transnational crime.¹²⁰

¹²⁰ U.S. DOT, Maritime Administration (MARAD), "OAS Technical Advisory Group (TAG) on Port Security: A Multilateral Initiative to Develop a Common Strategy to Devise Basic Guidelines and Minimum Standards to Improve Port Security in the Western Hemisphere," *Maritime Security Report* (May 2000), 7. Similarly, "A government-only approach [to transportation security] depends on regulatory and law enforcement capabilities and mechanisms . . . However, criminal exploitation of commercial industries manifests in illicit enterprises which victimize or mimic legitimate business activities. In the absence of industry involvement, these circumstances tend to place government in an adversarial position with the

Despite their differing agendas vis-à-vis nation-states, the private sector has a considerable ability to influence the transnational flow of contraband. Moreover, it appears self-evident that smuggling issues cannot be meaningfully addressed without the cooperation of commercial actors.

For the nation-state, the challenge lies in convincing firms involved in transportation and logistics that their interests lie in embracing measures to counter smuggling. These include, but are not limited to, enhanced safety considerations, a concern for public image, and the desire to mitigate operational losses arising from criminal activities. Furthermore, knowing that they can be threatened with substantial fines or prison terms, and that their assets can be seized as well, provides additional incentives for owners and operators involved in shipping to maintain vigilance and avoid any directly involvement in illegal activity.¹²¹

For instance, various efforts on the part of U.S. Customs to work more closely with shippers are predicated on the latter's agreement to enhance security measures and

private sector, which may [work to the] advantage of organized crime." U.S. DOT, MARAD, "The U.S. International Crime Control Strategy – A Foundation for Substantially Improving the Security of International Maritime Trade Corridors and Reducing Cargo Crime," *Maritime Security Report* (October 1998), 7. More concisely, Lane notes that, "As a result of its history as a protectionist organization and a barrier to trade, customs' relationship with the international trade community has often been acrimonious and adversarial." Lane, 96.

¹²¹ Within this context, the issue of bribery as a business practice is particularly salient. Despite being common worldwide, U.S.-based firms and any foreign companies either registered in the U.S. or quoted on one of its stock exchanges are legally constrained by the 1977 Foreign Corrupt Practices Act, which bans the bribery of foreign government officials. For an overview of this legislation's genesis, see John T. Noonan, Jr., *Bribes* (New York: Macmillan, 1984), 676-80. Another important multilateral initiative within this issue area, adopted in November 1997, is the Organization for Economic Cooperation and Development (OECD), "Convention of Combating Bribery in International Business Transactions, available at <http://www.imf.org/external/np/gov/2001/eng/091801.htm>, accessed 15 July 2004. Furthermore, as of early 2001, British legislation paralleling that of the U.S. was also under discussion. For discussion of the competitive advantage offered by a lack of such controls on bribery, see also John J. Fialka, *War By Other Means* (New York: W.W. Norton & Co., 1997), 94-5; Julie B. Nesbit, "Transnational bribery of foreign officials: a new threat to democracy," *Vanderbilt Journal of Transnational Law* 31, no. 5 (November 1998), 1273-91; and "The short arm of the law," *The Economist*, 2 March 2002, 63-5.

the exchange of information, while in return the government will in most cases reduce or dismiss fines for involvement in smuggling that can range into the millions of dollars. However, more can be done to encourage these “best practices” among such commercial actors.¹²² Furthermore, other private sector entities such as insurance companies also have a concrete economic interest in exerting their available leverage to meaningfully address the nexus of smuggling activity.

At this juncture it is necessary to turn to a more direct discussion of the relevant logistical networks. Overall, decision-making processes related to connectivity represent a key component in the movement of both legitimate goods and contraband. As such, a number of principles can be applied to the analysis of the supporting logistical networks. Within the field of geography, there is “friction of distance” concept. Similarly, from the business perspective, “least-cost routing” comes into play, as well as the avoidance of “detour costs.” However, none of these concepts fully take into account the nature of the risk imposed by the nation-state on black market logistics, which may be considered as resistance if the analogy of electricity is used.

¹²² Illustrative of the range of these efforts to facilitate government-private sector cooperation in the U.S., programs such as the Carrier Initiative Program (CIP), the Business Anti-Smuggling Coalition (BASC), the Americas Counter Smuggling Initiative (ACSI), and, most recently, the Customs-Trade Partnership Against Terrorism (C-TPAT) and Container Security Initiative (CSI) have been instituted, all operating under the auspices of the USCS. See also Stephen E. Flynn, “Globalization and the Future of Border Control,” Council on Foreign Relations Online Study Group, 11 January 2000, which makes the case for expanding these types of programs. Shipping industry best practices are also outlined at length in U.S. DOT, National Science and Technology Council, Office of Science and Technology Policy, *Intermodal Cargo Transportation: Industry Best Security Practices*, (Washington, DC: John A. Volpe National Transportation Systems Center, 1999); and Lou Tyska, ed., *Guidelines for Cargo Security and Loss Control* (Annapolis, MD: National Cargo Security Council, n.d.). See also Michael Fabey, “Drug Transit Zone: Carriers, shippers beef up security as GAO reports U.S. falling short in war on drug traffic,” *Traffic World*, 16 March 1998, 44. Moreover, various proposals to merge the U.S. Customs Service, once part of the Department of the Treasury, with the Immigration and Naturalization Service, previously a component of the Department of Justice, and perhaps elements of other agencies, all under the auspices of the newly-formed Department of Homeland Defense, recently culminated in a reorganization along these lines.

To begin with, in the case of transnational smuggling there will always be at a minimum both a source country and an arrival country, with a transit zone that encompasses at least one international border. The diagram below represents the notional movement of smuggled commodities from the contraband's source into a given arrival country, via the potential types of official and unofficial land, water and air portals available for entry.¹²³

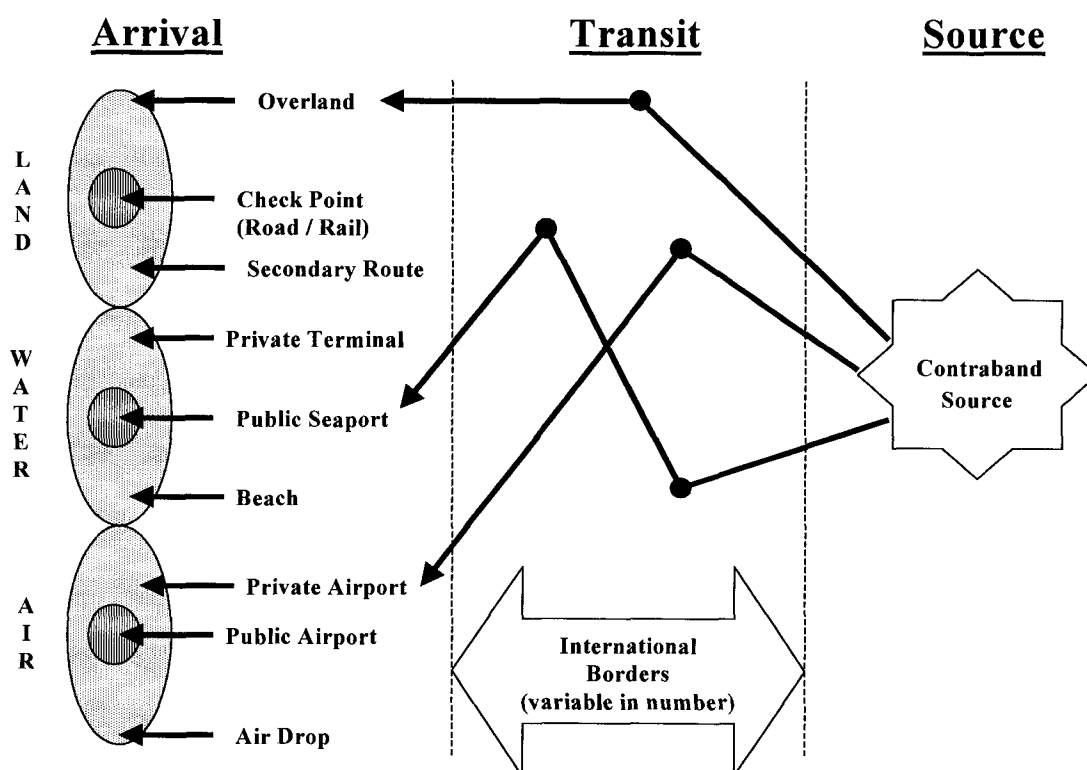


Fig. 5. Potential modes of transnational smuggling

As discussed in the previous section, in spatial terms smuggling actors are able to exploit areas where nation-states are unable or unwilling to exercise authority and to subvert the agents of the nation-state either directly or indirectly. Thus, in deciding

¹²³ The arrows representing these notional smuggling routes are further conceptualized as smuggling vectors in Chapter IV.

where, when and how such shipments will be made, the smuggler is able to exploit gaps in national border controls and to largely determine the character of illicit trade. This is in sharp contrast to the various and largely reactive efforts of nation-states to thwart such transactions. Whereas the nation-state must be strong everywhere at all times, or at a minimum extremely well informed and coordinated, the smuggler must only succeed in the instance of the given smuggling event.

TCOs are demonstrably able to reach into the various mechanisms of the legitimate global trading system in ways that nation-states find difficult to counter. The readily available range of contraband that can be found the world over is a measure the latter's overall operational success. In the smuggling context it is not the most direct route that prevails, but rather the path of least resistance between areas of supply and demand. As Clawson and Lee note, the improvement and diversification of routes and methods is an important way for smugglers to increase their profits, which leads directly to the key issue of transshipment.¹²⁴

Transshipment refers specifically to the shipment of goods via a third party en route to a final destination. Although this practice can be either licit or illicit, in moving contraband shippers often seek to evade various types of trade restrictions by indirectly shipping contraband in order to either hide the activity entirely or otherwise disguise its point of origin. Efforts at outright concealment of such activity *in toto* most commonly take place in the context of prohibition regimes, while the evasion of sanctions,

¹²⁴ Clawson and Lee, 11. The authors continue by pointing out that, using cocaine as an example, "the sheer diversity of vehicles that modern smugglers use to move bulk cocaine – cargo jets, merchant shipping, tractor trailers, camouflaged small boats, and even (as in the case of Colombia) specially produced submersible vessels – represents a daunting challenge to law enforcement officials."

embargoes, or quantitative restrictions more often motivate smuggling of otherwise licitly traded products.¹²⁵

As Friman notes, “Despite this longstanding dynamic, the challenge of the transit trade remains severely understudied by the prominent literature on the political economy of trade. Moreover, although the practice of transit trade is often noted in the literature on transnational crime under the broad category of ‘smuggling,’ the nature and dynamics of ‘intermediate countries’ remains largely unexplored.”¹²⁶ As trends relating to globalization accelerate, determining the origins of international cargoes will continue to become more difficult, particularly when smuggling actors have a definite interest in camouflaging the country of origin for a particular shipment.¹²⁷

When only two nation-states are involved, the literature on interdependence suggests that economic linkages between them would tend to increase the opportunities for smuggling by offering a broader flow of goods within which illicit commodities can also be shipped.¹²⁸ Lupshka also observes that, “Organized crime has always prospered where international boundaries meet, but any nation whose standard of living is higher than its neighbors must recognize this threat. In any border or port situation where economic inequities at the point of entry or the adjacent countries are extreme . . . one has a natural incubator in which transnational organized crime can grow and prosper.”¹²⁹ This tendency is also accelerated when border restrictions are minimized or eliminated.

¹²⁵ Friman, “Just Passing Through,” 66.

¹²⁶ *Ibid.*, 65.

¹²⁷ See Morrison, 5, 10-4.

¹²⁸ Friman, “Just Passing Through,” 70.

¹²⁹ Lupshka, “Transnational Organized Crime,” 27.

Observing that traditional geopolitical arguments stress the impact of land and sea access, Friman continues by pointing out that, “Extending this focus to the analysis of transshipment suggests the importance of location dynamics. Those countries that border the target – especially those that serve as coastal access points for a landlocked target – or those countries located in the target’s access region would appear to be prime candidates for transit points due primarily to the relatively low cost of transporting goods from transit to target state.” However, as the number of transshipment countries increases, “All things being equal, exporters are likely to seek transit points close to the target.” As such, the extent of restrictions on such countries as well as other factors facilitating access are likely to decrease the importance of location dynamics.¹³⁰

In the case of routing through multiple countries, a high level of international coordination on the part of nation-states must be achieved to successfully interdict contraband.¹³¹ At present, however, such cooperation is the exception rather than the rule. From the smugglers’ perspective, the task is relatively more straightforward: “To smuggle . . . via a third country requires the smuggling organization to establish reliable transfer points within the in-transit countries, as well as the source country. This involves subverting the law enforcement establishment and corrupting other parts of the government and citizenry.”¹³² As noted above, such opportunities for corruption are never entirely absent.

¹³⁰ Friman, “Just Passing Through,” 69. Furthermore, the nature of the good being shipped can also have an impact, with the bulkier the good and the lower its price by volume, the greater the importance of geographic proximity in this respect.

¹³¹ As noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 18, “Routing contraband through a transit country helps to conceal the true country of origin on merchandise that is controlled or restricted by the importing country.”

¹³² U.S. DOT, Customs Service, *U.S. Customs Service Strategic Plan* (1997), 18.

For any given country, Friman posits that its potential as a transit state is a dual function of openness to transit and access to target, with the former focusing on the source country and the latter on the final destination. In this conceptualization, openness to transit can be defined as the extent to which exporters are able to obtain passage through the potential transit state, while access to target refers to the extent to which the potential transit state can gain entry to the intended final market sought by the exporter. The benefits to the transit state from choosing to engage in illicit transshipment include accelerated revenue and employment gains as well as access to distribution networks and, in some cases, technology. However, there can also be significant economic, political and social costs associated with allowing illicit transshipment to flourish.¹³³

Overall, concealment of smuggled goods in commercial cargo is quite common, particularly with respect to the movement of contraband in large volumes. Most often, such activity is facilitated either by physical concealment of the illicit goods or by a fraudulent misrepresentation of the facts.¹³⁴ In terms of the actual methods of physical concealment involved in transnational smuggling, the variation is literally bounded only by the imagination, an issue that is discussed further in the context of drugs in the next chapter.¹³⁵ However, a similar function is served by altering shipping documents at

¹³³ Friman, "Just Passing Through," 68-74.

¹³⁴ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 18. While the concept of physical concealment is relatively straightforward, the mechanics of fraud are more opaque. The primary methods involved are false invoicing, and the over or under valuation of smuggled goods. While the under valuation of goods allows smugglers to avoid tariffs or excise taxes, overvaluation is used either to disguise the true identity of the item or to launder illicitly derived proceeds.

¹³⁵ For instance, as Andreas points out, "Literally anything that crosses a national border can be used for smuggling, ranging from the most common and conventional (such as car trunks and luggage) to the most desperate and dangerous (human ingestion) to the most ingenious (stuffing cocaine into jalapeno peppers) to the most unstoppable (the airwaves)." Andreas, 80.

intermediate transshipment points and using counterfeit customs seals to avoid inspection and thus facilitate the passage of illicit shipments through any inspection process.¹³⁶

Moreover, by their nature nearly all smuggling events involve both a specific buyer and seller, with any transfers of control along the way made by some sort of intermediary agents except in the case of a direct exchange. In general, illegal transactions utilizing commercial logistical channels can be categorized as either consignee shipments, in which contraband is actually delivered to the nominal recipient or some other intended agent, or internal conspiracies, in which contraband is removed at some intermediary point in the transportation process.

To clarify further, a consignee shipment of contraband travels through the logistical system to its intended destination precisely as if it were licit cargo. Consignee shipments may also fall under the heading of “deep concealment,” with the emphasis being on avoidance of detection all along the route via camouflaging the smuggling activity as legitimate. Those involved in such transactions may be either witting or unwitting of the criminal activity in question, and involvement could include anyone with the ability to control the transaction in question, from crew to cargo handler to freight forwarder to shipping agent.

¹³⁶ The range of recent documented drug smuggling methods is discussed in U.S. DOJ, DEA, *National Narcotics Intelligence Consumers Committee Report 1997: The Supply of Illicit Drugs to the United States* (November 1998), 6, available at <http://www.fas.org/irp/agency/doj/dea/product/nnicc97.htm>, accessed 15 July 2004. Incidentally, this report is also commonly referred to as the NNICC. Furthermore, as noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 18, “Most contraband smuggling is facilitated by physical concealment of the illicit goods or by a fraudulent misrepresentation of the facts.” While the concept of physical concealment is relatively straightforward, the mechanics of fraud are more opaque. The primary methods involved are false invoicing, and the over or under valuation of smuggled goods. While the under valuation of goods allows smugglers to avoid tariffs or excise taxes, overvaluation is used either to disguise the true identity of the item or to launder illicitly derived proceeds.

Though more specifically dependent on physical access to the shipment in transit, internal conspiracies in particular raise the issue of corruption and its variants, both directly in the case of the commercial entities and more indirectly within the public sector as noted previously. In particular, the insertion and extraction of contraband into otherwise legitimate cargo or otherwise concealed in the conveyance itself can take place at any point along the cargo handling process.

Involvement in this type of smuggling activity would not necessarily be limited to cargo handling personnel but could encompass the involvement of the transiting vessel's crewmembers as well. Unsupervised access to the cargo is crucial for the success of this type of activity, also known as "rip-and-run," with the alternate label basically outlining the most common *modus operandi*. An interesting composite case occurs when there is a passenger-crew conspiracy in the passenger transportation setting.

The nature of the shipment itself also serves to determine the parameters for smuggling activity. Within the cargo sector, the most prominent types of operations include bulk, break bulk and containerized shipping activities. Bulk cargo refers to the movement of material that is generally without form or shape that tends to be moved in large quantities and handled by scooping or pumping. By contrast, break bulk usually refers to mixed types of cargoes that may be divided up into smaller parcels at some point in the logistical process, as with a load of boxed goods where certain numbers of boxes will be sent to different destinations. However, in terms of the international movement of cargo containerization has increasingly become the standard method of shipment.

The standard cargo container is the TEU, or twenty-ton equivalent unit. First used by the military, their commercial usage expanded in the mid-1960s due to greater

operating efficiency.¹³⁷ Not only can the space within the container be overtly used to move contraband, but either the structure of the container itself or otherwise legitimate cargo within can serve as concealment. The ability of nation-states to effectively screen containers in a timely manner is one of the major challenges facing customs services worldwide.¹³⁸

However, this is not to say that other types of cargo do not offer significant smuggling potential. For instance, with respect to break bulk cargoes which may or may not be containerized, contraband can be concealed both within the diversity of goods or even inside modified pallets. However, liquid and solid bulk cargoes appear to offer a relatively narrower scope for direct smuggling activity. Finally, other types of cargo, such as perishable cargo that must move through customs rapidly in order to remain commercially viable, or hazardous material that may not be scrutinized as heavily as other cargoes due to safety considerations, may also serve to reduce the odds that any contraband concealed within will be detected.

Furthermore, in all types of conveyances, land, water and air, smuggled goods may be secreted within the structure of the vehicle, vessel or plane itself.¹³⁹ As noted

¹³⁷ Henry I. DeGeneste and John P. Sullivan, *Policing Transportation Facilities* (Springfield, IL: Charles Thomas, 1994.), 40-1. For more on the efficiencies offered by containerized cargo, see also "Bobbing bytes," *The Economist* (web edition), 23 May 1998.

¹³⁸ Although this issue will be addressed further below, it has become increasingly more salient in the wake of 9/11 and subsequent threats involving the smuggling of weapons of mass destruction. See "When trade and security clash," *The Economist*, 6 April 2002, 59-62.

¹³⁹ The multinational character of certain forms of conveyance further increases the difficulty of even tracking potential contraband. Registration of oceangoing vessels in particular tends to flow to flags of convenience. At present, for instance, Panama and Liberia have the biggest fleets in the world, accounting for about a quarter of total global tonnage. It is not at all out of the ordinary to have a vessel owned by nationals of one country, registered in a second, served by a crew of diverse citizenship and carrying cargo with its own complicated provenance. See "Shipping: Follow the flag of convenience," *The Economist* (web edition), 22 February 1997; and, for more on international pressure to reform this often chaotic system in the current climate of heightened security concerns, see also "Brassed off," *The Economist*, 18 May 2002, 65.

above, economic imperatives require that loading and unloading be done as quickly as possible, a goal that can interfere with contraband detection countermeasures. As the spatial nature of these conveyances is essentially transitory, this dimension is easily underestimated. Considering the complex structure of and the resultant number of potential hiding places within an international airliner or an oceangoing vessel, enforcement efforts may be even further hampered.

The various private and public sector personnel involved in the transportation process similarly have a potential involvement in smuggling, in various capacities to differing degrees. The key here, as noted with respect to the various forms of concealment, lies in access to the place of concealment. With respect to a given conveyance, most opportunities for smuggling are predicted upon access to the place of concealment, as with the crew or some non-crew conspirator with a legitimate reason for boarding.

In cases where contraband is secreted within cargo, workers directly involved in cargo handling such as drivers or loading operators have considerable latitude to potentially either remove, reroute or otherwise facilitate its movement. Furthermore, customs personnel or other on-site law enforcement authorities may at a minimum also be subverted to the extent of overlooking certain shipments, if not actually involved in such activity directly.

Moreover, in conveyances relating to tourism or other forms of mass transportation across borders, often passengers as well as crew serve to actually move the contraband in question. This would include such phenomena as transfer via body carrying, to include the physical swallowing of high value items such as drugs or

gemstones, as well as illegal goods secreted in clothes or luggage, a subject that is discussed at further length in the next chapter with respect to drugs. Finally, the various types of body carrying of contraband, as well as its concealment within both cargoes and conveyances, find parallels in the non-commercial sector, with luggage often serving as the functional analogue for cargo.

Of the three primary sets of logistical modes, land modes may be considered the most static. Land-based logistical networks tend to involve the most capital investment, generally on the part of the nation-state or some other public entity. As such, these actors are generally responsible for the supporting infrastructure, such as highways, bridges and rail lines, and hold key decision-making for both improvement and new projects, which may in turn have an enormous impact on both legitimate and illicit trade flows.

In general, land border crossings occur via primary road and rail lines, along secondary routes that may or may not be monitored, or overland.¹⁴⁰ The levels of scrutiny involved at these border crossings understandably vary by the volume and type of traffic, the amount of resources allocated to border control by the nation-state at any

¹⁴⁰ Though not common, underground transportation does exist in both overt and covert forms. The most salient international underground conduit is the Channel Tunnel linking the United Kingdom to the European continent. As noted in Martin Booth, *Opium: A History* (New York: St. Martin's Press, 1996), 322, shortly after its opening British authorities were making almost daily heroin seizures along this conduit. However, more informal efforts also exist, particularly across the southwest border of the United States. As noted in U.S. DOJ, Bureau of Justice Statistics, Office of Justice Programs, *Drugs, Crime, and the Justice System: A National Report*, NCJ-133652 (Washington, DC: GPO, June 1992), 44, more than a ton of drugs was moved through a concrete-reinforced tunnel linking a house in Agua Prieta, Mexico, to a warehouse in Douglas, Arizona. While the tunnel itself was five feet high, four feet wide and thirty feet under ground, the house itself had a system of hydraulic jacks to actually raise and lower the floor at the entrance to the tunnel. Another makeshift tunnel was found linking the border towns of Nogales, Mexico and Nogales, Arizona, used by drug smugglers to move both cocaine and marijuana have also been detected. See Michael Janofsky, "Drug Runners' Tunnels Test the Agents in a Border Town," *New York Times* (web edition), 1 March 2001. Even more recently, a tunnel found in Tierra Del Sol, California, across the U.S.-Mexican border, served for several years as a conduit for a significant amount of contraband. Kevin Sullivan, "'Billions' Worth of Drugs Entered U.S. by Tunnel," *Washington Post*, 1 March 2002, A-1, 22.

given access point, and by the efficiency of the relevant customs institutions and mechanisms.

However, it should be kept in mind that, in addition to rail cars and various types of motor carriers, in many parts of the world the movement of contraband involves transportation by either human or animal means. While some of this latter type of activity may be undertaken commercially, much of it is private, particularly in parts of the world where borders are particularly porous, extended or otherwise unprotected. The various dynamics discussed previously are captured in the following diagram, which illustrates the basic parameters of smuggling by land:

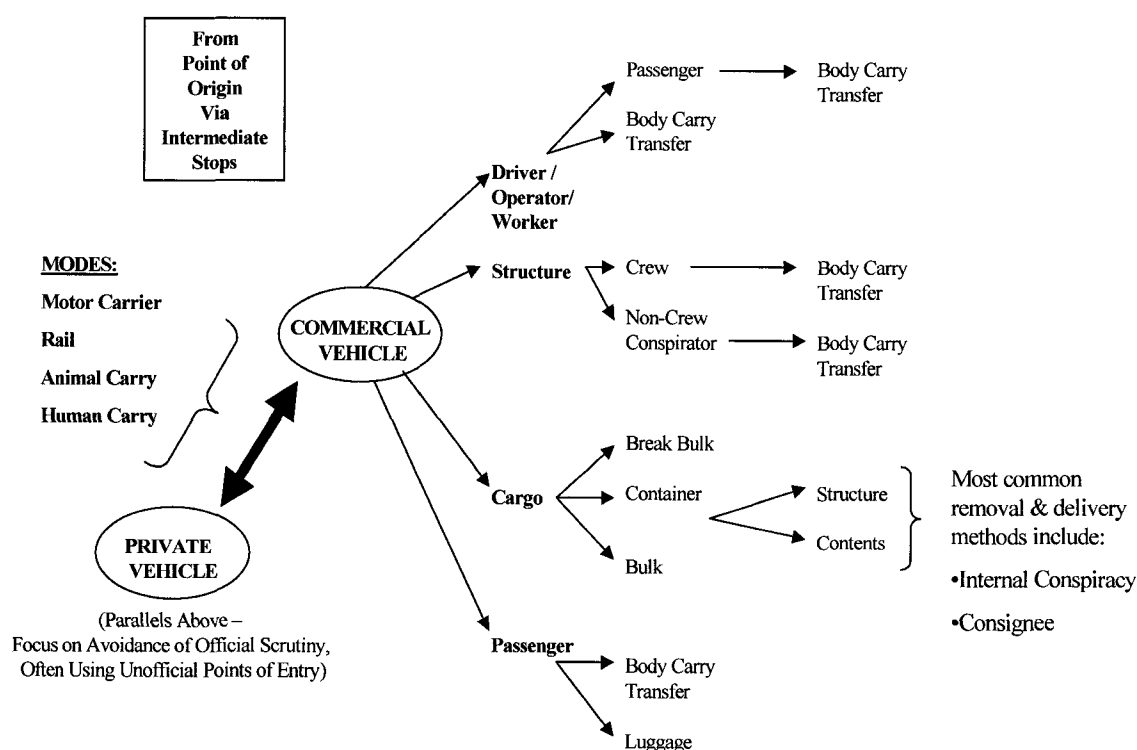


Fig. 6. Potential smuggling methods by land

By contrast, water modes of smuggling offer a high degree of flexibility in terms of cross-border movement, provided the natural features of the country in question are

suitable. Moreover, as Andreas points out, “Historically, waterways have provided the primary channel for smuggling.”¹⁴¹ The various types of waterborne modes of transit may be generally divided into those that utilize oceanic or deep water on the one hand, and those that utilize both natural and man-made inland waterways.

Generally speaking, oceanic movement may be thought of as including both the open sea and directly adjacent areas, as in the case of cabotage.¹⁴² By contrast, movement via inland waterways may include riverine, interlacustrine and canal modes of transit. Moreover, while surface methods of delivery are understandably the most common, the added though relatively uncommon issue of sub-surface smuggling activity must also be considered.¹⁴³ Finally, opportunities for smuggling offered by the diversity among the various types of commercial and private vessels that may be using a given body of water at any point in time is an issue that nation-states need to take into account. The following diagram delineates these aspects in further detail:

¹⁴¹ Andreas, 80. Supporting this view, Mandy Bentham notes that during the 1970s and the first half of the 1980s the vast majority of marijuana and cocaine, as well as a sizable portion of heroin, was transported globally by sea. “Since the transportation of the illicit drugs occurred along the same routes as legitimate trade and recreational vessels, efforts at interdiction have had a profound effect on the evolution of the law of the sea, in negotiation during the same period.” Mandy Bentham, *The Politics of Drug Control* (New York: St. Martin’s Press, 1998), 13. An overview of common maritime smuggling characteristics can be found in U.S. Department of Defense (DoD), *Joint Counterdrug Operations*, Joint Publication 3-07.4 (Washington, DC: GPO, 17 February 1998), II-12.

¹⁴² This term, though generally referring to domestic coastal trade, has been expanded to include the movement of cargo and passengers across international borders where free trade agreements exist or maritime border controls are minimal. It may also be used in the context of domestic air transportation.

¹⁴³ Not all that long ago, given the technical and economic barriers involved, inclusion of the undersea mode of transportation might have been regarded as somewhat tongue-in-cheek. However, in 1997, Miami-based Russian organized crime elements tried unsuccessfully to broker the sale of a surplus Soviet Piranha-class sub to transport cocaine from Latin America to the United States. Owen Matthews, “Sex, Drugs and a Soviet Submarine in the Ports of Miami,” *St. Petersburg (Florida) Times* (web edition), 24-30 March 1997. More recently, a partially built submarine of a relatively high degree of technological sophistication was found in the remote Colombian hinterland. Its carrying capacity was estimated at 200 tons. “Submarine found in the Colombian Andes,” *CNN.com*, 7 September 2000. This article also notes two previously detected instances of the use of “mini-subs,” as well as the refitting of both used commercial airliners and oceangoing freighters to smuggle drugs.

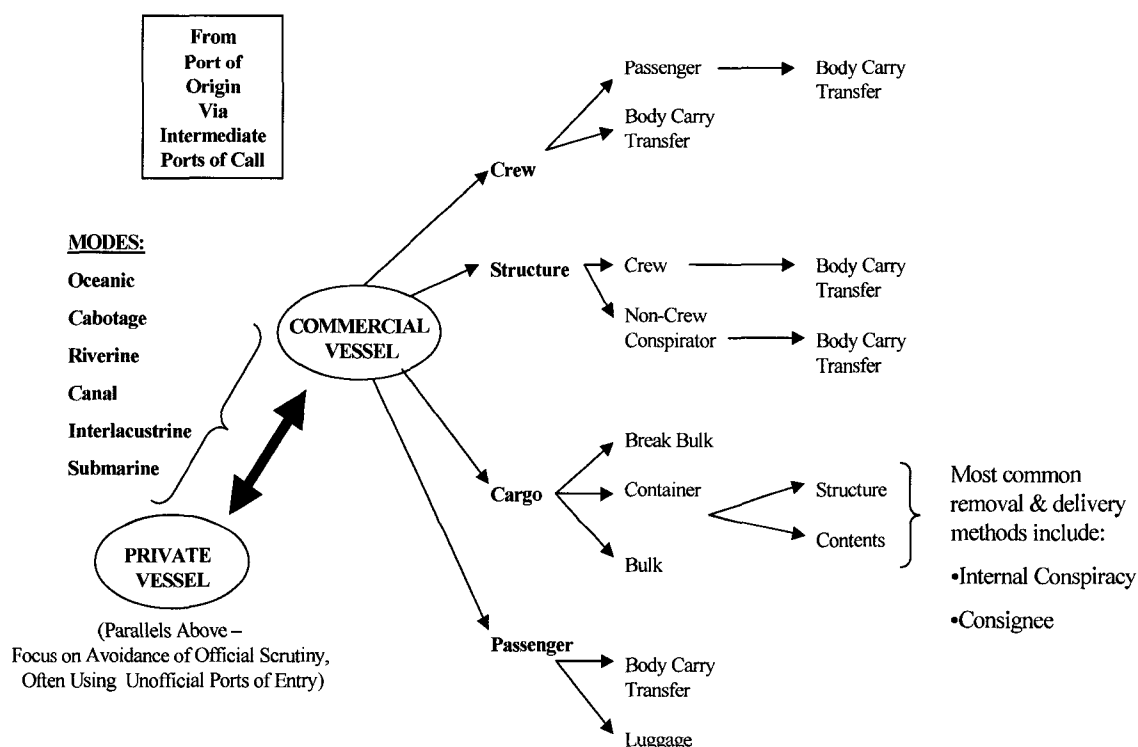


Fig. 7. Potential methods of smuggling by water

To begin with, the interaction between waterborne trade and the supporting landside seaport infrastructure is readily identifiable in geospatial terms. Seaport facilities also provide an important interface between separate modes of transportation. As the U.S. Department of Transportation's Maritime Administration (MARAD) notes:

International maritime trade corridors consist of three main logistical components – ports, ocean vessels, and the landside modes of transport. Functioning as pivotal nodes in a system of trade routes, the seaports provide intermodal interface to the international maritime shipping cycle . . . Consequently, seaports and the freight movements through their landside accesses are viewed by cargo crime groups as marine intermodal choke points of commerce.¹⁴⁴

¹⁴⁴ U.S. DOT, MARAD, "The U.S. International Crime Control Strategy," 5. Further testifying to the complexity of the seaport environment, the U.S. Immigration and Naturalization Service (INS) concluded in an internal assessment that its proposals to more effectively manage their efforts to counter illegal immigration using maritime modes of transit were not being optimized at present. The reasons for this include insufficient collection, analysis and sharing of data; incomplete or inaccurate inspection information; record keeping that does not lend itself to such analysis; and regulations that do not allow seaports to share or exchange data easily. See U.S. DOJ, Office of the Inspector General, "Identifying Current Challenges To INS's Plans For Using Risk Management in the Seaport Environment," I-2000-015

Moreover, in addition to cargo operations, seaports also encompass various types of service vessel activity, such as tugboats, pilots and other working boats, and may sometimes provide the infrastructure for cruise and other passenger activity, such as ferries.

As Douglas Keh and Graham Farrell note, “Trends in shipping are significant because of the impracticality of stopping and investigating all incoming shipments at a given port.”¹⁴⁵ In particular, as volumes of maritime container traffic increase, random inspections become statistically less likely to detect concealed narcotics shipments. The review of shipping documentation by customs investigators, though somewhat limited by high volumes of trade, continue to become an increasingly effective tool. Moreover, such predictive operational intelligence can provide explicit information usable at the tactical level.”¹⁴⁶

As discussed previously, in addition to any goods it may be carrying, a ship’s structure itself may conceal a wide range of contraband. This is greatly facilitated by such factors as the intricate layout of most vessels, which offer numerous concealment possibilities including not only the various storage spaces on board. Furthermore, structural modifications to the vessel such as additions to or construction of hidden

(Washington, DC: DOJ, March 2000), available at <http://www.usdoj.gov/oig/inspection/INS/0015/>, accessed 15 July 2004.

¹⁴⁵ Douglas Keh and Graham Farrell, “Trafficking Drugs in the Global Village,” *Transnational Organized Crime* 3, no. 2 (Summer 1997), 62.

¹⁴⁶ See U.S. DOT, MARAD, “Cocaine Smuggling From Bolivia To Atlantic Ports May Exploit Commercial Trade On Mercosur Hidrovia, Lacking A Waterways Management Strategy,” *Maritime Security Report* (October 1997), 3. Similarly, as the DEA observes, “Traffickers continued to use intermodal means of transport, frequently concealing larger shipments in commercial maritime containerized or bulk cargo.” U.S. DOJ, DEA, *NNICC* (1998), 3.

compartments, most notably within fuel or ballast tanks, have also been detected and are likely to see continued usage.¹⁴⁷

In short, methods of concealment both within cargo and aboard ships are limited only by the smugglers' imagination. Making the task of detecting contraband even more difficult for law enforcement entities comes from the various temporal parameters imposed by commercial logistics. For instance, less official scrutiny may be taken in cases when relatively short times are allotted to offload and take on cargo while in port, such as with urgent or perishable shipments or when volumes of traffic at the facility are particularly heavy.

Yet another potential area of smuggling related to seaports lies in tourism. In particular, as a trend cruise ships are growing increasingly prominent for the smuggling of contraband. For instance, an industry journal article, quoting an unnamed USCS official, notes that, "it is clear that both passengers and crew members are smuggling more drugs via passenger ships."¹⁴⁸ Given the exponential growth of the cruise industry and the subsequently more numerous windows of opportunity, this is hardly surprising. A similar observation could most likely be made regarding commercial land and air modes of travel where large passenger volumes are involved.

¹⁴⁷ B. R. Aune, "Maritime drug trafficking: an underrated problem," *U.N. Bulletin on Narcotics* 1990 – 1, no. 7 (1990), 5. Concrete examples of more recently used methods of concealment can be found in U.S. DOJ, DEA, *NNICC* (1998), 6-7. In a particularly salient example of structural concealment, it is worth noting that during the recent seizure of \$23 million in cocaine aboard four Haitian barges on the Miami River, the drugs were found within in both the keels and the hulls of the ships. Arnold Markowitz, "Ships yield cocaine haul," *Miami Herald* (web edition), 8 February 2000. A parallel within the airport context can be found in the recent arrests of airline employees smuggling drugs from Bogotá, Colombia to Miami inside the walls of airplane galleys. The drugs were generally offloaded only after a follow-on domestic flight to avoid countermeasures. Richard Willing, "Airline drug smugglers getting ever more sophisticated," *USA Today*, 1 August 1997, A-4.

¹⁴⁸ Teresa Anderson, "Cruise Control," *Security Management* 44, no. 3 (March 2000), 39.

On the other hand, cruise operations appear to have the potential to more easily facilitate the movement of smaller amounts of contraband, carried either on passengers themselves or in their luggage in a situation more akin to that encountered by airport security personnel.¹⁴⁹ However, as cruise lines specialize almost solely in the movement of people and their luggage rather than large-scale cargo operations, relatively less scrutiny vis-à-vis airport security may serve to foster this trend.

Adding yet another dimension to an already complex environment, depending on the level of security various types of private vessels may also have access to a seaport's operational areas as well. As an alternative, however, both private and commercial vessels may call at either private facilities or along nearly any point on an unmonitored coastline. Various types of "drops" of contraband may also be utilized, in which the goods in question are put overboard from a generally larger ship to be picked up at a later time, often by a smaller, faster vessel, in an effort to avoid official scrutiny. As will be discussed below, with respect to air modes of transit, similar arrangements can be made in which an airdrop functions in the place of the larger ship.

Finally, trends related to the growth of international air travel increasingly have served to functionally link geographically non-contiguous parts of the world. However, these modes of transportation, while offering a high degree of potential flexibility in theory, are circumscribed by a number of factors. First, commercial air transportation, paralleling the situation with seaports, is generally funneled through specialized facilities.

¹⁴⁹ While little direct evidence appears forthcoming, the potential is highlighted by a 1994 Border Patrol investigation (Operation Seacruise), which found that one-day excursions from Florida to the Bahamas were being used to smuggle both drugs and illegal immigrants into the U.S. Joel Brinkley, "For Aliens, a Bahamas Cruise is an Easy Way Into the U.S.," *New York Times*, 29 November 1994, A1. In general, cruise activity's association with smaller volumes of contraband may be contrasted with larger parcels more commonly found in cargo operations.

Perhaps even more significantly, due primarily to safety concerns both private and commercial airline activity is among the most regulated of activities, particularly at the international level.¹⁵⁰ The following diagram highlights the various potential manifestations of smuggling via air modes of transit:

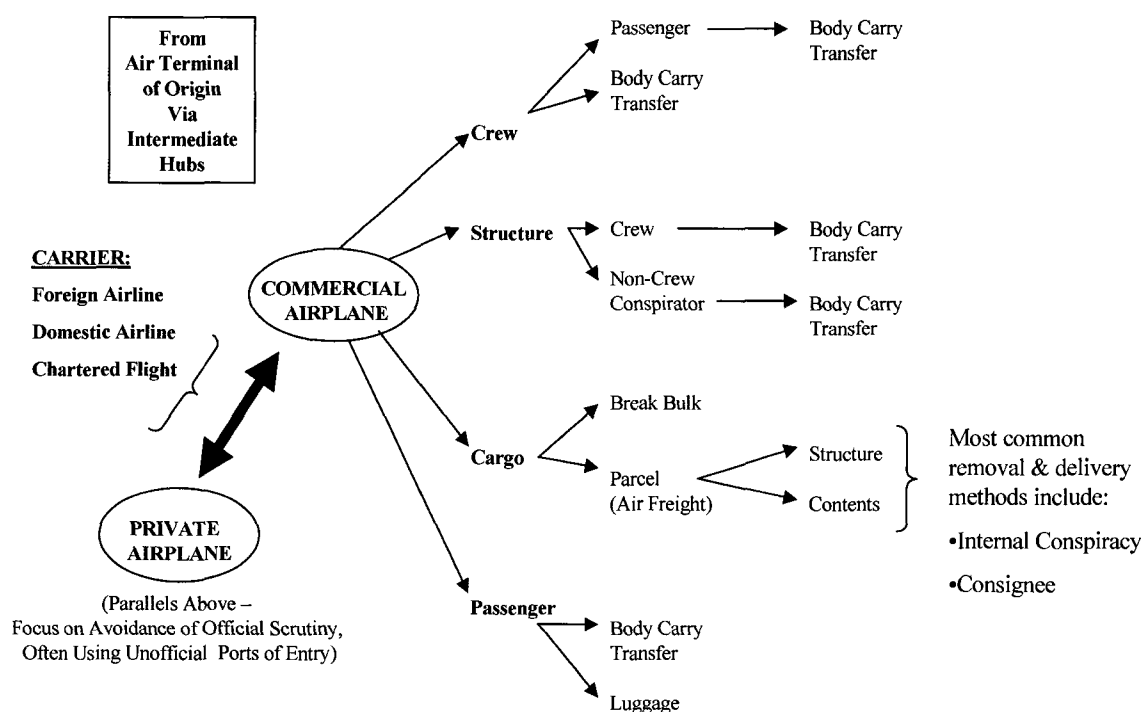


Fig. 8. Potential smuggling methods by air

As with seaports in the maritime context, airports represent the hubs of this commercial activity. As with land and water transportation, the air mode is used to carry cargo as well as passengers, though the latter tends to be more prominent in the mind of the public. Heavy passenger volumes provide enormous opportunities for smuggling using body carry methods, as noted above. Generally speaking, air cargo operations tend

¹⁵⁰ See Keh and Farrell, 62-3. For a pre-9/11 overview of international airlines as a business sector, see "Flying visits," *The Economist* (web edition), 10 January 1998, focusing on the issues of deregulation, industry consolidation and the future of nationally-based carriers operating in a global economy. However, recently more pressing concerns over the security of air facilities have understandably come to the fore.

toward break bulk and the transport of parcels and related freight, rather than bulk or containerized loads. Interestingly, it should be noted that, in the United States, airlines themselves fund a large portion of counter-smuggling programs.¹⁵¹

Nonetheless, as with an unprotected coastline, unofficial landing strips may be improvised, despite the fact that they may be subject to discovery. The practice of merely passing over a prearranged area and dropping contraband may also be employed, thereby obviating the need for even rudimentary ground preparations. With specific respect to counter-drug operations, the U.S. Department of Defense (DoD) considers any airdrop of contraband, as well as the movement of a suspect aircraft, as an air smuggling event. Finally, the relatively higher overall costs associated with air operations can make regular service more dependent on demand.¹⁵²

As mentioned at the opening of this section, the dimension of intermodality in the context of transnational logistical networks is becoming increasingly more salient. The increasing use of intermodal transportation, combining land, maritime and air conveyances for a single shipment, represents a long-term trend toward greater cost efficiency. For instance, a cargo container may travel by rail to a seaport, loaded on an ocean-going vessel and then transshipped via barge to a secondary destination, and then finally set on a truck chassis for the final leg of its journey. The growth in volumes of

¹⁵¹ Specifically, passenger user fees levied by airlines, and determined by use of specific airport facilities, are a primary funding source for individual programs. U.S. DOT, Customs Service, *U.S. Customs Service Strategic Plan* (1997), 19. By contrast, recent intelligence sources estimate that criminal groups control ground cargo handling at airports in Russian and the former Soviet states, to the extent that 34% of shipments passing through these facilities were either stolen or not delivered. U.S. CIA, CNC, "International Organized Crime and Cargo Theft," 3.

¹⁵² As Krugman notes, 'a railway or a highway represents indivisible investments, while the frequency of air service and the ability to use large, efficient planes depends on the volume of demand.' Krugman, *Geography and Trade*, 24-5. For an overview of common air smuggling characteristics, see also DoD, *Joint Counterdrug Operations*, II-11.

containerized cargo can be taken as the most concrete example of this trend, and may be readily correlated to globalization and its associated competitive pressures.

The efficiency of this intermodal connectivity also represents a key characteristic of a given transportation network, and can enhance its potential volume of trade immensely. However, this aspect can similarly serve to facilitate the influx of contraband via the same conduits as legitimate trade unless proper security measures are employed, both at transportation nodes proper and along the connected infrastructure. This consideration is reiterated in Henry I. DeGeneste and John P. Sullivan's concept of "softer targets," by which criminal activity exploits the weakest link in a given logistical chain.¹⁵³

While this chapter has focused on the nature and evolution of smuggling actors, their complex relationships with nation-states, and the potential modes of transnational smuggling, the next continues by discussing the utility of heroin as the selected benchmark commodity for this study. In particular, an understanding of the geographic parameters of supply and demand as they relate to the global trade in heroin are essential to setting the stage for further analysis via the relevant case studies. As such, the following serves as something of a secondary review of the relevant literature, illustrating a number of the dynamics put forth to this point.

¹⁵³ DeGeneste and Sullivan, 41. This idea and the assumptions regarding the path of least resistance are quite compatible. The authors also make the important point that enhanced physical security and access control measures designed to reduce cargo theft at transportation facilities, particularly those aimed at securing warehouses and staging areas, will have a similar deterrent effect on the movement of contraband. Ibid., 37-8. In the maritime context, the introduction to the ICCSS report notes that, "criminal activity associated with the cargo that comes into the seaport does not always occur on the seaport grounds or is not detected until after the cargo leaves the port." U.S. ICCSS, *Report*, "Commission Structure – Introduction."

CHAPTER III

NETWORKS, NODES AND NARCOTICS:

THE TRANSNATIONAL GEOGRAPHY OF HEROIN

Up to this point, discussion has centered primarily on the development of a geographic smuggling framework that transcends commodity specificity. However, this generic approach can only be taken so far. The remainder of this study focuses on heroin as a benchmark commodity, with this chapter addressing the parameters of heroin movement at the global level. In particular, it examines the geographic organization of this trade, the impetus behind its growth and development, and the primary factors relating to supply and demand that serve to shape this phenomenon, both in geospatial and temporal terms. As such, the historical context of this trade, and the various efforts to control it, are addressed, as are more recent trends with respect to both supply and demand, as drawn from the relevant literature and most current data available.

It seems indisputable at present that the transnational drug trade and its associated political, economic and social consequences will continue to pose a major challenge to the interests of nation-states.¹ At the most fundamental level, the cultivation, processing, transport, and distribution of narcotics constitute the greatest single generator of political violence and crime in the world. Its profits are used to finance and arm rural guerrillas, urban terrorists, and criminal gangs; to facilitate and expand the trade itself by

¹ For example, as noted in OGD, *World Geopolitics of Drugs* (2000), 8, “it cannot be denied that illegal drugs play a leading role in economic matters (Italy, Spain, Argentina, Mexico, Colombia, Burma), local conflicts (Afghanistan, Central Asia, India, Turkey, Kosovo, Colombia, Congo), and the “criminalization” of state institutions (Russia, Turkey, Pakistan, Nigeria, Mexico, Argentina).”

intimidation and corruption; and to avoid or subvert the nation-state's military and police forces.² In fact, the OGD has calculated that drugs play a role at various levels in some thirty conflicts worldwide.³

To establish the order of magnitude for this issue in global terms, the United Nations Drug Control Programme (UNDCP) estimated in 1998 that the international drug trade as being approximately \$400 billion per year. If reliable, this figure would be equivalent to 8% of total international trade, and approximately the same size as the international market for oil and gas, as well as those for both textiles and tourism. It would also be significantly larger than the international trade in iron and steel, as well as in motor vehicles, and nearly double the global turnover of legitimate pharmaceutical companies.⁴ Accounting for roughly half of this market, and with its wide geographic dispersion, the worldwide trade in heroin forms an integral part of this activity.⁵

² As discussed in the previous chapter, numerous sources have made this linkage. However, this trend is well encapsulated by the following quote from Robert Charles, a former U.S. House of Representatives staff member well versed in drug issues: "Today, international drug traffickers and international terrorists are in a hedonistic marriage of design. Drug funds are financing terrorists whose aim is to overthrow governments; in the meantime, those terrorists are providing wide-ranging protection for drug operations. These groups are now linked at the hip, and extremely wealthy." Quoted in John G. Roos, "The Enemy Next Door," *Armed Forces Journal International*, March 2000, 40.

³ See OGD, *World Geopolitics of Drugs* (2000), 11. Moreover, it is further noted that over half of these conflicts can be found in Africa. Moreover, in the context of issues discussed in the previous chapter regarding the future of the nation-state, as pointed out in "The global menace of local strife," *The Economist*, 24 May 2003, 23-5, at present almost all ongoing wars are civil wars.

⁴ See UNDCP, "Economic and Social Consequences of Drug Abuse and Illicit Trafficking," *UNDCP Technical Series*, no. 6 (New York: UNDCP, 1998), 3, available at http://www.undcp.org/technical_series_1998-01-01_1.html, accessed 15 July 2004. This figure is also close to Interpol's independent estimate. While the process of estimation is hampered by a number of factors, not least of which is the clandestine nature of drug trafficking, most estimates fall within the \$300 to \$500 billion range. An earlier estimate puts the value of the international trade in illicit drugs as exceeding even that in oil, and only itself being surpassed only by the global arms trade. LaMond Tullis, *Handbook of Research on the Illicit Drug Traffic: Socioeconomic and Political Consequences* (New York: Greenwood Press / United Nations Research Institute for Social Development, 1991), xvii.

⁵ Ron Chepesiuk, *Hard Target: The United States War Against International Drug Trafficking, 1982-1997* (Jefferson, NC: McFarland & Co., 1999), 39. Specifically, the author breaks down the global illicit drug market as heroin accounting for roughly half of all profits, cocaine one quarter, and marijuana, hashish and various psychotropic drugs together constituting the remaining quarter.

As discussed in Chapter II, access to these levels of funding have allowed TCOs to become increasingly empowered vis-à-vis the nation-state by factors such as the globalization of financial systems, the rapid growth of cross-border trade, the increasing dependence of certain states on drug profits to service debts, and the expanding population of drug users worldwide.⁶ In this context, Jordan posits that:

A dynamic structural model stressing the merging of government and organized crime suggests that the political systems of certain countries are in partial civil war. While elements within the government seek to control drug trafficking, other elements of the government form an alliance with the traffickers. The complex relation between elites and traffickers may corrupt both the democratic and authoritarian state. Narcostatization does not respect political systems.⁷

However, with particular respect to both democratic countries and those transitioning to democracy, he also notes that, “In order to eliminate false claims of democracy, the understanding of the democratic regime needs to be extended beyond the procedural definition. It should take into account the potential symbiotic relationship between ruling elites, organized crime, and the globalized financial system.”⁸

Moreover, by transcending national borders, the drug trade not only challenges assumptions separating domestic and foreign policy considerations, it also necessitates

⁶ These conditions have not only transformed the illicit drug trade but also undermined the viability of international drug control regimes. Keh and Farrell, 50-2. Moreover, the authors continue by noting that, “Documented increases in the geographical scope of drug trafficking are testimony to a robust, worldwide industry that shows no sign of bucking under the would-be pressures of official intervention.” Furthermore, both heroin and cocaine demonstrated rapid and consistent spatial distribution, more than doubling their geographic reach during the 1980s and 1990s.

⁷ Jordan, 6-7.

⁸ Ibid, 19. The author also notes that if a state cannot meet the definitional requirements of democracy, it is also removed from inclusion in the democratic peace thesis. This concept holds that democracies by and large do not fight other democracies, and is an important rationale for encouraging this form of government. For more on the interaction between ideology and alliance formation, see Stephen M. Walt, *The Origins of Alliances* (Ithaca: Cornell University Press, 1987), 33-40.

multilateral cooperation between governments.⁹ As the UNDCP noted its 1997 *World Drug Report*, however:

Political tensions, incompatibilities between legal systems concerning extradition or the transfer of evidence, delays in processing requests for judicial assistance, agency rivalries and language problems all work in favour of the criminal and against the slower bureaucratic mechanisms of international cooperation. The geographical terrain covered by drug distribution networks cannot be kept under constant surveillance, while the wealth of the drug trafficking organizations is such that all around the world, corruption and intimidation permit shipments to escape customs and police controls.¹⁰

While borders are not necessarily obstacles to smuggling actors, and in fact can serve both to enable some activities and shield others from scrutiny, in most cases discrete nation-states cannot effectively project their will across competing sovereignties. As such, the present level of international cooperation within this issue area cannot be seen as a sufficient deterrent to smuggling activity.

Taken with the more straightforward imperatives of supply and demand, these factors highlight the challenges posed to nation-states by the complex landscape of the drug trade. In particular, this analysis leads into subsequent case studies by focusing on particular drug nexus regions, or those areas with a high concentration of potential or observed smuggling vectors involving the transnational movement of drugs. It should be noted, however, that as these case studies develop there is an inherent difficulty in isolating the various aspects of physical, economic, political and human geography that constitute the smugglers' landscape, given the often high degree of interaction among

⁹ For instance, as noted in Bentham, 5, "As with environmental concerns such as air and marine pollution, drug trafficking does not conform to political boundaries and cannot be controlled by a single state acting in isolation."

¹⁰ UNDCP, *World Drug Report* (1997), 231.

these factors. However, wherever possible the relationships both between and among these spatial dimensions are also highlighted.

Heroin as a Benchmark Commodity

Heroin is particularly suited to function as a benchmark commodity for a number of reasons. To begin with, it moves through a truly worldwide market, allowing for meaningful interregional comparison. In this respect, both by its ubiquity and its geographic scope, heroin trafficking is perhaps most akin to the international black market in small arms. However, unlike the small arms trade, where production is highly decentralized, the vast bulk of heroin production tends to originate in specific regions.

As Bentham points out, “Drugs are the archetypal free-market commodity . . . they are easy to produce, easy to transport, easy to conceal and, due to their illegality, have a high added value at each stage of the trading chain.”¹¹ Even relative to other drugs, by weight heroin is an extremely lucrative commodity in comparison to other black market goods. As such, it is economically feasible to transport even in small amounts.¹² Furthermore, as a widely traded commodity, heroin can be seen responding to trends in globalization in a manner similar to that of other legitimate natural resources.¹³

Heroin can even be seen as having its own transnational commodity chain as it moves from raw material to final product, an arrangement that “tends to encourage the

¹¹ Bentham, 48.

¹² As a form of portable wealth, relatively few other high value commodities surpass heroin. However, one example of a similarly lucrative smuggled commodity by weight would be diamonds. See Appendix A for more on this issue, while heroin profit margins will be discussed at greater length below.

¹³ For instance, see “Commodities get big,” *The Economist* (web edition), 28 August 1999. Parallels include falling prices for raw materials, the consolidation of producers where the market was once fragmented, and a transnational alliance system to facilitate distribution. In the criminal context, see also Shelley, “Transnational Organized Crime,” 465-7; and Booth, *Opium*, 339-43.

development of a series of supplier relationships as well as the emergence of links with companies providing ancillary services.”¹⁴ As Stephen Flynn notes:

In essence, drug trafficking is a form of commodities trade conducted by transnational consortiums. Acquiring chemicals to produce drugs, transporting the drugs to wholesale distributors, and laundering the profits require interacting with and blending into legitimate markets. The size and complexity of these operations mandate that the drug industry pattern itself after the modern multinational corporation. Yet unlike traders in oil, automobiles, or microchips, traders in illicit drugs must outwit a dynamic enforcement environment designed to defeat them. Consequently, over the past two decades the drug trade has undergone something of a Darwinian evolution, the survivors of which have developed into sophisticated and highly flexible organizations.¹⁵

As such, developments that foster international commerce, and in particular the removal of trade barriers, have served to markedly aid the smugglers’ ease of transport.¹⁶ In practical terms, this translates directly into an enhanced flexibility in terms of smuggling route selection.

In keeping with the trends outlined in Chapter II, TCOs are very active in the global movement of heroin, particularly in instances where such groups are capable of mobilizing vast resources and moving large quantities of drugs, allowing them to dominate both key production areas and markets. As Booth notes, “The heroin trade is superbly organized: if such acumen was applied to some legitimate produce, it could increase profits severalfold.”¹⁷

¹⁴ Williams, “Strategic Alliances,” 62. In the business context, this term and its usage are discussed in Gary Gereffi and Miguel Koreniewicz, ed., *Commodity Chains and Global Capitalism* (London: Praeger, 1994).

¹⁵ Stephen Flynn, “Worldwide Drugs: The Expanding Trade,” *Current*, no. 352 (May 1993), 30-1.

¹⁶ In particular, as noted in the previous chapter, “Multinational economic agreements reducing trade barriers in North America, Europe, Asia, and other regions of the world have substantially increased the volume of international trade . . . Criminal groups have taken advantage of the high volume of legitimate trade to smuggle drugs, arms and other contraband across national borders.” U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 2. For more on recent trends in logistics, see also “A moving story,” *The Economist*, 7 December 2002, 65-6.

¹⁷ Booth, *Opium*, 329-30.

As a business model, an article in *Fortune* characterizes the international trade in illicit narcotics in unequivocal terms: “Think of it as a huge, multinational commodity business with a fast-moving top management, a widespread distribution network, and price insensitive customers.”¹⁸ Though the generic comparison with MNCs has already been made in the preceding chapter, in the context of the drug trade Sidney Jay Zabłudoff points out that, “The key difference, of course, is that narcotics traffickers sell an illicit product. This distinction is important in entrepreneurial terms because sizable risks arise in the form of potential loss of product, confiscation of assets, incarceration and death. These risks drive up prices and create the huge profits which constantly attract new individuals who are willing to take the risk.”¹⁹

Moreover, with respect to this latter aspect, there remains a widespread and continuing involvement of large numbers of individuals drawn to the drug trade by the lure of its immense profits. As UNDCP notes, “A seemingly endless stream of willing recruits for the most menial tasks provides the industry with a key input for its near constant growth – inexpensive labour. In addition, the industry requires a wide range of specialized personnel including chemists, chemical engineers, pilots, communications specialists, money launderers, accountants, lawyers, security guards and ‘hit men.’”²⁰

Finally, and somewhat paradoxically, it is the very complexity of the international heroin trade, intertwined as it is with a number of other illicit market activities, which

¹⁸ Louis Kraar, “The Drug Trade,” *Fortune* 117, no. 113 (20 June 1988), 26-35. Other sound business practices that the author notes in this context include: awareness of and responsiveness to changing market conditions; constant evolution of operating methods; investment of earnings in other businesses; creation of new demand through creative marketing and price-point management; and both vertical and horizontal business integration.

¹⁹ Sidney Jay Zabłudoff, “Colombian Narcotics Organizations as Business Enterprises,” *Transnational Organized Crime* 2, no. 2 (Summer 1997), 20.

²⁰ UNDCP, *World Drug Report* (1997), 123.

makes it a particularly fitting test case for a geographic approach.²¹ From a policy point of view, the linkages between drug trafficking and wider issues relating to transnational organized crime are also relevant.²² As Bentham points out, “the ‘drug problem’ can be seen as not a single issue at all, but an amalgamation of a variety of separate issues involving various actors and various stakes in distinct issue systems, within a similar context of what can be described as drug-related activity.”²³

Before moving too far into other issues, however, it is necessary to outline the nature and characteristics of heroin itself.²⁴ Heroin is an opiate, one of the three main classes of natural drugs and their derivatives grown commercially and traded on a global scale.²⁵ The drug, more formally known as either diacetylmorphine or simply diamorphine, is a semi-synthetic product derived from the complete acetylation of

²¹ For instance, even compared to the analogous challenges of cocaine control, note the following: “Widely dispersed growing areas, multiple trafficking organizations and diversified routes and concealment methods make heroin supply reduction particularly difficult.” U.S. Congress, House Committee on International Relations, Subcommittee on the Western Hemisphere, “Anti-Narcotics Efforts in the Western Hemisphere and Implementation on the Western Hemisphere Drug Elimination Act,” Statement by Thomas J. Umberg, Director of Supply Reduction, Office of National Drug Control Policy, 3 March 1999, 6.

²² In addition to earlier discussions relating to drugs as a source of funding for terrorist and other criminal organizations, see also Raphael F. Perl, “United States Foreign Narcopolicy: Shifting Focus to International Crime?” *Transnational Organized Crime* 1, no. 1 (Spring 1995), 33-46.

²³ Bentham, 25.

²⁴ This section draws from information found in National Institute on Drug Abuse, *Heroin Abuse and Addiction* (Washington, DC: NIDA Research Report Series, 2000), 1-2; James A. Inciardi, *The War on Drugs II: The Continuing Epic of Heroin, Cocaine, Crack, Crime, AIDS, and Public Policy* (Mountain View, CA: Mayfield Publishing, 1992), 63-81; Mary H. Cooper, *The Business of Drugs* (Washington, DC: Congressional Quarterly Inc., 1990), 47-71; and Customs Co-operation Council / International Association of Ports and Harbors (CCC / IAHP), *CCC / IAPH Guidelines on Co-operation Between Customs Administrations and Port Aimed at the Prevention of Drug Smuggling* (Tokyo, Japan: CCC / IAHP, 1987), 15-8.

²⁵ The other two primary categories of natural drugs cultivated on a large scale for profit are the cannabinoids, such as marijuana and hashish, and the coca derivatives, though other types of natural drugs also have their own niches. Furthermore, though outside the realm of this discussion, it should be kept in mind that such generally accepted drugs as alcohol, nicotine and caffeine also fall under this heading. By contrast, synthetic drugs such as amphetamine-type stimulants (ATS), barbiturates and MDMA (Ecstasy), as well as a wide range of prescription medicines, form the other major class of controlled substance. For more on the range of available drugs, see Appendix A. Though not directly germane in this context, it is interesting to note that, taxonomically, the UNDCP lists prescription drug used illicitly as a separate category.

morphine, which is in turn chemically processed from the opium poppy, *papaver somniferum*.²⁶ While the stages of this process are outlined in more detail in Appendix C, it is worth noting that it takes approximately ten kilograms of opium to make one kilogram of morphine, which in turn yields slightly more than that quantity of heroin.²⁷

The opium poppy itself can be grown in a wide variety of locations, though for the most part its cultivation on a commercial scale is relatively circumscribed in geographic terms at present, as is discussed below. In addition to its relative profitability, as an agricultural commodity opium stores easily for extended periods of time, does not spoil, can be grown in high terrain without fertilizer or extensive irrigation, and can be harvested without machinery.²⁸ Raw opium, generally harvested from the milky sap of the poppy bulb, starts as thick, brown, viscous substance that hardens over time into a dark brown, slightly sticky mass known as opium gum. However, the stalk of the poppy

²⁶ The opium trade itself has a long and turbulent history, even before the advent of its various chemical distillations. For a concise survey of this commercial activity from its emergence, thought to be under the auspices of Turkish traders in the eighth and ninth centuries, up to the nineteenth century and the heyday of European colonialism, see Block and Chambliss, 19-29. The Portuguese appear to have been the first Europeans to realize that opium could serve as a viable and valuable trading commodity. It served not only to conserve their relatively scarce precious metals, the standard measure of national wealth at the time, but also to turn a very respectable profit in exchange for Asian spices, tea, silk, pottery and many other products then in demand throughout Europe. The British opium trade in the Far East eventually led to the First Opium War (1839-42), precipitated by Chinese efforts to stem the outflow of silver for opium, in which the Chinese military was thoroughly defeated. The Second Opium War (1856) ended much the same way. The authors also note a parallel incident in 1852, when King Rama II of Thailand, still nominally independent, was forced to accede to British military pressure and grant an opium monopoly. With respect to the British official involvement in the opium trade during this period, Jordan, 55-62, who specifically notes that, "This pattern of government-granted monopoly or direct government management has become a model for organized crime." For an even more extensive overview of this trade and its ramifications, see Booth, *Opium*, 106-37; and John Newsinger, "Britain's opium wars," *Monthly Review* 49, no. 5 (1997), 35-43.

²⁷ By definition, any medicinal compound containing more than 0.1% opium by weight or volume may be considered an opiate. For more on the processing of opium into heroin, see U.S. DOJ, Bureau of Justice Statistics, Office of Justice Programs, *Drugs, Crime, and the Justice System*, 43, as well as Appendix C, "Heroin Activity Model."

²⁸ Bentham, 45.

plant, known as poppy straw, can also be processed to produce opium, though generally for licit medical uses.

As opium gum is exposed to air, it becomes “cured,” and can be smoked or otherwise consumed if desired. As it will lose considerable potency, and hence value, if it dries out, it is usually wrapped in some sort of waterproof material for storage and transport. In addition to heroin, various other alkaloids, notably codeine and morphine, can also be obtained from opium. In particular, raw opium can be converted to morphine, heroin’s immediate chemical precursor, in a relatively simple process that usually takes place in makeshift laboratories near the poppy fields.²⁹

Morphine itself was discovered in 1805 and subsequently named for Morpheus, the Greek god of sleep. However, German chemist Heinrich Dreser, working under the auspices of the Bayer drug company, first produced heroin in 1898 as further distillation of morphine. Heroin was originally intended as more powerful pain reliever that would have fewer side effects than its predecessors. Its trade name, stemming from the German adjective *heroisch*, or “heroic,” indicates the high hopes pinned to its anticipated therapeutic potential. Prior to the realization of its own deleterious effects, for a time heroin was even used as a treatment for morphine addiction.³⁰

Heroin has since become the common name for preparations containing diacetyl morphine base or its salts. It has a quicker, more intense effect on users than morphine,

²⁹ For its part, morphine in pure form consists of white crystals, and is most often adulterated, or “cut,” with substances ranging from sugar, starch and powdered milk to chalk, baby powder and strychnine. Most often it is found in to form of a powder, pill or ampoule. Another common derivative of opium is codeine, often found in various prescription cough syrups. Finally, entirely synthetic opiates such as methadone, pethidine and dipipanone have also been developed.

³⁰ See Ian Scott, “A hundred year habit,” *History Today* 48, no. 6 (June 1998), 6-9. Incidentally, in 1899 Bayer also introduced a second acetyl derivative from a plant-based painkiller. This was salicylic acid, better known under the now-generic trade name “Aspirin.”

and is characterized by strong psychological and physical addiction, as well as an increasing physical tolerance among users. Known under a variety of slang names, it is generally found on the street as an odorless powder, or, less commonly, in either pill, capsule or ampoule forms.³¹

As the true addictive nature of the drug became more apparent, the international backlash against its medical usage gained momentum, with the Hague Opium Convention of 1912 being the first of a series of agreements setting the framework for the relevant prohibition regime.³² During this period, a notable exception among nation-states was the case of Japan in the 1930s, which continued to produce heroin for the Chinese market up the end of the Second World War.³³ In institutional terms, most efforts at

³¹ While the number of street terms to denote heroin even in the United States are too numerous to fully delineate, some of the more common ones include “horse,” “H,” “junk,” “smack,” and “white lady.” For a more complete list of slang words, including those to various types of heroin, combinations of heroin with other drugs and related phenomena, see Marla Schallaffer, “Street Terms: Drugs and the Drug Trade, Part 2,” *The Narc Officer*, July-August 1997, 89-90. While intravenous administration of the drug is the most common, in recent years higher purity levels have led to an increase in both the smoking and sniffing of heroin. For more on drug abuse patterns in general, to include heroin, see also U.S. DOJ, Bureau of Justice Statistics, Office of Justice Programs, *Drugs, Crime, and the Justice System*, 20-8.

³² Other international conventions brokered under the League of Nations auspices were to follow in 1925, 1931 and 1936. For more detail on international drug control efforts under the League’s auspices, see Block, 95-105. Following the Second World War and continuing up the late 1980s, the difficulties of implementing international controls brokered through the United Nations became increasingly apparent, as was seen in both 1953 and 1961. Greater detail of these proceedings can be found in Catherine Lamour and Michel R. Lamberti, *The International Connection: Opium from Growers to Pushers*, trans. Betty and Peter Ross (New York: Pantheon, 1974), 238-47. For a further overview of the trade during this period, see also Alvin Moscow, *Merchants of Heroin: An In-depth Portrayal of Business in the Underworld* (New York: Dial Press, 1968).

³³ A comprehensive analysis on the economic role of opiates within the East Asian region during this period can be found in John M. Jennings, *The Opium Empire: Japanese Imperialism and Drug Trafficking in Asia, 1895-1945* (Westport, CT: Praeger, 1997). The author dates official Japanese involvement in the opium trade to the annexation of Taiwan following the Sino-Japanese War of 1895, and the subsequent need to formulate policy in order to deal with that island’s existing addict population. This trend continued under military oversight with imperial expansion into Korea and Manchuria, and later into Southeast Asia. The continuing involvement of Europeans in the Far Eastern opium trade during this period is also discussed in Block, 113-7.

international drug control begun under the auspices of the League of Nations have continued under those of its successor, the United Nations.³⁴

Since that time, by global consensus the production, distribution and consumption of heroin has been largely relegated to the criminal sphere of activity.³⁵ As such, the challenge of regime building on the part of nation-states within the drug control issue area continues to reflect a wide range of international pressures and concerns. In recent years, there has been a proliferation in both the number and scope of international agreements, not only on drug trafficking *per se* but on related issues as well. To date, the most prominent and comprehensive such agreement to date is the 1988 U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.³⁶

Offering a less traditional view of consensus building within this the issue area, Bentham posits that while the literature on regimes implies a specific issue that is being regulated, the complexity of drug control and its related political, economic, social and health dimensions mitigates against simplistic analysis and necessitates further conceptual clarification. Furthermore, noting the primacy of the traditional Realist school of thought since the end of the Second World War, she further points out that,

³⁴ Bentham, 89-118. Furthermore, it is worth noting that the author also sees the U.N.'s focus on trafficking as significantly impeding the development of an effective and holistic global drug control regime. For a fuller chronological outline of these international drug control efforts, see Appendix B, "Heroin – A Timeline."

³⁵ See Kathryn Meyer and Terry Parssinen, *Webs of Smoke: Smuggler, Warlords, Spies, and the History of the International Drug Trade* (Lanham, MD: Rowman & Littlefield, 1998), which puts many of these developments in context while focusing on East Asia throughout the first half of the twentieth century. For a contemporary overview of the trade during the early stages of its global expansion, see also Moscow, *passim*.

³⁶ The issue of an international "war on drugs" was also the topic of a special session of the U.N. General Assembly in June 1998, which included thirty heads of state and representatives from 150 countries. Unfortunately, as reported at the time, "The predictable result was ponderous speeches on 'our common global challenge,' multilingual chaos in the corridors . . . a few unrealistic pledges, the distant but unmistakable sound of the buck being passed from one government to another, and the looming question of who is going to pay for it all." See "Tremble, Medellin, tremble," *The Economist*, 13 June 1998, 45-6.

“The rigidity of the Cold War gave the discipline of International Relations an excuse for not taking into account the advances, concepts and methods from alternative disciplines, such as sociology, philosophy, anthropology, and history, with their concepts of identity, values and community.”³⁷

However, despite such conceptual impediments, multilateral cooperation on this issue continues to develop, more often than not with the United States taking what has become a traditional lead in this respect. Specifically, the annual U.S. drug certification process represents the most salient ongoing unilateral evaluation process, as embodied in the International Narcotics Control Strategy Report (INCSR) put out under Department of State auspices.³⁸ In general, U.S. efforts at international drug control continue to put it at the forefront within this issue area, as in many others, and thus will form a touchstone for the discussion that follows.

³⁷ Bentham, 2. As an alternative to realism, the author puts forth an approach to the drug issue based on the paradigm variously known as global politics, pluralism, multi-centrism or issue-politics, which attempts to synthesize literature within the field on interdependence, international regimes, foreign policy analysis and transnationalism. Ibid, 15.

³⁸ Specifically, the INCSR is compiled by the U.S. State Department’s Bureau of International Narcotics and Law Enforcement Affairs (INL), with one of the more recently published iterations being INL, *International Narcotics Control Strategy Report 2001* (Washington, DC: Department of State, March 2002), available at <http://www.state.gov/g/inl/rls/nrcrpt/2001/rpt/>, accessed 15 July 2004. Generally speaking, it is used to provide a factual basis for the drug certification process’ impact on foreign assistance to specific drug producing and transit countries. Its intent is to exert leverage within the issue area of international drug control by identifying the so-called “majors,” or those countries considered prone to either significant production or trafficking activities within their territory. The criteria for certification is whether or not the countries in this category are seen to be both cooperating fully with the U.S. in this issue area and complying with the 1988 U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. As to the genesis of this particular initiative, the process was mandated by legislative action in 1986 via an amendment to the Foreign Assistance Act of 1961, during the height of fears regarding the crack-cocaine epidemic. At present, the threshold criteria for being considered a major drug producing nation is having at least 1,000 hectares of illicit opium or cocaine, or 5,000 hectares of cannabis, under cultivation. This process links U.S. bilateral aid, as well as support within such international bodies as the World Bank and the International Monetary Fund, to cooperation with the U.S. on this issue. Countries listed among the majors can be certified either by demonstrable cooperation or in the name of vital U.S. national interests. However, this is not to say that the process is not influenced by political considerations or overridden by the imperatives of issue areas perceived as having a greater precedence, as will be seen below. While the United Nations does carry out its own parallel evaluation process, this does not carry any analogous tangible sanctions.

The loss of trading legitimacy, coupled with an enduring demand, has cemented heroin's role as a key component of global black markets. While all economic transactions, licit or illicit, imply reciprocity, heroin's capacity as a readily bartered commodity has been well documented. Moreover, given the unregulated nature of transnational black markets, drugs often serve as collateral in deals involving a wide range of actors and contraband, and thus may be seen as playing an often-pivotal role in that respect.³⁹ The various types of interaction between the global trade in heroin and various other black markets are explored more fully in the context of the case studies.

However, there are two black markets in particular that have a direct role in supporting the transnational heroin trade, and as such must be highlighted in order to fully understand this phenomenon. The first is the illegal trade in the precursor chemicals necessary to process opium into heroin, while the second involves the various money laundering mechanisms that recycle, reinvest and otherwise conceal the profits accrued by the drug trade. As in the case of international drug control, both of these issue areas have emerged as focal points of broad-based efforts in their own right.

To begin with, the control of the chemical precursors necessary to process opium first into morphine, and then into heroin, is increasingly the subject of international agreements. Incidentally, those chemicals commonly used to produce synthetic drugs such as amphetamines are also generally covered under such agreements.⁴⁰ In the case of

³⁹ Some specific examples include explicit links with illegal arms trafficking, as noted in T. M. Oppenheimer, "Projections for the future development of international drug control policies," *U.N. Bulletin on Narcotics*, no. 1-001 (1990), 8. See also Appendix A, in which nearly every type of contraband listed is known to have some sort of market relationship with illegal drugs.

⁴⁰ To establish the scope of this issue at the global level, between 1990 and 1994 the U.N. estimated that four billion "potential dose units" of precursor chemicals were seized annually. UNDCP, *World Drug Report* (1997), 29. Interestingly enough, progress on precursor chemical controls is less likely to have an

heroin, the most prominent such precursor is acetic anhydride. However, both the number of producers in the global marketplace and the essential fungibility of these products exponentially increase the difficulty of achieving this goal.

Furthermore, while the chemicals in question certainly have legitimate purposes as well, in response to economic incentives their diversion to illicit uses continues in any number of forms. These include the siphoning off of supplies from domestic chemical production; the legal importation and subsequent misappropriation of chemicals for illegal transshipment; the legal importation of chemicals into a neighboring country for transshipment to the drug-producing country; and the use of shipping routes via countries that do not have any form of precursor chemical control. Furthermore, drug traffickers involved in the processing phase are very resourceful, even going so far as developing techniques to extend the functional usage of such chemicals or replace them with more easily available alternatives.⁴¹

Unsurprisingly, consensus on this issue, as on so many others, is often under intense pressure from narrower national interests. However, in 1991 the G-7 established the Chemical Action Task Force (CATF), establishing an important milestone in international understanding among the major allies. By December 1992, the European Community had introduced new legislation covering extra-European trade in precursor chemicals.⁴²

effect on refining coca into cocaine, which can be done with materials as common as kerosene. For a detailed table of these chemicals and both their licit and illicit uses, see Keh and Farrell, 56-7.

⁴¹ See U.S. Department of State, INL, *INCSR 2001*, "Chemical Control." This issue is also discussed in the maritime context in U.S. DOT, Office of Intelligence and Security, *Port Security*, 11. However, these observations remain valid across other modes of transportation as well.

⁴² As an example, early U.S. adherence to the control of such chemicals, many of which had legitimate uses, put definite constraints on the U.S. chemical industry. For a time, German exports appeared to be filling the gap, leading to U.S. accusations that the German government was either unwilling or unable to

That would be nearly the end of the problem if large-scale production of precursor chemicals were confined to Europe and the United States, which it is not. In a more wide-ranging effort to stem the flow of these chemicals, there have been significant recent efforts through the United Nations International Narcotics Control Board (INCB).⁴³ However, the most comprehensive initiative to date is the U.S.-sponsored Multilateral Chemical Reporting Initiative (MCRI), first put forth in 1997.⁴⁴

As with precursor chemicals on the front end of the transnational drug trade, money laundering plays an integral role by recycling and reinvesting the profits resulting from such transactions using various methods to make them appear to be the proceeds of legitimate business activity.⁴⁵ As John J. Fialka notes, "New financial instruments, the

stand up to its own chemical industry. Under continuing U.S. pressure, in July 1992 Germany amended its system of voluntary export controls, while stressing the need for a uniform standard across Europe. These restrictions brought the issue to a resolution that the U.S. found satisfactory, resulting in a marked improvement in relations within this issue area. See H. Richard Friman, *NarcoDiplomacy: Exporting the U.S. War on Drugs* (Ithaca: Cornell University Press, 1996), 110-1. More recently, in May 1998 the U.S. and the European Union signed a chemical control agreement laying down the formal basis for increased cooperation. More details on the CATF effort can be found in U.S. Department of State, "Fact Sheet: Controlling Chemicals Used in Drug Trafficking," *U.S. Department of State Dispatch* 3, no. 9 (2 March 1992), 164-5.

⁴³ The relevant international statute on chemical control under U.N. auspices is Article 12 of the 1988 U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. A subsequent annex currently lists 22 chemicals as those most necessary to drug manufacture and thus the primary targets for international control. For more on this issue, see also UNDCP, *World Drug Report* (1997), 227-30.

⁴⁴ For an overview of MCRI, see U.S. DOJ, DEA, Diversion Control Program, *Program Report*, "The Diversion of Drugs and Chemicals" (Washington, DC: DEA, December 1999), available at <http://www.deadiversion.usdoj.gov/pubs/program/activities/index.html>, accessed 15 July 2004.

⁴⁵ For instance, as Douglas I. Keh notes, "Anecdotal evidence suggests that illicit drug revenues represent a substantial proportion of the financial reserves available to criminal organizations." Douglas I. Keh, "Drug Money in a Changing World: Economic Reform and Criminal Finance," *U.N. Drug Control Programme Technical Series* no. 4 (1996), available at http://www.undcp.org/technical_series_1996-01-01_2.html, accessed 15 July 2004. In analytical terms, there are several methods of dissecting this phenomenon. A prominent example can be in U.S. Department of State, INL, *International Narcotics Control Strategy Report 1999* (Washington, DC: Department of State, March 2000), "Money Laundering and Financial Crimes," available at http://www.state.gov/www/global/narcotics_law/1999_narc_report/index.html, accessed 15 July 2004. This document puts forth three distinct steps to the laundering of illegal profits, namely "placement," "layering," and "integration." In the first, the currency is introduced into a financial services institution. In the second, these funds are moved from institution to institution in order to hide their source and ownership. Finally, the cycle is concluded when the funds are reinvested in an ostensibly legitimate business.

globalization of money markets, and the removal of trade barriers to cross-border transactions have changed the geography of money.” Moreover, the speed and fluidity of money laundering mechanisms, underpinned by the wider criminalization of the international financial system, are exceedingly difficult for nation-states to curtail.⁴⁶ Most significantly, the cross-border nature of most such investigations, as well as related interpretations of the relevant local laws, also makes enforcement within this issue area especially problematic.

Broadly speaking, money laundering control regimes place an emphasis on both the identification of money laundering centers and on international efforts to isolate and confiscate ill-gotten assets. For instance, in parallel with, the various initiatives on chemical controls, the G-7 established the Financial Action Task Force (FATF) in 1989, since expanded to include twenty-six members.⁴⁷ On an even wider level, in December 1999, the U.N. General Assembly adopted Resolution 54/109, the International Convention for the Suppression of the Financing of Terrorism, specifically mentioning drug trafficking in its preamble.

However, in the U.S., the Financial Crimes Enforcement Network (FinCEN) leads bilateral dialogue within this issue area.⁴⁸ As far as the U.S. is concerned, tracking the money involved in drug trafficking cannot be separated from wider related issues.⁴⁹ This

⁴⁶ Fialka, 139. For more on this issue with specific respect to drugs, see also Bentham, 140-66; and Jordan, 99-116. Furthermore, a list of the criteria to be used in assessing the vulnerability of a given financial system or institution to money laundering can be found in U.S. Department of State, INL, *INCSR 2001*, “Money Laundering.”

⁴⁷ See U.S. Department of State, “Fact Sheet: Combating Drug Money-Laundering,” *U.S. Department of State Dispatch* 3, no. 9 (2 March 1992), 163-4; and “Shell games,” *The Economist*, 26 October 2002, 69.

⁴⁸ An overview of this organization’s activity and scope can be found in U.S. Department of State, INL, *INCSR 2001*, “Money Laundering.”

⁴⁹ A comprehensive treatment of the evolution of American policy on this issue area, domestic as well as foreign, can be found in Robert E. Powis, *The Money Launderers* (Chicago: Probus, 1992). Current U.S.

is actually quite a logical stance, given the absolute necessity of such assets to initiate and sustain nearly every type of illicit activity. Following the events of 9/11, the issue has also taken on an even greater significance in light of the imperatives to track the funding of international terrorism. In particular, nation-states that allow very strict banking privacy have become targets for U.S.-led international pressure advocating a greater transparency for transactions.⁵⁰

More often than not, the focus of these efforts to curb transnational money laundering is on the monitoring the electronic transfer of funds.⁵¹ As mentioned

policy requires that deposits of more than \$10,000 be reported to federal banking authorities, resulting in a subsequent proliferation of deposits of \$9,999. This in turn has given rise to the practice of breaking large sums of illicit money into chunks small enough to evade federal detection, known colloquially as “smurfing.” During the late 1980’s, the U.S. strove to negotiate similar reporting mechanisms with the banking regulators of other countries. At the time other governments generally interpreted these endeavors to mean that cash deposits of U.S. \$10,000 would have to be reported to the U.S. government, which were seen as highly intrusive to national sovereignty. For instance, at the time the U.S. relied on a variety of unilateral pressures to force even allies to prohibit their banking institutions from doing business with international drug trafficking organizations. These types of leverage have included revoking visa rights in the U.S., targeting of suspect bank’s North American operations and threatening to publicly expose particularly unsavory clients. As written, foreign banks would not have been expected to notify the U.S. of such transactions but merely to record them. In practice, unfortunately, the most daunting task was found to be the backlog involved in recording this class of transaction due to their sheer volume. It was not until other nations came to appreciate the linkage between this complex of issues that international progress became feasible. See also “That infernal washing machine,” *The Economist*, 26 July 1997, 19-20; David A. Andelman, “The Drug Money Maze,” *Foreign Affairs*, 73, no. 4 (July-August 1994), 15; and “Through the wringer,” *The Economist*, 14 April 2001, 64-6. Furthermore, the issuing of Executive Order 12978 in October 1995, allowed the U.S. federal authorities to either freeze or block all assets held in the U.S. by known foreign nationals engaged in international narcotics trafficking. U.S. President, Office of the White House, “Executive Order 12978 - Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers,” *Weekly Compilation of Presidential Documents* 31, no. 43 (30 October 1995) 1907.

⁵⁰ For more recent developments within this issue area in the wake of 9/11, see “Follow the money,” *The Economist*, 1 June 2002, 67-8; “The needle in the haystack,” *The Economist*, 14 December 2002, 69; and, for a broader assessment, Kimberley L. Thachuksee, “Terrorism's Financial Lifeline: Can It be Severed?” *Strategic Forum*, no. 191 (May 2002), available at <http://www.ndu.edu/inss/strforum/SF191/sf191.htm>, accessed 15 July 2004. For the time being the most effective mechanism appears to be the FATF, especially in terms of the mutual evaluation provisions among members. However, holding countries that harbor known or suspected money laundering operations accountable for their actions or inactions remains an area of contention. For instance, even prior to 9/11, U.S. Senator John Kerry even went so far as to advocate economic war against countries that refused to take action on this issue. Kerry, 150-68.

⁵¹ Generally speaking, the ability to effectively engage in computerized money laundering is part of a wider trend toward the greater use of high-tech skills on the part of criminal organizations. Among other advantages, the ability to conduct business remotely allows for a higher degree of insulation from law enforcement agencies, particularly in the transnational context where multiple jurisdictions are involved.

previously, despite being an important issue in its own right, the transnational movement of illegal non-tangible assets such as those constituted by money laundering via wire transfer falls somewhat beyond the scope of this study. However, other options used by money launderers include sending the money abroad or using an underground banking network, and may involve the cross-border physical movement of legal tender in various amounts.⁵²

In particular, bulk transport of currency is becoming increasingly more prevalent, particularly in cases where money is physically shipped to locations from which it can enter the international banking system more easily, in itself another manifestation of illegal activity following the paths of least resistance. For instance, the USCS notes that, “One by-product of tightening up . . . U.S. financial institutions has been an increased reliance by criminal organizations on the physical transportation of currency.”⁵³ This issue is be discussed further in the context of Colombian TCOs in Chapter VI.

See U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 28-9, for a more complete discussion of growing criminal capabilities in this respect, as well as efforts to address these challenges.

⁵² The most singular commonalities among all of these transnational mechanisms involve trust-based networks. For instance, throughout the Middle East *hawala* banking systems play a vital function in the absence of other economic channels, particularly with respect to remittances from overseas workers. As for the nature of these networks, “no money moves physically between locations; it is transferred by means of a telephone call or fax between dealers in different countries. No legal contracts are involved, and recipients are given only a code number or simple token, such as a low-value bank note torn in half, to prove the money is due. Over time, transactions in opposite directions cancel each other out, so physical movement of funds is minimized. If an imbalance builds up, cash or jewelry is carried across the borders, trade invoices are adjusted, or conventional banks are used. *Trust is the only capital that the dealers have.*” [emphasis added] See also “Still flush,” *The Economist*, 7 September 2002, 66; and “Cheap and trusted,” *The Economist*, 24 November 2001, 71, which notes the historical role of *hawala* networks in smuggling gold from Europe to India, primarily through Dubai. Incidentally, the long distance movement of funds significantly predates the modern era. This is demonstrated by the *fei qian* or flying money system developed in the latter half of the Tang dynasty in China, medieval Jewish trading networks, the Knights Templar with respect to the funding of Crusaders, and the Hanseatic League in facilitating commerce among its members. For a historical overview of this phenomenon, see Curtin, 1-14, while more recent manifestations are discussed in Kotkin, 3-35.

⁵³ U.S. DOT, Customs Service, *U.S. Customs Service Strategic Plan* (1997), 20. See also U.S. DOT, Office of Intelligence and Security, *Port Security*, 12. The latter document in particular notes the following

On a number of levels, money laundering constitutes a serious challenge to national interests. This can be seen not only in the context of drug trafficking, but also with respect to the sales of illicit arms, the financing of terrorism, the evasion of sanctions, the movement of weapons of mass destruction and the smuggling of a wide range of contraband.⁵⁴ As with access to precursor chemicals, the ability of TCOs to engage in money laundering is crucial to facilitating the transnational heroin trade, as well as numerous other illegal market activities. These themes will be found throughout the remainder of this analysis, particularly with respect to the case studies.

For the nation-state, the common thread of all these issues is the need for international cooperation to meet transnational challenges. The following two sections shift the focus to recent trends relating to global heroin supply and demand, respectively, in an effort to establish the geographical parameters involved. Moreover, intertwined with these market imperatives is a consideration of the various types of efforts that nation-states can take to address the spatial aspects of this illegal activity.

As a point of departure, any consideration of the transnational heroin trade, and by extension the smugglers' landscape with respect to this commodity, must be predicated upon the exigencies of supply and demand. Furthermore, the various

potential for currency smuggling via containerized freight: "\$18 million of U.S. currency in \$20-denominations consists of 9,000,000 bills, weighting 2,000 pounds and amounting to approximately 40 cubic feet in volume (one measurement ton). The interior space of a standard twenty-foot freight container measures 1,100 cubic feet, which can accommodate 27.5 measurement tons." Furthermore, in some parts of the world the majority of all legal tender in circulation can be infused with detectable amounts of drugs. In South Florida, this has even resulted in court cases where drug-sniffing police dogs have pointed to money rather than actual drugs being dismissed for lack of evidence. See Carolyn J. Keough, "Drug-stained cash widespread in South Florida," *Miami Herald* (web site), 9 September 2000.

⁵⁴ The prospects for cooperation on the issue of money laundering control remain good so long as the United States continues to not only push forward unilaterally but to encourage the building of international consensus as well. For a comprehensive overview of global efforts to control money laundering, see U.S. Department of State, INL, *INCSR 2001*, "Money Laundering."

strategies employed by nation-states to curb such activity is salient in this context, as these represent the primary forms of leverage by which risk can be imposed upon the smuggler. In fact, the major differentiation among counter-drug policies is between those that seek to disrupt supply and those that attempt to lessen demand.

Parameters of Global Heroin Supply

While demand reduction is discussed in the following section, supply-side strategies can be characterized as either “top-down,” those that focus on the upper echelons of TCOs, and “bottom-up,” which aim to disrupt the relationship between distributors and consumers.⁵⁵ In general, while supply-side issues tend to be framed in international terms, those involving demand most often fall under the aegis of domestic policy. It should also be noted that, though addressed here as a separate topic, in general the transit stage is treated as a component of the supply side, as are the processing and cultivation stages.

In spatial terms, Paul Krugman puts forth a generic geographical trade model positing that economic concentration relies on increasing returns, transportation costs and demand.⁵⁶ As with legitimate commodities, this framework can also be applied the heroin trade. However, with respect to the illicit drug trade in general, Francisco Thoumi notes that:

From a purely economic perspective the narrow geographical distribution of illegal drugs is quite puzzling, since the industry’s extremely high profits provide very strong incentives to produce wherever possible and lead to expectations of a more disperse production pattern than that of legal goods. It must also be noted

⁵⁵ See UNDCP, *World Drug Report* (1997), 230-1.

⁵⁶ Krugman, *Geography and Trade*, 14-5.

that although production and trafficking patterns of illicit drugs are significantly more concentrated than those of licit goods, they are spreading across the globe.⁵⁷

To begin with, as they relate to supply these dynamics can be vividly seen in the complex issue of opium cultivation.

It is worth noting that potential world heroin production has increased by approximately 60% over the past decade, while opium poppy cultivation itself has doubled.⁵⁸ For decades, the main opium producing areas were limited to two regions, which remain the most important in global terms. These are the Golden Crescent, centered on Afghanistan, Pakistan and Iran, and the Golden Triangle, centered on Burma, Thailand and Laos.⁵⁹ In recent years, Afghanistan and Burma alone have accounted for the vast majority of world cultivation and production, and as such consideration of Southwest Asian and Southeast Asian heroin have dominated the analysis of supply at the global level.⁶⁰

⁵⁷ Francisco Thoumi, "The Role of the State, Social Institutions and Social Capital in Determining Competitive Advantage in Illegal Drugs in the Andes," *Transnational Organized Crime* 5, no. 1 (Spring 1999), 72.

⁵⁸ The first figure comes from U.S. DOJ, DEA, *National Heroin Conference Report*, Reston, VA: DEA, 3-6 February 1997, while the second comes from U.S. ONDCP, "Drug Policy Perspectives – Central and Southwest Asia" (Washington, DC: ONDCP, 25 January 2000). It should also be noted that when discussing estimates of drug cultivation and production, large discrepancies often exist, particularly between U.S. and U.N. figures. Though much of this may be attributed to differences in methodology, this issue will become more apparent as this study progresses and relates directly to the data gaps discussed in the next chapter.

⁵⁹ UNDCP, "Supply of and Trafficking in Narcotic Drugs," 6-8. The primacy of these two regions in world opium production dates back at least the early 1970s, as evidenced in Lamour and Lamberti, 154. In particular, Shelley characterized both Afghanistan and Burma (Myanmar) as "one crop illicit economies," defined as countries where organized crime is based on one area of criminal activity, in this case the cultivation of opium poppies and the processing of heroin. Shelley, "Identifying, Counting and Categorizing," 5-6.

⁶⁰ However, it should also be noted that while Burmese poppy cultivation may outstrip that of Afghanistan in acreage, the corresponding yield of Southeast Asian opium per acre is only about one-fourth that of Southwest Asia due to substantial differences in potency. U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 25. This issue is also discussed at length in OGD, *World Geopolitics of Drugs* (2000), 27-30. In addition to the methodological hurdles already discussed, this report also notes that, "in mountainous countries like Afghanistan and Burma the rugged terrain makes it hard to interpret accurately the color spectrum of the panchromatic photographs taken by satellite because it is affected by

Compared to the Golden Crescent and the Golden Triangle, other regions have had a more circumscribed overall impact. For instance, Latin American opium production, centered in Colombia and Mexico, has never achieved the same economies of scale despite expansion in recent years.⁶¹ Overall, that region is responsible for only 4% of the total global opium supply, according to 1997 U.S. Drug Enforcement Administration (DEA) statistics, though in 2000 the Office of National Drug Control Policy (ONDCP) put the figure for Colombia and Mexico together at 11%.

However, the same DEA report also notes that 75% of the heroin seized in the U.S. was of South American origin, while a further 14% came from Mexico. Furthermore, the ONDCP source points out that Latin America's heroin production capacity of 11 tons now exceeds the estimated U.S. demand of 10 tons per year.⁶² Prominence within this key market has understandably tended to magnify perceptions of regional production from absolute to relative terms, particularly within the realm of U.S. drug policy-making.

Other areas continue to have a vast potential for poppy production, though as yet these remain largely remained untapped. Within the former Soviet Union, for instance, in addition to large tracts of land dedicated to poppy cultivation in Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, the Ukraine and southern Russia, there is also a pool of

slopes, shades, etc." As such, a series of ground checks are in order, which may or may not be feasible at any given point in time. While Afghan opium production will be discussed at greater length in the context of Chapter V, for more on the impact of Burmese drug cultivation, see American University, Trade Environmental Database, "Opium Trade and Environment," Case 435, available at <http://www.american.edu/TED/opium.htm>, accessed 15 July 2004.

⁶¹ It should be noted that the U.S. Department of Defense sometimes refers to the Latin American drug nexus region, comprised primarily of Colombia, Peru and Bolivia, as the "Silver Triangle." Though this term's derivation most likely comes from the region's association with cocaine, its usage does not appear to have entered popular parlance. See U.S. DoD, *Joint Counterdrug Operations*, GL-18.

⁶² See U.S. DOJ, DEA, *NNICC* (1998), 9, 40; and U.S. ONDCP, "Drug Policy Perspectives."

talented chemists able to turn out a wide range of natural and synthetic opium derivatives.⁶³ Moreover, the impact of other regions, such as sub-Saharan Africa, as cultivation centers remains negligible.⁶⁴

Writing three decades ago, Catherine Lamour and Michel R. Lamberti note that, “It should not be forgotten, however, that in the poppy growing countries national interests are also involved. Here the drug problem is by no means confined to its medical or criminal aspects, since opium represents a means, if not the sole means, of subsistence for large sections of the peasant population and is in addition a source of foreign currency for the State.”⁶⁵ Where poppy cultivation is deeply entrenched, attempts at eradication or crop substitution run into hurdles involving not only economic, but also social and developmental issues as well.⁶⁶

A number of observers have also noted the predominance of marginalized ethnic groups or other social classes in relatively underdeveloped areas with respect to opium

⁶³ Chepesiuk, 178-9. See also Rensselaer W. Lee III, “Drugs in Communist and Former Communist States,” *Transnational Organized Crime* 1, no. 2 (Summer 1995), 199-203; Booth, *Opium*, 317-9; and OGD, *Geopolitics of Drugs* (2000), 37-41.

⁶⁴ For an historic overview of world heroin production trends, see Jara Krivanek, *Heroin: Myths and Reality* (Sydney: Allen and Unwin, 1988), 105-13; and Booth, *Opium*, 295-338.

⁶⁵ Lamour and Lamberti, vii-viii. An excellent analysis of the interaction between these factors can be found in UNDCP, “Drugs and Development,” *UNDCP Technical Series* no. 1, UNDCP/TS.1 (New York: UNDCP, May 1996), available at http://www.unodc.org/unodc/technical_series_1994-06-01_1.html, accessed 15 July 2004. For a less optimistic view of the related international efforts along these lines, see also Graham Farrell, “A Global Empirical Review of Drug Crop Eradication and United Nations’ Crop Substitution and Alternative Development Strategies,” *Journal of Drug Issues* 28, no. 2 (1998), 395-436. Incidentally, in 1993 an ironic manifestation of alternatives to drug cultivation came about in Colombia, where coca farmers from the town of Argelia interested in participating in UNDCP extension programs requested opium poppy seeds as a substitute crop. Clawson and Lee, 143-4.

⁶⁶ In a few cases, drug eradication measures can actually be damaging to the environment. For instance, as noted in Bentham, 45, “In the Chu valley in Kazakhstan, cannabis is the only plant which grows in the sand. Its immediate eradication would result in an ecological disaster, transforming the valley into a desert.” However, it would be incorrect to imply that drug crop eradication never succeeds. As an example, the Bekaa Valley of Lebanon has traditionally been a major source for both opium and cannabis. As of 1998, eradication effort had largely reached fruition due to cooperation between the Lebanese and Syrian security forces. Interpol, “International Drug Trafficking,” *International Criminal Police Review*, no. 472-473 (1998), 1.

cultivation.⁶⁷ Moreover, involvement in such activities can be further linked to the subsequent smuggling of opiates as well. The reasons for this often extend back to a more fundamental lack of other viable socio-economic opportunities, while the ethnic dynamics involved may serve to facilitate various smuggling venues as discussed in the previous chapter. For instance, as Andreas points out, “smuggling provides an alternative avenue for upward mobility for entrepreneurial but marginalized social groups that have little access to legitimate business opportunities.”⁶⁸ Similarly, as Bovenkerk notes, “Wherever national borders traverse settlement regions of this kind, the conditions are perfect for smuggling.”⁶⁹

As a result, international supply reduction efforts, or the attempt to present ongoing and systematic obstacles to the heroin trade at its various production and logistical stages, remain exceedingly problematic. With respect to the issue of national interests alluded to above by Lamour and Lamberti, this dimension ties directly into the complex interaction between smuggling actors and nation-states discussed in the previous chapter. By virtue of this relationship, the latter or its agents may have vested interests in allowing drug cultivation or trafficking to flourish under its auspices.

Specifically, Jordan delineates four main reasons for governments to support drug trafficking and consumption, particularly in other countries. These are to receive a portion of the enormous profits involved, to bolster their relevant national agricultural and commercial sectors, to support intelligence operations by gaining access to sources of

⁶⁷ For instance, see Lamour and Lamberti, 253-4; and Andrew Ball, “Indigenous peoples and substance abuse,” *World Health* 48, no. 4 (July-August 1995), 8. In the context of the Golden Triangle, see also John Bray, “Ethnic groups and the future of Burma,” *The World Today* 48, no. 8-9 (August-September 1992), 144-7. This theme will be examined in greater detail in the context of the case studies.

⁶⁸ Andreas, 79.

⁶⁹ Bovenkerk, 117.

information and alternative funding, and for strategic reasons such as the destabilization of enemies.⁷⁰ All of these motivations are at least touched upon in the context of this analysis.

As noted above, the role of the United States in international drug control remains pivotal, and is particularly salient in light of its early and concerted involvement in what would later become seen as problem of global dimensions. In this respect, the case of Turkey illustrates a number of the hurdles involved in stemming global drug supplies. Once a major producer of opium, and still a major conduit for heroin flowing from the Golden Crescent into Western Europe, Turkey's move away from illicit opium cultivation, and U.S. involvement in that evolution, represents in some ways the opening shots in an escalating transnational struggle.

The sweep of U.S. counter-drug strategy first expanded on a massive scale under the Nixon administration. In fact, the Nixon-era approach to this issue is sometimes referred to as the "first war on drugs." Despite its status as a vital Cold War ally and fellow member of the North Atlantic Treaty Organization, Turkey soon became the primary target of these early attempts to control the supply of opium and its derivatives. Such was the growing perception of the threat posed by rising addiction levels that an unnamed U.S. senator is cited as publicly threatening that the U.S. would bomb Istanbul if Turkish opium growers continued to supply heroin via the well-known French Connection.⁷¹

⁷⁰ Jordan, 69-70.

⁷¹ Matheo Falco, "Passing Grades: Branding Nations Won't Resolve the U.S. Drug Problem," *Foreign Affairs* 74, no. 5 (September-October 1995), 16. The French Connection, subject of numerous books and movies, was a French-Corsican venture that ran from Turkey through the French port of Marseilles, and then beyond to New York, Montreal and other destinations. Following an international law enforcement

In policy terms, the Nixon administration made an abortive attempt in 1971 to allocate \$35 million in “aid” to Turkey for the purpose of wiping out all but a tiny portion of its opium harvest, the remainder being reserved for legitimate medical uses.⁷²

However, while the U.S. initially conceived of this sum as a one-time payment, for its part Turkey saw the potential for a recurring annual payment. As other opium producing countries expressed interest in similar arrangements, the U.S. quietly dropped the plan and returned to more traditional crop eradication and substitution efforts.⁷³ However, within a few years Turkey had largely eradicated illicit opium cultivation on its own via strict law enforcement measures, while cultivation and smuggling patterns merely shifted accordingly.

Support for such programs has remained a mainstay of U.S. counter-narcotics strategy ever since.⁷⁴ Moreover, with the end of the Cold War the U.S. was freed from the compelling national security constraints of the past half-century via the dissolution of its primary threat, the Soviet Union. The most singular immediate effect of this development was the flexibility to more actively enlist Department of Defense assets in the so-called “war on drugs” proper.

effort, this conduit was largely eliminated in the mid-1970s. It should be noted, however, that successful routes and methods often exhibit eventual resurgence once the nation-state’s attention has shifted elsewhere. For more detail, see also Lamour and Lamberti, 17-35.

⁷² However, as in the case of India discussed below, Turkey’s licit opium production has also been allegedly diverted to illegal uses. See OGD, *World Geopolitics of Drugs* (2000), 30-2.

⁷³ Dan Baum, *Smoke and Mirrors: The War on Drugs and the Politics of Failure* (New York: Little, Brown and Co., 1996), 61. For more on Nixon-era drug policies in general, and the case of Turkey in particular, see also Chepesiuk, 59-62; and Booth, *Opium*, 206-9.

⁷⁴ For instance, from 1981 to 1991, the period of the Reagan and Bush administrations, spending on interdiction efforts rose from \$350 million to \$2 billion, while support for programs to curtail drug production and trafficking from source countries increased from less than \$67 million to more than \$660 million. Falco, 17.

Interestingly, the final decade of the Cold War coincided with the rise of cocaine use, especially in American cities. Due to the geography of the transnational cocaine trade, centering on Latin America and bounded for the most part by the greater Caribbean basin, there came to be a growing reliance on the interdiction of drugs on their way into the U.S., often through military means.⁷⁵ This development is addressed further in Chapter VI, with particular reference to Colombian TCOs.

According to Jordan, the U.S. war on drugs is predicated on five assumptions, all of which have been the grounds for debate. First, there is a relatively straightforward conceptualization of the issue in economic terms of supply and demand, with an emphasis on the former. Second, TCOs based on various ethnic or national groups are identified as the major culprits. Third, the financial system is generally depicted as being either unwitting or actually victimized by the influx of drug money. Fourth, despite the certification process, other government's drug control efforts are viewed optimistically despite being undermined by corruption and intimidation. Finally, there is the assumption that strong societal forces both within the United States and throughout the world are fundamentally opposed to the production, distribution and consumption of illegal drugs.⁷⁶

Furthermore, at this juncture it is worth pointing out that, while the United States is by far the most prominent smuggling destination in the world, in general nation-states tend to be more concerned with illegal goods entering their territory than leaving it. Thus, for instance, Mexican concerns over weapons coming into its territory from the

⁷⁵ For an overview of U.S. supply-side counter-drug policies during the 1980s, see Cooper, 107-25. The seaborne aspects of this regional interdiction activity are also addressed in Charles M. Fuss, Jr., *Sea of Grass: The Maritime Drug War, 1970-1990* (Annapolis, MD: Naval Institute Press, 1996).

⁷⁶ Jordan, 15-8.

United States generally receive less attention in Washington than issues considered more relevant, namely drugs and immigration moving northward across the common border.⁷⁷

Even within the arena of supply-side strategies, in recent years the trend in U.S. counter-narcotics policy has been to focus more attention on cultivation areas relative to interdiction efforts at the national borders. As the *INCSR 1997* unequivocally states, “We cannot reduce the flow of drugs to the United States unless we strike as close as possible to the source.” Thus, the U.S. government’s “international drug control programs target the first three links of the chain: cultivation, processing and transit.”⁷⁸ As mentioned above, for the U.S., the cornerstone of targeting the global supply of drugs remains the annual process of certification.

As a snapshot of this process, the 1997 iteration is illustrative of the gulf between theory and practice. In the case of Nigeria, which was consistently decertified over a period of several years throughout the 1990s for its failure to stem not only drug trafficking but money laundering as well, the Clinton administration proved slightly more rigorous in its application of standards. However, many of the countries listed in previous years were taken off the decertification list, under the logic that they were making good faith efforts and that a failure to certify them would produce more harm than good.⁷⁹

⁷⁷ See Andreas, 76-7. Other major illegal U.S. exports include cigarettes and stolen automobiles. In fact, the author goes as far with this train of thought as to note that, given the magnitude of contraband leaving the country, were the U.S. to rigorously apply the certification criteria to itself a rather poor grade would result, particularly if the evaluation focused on smuggling in general. For a ground-level perspective on the issue of illegal Mexican immigration to the U.S., see also Ted Conover, *Coyotes: A Journey Through the Secret World of America's Illegal Aliens* (New York: Vintage Departures, 1987).

⁷⁸ U.S. Department of State, INL, *INCSR 1997*, “Executive Summary,” 3. See also Falco, 17.

⁷⁹ For instance, during the administration of Bush senior, sanctions related to narcotics production and trafficking were for the most part limited to countries with which the U.S. had limited or at least problematic relations, such as Iran, Burma, Laos, Afghanistan, and Syria, as well as Panama under Noriega

Furthermore, Colombia, Paraguay, Pakistan and Cambodia were waived despite failing to meet the stated standards and received certification only due to their standing with respect to unrelated issue areas, justified in terms of their importance to vital U.S. national interests. As U.S. aid was previously restricted on other grounds in the case of Afghanistan, Burma and Iran, only Nigeria was both eligible to otherwise receive aid and subsequently denied due to its government's chronic failure in this specific issue area.⁸⁰ This type of behavior underlines the OGD's observation that, "The contradictions between the promises of states and international institutions to fight the 'drug scourge' and the concessions made to narco-states when they are clients or allies are as clear as ever."⁸¹

Overall, criticism of the certification process tends to center on finding fault with its allegedly vague and subjective criteria, inconsistent mechanisms, hollow punishments

in 1988 and 1989. All other countries were annually certified, including the Andean countries accounting for all of the world's cocaine supply. As such, during this period the process could be characterized as both "predictable and largely unnoticed." Falco, 18.

⁸⁰ For 1997, fourteen of the thirty countries identified as "majors" were listed pertaining primarily to heroin, and located outside the Western Hemisphere: Afghanistan, Burma, Cambodia, China, Hong Kong, Laos, India, Iran, Malaysia, Nigeria, Pakistan, Taiwan, Thailand and Vietnam. The remaining 16 nations on the list were Aruba, the Bahamas, Belize, Brazil, the Dominican Republic, Ecuador, Guatemala, Haiti, Jamaica, Mexico, Panama, Peru and Venezuela. U.S. President, Office of the White House, "Memorandum for the Secretary of State, Subject: Certification of Major Illicit Drug Producing and Drug Transit Countries," Presidential Determination No. 98-15 (Washington, DC: Office of the Press Secretary, 26 February 1998). Incidentally, for 2000, Nigeria received full certification, as did Pakistan and Paraguay, while Cambodia and Haiti were certified via national interest waivers. Afghanistan and Burma were the only countries not granted certification. Iran was no longer on the list. See U.S. Department of State, "2000 Narcotics Certification Determinations," Remarks at Special Briefing Randy Beers, Assistant Secretary for Narcotics and Law Enforcement, U.S. Department of State, and Robert Brown, Deputy Director, ONDCP (Washington, D.C.: Department of State, 1 March 2001), available at http://www.state.gov/g/inl/rls/rm/2001/jan_apr/1011.htm, accessed 15 July 2004. For a complete listing of the relevant countries, see also U.S. Department of State, INL, *INCSR 2001*, "Introduction."

⁸¹ OGD, *World Geopolitics of Drugs* (2000), 14. Paralleling a number of the themes put forth in Chapter II, at a more fundamental level Jordan, 9, notes that, "Three interrelated phenomena work synergistically to produce the narcostate: organized crime, governmental policy, and transnational capitalism." In particular, states transitioning economically from statism to capitalism, or from authoritarianism to democracy, can also be seen as especially vulnerable.

and blunt application.⁸² More pointedly, in an *Economist* editorial, the somewhat tongue-in-cheek notion is put forth that the various countries regularly decertified may be within their rights to decertify the U.S., given that “the iron law of the market is that demand breeds supply.”⁸³

Perhaps in response to these types of arguments, the 2000 iteration of the certification process in fact listed the United States as both a major precursor chemical source country and a major money laundering country.⁸⁴ This lends a certain degree of balance to the often-paternalistic pragmatism the U.S. may show in dealing with supposed partners in the global struggle against transnational drug trafficking, and as such must be taken as a positive sign.

In general, too much adherence to the unilateral approach, as exemplified by the “big stick” of the certification process, not only serves to undermine multilateral efforts but also to negatively skew important bilateral relations as well.⁸⁵ While the U.S. certainly remains “bound to lead” in this issue area, as many others, in the future the balance between unilateral and multilateral approaches becomes even more crucial.⁸⁶

⁸² See Council on Foreign Relations, *Rethinking International Drug Control* (New York: Council on Foreign Relations, 1997), 5-6.

⁸³ “Motes, beams and drugs,” *The Economist*, 9 March 1996, 18. However, until recently these were not points that the United States is inclined to acknowledge. However, consider the comments of U.S. Secretary of State Madeleine Albright, inclining in some ways toward a new approach to the process: “We make our certification decisions not to stand above other countries in judgment, but to hold them up to the same public scrutiny to which we hold ourselves.” U.S. Department of State, Department of the Office of the Spokesman, “Remarks on the International Narcotics Control Strategy Report for 1997,” (Washington, DC: Department of State, 26 February 1998).

⁸⁴ See U.S. Department of State, INL, *INCSR 2001*, “Introduction.”

⁸⁵ As even the text of one INCSR notes, “Though many countries understandably resent the process, most governments try to ensure that they receive full certification the following year.” U.S. Department of State, INL, *INCSR 1999*, “Executive Summary,” 5.

⁸⁶ See Nye, both *Bound to Lead* and *The Paradox of American Power*, passim. For an overarching analysis of the United States’ role in underpinning the international system as necessary but in and of itself not sufficient, see also Joshua Muravchik, *The Imperative of American Leadership: A Challenge for Neo-Isolationism* (Washington, DC: American Enterprise Institute Press, 1996). However, as of this writing the

Moreover, as supply only represents half of the equation, a parallel emphasis on controlling domestic demand for drugs is also a public policy imperative. As such, the next section examines this reciprocal issue in terms of the primary global markets and the efforts of various governments to meet these challenges.

Parameters of Global Heroin Demand

In many ways, the demand for drugs can be seen as providing the necessary incentives that drive the engine of supply, particularly in terms of profit motive. As noted above, demand-side counter-drug policies tend to fall within the arena of domestic policy and may be characterized as relating primarily to either the treatment of drug addicts or law enforcement measures taken against those participating in the distribution end of the trade.

With respect to the stances of individual nation-states and their relevant legal statutes, exceedingly harsh penalties for drug offences can be found in a number of countries.⁸⁷ This may be contrasted with a relatively high degree of tolerance and even, in a limited number of cases, legalization, in others, particularly in Europe. For its part, the U.S. seems generally loath to proceed conspicuously down this path, preferring for

option of the U.S. failing to engage with the rest of the world appears largely moot, with the current debate centering more on the nature of such engagement.

⁸⁷ For instance, OGD, *World Geopolitics of Drugs* (2000), 16, notes that drug possession can be a capital crime in a number of countries, including China, Iran, Malaysia, Singapore, Thailand and Russia. Furthermore, merely possessing drug paraphernalia is in itself an offense in many places. This report also discusses the selective use of the drug control policies by repressive regimes to quell political opposition and otherwise infringe on human rights.

the most part to criminalize the problem. However, despite the various strategies that have been implemented, demand for illegal drugs persists.⁸⁸

From a policy point of view, focusing on supply-side counter-drug strategies, particularly with respect to external sources, is often a much easier course of action for national governments in that it obviates the need to make difficult internal decisions.⁸⁹ While this is less problematic in countries with repressive political systems, in the case of democracies the impact of such efforts not only directly affects a certain segment of the voting populace, but also opens up a fundamental debate on a wide range of issues. While the tendency to blame one's problems on others is hardly atypical to human nature, it does serve to skew the assumptions underlying the formulation of policy by only encompassing half of the problem.

Moreover, this emphasis on foreign blame is certainly not a new phenomenon. For instance, by international agreement the 1912 Hague Opium Convention committed signatory nations to restrict production rather than consumption, an early instance of putting a supply-side strategy over its demand-side counterpart in order to facilitate consensus building. However, it is worth noting a 1994 RAND study determining that \$34 million invested in treatment programs in the U.S. would reduce drug use by the

⁸⁸ Competing explanations for this persistence abound, though a distinction can be made between the experimental use of drugs and actual addiction to these substances, whereby rational decision-making is largely superseded. With specific reference to heroin addiction, see Inciardi, 69-79. Not only does the author note the various schools of thought on this issue, he also quotes several actual users commenting on their personal experiences with heroin. See also UNDCP, *World Drug Report* (1997), 45-69, for more on theories and interpretations of illegal drug abuse; and "Just say maybe," *The Economist*, 5 April 2003, 72-3, for a discussion of the parameters of the legalization debate.

⁸⁹ For instance, see Falco, 15-16. Characteristic of this attitude, quite prevalent in U.S. policy-making regarding this issue area, is the following statement: "From a domestic perspective, it is increasingly clear that we cannot sustain a reduction in drug use without attacking foreign supplies." U.S. Department of State, "Narcotics Control in Asia," Statement of Robert S. Gelbard, Assistant Secretary of State for International Narcotics and Law Enforcement, *U.S. Department of State Dispatch* 6, no. 27 (3 July 1995), 540.

same amount as \$336 million invested in interdiction efforts or \$783 million in source country programs.⁹⁰

Generally speaking, the most significant end-user markets have been, and will most likely remain for the foreseeable future, Western Europe and North America. From the perspective of the mid-1970s, Lamour and Lamberti observe that, “For many years America was the only consumer of heroin, and today she remains the chief market.”⁹¹ However, while the United States continues to exert its leadership on international drug control efforts, according to the ONDCP, as of 1999 the U.S. itself consumed only 11% of the world’s drugs, and an even less significant 3% of opium products.⁹² While the U.S. still contains a large number of heroin users, by one estimate Europe as a whole has over ten times as many.⁹³

⁹⁰ This study cited in Falco, 20.

⁹¹ Lamour and Lamberti, 50. Writing from the European point of view, the authors furthermore note the “veritable psychosis” of Americans on the subject of illegal drugs. In the U.S., heroin use can be seen to have reached a plateau following the First World War, leveling off following the Second World War, and then resuming its rise again in the 1960s. From the vantage point of the mid-1970s, the authors continue by saying, “Obviously the United States are more affected than any other country by the new wave of drug addiction, since they hold the world record where addicts are concerned. But in 1972 their position was no longer as lonely as it had been three years earlier. The demand for narcotics is steadily increasing, with a corresponding expansion of the market available to international characters.” Lamour and Lamberti, 7-9. For the most part, demand trends have continued to be extrapolated along these lines. See also Chepesiuk, 44-50; and Block and Chambliss, 31-9.

⁹² Used to support a policy focus on Latin American cocaine, these statistics are cited in U.S. Congress, Senate Armed Services Committee, Testimony of Barry R. McCaffrey (27 April 1999). For a more recent overview of the domestic U.S. heroin market, as well as various other trends, see U.S. DOJ, National Drug Intelligence Center (NDIC), *National Drug Threat Assessment 2002* (Johnstown, PA: December 2001), available at <http://www.usdoj.gov/ndic/pubs07/716/index.htm>, accessed 15 July 2004.

⁹³ As elsewhere within this issue area, statistics vary widely. However, Chepesiuk, 39-40, cites estimates of 40,000 heroin users in the U.S., and between 500,000 and a million users in Europe. However, ONDCP estimates that the U.S. has around 600,000 heroin users, as opposed to 1.5 million in Europe, only two and a half times as many. U.S. ONDCP, “Drug Policy Perspectives.” Regardless of the exact number of addicts, the fact remains that heroin constitutes a major public health issue throughout Europe. For instance, U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 4, reports that heroin is the drug most cited in European studies of drug-related crime, deaths, demand for treatment and HIV infection. For more on drugs in Europe, see also Bentham, 36-9; and E.U. European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), “2002 Annual Report on the State of the Drugs Problem in the E.U. and Norway” (Brussels, Belgium: EMCDDA, 3 October 2003), available at <http://ar2002.emcdda.eu.int/en/home-en.html>, accessed 15 July 2004.

From the policy point of view, among European nations there exists a traditionally broad cooperation on drug control, especially in the related areas of chemical control and money laundering. As the union grew closer, however, there was the perception early on of the need for European Union countries to harmonize their counter-drug policies, not only in the context of law enforcement but in terms of treatment and other forms of demand reduction.⁹⁴

Overall, the lobby in favor of legalization appears to have more support in Europe than in the United States.⁹⁵ In particular, it appears that lenient policy stances on soft drugs, or those considered less addictive such as cannabis, serves to attract criminal dealers in both soft and hard drugs. The position of the Netherlands in this regard is particularly germane.⁹⁶ As such, even as early as the 1970s, the country had been considered a major heroin trafficking hub.⁹⁷

⁹⁴ Richard Clutterbuck, *Terrorism, Drugs and Crime in Europe After 1992* (London: Routledge, 1990), 191-3. As an aside, illustrating how much the international situation has changed since this work's publication, Clutterbuck advocates not only the use of both NATO and Warsaw Pact assets for interdiction efforts but also a joint U.S.-Soviet combined command for a "world war on drugs," under U.N. auspices.

⁹⁵ However, this attitude may be changing. For instance, "Although Europeans historically have tended to take a liberal view toward drug use, viewing drug abuse as a medical and social problem, E.U. governments have become increasingly concerned about abuse trends and have taken a more aggressive stand toward narcotics trafficking." U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 4. For more on the international debate among the options of the legalization, regulation or prohibition of drugs, see also UNDCP, *World Drug Report* (1997), 184-99. Interestingly, this source also points out that, in addition to shifting criminal operations to other venues, there would almost certainly be a residual market for illegal drugs if certain categories were excluded or if only some countries exercised this option. See also Patrick Lloyd Hatcher, "The Unwinnable War on the Drug Trade," *ORBIS* 41, no. 4 (Fall 1997), 653-8.

⁹⁶ By the mid-1990s, French President Jacques Chirac was reported as being particularly annoyed that the Netherlands had become something of a drug haven within the E.U. See "Drug dealers? What drug dealers?" *The Economist*, 12 October 1996, 58.

⁹⁷ Moreover, Block and Chambliss, 127, note that, "In addition, there is little effort by either law enforcement agencies or Government bureaucrats in stopping the traffic. The Dutch are, it seems, content to let it continue as long as it is perceived to be a foreign or nonwhite problem." In particular, the authors list the role of Chinese criminal organizations in the transshipment of heroin via Amsterdam, and the involvement of local Chinese, Moluccan and Surinamese elements as both distributors and consumers. For more recent analysis of the drug trade in the Netherlands, including the rise in the production of ATS and other types of synthetic drugs, see also U.S. Department of State, INL, *INCSR 2001*, "Europe and Central Asia - Netherlands."

Thus, with the loosening of intra-E.U. border controls in the late 1990s, it was reported that nearly 90% of the LSD, amphetamines and Ecstasy seized in Germany during 1998 either originated in or transited via the Netherlands.⁹⁸ As such, a standardization of drug policy must be high on the E.U. agenda for the new millennium. Furthermore, it is in the U.S. interest not only to do all it can to facilitate such efforts but to move beyond such regional regimes to more comprehensive multilateral efforts to address drug trafficking and related issues.⁹⁹

While the European Union, and its constituent membership, remains the United States' closest partner within this issue area, as on so many others, at times divergences of interest certainly occur. For instance, patterns of domestic drug use in Germany encouraged broad support for the U.S. drug control agenda up to the 1980s, when the U.S. focus shifted to cocaine while Germany remained more interested in controlling heroin trafficking.

By the early 1990s, German officials were becoming increasingly concerned with low-priced, high-purity heroin entering the country from the Middle and Far East, as reflected in greater volume of seizures and arrests, as well as the rise in drug-related deaths due primarily to heroin overdose. The continuation of unilateral German aid to opium-producing nations regardless of U.S. certification or even an analogous German or European process can be alternatively considered either practical and flexible or self-

⁹⁸ Eduard Lintner, "Germany: A strict approach," *World and I* 13, no. 10 (October 1998), 73. See also Saskia Sissons, "Liberal Drug Policy Angers EU Neighbors," *The European*, July – August 1996, 21.

⁹⁹ For instance, note the establishment of the Trevi Group, comprised of various Western European nations, the U.S. and Canada, as an international coordination group against drug trafficking and terrorism. For more on the apparent hardening of the European Union's stance, see Rory Watson, "New Crackdown on Drug Menace," *European Voice*, 30 November 1995, 1. However, despite these efforts at policy coordination, definite differences of opinion exist among E.U. members, as noted above. For more on regional and sub-regional drug control efforts, see also UNDCP, *World Drug Report* (1997), 176-80.

serving and short-sighted. However, it should be noted that, in the case of Germany, efforts are taken to separate international development programs from its internal law enforcement policies, which remain strict.¹⁰⁰

Illustrative of the fact that demand-side issues are not necessarily region-specific, even before the end of the Cold War an important component of the Soviet illicit drug market were a variety of home-brewed opium derivatives. These appear to have accounted for a significant proportion of drug use, given the relative scarcity of refined narcotics vis-à-vis the West. Thus, upon the opening of the Russian economy, the market was actually quite developed and receptive to new products.¹⁰¹ According to Russian law enforcement officials, drug use in 1992 was fifteen times as high as in 1987.¹⁰² More recently, the OGD noted that the number of addicts in the country is over three million, with one Russian citizen in five having some sort of relationship with drugs.¹⁰³

In terms of domestic drug control, in 1986 the Soviets launched a series of biannual *mak* (poppy) eradication programs in Central Asia, which continued to grow until 1991. Since then, successor programs have also been implemented, often at least

¹⁰⁰ Friman, *NarcoDiplomacy*, 88, 106-8.

¹⁰¹ Vincenzo Ruggiero, *Organized and Corporate Crime in Europe* (London: Dartmouth Publishing, 1996), 113-4. Incidentally, as of 1991 a principal foreign drug supplier to Russia was North Korea, with opium brought in by forestry workers entering the country via intergovernmental contracts. Others involved in servicing the growing Russian drug market included Afghanistan, Vietnam, Iran, Hungary and Romania.

¹⁰² Chepesiuk, 178. By one estimate, there were one-and-a-half million narcotics users in the former Soviet Union in 1991. That number had risen to between five and seven million by 1993. Lesser, though still impressive, figures were reported by Russian officials in 1999, specifically of 350,000 registered drug users and 175,000 registered drug addicts. However, both the Russian Ministry of Interior and Health Ministry estimate that the true numbers are ten times greater, approximately 3 million users and nearly 2 million addicts. U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 12.

¹⁰³ OGD, *World Geopolitics of Drugs* (2000), 112-3. This report also notes that the structure of the Russian drug market also underwent a drastic change in 1999, with pre-existing demand for poppy straw derivatives, hashish and marijuana being replaced by both refined heroin and synthetic drugs.

partially funded by the UNDCP.¹⁰⁴ While few would minimize the challenge that Russian economic reform poses for the allocation of increasingly scarce resources, the need for effective drug control measures seems self-evident. Moreover, the former Soviet republics of Central Asia remain highly vulnerable to drug-related organized criminal activity, as discussed below and in the context of Chapter V.¹⁰⁵

Globally, as the spatial demand patterns for heroin continue to evolve, other countries not previously pressured by the challenges of drug abuse also increasingly have to make similarly difficult decisions as their own levels of domestic drug use expand. For instance, Australia recorded the most significant rise in volume of heroin seized in the world for 1998.¹⁰⁶ In a further example of the blurring of lines between global supply and demand, countries which have been traditionally been strictly producers or transshipping conduits are increasingly encountering higher numbers of or drug addicts, along with all the other related social ills.¹⁰⁷

¹⁰⁴ Unfortunately, these operations have led to fears that such undertakings have become too similar to counter-insurgency operations. With the danger of the Peruvian and Colombian narco-terrorism models in mind, the search for sustainable goals and the offer of alternative development plans will hopefully preclude an over-reliance on security forces. Mark Galeotti, "The Drugs War in Central Asia," *Jane's Intelligence Review*, October 1994, 461-2. See also Peter Fuhrman, "Lethal Harvest," *Forbes* 150, no. 1 (6 July 1992), 45.

¹⁰⁵ See, for instance, Rensselaer W. Lee III, "Russia's New Drug Threat," *Eurasian Reports: A Report by the Center for American-Eurasian Studies and Relations*, Winter 1994-1995, 33-50; and "Deadly traffic," *The Economist*, 29 March 2003, 38-9. The latter source also notes that, since the late 1990s, the region has experienced the fastest growing rates of heroin addiction in the world.

¹⁰⁶ This was predominantly of Southeast Asian origin, which is understandable given the regional proximity and trading patterns. Interpol, "International Drug Trafficking," 1. See also Morrison, 9-14. For a more recent incident illustrative of this trend, see Jamie Tarabay, "Australia Charges N. Korean Ship's Crew in Drug Case," *Washington Post*, 22 April 2003, A15.

¹⁰⁷ See U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 6, which notes that, "Countries that today are major narcotics producing or transit areas have significant drug addiction problems that grew with their involvement with the drug trade." As an example of this trend, ONDCP cites an Interpol estimate that Pakistan has 3 million addicts, while Thailand has at least 600,000. U.S. ONDCP, "Drug Policy Perspectives." This report also notes that while China, India and Iran also report growing heroin addict populations, hard statistics are lacking. Though only recently recognized in some policy-making circles, this is not a particularly new phenomenon, as discussed in Lloyd Garrison, "Let them shoot smack: Heroin, once mostly an export, is now a scourge at home," *Time*, 19 March 1984, 35.

Similarly, as new routes appear this phenomenon can become even more pronounced. It is not too much to consider the correlation between the geography of trafficking routes and levels of drug use as almost axiomatic, especially in cases where growers and couriers are paid not only in cash but also in kind. In such instances, the drugs used for payment in kind tends to remain within the local area and in turn stimulate local drug use.¹⁰⁸ Moreover, various other tangential effects related to increased drug use may become manifest as well.¹⁰⁹ The next section serves to further develop the concept of global heroin supply chains and their ramifications.

The Transnational Movement of Heroin

While the supply of and demand for heroin obviously serve to shape the transnational movement of this commodity, as discussed previously the trends relating to globalization and economic liberalization also have relevance in this respect. Putting this issue into context, as well as reiterating the challenges posed to the nation-state, the UNDCP notes that:

The growth of international trade – while a welcome development that augers well for the livelihood of the global market – have also made the interdiction of illicit drugs difficult. Free trade agreements in different parts of the world, designed to increase trade and reduce border regulation, are also likely to have inadvertently provided opportunities for illicit drug trafficking. As it is not desirable to turn back the tide of free trade, it will be increasingly important to increase efforts to reconcile two seemingly contradictory aims, namely trade liberalization and the effective control of the illicit drug trade.¹¹⁰

¹⁰⁸ For instance, the health and social consequences of drug abuse are discussed at length in UNDCP, *World Drug Report* (1997), 70-109.

¹⁰⁹ An excellent example of this can be found in the rise of documented HIV infections in prolific drug trafficking areas. For instance, with respect to Southeast Asia see Charles W. Henderson, "Drug Routes In Asia See HIV Increase," *AIDS Weekly*, 13 March 2000, page not available.

¹¹⁰ UNDCP, *World Drug Report* (1997), 25.

While the spatial parameters already discussed are certainly crucial to understanding the smugglers' landscape, it is the logistical linkage between supply and demand that constitutes the crux of this study.

As one U.S. drug enforcement official notes, "From the perspective of drug law enforcement, DEA views drug trafficking as a seamless continuum. The domestic and international aspects of the trafficking organizations are inextricably woven together."¹¹¹

While this indicates a certain logical and cohesive pattern of behavior on the part of smuggling actors, the task of discerning the underlying decision-making rationale remains quite complex in practice. A 1987 analysis even makes the following observation, less than edifying but all too true, with respect to discernible patterns of heroin smuggling: "None. Anywhere, anyway, any quantity."¹¹²

However, despite this apparent empirical chaos, the point of departure for this discussion remains that transnational drug smuggling routes and methods will tend to follow the path of least resistance toward the most attractive and profitable markets. To begin with, as drugs are essentially a fungible commodity, for the most part the total global drug supply alone does not appear to have direct impact either on the availability of drugs within a given market, or on price as an indirect measure of that availability. For instance, in spite of major efforts aimed at disrupting supply, heroin prices in the United States remained relatively unchanged throughout the 1990s.¹¹³

¹¹¹ U.S. Congress, House Committee on International Relations, Subcommittee on the Western Hemisphere, Testimony of Donnie Marshall, Deputy Administrator, Drug Enforcement Agency, 3 March 1999, available at <http://www.usdoj.gov/dea/pubs/cngrtest/ct990303.htm>, accessed 15 July 2004.

¹¹² CCC/IAHP, *CCC / IAPH Guidelines*, 18.

¹¹³ As noted in Chepesiuk, 258, in the U.S. heroin was actually cheaper in 1997 than in 1981, when the Reagan administration launched its "war on drugs." Furthermore, in the past two decades not only has heroin use surged, but street supply has doubled as well. Further evidence of this pricing trend can be seen

Furthermore, by its very nature the pathology of drug abuse and dependency help to ensure that the overall demand for drugs remains relatively inelastic. This inelasticity of demand is particularly apparent in comparison to other agricultural commodities, whose global markets are generally marked by weakness and instability, a fact which serves to make drug cultivation all the more attractive by comparison.¹¹⁴ As the UNDCP noted in 1997, “only in the illicit drug industry can seizures of between 10 and 30 percent of production, the forfeiture of a (small) percentage of financial and other assets and the loss, through death or imprisonment, of a percentage of operatives, impose merely an imperceptible or short-term impact on retail price and still allow large net profits at every stage of the distribution chain.”¹¹⁵

It should also be noted that, much as other goods increase in price as they move through the hands of various middlemen, the bulk of the profit from heroin comes as it nears its final destination.¹¹⁶ In this particular case, it has been estimated that, altogether,

in the 30% drop in heroin prices in the U.K. between November 1990 and December 2001. See “It’s all in the price,” *The Economist*, 8 June 2002, 52-3

¹¹⁴ Williams and Florez, 3. See also UNDCP, *World Drug Report* (1997), 125. In the corresponding logistical context, this aspect is referred to as the “distance elasticity of demand,” or the relative response to effective demand to changes in transport costs on the part of the consumer. This dynamic is analyzed further using the international shipment of petroleum, another commodity whose demand is relatively inelastic, in Zenon S. Zannetos, *The Theory of Oil Tankship Charges* (Cambridge, MA: MIT Press, 1966).

¹¹⁵ UNDCP, *World Drug Report* (1997), 9-10, 231. Specifically, estimated global interception rates for heroin in recent years is put at roughly 15 percent. This source also notes that the corresponding rate for cocaine is approximately 30 percent. See also Graham Farrell, “The Global Rate of Interception of Illicit Opiates and Cocaine, 1980-94,” *Transnational Organized Crime* 1, no. 4 (Winter 1995), which notes the role that the risk of interception and other law enforcement measures play in maintaining the prices of illicit drugs.

¹¹⁶ However, it should also be noted that the final distribution stage also carries the highest risk as well. In general, the lucrative profit margins involved have led a number of TCOs to diversify from their more traditional core activities into drug transshipment. For instance, “Although they are not narcotics producers themselves, many organized crime groups – including those from Russia, China, Italy, and Albania – have cultivated and expanded ties to drug-trafficking organizations to obtain cocaine, heroin, and synthetic drugs for their own distribution markets and trafficking networks.” U.S Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 6.

growing, refining and transporting heroin account for only 13% of its retail price.¹¹⁷

Furthermore, in terms of street-level distribution patterns, the illegal drug trade is “organized like any other importing-wholesaling-retailing business.” At the top level, those who can handle multiple-kilo lots, those who can handle single kilograms, down through quarter-kilo, single ounces and, finally, local pushers. The product is generally adulterated at each level, with a cost to the end user in excess of 300 times the cost of the original kilo.¹¹⁸

Given the vast complexity of issues and the number of actors involved, the most straightforward metaphor for the transnational heroin trade is that of a pipeline, traveling from cultivation and processing through some form of transit to distribution at the final destination.¹¹⁹ In terms of supply and demand, cultivation regions provide the source of raw materials, which are, in turn, refined, marketed and then transshipped in response to international demand. The diagram below offers a generic depiction of such a notional pipeline, along with the various factors that may serve to diminish the available supply as it moves to a given market:

¹¹⁷ Falco, 18. To further highlight this disparity, the UNDCP noted in 2000 that, while Afghan farmers could expect to earn about \$14 per pound of opium, at the consuming end the cost of a pound of uncut heroin in European or North American markets can exceed \$40,000. Even keeping in mind the roughly ten-to-one ratio of raw opium to heroin, this is an incredibly lucrative profit margin. See Christopher S. Wren, “U.N. Forsakes Effort to Curb Poppy Growth By Afghans,” *New York Times* (web edition), 17 September 2000, 2. Offering evidence of an even higher profit margin, Booth, *Opium*, 331-2, notes that a kilogram of Southeast Asian heroin sells for between \$66 and \$75, while the same kilogram, obviously diluted several times over, retails for between \$940,000 and \$1.4 million.

¹¹⁸ Cressey, 10-1. While the data referenced in this article dates from the late 1960s, there is little reason to believe that the relative price differentials or other underlying functionalities have changed significantly since that time. A more recent analysis of this issue, including an attempt to compensate for the inherent difficulties in measuring the price of illicit drugs, can be found in William Rhodes, Raymond Hyatt and Paul Scheiman, “The Price of Cocaine, Heroin and Marijuana, 1981-1993,” *Journal of Drug Issues* 24, no. 3 (1994), 383-402. However, the focus here is on the street-level prices in the United States, rather than the differential markup on imports.

¹¹⁹ As a point of clarification, the distinction made between cultivation of opium and the actual production of heroin is due to varying crop yield factors. UNDCP, “Supply of and Trafficking in Narcotic Drugs and Psychotropic Substances 1996,” *UNDCP Technical Series*, no. 7 (New York: UNDCP, 1998), available at http://www.unodc.org/pdf/technical_series_1998-03-01_1.pdf, accessed 15 July 2004.

Heroin Global Accounting

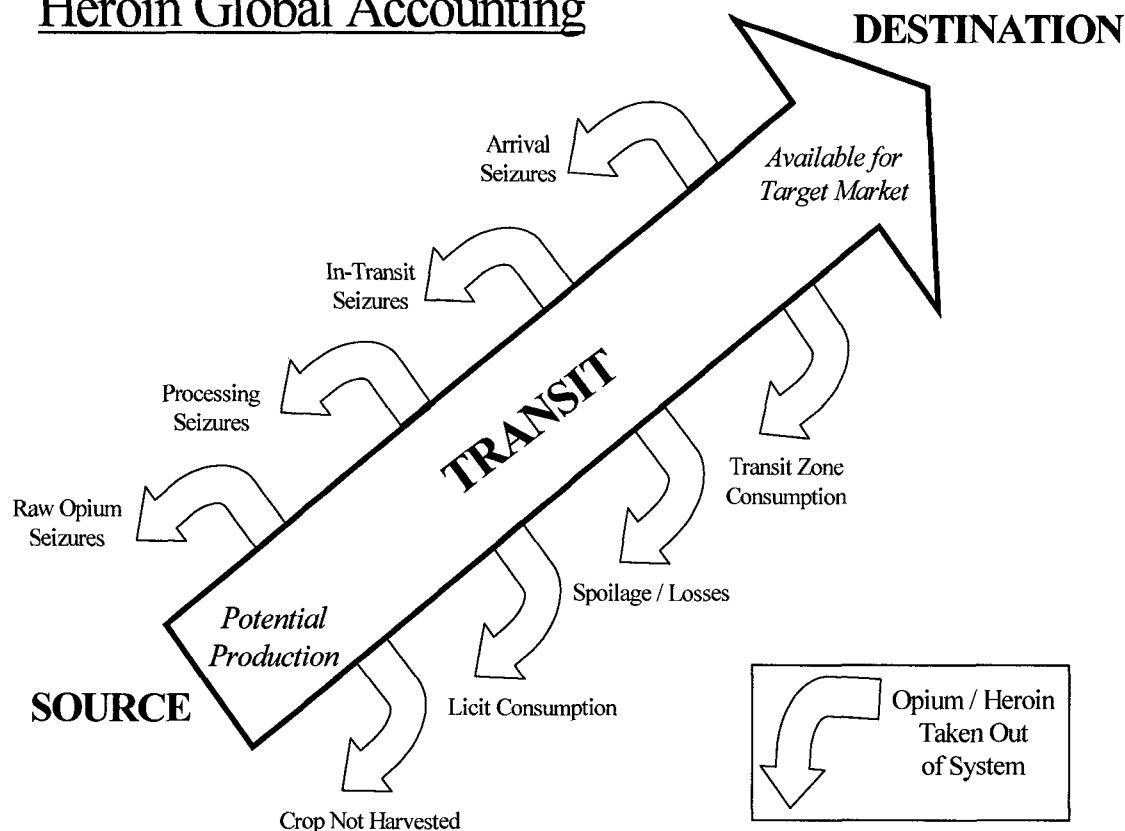


Fig. 9. Heroin global accounting (“cornstalk”) diagram¹²⁰

As the contraband moves from the source area to its final destination, the processing steps from raw opium to heroin are implicit, and may theoretically take place at any point along the route. In general, processing that takes place closer to the source is considered “upstream,” while cases where these steps occur in closer proximity to the target market may be considered more “downstream.” Incidentally, a recent trend is for a higher percentage of heroin processing to take place further upstream than before.

¹²⁰ This figure is adapted from a diagram developed for cocaine, “Global Accounting Chart,” in U.S. DOJ, DEA, *Semiannual Interagency Assessment of Cocaine Movement – Seventeenth Edition, Year End Review*, (March 1999). While the document itself is classified, the chart is not. Due to its distinctive outline, it is known colloquially as the “cornstalk” diagram. In the original conceptualization, this global accounting applies to the amount of cocaine that is notionally available strictly for domestic U.S. consumption, rather than the more generic “destination” used here.

However, the dilution or “cutting” of pure heroin with various types of adulterating agents, as mentioned previously, may take place at any time following processing. In general, this activity becomes more prominent as the product moves toward the street-level of distribution and the final end-user.¹²¹

The arrows above the transit pipeline illustrate the efforts of the nation-state to disrupt the supply of heroin available in a given target market via confiscation. Similarly, the set of arrows on the lower side represent various other types of operational losses that smugglers might expect to sustain. However, certain factors that effect potential production *a priori*, such as crop eradication or drought, are not included in this schematic, nor are the impact of counter-drug strategies and other variables that serve to directly reduce demand. Another important dynamic to keep in mind is that, as the product moves through the supply pipeline, it gains tremendously in value.¹²²

Moreover, the range of physical concealment methods involved is truly staggering, and as noted previously is limited only by the imaginations of smuggling actors.¹²³ The lucrative profit margins also account for practices such as body carrying in its various forms, which including the physical swallowing of drugs as well as contraband

¹²¹ For more on this issue, see also Ross Coomber, “The Cutting of Heroin in the United States in the 1990s,” *Journal of Drug Issues* 29, no. 1 (1999), 17-36.

¹²² As an example, Cooper, 50-1, notes that an Afghan farmer can receive as little as \$1 for his opium crop for every \$42,000 it will earn on the retail market. However, this is in fact more profit than can be accrued for nearly any other crops available. This issue will be discussed at greater length in Chapter 5.

¹²³ Numerous documented methods are discussed in Booth, *Opium*, 232-8, with a common theme being the use of any type of item that can potentially be hollowed out for the internal concealment of drugs. However, among the more bizarre are drugs hidden in the false horns on animals, peanut shells, dead kittens, live camels’ stomachs, and, during the Vietnam War, inside body bags containing dead U.S. soldiers. However, the author also notes that, “Most modern heroin transshipment is done by containerized freight aboard ships, air freight cargo, vehicles, international mail parcels, concealment on commercial airline flights and light aircraft.”

secreted in clothes or luggage.¹²⁴ Such methods are particularly common in heroin smuggling due to its high price in relation to volume.¹²⁵

However, despite this profit margin, when compared to multi-ton shipments of marijuana or cocaine, heroin smuggling that relies on relatively small parcels is sometimes characterized as “inefficient.” Nonetheless, the expendable nature of a certain class of courier, known collectively as “mules,” within the wider context of organized criminal activity appears to more than offset the associated risks in comparison to the anticipated profits.¹²⁶

While not addressed directly, the intent of this conceptualization is to ignore neither the temporal aspects of this phenomenon that evolve over time, nor the interaction with other black markets as most saliently illustrated by the two-way exchange inherent to all business transactions. Moreover, though at this level of analysis the issue of heroin in transit seems distinctly linear, there is a multitude of specific paths by which drugs can proceed toward their final destination. These may be broken down by the three primary modes of transportation, namely land, sea and air, or by some combination thereof, as outlined in the previous chapter.¹²⁷

¹²⁴ The ingestion of contraband is known colloquially as “swallowing,” while methods utilizing the other end of the alimentary canal are known as “stuffing.” Moreover, both phenomena are generally covered under the umbrella term of “body packing.” The empirical aspects of this phenomenon are addressed further in Chapter VII. More generically and in the context of internal medicine, the risks involved, detection techniques and treatment should the packages rupture are discussed in L. S. Nelson, “The Clinical Syndrome of ‘Body Packing,’” *Journal of Toxicology: Clinical Toxicology* 38, no. 5 (March 2000), 175.

¹²⁵ For instance, with respect to the end market, see “Downstream drugs,” *The Economist*, 13 May 1995, 44, which notes that, “Heroin is more profitable than cocaine: \$65,000 – 75,000 a kilo (2.2 pound) in Miami, against \$14,000-18,000 for cocaine.”

¹²⁶ See Peter Reuter, “The organization and measurement of the international drug trade,” Conference Report, *Economics of the Narcotics Industry*, sponsored by the Bureau of Intelligence and Research, U.S. Department of State, 21-22 November 1994.

¹²⁷ In particular, trends such as the containerization of international cargo have had a major impact on smuggling patterns, as discussed in the previous chapter. As the volume of containers has risen, so has the risk to nation-states, not only with respect to smuggling but to terrorism as well. Paralleling earlier

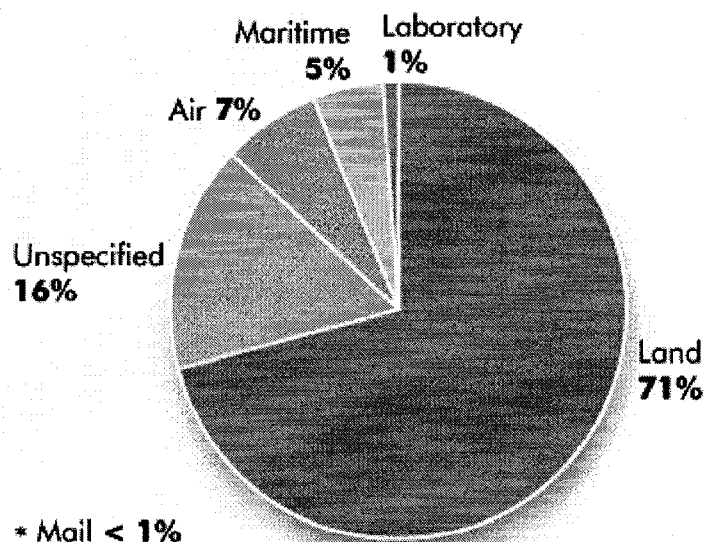


Fig. 10. Worldwide heroin seizures by conveyance (1998)¹²⁸

With respect to this issue, the diagram above delineates the global aggregate of heroin seizures by mode of conveyance for a single sample year, in this case 1998.

However, a number of caveats should be noted in interpreting this data. To begin with, given the prominence of intermodal shipping trends in modern logistics, categorizing a given seizure that has traveled via more than one mode of transit can be problematic.

observations that the same channels that move one commodity can move others, an executive from CSX Lines, a major shipping company, notes that, "If you can smuggle heroin in containers, you may be able to smuggle a nuclear bomb." Quoted in Graham Allison, "Could worse be yet to come?" (Special report – fighting terrorism), *The Economist* (web edition), 3 November 2001. Furthermore, there also exists a definite relationship between drug smuggling and cargo theft, as both phenomena encompass the same logistical infrastructure. Speaking in the context of the U.S., Edward V. Badolato notes that, "The use of a drug gang's organization, contacts, transportation systems and underground marketing systems for illegal goods provides a ready made entrée for drug traffickers to participate in the cargo theft business." Profits from cargo theft may then be used to fund other illegal activities or, conversely, the stolen goods may be used as collateral in drug transactions. Another factor making cargo theft relatively more attractive is the significantly more lenient punishment vis-à-vis drug offenses. Edward V. Badolato, Chairman, National Cargo Security Council, "Cargo Security: Avoiding Theft Loss in the New Millennium," presented at *Supply Chain Solutions '99*, Baltimore, MD, 21 September 1999. See also Julie Salazano and Stephen W. Hartman, "Cargo Crime," *Transnational Organized Crime* 3, no.1 (Spring 1997), 39-49.

¹²⁸ This chart comes from U.S. CIA, CNC, "Heroin Movement Worldwide," n.d., available at <http://www.odci.gov/cia/di/products/cncweb/home.htm>, accessed 15 July 2004.

Furthermore, there is no way of directly measuring how much heroin was successful shipped to its destination, only how much was not.

As such, it is exceedingly difficult to assess the effectiveness of law enforcement efforts in this respect, as a high seizure rate may indicate that the relevant mode is either relatively well regulated or that other modes are not. For instance, the use of mail to ship drugs may stem from the method either not being statistically significant in terms of volume or merely seldom detected, and perhaps even both. Similarly, the relatively small amount of seizures made at laboratories, by definition a mandatory stage of heroin processing, points more specifically to the ineffective policing or outright corruption often found upstream, as well as the difficulties in even locating such activity. These issues, as well as others relating to the difficulties in measuring black market and other illegal activity, is addressed further in the next chapter.

However, there are certain factors relating to the transnational heroin trade that can be extrapolated in a more general way. For instance, the volume of seizures from shipments by land dominates this particular data set. As opium is an agricultural product, at least the initial portion of any given heroin shipment's commodity chain must begin with a land-based component. Much of this can be linked to heavy traffic areas at border crossings on the part of both vehicles and individuals as discussed previously. With respect to the latter in particular, the amounts of heroin involved tend to be smaller, as discussed previously in the context of body carrying.

With respect to maritime drug trafficking, in a historical sense this has been the dominant mode for the movement of drugs, particularly in terms of volume. This trend

was even more significant prior to the advent of regular international air travel.¹²⁹

Moreover, a number of factors serve to facilitate this seaborne trade, with geography at the top of the list.¹³⁰ For instance, Morrison notes among her primary criteria for potential drug transit nations whether or not a country has coastal access.¹³¹ Furthermore, seaports can easily be utilized to insert various forms of transiting contraband into the wider legitimate transportation infrastructure via access to various types of intermodal connectivity nodes, such as road and rail networks, inland waterway systems and airports.

Finally, the significance of air transportation of heroin is likely to be curtailed for the foreseeable future, in light of the relatively stricter controls on air transportation since 9/11 and the resultant wider efforts to protect critical logistical nodes and related infrastructure. However, there is little reason to believe that such activity will wither away entirely due to enhanced security measures at airports, particularly where airdrops and other less traditional delivery mechanisms are concerned. As discussed previously, the use of air modes of smuggling can vary in terms of being either commercial or private, with the former primarily involving smaller amounts of contraband secreted in

¹²⁹ The importance of this issue at the international level is reflected in the passage of U.N. Resolution A.872 (20), "Guideline for the Prevention and Suppression of the Smuggling of Drugs, Psychotropic Substances and Precursor Chemicals on Ships Engaged in International Maritime Traffic," adopted on 27 November 1997.

¹³⁰ As Aune, 1-2, notes, "Geography is the main component of the maritime drug trade: the physical position or form and accessibility by sea countries or regions influence how and to what degree certain modes of transport are used for drug trafficking into or through them." Transportation by water also easily lends itself to methods of multiple routing, by which several ports of call are made in an effort to disguise the actual transit of drugs or other contraband. For instance, "Drug smugglers obfuscate the origins and destinations of their shipments by permeating the legitimate flows of international commerce. By varying their distribution patterns and using multiple transit points, drug smugglers increase their prospects for evading contraband enforcement and avoiding priority-country customs inspections." U.S. DOT, MARAD, "Emergence of Vietnam as a Transit Country for Heroin Traffic is Exploiting the Containerized Export Trade," *Maritime Security Report*, no. 2 (April 1996), 12.

¹³¹ Morrison, 10-2.

the luggage or on the person of individual mules, or concealed within the structure of the plane itself.

In general, the rise of the transnational market for illegal drugs that began in a rudimentary and localized manner at the turn of the century had become a truly global phenomenon even by the early 1970's. Since that turning point, subsequent developments may largely be characterized as comprising more than anything else a search for and consolidation of markets. Thus, in addition to the various types of risk imposed by nation-states, in competing for these markets smuggling actors in turn also impose additional levels of risk upon one another.

In response to these market imperatives, drug trafficking networks may be seen as constantly evolving, particularly with respect to their intra- and inter-ethnic transnational dimensions. As discussed previously, while obviously not a new phenomenon, ethnically-based organized crime groups are taking on an increasingly transnational character. In practice, this means that smuggling actors are becoming more mobile, willing to collaborate when necessary, and conversant with high technology, but also more prone to violence in order to protect perceived interests.¹³² Moreover, members of certain ethnic groups seem particularly suited for a role in the international heroin trade by virtue of various geographic advantages, such as an established presence in major drug production areas or in key markets.

Examples of these types of spatial leverage would include a high demographic concentration in a region where opium both grows well and is difficult to eradicate, a favorable position either within or in opposition to an appropriately situated central

¹³² Chepesiuk, 105.

government, or a traditional involvement in such illicit trading activities.¹³³ Such networks may also exhibit traditional patterns of both vertical and horizontal integration. Moreover, heroin trafficking has provided an effective way for a variety of ethno-nationalist guerrilla and terrorist groups to obtain funding.¹³⁴ In general, however, there is an extremely fine line between groups that seek to justify criminal activity by way of a political rationalization, and more blatantly profit-seeking TCOs.

At the national level, however, individual nation-states can also be characterized as either “vulnerable” or “sensitive” to drug transit. Under this conceptualization, the key relationship is between the country in question and the final transshipment point, as opposed to that with the source country since the potential for multiple routing variations become too complex.¹³⁵ As Morrison notes, “Any country in the world could become a drug transit point, even those not on direct routes between producing and consuming regions. However, this is not to suggest that transshipment routes are chosen randomly.

¹³³ Lamour and Lamberti write that, “It is a noteworthy fact that, generally speaking, the traffickers always belong to peripheral or closed ethnic groups.” Using observations dating to the mid-1970s and finding the phenomenon “perfectly explicable” by virtue of their relative marginalization, the authors continue by citing the Italian-American, and later Cuban, Puerto Rican and African-American influences in the United States; Corsicans in France; Sicilians in Italy; Turks in Germany; and the non-resident “overseas” Chinese throughout Asia. Lamour and Lamberti, 22. For more on Jewish-American drug racketeering through the 1930s, and the subsequent transition to Italian-American organized crime activity, see Block, 40-1, 105-11. In particular, the author also notes the primary overseas suppliers for these Italian-American groups as French, Greek, Lebanese and Syrian traders. For more on the trading roles of transnational “middleman” minorities, see also Horowitz, 107-24.

¹³⁴ In the past, links between drug traffickers and armed anti-government groups have been for the most part localized activities, as in the case of *Sendero Luminoso* (SL, or Shining Path) in Peru. However, other groups with a wider transnational reach that have been linked to drug trafficking include the Liberation Tigers of Tamil Elam (LTTE) in Sri Lanka, the Basque *Euzkadi ta Askatasuna* (ETA) in Spain, and the *Partiya Karkeran Kurdistan* (PKK, or Kurdistan Workers’ Party) in Turkey. See Roos, 40; Schmid, 70-2; and OGD, *World Geopolitics of Drugs* (2000), 54-5, on the Tigers and 95-7 on ETA. For a wider analytical overview of this phenomenon, see also U.S. Congress, Senate Committee on the Judiciary, Subcommittee on Technology, Terrorism and Government Information, “Narco-Terror: The Worldwide Connection Between Drugs and Terror,” Testimony of Randy Beers and Francis X. Taylor, 13 March 2002, available at <http://usinfo.state.gov/topical/pol/terror/02031300.htm>, accessed 15 July 2004; and Frank Viviano, “Drug Trade Feeds World’s Rebellions: Profits From Smuggling Keeps Causes Alive,” *San Francisco Chronicle*, 18 December 1992, A1.

¹³⁵ This typology comes from Morrison, 7-14, which in turn builds in part upon Friman, 65-83.

As opportunists, drug traffickers weigh up the costs and benefits of potential routes in order to choose those which are most hospitable to drug transit or provide the lowest risk of detection.”¹³⁶

Among the factors that Morrison discusses as affecting the establishment of drug transit nodes is a given country’s strategic position, in particular those relating to physical geography and encompassing both the range of transportation options available and the porosity of the relevant borders. Similarly, under the conceptualization outlined above, involvement in the drug trade can occur either directly via alignment between traffickers and legitimate governments, or indirectly as the result of a weak central governmental control or inadequate law enforcement.¹³⁷

No matter what the mode or method of smuggling, however, transnational smuggling actors remain very quick to adapt to their changing operational landscape, particularly in response to risks imposed on their operations by the nation-state. As ONDCP Director of Strategy James R. McDonough noted in 1998 with respect to entry into the U.S., “Over the past five years, they [drug traffickers] have reduced their transit-zone vulnerabilities by shifting from non-commercial aircraft to maritime methods, quickly shifting routes in response to effective law enforcement operations.”¹³⁸ In some ways this observation restates the generic smuggling model, namely that illicit trade will

¹³⁶ Morrison, 7-9.

¹³⁷ Ibid., 2.

¹³⁸ U.S. Congress, House Committee on Transportation and Infrastructure, Subcommittee for Coast Guard and Marine Transportation, Statement by James R. McDonough, Director of Strategy, Office of National Drug Control Strategy, 10 June 1998, 4. In an even more general acknowledgement of this capability, one U.S. General Accounting Office (GAO) report notes the following: “A key reason for U.S. counternarcotics programs’ lack of success is that international drug-trafficking organizations have become sophisticated, multibillion-dollar industries that quickly adapt to new U.S. drug control efforts.” U.S. Government Accounting Office, “Drug Control: Long-Standing Problems Hinder U.S. International Efforts,” GAO/NSAID-97-75 (Washington, DC: GPO, 27 February 1997), 5.

move toward those routes that serve to maximize access and minimize risk at any given point in time and space, optimizing connectivity via the path of least resistance.

As discussed in previous chapters, economic incentives have led smugglers to be nothing if not resourceful. The clearest illustrations of this can be found within the range of transit zone activities. To return to McDonough, “In contrast to source zone conditions, traffickers have the initiative in the transit zone and can choose when, where and how to challenge interdiction forces . . . To date, traffickers have absorbed the transit zone interdiction as a cost of doing business.”¹³⁹ The next section offers an overview of the issue of heroin transshipment by region, with a focus on specific nations that have a demonstrable involvement with these logistical mechanisms.

Heroin Trafficking: Regional Trends

In geographic terms, an examination of the various regional singularities of the global heroin trade serves to further illustrate the dynamics that shape the smugglers’ landscape. For instance, as one U.S. government report notes, “each heroin producing region has separate and distinct distribution methods that are highly dependent on ethnic groups, transportation nodes, and surrounding transit countries.”¹⁴⁰ As noted previously, by the mid-1970s the market for illegal drugs was well on its way to achieving a worldwide scope. However, as of the late 1980’s and early 1990’s, a number of political developments had irrevocably altered this landscape.

¹³⁹ U.S. Congress, House Committee on Transportation and Infrastructure, Statement of James R. McDonough (10 June 1998), 4. Though this observation was made in specific reference to the U.S., it nonetheless holds true with respect to most other major markets and their transit zones. The parameters of the U.S. transit zone itself will be discussed at greater length in the context of Chapter VI.

¹⁴⁰ GAO, “Drug Control: U.S. Heroin Control Efforts in Southeast Asia,” GAO/T-NSIAD-96-240, Statement by Jess T. Ford, Associate Director, to the House of Representatives, Committee on Government Reform and Oversight, Subcommittee on National Security, (Washington, DC: GPO, 23 May 1996), 5.

Among these, European integration served to facilitate the intra-regional movement of contraband within the E.U., as well as along its extensive periphery.¹⁴¹ The break-up of the former Soviet Union led to an expansion of both opium cultivation and processing in Central Asia and the Caucasus. Moves toward economic liberalization by China resulted in a greater volume of Golden Triangle production being moved through Chinese territory.

Similarly, the end of the apartheid regime in South Africa and the dismantling of its pervasive security apparatus brought a rising prominence to the Southern African region in the transshipment of heroin.¹⁴² Finally, previously marginal players such as Nigeria and Sri Lanka became increasingly involved in the drug trade across the Indian and Atlantic basins, while various transnational Asian organized crime groups developed transpacific routes to the West Coast of North America.

However, as noted above, for the near-term the primary global markets for illicit drugs are Western Europe and North America, largely by virtue of the wealth of these regions coupled with persistent demand. Similarly, the Golden Crescent and Golden Triangle remain the main production areas for opiates at the global level. In terms of access, much of the European market is reached via the Balkans, Eastern Europe and North Africa, while heroin destined for North American markets often enters through established trans-Atlantic, trans-Pacific and Latin American trade corridors.

¹⁴¹ As noted in *International Crime Threat Assessment*, Ch. III, 2, "The well-to-do Western European population rivals the United States as the most desirable market for drugs, as well as other contraband." The growth of this market has also led to a related expansion of money laundering activity, as discussed at length in Ernesto Savona, "European Money Trails," *Transnational Organized Crime* 2, no. 4 (Winter 1996), 1-20.

¹⁴² See Simon Bayham, "Drugs set to become Africa's new invaders," *Jane's Intelligence Review*, September 1996, 426-9.

Both individually and as an aggregate, all of these trends have served to either modify or reinforce the relevant paths of least resistance. While some of the resultant routes remain fixtures of the smugglers' landscape, others appear to have already fallen by the wayside. Though the case studies focus on specific drug nexus regions, by way of an overview it is necessary to introduce certain key areas of geographic interest to transnational smuggling actors. Although the same caveats noted previously with respect to this type of data still apply, the diagram below serves to illustrate the spatial distribution of global heroin seizure activity for a single year, once again 1998:

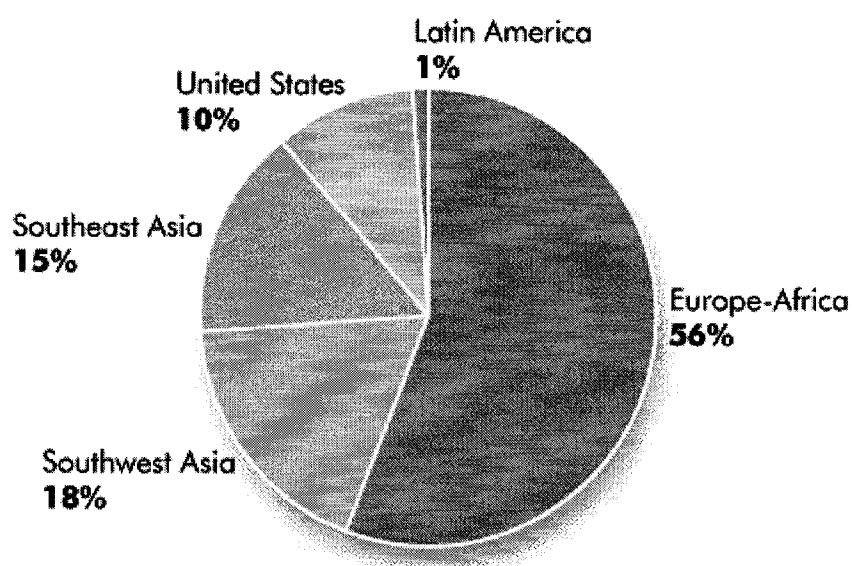


Fig. 11. Worldwide heroin seizures by region (1998)¹⁴³

To begin with, as noted previously Turkey has played a longstanding role as the major conduit for Golden Crescent heroin moving into European markets and beyond, an issue that is also addressed in greater length in Chapter V. In terms of domestic cultivation, all in all the follow-up to the initially U.S.-sponsored eradication effort has

¹⁴³ This chart comes from U.S. CIA, CNC, "Heroin Movement Worldwide."

been quite successful as Turkish authorities continue their vigilance with respect to illicit opium, though processing of licit opiates persist.¹⁴⁴ Nonetheless, as with most fungible globally traded commodities, Turkey's former market share was quickly taken up by production from other regions of the world.

However, at this juncture it is worth returning to the case of Turkey with respect to the specific context of transit. In a confluence of interests, the eradication of the illicit Turkish opium crop not coincidentally also eliminated a potentially lucrative source of income for Kurdish guerrilla groups such as the *Partiya Karkeran Kurdistan* (PKK, or Kurdistan Workers' Party), a major incentive for the Turkish military to support the policy. According to Turkish police, major heroin processing in the mainly Kurdish southeast continue to fund the PKK, a major incentive for continued vigilance on their part.¹⁴⁵ As such, trafficking through these areas is often dependent on at least minimal and tacit arrangements with corrupt officials, the military or non-Kurdish criminal groups.

As elsewhere, Turkey has also seen a rise in the number of domestic drug users. Moreover, and somewhat disconcertingly, many Turks seem ambivalent about drug trafficking. This may be more understandable in light of the inflow of foreign currency from Europe due to the illegal drug trade estimated at \$50 billion annually. Despite corruption at various levels, there appears little real chance that Turkey will fully

¹⁴⁴ In the wake of the Nixon-era pressures, by most accounts Turkey's opium eradication efforts were largely successful. However, for a dissenting view, incidentally used to illustrate the shortcomings of crop substitution, see Bruce Bullington, "All About Eve: The Many Faces of United States Drug Policy," in *Global Crime Connections: Dynamics and Control*, ed. Frank Pearce and Michael Woodiwiss (Toronto: University of Toronto Press, 1993), 38.

¹⁴⁵ Michael Radu, "The Rise and Fall of the PKK," *ORBIS* 45, no. 1 (Winter 2001), 47-63.

abandon cooperation on counter-drug efforts.¹⁴⁶ However, for the foreseeable future the country remains an important transit route, given both its proximity and access to Europe. The fact that the U.S. does not consider Turkey to be among the majors speaks volumes about the priorities and objectivity of the certification process.¹⁴⁷

Along with Turkey, Russia constitutes another area of concern, especially with respect to the access of Russian TCOs to European markets. As Williams noted prior to 9/11, the broad spectrum of criminal activities that transnational Russian mafias engage in make them a near-perfect case for non-state actors as a security threat.¹⁴⁸ With respect to Russia's geography, as Nicola J. Lowther notes, "Its 58,000 kilometers long border are hard to police. Some parts of the border follow no logical lines, nor do they reflect geographic or ethnic realities. Poor coordination between regional and national police forces is another major factor. Finally, huge local imbalances of supply and demand along many of the border offer criminals considerable opportunities for smuggling and black-marketeering."¹⁴⁹

Furthermore, non-Russian ethnic groups within the former Soviet Union also play pivotal roles. For instance, while the prominence of Chechens within Russian narcotics

¹⁴⁶ See John Doxey, "Losing the battle and the war against drugs," *The Middle East*, no. 271 (October 1997), 20-2; and Mark Galeotti, "Turkish Organized Crime: Where State, Crime and Rebellion Conspire," *Transnational Organized Crime* 4, no. 1 (Spring 1998), 25-41. In the latter case, the author in particular notes that a key strength of Turkish organized crime is the considerable protection it enjoys within Turkey, especially with its vital money-laundering haven in northern Cyprus.

¹⁴⁷ Incidentally, this attitude sharply contrasts with a similar understanding of the parallel challenges facing Iran, as discussed in the context of Chapter V. While the tensions between the U.S. and Iran are long-standing and beyond the scope of this discussion, the latter's efforts to halt the drug trade on its territory have been extensively documented. This dichotomy is noted in OGD, *World Geopolitics of Drugs* (2000), 9-10.

¹⁴⁸ See Phil Williams, "How Serious a Threat is Russian Organized Crime?" *Transnational Organized Crime* 2, no. 2/3 (Summer / Autumn 1996), 19-20. In the wake of 9/11, other groups have obviously also risen to prominence in this respect.

¹⁴⁹ Nicola J. Lowther, "Organized Crime and Extortion in Russia: Implications for Foreign Companies," *Transnational Organized Crime* 3, no. 1 (Spring 1997), 27.

trafficking is well documented, Azeris also play a key, though secondary role, generally being forced to pay tribute to Chechen organizations.¹⁵⁰ To make the situation even more volatile, the drug trade in the former Soviet Union is also highly intertwined with various forms of arms smuggling, as is examined more fully in Chapter V.

For its part, India plays an interesting though somewhat ambiguous role in the global trade in opiates. It is the world's largest producer of licit opium products, and the only country that still exports opium gum, valued by pharmaceutical companies for its high alkaloid content and purity.¹⁵¹ While some diversion to the black market certainly exists, this is exceedingly difficult to measure. However, despite the persistence of allegations regarding corruption in this respect, there have been few prosecutions.¹⁵² Furthermore, India's domestic consumption of opiates also appears to be on the rise.¹⁵³

¹⁵⁰ Stephen Handelman, *Comrade Criminal: Russia's New Mafiya* (New Haven: Yale University Press, 1995), 193. See also OGD, *World Geopolitics of Drugs* (2000), 39, which discusses the presence of Chechen criminal organizations throughout Kazakhstan. Similarly, Booth, *Opium*, 317, also notes the role of Armenians in brokering and transporting from the Golden Crescent through Turkey into Europe. DEA, *NNICC* (1998), further highlights the involvement not only of Chechens, Azeris and Armenians, but also Georgians.

¹⁵¹ For more on the licit opium trade, see Booth, *Opium*, 293-5. Other important producers of licit opiates include France, Spain and Tasmania, Australia. With respect to the U.S. market for licit opiates, the prevailing ratio is that India and Turkey together share 80 percent, while the remaining 20 percent is allocated to new or non-traditional producers. However, globally the Indian and Turkish combined market share is closer to half. See U.S. DOJ, DEA, Intelligence Division, Europe/Asia/Africa Strategic Unit, "India Country Brief," DEA-02022 (Washington, DC: DEA, May 2002), available at <http://www.usdoj.gov/dea/pubs/intel/02022/02022.html>, accessed 15 July 2004.

¹⁵² See U.S. GAO, "Drug Control: U.S. Heroin Control Efforts in Southwest Asia and the Former Soviet Union," *GAO Briefing Report*, GAO/NSIAD-97-148BR (Washington, DC: GPO, 9 May 1997), 1-16. In particular, concerns over the Indian government's system of oversight for opium cultivation licenses is questioned, with Indian officials holding that very little of the opium crop is diverted to the black market despite U.S. estimates as high as 20%. However, this does not appear to be a major concern to U.S. officials as "most of the diverted opium is consumed by addicts in India and the surrounding region and does not constitute a direct threat to the U.S." On a related topic, this report also notes India's role as a major manufacturer, at 40,000 metric tons (MT) annually, of the acetic anhydride necessary to convert opium into heroin. Despite Indian chemical control measures, the DEA holds that a "substantial proportion" of worldwide supply of this chemical is diverted from Indian production.

¹⁵³ See OGD, *World Geopolitics of Drugs* (2000), 52, which notes a range of between 7 and 9 million drug users in India out of a population of nearly a billion.

Moreover, due to its strategic location between the Golden Triangle and the Golden Crescent, India often functions as a hub of narcotics trafficking, particularly to non-U.S. destinations.¹⁵⁴ Moreover, the geographic proximity of Sri Lanka to India has resulted in a fair share of trafficking from the mainland by both sea and air. As the island nation has no coast guard, and its navy has often been focused on operations against the Liberation Tigers of Tamil Elam (LTTE), the scope for such activity is quite large.¹⁵⁵ Similarly, heroin smuggling activity across the common land borders with both Burma and Bangladesh has also been prevalent in the past.¹⁵⁶

Further east, it is necessary at this point to examine the Golden Triangle in relatively greater detail, as it will not be addressed as directly as other major heroin-production regions in the context of the case studies. Southeast Asia's rise to prominence with respect to opium cultivation and subsequent trafficking can be traced back at least as far as the era of European colonialism, with a dramatic impact at the global level being seen during the Vietnam War.¹⁵⁷ However, at present most of the opium later processed into heroin originates in Burma and, to a much lesser extent, Laos.¹⁵⁸

¹⁵⁴ As such, U.S.-Indian dialogue on these issues appears to be relatively cordial. See, for instance, U.S. Department of State, "U.S.-India joint working group in narcotics," *U.S. Department of State Dispatch* 6, no. 38 (18 September 1995), 700. Items on the agenda included discussions of Indian controls over licit opium supplies, as well as precursor chemicals, of which the latter is also a major producer. For its part, India was able to put forth its concerns over the international demand that drives the drug trade. Furthermore, in the same year Indian drug control officials also met with their counterparts from both Pakistan and Burma to discuss these issues.

¹⁵⁵ U.S. Department of State, INL, *INCSR 2001*, "Southwest Asia – Sri Lanka."

¹⁵⁶ Though less heroin appears to cross India's common border with Burma than between the latter and China, the issue is discussed in Hamish McDonald, "Hooked on smuggling," *Far Eastern Economic Review* 157, no. 23 (9 June 1994), 34. For more on smuggling across the porous border between India and Bangladesh, see also Willem Van Schendel, "Easy come, easy go: Smugglers on the Ganges," *Journal of Contemporary Asia* 23, no. 2 (May 1993), 189-233.

¹⁵⁷ See Cooper, 60-7; and Booth, *Opium*, 255-82.

¹⁵⁸ A comprehensive regional overview of the drug trade in Southeast Asia can be found in OGD, *World Geopolitics of Drugs* (2000), 56-72. However, for a representative portrait illustrating many of the regional dynamics within the Golden Triangle, see Alfred W. McCoy, "Requiem for a Drug Lord: State and

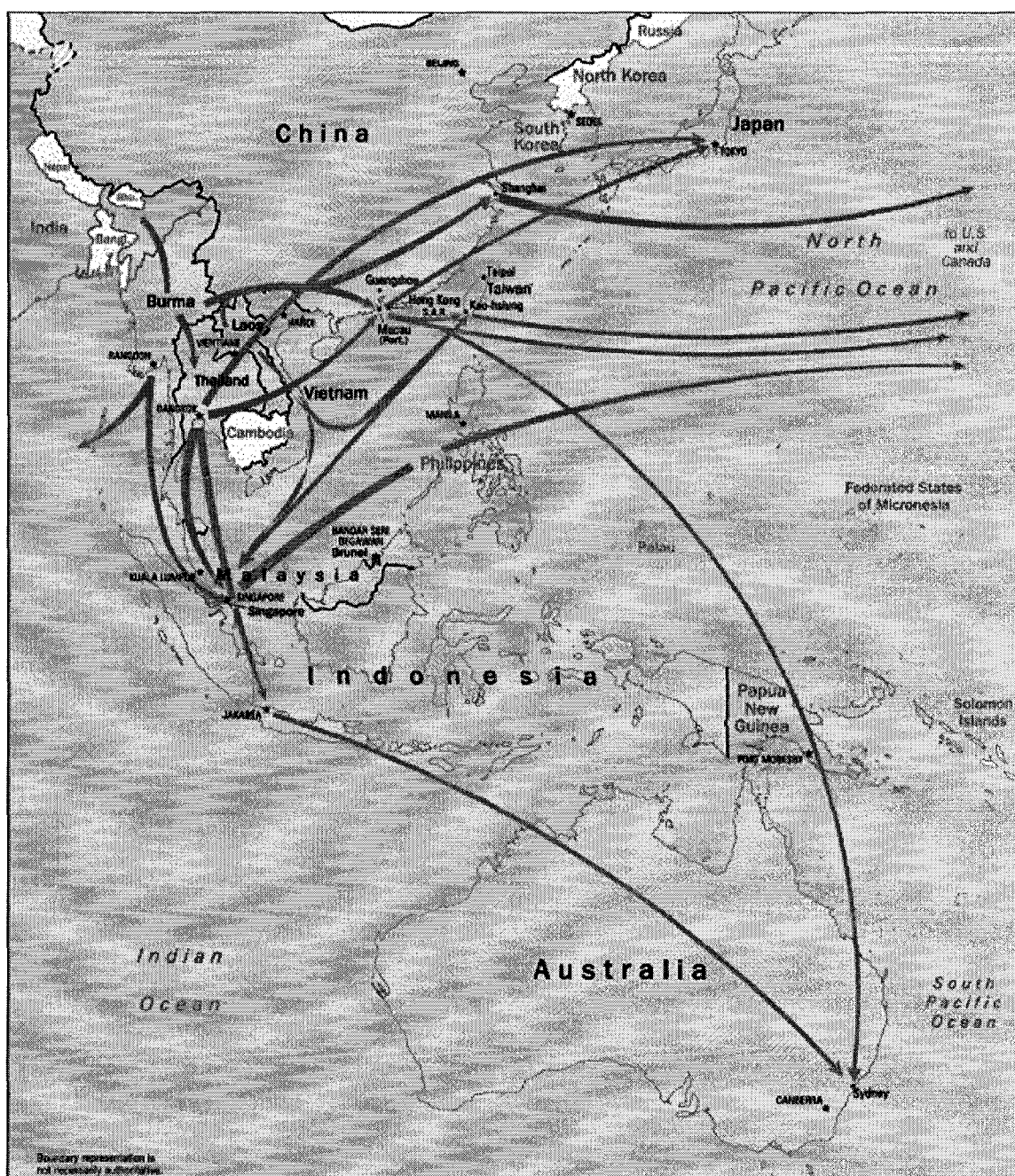


Fig. 12. Southeast Asian heroin flows¹⁵⁹

Commodity in the Career of Khun Sa," in Heyman, 129-67. However, while noting that Khun Sa had a immense impact on both local politics and the global drug trade, McCoy also points out that, "Just as the state retains the ultimate capacity to crush any outlaw, no matter how powerful, so the global drug traffic is a vast commodity trade that interpenetrates every aspect of the modern state, compromising those same capacities." McCoy, 156. Furthermore, a discussion of U.S. regional drug control efforts focusing on Burma can be found in U.S. GAO, "Drug Control: U.S. Heroin Control Efforts in Southeast Asia," 1-11.

¹⁵⁹ Map source: U.S. CIA, CNC, "Heroin Movement Worldwide."

The map above illustrates some of the more observable spatial manifestations of this activity. With respect to drug trafficking throughout the region, much of this activity is facilitated by transnational ethnic ties that often extend far beyond their Southeast Asian epicenter. As one U.S. government assessment notes that:

Ethnic Chinese and Thai criminal networks in Thailand and Burma play major roles as brokers, financial backers, and transporters in the Southeast Asian heroin trade. Operating in major regional commercial centers like Bangkok, Hong Kong, Singapore and Taiwan and using a wide array of interchangeable front companies and legitimate businesses. Chinese and Thai criminal networks also arrange financing and transportation of drugs, routing drugs through many different ports – largely by commercial shipping – to their final destination.¹⁶⁰

In general, the export-based economies of the region, combined with the high volume of land and maritime trade via containerized shipping, provide ample opportunity and cover for a wide range of smuggling activity.¹⁶¹

Interestingly, although Thailand has traditionally served as a staging area for opiate smuggling, the domestic drug of choice as of this writing is methamphetamine.¹⁶² Moreover, with the economic opening of Vietnam, that country is also being increasingly used in the maritime transshipment of heroin.¹⁶³ Since 1995, however, seizure data points to a downward trend in the trafficking of opiates through Southeast Asia.¹⁶⁴

¹⁶⁰ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 24.

¹⁶¹ With respect to maritime modes of smuggling, see also U.S. DOJ, DEA, "Southeast Asian Heroin Smuggling Techniques: Containerized Cargo," *Drug Intelligence Brief*, DEA-01022 (Washington, DC: DEA, September 2001), available at <http://www.usdoj.gov/dea/pubs/intel/01022/>, accessed 15 July 2004; U.S. DOT, MARAD, "Ethnic Chinese Crime Syndicates Prefer Port Cities and Containerized Heroin Exports," *Maritime Security Report*, no. 1 (August 1995), 15-6; and Ko-Lin Chin, "Triad Societies in Hong Kong," *Transnational Organized Crime* 1, no. 1 (Spring 1995), 47-64.

¹⁶² See "A new order: A survey of Thailand," *The Economist*, 2 March 2002, 13. Moreover, there also appears to be a wider confluence throughout the region between heroin smuggling activity and the production of methamphetamines, as noted in Interpol, "International Drug Trafficking," 1.

¹⁶³ See U.S. DOT, MARAD, "Emergence Of Vietnam As A Transit Country For Heroin Traffic Is Exploiting the Containerized Export Trade," *Maritime Security Report*, no. 2 (April 1996), 11-4. This source also notes that much of this activity is still controlled by ethnic Chinese TCOs.

¹⁶⁴ For a broad overview of recent developments throughout the region, see U.S. Department of State, INL, *INCSR 2001*, "Southeast Asia and the Pacific."

Specifically, much of this activity appears to have shifted to transit routes through China, due primarily to the upgrading of the relevant logistical infrastructure, as well as inroads made by ethnic Chinese TCOs operating along the common border with Burma.¹⁶⁵ Consequently, this activity has also led to a tremendous rise in domestic drug use within China.¹⁶⁶

With respect to ethnic Chinese TCOs, the reach of these organizations is both broad and well documented, not only within China and throughout Southeast Asia, but also in a number of other countries as well. This phenomenon is especially prevalent where sizable ethnic Chinese enclaves exist, as these TCOs tend to maintain strong ties with such expatriate and immigrant communities overseas. Furthermore, their illegal activities often parallel or even intertwine with other legitimate commercial transactions.

Generally speaking, a distinction can be made between Triad societies, transnational networks based primarily out of Hong Kong, Taiwan and Macau, and mainland Chinese groups, often either Fukienese or Cantonese in origin, which are generally more autonomous. Though membership is relatively closed to outsiders, a significant feature of ethnic Chinese TCOs is that they tend to have few qualms about

¹⁶⁵ Lee, "Drugs in Communist and Former Communist States," 194-9. The evolution of these regional trafficking patterns from the early to mid-1990s can also be found in the following series of articles: Bertil Lintner, "Roads from Mandalay: Heroin traffickers exploit new land, sea routes," *Far Eastern Economic Review* 148, no. 26 (28 June 1990), 27; Bertil Lintner, "Chasing the dragon: Drug traffickers develop new routes," *Far Eastern Economic Review* 155, no. 155 (20 February 1992), 24; and Bertil Lintner, "A piece of the action: Burma-China drug trade thrives with official complicity," *Far Eastern Economic Review* 157, no. 51 (22 December 1994), 27. For a more recent assessment, see also OGD, *World Geopolitics of Drugs* (2000), 60-2.

¹⁶⁶ See U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 24-7. This source also notes that, in keeping with some of the demand trends discussed earlier, "Heroin addiction has become an enormous problem since China became an increasingly important transshipment route for heroin produced in Burma. Before 1990, when most of Southeast Asian heroin transited Thailand, China had few problems with drug trafficking or addiction. Between 1990 and 1998, however, the number of registered drug abusers in China increased by a factor of 10 from some 70,000 to nearly 700,000, according to official Chinese statistics; unofficial estimates of drug addiction in China range from 1 to 12 million."

cooperating with other types of criminal organizations in profitable joint ventures. For example, in the past they have worked closely with both Italian and Dominican groups in the United States, Canada and Europe.¹⁶⁷

Turning to Africa, it is worth noting that by 1990, one-third of the heroin moving into Europe was entering through that continent.¹⁶⁸ In particular, by virtue of geography, history and demography, North Africa has always posed a more pressing concern to European policy makers than to their U.S. counterparts.¹⁶⁹ The wider issues driving African involvement in the transnational drug trade are discussed at greater length in the context of Chapter VII. Specifically, the focus there is on Nigeria and the rest of West Africa, though other regions are also examined in this context.

However, in particular the potential of Southern Africa as a drug nexus region, with South Africa as its center, is relatively high for the near future. With its sophisticated and relatively unmonitored land, sea and air infrastructure to move illegal cargo, South Africa at present is primarily a transshipment hub for cocaine, heroin and Mandrax. The latter compound is a synthetic sedative derived from methaqualone and

¹⁶⁷ See also U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 31-3; Ko-Lin Chin, Sheldon Zhang and Robert J. Kelly, "Transnational Chinese Organized Crime Activities: Patterns and Emerging Trends," *Transnational Organized Crime* 4, no. 3 / 4 (Autumn / Winter 1998), 131-8; and Willard H. Myers, III, "Orb Weavers – The Global Webs: The Structure and Activities of Transnational Ethnic Chinese Criminal Groups," *Transnational Organized Crime* 1, no. 4 (Winter 1995), 1-36. More generically, the wider commercial aspects of this phenomenon are analyzed in "Inheriting the bamboo network," *The Economist*, 23 December 1995, 79-80; Sterling Seagrave, *Lords of the Rim: The Invisible Empire of the Overseas Chinese* (New York: Bantam Press, 1995); and Murray Wiedenbaum and Samuel Hughes, *The Bamboo Network: How Expatriate Entrepreneurs Are Creating a New Economic Superpower in Asia* (New York: Martin Kessler Books, 1996), which in particular focuses on the prevalence of this phenomenon throughout Southeast Asia.

¹⁶⁸ Baynham, 426.

¹⁶⁹ This differential prioritization may best be seen the case of Morocco. In 1991, over 27% of the hashish seized in Europe was Moroccan in origin. As a result, by 1993, the European Community had agreed to fund a five-year, \$2 billion program to develop infrastructure, irrigation projects and crop substitution in the northern Rif region, the primary cannabis growing area. See "Morocco: fighting the drugs war," *The Middle East*, no. 222 (April 1993), 20. This is precisely the sort of initiative that the U.S. will need to support in the future if it expects to receive reciprocal support within this issue area.

antihistamines, originally developed for veterinary purposes but increasingly popular regionally as a recreational drug. Southern Africa also appears to have the capacity to develop into a provider of drug trafficking support services as well, such as money laundering and chemical processing.¹⁷⁰

While the parameters of the European market for heroin have been addressed above, it is worth reiterating a number of key factors that serve to directly facilitate the smuggling of drugs into the region. These include the E.U.'s single market reforms permitting the unrestricted movement of goods, services, labor and capital among its signatory states; a sophisticated logistical infrastructure; the tremendous volume of people and goods passing across its land borders and through its seaports and airports; and well-developed trading ties with every other part of the world. Moreover, as discussed previously, the persistence of certain member nations, such as the Netherlands, in treating drugs strictly as a health issue rather than a matter of law enforcement continues to draw criticism from certain quarters.¹⁷¹

With respect to the U.S. market for heroin, by the late 1970's and extending into the early 1980's the Sicilian Mafia had developed a major presence, particularly along the East Coast.¹⁷² For instance, at one point this group supplied up to 80% of the New York

¹⁷⁰ See Robert S. Gelbard, "Drug Trafficking in Southern Africa," in *War and Peace in Southern Africa: Crime, Drugs, Armies and Trade*, ed. Robert I. Rotberg and Greg Mills (Washington, DC: Brookings Institute Press / World Peace Foundation, 1998), 175. For a broader historical view of the issue, see also Peter Gastrow, "Organized Crime and the State's Response in South Africa," *Transnational Organized Crime* 4, no. 1 (Spring 1998), 56-80.

¹⁷¹ While this is extensively documented, as an example see "Model makers: A survey of the Netherlands," *The Economist*, 4 May 2002, 13.

¹⁷² See Booth, *Opium*, 243-50, for more on the rise to prominence of the Italian Mafia within the U.S. heroin market. U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 7, also notes that in the 1960s and 1970s, Italian criminal groups were responsible for as much as 85 percent of the U.S. heroin trade. It is also reported that several such groups remain active, particularly those using connections in Venezuela and Canada.

market. However, a treaty signed between the United States and Italy in 1982 allowed for closer police collaboration and the exchange of information, prisoners and witnesses. As a result of this cooperation, the Mafia's share of the steadily shrinking American market is currently under five percent.¹⁷³

Succinctly summarizing this transition of primacy, Chepesiuk writes, "Before the mid 1980s, Italian organized crime generally dominated the heroin trade in the United States and Europe, using the famous French Connection to smuggle large quantities of heroin from Southeast Asia and the Golden Triangle into Europe and the United States. By 1986, however, Chinese criminals had begun to play a bigger role in heroin trafficking."¹⁷⁴

Similarly, as noted in a recent U.S. government report, "Fueled by high-purity, low-cost heroin introduced into the US market by Southeast Asian and Colombian traffickers, heroin use in the United States increased significantly in the early-to-mid 1990s and has leveled off in recent years. The purity of heroin available in the US is higher than ever."¹⁷⁵ While the Golden Crescent and the Golden Triangle remain the largest suppliers of heroin on a global scale, Colombia and Mexico are the first and second largest suppliers to the U.S. market, respectively.¹⁷⁶ In particular, the role of

¹⁷³ "A state within the state," *The Economist*, 24 April 1997, 21. An earlier analysis, predicated upon a projected growth of Sicilian involvement with the global heroin trade rather than its observed relative diminution, can be found in Sterling, *Octopus*, passim.

¹⁷⁴ Chepesiuk, 93. Interestingly, elsewhere the author notes that, "Historically, the Italian American Mafia never adapted well to the emergence of the international drug trade." Making the distinction between the American branch and its Sicilian counterpart, the author further cites various sources stating the policy of the five major New York crime families to eschew any involvement in drug trafficking, even to the point of threatening members who choose to become involved with death. Chepesiuk, 117. For more on Chinese heroin smuggling into the U.S., see also Chin, et al., 130-2.

¹⁷⁵ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 5.

¹⁷⁶ For an excellent historical overview of the U.S. domestic market for illegal drugs spanning the past twenty years, see U.S. DOJ, DEA, Intelligence Division, Europe/Asia/Africa Strategic Unit, "The Evolution of the Drug Threat, the 1980's Through 2002," *Drug Intelligence Brief*, DEA-02046

Colombian organizations in meeting North American demand for drugs is discussed at length in Chapter VI, as are more specific dimensions of the U.S. market for illicit drugs.

As noted above, many of the aspects addressed in this chapter are examined in the context of the selected case studies. However, the next chapter focuses more directly on the supporting methodologies to further conceptualize access, risk and connectivity as they relate to transnational smuggling, as well as on a number of obstacles inherent to the study of this topic. With respect to connectivity in particular, the convention of the smuggling vector, previously mentioned only in passing, is also presented in greater detail.

(Washington, DC: DEA, June 2002), available at <http://www.usdoj.gov/dea/pubs/intel/02046/02046.html>, accessed 15 July 2004. See also U.S. DOJ, NDIC, *National Drug Threat Assessment 2002*.

CHAPTER IV

METHODOLOGY: ASSESSING PATHS OF LEAST RESISTANCE

As noted at the outset, due to its complex dynamics transnational smuggling is precisely the type of phenomenon that lends itself to an interdisciplinary analytical methodology. In keeping with the domains of smugglers' decision-making put forth previously in the generic smuggling model and expanded upon with the functional schematic of the smugglers' landscape, this chapter serves to outline the approach to be employed in the case studies with respect to the generic smuggling model. Furthermore, it also highlights the various data gaps inherent to the analysis of black markets, as well as the extant sources of information within this issue area.

However, while this particular study is predicated on geography, it is worth examining in brief some of the competing models of smuggling, which vary for the most part in terms of conceptualization depending upon the aspect that is being emphasized. In general terms, smuggling models fall into two groups, namely those stressing the security dimension of smuggling and those more concerned with the economic and social issues that drive black markets. Such divergences are hardly surprising if one accepts that smuggling itself is, in some respects, a manifestation of the inherent tension between politics and economics. While this dichotomy is understandable in light of the complexity involved, and each side certainly has something to add to the understanding of this multifaceted issue, alone neither approach is wholly satisfactory in terms of explanatory value.

On the one hand, security-based models that concentrate on threats to the nation-state tend to minimize such factors as the underlying profit motives of smuggling actors and the two-way nature of such transactions. As discussed earlier, the threat presented by smuggling actors to nation-states is often more a byproduct of their activities than a primary objective, barring an overt political agenda to the contrary. In fact, the responses of national and international bodies represent a risk that must be either avoided or mitigated from the smugglers' perspective, and as such it can be in their interests to minimize direct threats to the nation-state wherever possible.

As noted in Chapter II, the intellectual dominance of realism within the field of international security and its reliance on the nation-state as the primary unit of analysis appears overly limiting in this context, given the transnational dimension of the issues involved. For instance, the certification process embodied by the INCSR represents an excellent starting point in terms of data collection. However, one analytical drawback to such an approach is that, while individual nation-states' efforts are a necessary condition to curbing such criminal activity, they are by no means sufficient, as at the transnational level smuggling actors operate largely outside any single venue.

As such, integrating other types of data from levels of analysis both above and below the nation-state threshold can facilitate a greater understanding of the functional aspects of the smuggling phenomenon and even lead to a higher order of threat assessment. Furthermore, by taking the smuggler's perspective into account, the potential for sounder policy analysis also takes shape. That being said, while only addressing half of the equation, analyses predicated on threat do serve a definite function,

namely to focus the nation-state's priorities in order to formulate policy, allocate limited resources and protect national interests.

However, similar criticisms of models predicated strictly on smuggling as either an economic or development issue can also be made. In particular, the servicing of otherwise unmet demand is sometimes presented as a positive force regardless of the commodity in question, often in comparison to inefficiencies or injustices on the part of specific nation-states and their policies.¹ By contrast, a more holistic view that considers the motivations of the smuggling actor, and how these motivations interact with the policies of the nation-state, offers a much wider analytical scope.²

As such, the methodology of this study focuses on the smugglers' landscape, the elements of which revolve around the spatial attributes of access, risk and connectivity. Returning to the generic smuggling model, access and risk are operationalized primarily at the national level of analysis, most saliently with reference to aspects of physical, economic, political and human geography. Similarly, connectivity is most meaningfully addressed at the transnational level of analysis. In particular, this involves the introduction of the smuggling vector as a convention to more empirically measure paths of least resistance.

Before moving on to consideration of the smugglers' landscape proper, the next section examines the issue of data sources and gaps. Conceptually, the use of a

¹ Examples of an economic approach to smuggling analysis include Yeong-Her Yeh, "On Tariffs and Smuggling," *International Advances in Economic Research* 6, no. 3 (August 2000), 578-80, and Jian-Ye Wang, "Macroeconomic Policies and Smuggling: An Analysis of Illegal Oil Trade in Nigeria," *IMF Working Paper* WP/94/115-EA (September 1994). Analyses that stresses the potential benefit or so-called "welfare effect" of black market activity include John McLaren, "Black Markets and Optimal Evadable Taxation," *Economic Journal* 108, no. 448 (May 1998), 665-79; and Tullock, 6-14.

² An excellent example of such an approach can be found in Center for Strategic and International Studies, Task Force, Global Organized Crime Project, *The Nuclear Black Market* (Washington, DC: CSIS, 1996).

theoretical platform with a relatively open architecture, such as the one already outlined, serves as far as is feasible to leverage all extant sources of data to the utmost in the attempt to analyze the decision-making processes of smuggling actors with respect to route selection. Nonetheless, major obstacles to obtaining data are inherent to the subject and must be either overcome, circumvented or otherwise mitigated.

Limits of the Known: Data Sources and Gaps

The geographic analysis of smuggling represents an attempt to sort, in a meaningful way, the diverse manifestations of a highly complex phenomenon. By its nature, smuggling activity and, by extension, route selection, is often exceedingly difficult to observe, let alone assess. The uncertainty surrounding smuggling activity can be sorted in terms of three basic challenges. The first involves the type and quality of information available, while the second revolves around the timing of and access to that information. Finally, there are hurdles relating to the causal interactions that shape smuggling route selection. These aspects become more apparent as this study unfolds, and serve to drive the need for an approach that can deal with this uncertainty.

To begin with, incomplete information can almost be regarded as a hallmark of criminology. Donald Cressey has even likened the study of organized crime to archaeology, in that both seek “knowledge about inaccessible affairs from consideration of affairs accessible to study,” using inferential reasoning to draw conclusions “about both norms and interaction processes.”³ Similarly, in 1999 *The Economist* noted that, “By definition the shadow economy cannot be measured precisely; it requires some

³ Cressey, 3-4.

cunning economic detective work.”⁴ More recently, Janet MacGaffey and Rémy Bezenguissa-Ganga also discuss the difficulty involved in researching activities outside the law, particularly with respect to field research.⁵

As R. Thomas Naylor writes, “Bridging the gap between perception and reality of the criminal marketplace requires, first and foremost, accurate information. Yet, even for the legitimate economy, information is getting harder to collect, and official data are becoming increasingly misleading. These problems are multiplied when economic activity is clandestine.”⁶ In the case of smuggling actors, there is, of course, no such thing as an annual report, despite their many organizational and functional parallels with MNCs noted previously. On the contrary, in general TCOs actively engage in the intentional obfuscation of their operational parameters.

As such, there is the overarching question of dissemination of information. Uncertainty surrounding what is known, when it is known, and by whom is thus of paramount importance. Ideally, the most accurate picture would emanate from those with first-hand knowledge of smuggling activity, either directly or via other interaction with criminal elements. However, the problems, and even dangers, involved with inquiries along these lines are obvious.

This opacity in turn calls for a more indirect measurement of many of the constituent elements of smuggling and related activities.⁷ In the context of drugs, for

⁴ “Black hole,” *The Economist*, 28 August 1999, 59

⁵ MacGaffey and Bazenguissa-Ganga, 25-7. See also Janet L. Jackson, Janet C. M. Herbrink and Robert W. J. Jansen, “Examining Criminal Organizations: Possible Methodologies,” *Transnational Organized Crime* 2, no. 4 (Winter 1996), 83-105.

⁶ R. Thomas Naylor, “Mafias, Myths and Markets: On the Theory and Practice of Enterprise Crime,” *Transnational Organized Crime* 3, no. 3 (Autumn 1997), 1.

⁷ As an example, measures used by U.S. Customs to determine their impact on smuggling organizations are nearly all indirect. These include the number of arrests, both organizationally and in cooperation with other

instance, statistics relating to the interception of drugs in transit are a key metric, though not without drawbacks, as pointed out in the previous chapter.⁸ The UNDCP has also noted the divergence between an ideal yet largely unavailable data set of direct indicators and the use of indirect indicators that, though being the only viable alternative, are much more subjective.⁹ While this may seem patently obvious, with respect to drug issues it is important to note that views of even this heavily scrutinized market are remarkably divergent and based largely on extrapolation and educated guesswork.¹⁰

As discussed in Chapter II, smuggling routes and methods are constantly evolving in response to changing market conditions and risks imposed by nation-states. Moreover, factors involved in path dependency, such as known past activities and accumulated knowledge pertaining to smuggling actors can also be incorporated in their historical context. The related topic of publicly available versus classified information also comes to the fore, as the sensitivity surrounding such data collection is obvious. In some cases data may be available but subject to significant time lags or other restrictions, such as that from an ongoing legal proceeding. When available, these sources are, for the most part, of the greatest utility in the tracking of trends.

agencies; the number and amount of contraband seizures; the number of convictions; the number of port runner incidents; the ratio of seizures to the number of cargo examinations; the ratio of seizures to number of passenger examinations; the value of assets seized from smuggling organizations; the number of internal conspiracies disrupted; and the number of intelligence products generated. U.S. DOT, Customs Service, *U.S. Customs Service Strategic Plan* (1997), 19-20.

⁸ Despite seizure data being one of the best indicators of smuggling activity available, its limitations are evident to anyone who has to work with these numbers on a regular basis. In fact, these statistics have even been likened to the use of the “body count” during the Vietnam War, with this particular characterization coming from a conversation with an analyst from the DEA’s El Paso Intelligence Center (EPIC), February 2000. This characterization is echoed in UNDCP, *World Drug Report* (1997), 24-5, which also urges caution in the interpretation of drug seizure data. For more on the underlying methodology of this subject, see also Farrell, “The Global Interception Rate of Illicit Opiates,” 134-49.

⁹ UNDCP, *World Drug Report* (1997), 12-13.

¹⁰ Though focused primarily on cocaine, the inherent analytical challenges applicable across a wide spectrum of smuggled commodities are admirably set out in Clawson and Lee, 4-10.

However, the two most prominent ongoing and publicly available efforts to assess drug-related activity come from U.S. government agencies and from the various entities operating under U.N. auspices. A number of these sources of information have already been incorporated into the previous chapter, and are further utilized in the context of the case studies. While each adds to a holistic understanding of the issue, it is important to understand the potential biases that can skew analysis.

In the case of the U.S. government, while in general an excellent source of information, its reports are understandably concerned with national interests and thus may tend to reflect the current relationship between a given country and the United States during the period in question.¹¹ Similarly, in the case of the United Nations much of the data is self-reported by participating countries, which may in turn have an interest in presenting the relevant issues in the most positive light.¹²

Outside of the aegis of either the U.S. or the U.N., there is also a wide range of other extant data sources of varying reliability. To begin with, this includes journalistic accounts, which often prove highly useful as snapshots of smuggling activity. Furthermore, upon occasion there have also been first-hand accounts either published or otherwise integrated into research efforts. Such information may come from those who have been incarcerated or otherwise coerced into providing information by law enforcement agencies.

¹¹ While this point has been made in the previous chapter, see also OGD, *World Geopolitics of Drugs* (2000), 8-10.

¹² The UNDCP gathers much of its data from member states via its Annual Report Questionnaire, a survey designed to both provide information on both national drug problems and control efforts. See UNDCP, *World Drug Report* (1997), 33, for more on this process.

Finally, as discussed previously, in many respects the now-defunct OGD served as a valuable counterbalance to the U.S. and U.N. in assessing drug issues, particularly with respect to geographic patterns and other spatial manifestations. By the same token, not all of OGD's publications were necessarily as comprehensive as either of its main counterparts, and tended to focus on certain countries while not specifically addressing the situation in others.¹³

While none of these sources should be considered authoritative and thus be used with impunity, taken together they provide the most complete picture available of the transnational drug trade. Furthermore, the areas where their data and conclusions are not in accord may provide important insights into what is not readily discernible. By extrapolating from the available body of facts, and keeping in mind the various initial assumptions noted in the introductory chapter, even more gaps may be filled with varying degrees of confidence. Often this is the best that can be hoped for by way of evidence, though as an open architecture the smugglers' landscape should be well poised to incorporate additional information as it becomes available to further refine the analysis.

As noted in Chapter I, in addition to calling for more sophisticated methodologies that are not necessarily predicated on a rigid preoccupation with numbers, Williams observes that an important endeavor of data collection and analysis relating to transnational organized crime should be anticipating developments and even, potentially, detecting anomalies in predicted outcomes.¹⁴ For instance, with respect to the latter, at

¹³ By way of methodology, OGD noted that its final annual report was compiled "based on the contributions of some 200 correspondents drawn from the press, scientific and NGO communities of about 100 countries," in addition to information shared with other national and international organizations and research carried out by its staff. OGD, *World Politics of Drugs* (2000), 10.

¹⁴ Williams, "Networks, Markets and Hierarchies," 82-5.

some point in time a particular smuggling actor may be observed exercising influence beyond that which is expected otherwise. While this can be perhaps traced to an organizational realignment, a strategic partnership or other factors leading to an increased competitive market advantage, in general such an anomaly may be taken as an indication that the situation is evolving and thus warrants further scrutiny.

Overall, much of this analysis is qualitatively rather than quantitatively based, in that the level of fidelity implicit in the latter simply does not exist or is otherwise inaccessible. As such, it focuses on the smuggling routes themselves and consciously trade off detail for broader explanatory value, in some ways paralleling attempts to frame legitimate business activity in ways that are less rigorous but also richer than more formal approaches. While this is largely necessitated in the smuggling context by the lack of concrete data, an effort has been made to emphasize those factors that appear to have the most pronounced impact on transnational patterns of smuggling activity.

If the appropriate data both existed and was available, however, a potentially fruitful extension of this study would be to attempt the modeling of transnational smuggling routes via the use of geographic information systems (GIS). In simplest terms, any data with a spatial dimension can be stored, managed and displayed in a dynamic interactive setting. The facilitated analysis of spatial relationships is also represents a key benefit of using a GIS platform.

The utility of GIS across a wide range of applications seems self-evident, as witnessed by its explosive growth in recent years, particularly in such fields as municipal planning, environmental analysis and marketing. While GIS certainly encompasses a technological dimension, an ongoing debate persists among practitioners as to the role

these systems should play.¹⁵ Furthermore, as a vehicle for modeling the real world and establishing relationships and patterns among spatial variables, GIS at present is limited by a lack of reliable standardized data sets, particularly at the international level. Though as of this writing the extant data is for the most part not fine enough to support such applications at the international or even the national level, there are existing GIS applications dealing with related issues on a smaller scale.¹⁶

As these systems grow from encompassing individual projects to more comprehensive platforms, their analytical potential will become increasingly apparent. However, it should be kept in mind that, for much of the world, many of the data gaps noted above apply beyond the criminal context. Even for statistical information on legitimate commercial activity, in much of the world such data is underreported, unreported or intentionally misreported.¹⁷

¹⁵ Framing the parameters of this debate, see Dawn J. Wright, Michael F. Goodchild and James D. Proctor, "GIS: Tool or Science? Demystifying the persistent ambiguity of GIS as 'tool' versus 'science,'" *Annals of the Assoc. of American Geographers* 87, no. 2 (June 1997), 346-62, and its response by John Pickles, "Tool or Science? GIS, technoscience, and the theoretical turn," *Annals of the Assoc. of American Geographers* 87, no. 2 (June 1997), 363-72.

¹⁶ Directly germane to this study are a number of related applications currently in place that help to clarify GIS's potential in this context. In terms of mapping potential risks, with particular respect to corporate holdings, GIS applications in the area of property and casualty insurance constitute one such example. See Charles C. Ashley, "Putting Risks on the Map," *Best's Review: Property-Casualty Insurance Edition* 98 (January 1998), 84-6. In this context, such a system can map those factors, such as the distance to a toxic waste site, a seismic fault or a flood plain, which can have an impact on corporate holdings. Such systems are used to compute the cost of coverage, validate the underwriting process and coordinate claims. Furthermore, the issue of crime mapping is considered significant enough to warrant a targeted research initiative under the auspices of the U.S. DOJ, National Institute of Justice, Crime Mapping Research Center. See also Keith Harries, *Crime Mapping: Principles and Practice*, NCJ 178919 (Washington, DC: National Institute of Justice, 1999), available at <http://www.ncjrs.org/html/nij/mapping/index.html>, accessed 15 July 2004. However, at present the thrust of GIS implementation relating to law enforcement is toward the local level; an example of this may be found in Monica Alexander and Wei-Ning Xiang, "Crime Pattern Analysis Using GIS," *GIS / LIS* (1994), 1-3, which looks at one such system implemented in Charlotte, North Carolina. The underlying concepts can certainly be expanded to an appropriate degree of refinement, as data becomes more widely available, to encompass the national and international levels of analysis.

¹⁷ Although this observation holds true for any number of available data sets, see John H. Noer, *Chokepoints: Maritime Economic Concerns in Southeast Asia* (Washington, DC: National Defense

Within the field of international relations, the range of potential applications for GIS seems limited only by the imagination, despite the current lack of applicable data. However, the aim here is merely to take a single step forward by laying the groundwork for future work along these lines.¹⁸ With respect to smuggling, the various obstacles pertaining to data availability will persist for the foreseeable future. However, keeping in mind the question of how to most effectively maximize the extant sources of information, the next section examines the concepts of access and risk introduced in Chapter I, with the intent of further conceptualizing the smugglers' landscape at the national level of analysis.

Assessing Access and Risk: The National Level of Analysis

While the generic smuggling model and the constituent decision-making domains with regard to route selection have already been put forth, in general access and risk may be thought of as existing in equilibrium, with connectivity both determining and being determined by their interaction, in a feedback loop of sorts. To begin to assess the reciprocal dynamics of access and risk, which are incidentally relevant not only at the national but also the sub-national level of analysis, it is useful to first revisit the intellectual foundations of the smugglers' landscape in a more holistic way.

University, 1996), 49, where the author emphasizes this point with respect to Southeast Asia. However, a similar characterization can be made for the other regions discussed in the context of the case studies.

¹⁸ For instance, one example of a potentially complementary methodology is the U.S. Customs' Strategic Problem Solving (SPS) process, which is used to address persistent law enforcement problems. Since 1996, more than three hundred projects have been initiated using this methodology, including an effort to reduce heroin smuggling via air passengers at Chicago and West Coast international airports. See William S. Heffelfinger, "A Snapshot of Strategic Problem Solving," *U.S. Customs Today* 36, no. 5 (January 2001), pages not available.

The concept the smugglers' landscape has been used to characterize the types of factors that have a spatially meaningful impact on such actors' respective operational environments. As noted at the outset, these environments tend to be not only highly complex with respect to their causal components, but also quite turbulent in their interdependencies.¹⁹ The resultant analytical template offers the opportunity to rise above traditional approaches by integrating elements from a wide range of disciplines, most saliently physical, economic, political and human geography. As such, these dimensions form the basis of discussion for the analysis of access and risk at the national level, though other perspectives are integrated as they arise in context.

As discussed previously, access encompasses all the potential efforts that a smuggling actor can take to maximize operational efficiency in moving contraband through a logistical network linking points of origin to final destinations, with the underlying motivation of profit serving as the upper bound on such activity. As noted in the previous section, the direct observation of smuggling actors as they carry out their operations can be exceedingly difficult. As such, at the national level of analysis the parameters of access can be delineated by reference to such factors as the existence and

¹⁹ For a theoretical foundation of this concept outside the specific context of smuggling, see Paul Krugman, "Complex Landscapes in Economic Geography," *American Economic Review* 84, no. 2 (May 1994), 412-6. In particular, the author notes the advantages of interdisciplinary analysis in assessing the dynamic forces that shape such landscapes. Other precedents for this type of approach include Noer's work, as well as Marc D. Lax, *Selected Strategic Minerals: The Impending Crisis* (Lanham, MA: University Press of America, 1992). Incidentally, a key characteristic of the latter study is the use of various strategic minerals such as chromium, manganese and titanium as benchmark commodities, much as this analysis relies on heroin. Furthermore, in addition to the physical sources of these minerals, Lax pays particular attention to political factors that could potentially lead to scarcity. While the end of apartheid in South Africa and the passing of the Cold War era have largely superseded the more pressing aspects of the issue, the utility of the approach remains sound. For more background on this topic, with an emphasis on southern Africa, see Michael Shafer, "Mineral Myths," *Foreign Policy* 47 (Summer 1982), 154-71; Jock A. Finlayson and David G. Haglund, "Whatever Happened to the Resource War?" *Survival* XXIX, no. 5 (September / October 1987), 403-15; and Koos Van Wyk and M. Anton Von Bulow, "The Debate on South Africa's Strategic Minerals Revisited," *Comparative Strategy* 7 (1988), 159-82.

condition of physical infrastructure, the distribution of supply and demand for the given commodity, existing and projected legitimate flows of commerce, and various aspects of demography.

By contrast, those factors that serve to impede the efforts of smuggling actors fall under the heading of risk, defined as the probability that a given smuggling route will result in a successful transaction, with the implication that there are forces at work that may either intentionally or unintentionally be working to reduce that probability. As noted elsewhere, most often risk denotes the effectiveness of the nation-state's response to smuggling activity, which tends to be most visible at the national and sub-national levels where the nation-state is most capable of directly exercising its various forms of available leverage.

From the smugglers' perspective, the importance of risk aversion is abundantly clear. More sophisticated TCOs manage risk by employing a wide range of techniques, many of which parallel those found in the realm of legitimate commerce. These would include changing operational methods quickly and often, relying heavily on outsourcing, insisting that contractors provide collateral, paying contractors in kind rather than in cash, compartmentalizing operations, reducing the product's time in transit, and assigning responsibility for losses.²⁰

However, with respect to the illegal trade in drugs, the lucrative profit margins involved, the volume of turnover and the size of the market result in correspondingly higher and discrete levels of risk that may be associated with each transaction. As the one U.N. report notes, "entry into the industry is not cost-free, and one of the most

²⁰ Zabludoff, 30-1.

important costs is risk. The illicit drug industry carries a high penalty for inefficient risk management.”²¹

In terms of risk assessment, it is useful at this juncture to introduce the topic of political risk analysis and its underlying methodologies, some of which are analogous to the approach taken by this study. However, before moving further along there is an important matter of terminology to be resolved, namely regarding the use of the term “risk.” Unless otherwise noted, its usage will remain focused on the smuggler’s perspective as initially introduced. Since the constituent elements of political risk serve to determine the broader aspects of the playing field upon which both the smuggling actor and the nation-state must operate, which is to say both the smugglers’ access and risk, the distinction will be made explicit in the context of the discussion.²²

Generally speaking, political risk analysis refers to a structured approach in predicting how various types of events and policies can affect the business climate for a given country, particularly with respect to the decision-making of investors or other commercial entities. In terms of methodology, as David M. Raddock notes:

Many risk analysts state that they prefer a qualitative rather than a quantitative approach to examining the political risk for foreign businesses in a given country, and they may go even further and suggest that they have no explicit formula for the work they perform. Indeed, every country and political culture is unique, and sometimes these characteristics have a direct bearing on the business environment. Nevertheless, political risk analysis, as an art or technique, does not

²¹ UNDCP, *World Drug Report* (1997), 129-30.

²² While not meaning to further cloud the issue, risk assessment is also an important component of the nation-state’s efforts to thwart smuggling activity, often used as an extension of threat assessment. In simplest terms, while a threat may be thought of as an undesired event or outcome, risk encompasses the additional dimension of consequences. Specifically highlighting this as an accepted customs function internationally, a recent report on best practices among customs services projected that risk assessment as a skill set will account for 15% of the total in demand over the next five years. World Customs Organization (WCO), *Survey of Customs Reform and Modernization Trends and Best Practices* (4 October 2000), Chart 10, available at http://www.wcoomd.org/ie/en/topics_issues/customsmmodernizationintegrity/surve_e.htm, accessed 15 July 2004.

preclude an explicit structure. If it is indeed an art, it is not a free-form art. General descriptions of how to do it and what questions to ask are indeed possible.²³

For the most part, while political risk analyses are used to determine the potential consequences for legitimate businesses operating within specific countries, most are generated on the basis of subjective or historical analysis.

By way of metrics, some common components of political risk include economic expectations versus reality, past economic planning failures, political leadership and party development, quality of bureaucracy, law-and-order tradition, corruption in government, involvement of the military or organized religion in politics, ethnic tensions, terrorism, civil war, and external conflict.²⁴ As such, the determination of levels of political risk may be considered akin to both an art and a science, with its own intricate methodology that ranges well beyond the boundaries of this discussion.

As these measures of political risk were originally formulated with respect to legitimate business operations, their presence or absence and degree of intensity serve to illustrate the potential impact on that type of economic activity. However, as described previously, illicit commercial enterprises incur risks that are not always inversely related to those encountered by their legitimate counterparts. While a subject worthy of more

²³ David M. Raddock, *Assessing Corporate Political Risk* (Totowa, NJ: Rowman & Littlefield, 1986), 4-5.

²⁴ A number of political risk methodologies are outlined in Llewellyn D. Howell, ed., *The Handbook of Country and Political Risk Analysis*, 2nd ed. (Syracuse, NY: The PRS Group, 1998). These variables are specifically set forth in the ICRG Risk Rating System, although elements of the Coplin-O'Leary System are also incorporated. Moreover, according to ICRG risk components are grouped into three major categories, political, financial and economic, which are computed separately and used to develop a composite risk rating. See also Jean-Claude Cosset and Jean Roy, "The Determinants of Country Risk Ratings," *Journal of International Business Studies* 22, no. 1 (Spring 1991), 135-43; and Llewellyn D. Howell and Brad Chaddick, "Models of political risk for foreign investment and trade: an assessment of three approaches," *Columbia Journal of World Business* 29, no. 3 (Fall 1994), 70-91. Incidentally, while the term "country risk" is at times distinguished from political risk, for the purposes of this discussion the two may be considered for the most part to be analogous.

extensive study in its own right, at this juncture it is sufficient to note this distinction with respect to political risk factors and to highlight the most salient such differences.

For instance, where high levels of public sector corruption exist, smuggling may thrive while other business activity is stifled. Conversely, factors that negatively affect the overall level of legitimate trade that in turn serves to camouflage the illicit movement of goods, such as a major war, can also cause segments of the corresponding black market to shrink. While a full examination of this complex interaction falls beyond the bounds of this study, an attempt has been made to discuss such issues in the context of the case studies.²⁵

Although established political risk methodologies are not directly applicable and thus are not strictly adhered to in the course of this analysis, a number of the underlying concepts have been utilized. To begin with, as most available risk ratings and related data sets are geared toward the national level, thus providing a common denominator and point of departure among potential units of analysis. However, reference to other levels of analysis is generated via a range of methodological approaches as seems most appropriate in context.

For instance, as discussed previously, smuggling actors tend to operate on a transnational basis, with organizational ties often arising from ethnic or other analogous affiliations centered on a particular region. However, by virtue of sovereignty, nation-states' actions tend to be relatively unrestrained below the national threshold. Though more rigidly circumscribed with respect to the wider international arena, in certain cases nation-states or supra-national actors are able to impose risk on smuggling actors. As

²⁵ In addition to the various political risk methodologies outlined in Howell, *passim*, see also Raddock, 7-38, focusing on linkages among risk factors.

such, despite a national focus, a full consideration of access and risk must encompass these levels as well.

As such, each case study begins with a consideration of the national level of analysis, with particular reference to the impact of physical, economic, political and human geography on smuggling activity centered on the country in question. This takes the form of a predominantly qualitative and historical analysis, supported by quantitative data, supporting maps and other sources of information where applicable and available.

From there, attention extends progressively outward in a series of concentric rings as the benchmark commodity moves further from its point of origin to its final destination along the path of least resistance. While access and risk shape the smugglers' landscape at the national level at each point along the path of least resistance, the next section examines how to conceptualize, to the greatest extent possible, the dynamic nature of this connectivity at the transnational level of analysis.

Characterizing Connectivity: Transnational Smuggling Vectors

In many respects, the smugglers' landscape and its constituent transactions can be considered analogous to a vast circuit board across which an energy source supplies the current. While the smuggling actor parallels the energy source and the components of the circuit board can be seen as corresponding to the national level of analysis, connectivity at the transnational level is comparable to the current itself. As initially discussed in Chapter I, a primary assumption of this study is that smuggling activity tends to follow the path of least resistance in pursuit of profit. While the previous section centered on the aspect of resistance and how it is overcome, as determined by the interaction between

access and risk, connectivity as a decision-making domain revolves around the route itself and its attractiveness from the smugglers' perspective.

To develop this concept more fully, this section introduces the convention of the smuggling vector to illustrate various aspects of connectivity, particular in the context of trend analysis. By analyzing sets of both observed and expected smuggling vectors, certain patterns emerge whereby the approach outlined in this study may itself be assessed in terms of its capacity to identify the divergences between theory and reality. In turn, these deviations from what may be considered the norm can be used to refine the model and gain deeper insight into the behavior of smuggling actors as they respond to changes in their operational landscape.

Given the difficulties inherent in assessing black market activity, and with an overriding desire to rely on solid empiricism as far as possible, the development of the smuggling vector concept logically enough builds upon prior related efforts. By way of precedent, beyond the specific context of smuggling counterfactual approaches to transportation economics have been employed in the past.²⁶ Similarly, the work of both the Interagency Commission on Crime and Security in U.S. Seaports (ICCSS), focusing on maritime facilities as nodes for a wide range of criminal activity, and the parallel initiative undertaken by the state of Florida in a recent security study of its own seaports have utilized relevant methodologies with respect to threat assessment.²⁷

²⁶ For an application of this concept in dealing with legitimate trade patterns, see Noer, 95-7.

²⁷ In addition to smuggling, the ICCSS report also addresses terrorism, cargo crime and a wide range of other security issues. U.S. ICCSS, *Report* (Fall 2000), 85-7, 92-6, 106. See also Florida, Executive Office of the Governor / Camber Corporation, *Florida Seaport Security Assessment Final Report* (Tallahassee, FL: Florida State University, Office of Special Projects, September 2000), with particular emphasis on the threat assessment section.

In simplest terms, each smuggling vector geographically represents a discrete smuggling transaction. As such, it can be spatially depicted as a single iteration in which an illicit commodity, of a certain type and volume, moves under the guidance of a distributor along a specific route from point of origin to final destination. As noted at the outset of this study, from the smugglers' perspective a given route's attractiveness vis-à-vis alternatives lies in the perception that its use will result in the greatest probability of a successful transaction.

As such, the notional set of all possible transnational smuggling vectors for a given commodity in theory contains every route and method by which that type of contraband can and does move across international borders. Furthermore, in spatial terms the total flow of an illicit commodity for a particular geographic area can be expressed as the sum of all smuggling vectors that cross through that area. In the context of this study, the selection of case studies serves to progressively narrow the set of possible smuggling vectors from one containing all avenues of approach at the national level of analysis down to its constituent expected and observed subsets. Specifically, this is done by tracing such activity outward from the target country through the surrounding region and beyond.

The commodity, the distributor and the path form the three basic smuggling vector components. Of these, the commodity has been standardized via the selection of a benchmark commodity, in this case heroin, to facilitate the analysis. Having set the type of contraband, however, there are also questions relating to the amount of each shipment and total volume of trade. Other important considerations are the percentage of the commodity that is diverted along the way between the contraband source and its final

destination, where along the route the diversion takes place, and for what reason the contraband is diverted, as outlined in the cornstalk diagram in the previous chapter. These issues are addressed in the context of each case study, in as much detail as possible given the relative paucity of data.

Similarly, the distributor in each case is dealt with in much the same way, by direct observation when feasible but otherwise by inference. In the broadest sense as well as in transactional terms, this component relates to the owner or primary controller of the commodity in question. As discussed previously, as a category these smuggling actors encompass a wide range of criminal elements spanning from the highly sophisticated to the relatively limited.

With respect to heroin, given the level of coordination involved and the prominence of high value shipments of contraband, as noted previously in this conceptualization the average distributor will most likely be skewed toward the more organized end of this continuum, primarily TCOs. For instance, the use of such risk-avoidance measures as bribery, corruption and intimidation to facilitate smuggling imply both organized behavior and a relatively higher profile for such activity. However, lower-level functionaries such as mules should not necessarily be considered as part of the distributor component, as relatively little decision-making authority resides there. Often these can be seen in functional terms as mechanisms of transportation or intermodal transition, and as such more properly falls within the realm of the route component.

As the focus of study, however, assessment of the path itself receives the most extensive attention. To begin with, the building blocks of each path are legs and nodes.

In turn, each path can have multiple legs, with each leg in turn having its own associated path segment, mode of transportation and handling method. Nodes form the transitions between each leg, most often where the contraband crosses national borders or otherwise changes jurisdictions, transport systems or custody. Both legs and nodes also have a certain set of individuals involved as well, either directly or indirectly, particularly with respect to the transfer of control and responsibility for the shipment. Paralleling Figure 5 from Chapter II, the diagram below serves to illustrate the basic premise behind the structure of the path component in general terms:

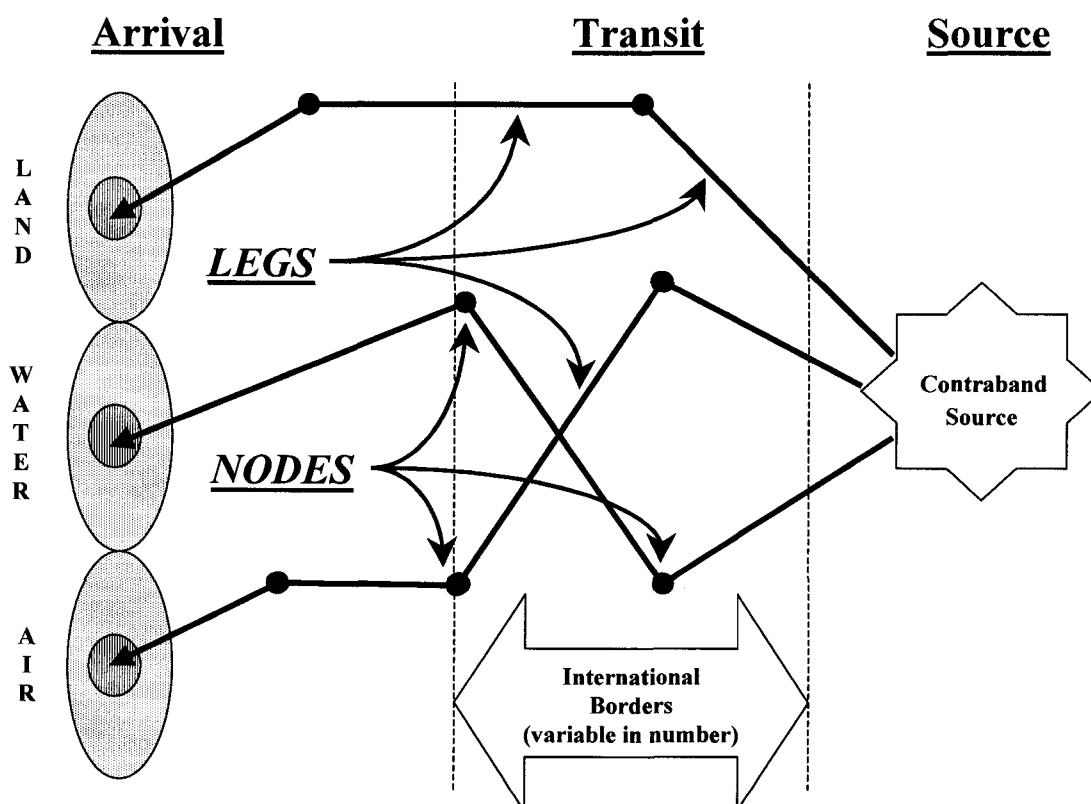


Fig. 13. Path components (legs and nodes) of smuggling vectors

To further expand upon the elements that constitute each leg, it is necessary to define each more concretely. First, the path segment represents the actual geographical

course the commodity takes along the given leg. Second, the mode of transportation means the physical means utilized to move the contraband, to include the associated infrastructure, which in turn is often characterized in terms of a network. Different types of networks include the aforementioned modes of land, water and air, discussed at length in Chapter II. Finally, the handling method involves not only the physical receptacle serving to house the commodity as it moves, but also any personnel involved and the associated measures taken to conceal or otherwise facilitate its transportation.

By contrast, nodes represent the various types of transitions that may be found between adjoining legs. Each may be thought of in both a notional and a concrete geographical sense. In general, these may be broadly categorized as either intramodal, those that link legs sharing the same mode of transportation, or intermodal, where the legs change to a new mode. Along the path of a given smuggling vector, nodes can be found at any number of points. These would include, but not be limited to, where an international border is crossed, an administrative transition such as where a checkpoint search or an official inspection takes place, or under other circumstance where the contraband changes custody or mode of transit.

Very often, nodes are situated at points along the existing physical infrastructure network. As such, facilities such as seaports and airports may be considered as both the terrain and as a functional entity in its own right, with cargo, passengers, vessels and personnel associated with logistical processes constituting the main types of “moving parts” in any given scenario, generically outlined in Chapter II.²⁸ Moreover, variables

²⁸ At a given facility, there are a number of security factors that play a role in determining the smugglers’ risk. In terms of physical security, a fenced perimeter, high mast lighting and the presence of non-intrusive inspection technology serve to raise security posture tremendously. Other procedural deterrents include a

such as topography, intermodal connectivity, public policy and other relevant on-site economic activities may also play definite roles in determining nodal placement and characteristics.

Finally, as noted above, each leg and node has its own associated human element. In most cases, the legs will have some sort of courier exercising authority over the contraband, usually either a crew member or passenger in the commercial context, or an analogous arrangement where a private conveyance is involved. The alternative to such a scenario would be where a totally unwitting courier is utilized. There may also be some sort of facilitator at each stage as well, such as a corrupt official or a member of an internal conspiracy that can bring any combination of access, authority and specialized knowledge to bear. Moreover, the role of the facilitator becomes more crucial in the nodes than the legs, which generally represent goods in transit. At any node, the courier may either change or remain constant.

One additional benefit of constructing a smuggling vector in this manner is that it allows for the examination of the various efforts a nation-state can undertake to deter, deny, disrupt, delay, detect, or interdict contraband along each leg and at each node, functionally increase resistance along a given path from the smugglers' perspective. For the nation-state, in theory this approach can also provide a systematic framework for evaluating the consequences of and relative effectiveness among different procedural and

visible law enforcement presence, coordinated interagency security efforts, effective cargo tracking capabilities and criminal background checks. However, smugglers may circumvent all of these factors if operational guidelines are only established in theory but not in practice. In turn, a number of factors that facilitate smuggling activity can be found where these deterrents are lacking. These include easy access to manifest data or related information, ineffective or non-existent physical access controls, a high cargo volume that overwhelms monitoring capabilities, and extended idle periods for vehicles, vessels and aircraft. While a number of transportation industry standards exist, one of the most comprehensive available publicly can be found in U.S. DOT, National Science and Technology Council, Office of Science and Technology Policy, *Intermodal Cargo Transportation*.

physical countermeasures. Furthermore, as an analytical tool in the hands of law enforcement entities, looking at the issue from the smugglers' perspective can help to more astutely assess the ramifications of observed smuggling vectors activity and anticipate potential smuggling vectors, and then strategize accordingly.

As outlined in the previous section, determining connectivity with respect to a given country is predicated upon an understanding of specific conditions pertaining to the national level of analysis. By delineating the relevant sets of smuggling vectors, from the smugglers' perspective the paths of least resistance can be rendered with respect to the relative attractiveness of different routes via a notional cost-benefit analysis. In practice, this takes the form of trend analysis, comparing the set of potential smuggling vectors that may exist within a given area with the set that can be observed or is otherwise known to exist. However, in generating the potential set of smuggling vectors the key lies in assessing the plausibility of each option in terms of access and risk.

For instance, while the space-based movement of contraband is currently unavailable to smuggling actors as a mode of transit, this implausibility may be linked directly to the generic smuggling mode in that the access does not exist under present conditions and thus the option may not be seen as viable. However, it should be noted that until recently the use of drug smuggling submarines, as noted in Chapter III, was hardly considered feasible by most observers until reports to the contrary indicated that the method was being actively pursued and had in fact neared fruition.

As smuggling vectors dart across the complex landscape of access and risk, there will only be a relatively small number that are observed, while the remainder can only be guessed at with varying degrees of accuracy. Some, the most successful from the

smugglers' point of view, will not be detected at all. A "typical" smuggling vector thus constitutes only the nominal point of departure and perhaps the final destination.

However, in truth it must be acknowledged that there is no such thing; each has its own set of individual characteristics in terms of space, time and method. While all smuggling vectors are in fact unique, and should be treated as such, the aim of each case study is to establish commonalities among them, specifically with respect to the benchmark commodity within the area in question.

It should be kept in mind at all times that in terms of the spatial dynamics involved, profit serves as the primary motivation within the context of this conceptualization, as it is a fact that value is a function of both space and time. The following three case studies, focusing on manifestations of the global heroin trade in Afghanistan, Colombia and Nigeria, respectively, serve to illustrate many of the more prominent aspects of smuggling discussed thus far.

In addition to being one of the two primary sources of opium Afghanistan also presents a range of features that appear to facilitate smuggling, such as porous borders, relatively remote terrain, endemic civil war and a high degree of ethnic diversity. Although many of these characteristics can also be found in Burma, these themes are much more pronounced in the case of Afghanistan. Furthermore, recent events have led to an immense transition that is sure to have a most salient impact on the smuggling landscape throughout the Golden Crescent and beyond.

For its part, Colombia has seen a recent trend toward the growth of domestic poppy cultivation, largely in an attempt on the part of TCOs at product diversification vis-à-vis their more longstanding market dominance in cocaine. As noted above, an

endemic civil war and relatively remote terrain are also extant factors. However, in contrast to Afghanistan, Colombian drug traffickers exhibit not only a much higher degree of both horizontal and vertical integration, but also cater primarily to a single major market, namely North America. As such, the utility of Colombia as a case study lies not only in the similarities to Afghanistan but also in its differences.

Finally, Nigeria in some respects represents a departure from both of the aforementioned cases, in that heroin smuggling patterns do not appear to be determined by geographic location, but almost in spite of it. While not itself an opium producer of note, Nigeria nonetheless has emerged as a major transshipment hub for heroin. Moreover, the roles of endemic corruption, immigration and ethno-linguistic ties in facilitating transnational trafficking activity are also very pronounced in this context. In particular, the spatial dispersion of Nigerian TCOs, often ranging far beyond Nigeria's borders, and the application of strategies that serve to undercut competition, such as the use of relatively expendable couriers, is also addressed.

In terms of format, each case study begins with an assessment of the smugglers' landscape at the national level of analysis. In particular, attention is paid to conditions of terrain, tradition and domestic turmoil, as well as the historic role of the heroin trade and related criminal activity within the country. This also includes the various modes and methods by which heroin can theoretically cross the target country's borders, in an attempt to measure their relative porosity.

The analysis then moves on to examine the set of observed and potential smuggling vectors that move through the target country into adjacent regions. Subsequent linkages to primary markets are also discussed in terms of the integration

between selected countries and regions into the global heroin trade to form a seamless whole. At each stage, the roles of access and risk, as well as the resultant connectivity, form the primary analytical structure in terms of the relevant physical, economic, political and human geography. A summary assessment of these various factors in the context of the underlying geographic smuggling framework concludes each case study.

CHAPTER V
OF TURMOIL AND THE TALIBAN:
AFGHANISTAN AND ITS TRANSNATIONAL HEROIN SMUGGLING VECTORS

This chapter examines the smugglers' landscape of the Golden Crescent drug nexus region, centering on Afghanistan, with respect to the geographic analytical framework introduced at the outset of this study. As the pivotal nation-state in the regional context of heroin production, Afghanistan's role is crucial. Along with Burma, as mentioned previously the country remains one of the two largest world producers of opium, with that commodity constituting its single largest source of national income. Its porous and mountainous borders with Iran, Pakistan and Central Asia are particularly conducive to smuggling, especially on a small-scale basis that is difficult to prevent even under optimal conditions. Moreover, a paucity of viable economic alternatives, decades of political unrest, and a tradition of transnational smuggling activity have all served to bolster this phenomenon.

Moving outward, heroin smuggling activity originating in Afghanistan must then cross international borders into the surrounding region, particularly Pakistan, Iran and the former Soviet Central Asian states, before moving onward to their final destinations. The sets of observed and expected smuggling vectors through these concentric rings of neighboring countries and those further out, with subsequent linkages to other regions and markets, are assessed in terms of their relative attractiveness. As noted previously, the paths of least resistance among available routes are predicated upon their physical, economic, political and human geographical dimensions, with their relevant spatial

attributes sorted in terms of access, risk and connectivity from the smugglers' perspective.



Fig. 14. Afghanistan and the surrounding region¹

Heroin in Afghanistan: A Dearth of Options

Recent events have brought Afghanistan to the forefront of world affairs in the context of terrorism. However, even before 9/11, within the international system the country was already of great importance in both symbolic and concrete terms. For

¹ Map source: U.S. CIA, *CIA World Factbook* (Washington, DC: CIA, 2002), available at <http://cia.gov/cia/publications/factbook>, accessed 15 July 2004.

instance, under a Huntingtonian conceptualization of clashing civilizations, Afghanistan lies at the fault line of three civilizations, the Islamic, Russian Orthodox and Chinese, and near a fourth, the Hindu, making it a natural pivot point for systemic stability or chaos.² Incidentally, the idea that the country's position, squarely in the Central or Inner Asian region, makes it a vital center of strategic gravity for the entire Eurasian landmass is not new, dating back at least to the writings of Halford J. Mackinder, Nicholas J. Spykman, and, more recently, Ray S. Cline.³

Following its role as a catalyst in the end of the Cold War, with the rise of the Taliban government Afghanistan also served for a time as a bell-weather of Islamic fundamentalism. Furthermore, a number of the same factors that provided a safe haven for al-Qae'da activity and related phenomena within Afghan borders also served to facilitate the production of opium and the subsequent smuggling of heroin. While not the only means of funding available, the enhanced liquidity provided by the drug trade meant that Islamic fighters could be more autonomous from local society, which in turn helped pave the way for imported fundamentalist tenets and facilitate the entry of foreign, mostly Arab, combatants.⁴

As such, the widening operational scope of non-state actors, often in conjunction with at least certain elements of national governments, is hardly surprising where the

² This analytical framework can be found in Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996), passim.

³ Specifically, see Halford J. Mackinder, *Democratic Ideals and Reality* (London: Constable Publishers, 1942; reprint, Washington, DC: NDU Press, 1996); Nicholas J. Spykman, *The Geography of Peace* (New York, Harcourt Brace, 1944); and Ray S. Cline, *World Power Assessment: A Calculus of Strategic Drift* (Boulder, CO: Westview Press, 1975).

⁴ See Michael Griffin, *Reaping the Whirlwind: The Taliban Movement in Afghanistan* (London, UK: Pluto Press, 2001), 131-3, which notes the influx of volunteers from across the Islamic regions of the world, and in particular the impact of the Saudi contingent, which included Usama bin Laden. See also Ahmed Rashid, *Taliban: Islam, Oil and the New Great Game in Central Asia* (New York: I. B. Tauris, 2000), 128-40. As will be discussed at greater length below, many of the governments of the former Soviet Union (FSU) are particularly concerned with the spread of this phenomenon into their territory. For a concise overview of this issue, see "The crusade against the Wahhabis," *The Economist*, 4 July 1998, 36-7.

economic rewards are so great and political power is so diffused. As discussed in Chapter II, the literature on failed states is thus particularly relevant in this context. For instance, Goodsen calls Afghanistan “the archetype of the failed state and a perfect example of how non-state actors move into the vacuum created when a state fails.”⁵

Moreover, the author continues by noting a number of factors extant within Afghanistan that exemplify this phenomenon, several of which have a definite, if not explicit, spatial component:

Weak states have distinctive political, social, economic, demographic and even geographic characteristics. Among these characteristics are limited political institutionalization and penetration in society, strong ethnic, linguistic, and/or religious divisions, and slow economic and social development. Some other characteristics may also be present, such as rapid population growth and/or resource problems, the interference of neighboring countries and/or big powers, and even geostrategic location.⁶

However, to more fully understand the roots of this failure, as well as to establish the necessary context for later discussion, a brief overview of Afghanistan’s recent history is in order.

Afghanistan as a modern nation-state dates only back to 1919, when the end of the Third Afghan War led to a cessation of previous British influence. This prior state of affairs was in turn part of the wider geopolitical struggle between Czarist Russia and the British Empire known as the “Great Game” that encompassed much of Central Asia

⁵ Goodsen, x. As an archetype of the “weak state syndrome,” themes within the literature on Afghanistan include its traditionally inefficient and ideologically bankrupt central government unable to adequately distribute resources, common borders with several regional powers, a history of superpower involvement and international manipulation, and the resurgence of ethnic conflict. For an earlier perspective on this phenomenon, see also Olivier Roy, *Afghanistan: From Holy War to Civil War* (New York: Darwin Press, 1995). Another very interesting analysis of non-state actors with a state-like coercive capacity in the context of civil war, using Afghanistan’s ethnically-based militias as a case study, can be found in Kristian Berg Harpviken, “Transcending traditionalism: the emergence of non-state military formations in Afghanistan,” *Journal of Peace Research* 34, no. 3 (August 1997), 271-88.

⁶ Goodsen, 11-2. An solid survey of Afghanistan’s traditional yet enduring geopolitical significance can also be found in Ralph Magnus and Eden Naby, *Afghanistan: Mullah, Marx and Mujahid* (New Delhi: HarperCollins India, 1998), 54-69.

during the late 19th and early 20th centuries.⁷ Thus, upon independence the reign of Amanullah Khan from 1919 to 1929 was marked by attempts to modernize the country.

The subsequent reigns of Nadir Shah, from 1929 until his assassination in 1933, and his son Zahir Shah, culminated in Afghanistan's first constitution and consultative assembly. However, a coup staged by Daud Khan, a former prime minister and first cousin of Zahir Shah, abolished the ruling Durrani dynasty and established the Republic of Afghanistan in 1973. In turn, Daud was himself overthrown and executed in April 1978 by many of the same Marxist military officers that assisted him in his earlier bid for power.⁸

As the Marxists in turn split into factions and internal resistance to their rule began to mount, the Soviet Union felt the need to come to the aid of its "progressive" neighbor and thus sent troops into Afghanistan in September 1979. It was the advent of the Soviet invasion that formed the turning point in recent Afghan affairs by galvanizing resistance along a wide political and ethnic spectrum.⁹ A puppet regime was installed, led initially by Babarak Karmal until he was deposed by the Soviets in favor of the head of the secret police, Mohammed Najibullah. Though the Soviet withdrawal following a series of international agreements in April 1988 weakened Najibullah's position

⁷ Two excellent overviews of the region during this period, focusing on the various Great Power machinations, can be found in Peter Hopkirk, *The Great Game: The Struggle for Empire in Central Asia* (New York: Kodansha International, 1992); and Karl E. Meyer and Shareen Blair Brysac, *Tournament of Shadows: The Great Game and the Race for Empire in Central Asia* (Washington, DC: Counterpoint, 1999). For a synopsis of Afghan history up to 1919, see Martin Ewans, *Afghanistan: A New History* (Surrey, UK: Curzon Press, 2001), 1-85; Asta Olesen, *Islam and Politics in Afghanistan* (Surrey, UK: Curzon Press, 1995), 20-110; and Stephen Tanner, *Afghanistan: A Military History from Alexander the Great to the Fall of the Taliban* (New York: Da Capo Press, 2002), 1-219.

⁸ For a concise analysis of this train of events, see Victor G. Korgun, "The Afghan Revolution: A Failed Experiment," in *Russia's Muslim Frontiers: New Directions in Cross-Cultural Analysis*, ed. Dale F. Eichelman (Bloomington: Indiana University Press, 1993), 101-13.

⁹ For an analysis of the mujahidin opposition in military terms, see Tanner, 243-70.

considerably, continued material support and the failure of the various mujahidin factions to unite sustained his government until its final collapse in May 1992.

The ensuing series of coalition governments was marked by ongoing civil war among the former mujahidin leadership, notably Ahmed Shah Massoud and Burhanuddin Rabbani representing the Tajiks, Rashid Dostum representing the Uzbeks, Gulbuddin Hekmatyar and the *Hizb-i-Islami* party representing the Pashtuns, and the *Hizb-i-Wahat* party representing the Hazaras.¹⁰ This state of affairs, involving unstable ruling coalitions and attacks centering on the capital of Kabul by those not in power, lasted until the rise of the Taliban movement in 1996 with the rise of the Taliban movement.¹¹ While Afghanistan's ethnic dynamics with respect to the issue of smuggling is examined at greater length below

Largely Pashtun in character, the Taliban's emphasis on piety capitalized on Afghan war-weariness, which encouraged the movement's spread, while external and illicit funding, largely from Pakistan, helped to solidify support which culminated in the capture of Kabul in September 1996.¹² In response, many Tajik and Uzbek mujahidin

¹⁰ The dynamics of the various mujahidin factions during the struggle against the Soviet occupation are examined at greater length in Shah M. Tarzi, "Politics of the Afghan resistance movement: cleavages, disunity and fragmentation," *Asian Survey* 31, no. 6 (June 1991), 479-95. Subsequent internal dissention is also discussed in Amin Saikal, "Afghanistan's ethnic conflict," *Survival* 40, no. 2 (Summer 1998), 114-26.

¹¹ For more on the genesis and early successes of the Taliban movement, see Ewans, 179-90; Griffin, 33-68; Rashid, *Taliban*, 17-54; and Tanner, 271-87. In particular, the Taliban's ability to develop support in Pashtun-majority areas was crucial. As Rashid notes, "The Taliban had won over the unruly Pashtun south because the exhausted, war-weary population saw them as saviours and peacemakers, if not as a potential force to revive Pashtun power which had been humiliated by the Tajiks and Uzbeks. Many surrenders had been facilitated by pure cash, bribing commanders to switch sides – a tactic that the Taliban were to turn into a fine art form in later years and which was sustained by the growth of their income from the drugs trade, the transport business and external aid from Pakistan and Saudi Arabia." Rashid, *Taliban*, 35.

¹² Goodsen, 109-10. Upon taking Kabul, one of the first acts of the Taliban was to forcibly extract Najibullah from a UN compound, where he had taken sanctuary since the fall of his government in 1992, and publicly execute him. Interestingly, one of his last interviews was remarkably prescient in foretelling the near future of his country: "We have a common task – Afghanistan, the USA and the civilized world – to launch a joint struggle against fundamentalism. If fundamentalism comes to Afghanistan, war will continue for many years. Afghanistan will turn into a centre of world smuggling for narcotic drugs. Afghanistan will be turned into a centre for terrorism." Quoted in, Griffin, 5.

factions reconstituted into the opposition Northern Alliance, with Massoud as their most prominent leader, a state of affairs that lasted up until his assassination heralding the events of 9/11. As of this writing, the outcome of the resultant U.S.-led regime change in the country and the subsequent establishment of the provisional government led by Hamid Karzai, remains to be seen.¹³

It is difficult to assess the damage done to the Afghan socio-political structure due to its recent hardships. Decades of continuous warfare led not only to the destruction and incomplete replacement of prewar elites, but also to an increased role of violence in society that Goodsen refers to as “Kalashnikovisation.” The underlying statistics starkly illustrate the level of anarchy involved as the result of decades of endemic conflict. Nearly 2 million Afghans have been killed, in addition to at least 150,000 Soviet soldiers, as well as between 600,000 and 2 million wounded. Furthermore, over 6 million Afghans have been displaced across international borders into both Iran and Pakistan, and another 2 million internally displaced. In other words, over 50% of the Afghan population has been killed, wounded or made homeless.¹⁴

Sheer human suffering aside, in the context of this discussion the most salient effect of this extended period of turmoil has been the rise and entrenchment of the transnational heroin trade. While the attempt here is to sort among the effects of the relevant physical, economic, political and human geography, it should be kept in mind at all times that none of these factors exist in a vacuum. Wherever possible these

¹³ As Magnus and Naby point out, however, the challenge to successive Afghan governments has been to develop and maintain both internal and external legitimacy. In some respects, these may often be found in inverse proportion, if at all. Magnus and Naby, 161-71.

¹⁴ Goodsen, 5.

interactions are addressed as they arise, though at times themes may be introduced in one context only to be developed more fully in another.

However, to set the context of the smugglers' landscape in Afghanistan, an understanding of the target commodity's spatial disposition is in order. While the cultivation of poppies and the subsequent processing of the raw product into heroin are not the focus of this study, in the case of Afghanistan it is difficult to separate these phenomena, and particularly their spatial aspects, from the logistics involved in moving the product to market.¹⁵ As such, these issues must be addressed in order to provide a background for subsequent analysis, especially with respect to the impact of vastly expanded opium production over the past three decades.

Writing from the vantage point of the mid-1970s, Lamour and Lamberti note that, "Afghanistan and northern Pakistan represent a source of opium as yet virtually untapped by European traffickers whose supplies came from Turkey until poppy cultivation was banned there in 1972."¹⁶ This productive potential was soon to escalate sharply into a reality between 1970 and 1982, as Afghan heroin production tripled, from 100 tons to 300 tons.¹⁷ The catalyst for this massive expansion was the Soviet invasion of Afghanistan in 1979, which set the stage for a number of events that accelerated this trend.

¹⁵ It should also be noted that Afghanistan, along with Pakistan, also cultivates appreciable amounts of cannabis. As Interpol noted in 1998, while Afghan production is greater than its Pakistani counterpart, Afghanistan's lack of a coastline means that its cannabis "is exported mainly via Pakistan, although some passes through Iran, Turkmenistan and Uzbekistan." This routing is significant due to the parallels with the opium trade, as will be discussed in the next section. Interpol, "International Drug Trafficking," 2.

¹⁶ Lamour and Lamberti, 177.

¹⁷ Chepesiuk, 28. Incidentally, the U.S. heroin addict population also rose by 25%, to 450,000 users, between 1971 and 1982. While it is difficult to actually prove a correlation, the timing of an explosive rise in both supply and demand is suggestive nonetheless.

In response to this final major maneuver of the Cold War, the Carter administration started shipping arms to the mujahidin resistance, a policy that gained momentum under the Reagan administration. However, even at the time, some administration officials expressed a reluctance to support an insurgency in the midst of a major opium cultivation area, drawing parallels with similar previous involvement in Vietnam.¹⁸ In retrospective support of this view, Alfred W. McCoy notes the evidence showing Afghan heroin flooding the world market from 1979, much as U.S. support for Chinese nationalist forces in Southeast Asia helped to bolster the Burmese opium crop yields from the 1950s.¹⁹

However, rather than a direct involvement in the heroin trade by the U.S. government, a more apt characterization is that there were extensive sins of omission. As Booth observes, "It has been said that the CIA were not as instrumental or as actively involved in the Golden Crescent as they had been in the Golden Triangle, but their intervention certainly encouraged a considerable increase in opium production. Even when it was known the rebels were dealing in drugs, the CIA would not withdraw support

¹⁸ Specifically, David Musto and Joyce Lowinson, members of President Carter's White House Strategy Council on Drug Abuse, wrote an op-ed piece for the *New York Times* outlining their concerns in this respect. Cited in Chepesiuk, 64. This trend was accelerated by the Reagan administration, as noted in Bob Woodward, *Veil: The Secret Wars of the CIA, 1981-1987* (New York: Pocket Books, 1987), 357-9, 425.

¹⁹ See Alfred W. McCoy, "What War on Drugs? The CIA Connection," *The Progressive* (July 1991), 21-6. Proven instances of officially sanctioned involvement in the international drug trade under the auspices of nation-states are relatively rare. Much more common is either direct but unauthorized involvement, or a more indirect complicity that serves to enable drug trafficking without first-hand transactional participation. However, allegations of the former phenomenon certainly do exist. Examples of this type of scholarship, often with more or less obvious ideological undercurrents, include Alfred W. McCoy, *The Politics of Heroin in Southeast Asia* (New York: Harper & Row, 1972); and Peter Dale Scott and Jonathan Marshall, *Cocaine Politics: Drugs, Armies and the CIA in Central America* (Berkeley: University of California Press, 1991). However, with respect to the Cold War era, it would be remiss not to mention the other side's policies within this arena. For instance, Jordan traces strategic involvement in the global drug trade on the part of the People's Republic of China, as well as both the Soviet Union and Cuba, to the understanding that support for such activity could serve to weaken its enemies from within. In the case of China, both the U.S. domestic market and military personnel stationed in the Far East appear to have been targeted, beginning during the rule of Mao Tse-tung. Jordan, 62-5. See also Joseph D. Douglass, Jr., *Red Cocaine: The Drugging of America* (Atlanta: Clarion House, 1990).

for fear of jeopardizing their political stand.”²⁰ As in other instances, drugs were considered the lesser evil as other considerations took precedence. However, in functional terms it can be scarcely denied that, as Ikramul Haaq notes, “CIA intervention provided the political protection and logistical linkage that joined Afghanistan’s poppy fields, through Pakistan’s land mass, to heroin markets in Europe and America.”²¹

For the most part, the spatial distribution of opium cultivation in Afghanistan is centered in the southwest, in Helmand and Kandahar provinces; the east, in Nangahar province; and the northeast, in certain parts of Badakshan province. However, there has been a dramatic spread of such production over the last twenty years. By 1999, 104 districts in 18 out of 34 provinces reported significant poppy growing areas, while that number rose to 123 districts by 2000.²²

The reasons for this trend include the virtual destruction of legitimate agricultural infrastructure such as irrigation networks, roads and factories, and the mining of cultivable land. As a result, subsistence farmers could neither grow enough food for their families, nor afford the delays involved in legitimate and relatively higher-return crops

²⁰ Booth, 289. Jordan, 65-8, also discusses the involvement of the U.S. government in the drug trade, specifically relating to Vietnam, Afghanistan and Central America, which he sees as indirect complicity more than direct culpability.

²¹ Ikramul Haaq, “The Pak-Afghan drug trade in historical perspective,” *Asian Survey* 36, no. 10 (October 1996), 946. Like McCoy, the author also notes the parallels between CIA involvement in Southeast Asia, and the drug trafficking activity that outlasted the relevant covert operations in both instances. Going even further in an attempt to establish causality, John K. Cooley, *Unholy Wars: Afghanistan, America and International Terrorism*, 2nd ed. (Sterling, VA: Pluto Press, 2000), 5, notes that, “Never has so much South Asian marijuana, opium and semi-processed opium products and heroin, reached the drug pushers, the adult addicts, the children and the general population of the West, as in the late 1990s. Much of this was another direct consequence of the CIA’s holy war of 1979-89.”

²² “Afghans lead world in opium growing, UN drug chief reports,” *CNN.com*, 14 September 2000, 1-3; Christopher S. Wren, “U.N. Forsakes Effort to Curb Poppy Growth By Afghans,” *New York Times* (web edition), 17 September 2000, 2; and Haaq, 951-2. For more on the challenges of estimating Afghanistan’s opium production, see also OGD, *World Geopolitics of Drugs* (2000), 44-5.

such as fruit.²³ The impact of other cultivation trends under the Taliban regime is discussed at greater length below.²⁴

In its impact, however, this de facto opium monoculture also parallels that of cotton imposed by the Soviet regime throughout its Central Asian territories. The difference lies in the fact that in the latter case the system was implemented from above via a highly centralized decision-making apparatus, while in the former the imperatives of decentralized anarchy and limited economic alternatives were the primary stimuli.²⁵ In both cases, however, the effect has been to move farmers away from traditional staple crops, such as wheat, as well as to stifle the emergence of greater agricultural diversity, and hence more economic stability. As a result, the dearth of other options leaves large numbers of Afghan farmers with no other alternative to opium cultivation.²⁶

²³ Goodsen, 102. Furthermore, as noted in "The gardens of Eden," *The Economist*, 21 September 2002, 42, in the 1970s the export of fruits and nuts provided 40% of the country's foreign exchange, while roughly 60% of the world's dried fruit came from Afghanistan. However, in addition to war-related damage to agriculture, the extensive orchards, vineyards and other crops were also severely impaired by the ongoing drought.

²⁴ However, the scope of Afghanistan's drug production near the end of the Taliban regime is discussed in U.S. DOJ, DEA, Intelligence Division, Europe/Asia/Africa Strategic Unit, "Afghanistan Country Brief: Drug Situation Report," (Washington, DC: DEA, March 2001), available at <http://www.usdoj.gov/dea/pubs/intel/intel0901.html>, accessed 15 July 2004. See also U.S. ONDCP, "Drug Policy Perspectives," 3, which links the cultivation boom dating from 1995 to a strain of "super-poppy," having both a higher potency and a greater rate of proliferation. Interestingly, this document also estimates that, while Afghan opium production tripled between 1990 and 1995, from 450 MT to 1,250 MT, it dropped slightly in 1996 to 1,230 MT. However, there is a notation that their 1996 figure does not correspond with the UNDCP's of 2,300 MT. The stated explanation for this discrepancy is that, unlike the U.S. government, the UNDCP has been able to conduct actual field survey in recent years. This point would tend to give the U.N.'s statistics a greater credibility.

²⁵ As such, the impact of supply and demand on price is readily discernible. For instance, as noted in "Afghanistan's poppy politics," *The Economist*, 18 September 1999, 46, the higher price of opium in 1998, \$60 a kilo, encouraged Afghan farmers to grow more in 1999, as reflected in a lower price, about \$37 a kilo.

²⁶ For instance, note the following: "Traders offer growers advances to finance inputs, and tide growers over while the crop is in the ground. They visit households to buy opium. This credit, or advance payment on future opium production is an integral part of livelihood strategies in poppy producing areas of Afghanistan. The relatively stable value of opium and its nonperishability mean that it also serves as an important source of savings and investment among traders and cultivators." U.S. Department of State, INL, *INCSR 2001*, "Southwest Asia – Afghanistan."

Moreover, despite a long history of opium cultivation in Afghanistan, “local processing of heroin is entirely a post-1980 phenomenon.” Up to that point, the bulk of this activity had taken place further downstream, primarily across the border in Pakistan. A number of factors precipitated this development. However, perhaps the most salient was the Pakistani response to dramatically increased level of domestic drug abuse and external pressure from organizations such as the UNDCP and the DEA in the early 1990s, which served to push heroin labs back across the border into Afghanistan.²⁷

To support this geographic shift, and as Afghan opium production expanded in absolute terms, another consequence has been a corresponding rise in local demand for the necessary precursor chemicals, especially acetic anhydride. For instance, several seizures of German and Chinese shipments moving through United Arab Emirates have been made in recent years, while Kazakhstan has become a major source of supply as well.²⁸ Moreover, the large quantities of acetic anhydride destined for Afghanistan seized in Uzbekistan during 1999 “underscore that the regional drug infrastructure operated in both directions.”²⁹

As for the smugglers’ landscape itself, predicated upon an examination of its spatial attributes, this analysis begins with a consideration of physical geography. A combination of rugged topographical features, high altitudes and harsh climate, along with a general lack of economic development, has served not only to isolate Afghanistan internationally, but also to insulate its people from any efforts at centralized

²⁷ Goodsen, 102.

²⁸ Thomas Land, “Middle East drug traffic set to rise,” *The Middle East*, no. 258 (July-August 1996), 20-2.

²⁹ U.S. ONDCP, “Drug Policy Perspectives,” 6.

government.³⁰ As put forth by Ralph Magnus and Eden Naby, the country can be divided into eight distinctive geographic zones, ranging from mountain to desert to semi-tropical, further underling not only the diversity of climates but also of the peoples living in these areas.³¹

Moreover, among the three primary modes of transportation discussed in Chapter II, namely those of land, water and air, options for smuggling routes are for the most part limited to the first. As a landlocked nation, waterborne methods are very limited, except for a few riverine systems.³² Similarly, air transportation is highly circumscribed by virtue of the country's very few venues for civil aviation, though such facilities may become more common with the ouster of the Taliban regime.³³

As such, land routes for smuggling heroin out of Afghanistan understandably predominate. However, there is an important distinction to be made between those land-based modes supported by a physical infrastructure, such as road and rail networks, and

³⁰ See Goodsen, 13; and Haq, 946. Moreover, as Rashid observes, "For few countries in the world is it more true that geography determines history, politics and the nature of a people." Rashid, *Taliban*, 7. Magnus and Naby, 1-2, also note the country's topography has also provided ample opportunities for individuals and groups to remain isolated for a range of reasons, such as avoiding religious persecution or carrying out guerrilla activity.

³¹ See Magnus and Naby, 5-7. Specifically, these eight zones include the high-altitude Wakhan corridor in the northeast, extending toward China; the southern mountain valleys of Badakhshan, Panjshir and Nuristan; the semitropical lowlands of Kunar, Logar, Jalalabad and Laghman; the southeastern mountains of greater Paktia; the plains and foothills of the Kandahar region; the central mountains of Hazarajat; the northern plains known as Afghan Turkestan; and the western region along the Iranian border, centered on Herat.

³² For instance, the Amu Darya, forming part of the Afghan boundary with both Uzbekistan and Tajikistan, is "a sluggish river, more suited to black market smuggling" than other commercial or cross-cultural activity. As such, it does not constitute a major trade artery linking any primary production centers to markets. See Griffin, 101. For more on the country's various lake and river systems, generally utilized more for irrigation than transportation, see also Magnus and Naby, 2-4, 7-9.

³³ Interestingly, several Afghan warlords contesting power with the Taliban began their own airlines in early 1996. Though quite limited in scope, these were useful in not only bringing in arms, but also in smuggling out both drugs and gems. However, the obstacles involved included the uncertain state of both the planes and the pilots, a lack of control towers, and bomb-damaged runways. See Ahmed Rashid, "Fear of flying," *Far Eastern Economic Review*, 25 July 1996, 86. In particular, Dostum's Uzbek militia was able to operate its own "Balkh Airlines" to move smuggled goods from Dubai into northern Afghanistan. Rashid, *Taliban*, 57.

more informal border crossing such as those utilized by the various transnational and often nomadic groups in Afghanistan. Thus, understandably enough, political control of various sections of the international border can carry lucrative economic rewards. This latter set of smuggling vectors is discussed at further length below, under the headings of both political and human geography.

In general, the overall state of Afghanistan's physical infrastructure may be considered as rudimentary at best, even before the recent decades of conflict. The primary national thoroughfare on the ground is the "Ring Road," running from Torghundi in the northwest, south to Herat, southeast to Kandahar and north to Kabul and Mazar-i-Sharif, before returning to Torghundi. Major spurs extend from the main circle out from Mazar-i-Sharif north to Termez on the Uzbek border, and from Kabul east to Jalabad, continuing on to the Pakistani border via the Khyber Pass.

Moreover, few sections of this road are maintained beyond the bare minimum of upkeep. Highlighting the difficulty of even of intra-national travel, it was only upon completion of the Salang tunnel in 1964 that overland travel between Kabul and the north became possible during the winter season. Furthermore, except for a few miles of Soviet-built track to move natural gas from the Shibarghan field to the Uzbek border, there are no extant rail lines in the country.³⁴ Therefore, to effectively move contraband, there is also a reliance on informal routes, particularly those used by the nomadic groups known collectively as *kuchis*.³⁵

³⁴ Goodsen, 19-20. For more on the initial development and subsequent decline of Afghanistan's road and rail infrastructure, see also Magnus and Naby, 64-6.

³⁵ Incidentally, the term "kuchi" appears to be a generic term for nomad, rather than a reference to a member of any particular ethnic or tribal group. However, in practice its usage can be more specific in its denotation.

In terms of access, the physical geography of Afghanistan seems at first glance to be not particularly conducive to smuggling, or even to efficient legitimate commercial activity, without a massive investment in upgraded infrastructure. However, the ready availability of large amounts of a highly lucrative and internationally traded commodity serves as an important economic incentive to find imaginative ways to maximize access and mitigate risk, thus optimizing connectivity. The manifestation of this may be found all along Afghanistan's porous borders, with countless numbers of illicit transactions involving various commodities facilitated in large part by the various groups controlling the adjacent areas.

This may be seen in some ways as overcoming the concept of friction of distance, whereby factors beyond mere proximity serve to deter trade, as noted previously. In particular, the application of both political leverage and human networks serve to offset risk, as discussed at greater length below. However, at an even more basic level, this trend is even further stimulated by a lack of viable economic alternatives. Furthermore, many of these patterns are inextricably linked to the country's political geography, predicated largely on the decentralization of power to local warlords.

Once again, the Soviet invasion of 1979 serves as a line of departure for subsequent developments by establishing certain precedents and entrenching other preexisting features of Afghanistan's economic geography. To return once more to Goodsen, "The war so shattered the traditional Afghan economy that an opium-heroin economic sector based on drug trafficking emerged to replace it."³⁶ During the protracted conflict, the two primary funding options available were external and internal, neither of which was particularly beneficial to Afghan society as a whole.

³⁶ Goodsen, 97.

To begin with the external, Afghanistan has long been accustomed to a heavy reliance on outside sources of income, generally distributed with an eye more toward private gain than social betterment by the relevant political actors at both the national and local levels. During the era of Soviet control there was a drastically increased dependency on aid and external loans, often in return for below-market sales of natural gas to the U.S.S.R. Since the fall of the Najibullah government in 1992, the U.N. and nongovernmental organizations (NGOs) provided for most relief and reconstruction efforts, as both the mujahidin and Taliban factions spent nearly all of their own resources fighting one another.³⁷

The watershed for this trend came with the U.S.-led international response to the Soviet invasion, namely the provision of weapons and aid to the mujahidin resistance, countered by the allocation of military assets to the other side from their own sponsors. Numerous other parties were also involved in this practice of funneling aid to favored factions, to greater and lesser degrees, in particular the Pakistanis and the Saudis. For instance, up to the advent of the Taliban, Hekmatyar was a primary recipient of Pakistani largesse.³⁸ The Hazaras appear to have been supported by both the Iranian and, later, the

³⁷ In addition to freeing up factional resources for continued warfare, this aid had the untended effect of further stimulating the cultivation of opium. "Between 1988 and 1992, over \$1 billion had streamed into Afghanistan, a 'peace dividend' that turned aid into an industry on par with heroin and which, in the view of some critics, essentially assisted its transformation into the world's largest opium producer by funding the repair of its myriad irrigation systems." Griffin, 166. Rashid goes even further, noting that the only effective NGO activity that the Taliban allowed was consciously geared toward benefiting smuggling and drug trafficking, such as repairing roads, setting up gasoline pumps and inviting foreign businesses to set up mobile telephone networks. Rashid, *Taliban*, 213.

³⁸ An insider's view of the Pakistani government's efforts to cope with the Soviet invasion of Afghanistan can be found in Khalid Mahmud Arif, *Working With Zia: Pakistan's Power Politics, 1977-1988* (Karachi, Pakistan: Oxford University Press, 1995), 318-28. Later on, while it was in power virtually all of the Taliban government's \$10 million annual budget was provided by grants from Pakistan. As a more generalized effect of this phenomenon, Goodsen also notes that, "The spillover of arms from the Soviet and American pipelines and the profitability of the opium-heroin industry have promoted the Kalashnikovization of society in Afghanistan." Goodsen, 101-2. See also Griffin, 202-3.

post-Soviet Russian, governments, most notably during their struggle against the Taliban.³⁹

As this weapons pipeline gained momentum, Barnett R. Rubin notes, it “provided ample opportunities for corruption,” including such practices as issuing false receipts, and then selling the difference for personal profit or funneling it into other entrepreneurial ventures. Continuing further, he also points out that, “The logistics system was ideally suited for trade in drugs: it operated under military control and provided a large network of trucks running loaded to the Afghan border and empty coming back.”⁴⁰

Similarly, Ahmed Rashid also notes that the logistics of these operations were remarkably simple: “The donkey, camel and truck convoys which carried weapons into Afghanistan were coming back empty. Now they carried raw opium.”⁴¹ This trend was still evident through the Taliban era, where both gray and black market arms transfers to various combatants in Afghanistan could be observed.⁴² The arrangements set up under these auspices paved the way for a discrete set of subsequent smuggling vectors, particularly with respect to the Pakistani border.⁴³

³⁹ See Ahmed Rashid, “Playing dirty,” *Far Eastern Economic Review*, 27 November 1996, 26-8.

⁴⁰ Barnett R. Rubin, *The Fragmentation of Afghanistan: State Formation and Collapse in the International System* (New Haven: Yale University Press, 1996), 198. See also Goodsen, 102, and Ewans, 163-5.

⁴¹ Rashid, *Taliban*, 121.

⁴² U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 14. The salient distinction between gray and black market arms transactions is that the former makes use of legitimate export procedures, though often using fraudulent licenses to disguise the recipient or the supplier.

⁴³ However, predating even the Soviet invasion, the institutional cornerstone of illicit trade across the Afghan-Pakistani border was the Transit Trade Agreement (TTA), initiated in 1965. This government-to-government agreement entitled Afghan merchants and their Pakistani partners to import unlimited amounts of duty-free goods through the port of Karachi, allegedly for domestic Afghan consumption. However, in practice millions of dollars’ worth of goods were almost immediately smuggled back into Pakistan, particularly after official Afghan oversight mechanisms broke down in 1992. See Griffin, 141-3; and Rashid, *Taliban*, 189-92. It should be further noted that fewer goods being smuggled in from Afghanistan was regarded as one among several factors serving to boost the Pakistani economy in the wake of the Taliban’s ouster from power in Afghanistan. See “Bombarded,” *The Economist*, 17 November 2001, 40-1.

Beyond these external sources of income, the only other feasible option for participants in the ongoing conflict was to move toward various forms of internal self-funding, all based largely on opportunism. For instance, according to the Swedish Committee for Afghanistan, the mujahidin resource base could be divided into six categories. Of these, only two, official and private donations, had an external basis. Another two were forms of Islamic direct taxes, namely *ushr*, a tithe on annual production, and *zakat*, a 2.5% levy on stocks of wealth, collected with little regard to the wishes of the local populace, as taxation with representation was an alien concept.

The final two sources of funding demonstrate both directly and indirectly the challenges to normalizing an economy under conditions of anarchy. These are the seizure of war booty, and, speaking more directly to the crux of this analysis, indirect taxes on goods in transit, particularly along major trading routes and on high value commodities including carpets, lapis lazuli and emeralds, as well as opium.⁴⁴ With respect to the latter, as the most lucrative cash crop available its cultivation was also actively encouraged, as noted above. The importance of these economic dynamics, both internal and external, is that they took place under the auspices of a wide range of political factions, with the control of territory becoming not only an end unto itself, but also the primary vehicle for monetary gain.

Thus, stemming from the convergence of internal and external factors, the underlying economic geography of Afghanistan has made the various types of black

However, subsequent tensions with India over Kashmir have underscored the many causes for concern noted in this article.

⁴⁴ Rubin, *Fragmentation*, 189-90. The two external sources of funding discussed by the Swedish Committee are direct aid from both Western and Arab sources, including that provided through international relief organizations, and donations from wealthy individuals, especially Saudis.

market activity, including heroin smuggling, overwhelmingly pernicious.⁴⁵ Furthermore, it is the transnational linkages of this activity that serves to make it a tangible concern both regionally and globally, as under conditions of autarky the situation in Afghanistan would most likely be of little interest to outsiders except on humanitarian or perhaps geopolitical grounds. With respect to any given smuggling vector, control of at least a section of the path is essential to make a profit, with international borders being both the most logical and the most lucrative pieces of real estate available. This drive to control territory naturally leads to the topic of political geography.

In some respects, the ensuing regional warlordism in Afghanistan over the past few decades resembles nothing so much as a medieval political structure with an admixture of automatic weapons. While it would be all too easy to catalogue the various factional disputes that have characterized a series of nominal governments, the focus here is on the continuity of purpose that allowed heroin smuggling to flourish in spite of the shifting sands upon which various attempts at government were built. With respect to the smugglers' landscape, the reciprocal relationship between economic and political geography lies in the fact that the first encourages those smuggling vectors that maximize profit, while the second provides the aegis under which such vectors may operate without impediment.

⁴⁵ For a more focused analysis of this linkage see also Barnett R. Rubin, "The political economy of war and peace in Afghanistan," *World Development* 28, no. 10 (October 2000), 1789-803. Moreover, note the following passage and the numerous parallels between the Southeast Asian situation, particularly in Burma, and that in Afghanistan: "Heroin and methamphetamine production in Southeast Asia is dominated by ethnic drug-trafficking armies operating mostly in Burma's remote opium producing region. The drug trafficking armies had begun as insurgent groups and still claim to have an ethnic-based social and political agenda, but the largest have become primarily engaged in the production and trafficking of heroin and methamphetamine and in other illicit and lucrative activities – including gem smuggling and illegal logging and timber smuggling." U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 24. As with the average subsistence-level Afghan poppy grower, cultivation of the crop within the Golden Triangle, particularly among the various impoverished hill tribes in the region, constitutes a major source of income.

The career of Istamullah Muslim is illustrative of many of these dynamics.

Though initially trained by the Soviets, he had the distinction of being the first Afghan military officer to be imprisoned by them. His subsequent activity as the leader of the Achekzai tribe of Pashtuns, traditionally situated between Kandahar and the Pakistani border, maintained the tradition of smuggling that dated back “since at least the time of Elphinstone.” Though not singular, his primary motivation in response to a shifting political climate appears to have been to maintain military control of the key transit points and roads in his sector that provided a vital link to Pakistan.

As a mujahidin commander, Istamullah conducted military and smuggling operations in parallel, but fell out with the Pakistani Inter-Services Intelligence Directorate (ISI) in 1984 over the issues of both smuggling and his refusal to join any of the Pakistani-sponsored Islamic parties. As a result, he then defected to join the Najibullah regime and was made a general, though he later tried unsuccessfully to defect back to the mujahidin side.

Istamullah’s militia was finally defeated at Spin Boldak following the Soviet withdrawal, and he died in a Soviet hospital in 1991 from drug and alcohol complications.⁴⁶ Though his tactical changes of allegiance may be interpreted as merely duplicitous, an alternative argument can be made that he was in fact true to his primary goal of self-aggrandizement, and opted to cooperate with any party that allowed him the freest hand to pursue that end.

Thus, as the generation of wealth became increasingly predicated on the control of territory, an even greater fervor was added to an already keen competition for power.

⁴⁶ Istamullah’s career is related in Rubin, *Fragmentation*, 158-9. Incidentally, the Elphinstone reference is to Mounstuart Elphinstone, who led the first official British mission to Afghanistan in 1809.

This was particularly noticeable during the scramble to fill the vacuum left by the departure of Soviet troops. However, it would not be at all accurate to say that factional tendencies in Afghan politics do not predate this period. Geographic position and a long history of invasions have left a distinct impact on Afghanistan's politics.

For instance, one emergent theme in Afghan history involves the defense of territory, in that while Afghans generally do not hesitate to fight amongst themselves, they quickly unite to face any external enemy.⁴⁷ Given this tradition, resistance to the Soviet invasion, as well as to the subsequent Najibullah regime, was perfectly understandable. What is most salient about the Soviet incursion is how thoroughly most Afghans became united in their opposition. As such, this series of events delineates a change in scope rather than one of character. While this pattern seems to have accelerated over the past several decades, it is too early to tell whether the pendulum toward centralization will swing back in the post-Taliban era.

As Soviet influence waned, local commanders began to enjoy more autonomy, with many turning the promotion of opium cultivation as discussed above. Furthermore, Rubin notes that these warlords were "enabled once again to levy tribute on road transport – by traders, smugglers and government suppliers alike." This points to a degree of local latitude largely uncontested by either external forces or any central

⁴⁷ As Tanner notes, "The Soviet invasion achieved that rarity in Afghan history: a unifying sense of political purpose that cut across tribal, ethnic, geographic, and economic lines." Tanner, 243. See also Magnus and Naby, 50-2. Underling Afghanistan's long history of invasions, Goodsen notes the impact of individual conquerors such as Darius the Great, Alexander the Great, Genghis Khan, Tamerlane and Babur. He also offers the following list of dynasties and empires that have held all or part of present-day Afghanistan: Seleucid, Greco-Bactrian, Indo-Greek, Mauryan, Parthian, Saca, Yueh-Chin, Kushan, Sassanian, Hepthalite, Hindi-Shahi, early Muslim Arab, Abbasid, Tahirid, Samanid, Saffarid, Ilkhan Turk, Ghaznavid, Ghorid, Seljuk, Kwarazm Shah, Delhi sultanate, Mongol, Kart, Timurid, Shaybani Uzbek, Safavid and Mogul. Goodsen, 23-5. Interestingly, neither Russian nor British involvement in Afghan affairs is mentioned in this otherwise quite exhaustive list. Incidentally, the author also notes elsewhere that, as a result of this turbulent history, "one important trait of the Afghans has been their flexibility in adapting to new military technology and tactics." In the context of this study, this trait helped facilitate the adoption of modern weapons, as they became available, by smugglers. Goodsen, 38-9.

government. In general, the withdrawal of Soviet troops, “and especially helicopters,” allowed local commanders to once again seize booty and charge tolls at will. Rubin continues by observing that this was a return to the same type of activity such “as tribal warlords had done for centuries before the strengthening of the Afghan state in the 1950s, and as they had started to do again when that state broke down in 1978-9.”⁴⁸

During the final days of the Najibullah regime, in the resulting power vacuum only Hikmatyar and Massoud controlled factions both strong enough and mobile enough to actively contest power at the national level. In particular, Hikmatyar’s forces were propped up by both drug money and extensive support from Pakistan and Saudi Arabia. As Rubin notes, “Hikmatyar was the only leader to exploit opium profits systematically as a basis for a hierarchically organized party and conventional army.”

Furthermore, anticipating a rapid Soviet withdrawal during the summer of 1988 and a subsequent loss of revenue, Hikmatyar appears to have sent his men out to search for precious stones and to more actively encourage poppy cultivation. He was later to become intimately involved in heroin refining, in partnership with Pakistani syndicates, as opposed to other warlords who were for the most part content to sell raw opium at bazaars.⁴⁹

⁴⁸ Barnett R. Rubin, *The Search for Peace in Afghanistan: From Buffer State to Failed State* (New Haven: Yale University Press, 1995), 117, 256. Supporting this observation, Rashid notes the plight of the trucking mafia operating between Kandahar and Quetta, Pakistan, subjected to more than 20 separate checkpoints and accompanying demand for money. As such, the advent of the Taliban in concentrating these tolls was considered a welcome development. Rashid, *Taliban*, 22.

⁴⁹ Rubin, *Fragmentation*, 257. Echoing some of the themes noted above in the context of economic geography, the author elsewhere notes the role of opium in that the “sale of a cash crop to foreign markets could substitute for access to external political networks. Thus, the warriors of the Helmand valley developed a financial base for despotic warlordism from agricultural exports to developed capitalist countries.” Ibid., 226. For more on the deterioration of relations between Massoud and Hikmatyar, see also Ahmed Rashid, “Warriors of the north,” *Far Eastern Economic Review*, 7 May 1992, 12-3; Griffin, 21-3; and Salamat Ali and Ahmed Rashid, “Separate ways: guerrilla groups seek backing for breakaway states,” *Far Eastern Economic Review*, 24 September 1992, 18-9. The latter article in particular is salient in that it raises the issue of the partition of Afghanistan along ethnic Pashtun, Hazara and Tajik-Uzbek

However, even Massoud, the mujahidin commander least identified with drug trafficking during the Soviet occupation, was to be co-opted by circumstances. Once in Kabul following the fall of the Najibullah regime, he was forced to accede to a tacit agreement not to interfere with the opium crop in pivotal Pashtun areas along the Pakistani border. These included Nangahar province, centering on the city of Jalalabad, and Paktia province, centering on the city of Gardez. Moreover, his primary rival, Hikmatyar, whose involvement was already well established, unsurprisingly joined him supporting this concession.⁵⁰

This leads to the interesting question, to which perhaps there is no real answer, of whether or not any actor involved in Afghan politics would have been able to totally eschew a role in opium production. This is not only due to the opportunity costs in the form of lost revenue, but also to a fear of antagonizing the populaces of poppy growing areas, not the most politically expedient course of action when vying for national or even local power.

Furthermore, under such overwhelming systemic constraints, the very concept of corruption as developed in Chapter II hardly seems to apply. At no time during the post-Soviet period has any central government been in charge of the entire national territory of Afghanistan, though the Taliban came the closest, and thus no concerted effort was ever made to curb the drug trade. Indeed, there was very little incentive even to make the attempt, other than to curry external favor.⁵¹

lines. This option was seldom discussed in a conflict generally characterized by a winner-take-all attitude among the contestants and an international reluctance to alter any existing borders.

⁵⁰ Rubin, *Fragmentation*, 277. With respect to Gardez, the author notes that poppies were “planted right up to the roadside in the spring of 1997,” the first growing season after the Taliban seizure of Kabul. See also Ewans, 154-6.

⁵¹ As an interesting aside, the Afghan government did ban opium in 1958, but as no penalties were involved this was routinely ignored. Booth, *Opium*, 252.

With the advent of the Taliban and its early successes moving out of Kandahar and both west into the Helmand valley and northeast into Ghazni, their practice of denouncing the drug trade and burning poppy fields had the effect of “gaining some credibility in the eyes of the United States.”⁵² However, as the movement continued its ascent, the UNDCP appealed to its leaders to outlaw opium production under Islamic *sharia* law. The Taliban steadfastly reserved to itself the right to finally arbitrate these legalities.⁵³ Furthermore, while strongly discouraging the domestic use of drugs, there is considerable evidence that the export of opiates was actively encouraged.⁵⁴

In general, external exhortations to control the drug trade served only to highlight the inability of the international community to enforce its will beyond highly circumscribed parameters. As Goodsen notes, “Despite early Taliban claims that they would eradicate opium-heroin production, since early 1994 it has increased in areas they

⁵² Rubin, *The Search for Peace*, 140. Even earlier, as Griffin notes, “With the capture of Kandahar in October 1992, the Taliban took command of the southern outlet of a smuggling empire which, since the withdrawal of Soviet forces, had expanded deep into Central Asia and beyond, opening a back door into Pakistan’s heavily-protected market of 135 million people. In this prototype of a regional trading bloc . . . entrepreneurs inside Afghanistan and an 18,000-strong community of expatriates in the port of Karachi played – and continue to play – pivotal roles as middlemen and hauliers.” Griffin, 141. Furthermore, with the capture of Helmand in January 1995, the immense poppy fields of that province also fell under the sway of the Taliban as well. During the course of the operation, smaller drug warlords were encouraged to switch sides against Ghaffar Akhonzadeh, the largest and potentially most dangerous local rival to the Taliban, with various promises of future support and assurances of a continued flow of revenue. See Rashid, *Taliban*, 33-4.

⁵³ “Drugs and Islamic law,” *The Economist*, 6 September 1997, 44. In conjunction with this urging on the part of the U.N., there were simultaneously stillborn attempts at crop substitution to convince the opium farmers to grow fruit instead. See also Ewans, 183-5, and Hannah Bloch, “The Taliban Drug Trade,” *Time International*, 13 July 1998, 33. Of particular interest, the latter article includes a photo of the Taliban’s tax collectors handing out receipts to opium farmers, and border control officials stamping papers to permit the export of these narcotics.

⁵⁴ See, for instance, Ahmed Rashid, “Drug the infidels,” *Far Eastern Economic Review*, 1 May 1997, 25-6. An extensive documentation of Taliban support for the opium trade can also be found in Rashid, *Taliban*, 117-27. Concurring with this assessment, Goodsen also notes that, despite lip service to the contrary, the “unprecedented leap in opium production showed that the Taliban were making no serious inroads in curbing the narcotics traffic.” Goodsen, 83. Moreover, with respect to the growth of domestic heroin use in Kabul, Kandahar, Jalalabad, Herat and throughout various Afghan refugee camps, a Taliban court order of October 1997 decreed that all addicts should receive treatment. However, in practice the regime most often incarcerated drug users rather than treating them. U.S. Department of State, INL, *INCSR 2001*, “Southwest Asia – Afghanistan.”

control.” Their “half-hearted justifications for continued tolerance of an obviously un-Islamic practice” testified to the trade’s strength and influence in high government circles within both Afghanistan and Pakistan.⁵⁵ Moreover, despite public condemnation of narcotics industry, “virtually all of Afghanistan’s opium poppy cultivation and morphine base and heroin processing laboratories are located in Taliban-controlled territory.”⁵⁶

By 2000, various pressures on the Taliban government led to a renewed effort to attain international acceptance. Immediate pressures included renewed Northern Alliance activity and an ongoing regional drought that led to rising food prices and a subsequent wave of refugees.⁵⁷ In response, though still openly supporting the Taliban regime, Pakistan closed its border to refugees in November 2000, citing donor fatigue. Furthermore, as a result of Usama bin Laden’s continued residence in Afghanistan, new U.N. sanctions had been applied in the wake of the October 2000 bombing of the USS Cole in Yemen. Ongoing international criticism of the Taliban’s treatment of women, part of a wider spectrum of human rights concerns, also contributed to the regime’s ostracism.⁵⁸

⁵⁵ Goodsen, 102. However, while the heroin tax remained too important to curtail, similar measures to stem the less lucrative hashish trade were implemented by the Taliban during this period. Further evidence for tacit support in the face of rhetorical opposition lies in reports that the Taliban even distributed fertilizer to opium farmers in an effort to expand their tax base. See U.S. ONDCP, “Drug Policy Perspectives,” 3; and Rashid, *Taliban*, 124-5.

⁵⁶ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 20.

⁵⁷ According to the World Food Programme, this drought throughout much of the southern part of the country was the worst in thirty years and persists as of this writing. Over 3 million people were directly affected, with a further 8 million threatened less directly. Its projected deleterious impact on the opium crop may well have precipitated the Taliban’s decision to ban such cultivation for the 2000 planting season. Moreover, the government is alleged to have told its citizens that the cause of the drought was “their impiety and discontent.” See “Drier and more desperate,” *The Economist*, 12 August 2000, 39; and Griffin, 246-7. Exacerbating the effect of the drought has been the extensive deforestation of the country in recent years. For instance, latest estimates of Afghanistan’s forest cover are 0.5%, down from 3% in 1980. It is projected that by 2005 all the natural woods may be gone. “Bare mountains, poor people,” *The Economist*, 3 November 2001, 24.

⁵⁸ For more on gender issues in Afghanistan under the Taliban, see Rashid, *Taliban*, 105-16.

Reacting to these various pressures, the Taliban announced a ban on opium cultivation in July 2000, “in an unsuccessful attempt to gain Afghanistan’s seat at the U.N. and, more generally, international recognition.”⁵⁹ Although Afghan opium production for 2000 was considerably lower than that for 1999, much of that drop may be attributed to the drought.⁶⁰ However, it will never be known if the profits from taxing both the production and movement of heroin would have been too lucrative to give up, even had the political will truly existed, as the Taliban regime would not be in power by the time of the next harvest.⁶¹

Though expressing its disapproval of Afghanistan’s failure to stem its outflow of heroin, the United States appeared either unable or unwilling to apply appreciable leverage other than annual decertification, a moot point in concrete terms as unilateral aid was already suspended on other grounds. Some explanations for this tendency may be a lesser sense of domestic urgency on the heroin trade *vis-à-vis* the cocaine trade, and an

⁵⁹ Goodsen, 84-5.

⁶⁰ See Christopher S. Wren, “U.N. Forsakes Effort to Curb Poppy Growth By Afghans,” *New York Times* (web edition), 17 September 2000, 1-2, which cites U.N. figures. However, according to U.S. Department of State, INL, *INCSR 2001*, “Southwest Asia – Afghanistan,” between 1999 and 2000 opium cultivation in Afghanistan actually rose 25 percent despite the drought. Incidentally, a more positive view of the Taliban’s opium ban can be found in “Afghanistan’s opium fields,” *The Economist* 24 February 2001, 43. Though conceding that the Taliban did manage to enforce their ban for the 2000 harvest, the existence of government opium stockpiles was also acknowledged. Furthermore, though never to be tested, the continuing temptation to revert to large-scale opium cultivation is recognized as well, particularly as prices for commodities rise in response to relative scarcity. It should also be noted that, compared to most crops other than wheat, opium poppies require minimal water and, moreover, its harvested resin can be stored for years before being processed into heroin. For more on traditional irrigation practices, as well as the challenging the continued use of these systems, see also Magnus and Naby, 7-9.

⁶¹ Though not conclusive, counterfactual evidence does exist that had the Taliban opted to allow a resumption of opium cultivation, their strategy in terms of justification would place the blame squarely on outsiders. See “Journal Condemns US, Russian Role in World Narcotics Trafficking,” FBIS transcribed text IAP20010302000022 of Mustafa Hamid, “The Narcotics Crisis and International Trafficking,” *The Islamic Emirate*, 1 December 2000, 21-8. In addition to making the case for Afghanistan’s government as a moral exemplar, the author also notes the roles of the U.S., in conjunction with its puppets the UN and “the well-organized Russian Mafia that is run by the decision-making Jews” in exploiting the Afghan opium farmer. Furthermore, parallels between oil in the Middle East and opium in Afghanistan are made, whereby a plan is also put forth by which opiates form the cornerstone of Afghan economic recovery, expanding even further to service a burgeoning notional pharmaceutical industry within the country.

unwillingness to further roil turbulent relations with other predominantly Islamic countries in the region for minimal expected returns. Despite avowed concern for issues such as drugs, as well as human rights considerations and in particular the treatment of women, it was the regime's role in supporting international terrorism that was eventually to bring the full wrath of the United States' military down on the Taliban.⁶²

Finally, two features of Afghanistan's human geography have been crucial in facilitating a favorable smugglers' landscape. The first is the ethnic diversity and stratification of Afghan society, polarized even further by decades of war, as noted above.⁶³ On this issue, Goodsen notes that among the centrifugal forces in Afghan society are deep ethnic, linguistic, sectarian, tribal and racial cleavages, all of which "are reinforced by a spatial pattern of population distribution into different regions of the country." Furthermore, "the social system is based on communal loyalties and emphasize the local over higher-order identity formulations."⁶⁴ However, it should be noted that Islamic identity often takes precedence over even local sentiment, as demonstrated by the *jihad*-inspired solidarity fueling the reaction to the Soviet invasion.

⁶² In early 2000, the ONDCP reported that, "The U.S. has little, if any, leverage with the players involved in Afghanistan: It has no control over any of the current Afghan combatants; its sway over Pakistan has been considerably reduced since Washington terminated all assistance to that country in 1990 as a response to its nuclear weapons program (i.e. the Pressler Amendment); it cannot pressure Saudi Arabia, which has its own sources of money and knows it is central to the U.S.'s vital interests in the Gulf; and finally, it has little or no influence in the regional states opposing the Taliban, namely Iran, Russia, India and the Central Asian States." U.S. ONDCP, "Drug Policy Perspectives," 3. The difference in the regional balance of power in the period of less than a year is startling.

⁶³ For an excellent generic analysis denoting the characteristics of ethnically hierarchical societies, see Horowitz, 21-36.

⁶⁴ Goodsen, 12-3. This point is further underlined in Magnus and Naby, 91-4.

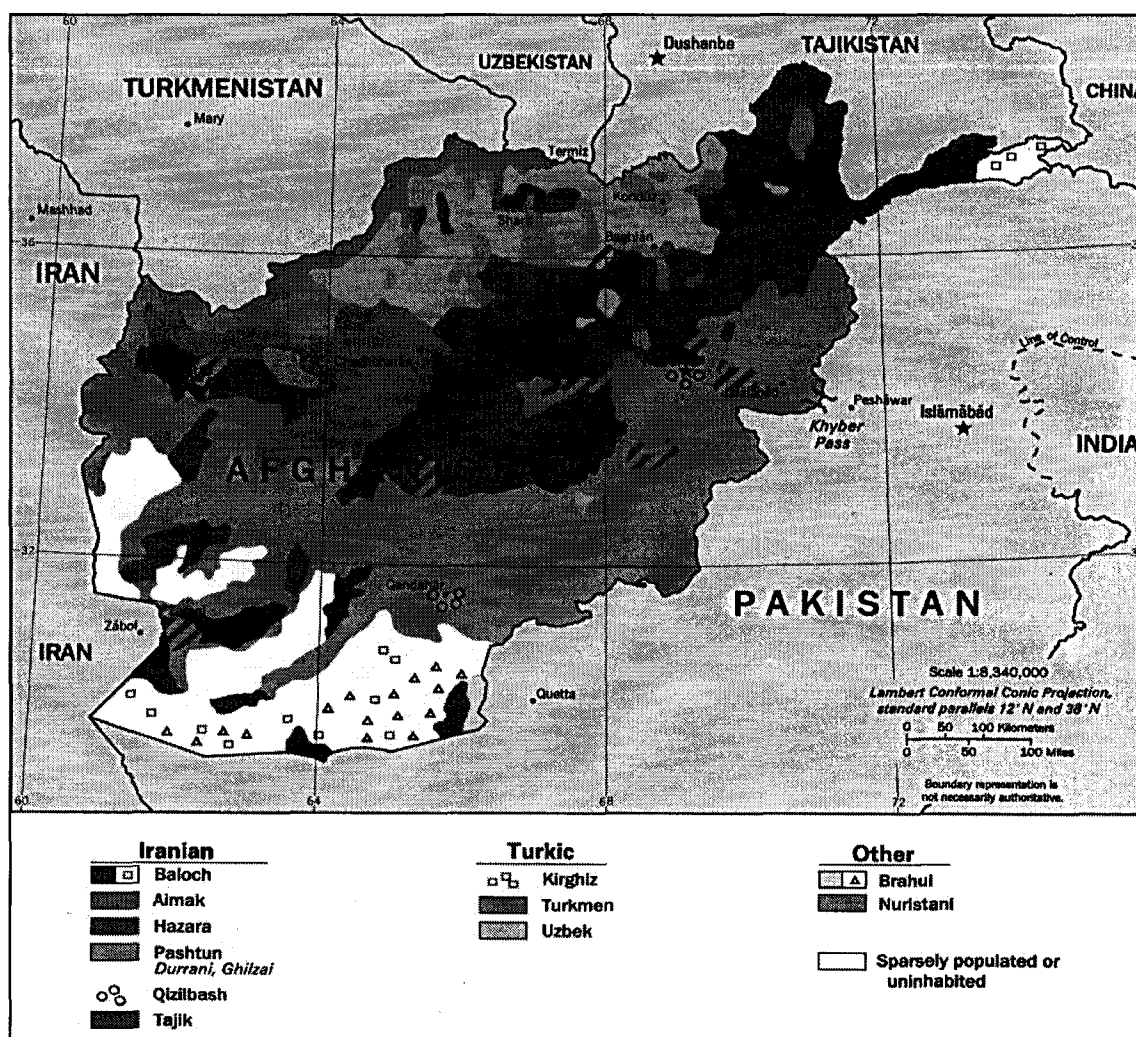


Fig. 15. Ethnolinguistic groups in Afghanistan⁶⁵

The map above illustrates the spatial distribution of the country's myriad ethnolinguistic groups. With regard to the general ethnic make-up of Afghanistan, as Rashid observes, geography plays no small part:

The country is split by a north-south divide along the massive Hindu Kush mountain range. Although there was much intermingling of the races in the twentieth century, a rough division shows that to the south of the Hindu Kush live the majority of the Pashtuns and some Persian-speaking ethnic groups, to the north live the Persian and Turkic ethnic groups. The Hindu Kush itself is populated by the Persian-speaking Hazaras and Tajiks. In the far northeast

⁶⁵ Map source: University of Texas at Austin, *Maps of Afghanistan* (1997), available at http://www.ciaonet.org/cbr/cbr00/video/cbr_ctd/cbr_ctd_53b.html, accessed 15 July 2004.

corner, the Pamir mountains, which Marco Polo called ‘the roof of the world,’ abut Tajikistan, China and Pakistan. The inaccessibility of the Pamirs means that there is little communication between the myriad of diverse and exotic ethnic groups who live in its high, snow-bound valleys.⁶⁶

The traditional ethnic hierarchy in Afghanistan begins with the Pashtun at the apex. For example, the former royal family hails from the Muhamadzai clan of the Barakzai tribe, part of the Durrani confederation of Pashtuns. Along with the Durrani, the primary contenders for power among the Pashtun have been the Ghilzai, while other important tribes include the Afridi, Wazir, Mohmand, Mahsud, Jaji, Mangal, Zadran, Kakar, Khatak, Orakzai and Shinwar.

Historically, the Tajiks, Uzbeks and Turkmens have comprised the middle layers of society, with the Hazaras having the “lowest status of any group in Afghanistan.”⁶⁷ Interestingly enough, the Hazaras are the only major ethnic group whose traditional territory does not overlap with international borders, and hence appear to have the least direct involvement in transnational smuggling.⁶⁸ However, numerically smaller groups such as the largely nomadic Baluch, with ethnic ties extending into both Iran and Pakistan, maintain a much higher profile in terms of smuggling.

⁶⁶ Rashid, *Taliban*, 7. Moreover, the author also notes the linguistic diversity in Afghanistan that presents a further hurdle to effective nation-building. “Western Afghanistan was dominated by speakers of Persian or Dari as the Afghan Persian dialect is known. Dari was also spoken by the Hazaras in central Afghanistan, who were converted to Shiism by the Persians, thereby becoming the largest Shia group in an otherwise Sunni territory. In the west the Tajiks, the repositories of Persia’s ancient culture also spoke Dari. In northern Afghanistan the Uzbeks, Turcomans, Kyrgyz and others spoke the Turkic languages of Central Asia. And in the south and east the Pashtun tribes spoke their own tongue, Pashto, a mixture of Indo-Persian languages.” Rashid, *Taliban*, 9-10. In many ways, these observations parallel those regarding Afghanistan’s eight geographic zones made by Magnus and Naby, 5-7, as discussed above.

⁶⁷ Rubin, *Fragmentation*, 28-31. It is important to remember that, as elsewhere, ethnic labels can vary widely by numerous factors, including language, religion and area of residence. Other groups within Afghanistan include the Qizibash, Persian-speaking Shias descended from Turkmen tribes brought in during the Safavid era for administrative purposes and largely continuing to be members of the urban elite; the Nuristanis, relative latecomers to Sunni Islam inhabiting isolated valleys in the northeast; and the Waki and Kirgiz of the Wakhan corridor extending eastward toward China. See also Ewans, 7-8; and Magnus and Naby, 9-17, 81-94.

⁶⁸ For a more extensive study of this ethnic group, see Sayed Askar Mousavi, *The Hazaras of Afghanistan: An Historical, Cultural, Economic and Political Study* (Surrey, UK: Curzon Press, 1998).

With respect to the Pashtun-dominated period of nation-state building dating from 1919 to 1979, Rubin writes, “The structure of the old regime in Afghanistan imposed a pattern of ethnic stratification on the diverse and fragmented local societies. This stratification defined the relation of various groups to the state, although local systems of identity and ethnic relations differed from those defined by the state.”⁶⁹ However, underlining the hurdles of centralized rule in such a divided society, Rubin continues by noting that, “It is misleading to say that the government tried to break large units into smaller units; among non-tribal peoples it tried to reinforce limited kinship- or residence-based political identities. Such a pattern is typical of a weak state attempting to retain its power through fragmentation.”⁷⁰

The second relevant feature of Afghanistan’s human geography is the long-standing tradition, facilitated by transnational ethnic ties, of smuggling that remains both alive and well in the form of informal border crossings. These same ties have operated much the same way for centuries, as the region has been a trading hub dating at least back to the heyday of the Silk Road. Historically, attempts to reign in smuggling have been fraught with obstacles, as demonstrated by King Amanullah’s 1919 decision that

⁶⁹ Rubin, *The Search for Peace*, 23. For instance, in its original meaning the terms “Afghan” and “Pashtun” were considered interchangeable, which by extension implies that although all residents of the country are legally citizens, “the term retains its ethnic meaning in popular usage” and resultant connotations of exclusion. Further examples of the historical usage and etymology of these terms can be found in Ewans, 3-5. Rashid also offers evidence that the ethnic fragmentation of Afghan society is continuing: “Afghans no longer call themselves Afghans, or even Pashtuns or Tajiks, but Kandaharis, Panjshiris, Heratis, Kabulis or Jowzjanis. Fragmentation is both horizontal and vertical and cuts across ethnicity to encompass a single valley or town.” Rashid, *Taliban*, 208. A more optimistic analysis of Afghan society can be found in Magnus and Naby, 167-8. In particular, the authors note the potential for a “multiethnic deterrent,” based not only on internal centrifugal forces but also the large number of transnational groups along the country’s borders, to underpin both national and regional stability. However, given the present polarization such a scenario does not seem likely for the foreseeable future.

⁷⁰ Rubin, *Fragmentation*, 25. Echoing similar sentiments, Goodsen notes even more succinctly that, “The allegiance of the individual almost never goes beyond the tribal unit.” Goodsen, 14.

“simplified customs duties and actually tried to collect them, which in turn brought him into conflict with border tribes who lived by smuggling.”⁷¹

Nomadic groups, including elements of the Pashtun, Baluch and Brahui, the latter living primarily in the southwestern desert region, are able to exploit porous borders and are thus ideally situated for smuggling activity. Traditionally for some nomads, as Rubin points out, “smuggling has been a source of more income than agriculture or pastoralism.” However, their seasonal migration patterns have been disrupted throughout history by war and other social disruptions.⁷² In functional terms, these cross-border human links serve as an integral part of the handling methods for the legs involved in the relevant smuggling vectors, as discussed in Chapter III. This issue is also addressed further in the next section.

As noted at the outset of this discussion, the confluence of physical, economic, political and human geography has had a salient and lasting impact on heroin smuggling out of Afghanistan. Having broken down these factors, it is beneficial to recombine them all into a single example that serves to illustrate in detail the many facets of this phenomenon. In this way, the difficulty of effectively dealing with these endemic and well-entrenched dynamics all the way from the grass roots to the international level become readily apparent.

In southern Afghanistan, following the Soviet withdrawal, the local warlord Mullah Nasim Aksudzada decreed an expansion of opium cultivation within his area of control, the Helmand Valley region. While a traditional crop in the mountainous north,

⁷¹ Rubin, *Fragmentation*, 55. Incidentally, Amadullah also wanted to build a national railroad, a plan that has yet to reach fruition, and tried to prevent extortion by border tribes to allow caravans to pass. However, he did manage to open several new roads and improve existing ones.

⁷² Ibid., 33.

he not only encouraged the practice in the south, but also instituted a “salam” system, under which farmers are paid at the time of sowing at a lower rate than they would normally receive at the time of harvest. In addition to so exploiting these subsistence farmers, production quotas were also set. For example, in 1989, 50% of arable land was earmarked for opium production, with anyone not fulfilling the quota forced to pay the difference. Both torture and execution were used at times to enforce collection of such debts.

The opium produced under this system was sent primarily to the Gird-i-Jangal bazaar, where refinery representatives bargained on behalf of the six main refineries run by Hekmatyar’s Pakistani-backed *Hizb-i-Islami* party, in Koh-i-Sultan. Smugglers were then hired to transport the finished product to Baluchistan via Robat. To facilitate this cross-border transfer, Nasim even maintained an office in nearby Zahidan, Iran. These arrangements worked well enough until the summer of 1989, when local commander Yahya Sayyaf tried to levy taxes on Nasim’s opium passing through his territory. In response, Nasim conquered Yaha Sayyaf’s stronghold.

For its part, the U.S. began to increase its pressure on the Pakistani ISI to cut Nasim’s funding. However, in the winter of 1989-1990, he showed up at the U.S. embassy in Islamabad and attempted to broker a deal with Ambassador Robert Oakley for \$2 million in return for halting poppy cultivation within his area of control. While Nasim expected cash, the agreement actually called for development aid administered through the U.S. Agency for International Development. Nonetheless, in the spring of 1990 Nasim held up his part of the bargain and proceeded to order a drastic cut in such activity.

However, Nasim was assassinated in Peshawar, Pakistan, in late March of that same year. Not surprisingly, this incident happened to coincide with the start of the poppy- planting season. The killing was attributed to both rival drug cartels and the *Hizb-i-Islami*. In a final irony, the State Department informed Oakley that the deal would not have been honored anyway, in keeping with a policy of non-negotiation with drug traffickers. In this power vacuum, Nasim's brother Ghulam Rasul later took up where his sibling left off. However, he has stated in interviews that he would be willing to come to a financial arrangement with the U.S. along similar lines as those pursued earlier.⁷³

In the decade that followed this episode, despite the waxing and waning of individual fortunes, there was relatively little change, and certainly none for the better. By early 2001, Afghanistan had already been reduced to a pre-modern level, as given the collapse of the formal economy "virtually no industry functioned, and the most vibrant economic activities were the transit trade, opium growing, heroin manufacturing and smuggling, and other small-scale agriculture."⁷⁴ Following the ouster of the Taliban regime by U.S.-led and indigenous forces in late 2001, the dawn of a new era for Afghanistan could be hoped for. However, numerous challenges remain in stemming the outward flow of heroin.

To begin with, the lack of viable economic alternatives persists, often in combination with continuing warlordism. For instance, Ismail Khan's control of four ethnically diverse provinces in western Afghanistan along the border with Iran and Turkmenistan, centered in Herat and comprising approximately 20% of the national

⁷³ Ibid., 213, 263-4.

⁷⁴ Goodsen, 96. The author further notes that, as an example, in 1997 Afghanistan's GDP was \$5 billion, half of which came from the transit trade with Pakistan, and exports other than narcotics limited to some timber and gemstones.

population, forces aid to be funneled under his auspices rather than those of the central government.⁷⁵ Even should the Afghan economy begin to recover, the financial structures simply do not exist to handle much economic development. Paradoxically, efforts to address these issues may in turn carry their own risks.⁷⁶

Moreover, it appears that poppy cultivation in Afghanistan for 2002 have yielded levels approaching those of the mid-1990s, despite earlier wishful thinking to the contrary.⁷⁷ Earlier in the year, it was reported that, “While American and European officials have considered measures like paying Afghan opium poppy farmers to plow under their fields, they have concluded that continuing lawlessness and political instability will make significant eradication all but impossible.” Rather, a less ambitious strategy including the targeting of processing facilities and brokers, as well as funding for anti-smuggling measures in neighboring countries is more likely.

In addition to the inherent difficulty, the primary rationale for avoiding concerted drug control measures in Afghanistan is that any intense eradication effort could imperil

⁷⁵ See “Nation Building, Or How to Handle A Warlord’s Wants,” *The Wall Street Journal Europe*, 28 February 2002, A-1, A-4. The ambiguity surrounding Ismail Khan is highlighted by two profiles from the same source over the space of three weeks. In “As good as it gets,” *The Economist*, 3 November 2001, 24, Khan is called both “the West’s favorite warlord” and “a bright spot in an otherwise gloomy landscape,” largely on the strength of his previous record of relatively enlightened, though autocratic, rule in the Herat region. However, as noted in “Sharing power is hard to do,” *The Economist*, 24 November 2001, 17, returned to power once again in the wake of the Taliban collapse, he “still has the air of a chief, not a politician.” Furthermore, there is a concrete interest in maintaining control of this area, as it encompasses an important cross-border trade conduit with Iran. In fact, when this region was first wrested from Ismail Khan’s control by the Taliban in September 1995, the big winners appear to have been the various smuggling and transport mafias that now had better access to Iranian and Central Asian markets. See Rashid, *Taliban*, 36-40, which includes a brief outline of the city’s tumultuous history dating back to the time of Genghis Khan and Tamerlane.

⁷⁶ Note the following: “Civil war in Afghanistan appears to have destroyed most of the country’s primitive banking infrastructure . . . If Afghanistan’s financial infrastructure is rebuilt according to Islamic banking principles, the cash-free nature of Islamic banking could create additional vulnerabilities to money laundering.” U.S. Department of State, INL, *INCSR 2001*, “Money Laundering.”

⁷⁷ See “The poppies bloom again,” *The Economist*, 20 April 2002, 38; and “A bumper crop,” *The Economist*, 12 October 2002, 42. As discussed at the outset, the latter article quotes one Afghan farmer on the dearth of options outside of opium cultivation: “All our life depends on the income from the poppy, it is the best cash crop. If there are alternatives we will leave poppy.”

the stability of the government and thus hamper the ongoing military campaign against remnants of the Taliban and al-Qa'eda.⁷⁸ However, as Hooman Peinani notes, "The Afghan drug 'industry' will continue as long as Afghanistan suffers from two major deficiencies: the absence of a strong central government, and the lack of a viable economy capable of generating enough revenue for the government and adequate numbers of well-paid jobs for the people."⁷⁹

With the regime change in Afghanistan, the opportunity to mitigate some of the domestic factors involved in facilitating the heroin trade also presents itself. However, in and of itself this is not enough to effectively alter the wider regional smugglers' landscape. In June 2002, Afghanistan and nine neighboring countries, namely Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan, agreed under U.N. auspices to enhanced cooperation in combat the transnational drug trade.

As the press release accompanying this announcement noted, all of these countries are not only effected by drug smuggling and related criminal activity, but are also situated squarely within "the world's largest opium-, morphine-, heroin- and cannabis-producing and trafficking region."⁸⁰ The next section focuses on the various

⁷⁸ Tim Golden, "U.S. Braces for Rise in Opium Output," *International Herald Tribune*, 2 April 2002, 3. However, a more optimistic tone was sounded only days later, in Charles J. Hanley, "Afghan Opium Crop Targeted," *USA Today*, 5 April 2002, 4A. This article outlines the Afghan interim government's promises to use both the carrot and the stick in eradication efforts, though offering farmers \$500 per acre to destroy their crops seems to hold little appeal when \$3,400 is the market value implies a greater potential reliance on the latter. Interestingly, both articles favorably note the Taliban regime's 2000 poppy cultivation ban without reference to the odds, slim in this author's opinion, that such a policy would have been adhered to in practice over any appreciable period of time. This view is also echoed in OGD, *World Geopolitics of Drugs* (2000), 45-7.

⁷⁹ Hooman Peimani, "Afghan-Based International Drug-Trafficking: A Continued Threat," *Central Asia / Caucasus Analyst*, Biweekly Briefing (8 May 2002), pages not available.

⁸⁰ This pledge of cooperation was formally announced in U.N. Information Service, "Afghanistan, Neighboring Countries Join Counter-Narcotics Fight," Press Release UNIS/NAR/753 (14 June 2002), available at http://www.undcp.org/press_release_2002-06-14_3.html, accessed 15 July 2004.

sets of heroin smuggling vectors as they emanate outward from Afghanistan, first regionally and then further out toward their final destinations.



Fig. 16. Heroin smuggling routes out of Afghanistan⁸¹

Smuggling Vectors Out of Afghanistan: The Crescent and Beyond

Heroin moving across Afghanistan's borders and into the wider region of the Golden Crescent can be represented by corresponding smuggling vectors radiating outward like the spokes of a wheel, in accordance with smugglers' perceptions of access, risk and connectivity. It is the transnational complexity of these constantly evolving iterative patterns that lies at the heart of the demonstrable success of the relevant smuggling actors.⁸²

⁸¹ Map source: U.S. CIA, CNC, "Heroin Movement Worldwide."

⁸² As Haaq notes, "The opium and heroin flow from Afghanistan transits Pakistan, India and then Sri Lanka by overland air routes. Another route transits Pakistan to Hong Kong and Malaysia and then to North America by ship, while others transit Iran, Turkey, and Lebanon by land and then to Europe by land or sea through the Indian Ocean to the Red Sea, through the Suez Canal, and on the key markets in Europe and North America." See Haaq, 951. Taking an even wider view, Griffin echoes this sentiment by noting, "The concentricity of drugs, arms and smuggling rings around a single imploded state created the

As noted at the beginning of this chapter, the countries immediately adjacent to Afghanistan tend to be the most affected by this phenomenon, namely Pakistan, Iran and the Central Asian states. As such, Afghan heroin moving across these borders constitute the three major sets of threat vectors discussed in this section.⁸³ Further out, these smuggling vectors continue onward, particularly across Turkey, India, Russia and the Gulf States, before moving on to their final markets.⁸⁴

However, even beyond the context of smuggling, the historic impact of Afghanistan's geostrategic position linking its immediate neighbors cannot be underestimated. As Magnus and Naby note, "Despite changes in form of government, ideology, and even the configuration of ethnic groups and international boundaries, this role of Afghanistan as the vital link and intersection of the Asian landmass gives the land a significance far beyond its troubled road to political and economic development. In purely political terms, location puts Afghanistan on par with its neighbors."⁸⁵

conditions for the birth of a unique, post-modern phenomenon: an illegal trading empire that defied customs, frontiers and laws, connected New York and Dubai with Osaka and the two Koreas but which, to all intents and purposes, was controlled by scarcely literate warlords living hundreds of miles from the nearest bank or fax. Its capital market was the roadside money booth where, amid bundles of bills from a coterie of nations, the only real currency was trust – and the fears of reprisal, if it were broken." Griffin, 142.

⁸³ Although Afghanistan does share a common border with China at the eastern end of the Wakhan Corridor, given the rugged terrain involved, the lack of infrastructure and established Chinese access to Southeast Asian heroin production, this does not appear to be a significant smuggling route. As Magnus and Naby point out, these mountain passes are snowbound for up to nine months a year, and construction in this environment is daunting in the extreme. However, it should be noted that the major link between China and Pakistan, the Karakorum Highway, does in fact lie directly south of the Wakhan Corridor and offers a more viable vector through the area. Similarly, international air connections with Afghanistan are minimal, but if further developed could offer the potential for smuggling vectors to bypass the country's immediate neighbors. See Magnus and Naby, 66. However, there is some evidence that Uighur and other Turkic-speaking ethnic groups in China's Xinjiang autonomous region have developed heroin smuggling networks with links to both the Golden Crescent and the Golden Triangle. OGD, *World Geopolitics of Drugs* (2000), 62-3.

⁸⁴ At this juncture, however, it is important to note that not all the heroin coming out of Afghanistan actually leaves the region. For instance, the ONDCP estimated in 2000 that the region's growing addict population at between 3.5 and 5 million. U.S. ONDCP, "Drug Policy Perspectives," 5.

⁸⁵ Magnus and Naby, 25.

Though often seen by its neighbors as a danger, in the case of Pakistan and, to a lesser extent, Iran, it also represents an opportunity. *The Economist* recently noted, with respect to the post-Taliban era, “As their hosts of Afghan refugees show, Pakistan and Iran have vastly more to lose from disorder in Afghanistan than do any other outsiders.”⁸⁶ Similarly, the perceived threat to the Central Asian states from the Afghan export of Islamic fundamentalism has also become an issue, as discussed at greater length below.

However, in economic terms, “No longer merely a buffer state, Afghanistan is now a crossroads between states that want and need trade, as both Pakistan and Iran engage in a struggle for access to Central Asia’s mineral wealth and markets.”⁸⁷ A particularly salient example of this trend can be found in the efforts of various governments and multinational corporations to reach an understanding with the Taliban government by which Afghan territory could be incorporated into competing pipeline proposals.⁸⁸ It is thus hardly surprising that Afghanistan’s role linking Pakistan, Iran and the Central Asian states holds the potential for serving as a conduit for transnational

⁸⁶ “Now for the equally hard part” *The Economist*, 17 November 2001, 16. Furthermore, there is a definite linkage between the cross-border refugee situation and a range of smuggling activity, including the movement of heroin, as discussed in Goodsen, 151. Interestingly, an earlier piece in *The Economist* noted that, in conjunction with the trafficking of heroin, smuggling refugees out of Afghanistan had “long been the only profitable industry in the country.” “Afghanistan’s opium fiends,” *The Economist*, 24 February 2001, 43. For more on these refugees as they proceed toward other destinations, particularly in Europe, see also “Not my problem,” *The Economist*, 8 September 2001, 40-1.

⁸⁷ Goodsen, 21. Ewans, 36, also links Pakistani support for the Taliban to its efforts to develop road and rail links to Central Asia in order to better compete with Iran. For more on Pakistani efforts to utilize Afghan territory to access Central Asian markets, see also Rashid, *Taliban*, 26-30. In particular, the author notes the tensions between Pakistani military and intelligence circles, various Afghan factions, and competing smuggling mafias on both sides of the border. Even more broadly, Magnus and Naby, 54-5, note the potential for Afghanistan to once again resume the role of a regional economic link, functioning to the advantage of its inhabitants as in the long-ago heyday of the “Silk Road.” However, this will not become a reality until the current political chaos and lack of economic options can be replaced by a measure of stability.

⁸⁸ The issue of pipeline politics and their underlying geography, centering on the efforts of various governments and multinational corporations, is dealt with extensively in Rashid, *Taliban*, 143-82.

crime as well as for economic development, though in recent years the former has been more common than the latter.

Among these three areas, Pakistan has arguably had the most longstanding and intimate relationship with Afghanistan, particularly in the context of heroin. However, before examining the nature of these cross-border ties, an understanding of the history that has shaped the two countries' border area is a necessary precursor. Much of this is can be traced to the colonial influence throughout the region, the calculus of which was in turn driven by the fears of the British in India of Russian encroachment throughout Central Asia, the "Great Game" of the late nineteenth and early twentieth centuries noted previously.

The most salient cartographic legacy of this era can be found in the two countries' border demarcation. Specifically, the 1879 Treaty of Gandamak, signed in the midst of the Second British-Afghan War, in turn led to the establishment in 1893 of the Durand Line as an arbitrary demarcation between Afghanistan and then-British India, now partitioned into Pakistan and, to the south, India. In effect, this split both Pashtunistan and Baluchistan, lands traditionally occupied by the Pashtun and Baluch peoples, respectively, between nominal Afghan and British colonial rule, a border inherited by the successor governments on both sides that persists up to the present day.⁸⁹

⁸⁹ The Durand Line was drawn up by, and duly named for, Sir Mortimer Durand as a "boundary of mutual convenience separating Afghanistan from India." Furthermore, as noted above, "such arbitrary boundaries over sprawling tribal areas left large portions of Afghanistan's leading ethnic groups on the wrong side of its borders," particularly Pashtuns in Pakistan's northwestern border area, and Baluchs in both Pakistan and Iran. Haaq, 946. Moreover, as Griffin points out, the breadth and scale of smuggling activity across this border is a tribute to Afghan resourcefulness and the strength of family ties, which had easily outlasted the creation, a century earlier, of the Durand Line. Referred to, only half jokingly, as Pashtunistan's 'Berlin Wall,' it was transformed by Afghan merchants into a vast Panama Canal, allowing commercial passage between divided hemispheres and the free circulation of otherwise banned commodities and substances." Griffin, 142.

This division has led directly to decades of tension along the common border, a trend that accelerated with the partition of British India into India and Pakistan in 1947. A primary issue of contention centers on which country should legitimately control traditionally Pashtun tribal areas, Afghanistan or Pakistan, which has become serious enough at times as to lead to the total breakdown of relations, as between 1961 and 1963.⁹⁰ More recently, the desire on the part of Pakistani policy-makers to mitigate this political friction can often be seen in the various forms of leverage exercised via support for various of the warring Afghan factions, most notably those of Hekmatyar and, subsequently, the Taliban, as discussed in the previous section.⁹¹

On the Pakistani side of the border, the territory in question is the North-West Frontier Province (NWFP), divided into six tribal agencies, those of Khyber, Mohmand, Kurram, North and South Waziristan, and Malakand.⁹² As a 1997 U.S. government report notes, "The most significant barrier to drug control in Pakistan is that the Pakistani

⁹⁰ Though data is difficult to obtain, an estimated 15% of Pakistanis are Pashtun, while, according to U.S. CIA, *CIA World Factbook* (2002), 44% of Afghans are also Pashtun. For more on the background of this friction, see Arif, 298-304; and Ewans, 107-9. Furthermore, while residing in Peshawar on the Pakistani side of the Khyber Pass during 1986-7, Goodsen notes that the city was, "as it had often been in the past, an Afghan town." Goodsen, vii. See also Salamat Ali, "Khyber bypass," *Far Eastern Economic Review*, 6 June 1999, 44; and Tim Fischer, "Up the Khyber: down with super-terrorism," *Business Asia* 9, no. 9 (October 2001), 26. Interestingly, Peshawar has often served as the primary conduit for emeralds originating from Afghanistan's Panjshir valley, as noted in "In business again," *The Economist*, 14 September 1991, 40.

⁹¹ Rashid also notes the inherent irony of the refusal of the Pakistani-supported Taliban to recognize the Durand Line or to drop long-standing claims to parts of Pakistan's NWFP. This may be attributed in large measure to the resonance of "Greater Pashtunistan," within certain segments of Afghan society and a theme of successive governments for decades. Rashid, *Taliban*, 187.

⁹² Interestingly, Haaq notes that during the colonial period the British did not actively encourage opium cultivation in what is now Pakistan's North-West Frontier Province, unlike elsewhere in India, holding to the view that such activity could have a destabilizing effect in an already relatively chaotic area. Haaq, 947. See also Cooley, 59-60. Moreover, the case of Malakand offers a number of interesting parallels with neighboring Afghanistan. In addition to its Pashtun ethnic affinity, the local leadership of Sufi Muhammed echoes many of the religious strictures implemented under the Taliban. However, there appears to be little interest in exporting these tenets. In the context of this particular discussion, all of these tribal areas joined Pakistan at a relatively late date and receiving special tax concessions as a result. Furthermore, their location adjacent to the border with Afghanistan allows for easy access to smuggling. See "In the shadow of the Taliban," *The Economist*, 8 September 2001, 68.

government does not control the Northwest Frontier Province . . . Local tribal groups were given control when the area was divided upon the British departure from the region, and the government is reluctant to interfere with their rule and illegal drug processing and trafficking activities, fearing a civil war.”⁹³

As noted in the previous section, the genesis of much of the heroin smuggling through Pakistan can be found in the arms pipeline arrangements used to supply the anti-Soviet resistance, at the time comprised of three discrete three parts, namely the CIA, the ISI and the various mujahidin factions.⁹⁴ The control of these routes with respect to a wide range of goods continues to be an important issue. Evidence of this can be found in an earlier attempt by the Pakistani ISI to close the main smuggling route between Jalabad and the Pakistani border, via the Khyber Pass, that aroused a wave of protest from tribes living along the route. When a settlement was reached in the spring of 1991, tolls were again to be split between the local tribes and the Afghan mujahidin fronts operating in the area.⁹⁵ By 1995, this illegal cross-border trade was estimated at \$3.5 billion.⁹⁶

⁹³ U.S. GAO, “Drug Control: U.S. Heroin Control Efforts in Southwest Asia,” 13. On the other hand, this report also notes the pressure put on successive Pakistani government by the U.S. with respect to this issue, as well as the mixed results. For instance, in an attempt to appear to be making progress, in 1996 an alleged Pakistani seizure of 2 tons of opium was later shown to have been a hoax.

⁹⁴ During this period most of the heroin was shipped via cargo container through from Rawalpindi, the headquarters for the ISI’s Afghan unit, and to a lesser extent from Quetta. Rubin, *Fragmentation*, 197. The author also relates that in 1983, the director of ISI, General Aktar Abdul Rahman, had to remove of the entire Quetta operation as a result of its having been entirely compromised by involvement in bribery, gunrunning and drug smuggling. The architect of this illegal activity was Ismatullah Muslim, whose career was discussed in the previous section, and this setback precipitated his defection to the Najibullah regime. On the Pakistani side, there was also consequently a reorganization of its mechanisms to funnel aid only to recognized and approved mujahidin parties. Rubin, *Fragmentation*, 158-9, 199. See also Scott and Marshall, 4-5, which draws parallels between the CIA’s role in the rise of Afghan heroin with that of Latin American cocaine.

⁹⁵ Rubin, *Fragmentation*, 262.

⁹⁶ Ahmed Rashid, “Nothing to Declare: The political void in Afghanistan has spawned as vast smuggler’s market that is crippling Pakistan’s economy and threatens its neighbor’s own economies,” *Far Eastern Economic Review* 150, no. 19 (11 May 1995), 58-61. The author also notes that during this period the Taliban drew most of its funding from traders grateful for open roads.

As noted in the previous chapter, Pakistan itself has been a major producer of opium in the past, with the NWFP at the center of this activity.⁹⁷ However, in recent years there has been a significant downward trend, “primarily attributable to a precipitous decline in Pakistani opium prices, which in turn was due mainly to Afghanistan’s sustained high levels of production.”⁹⁸ Moreover, up to mid-1990s, most heroin processing took place in Pakistani territory adjacent to Afghanistan, though it has since moved further upstream. A combination of alternative development policies and law enforcement is generally credited with this diminished output.⁹⁹

Even as Pakistani production was falling, however, domestic consumption continued to rise. For instance, in 1992, Pakistan had between 1.1 and 1.2 million addicts consuming approximately 55 tons of drugs while the country was producing only 18 tons. The underlying irony in the situation was that, since 97% of the Afghan poppy-growing land was under Taliban control and taxation, a regime largely supported by Pakistan was supplying the bulk of its addicts.¹⁰⁰ While more recent statistics are difficult to come by,

⁹⁷ Haaq links the genesis of Pakistani heroin production to a young official from the Pakistan Council of Scientific and Industrial Research who traveled to the tribal areas of the NWFP to show the local opium growers how to process their crops into heroin. The tribes were understandably delighted, as this increased their profit margin by tenfold. Haaq, 954-5.

⁹⁸ U.S. ONDCP, “Drug Policy Perspectives,” 5. This report also notes that its estimates for Pakistan’s 1999 opium production, 75 MT, represent a decline of over 50% compared to that of 1995, 155 MT. Moreover, this is also “the lowest level of Pakistani opium production since we began crop estimates in 1986.” The Pakistani government’s ongoing efforts have helped to support this trend, despite resistance in areas where opium production is deeply entrenched, primarily within the NWFP. See Salamat Ali, “Opiate of the frontier: Pakistan’s tribes find it hard to give up the poppy crop,” *Far Eastern Economic Review*, 27 May 1993, 18.

⁹⁹ OGD, *World Geopolitics of Drugs* (2000), 47-9. For instance, in terms of drug control, Pakistani officials seized 25,427 tons of drugs along the tri-border region with Afghanistan and Iran, including 16,320 tons of hashish, 7,630 tons of opium and 1,417 tons of heroin. However, this report also notes the appearance of new poppy cultivation zones within the tribal areas of the NWFP, specifically in Khyber and both North and South Waziristan.

¹⁰⁰ Goodsen, 102. See also Rashid, *Taliban*, 120, 183-95.

in 1997 the Pakistani delegate to an Interpol conference reported that Pakistan's addict population had risen nearly four-fold to 4.5 million.¹⁰¹

In addition to a thriving domestic demand for drugs, Pakistan also exhibits a number of social and institutional characteristics favorable to smuggling activity. Like its neighbor to the north, Pakistan has significant internal ethnic cleavages that range beyond those discussed above in the context of the NWFP.¹⁰² Furthermore, a combination of poor pay for civil servants and the strong traditional role played by the Pakistani military in politics has served to provide the political protection that allows smugglers to operate without fear of arrest.

This quasi-official tolerance of drug trafficking has led in recent years to a boom in drug use, particularly in urban areas, as well as what has been described as overall "heroinization" of Pakistani society.¹⁰³ The impact of this development has in turn increased the prevalence of drug-based corruption in Pakistani politics, by which the

¹⁰¹ Interpol, "International Drug Trafficking," 3. Moreover, as noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 20, the U.N. has estimated that there are between 3.5 and 5 million local addicts in the major source and transit countries at the crossroads of the Southwest Asian heroin trade. While the majority of these apparently reside in Pakistan, by contrast in 1980 the country reported virtually no such incidence of drug abuse.

¹⁰² See, for instance, Charles H. Kennedy, "The politics of ethnicity in Sind," *Asian Survey* 31, no. 10 (October 1991), 938-55; and Christopher O. Hurst, "Pakistan's ethnic divide," *Studies in Conflict and Terrorism* 19, no. 2 (April-June 1996), 179-98.

¹⁰³ Haaq, 952-4. For a wider analysis of the issue of the Pakistani armed forces' involvement in politics, see also Hasan-Askari Rizvi, "The Military and Politics in Pakistan," *Journal of Asian and African Studies* 26, no. 1-2 (January-April 1991), 27-42, which discusses the challenges faced by Benazir Bhutto following her 1988 election in the wake of General Zia al-Haq's death in office. A more recent and ongoing example of this tendency in Pakistani politics can be found in General Pervez Musharraf's assumption of power and efforts to maintain his rule. With respect to urban areas, as the DEA noted in 1998 most of the Pakistani heroin trade is controlled from the city of Quetta by a loose consortium of three families known as the Quetta Alliance. Although these groups appear to be operationally independent, they often cooperate to establish facilities, maintain supplies, meet large orders and shield themselves from law enforcement authorities. U.S. DOJ, DEA, *NNICC* (1998), 55.

laundering of drug profits creates immense political leverage up to the highest levels of government.¹⁰⁴

While the U.S. has categorized Pakistan as both a major drug producing and trafficking country, in the past it has often received certification only via strategic waiver. As discussed in Chapter III, such waivers are granted on the grounds of U.S. national interest due to issues peripheral to the drug trade and illustrate the relative priorities among policy-makers. In the case of Pakistan, its growing nuclear capability, highly unstable economy and, currently, its role in the ongoing war on terror for the time being all supercede U.S. concerns over drug control. However, military and intelligence links to Kashmiri insurgents, known to be involved in the illicit movement of arms and other supplies, can easily be used to facilitate the shipment of other types of contraband as well.¹⁰⁵

In terms of heroin transit, despite the decline in opium production, trafficking networks involving a significant Pakistani component serve to ensure that the flow of heroin remains unimpeded not only into the country to meet domestic demand, but also across its borders and beyond. These networks, spanning the often notional boundary between Afghanistan and Pakistan, are based on long-standing transnational ethnic, tribal

¹⁰⁴ An indicator of how high this corruption reached can be seen in the case of the 1982 arrest in Oslo, Norway, of Hamid Hasnain, vice-president of the Pakistani government-controlled Habib Bank and Zia's personal banker, as related in Haaq, 957. It may be argued that many of the anti-corruption measures undertaken by Pakistani Prime Minister Moeen Qureshi helped to undercut his political support and thus pave the way for Musharaff's seizure of power. See Salamat Ali, "No drugs, no doubts: tough terms in store for election candidates," *Far Eastern Economic Review*, 9 September 1993, 15.

¹⁰⁵ Even before the current upsurge in tensions between Pakistan and India over the issue of Kashmir, smuggling through this area was already well established. For instance, in the late 1980s reports of a major drug smuggling route through Pakistan's NWFP into Kashmir through the Karakoram Pass, and then into China's Xinjiang Province and Tibet, before moving on into Nepal. Nepalese sources confirmed this route, noting that the drugs could easily pass across the porous Indian-Nepalese border and on to a seaport for shipment abroad. See Haaq, 950; and OGD, *World Geopolitics of Drugs* (2000), 50-2, which also discussed the activities of both local networks linked to Indian TCOs, and networks based on foreigners living in the country.

and political affiliations that give them the capability to negotiate transactions, assemble drug shipments and transport these goods to wholesale buyers, frequently in cooperation with other networks.¹⁰⁶ As discussed earlier, many of these links are based on Pashtun or Baluch ethnic ties.

A sizable number of smuggling vectors thus transit from Afghanistan into Pakistan using such means. By land, large quantities of opiates and hashish are transported through this mountainous terrain to the Makran coast or to the port of Karachi by four-wheel-drive vehicles or pack animals. In particular, camel caravans can avoid drug enforcement officials, as these animals are capable of traveling over very rugged terrain. Drugs are also moved through the country by road and rail to seaports concealed in legitimate shipments.

From the coast, drug shipments are generally either placed on small coastal craft for delivery to ships at anchor, or fed into the existing commercial infrastructure. In particular, Karachi is one of the largest and busiest ports in the region, moving high volumes of both containerized cargo and bulk goods internationally.¹⁰⁷ Moreover, some

¹⁰⁶ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 22. As Rubin notes, "After the Soviet withdrawal, as military pressure on the countryside eased, agriculture and trade revived, much of this renewed production took the form of opium growing, heroin refining and smuggling; these enterprises were organized by combines of mujahidin parties, Pakistani military officers, and Pakistani drug syndicates." Rubin, *Fragmentation*, 183. Goodsen echoes this observation, writing that, "The collapse of Afghanistan's formal economy has empowered many . . . private actors, especially the drug barons and smugglers with Pakistani connections, because they provide most of Afghanistan's tiny annual GDP." Goodsen, 113. The author also provides insight into the state of the Afghan economy at the time, as discussed length in the previous section: "The only significant activities in Afghanistan . . . other than subsistence agriculture, are illegal or quasi-legal, at least outside of Afghanistan – narcotics manufacturing, arms trafficking, and smuggling of duty-free goods." Goodsen, 96.

¹⁰⁷ The availability of these modes of transit in the Pakistani context are discussed in U.S. DOJ, DEA, Intelligence Division, Europe/Asia/Africa Strategic Unit, "Pakistan: Country Brief," DEA-02012 (Washington, DC: DEA, March 2002), available at <http://www.usdoj.gov/dea/pubs/intel/02012/02012.html>, accessed 15 July 2004. The port of Karachi is also discussed in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 20. Magnus and Naby, 178, further underline the importance of Karachi in this capacity. The Pakistani government has also considered developing an alternative port at Gwadar in its Baluchistan province, but prospects for Central Asian trade must greatly expand in order to make such a course of action economically viable.

smuggling vectors can be traced out of Afghanistan into Pakistan via the NWFP, and which then re-enter Afghanistan via Badakhshan province for transit to Central Asia.¹⁰⁸

Before turning elsewhere, however, India also offers a potential outlet for heroin smuggling vectors crossing from Pakistani territory, even beyond the issue of contraband moving into Kashmir as noted above.¹⁰⁹ Indian criminal organizations became involved in the trafficking of Southwest Asian heroin during the mid-1980s when the Iran-Iraq War disrupted traditional routes through Pakistan and Iran to Turkey. India's well-developed transportation infrastructure, a long and porous coastline, and lax export control policies help facilitate not only drug trafficking but also the smuggling of gems and other contraband. Moreover, its inland container depots, designed to move goods from the interior to major seaports such as Mumbai (Bombay), Goa, Chennai (Madras) and Calcutta, all handle a large volume of international trade that can be readily subverted by TCOs.¹¹⁰

For its part, Iran's contiguous borders with both Pakistan and Afghanistan have presented a number of challenges to successive regimes.¹¹¹ As Haaq notes, "Prior to the 1970s, Afghan opium production was linked to events in Iran, where opium usage . . . became a major problem in the early 20th century." With an addict population estimated at over one million by the early 1950s, the Shah's government banned poppy cultivation in 1955, and Afghan entrepreneurs moved in to make up the subsequent shortfall.

¹⁰⁸ See U.S. Department of State, INL, *INCSR 2001*, "Southwest Asia – Pakistan," which also notes many of the same routes and methods already mentioned.

¹⁰⁹ See U.S. DOJ, DEA, "Pakistan: Country Brief."

¹¹⁰ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 20-2.

¹¹¹ Moreover, as noted in Magnus and Naby, 31-2, the various dynasties based in Afghanistan and Iran have also historically shared a number of cultural affinities even during periods of strife.

In 1969, Iran modified its ban to allow limited opium production, and to make drugs available to government-recognized addicts via a coupon system. In spite of these policies, Haaq continues by pointing out that, “Afghan traffickers found the movement of opium into Iran relatively easy and well worth the effort, despite the death penalty if caught smuggling drugs and the frequent clashes with Iranian law enforcement along the Afghan-Iran border.”¹¹²

Lamour and Lamberti note the common regional drug trafficking pattern as of the early 1970s, whereby opium was first routed through Kabul, and then on to Iran for either domestic consumption or transshipment. In the latter case, the smaller Persian Gulf ports were often utilized, with Dubai specifically noted as a desirable distribution center primarily due to its contemporary involvement in the black market gold trade with India and its longstanding reputation for asking few questions with regard to commercial transactions.¹¹³

The fall of the Shah in 1979 initially eroded law enforcement capabilities, particularly with respect to deterring domestic opium cultivation. Thus, coincidentally, as the Iranian market for Afghan opium shrank, the invading Soviet forces also blocked the traditional smuggling routes into Iran.¹¹⁴ As the Afghan state continued to collapse

¹¹² Haaq, 947-8. Furthermore, as noted in “Go home. Please,” *The Economist*, 6 April 2002, 41, Iranian suspicions of the 2.3 million Afghan refugees in the country are not limited to allegations of involvement in drug smuggling, but also encompass prostitution and the more prosaic concern of stolen jobs. However, as noted in Cooper, 51, cross-border smuggling has traditionally been controlled by various Baluch tribes with members residing in both Iran and Afghanistan.

¹¹³ Lamour and Lamberti, 185-6. Interestingly, when questioned by the authors as the point where the opium was processed into heroin, the smuggler providing the information did not appear familiar with anything but raw opium. Moreover, these trafficking patterns can be very resilient over time, as can be seen from the following observation from late 2000: “Traffickers use historical routes to move drugs, as well as other contraband, from Southwest Asia through Iran to Turkey, or to Iranian Persian Gulf coast seaports and harbors for shipment to the Arabian Peninsula.” U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 20.

¹¹⁴ This confluence of events is noted in Haaq, 949.

into civil conflict, an influx of refugees and weapons, as well as drugs, into Iran became a major cause for concern.¹¹⁵

During the Taliban era, Iran maintained a consulate in Herat despite an absence of diplomatic relations. However, a turning point of sorts came about in October 1999 when General Pervez Musharraf ousted the Nawaz Sharif government in Pakistan. Musharraf's government almost immediately tightened the border controls with Afghanistan in order to crack down on smuggling, resulting in an immediate rise in Afghan wheat prices and a devaluation of the value of the Afghan currency, the afghani.

This in turn paved the way for a thaw in relations between Afghanistan and Iran in late November 1999, resulting in the common border reopening for trade at Islam Qala, west of Herat.¹¹⁶ As noted in mid-2001, "The advantage for the Taliban is that Iran is fairly relaxed about its borders with Afghanistan, despite the UN sanctions that have stopped most of the Afghans' external trade . . . The advantage for Iran is that it can keep on good terms with a worrying neighbor."¹¹⁷

However, with an addict population recently estimated at more than two million out of a population of approximately 63 million, and a heroin price in early 2001 of \$.50 per dose, it is certainly in Iran's interest to stem the flow of cheap Afghan opiates into its national territory. Toward this end, Iran has stationed 30,000 troops along its border with Afghanistan, as well as fortifying lengths of it with trenches, concrete barriers and other types of fortifications.

¹¹⁵ Rashid, *Taliban*, 203-6.

¹¹⁶ Gooden, 83.

¹¹⁷ "The odd couple," *The Economist*, 26 May 2001, 41. This article also notes several incidents marring these countries' relations, including a 4 May 2001 explosion in Herat blamed on Iran, that in turn led to an anti-Iranian riot, and the deaths of eleven Iranian citizens in 1998 when the Taliban captured the city of Mazar-i-Sharif. For more on Iranian efforts to reach a *modus vivendi* with the Taliban, to include cooperation with Pakistan on the issue, see also Griffin, 240-2.

Moreover, although accounting for between 70 and 85 percent of worldwide seizures of drugs in recent years, Iran also reported having lost nearly 3,000 men in policing the border, mostly in conflict with armed smuggling gangs.¹¹⁸ From the Islamic Revolution of 1979 up to 1997, Iran claimed 12,500 law enforcement personnel killed by drug traffickers.¹¹⁹ However, despite sustained efforts to control the drug trade across its borders, smuggling vectors utilizing pack animals, private automobiles, buses and commercial vehicles continue to be detected.¹²⁰

As UNDCP estimated in 1998, three-quarters of the heroin seized in Western Europe passed through Iran, indicating a sustained and even expanding set of smuggling vectors transiting the country under the auspices of various organizations.¹²¹ However, while crossing Iranian territory, these shipments may either be broken down into smaller parcels or diverted directly to the domestic market. In addition to the Iranian border with Afghanistan, much of this contraband comes overland from Pakistan's Baluchistan province through to northwestern Iran, which is inhabited by Kurdish groups with

¹¹⁸ See "Drugs and decay," *The Economist*, 31 March 2001, 42; and "Iranian police seize nearly 2 tons of drugs," *CNN.com*, 16 September 2001. The latter article in particular gives several details on two specific seizures. In the first, 1,650 kilos of unspecified narcotics were taken from smugglers moving their goods on eleven camels through the desert in Baluchistan province coming from Afghanistan. In the second, 328 kilos of opium and 26 kilos of morphine were taken from the back of a truck in the same area. Rashid, *Taliban*, 193, also notes the impact of petroleum products smuggled from Iran through Afghanistan and on to Pakistani markets, using the same routes and methods as drugs, though in reverse.

¹¹⁹ This figure was reported by the Iranian delegate at an Interpol conference, as reported in Interpol, "International Drug Trafficking," 3. A "wide-ranging operation" undertaken by the Iranian authorities in Baluchistan, a key conduit for the regional heroin trade, was also mentioned.

¹²⁰ U.S. DOJ, DEA, *NNICC* (1998), 55.

¹²¹ "Ally against drugs," *The Economist*, 4 July 1998, 41. Similarly, while noting the Iranian government's sustained commitment to drug control, particularly with respect to opium poppy eradication efforts, a recent U.S. assessment continues to say that, "Land routes across Iran constitute the single largest conduit for Southwest Asian opiates en route to European markets. Entering from Afghanistan and Pakistan into eastern Iran, heroin, opium, and morphine are smuggled overland, usually to Turkey but also to Turkmenistan, Armenia, and Azerbaijan. Drugs are also smuggled by sea across the Persian Gulf." U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – Iran." However, as noted in Chapter III, the U.S. does not currently consider Iran a major drug producing or transit nation.

extensive ties to their Turkish compatriots.¹²² Once over the border, any unrefined opium and morphine is processed in heroin conversion laboratories there.¹²³

Since the U.S. currently maintains no diplomatic relations with Iran, it has ostensibly been unable to verify claims of eradication and enforcement. However, it is no secret that harsh punishment is regularly meted out in Iran for drug trafficking offenses, with thousands having been executed since draconian anti-drug legislation was introduced in 1988.¹²⁴ Despite a host of other outstanding areas of friction, counter-narcotic efforts pose an important potential area for common ground in initializing U.S.-Iranian diplomatic contacts, should both sides reach that point in the near future. Furthermore, with the regime change in Afghanistan, Iran must also brace itself for even more drug trafficking activity across the common border.¹²⁵

While traditional trafficking routes passing through Pakistan and then overland through Iran or by sea to heroin refineries and distribution points in Turkey, these routes “have been used less as traffickers have developed new routes through the FSU [former Soviet Union] - particularly the Central Asian states. As a result, it now appears that regional traffickers are trying to reap more profits for themselves and, by bypassing

¹²² In addition to motorized methods, both horses and mules are used to cross the mountainous 300-mile border with Turkey. Cooper, 52. Furthermore, as noted in U.S. Department of State, INL, *INCSR 2001*, “Africa and the Middle East – Iran,” “Shipments of opiates enter Iran overland from Pakistan and Afghanistan by camel, donkey or truck caravans, often organized and protected by heavily-armed ethnic Baluch tribesmen from either side of the frontier. Once inside Iran, large shipments are either concealed within ordinary commercial truck cargoes or broken down into smaller sub-shipments. Foreign embassy observers report that Iranian interdiction efforts have disrupted smuggling convoys sufficiently to force smugglers to change tactics and emphasize concealment. The use of human mules reportedly is on the rise.”

¹²³ U.S. DOJ, DEA, “Pakistan: Country Brief.”

¹²⁴ “Give the Devil his Due,” *Time International*, 13 July 1998, 20. While officially decertified for 1998, Iran was taken off the majors list for 1999 in December 1998.

¹²⁵ See “What the Taliban banned,” *The Economist*, 16 March 2002, 51, which also notes that during a two-week period in early 2002, Iran’s security forces seized six tons of drugs and allegedly killed ninety smugglers.

refineries in Turkey, have begun to process more heroin in Afghanistan.”¹²⁶ However, despite the growth of these alternatives, heroin smuggling from Pakistan and Iran into Turkey remains very viable as a path of least resistance.

As such, before turning north it is necessary to further trace the smuggling vectors crossing both Pakistan and Iran, in general moving by land into Turkey, or by sea through the various ports throughout the Middle East. According to Interpol statistics, during the late 1990s three quarters of all drug seizures and arrests in Europe involve either Turkish drug traffickers or narcotics smuggled through Turkey.¹²⁷ As previously discussed at length, during the 1970s Turkey was one of the largest producers of opium. However, generally speaking, Turkish criminal organizations now function primarily as brokers, who play a “critical role in buying morphine base and heroin from producers in Southwest Asia and moving the drug to distribution networks in Europe and North America.”¹²⁸

Generally speaking, drugs arrive in Turkey for transshipment to European markets either across the land border with Georgia, Armenia, Azerbaijan, Iran, Iraq and Syria, or by sea from or via Syria and Lebanon.¹²⁹ In 1998, the DEA noted three primary

¹²⁶ U.S. ONDCP, “Drug Policy Perspectives,” 5.

¹²⁷ Cited in U.S. Department of State, INL, “INL Country Programs – Turkey,” 19 November 1998. Another indicator of the volume of heroin moving through Turkey is the fact that seizures there accounted for 35% of the global total in 1997. Interpol, “International Drug Trafficking,” 1. More recently, OGD, *World Geopolitics of Drugs* (2000), 15, also noted that, “Turkey has become the main heroin producer for the European market, importing its raw material (opium and morphine base) from Afghanistan and Iran.”

¹²⁸ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 21. This source also links the PKK to the practice of levying taxes on traffickers moving drugs through Iranian border crossings and across territory it controls in southeastern Turkey. However, at present, it is unclear whether or to what extent the leadership of the PKK is directly involved with these activities.

¹²⁹ See Galeotti, “Turkish Organized Crime,” 30-1. The author also notes that routes are both flexible and under constant review, with back-up routes and expansion into new markets as related goals. Evidence of the former can be found in the development of alternate “Baltic” routes through Russia, while the latter is demonstrated by the opening of links to both North and West Africa. For more on drug smuggling through the Baltic region, see also Christopher Ulrich, “Transnational Organized Crime and Law Enforcement Cooperation in the Baltic States,” *Transnational Organized Crime*.3, no.2 (Summer 1997), 79-81. In

methods of smuggling morphine base into Turkey for processing. These were by sea from the coasts of Pakistan and Iran into the ports of Istanbul, Izmir, Samsun and Trabzon on merchant shipping; overland by motor vehicle from Baluchistan, Pakistan, and across northwest Iran into Turkey via vehicles, pack animals or human couriers; and from Afghanistan through the Central Asian republics, across the Caspian Sea by ferry, and then through Georgia into Turkey.¹³⁰

In terms of transit, by virtue of both geography and tradition Turkey remains a nexus for heroin smuggling as the easternmost linchpin of the “Balkan Route,” despite competition from developing routes through the former Soviet Union. This long-standing set of smuggling vectors leading from Turkey into Western Europe have undergone significant evolution over time in response to both political developments and law enforcement efforts. For instance, in the 1970s the transport of drugs from Turkey into Europe began shifting from maritime to overland modes.¹³¹

More recently, during the breakup of Yugoslavia, existing smuggling routes shifted to alternate northern routes through Romania into Hungary, Poland and the former Czechoslovakia, as well as through Albania, the Caucasus and Russia into Eastern Europe, with the most favored final destinations being Switzerland and Germany as of

particular, the author notes that, “These shipments make their way to the Baltic States, Kaliningrad or St. Petersburg via two corridors: through Belarus and Russia, or through the Balkans, Belarus, Poland, and Ukraine. Drug shipments transit the Baltic States by land, air, sea, and rail.” For a more specific focus on Lithuania, see also OGD, *World Geopolitics of Drugs* (2000), 115-8.

¹³⁰ U.S. DOJ, DEA, *NNICC* (1998), 57. This report also notes the role of ethnic Kurdish elements in facilitating much of this activity.

¹³¹ Lamour and Lamberti, 25. For more recent drug trafficking trends in Turkey, see also U.S. Department of State, INL, *INCSR 2001*, “Europe and Central Asia – Turkey.”

the mid-1990s.¹³² However, a 1998 Interpol report concluded that Yugoslavia had “apparently reopened for drug traffic.”¹³³

As further evidence of the many permutations available to determined smugglers, it was reported in December 2000 that Bulgaria had become a primary point of entry for heroin smuggling vectors moving into European markets. This activity was facilitated by the high volume of trucks crossing from Turkey, up to a thousand per month in the busiest season, despite the fact that these conveyances are bonded and sealed in accordance with International Truck Route procedures.¹³⁴

Turing to the Middle East, in some respects Afghan heroin smuggling vectors moving through this generally repressive and often tumultuous part of the world represent merely one type of contraband among many. As *The Economist* noted in 1998, “The

¹³² See “The Albanian connection,” *The Economist*, 29 October 1994; R. E. Kendell, “Drug control: policies and practices of the International Criminal Police Organization,” *U.N. Bulletin on Narcotics*, no. 1-001 (1992), 5; and Carter, 141-2. Characteristic of the E.U. and the concerns of its particular members, Germany offers a particularly apt example. A wide range of drug trafficking organizations currently operate in Germany, including Chinese, Italian, Russian, Colombian and Japanese groups. However, there remains a continuing primacy of the conduit through Turkey and the related issue of involvement in the heroin trade by Turkish resident aliens. Friman, *NarcoDiplomacy*, 95, 98-99. Drug trafficking through Hungary is discussed in Alan Wright, “Organized Crime in Hungary,” *Transnational Organized Crime* 3, no. 1 (Spring 1997), 72-3. Similarly, for more on drug smuggling via Poland since the political changes of 1989, see Emil W. Plywaczewski, “Organized Crime in Poland,” *Transnational Organized Crime* 3, no. 3 (Autumn 1997), 114-6. In particular, the author notes that Colombian, Turkish, Dutch, German and Scandinavian TCOs are all in contact with local criminal groups. For more on the Czech Republic’s role as a storage and distribution node for drug trafficking organization, see also OGD, *World Geopolitics of Drugs* (2000), 121-4. This report specifically notes that, “Arabs, Nigerians, Asians (especially Vietnamese and Chinese), Latin Americans (mostly Colombians and Peruvians), Turks, Kurds, and Balkan gangs are all trafficking drugs in the country, either separately or in joint ventures.”

¹³³ Interpol, “International Drug Trafficking,” 1. This report also notes that in 1997 over 80% of the heroin seized in Europe transited the Balkan Route.

¹³⁴ See U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 8, which does not discuss the obvious issue of apparent loopholes in the applicable international standards. However, observing the same phenomenon, the increasing suspicion of Turkish truck drivers throughout the region is noted in Galeotti, “Turkish Organized Crime,” 31-2. For another example of the adaptability of smuggling routes through the region, see also “The criminal crucible that is Kosovo,” *The Economist*, 17 February 2001, 52. Though an estimated four to eight tons of heroin a month transit the Balkans, much of this particular activity currently avoids Kosovo since NATO troops on the ground are on the lookout for illegal weapons shipments. However, the province has become noted for luring large numbers of young women from Moldova, Romania, Bulgaria and Ukraine into sex-slavery with offers of fictitious jobs in Western Europe.

region is a smugglers' paradise – not just for illicit imports like drugs or illegal immigrants, but for everyday household goods subject to high tariffs or stifling regulations.”¹³⁵ The issue of sanctions against both Iraq and, in the case of the U.S., Iran, have also provided lucrative incentives for smuggling by land through the Caucasus, Turkey, Syria and Jordan, and by sea through the Persian Gulf.¹³⁶ Similarly, with respect to Egypt, *INCSR 2001* notes that, “The transshipment of Southwest Asian heroin is made easier by Egypt's long uninhabited borders and by the high level of shipping which passes through the Suez Canal.”¹³⁷

For a number of reasons, the United Arab Emirates, and Dubai in particular, have evolved into an important logistical node for Southwest Asian heroin on its way to both Europe and Africa. To begin with, the U.A.E. was one of only three countries to officially recognize the Taliban regime, the other two being Pakistan and Saudi Arabia. In recent years it has also emerged as a regional commercial, banking and transportation hub in its own right.

Specifically, the U.A.E. has an advanced maritime infrastructure including at least fifteen commercial seaports handling nearly five million cargo containers a year, 2.8

¹³⁵ See “A goat, a rug, special price?” *The Economist*, 3 April 1999, 38-9. This article further notes that, “While ‘generous subsidies in some countries create irresistible opportunities for arbitrage,’ the ‘biggest incentive to smuggling comes from the high import duties levied by almost all countries in the region.’” The commodities involved range from cigarettes, alcohol and pornography to goods both more exotic, such as artifacts and saffron, and more mundane, such as gasoline and bananas. Moreover, such activity has a longstanding history throughout the region. As noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 19, “Criminal organizations with international networks centered in Turkey, Pakistan, India, the United Arab Emirates (UAE), and Cyprus operate within a centuries-old commercial tradition of moving contraband merchandise through the South Asia – Middle East – Eastern Mediterranean region.”

¹³⁶ For more on the issue of sanction avoidance, see Appendix A. The specific trend toward an increasing incidence of drug smuggling activity through the Persian Gulf is also discussed in “High in the Gulf,” *The Economist*, 28 February 1998, 51; and Land, 20-2.

¹³⁷ U.S. Department of State, INL, *INCSR 2001*, “Africa and the Middle East – Egypt.” This report also notes that increased border surveillance and alternate routes through Central Asia appear to have diminished the incidence of heroin trafficking through the country.

million in Dubai alone. Moreover, 70% of these containers are in transit and thus not generally subject to customs scrutiny. Extensive air connections also exist, with over 60 airlines linking Dubai with more than 150 foreign destinations. In the past, Dubai has also served to funnel precursor chemicals from various suppliers to destinations in both Afghanistan and Pakistan.¹³⁸

Finally, since the break-up of the Soviet Union, there has been considerable apprehension that the former Soviet republics of Central Asia would either provide an alternative to the traditional smuggling route for Afghan opium and heroin to Europe via Iran and Turkey, or else become major producers themselves.¹³⁹ There also exists the potential for a related dynamic to become manifest, namely the apparent correlation between volume of drug traffic and subsequent levels of drug abuse most notably demonstrated in the cases of Pakistan and Burma.¹⁴⁰ This set of countries, comprised of Tajikistan, Uzbekistan and Turkmenistan actually bordering Afghanistan, with

¹³⁸ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 22. Griffin, 141, also notes that, "Dubai is the main entrepot for trans-Afghan smuggling, with 80 companies dedicated to trading across the Strait of Hormuz to the Iranian port of Bandar Abbas. From there, it is just five days' journey by road to the Pakistani border, at freight prices one-quarter of the alternative routes." For a more recent characterization of the country, see also U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East," which notes that, "Although it is not a drug producing country, the UAE is a crossroads for west-east trade and is proximate to major drug-producing and transit countries, including Afghanistan, Pakistan, Iran and India. It has 700 kilometers of coastline, is situated in a relatively affluent region, and has a domestic banking system that only recently (December 2000) adopted formal anti-money laundering regulations. These factors, combined with the country's laissez-faire attitude toward trade, make it vulnerable to narcotics trafficking."

¹³⁹ As Rashid notes, "Central Asia was the hardest hit by the explosion in Afghan heroin. The Russian mafia, with ties to Afghanistan established during the Soviet occupation, used their networks to move heroin through Central Asia, Russia, the Baltics and into Europe. Tajikistan and Kyrgyzstan developed important opium routes and became significant opiate producers themselves." Rashid, *Taliban*, 120.

¹⁴⁰ "After the silk came the smack," *The Economist*, 28 May 1994, 33. This correlation is echoed by the GAO, which noted in 1997 that, "Heroin is not used in large quantities by opiate abusers in Russia and the Central Asian Republics. However, U.S. counternarcotics and government officials in the region believe that heroin abuser populations are likely to expand and create more demand for illicit drugs in these countries as opium, heroin, and other illicit drugs become more readily available." U.S. GAO, "Drug Control: U.S. Heroin Control Efforts in Southwest Asia," 8.

Kyrgyzstan and Kazakhstan further out, is beset by a host of economic, political and social challenges endemic among both newly independent and developing nations.¹⁴¹

As discussed in the previous chapter, the FSU has become both a significant market and a viable transit alternative to the more traditional Balkan Route for Southwest Asian opium, heroin and hashish smuggling vectors. In addition to advantages imparted by sheer proximity and lax law enforcement, good east-west rail connections from Central Asia to Ukraine and western Russia also help explain the flow-through of Afghan heroin production that has fed the domestic drug market in Russia over the past five years.¹⁴² Furthermore a proposed road linking the Pamir Mountain region of Tajikistan with the Karakorum Highway, which runs from Kashgar in Chinese province of Xinjiang south through Pakistan to the Indian Ocean and the Persian Gulf, has the potential to facilitate the movement of contraband as well as legitimate commercial goods.¹⁴³

An ONDCP assessment in early 2000 noted that, “Today the easiest exit for Afghan opium runs due north, through the FSU states of Central Asia. Law enforcement forces across the FSU republics – particularly in Tajikistan, Uzbekistan and Kyrgyzstan – have faced a rising tide of Afghan opium and hashish.”¹⁴⁴ Generally speaking, the

¹⁴¹ For a concise overview of these issues, as well as of the region’s potential, see “The five young orphans,” *The Economist*, 25 October 1997, 42. For a more holistic analysis of this region, see also Firuz Kazemzadeh, “Central Asia’s Foreign Relations: A Historical Survey,” in *The Legacy of History in Russia and the New States of Eurasia*, ed. S. Frederick Starr (Armonk, NY: M. E. Sharpe, 1994), 195-215; and Graham Smith, ed., *The Nationalities Question in the Post-Soviet States* (New York: Longman, 1996).

¹⁴² U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 12. See also Colin Barraclough, “Will new railway open door to Central Asia?” *Insight on the News* 11, no. 49 (25 December 1995), 14-17, which discusses an Iranian plan for a new railway line linking its warm-water port of Bandar Abbas on the Persian Gulf all the way to the northern border with Russia and, presumably, Russia’s extensive rail system.

¹⁴³ See “A road to riches?” *The Economist*, 1 August 1998, 36.

¹⁴⁴ Among the former Soviet Central Asian states, this report also calls Tajikistan “possibly the most vulnerable of them” to narcotics trafficking. However, it is also noted in contrast to the governments of both Pakistan and Afghanistan, that Central Asian governments have been aggressive in confronting the issue, though limited by a lack of both resources and experience. “All have cooperated closely with the US agencies in sharing information on international trafficking organizations, and most have made good-faith

Central Asian countries appear increasingly willing to respond to the call for action, despite limited resources, in stemming the flow of Afghan heroin through the region. In particular, the governments of Tajikistan, Uzbekistan and Kyrgyzstan have publicly linked drug trafficking to their respective insurgencies as a source of funding. However, a recent U.S. government assessment singled out Tajikistan as “the major gateway for Afghan heroin being smuggled into Russia.”¹⁴⁵

A further complication in the region is an ongoing and often active Russian involvement in the internal affairs of its southern neighbors.¹⁴⁶ The most salient such instance of direct foreign intervention in recent years has been its role in the civil war in Tajikistan, primarily in the use of Russian troops to patrol the Tajik-Afghan border, numbering fifteen thousand by 1993. This conflict, revolving around the traditional enmity among four clans, namely the Khujent, the Kulyab, the Garm and the Pamiris,

efforts to address the legal issues of the narcotics industry, including money laundering.” U.S. ONDCP, “Drug Policy Perspectives,” 3-7.

¹⁴⁵ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 10-4. This observation is echoed in Stephen Franklin, “Increased Heroin Smuggling Feared, Tajikistan Dealers Await Fresh Crops,” *Chicago Tribune* (we site), 19 October 2001. See also “Inhalable exports,” *The Economist*, 28 October 2000, 38. The latter article also notes, “A vicious cycle of war, economic collapse, opium exports and terrorism cannot be addressed by individual governments, say the politicians and experts. They must work together and outsiders must help too.” For more on the exponentially increasing drug abuse in both Tajikistan and Kyrgyzstan, see OGD, *World Geopolitics of Drugs* (2000), 40-3. In particular, strategies targeting the young, such as free samples, have become more common, while the drug treatment infrastructure remains very limited.

¹⁴⁶ In the context of security, there appears to be a dichotomy within the more activist aspects of Russian foreign policy toward the region. This is between maintaining a veneer of former imperial influence in Central Asia, such as demanding a say in commercial arrangements with MNCs, and grappling with the numerous legitimate threats emanating from the region, such as Islamic fundamentalism in the case of Tajikistan. Analysis of these issues can be found in Rajah Menon, “In the Shadow of the Bear: Security in Post-Soviet Central Asia,” *International Security* 20, no. 1 (Summer 1995), 149-81; and V. I. Slipchenko, “Russia’s Political and Military Problems in Central Asia,” *European Security* 6, no. 1 (Spring 1997), 114-24. Moreover, in geographic terms, a major issue among these countries is that, in general, they do not have national borders that correspond to their ethnic ones, but rather borders deemed convenient during the early days of the Soviet Union. In this respect, there are many parallels with the post-colonial situation in sub-Saharan Africa. For more on the region during the Bolshevik era, when Lenin and Stalin established and solidified most of these boundaries, see Hélène Carrère D’Encausse, *The Great Challenge: Nationalities and the Bolshevik State, 1917-1930*, trans. Nancy Festinger (New York: Holmes and Meier, 1992). In the context of the fall of the Soviet Union, this theme is discussed, in far greater detail, in Olivier Roy, *The New Central Asia: The Creation of Nations* (New York: I. B. Tauris, 2000).

consisted primarily of a struggle “both for power in the Tajik government and for control of the smuggling routes used to take opium from Iran, Pakistan and Afghanistan to Russia, and from there to Europe.”¹⁴⁷ Although by the late 1990s the situation had largely stabilized, the underlying issues of inter-clan power sharing and the role of Islamic fundamentalism spreading from Afghanistan remain.¹⁴⁸

In general, Tajikistan has good cross-border roads along the Afghan border, largely as the result of the country’s use as a staging area during the Soviet involvement in Afghanistan. During the Tajik civil war, Russian troops stationed there reportedly accepted bribes to facilitate the movement of Afghan heroin into Central Asia, as well as being directly involved themselves in drug trafficking. In one salient incident, Tajik officials seized 109 kilograms of opium from a Russian Border Guards helicopter.¹⁴⁹ Furthermore, as Olivier Roy notes, “The Pamiris succeeded in preserving their autonomy both de jure and de facto in Gormo-Badakshan, having reached a compromise with the government (actually Russian) frontier guards. Their territory became a prime location for the transit of drugs coming from Afghanistan to Osh in Kyrgystan.”¹⁵⁰

For its part, Uzbekistan also faces a combination of drug trafficking and insurgency. Specifically, the Islamic Movement of Uzbekistan, operating from guerrilla

¹⁴⁷ “The empire strikes back,” *The Economist*, 7 August 1993, 36. For more background on this conflict, see also James Sherr, “Escalation of the Tajikistan Conflict,” *Jane’s Intelligence Review* 5, no. 11 (November 1993), 514-6; and Brian Austen, “Tajikistan today,” *Studies in Conflict and Terrorism* 19, no. 2 (April-June 1996), 199-212.

¹⁴⁸ See Ahmed Rashid, “The Fires of Faith in Central Asia,” *World Policy Journal* 18, no. 1 (Spring 2001), 45-56; and “A peace of sorts,” *The Economist*, 20 September 1997, 46. Underlining the artificiality of regional borders, this same article also characterizes Tajikistan, somewhat pithily but no less accurately, as “a collection of valleys that was forced into a nation under Stalin.” See also Magnus and Naby, 175-6.

¹⁴⁹ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 16. This is by no means an isolated phenomenon. For instance, the ONDCP notes that standards of living throughout Central Asia are so low that “narco-traffickers have been known to bribe impoverished border guards for as little as a loaf of bread or \$1 USD in cash.” U.S. ONDCP, *Drug Policy Perspectives*, 6.

¹⁵⁰ See Roy, *The New Central Asia*, 141. As discussed above, the primary Afghan road north into Uzbekistan runs through Mazar-i-Sharif.

bases in Tajikistan, spilling over via the Fergana Valley, which stretches from Afghanistan into several neighboring Central Asian states, has also been linked to regional heroin trafficking. The Uzbek government at least partially attributed this activity to the rebels' desire "to create havoc to keep the borders open for the heroin flow."¹⁵¹

The rebels' stated goal is an Islamic state in the Fergana Valley, where the borders of Tajikistan, Kyrgyzstan and Uzbekistan come together, with its primary strategy being to topple the government of Uzbekistan. According to Kyrgyz government spokesmen, the rebels are also trying to defend the interests of drug traffickers in moving opiates through the region and on to Russia and Europe, while the Uzbek government has labeled the militants as "common criminals."¹⁵²

However, according to OGD, it is Turkmenistan that has become the most prominent Central Asian route for exporting Afghan opiates, as well as for importing precursor chemicals. In addition to being geographically contiguous, the two countries also share cross-border Turkmen ethnic ties, solidified during the Soviet era, with links to Turkmenistan's security forces. Other factors that have strengthened the country's role as a conduit for heroin smuggling vectors include a weakening demand for its natural gas and cotton, and the fact that its border is much less rigorously patrolled than that with Iran.¹⁵³

¹⁵¹ Douglas Franz, "Guerrilla Attacks Raise Worries in Central Asia," *New York Times* (web edition), 6 September 2000. Approximately a week after this article appeared, the U.S. placed the Islamic Movement of Uzbekistan on its list of foreign terrorist organizations, precluding its citizens from contributing money or material support to the group, as well as denying visas to or deporting members of the group. See Judith Miller, "U.S. Puts Uzbek Group on Its Terror List," *New York Times* (web edition), 15 September 2000.

¹⁵² See "The militants take aim," *The Economist*, 26 August 2000, 32.

¹⁵³ See OGD, *World Geopolitics of Drugs* (2000), 39-40. This report goes on to note, "It is particularly easy to use the Kushka border post, as enormous quantities of goods of diverse origins pass through it on the way to a wide variety of destinations. The drugs then go to the Turkmen and Kazakh ports on the

Finally, ethnic Russian TCOs both supply their domestic markets and facilitate transnational smuggling vectors throughout the region. These organizations are presently expanding aggressively into Central Asia and up to the borders of Afghanistan, and are largely responsible for paving the way for the alternate routes into European markets that currently compete with those that enter via Iran and Turkey.¹⁵⁴ Also of importance is the opening of extensive former Soviet air, rail and highway networks in facilitating the movement of contraband throughout the Eurasian landmass.¹⁵⁵

Similarly, the Baltic ports and routes through the Ukraine and Eastern Europe are also important conduits for smuggling vectors with respect not only to drugs, but also to both black market arms and illegal immigrants into Western Europe. Russian criminal organizations are also particularly well connected in the Black Sea ports of Odessa and the Crimea.¹⁵⁶ Further afield, even the strategically located naval base at Cam Rahn Bay in Vietnam, currently leased to Russia, has emerged as a trafficking hub in this context.¹⁵⁷

As noted in *INCSR 2001*, “Dominating all other drug issues in Russia is the continued dramatic increase in the flow of Afghan heroin into the country across the southern border.”¹⁵⁸ Taking advantage of this trend, Russian TCOs, especially those affiliated with the military or particular ethnic groups, are also poised to take up a greater share of the relevant heroin smuggling vectors. These groups are also establishing and

Caspian Sea. Direct routes connect [the Turkmen capital of] Ashgabat with Tehran, Istanbul, Karachi, Dushanbe, Tashkent and Moscow.”

¹⁵⁴ Arkady Vaksberg, *The Soviet Mafia*, trans. John and Elizabeth Roberts (New York: St. Martin’s Press, 1991), 248. Transit routes from Pakistan and the Middle East through the Caucasus to Eastern Europe have also become increasingly important. See also “After the silk came the smack,” *The Economist*, 28 May 1994, 33. Long-standing ties to Afghanistan, especially in the case of former military officers, are seen as particularly problematic.

¹⁵⁵ Handelman, 197.

¹⁵⁶ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 13.

¹⁵⁷ J. Michael Waller and Victor J. Yasman, “Russia’s Great Criminal Revolution: The Role of the Security Services,” in Ryan and Rush, 195.

¹⁵⁸ See U.S. Department of State, INL, *INCSR 2001*, “Europe and Central Asia – Russia.”

maintaining contacts with Latin America cocaine producers and engaging in drug trafficking from New York to Miami.¹⁵⁹

For its part, as noted in *The Economist*, “The Caucasus is – or should be – a splendid transit route between east and west, north and south, for goods, money, people and ideas.”¹⁶⁰ In particular, the potential of Armenia in this respect is salient. Because of its geographical position, the country has the potential to become a significant transit point for transnational heroin smuggling vectors, though at present it is only a secondary route due to limited transportation links to neighboring countries. However, an estimated 75 percent of all opiates in Armenia are being smuggled from Iran. While at present its borders with Azerbaijan and Turkey remain closed due to the Nagorno-Karabakh conflict, when these borders open such activity could increase significantly.¹⁶¹

As discussed previously, a significant portion of heroin smuggling vectors leaving Afghanistan reach their final destination in European markets, particularly throughout Western Europe. As such, geography is one of the primary factors in the growth of organized crime in Eastern and Central Europe, as discussed previously in the context of

¹⁵⁹ The geographic extent of this phenomenon, ranging across much of Eurasia and beyond, is discussed at length in Mark Galeotti, “Red Mafias and National Security,” *Janes’ Intelligence Review* 5, no. 1 (January 1993), 21-2; “Redfellas,” *The Economist*, 15 March 1997, 31-2; and Cooley, 171-3.

¹⁶⁰ An excellent survey of the region can be found in “Where worlds collide,” *The Economist*, 19 August 2000, 17-9. Of particular interest in the context of smuggling is a table that includes a column assessing mafia involvement by area, summarized as follows: Abkhazia (unrecognized separatist republic within Georgia), “Lightly supervised port offers great potential;” Ajaria (autonomous region within Georgia), “Russian mobsters have been spotted there;” Armenia, “War profiteers, corrupt officials;” Azerbaijan, “Ruling elite very corrupt;” Georgia, “Rampant cronyism at all levels;” Nagorno-Karabakh (Azerbaijani enclave), “War profiteers, veterans’ groups;” Nakichevan (Armenian-controlled territory within Azerbaijan), “Officialdom does conspicuously well;” Pankisi Gorge (Chechen-populated part of Georgia), “Don’t ask;” and South Ossetia (separatist region of Georgia), “Tunnel to Russia offers huge potential.”

¹⁶¹ See U.S. Department of State, INL, *INCSR 2001*, “Europe and Central Asia – Armenia.” Moreover, “The Armenian community abroad provides useful connections to traffic drugs and launder money in the Middle-East (Lebanon), the Americas (Argentina, United States, Canada) and Russia.” OGD, *World Geopolitics of Drugs* (2000), 20. This report also notes that Armenia’s huge and largely abandoned Soviet-era industrial infrastructure serves as the source for non-ferrous metals and iron that are bartered with Iran and the Gulf states for heroin and other goods.

the “Balkan Route.”¹⁶² In terms of both transit and distribution, migrant populations in Western European urban areas have led to the establishment of criminal cells with ties to Turkey, Iran, North Africa, the Balkans and other regions. For instance, Turkish and Albanian groups dominate the trafficking of Southwest Asian heroin in many European Union countries.¹⁶³

However, a case in point for the evolution of these trends can be found in the U.K., where 95 percent of the heroin comes from Southwest Asia, chiefly Afghanistan. With respect to the ethnic and often immigrant-based issue of drug distribution, recently there has been a rise of Pakistani gang activity in the country rivaling traditional Turkish dominance of street-level heroin sales, reputedly a \$1.5 billion market. Overall, the U.K. has a much larger and more geographically dispersed Pakistani community in comparison to its Turkish counterpart. Moreover, facilitated by direct airline connections between Pakistan and Manchester, Pakistani drug rings have begun using larger numbers of mules to profit in a strategy of “little-but-often.” By contrast, Turkish and affiliated Cypriot drug traffickers have tended to rely on larger cross-channel shipments by truck.¹⁶⁴

While Europe remains the primary market for Golden Crescent heroin, the U.S. remains an important secondary target for both large organizations and smaller independent traffickers. As the DEA notes, “The United States was a secondary target

¹⁶² U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 7.

¹⁶³ Furthermore, “Although Turkish criminal groups remain the primary source of supply, ethnic Albanian crime groups appear to have largely replaced the Turks as the principal distributors of Southwest Asian heroin to parts of Western Europe, according to press reports. They are also challenging Italian criminal syndicates for control of other rackets in Western European countries.” U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 3. See also Gus Xhudo, “Men of Purpose: the Growth of Albanian Criminal Activity,” *Transnational Organized Crime* 2, no. 1 (Spring 1996), 1-20; and U.S. DOJ, DEA, *NNICC* (1998), 57. While other groups have superseded the traditional dominance of Italian groups, who were generally supplied by Turkish traffickers with Southeast Asian heroin, new links with Russian, Albanian and Asian crime groups appear to be emerging. See Galeotti, “Turkish Organized Crime,” 32-3.

¹⁶⁴ See U.S. Department of State, INL, *INCSR 2001*, “Europe and Central Asia – United Kingdom.”

for Southwest Asia's largest heroin trafficking organizations that generally consider Europe their primary market. Most of these organizations stored heroin supplies in secure European locations and only sent shipments to the United States after a buyer had been identified and partial payment received." By contrast, groups less well established in European markets appear to be attracted to the U.S. and have been known to depend not only on established European routes, but also to develop alternative transshipment nodes through Africa and Canada.¹⁶⁵

The DEA also noted in 1998 that the importation and distribution of Southwest Asian heroin for the U.S. market is much less centralized than for its Southeast Asian counterpart, both geographically and with regard to the relevant trafficking groups. In general, it appears that a relatively limited quantity of Southwest Asian heroin was available in the U.S., primarily in the Northeast, Midwest and, to a lesser extent, on the West Coast, where there are relatively larger populations of Southwest Asian origin.

As such, networks based on membership from a number of ethnic groups with links to the region have been associated with this type of activity, including Afghans, Pakistanis, Iranians, Turks, Lebanese, Israelis and Greeks. While for the most part stemming from familial, religious or tribal affiliations, these networks tend to be highly cohesive, difficult to penetrate and cautious in their dealings with outsiders.¹⁶⁶ In some

¹⁶⁵ See U.S. DOJ, DEA, "The Availability of Southwest Asian Heroin in the United States" (Washington, DC: DEA, May 1996), available at http://www.fas.org/irp/agency/doj/dea/product/swa_heroin.htm, accessed 15 July 2004. This report also notes that these trafficking and distribution patterns "are generally more prevalent in cities with large populations from Afghanistan, Greece, Lebanon, Pakistan, and Turkey, such as Chicago, Detroit, and New York City. For more on trends relating to Afghan heroin within the U.S. market, see also U.S. DOJ, NDIC, *National Drug Threat Assessment 2002*; and U.S. DOJ, DEA, Intelligence Division, Domestic Heroin Unit, "Southwest Asian Heroin – Selected Data," *Drug Intelligence Brief*, DEA-02015 (Washington, DC: DEA, March 2002), available at <http://www.dea.gov/pubs/intel/02015/02015.html>, accessed 15 July 2004.

¹⁶⁶ U.S. DOJ, DEA, *NNICC* (1998), xi, 45-6.

ways, parallel characteristics can be seen in the structure and activities of West African TCOs, as discussed in Chapter VII.

By way of a conclusion, having traced the movement of heroin produced in Afghanistan outward across the borders of immediately adjacent countries and beyond via widely divergent modes of transportation, it becomes necessary to assess this body of empirical data in terms of the models, conventions and parameters introduced in previous chapters. As such, this analysis reviews the most salient elements of the smugglers' landscape as they apply to Afghanistan, the wider Golden Crescent drug nexus region, and the many paths out to subsequent final destinations.

Afghan Heroin Smuggling Vectors: An Assessment

To begin with Afghanistan itself, in terms of the political risk factors discussed in Chapter IV, it would be difficult to imagine a more adverse set of conditions for a legitimate business to operate. However, the demonstrable success of opium cultivation and heroin production can largely be seen as the result of the country's terrain, traditions and domestic turmoil, aspects of which can be geographically sorted by their physical, economic, political and human attributes. In turn, these factors serve to set a very favorable balance of access in comparison to risk, resulting in high degree of connectivity with adjacent countries with respect to smuggling vectors.

Among the primary types of conveyance discussed in Chapter II, namely land, water and air modes of transportation, the physical geography and lack of developed infrastructure found in Afghanistan serve to constrain outbound smuggling vectors, as well as other types of logistical activity, primarily to the use of land routes. As noted

above, the country is landlocked, waterways are limited to a few riverine systems, and air transportation is highly circumscribed by a lack of aviation facilities. However, even land-based smuggling vectors must overcome the generally poor condition of existing roads and the absence of railways. Much of this “friction of distance” is overcome by a combination of profit motivation, political involvement in smuggling at various locations, and cross-border ethnic ties.

Moving on to the country’s economic geography, the convergence of numerous internal and external factors in Afghanistan has made various types of black market activity overwhelmingly pernicious. With respect to the focus of this study, the lack of viable economic alternatives to and cultural embeddedness of opium cultivation and heroin processing have led to the country to become one of the largest sources of supply at the global level, and that commodity constitutes the single largest source of national income. The spatial distribution of opium cultivation in Afghanistan, centered in the southwest, the east and the northeast, though extending further over the last two decades, also tends to allow for relatively easy access to porous border areas.

Similarly, the fragmenting of Afghanistan’s political geography has been accelerated by decades of occupation, civil war and other forms of endemic unrest, which have in turn been precipitated by, though certainly predating, the Soviet invasion of the country in 1979. The lack of a central authority, ensuing regional warlordism and access to large amounts of weaponry in the country over the past few decades have pushed the concept of corruption far beyond what is conceivable in most other countries, with political control of various opium production areas and along pivotal sections of the border carrying lucrative economic incentives as well. With respect to a given smuggling

vector, control of at least a section of the path is essential to make a profit, with international borders being among the more desirable pieces of real estate.

This reciprocal relationship between economics and politics underlines the cyclical nature of this phenomenon, in that the former provides the motivation in the form of profits, while the second enables a wide range of criminal activity, including but certainly not limited to smuggling, to thrive under its aegis while simultaneously reaping the revenues necessary to maintain the relevant political structures. Rather than dwell on the specific factional alignments and disputes that have characterized Afghanistan's recent history, the key point here is the relative continuity of purpose among diverse actors that have allowed heroin smuggling to flourish. At this pivotal point in Afghan history, for the first time in decades there is at least an opportunity to break this cycle.

Finally, two salient features of Afghanistan's human geography come to the fore in the context of facilitating a favorable operational environment for heroin smuggling. The first is the ethnic diversity and stratification of Afghan society, predating yet polarized by the events of recent decades, as noted above. The second is a long-standing tradition of smuggling dating back for centuries that has proved quite resistant in the face of periodic efforts to control the border.

This is particularly true in the case of ethnic groups divided by relatively recent and often arbitrary international borders. Furthermore, nomadic groups, including but not limited to elements of the Pashtun, Baluch and Brahui, are able to exploit porous borders and are thus ideally situated for smuggling activity despite periodic disruption by war and other events. In functional terms, these informal cross-border human links serve as integral "legs" for smuggling vectors leaving Afghanistan, as they are much less

constrained by the lack of a developed transportation infrastructure than more sophisticated commercial activity.

Thus, in terms of access and risk, although Afghanistan's physical geography may seem at first glance to be not particularly conducive to smuggling or other licit forms of trade, the ready availability of large amounts of a highly lucrative and internationally traded commodity serves as an important economic incentive to find imaginative ways to maximize access and mitigate risk, often through political protection and the strength of ethnic ties. All along the country's porous borders, countless numbers of illicit transactions involving various commodities testify to the impact of this favorable smugglers' landscape that is not conditional on mere proximity or ease of transit.

The resultant connectivity can be seen in the massive volumes of heroin that move across Afghanistan's borders and into the wider region of the Golden Crescent and beyond. The demonstrable capability of the relevant smuggling actors in this respect can be linked to constantly shifting and iterative smuggling activity that is both flexible enough to evolve in new ways when necessary and embedded enough to embrace historically successful patterns of behavior.

However, even beyond the context of smuggling, the impact of Afghanistan's geostrategic influence within the region cannot be underestimated. Though often seen by its neighbors and much of the rest of the world as a source of instability, drugs, weapons, and religious fanaticism in the case of Pakistan and, to a lesser extent, Iran, it also represents an opportunity in terms of access to the current and potential resources of Central Asia. Thus, although not readily apparent from its recent history, Afghanistan does in fact hold the potential to act as a conduit for economic development as well.

To return to the issue in question, the confluence of the physical, economic, political and human geography within Afghanistan has a salient and lasting impact on heroin smuggling out of the country. Specifically, as noted above, the three major sets of smuggling vectors out of the country cross the common and highly porous land borders with Pakistan to the south, Iran to the west, and the former Soviet states of Central Asia to the north. The terrain in these areas is generally mountainous or desert, and is particularly conducive to smuggling, especially on a small-scale basis that is difficult to prevent even under optimal conditions.

Among these, Pakistan arguably has the most longstanding and intimate relationship with Afghanistan, particularly in the context of heroin. This interaction can be best seen against the often-contentious backdrop of competition regarding which country should legitimately control traditionally Pashtun, and to a lesser extent Baluch, tribal areas along the common border, though these ethnic ties also serve to facilitate a wide range of smuggling vectors as well. Moreover, many of the underlying smuggling mechanisms between the two countries date from the period of the Soviet occupation. These transnational networks give the relevant smuggling actors the capability to efficiently negotiate transactions, assemble drug shipments and transport their goods to wholesale buyers, frequently in cooperation with other networks.

Pakistan's social and political climate that allows smugglers with the proper protection to operate with virtual impunity, service the country's sizable and growing domestic demand for drugs, and transship a significant amount of heroin onward. Logistically, the sizable number of smuggling vectors carrying opiates as well as other forms of contraband thus enter from Afghanistan via both vehicle and pack animal, where

smugglers can take advantage of a substantially more developed road and rail infrastructure and access to various forms of waterborne conveyance. Taken together, this set of conditions enabling access and mitigating risk has resulted in a high degree of connectivity both in to and out of Pakistan. This connectivity in turn has led smuggling vectors for Afghan heroin to easily move into India as well, in particular to take advantage of that country's relatively more developed infrastructure, access to maritime modes of transportation, and lax export regulations.

In the case of Iran, its contiguous borders with both Pakistan and Afghanistan present a high degree of access to inbound heroin smuggling vectors either for transshipment or to meet domestic demand. Patterns of opium moving first through Kabul, and then on to Iran, often via Herat, date back at least thirty years, though an increasing volume of contraband can be seen crossing first from Afghanistan into Pakistan and then into Iran. Traditionally, from Iran these smuggling vectors then continued on by land through Turkey and on through the "Balkan Route" into Western Europe, or by water through various Persian Gulf ports on the way to other, predominantly European, markets.

However, despite this longstanding set of factors enabling access, in terms of risk Iran also offers a relatively less favorable operational environment than Pakistan. For instance, successive regimes have struggled to overcome these access dynamics since the early 20th century, with the current leadership demonstrating the willingness as well as the capability to deal very harshly with traffickers entering its territory. This includes not only armed interdiction along known smuggling routes, but also the use of the death penalty for drug trafficking offenses. Nonetheless, despite this level of commitment and

the resultant high statistics relating to seizures, it appears that access to Iran as a node for smuggling vectors is facilitated by its inherent attractiveness regardless of the risks imposed, with the resultant connectivity being quite evident.

Finally, smuggling vectors through the Central Asian states to the north from Afghanistan present an increasingly viable alternative to more established routes via either Pakistan or Iran, particularly since the breakup of the Soviet Union. In addition the advantages of relatively more effective means of transportation, in particular by land utilizing the Soviet-built road and rail infrastructure, Afghan heroin smuggling vectors transiting Central Asia not only have access to the growing regional market for drugs but also service Russian and European demand.

Furthermore, a number of cross-border, ethnically-based TCOs and other non-state criminal actors, to include various Islamic fundamentalist groups, have also been involved in the Central Asian drug trade. However, while mitigating against unrestricted access is the enduring presence of Russian security forces in key states, for the most part the risk associated with smuggling vectors out of Afghanistan into Central Asia are more than offset by the access they provide. As a result, the region's attractiveness is demonstrated by its connectivity, which in turn becomes empirically evident by an examination of the relatively high volumes of drugs seized or detected in transit.

In summation, while heroin smuggling vectors leaving Afghanistan vary in terms of modes and methods, they are constrained by a number of factors and thus can be seen for the most part as passing through a rather discrete set of conduits. However, it is the transnational implications of this activity that serve to make it a tangible concern both regionally and globally, as under conditions of autarky the situation in Afghanistan would

most likely be of little interest to outsiders except on humanitarian or perhaps geopolitical grounds.

Further out, however, the situation becomes much more complex, particularly as the same actors that move heroin out of Afghanistan are seldom the same as those who provide these illicit drugs to consumers. As such, an increasing number of TCOs, often ethnically-based, become involved as middlemen and, eventually, distributors within primary European and North American markets. In keeping with the open architecture of this analytical framework, the success of these groups hinges upon their ability, at varying levels of analysis, to effectively create access, mitigate risk and thus enable connectivity along their respective sections of a given smuggling vector.

This chapter began with a consideration of heroin in Afghanistan and went on to trace the more prominent sets of smuggling vectors extending outward from that country. However, despite a commonality in terms of origin, the high degree of fragmentation both in terms of geography and organization is readily apparent. By contrast, the next chapter examines Colombia and its smuggling vectors, which tend to be characterized by TCOs that are much more cohesive and sophisticated in their control of the relevant logistical channels. Furthermore, though their reach continues to expand, Colombian TCOs for the most part remain focused on a single major market, namely the United States.

CHAPTER VI

OPPORTUNITY KNOCKS . . . AGAIN:

COLOMBIA AND ITS TRANSNATIONAL HEROIN SMUGGLING VECTORS

In the case of Colombia, the rise in poppy cultivation and subsequent heroin smuggling is inextricably linked to the more longstanding phenomena of the country's cocaine industry. This trend represents a conscious effort on the part of the relevant TCOs, nothing if not opportunistic, to encourage product diversification in an attempt to maximize profit margins and expand into new markets.¹ In particular, a primary consideration lies in successfully moving Colombian heroin to the U.S. market, where the vast majority of production eventually goes.² Furthermore, the domestic interactions between the drug trade, kidnapping and guerrilla activity are also particularly salient. Paralleling the case of Afghanistan, the themes of corruption, endemic civil unrest and relatively remote terrain also can be seen as having a distinct and ongoing impact.

The first section will focus on the internal geographic components that drive the Colombian drug trade, while the second examines the transnational logistics of this activity. With respect to the latter, in addition to the wider spatial parameters of legitimate regional trading patterns, the main areas of interest in this context are Colombia's external land, sea and air connections. All three major modes of transit have historically been exploited by TCOs to varying and often cyclical degrees of intensity.

¹ While this theme has been discussed in previous chapters, it is particularly salient here. As one ONDCP report notes, specifically with reference to Colombian TCOs, "International trafficking organizations operate like multinational corporations, which are profit oriented and risk averse. They seek to develop new markets, and they are ruthlessly competitive and violent. It is clear that drug traffickers view heroin as a growth industry." U.S. ONDCP, "Drug Policy Perspectives," 1.

² For instance, Europe is fairly well supplied via other sources, as outlined previously. However, there are indications that Latin American heroin has the potential to expand beyond current North American markets in the future, as will be discussed below.

Colombia's national territory directly borders on that of Ecuador, Peru, Brazil, Venezuela and Panama. Moreover, the country's maritime boundaries give it access via its seaports and along an extensive and porous coastline not only to the greater Caribbean basin but the Pacific Ocean as well. Finally, both primary and secondary air connections also serve to facilitate the transnational movement not only of heroin and other types of contraband, but also of licit goods.



Fig. 17. Colombia and surrounding region³

³ Map source: U.S. CIA, *CIA World Factbook* (2002).

Drugs and Dirty Wars in Colombia: "Plata o Plomo"

Although a relatively recent phenomenon in Latin America, the cultivation of opium poppies on a commercially viable scale and the resultant rise in heroin production is a natural extension of the country's previous experience with drug trafficking. As such, it represents the latest and potentially the most lucrative of a succession of illegal enterprises on the part of both domestic and transnational criminal organizations based in Colombia, and an opportunity that such groups are capable of leveraging to a high degree.⁴

For instance, after noting that Colombia's current drug problems lie in the decision by traffickers thirty years ago to turn the traditional Andean coca crop into a global business, Rafael Pardo continues by writing, "Two decades later, in much the same way, they would capitalize on growth in heroin."⁵ To fully understand both the potential and demonstrated impact of Colombian heroin, it is necessary to address the issue of its antecedents, primarily cocaine.

Furthermore, drug trafficking is inextricably linked with a broad spectrum of criminal activity and civil unrest that have served to undermine the social fabric of Colombia. For decades, leaders and average citizens alike were been caught between the dual coercive leverages of bribery and violence, colloquially referred to as "*plata o plomo*," silver or lead.⁶ As a result, endemic and entrenched corruption, driven primarily

⁴ As evidence of this pragmatism, Chepesiuk quotes an unnamed U.S. official regarding an additional reason for this product diversification: "As a stimulant, cocaine will burn out a user in maybe a few months to a few years, whereas heroin is a depressant and will be used by a junkie over a period of decades." Chepesiuk, 148. Incidentally, a more concrete example of direct interaction between cocaine and heroin at the street level is the common practice among addicts of using heroin to decrease the "crash" following a cocaine high, known in slang as a "speedball."

⁵ Rafael Pardo, "Colombia's Two-Front War," *Foreign Affairs* 79, no.4 (July-August 2000), 64.

⁶ As Winfred Tate notes, "The power and violence of the drug industry came to permeate all facets of Colombian society, as signified by the saying "*plata o plomo*," – silver or lead – meaning "take the bribe or

by the proceeds of drug trafficking, has spread across nearly all aspects of society. Moreover, a systemic breakdown of law and order can also be seen, including outright attacks on the police and judiciary.⁷

This situation has progressed to the extent that “Colombianization” has become a byword for similar situations in other countries, much as the term “Balkanization” denotes a generic socio-political fragmentation along ethnic lines.⁸ Moreover, as Francisco Thoumi observes:

The particular structure of Colombian society has been a very strong incentive for the illegal industry to be positioned there. In many respects Colombia is the most modern of the Andean countries, a fact that reflects the greater weakness of its traditional institutions: as modernizing forces overwhelmed these institutions, they liberated Colombians from many traditional restrictions and produced an extreme individualistic society. It facilitated the concentration of the illegal industry in Colombia and also led to a very high level of violence.”⁹

By contrast, other Latin American countries where crime has been a problem, such as Brazil, Mexico and Venezuela, have shown rates of violent death of only 15 and 20 percent of that seen in Colombia. Moreover, in 1998 this statistic was ten times larger than that of the United States, the most violent developed country.¹⁰

take the bullet. Drug lords achieved unprecedented political influence through threats, bribery, and political contributions.” Winifred Tate, “Colombia’s Role in International Drug Trafficking,” *Foreign Policy in Focus* 4, no. 130 (11 November 1999), 1.

⁷ Incidentally, in the run-up to the most recent election, provincial mayors have been favorite targets. While numerous sources attest to this phenomenon, recent observations and analyses include Alma Guillermoprieto, “Colombia: Violence Without End?” *New York Review of Books*, 27 April 2000, 38-9; and Pardo, 64-73. In particular, Pardo notes that despite having “one of the most sophisticated legal systems in the hemisphere and every conceivable law in the books,” 70% of all crimes in Colombia remain unsolved. See also James L. Zackrisson and Eileen Bradley, “Colombian Sovereignty Under Siege,” *Strategic Forum*, no. 112 (May 1997), available at <http://www.ndu.edu/inss/strforum/SF112/forum112.html>, accessed 15 July 2004, which discusses the risks to both the Colombian state and the wider region.

⁸ In particular, the case of Colombia graphically illustrates the following synergy: “Three interrelated phenomena work synergistically to produce the narcostate: organized crime, governmental policy, and transnational capitalism.” Jordan, 9. However, the author further notes that states transitioning economically from statism to capitalism, or from authoritarianism to democracy, can be seen as especially vulnerable, conditions that are less applicable to the Colombian context.

⁹ Thoumi, 91.

¹⁰ Ibid, 83.

Another key indicator of this chaotic state of domestic affairs in Colombia can be seen in the endemic incidence of kidnapping. Criminal actors across the ideological spectrum have engaged in such activity for motives ranging from inciting public outrage and exerting political leverage to the more straightforward accrual of profit.¹¹ As Alma Guillermoprieto notes, “Kidnappings are the worst danger for civilians who are travelling overland.” In addition to roadblocks set out to indiscriminately gather up unwary travelers, various groups also plan and execute a large number of targeted abductions, totaling 2,945 such incidents in 1999, and a record 3,707 kidnappings in 2000.¹² Aspects of this phenomenon will be addressed further in their analytical context.¹³

Following the format laid out in the preceding chapter, this section will examine the elements of Colombia’s physical, economic, political and human geography that provide the foundation for the domestic drug trade and its attendant consequences. In

¹¹ This phenomenon has also led to the parallel growth of another unfortunate practice, that of “ransom brokering,” whereby an intermediary arranges for the safe return of the victim in exchange for a percentage. In effect, competition for such services serves to raise the market price, and thus the appeal, of kidnapping. An additional issue is that of kidnap insurance and related involvement of various types of security professionals, which can not only further inflate ransoms but also obfuscate the scope of the problem. In fact, in 1993 the Colombian government went so far as to enact a controversial law not only barring private negotiations with kidnappers, but also freezing the assets of captive’s families and employers. However, in addition to the numerous methods available to circumvent these strictures, the Colombian Supreme Court has even gone so far as to rule this law unconstitutional. See Ann Hagedorn Auerbach, *Ransom: The Untold Story of International Kidnapping* (New York: Henry Holt and Co., 1998), 33, 250-1. Throughout this work, the author also offers copious anecdotes involving Colombian manifestations of this global phenomenon.

¹² See “Miami nice,” *The Economist*, 5 May 2001, 26; and Guillermoprieto, “Colombia: Violence Without End?” 31. The same author also notes one distinction between such activity as undertaken by the leftist rebels and the rightist paramilitaries, namely the much slimmer odds of being returned alive after being abducted by the latter. Alma Guillermoprieto, “The Children’s War,” *New York Review of Books*, 11 May 2000, 40. Elsewhere, the author also notes reports of guerrillas “buying” kidnap victims from ordinary criminal organizations that do not have suitable types of safe hiding places, such as locations deep in the jungle. See Alma Guillermoprieto, “Our New War in Colombia,” *New York Review of Books*, 13 April 2000, 37.

¹³ Though discussed at further length below, a harrowing account of Medellín cartel leader Pablo Escobar’s kidnapping of prominent Colombian citizens to use as leverage against the government during the early 1990s can be found in Gabriel García Márquez, *News of a Kidnapping*, trans. Edith Grossman (New York: Penguin Books, 1996). In a further link between the drug trade and kidnapping, as Guillermoprieto notes, “Many drug traffickers, for example, got their startup capital through kidnapping and continued to use it as a source of income and power.” Guillermoprieto, “Our New War in Colombia,” 37.

particular, the relative underdevelopment of many rural sections of the country has led to significant freedom of action for both drug traffickers and insurgents. However, as in the previous case study, in order to establish the initial framework for the analysis, a brief overview of Colombia's history is necessary.

To begin with, there is the dual legacy of both the multifaceted indigenous cultural heritage and the Spanish colonial experience, the latter most saliently persisting in the widespread Roman Catholic faith and its predominantly unifying influence.¹⁴

With the initial campaigns against Spanish rule in Latin America dating from early in the nineteenth century, the independence of Gran Colombia was declared in 1821 by Simón Bolívar, comprising what is now Colombia, Venezuela, Ecuador and Panama.¹⁵

¹⁴ The wider issues revolving around the European exploration and subsequent conquest of the New World is slightly beyond the purview of this study. However, an interesting analytical framework regarding the ways in which disparate cultures have historically interacted in terms of contacts, collisions and ongoing coexistence can be found in Bitterli, *passim*. In particular, see 70-86, where the author discusses the Spanish experience vis-à-vis indigenous cultures. See also J. H. Parry, *The Spanish Seaborne Empire* (Berkeley: University of California Press, 1990). For a more recent analysis of indigenous cultural identities throughout the region, often juxtaposed with other forms of nationalism, see Michael Kearney and Stefano Varese, "Latin America's Indigenous Peoples: Changing Identities and Forms of Resistance," in *Capital, Power, and Inequality in Latin America*, ed. Sandor Halebsky and Richard L. Harris (Boulder, CO: Westview Press, 1995), 207-31.

¹⁵ An excellent and highly readable account of the campaigns for Latin American independence from Spain can be found in Robert Harvey, *Liberators: Latin America's Struggle for Independence, 1810-1830* (Woodstock, NY: Overlook Press, 2000). Incidentally, only two years later, and particularly salient in light of later U.S. involvement throughout the region, the Monroe Doctrine was promulgated, in essence a warning to the European powers to eschew future efforts to extend their influence in the Western hemisphere. From the Latin American point of view, the inherent irony is self-evident. As early as the 1850s, the adventurism of Tennessee native William Walker throughout Central America became an enduring symbol of Yankee hemispheric ambitions. In this context, an excellent study of early non-governmental actors operating to various degrees under U.S. sponsorship can also be found in Lester D. Langley and Thomas Schoonover, *The Banana Men: American Mercenaries and Entrepreneurs in Central America, 1880-1930* (Lexington, KY: The University Press of Kentucky, 1995). By 1904, an activist extension of the Monroe Doctrine had been articulated by Theodore Roosevelt. As a justification for U.S. involvement throughout Latin America, though in practice limited primarily to the greater Caribbean basin, the Roosevelt Corollary was hardly popular with regional neighbors. The move away from the Monroe Doctrine began in the 1930s with an affirmation of multilateral inter-American treaties, such as the Rio Pact guaranteeing reciprocal assistance in time of war, ratified in 1947, and the Charter of the Organization of American States, ratified in 1948. However, though used as a rationale for the overthrow of the Guatemalan government in 1954, the Bay of Pigs invasion of 1961, and the intervention in the Dominican Republic in 1965, by the 1980s and 1990s the doctrine had largely outlived its relevance in international relations.

However, in 1830 both Venezuela and Ecuador broke away, while with U.S. support Panama gained its independence in 1903, resulting in Colombia's present international borders.

In terms of domestic politics, the dual primacy of the Liberal Party and the Conservative Party was already established in Colombia by the 1850s and, maintained by both legal and extra-legal means, continues up to the present day.¹⁶ Illustrative of the periodic shifts in power between the two, the Liberals were dominant from 1863 to 1885, when the Conservatives came to power and promulgated the 1886 constitution that was in effect until 1991.

By 1930, a resurgence of Liberal rule was facilitated by the Great Depression, which lasted until a narrow Conservative presidential victory in 1946 despite continuing Liberal congressional control. With the assassination of Liberal leader Jorge Eliécer Gaitán in 1948, the era of oligarchic democracy gave way to the period of undeclared civil war known as *La Violencia*, and the genesis of the most prominent guerrilla movements of the last four decades.¹⁷

This state of affairs led in turn to the military government of General Gustavo Rojas Pinilla from 1953 to 1957. The subsequent return to civilian rule was facilitated by

¹⁶ With reference to these two parties, one source notes that, "Their history includes periods of hegemonic one-party rule, civil wars, and coalition government. The parties often mobilized armed bands larger than the national army, indicating the weakness of the state and the military." Jonathan Hartlyn, "Colombia," *The Oxford Companion to Politics of the World*, ed. Joel Krieger (New York: Oxford University Press, 1993), 154. Thoumi also notes that, even more perniciously, "Colombia is the only Latin American country in which the traditional parties and elite neutralized all political reform efforts. There were never serious land reform programs, and the two political parties retained control and evolved into electoral, clientelistic machines that co-opted dissidents but prevented social change. The lack of political space for both the extreme left and right is at the root of guerrilla development." Thoumi, 86.

¹⁷ A compelling overview of both Gaitán's murder, only two hours before a scheduled meeting with a young Fidel Castro, as well as the outbreak of *La Violencia*, can be found in Mark Bowden, *Killing Pablo: The Hunt for the World's Greatest Outlaw* (New York: Penguin Books, 2001), 7-11. For a more comprehensive analysis of this pivotal era in Colombian history, see also Gonzalo Sánchez and Donny Meertens, *Bandits, Peasants and Politics: The Case of "La Violencia" in Colombia*, trans. Alan Hynds (Austin: University of Texas Press, 2001), passim.

an agreement between both parties to form a National Front to share power equally, even going so far as to agree to alternate control of the presidency from 1958 to 1974. Despite progress in some areas by the resultant series of coalition governments, in other respects many of the social problems endemic to Latin America, such as unequal divisions of wealth and related issues of development and representation, found increasing expression in guerrilla and other illegal activity.

Following these decades of civil unrest, the current state of affairs in Colombia can thus be seen in some ways as the logical extension of this legacy, as are the government's ongoing attempts to stabilize the situation. Successive administrations have continued to confront these issues, while at the same time maintaining functional democratic institutions, with varying degrees of success.¹⁸ Since the early 1980s, this includes the administrations of Conservative Belisario Betancur from 1982 to 1986, Liberal Virgilio Barco from 1986 to 1990, César Gaviria from 1990 to 1994, Ernesto Samper from 1994 to 1998, Andrés Pastrana from 1998 to 2002, and Alvaro Uribe, elected in 2002.

In many respects, Colombia's underlying physical geography also contributes to the country's present socio-political situation. As *The Economist* notes:

What makes Colombia so different from its neighbors? A geography that is difficult even by Latin American standards predisposed the country toward introversion, regionalism and a weak central state. In southern Colombia, the Andes break into three chains, splaying out towards Panama, the Caribbean coast and Venezuela respectively. The highland valleys and tablelands, where most of the population lives, are separated from each other by the tropical valleys of the

¹⁸ For instance, Colombia has been under various forms of martial law ever since the civil war of 1948. Jorge Nef, "Demilitarization and Democratic Transition in Latin America," in Halebsky and Harris, 85. More starkly, Bowden notes that, "By the 1960s Colombia had settled into an enforced stasis, with Marxist guerrillas in the hills and jungles (modern successors to the *bandito* tradition) and a central government increasingly dominated by a small group of rich, elite Bogotá families, powerless to effect change and, anyway, disinclined." Bowden, 13-4.

Magdalena and Cauca rivers. The Pacific littoral is clothed in dense rainforest, much of the Caribbean one backed by swamps or semi-desert. To the south-east of the Andean chains, almost half of the country is occupied by the tropical lowlands of the llanos.¹⁹

Similarly, though more poetically, Paul Bowden writes, “Colombia is a land that breeds outlaws. It has always been ungovernable, a nation of wild unsullied beauty, steeped in mystery. From the white peaks of the three cordilleras that form its western spine to the triple-canopy jungle at sea level, it affords many good places to hide.”²⁰

While central governments in Latin America have traditionally been relatively weak, Thoumi notes the dual roles of both geography and international trade in the concentrating populations in national capitals. However, in the case of Colombia, development took the form of a collection of weakly linked regions, as illustrated by the four major cities, each with over two million residents, and several dozen with more than a quarter million inhabitants. Moreover, though Bogotá is located in the center of the country, it has never been a primary conduit for any of Colombia’s major exports.²¹

In addition to fostering political fragmentation, this geography also serves to impede intrastate economic interdependence due to logistical hurdles. In terms of land transportation, roads are difficult to traverse due to both terrain and political instability, though their condition is generally better in the north than in the south or in the east. Similarly, the country’s railroad network is for the most part antiquated and provides only limited services between cities.

¹⁹ “Drugs, war and democracy: A survey of Colombia,” *The Economist*, 21 April 2001, 5.

²⁰ Bowden, 12. Moreover, as observed by Luis Alberto Villamarín Pulido, the political violence of the 1950s diverted government attention from huge sections of the country that were potentially productive but largely undeveloped for lack of roads. As the author notes, ‘Colombia has considerable unexploited rural wealth but preferred to concentrate finance in the towns. This resulted in vast tracts of land in the hands of criminals.’ Luis Alberto Villamarín Pulido, *The FARC Cartel* (Bogotá: Ediciones El Faron, 1996), 97-8

²¹ Thoumi, 84.

In general, Colombia's access to water modes of transportation holds much more commercial potential. The country's seaboard encompasses both the Caribbean basin and the Pacific Ocean. In particular, the ports of Buenaventura on the Pacific, and Cartagena and Barranquilla on the Caribbean are the most active commercial seaports, while relatively isolated coastal areas along the Gulfs of Uraba and Morrosquillo and the Guajira Peninsula also offer ample scope for maritime smuggling.²²

However, river navigation, particularly of the Magdalena and Atrato basins running south to north along the western part of the country, the Orinoco basin along the border with Venezuela, and the Amazon basin in the east, is also important in domestic terms. Unfortunately, guerrillas and kidnappers often block land access to both seaports and river landings. This in turn has led to a high dependence on air transport, which as noted at the outset of this chapter is crucial to linking the nation's disparate regions.

Furthermore, as in the case of Afghanistan, the physical control of territory is paramount to the drug trade.²³ In Colombia, the competition for the spatial projection of power exists largely between the central government and the various non-state actors, of which guerrilla groups and TCOs are among the most salient. To further complicate the issue, at various times these non-state actors can be either coexisting or even cooperating with the central government and in conflict with one another.

²² U.S. DOJ, DEA, *NNICC* (1998), 5.

²³ Though slightly beyond the purview of this analysis, issues relating to land ownership and the legitimacy of competing claims are key elements of many endemic Latin American socio-economic problems. An excellent and wide-ranging discussion on these topics can be found in Roderic Ai Camp, ed., *Democracy in Latin America: Patterns and Cycles*, (Wilmington, DE: Scholarly Resources Inc., 1996). A further parallel with Afghanistan can be found in the deleterious ecological impact of the drug trade. For instance, an estimated 85 percent of poppy cultivation areas are the result of deforestation, while highly toxic pesticides and the chemicals used to process heroin all find their way into the Colombian watershed. See Villamarín Pulido, 95.

For instance, with respect to the often-uneasy relationship between rebels and traffickers throughout the Colombian countryside, Luis Alberto Villamarín Pulido notes, “The bottom line was the rudimentary but true geopolitical criterion of controlling vast tracts of land.”²⁴ The specific regions of the country that have traditionally been most problematic in this respect will be discussed below. However, in general two types of non-state criminal actors can be seen in Colombia, namely those with economic motives and those with political motives, though at times the line between the two can become blurred enough to make them virtually indistinguishable, as will be discussed below.

In the first category, that of economically motivated criminal actors, the most prominent in Colombia are drug trafficking organizations. However, in the past Colombian drug cartels have resorted to campaigns of violence against government institutions and the general public, resulting in the phenomenon of “narcoterrorism,” most saliently manifest in kidnappings, bombings and assassinations.²⁵ Furthermore, elements of the guerrilla and paramilitary groups that constitute the second category have become increasingly involved in various aspects of the drug trade as a source of funding.²⁶

Taken as an aggregate, drug trafficking shapes the country’s economic geography to a high degree, and vice-versa.²⁷ However, as Shelley notes, Colombia is in a different

²⁴ Ibid., 11-7. This interaction will be addressed further below, in the context of the insurgents’ involvement in drug trafficking.

²⁵ While this phenomenon has been discussed in previous chapter, the most prominent example in the Colombian context can be found in the career of Pablo Escobar, as will be discussed at greater length below. However, for a broad description of Escobar’s terrorist campaign at its height, largely in an attempt to avoid extradition to the United States between 1989 and 1991, see Bowden, 61-105.

²⁶ Bentham, 11-12, also makes the broader case for the drug trade facilitating regional trends toward militarization in Latin America.

²⁷ According to Sánchez and Meertens, 195, the comparative advantages that Colombia offers to the drug trade include “its complex and propitious geography, the quality of its soil, its strategic location for international markets, and its accumulated tolerance of illegal activity.”

category from either Afghanistan or Burma in that the overall economy is more diversified, even though drugs have become the largest revenue source.²⁸ Nonetheless, despite deriving some monetary benefits from the drug trade, Colombia still can be seen as suffering a net negative economic impact from this phenomenon.

For instance, the influx of dollars into the domestic economy has hurt the competitive capabilities of traditional industries, promoted speculative investments and diverted drug money into areas that were suitable for money laundering but not actually profitable. Moreover, in perpetuating a climate of violence, the drug trade has discouraged foreign investment, encouraged domestic capital flight, and increased costs for the commercial sector as a whole by forcing it to invest heavily in security.²⁹

It is worth noting, however, that in a controversial move the government of Colombia went so far in 1999 as to propose including income earned from the cultivation of coca, opium poppy and marijuana crops into the calculations of its gross national product (GNP). This recalculation would serve to significantly increase the country's GNP, with projections for trade in illicit drugs ranging between one-quarter and one-third of the country's legal exports, roughly \$4 billion per year.³⁰

Drug trafficking trends in Colombia over the past two decades can be seen in terms of a dual evolution. One involves commodities, primarily the shift from cocaine to a more diversified product line that includes a growing market presence of heroin. The

²⁸ Shelley, "Identifying, Counting and Categorizing," 6. However, the author also observes that Colombia TCOs, in contrast to many of their counterparts, have not expanded their illicit economic activity much beyond the drug trade and other directly related black markets, such as precursor chemicals and money laundering.

²⁹ Schmid, 54.

³⁰ Larry Rochter, "Colombia Adjusts Economic Figures to Include Its Drug Crops," *New York Times*, 27 June 1999, A-3. See also Claire Poole, "Colombia's Gross Drug Product," *Latin Trade* 7, no. 9 (September 1999), 26, which cites estimates as high as \$7 billion per year when the value of processed heroin and cocaine are added to the figures.

other encompasses the changing nature of the organizations in questions, particularly with respect to the displacement of the Medellín and Cali cartels by a multitude of less hierarchically structured smuggling actors. Moreover, both the U.S. market for illicit drugs and the U.S. government's policy toward the region with respect to this issue area can be seen as having a discrete impact on, as well as responding to, these developments.

As mentioned at the outset, it is difficult to even approach the issue of heroin in Colombia before first addressing that of cocaine. Cocaine is a chemical derivative of the coca leaf harvested from several varieties of the *Erthroxylum coca* shrub.³¹ Globally, coca cultivation centers on Latin America, specifically Colombia, Peru and Bolivia.³² In contrast to the case of both Peru and Bolivia, it is worth noting that, in Colombia, "the illegal industry started with the manufacturing and smuggling processes. The agricultural part of the industry developed as a backward linkage to the manufacturing stage."³³

Incidentally, one trend that predates the issue of either coca or opium in Colombia is that of cannabis. While Colombia has traditionally been a major foreign source of marijuana for the U.S. market, most significantly between the late 1970s and early 1980s, this activity has waned for years despite a limited resurgence in the late 1990s.

Previously concentrated in the Sierra Nevada and Serrania de Perija Mountains of northern Colombia, marijuana cultivation has shifted primarily to the north-central and

³¹ A wide-ranging discussion of this drug, to include not only its history but also its socio-cultural impact, can be found in Dominic Streatfeild, *Cocaine: An Unauthorized Biography* (New York: St. Martin's Press, 2001). Furthermore, as a stimulant cocaine is technically not a narcotic, the root of which comes from the Greek *narcos*, "to sleep," despite the continued use of the misnomer as an umbrella term for all illegal drugs

³² For a survey of the drug trade's manifestations in these three countries, see Thoumi, 67-96; and Clawson and Lee, *passim*. See also Bentham, 6-9, which notes the extremely detrimental impact of coca cultivation on Latin American ecosystems, which has in some cases been further compounded by various types of eradication efforts as will be discussed below.

³³ Thoumi, 90. Zabudoff, 21-4, also notes the parallels between large-scale agribusinesses and the Colombian drug cartels.

western portions of the country. Furthermore, eradication efforts focusing on coca and opium poppy growing have allowed marijuana farmers to operate largely unmolested in these areas.³⁴

In general, Colombian trafficking organizations have tended to dominate both cocaine refining and transnational modes of distribution throughout the region. As Guillermprieto notes:

Colombia, which has a much smaller indigenous population than Bolivia or Peru, used to cultivate less coca, and for many years it grew what was considered an inferior product – meaning that the Colombian leaf produced a less potent alkaloid. But Colombia had a lackadaisical government, uncharted waterways, and a tradition of smuggling that dated back to colonial days. A small but flourishing illegal trade in marijuana, emeralds, and pre-Hispanic artifacts had kept smuggling techniques up to date, and by the early Eighties non-Indian hustlers . . . had consolidated their hold on the manufacture of cocaine from coca leaf, and on the export of refined cocaine to the United States.³⁵

During the early boom years, the Colombian cocaine trade was dominated by two main cartels, respectively centered in the cities of Medellín and Cali.³⁶

Underlining the differences between the two, Bunker and Sullivan put forth as part of their model of cartel behavior three evolutionary phases, in which the first, the “Aggressive Competitor,” is represented by the Medellín cartel, and the second, the “Subtle Co-Opter,” by its Cali counterpart.³⁷ Moreover, despite its common usage in this

³⁴ U.S. DOJ, DEA, *NNICC* (1998), 83.

³⁵ Guillermprieto, “Our New War in Colombia,” 36. Among other things, successful methods of smuggling the necessary precursor chemicals necessary to process cocaine, primarily acetone and ether, from the United States was a key to the early development of the regional drug trade.

³⁶ Williams and Savona, 18, note that the Colombian cartels were in many ways unique among TCOs in that they tended to engage almost exclusively in drug trafficking, rather than the wide range of illegal activities undertaken by other criminal organizations.

³⁷ Bunker and Sullivan, 59-70. The third and final phase, that of “Criminal State Successor,” has yet to truly emerge, though in some ways the first two phases manifest certain transitional aspects. Characteristics of TCOs theoretically capable of successfully challenging nation-states more directly phase include their involvement in an expanded range of business sectors and markets, institutionalized global economic reach, full spectrum technology use and the expanded use of mercenaries and other specialized criminal actors. As examples approaching this situation, the authors specifically cite Haiti, parts of Mexico and Ciudad de Este, the tri-border area between Brazil, Paraguay and Argentina.

context, definitional issues with the term “cartel,” if taken in the traditional sense of a conspiracy in restraint of trade generally undertaken to divide up the market for a given commodity, restrict its supply and thus drive up prices. Given the large numbers of manufacturers and distributors, many of whom are independent agents contracted on a fee-for-service basis, there is little basis for making the case for any concerted effort to monopolize the business³⁸

That being said, however, in general it is worth noting several features that characterize most Colombian drug trafficking organizations, the two major cartels as well as their successors in their various manifestations, and at least partially account for their sustained prominence. First and foremost, all are innovative organizations with highly adaptive capabilities.³⁹ For instance, this can be seen in the responses to periods of declining consumption and prices, as well as to rising seizure rates.

Moreover, there has been a constant attempt to raise profit margins by increasing production efficiency, such as introducing more efficient harvesting processes, the recycling of precursor chemicals and vacuum packing. In terms of transit, improved and diversified smuggling methods are constantly appearing, as will be addressed further in the next section. Finally, an increased downstream penetration of critical U.S. markets,

³⁸ Naylor, “Mafias, Myths and Markets,” 20-3. The author puts forth one explanation for the persistence of this concept, namely that both policy-makers and the general public tend to more readily respond to the existence of a single clear-cut adversary rather than a chaotic multitude of actors.

³⁹ This point is well made in Michael Kenney, “When Criminals Out-Smart the State: Understanding the Learning Capacity of Colombian Drug Trafficking Organizations,” *Transnational Organized Crime* 5, no. 1 (Spring 1999), 97-119. In particular, this article tracks the evolution of Colombian drug trafficking from small-time networks largely coordinated by Chilean, Cuban and U.S. TCOs, through the development of their own transnational logistical operations, and up their present primacy within the Western Hemisphere. See also Zabudoff, 23-4, who notes that, “As entrepreneurial groups, the Colombian narcotics organizations have demonstrated the flexibility needed to maintain their leading market position.”

primarily by setting up exclusive distribution networks, can also be seen, as well as extensive market and product diversification.⁴⁰

The rise in the popularity of cocaine, and the corresponding profits stemming largely from North American markets, in turn helped create a number of secondary benefits to Colombia. To return to Guillermoprieto, in cocaine:

Colombia had found what most developing countries lack, a cheap crop that can produce the levels of employment, return on investment, and national growth that only industrial goods normally provide. Construction soared, the service sector exploded, antiquities dealers thrived, airline companies expanded their routes, artists made more than a decent living and, beginning in 1992, many campesinos also felt less gnawed by hunger.⁴¹

However, while cocaine trafficking indeed brought undreamed-of economic returns to Colombia, the dark side of the trade also exacted a high social cost, most obviously manifest in the growing wealth, power and influence of the Colombian drug cartels. As Nobel laureate Gabriel García Márquez points out, “Colombia had not been aware of her own importance in the international drug trade until the traffickers invaded the country’s highest echelons through the back door, first with their increasing ability to corrupt and suborn, and then with their own ambitions.”⁴²

The rise and fall of the Medellín cartel, is exemplified by the meteoric career of Pablo Escobar and his ultimately futile quest for legitimacy that helped further engulf the

⁴⁰ Clawson and Lee, 11-2. The authors also note that the rise of heroin refining and distribution came about at least partly “in recognition of the fact that the U.S. cocaine market is approaching its saturation point.” For its part, UNDCP, *World Drug Report* (1997), 260, echoes many of the factors contributing to Colombian TCOs competitive advantage in this respect. Among those already discussed are the country’s physical geography, experience moving contraband and entrepreneurial ethos. Others noted include the presence of active guerrilla movements, legal and illegal immigration primarily to the U.S., and a high degree of familiarity with black market exchanges and money laundering, all of which will be addressed below.

⁴¹ Guillermoprieto, “Our New War in Colombia,” 36. This observation is echoed by Bowden, who notes that the drug traffickers “wanted the state to legitimize their enterprise, and given the money they were willing to spread around . . . some intellectuals saw the cocaine trade as potential economic salvation for Andean nations, akin to the discovery of vast oil fields in the Persian Gulf.” Bowden, 31.

⁴² Márquez, 21.

entire country in a cycle of violence, is a case in point.⁴³ Much of this activity centered upon a campaign of terror consisting of a staggering number of bombings, kidnappings and assassinations, all designed to exert pressure on the Colombian government to accede to the demands of Escobar and the rest of the cartel's leadership. As the human costs mounted, such atrocities effectively served to undermine any previous romantic images of drug traffickers as latter-day folk heroes.

Specifically, the domestic backlash against drug trafficking and related activity can be traced to the murder of crusading justice minister Rodrigo Lara in early 1984, allegedly by Escobar, which in turn led the Barco administration to cooperate more closely with the U.S., particularly with respect to extradition. However, it was the assassination, also attributed to Escobar, of leading presidential candidate Luis Galán in 1989 that led the Colombian government to declare all-out war on the Medellín cartel.⁴⁴

In parallel with these events in Colombia, the notoriety of the drug traffickers also brought the issue to the attention of the U.S. government. The genesis of the U.S. "war on drugs" and its primary policy tool, the certification process, has been discussed at length in Chapter IV. With respect to Latin America, however, U.S. foreign policy has traditionally focused more on the strategic denial of influence from rivals outside the hemisphere and maintaining regional political stability than on more entangling issues. Beginning in the mid-1980s, however, both the Reagan and first Bush administrations

⁴³ With respect to Medellín, Bowden tellingly notes that even before Escobar's time, "The region was famous for *contrabandistas*, local heads of organized-crime syndicates, practitioners of the centuries-old *paisa* (street hustler) tradition of smuggling – originally gold and emeralds, now marijuana, and soon cocaine." Bowden, 18. Furthermore, Morrison, 5, correlates the rise in Colombian drug trafficking to the demise of the nation's textile industry, perhaps not coincidentally centered in Medellín. A similar case can be made for Nigeria with the collapse of oil prices in the mid-1980s, as will be discussed in the next chapter.

⁴⁴ Bowden, 44, 63-4.

began to focus increasingly in the issue, in particular by putting it into the context of national security.⁴⁵

A major turning point in this respect was the November 1989 bombing of an Avianca Airlines commercial flight in an assassination attempt on the subsequently successful Colombian presidential candidate, César Gaviria. This act caused 110 deaths, and included two American citizens among the victims. As a result, the explicit linkage between drug trafficking and terrorism was made in U.S. foreign policy circles, with the most prominent impact in the domestic Colombian context being the aforementioned issue of extradition.⁴⁶

As early as 1985, in response to the increasing pressure from both the Colombian and U.S. governments, Escobar began acting through a nominal and largely self-aggrandizing organization called the “Extraditables,” which took the level of violence to a new level to pressure the Colombian authorities into blocking extradition efforts. In addition to gaining leverage via intimidation, this move was predicated upon gathering public support by tapping into the less than tacit insult that extradition represented to Colombian sovereignty.⁴⁷

⁴⁵ For instance, in 1986, Reagan signed a classified National Security Decision Directive that referred to the flow of drugs across U.S. borders to be a “national security threat.” Moreover, in 1989 Bush authorized National Security Directive 18, which called for \$250 million to be allocated to intelligence, law enforcement and military budgets to fight drug trafficking, with an additional \$65 million earmarked for security assistance to Colombia itself. Bowden, 64-5. See also Vincent T. Bugliosi, *The Phoenix Solution: Getting Serious About Winning America’s Drug War* (Beverly Hills: Dove Books, 1996), 13-8.

⁴⁶ Bowden, 80-1, which also notes the resultant increase in U.S. military involvement that also arose from this event.

⁴⁷ *Ibid.*, 51-9. The tactics used by Escobar under the auspices of this group ranged from angry public rants in the media to kidnapping, assassination and a wide-ranging campaign of bombing. For an overview of the scope of this domestic unrest and cycle of violence, see Márquez, 128-30. In addition to assorted car bombings and even the downing of passenger planes, four presidential candidates were assassinated before the 1990 campaign. Moreover, in the first two months of 1991, there were hundred murders, an average of twenty a day, in Medellín. A total of 457 police were also killed in the first few months of that year. Márquez, 178. The author further notes that the going rate for the murder of a police officer was five million pesos, and 800,000 for each on wounded. Attempts at compromise on the part of the Colombian

In particular, extradition was seen by a significant segment of Colombian society not otherwise in sympathy with the drug traffickers as not only implying that the country was too weak to administer justice itself, but also that the U.S. somehow saw itself as a higher moral authority. The initial outcome of this phase was the negotiated incarceration of Escobar in June 1991, which lasted until his escape in September 1992. His death at the hands of Colombian police while still at large occurred in December 1993, and for the most part the Medellín cartel was subsequently dismantled.⁴⁸

By way of an epitaph for Escobar and the cartel he exemplified, Bunker and Sullivan note that, "In retrospect, the Medellín model can be understood as a new and very successful, albeit short-lived, form of criminal entity. Its leaders, while tactically and operationally brilliant, were strategically ignorant. Their attempt at directly taking on a Westphalian state, politically and militarily, was both organizationally and individually suicidal."⁴⁹

By contrast, the Cali cartel, led by the brothers Gilberto and Miguel Rodríguez Orejuela, maintained a more low-key operational stance as well as purported links with elements of both the paramilitary organizations and the national security forces, particularly among the *Policía Nacional de Colombia* (PNC, or Colombian National Police). As Williams and Savona note, rather than confronting the government directly as their counterparts in Medellín had, the Cali cartel adopted a strategy of infiltration.

government seldom went as far as Escobar felt necessary, as in September 1990 when the Decree 2047 under Martial Law was issued. This stated that those who surrendered and confessed to their crimes would receive the right not to be extradited, while further cooperation with the authorities could have their sentences reduced by up to half. This was modified by Decree 3030 in December 1990, which provided for the judicial accumulation of sentences in that only the longest of a series would have to be served. Márquez, 74.

⁴⁸ The circumstances surrounding these events are discussed at length in Bowden, 119-53, 203-49. See "Colombia contemplates extraditing its drugsters," *The Economist*, 31 May 1997, 33, and "Unextraditable?" *The Economist*, 20 September 1997, 36-8.

⁴⁹ Bunker and Sullivan, 62.

This was predicated upon presenting a front of legitimate commercial activity and co-opting local power structures through patronage.⁵⁰

Together, and allegedly with the collusion of elements of the U.S. government, these groups tacitly cooperated to target Escobar's operations during his brief period at large between September 1992 and December 1993. This cooperation took the form of a response in kind to the actions of the Extraditables, utilizing methods that the legitimate authorities were unable to utilize. A shadowy organization, known as "Los Pepes," (*Perseguidos por Pablo Escobar*, or People Persecuted by Pablo Escobar), was pivotal in undermining the Medellín cartel's hierarchy from the lowest to the highest levels, and setting the stage for Escobar's demise.⁵¹

In the wake of Escobar's death and the resulting chaos within the Medellín organization, there were grave concerns that their counterparts in Cali would expand even further without any major competitors. However, following the election of Ernesto Samper in 1994, contributions to his campaign by the Cali cartel came to light, leading to decertification by the United States twice during the mid-1990s.⁵² The Samper scandal led to a subsequent crackdown on their operations as well, culminating in the incarceration of the Rodríguez Orejuela brothers in 1994.⁵³ Despite this development, there is evidence of a continuing though diminished presence of the cartel, and

⁵⁰ Williams and Savona, 18-9.

⁵¹ Bowden, 175-200. Specific reference to the Cali cartel financing Los Pepes can be found in Bowden, 197. See also Márquez, 231.

⁵² "Allies or enemies," *The Economist*, 22 February 1997, 53; "Policy, which policy?" *The Economist*, 20 February 1999, 34; and Guillermprieto, "Our New War in Colombia," 34-9. The potential impact of decertification by the U.S. on the Colombian domestic situation is considerable. In fact, by 1999 Colombia had become the largest recipient of U.S. foreign aid in the hemisphere and the third largest globally, after Israel and Egypt. For more details of these expenditures, see U.S. Department of State, INL, "INL Country Programs – Colombia" (Washington, DC: Department of State, 23 April 1999), available at <http://www.state.gov/g/inl/rls/fs/12603.htm>, accessed 15 July 2004.

⁵³ Bowden, 269-72. However, allegations of close cooperation between the Cali cartel and Marxists guerrilla groups, including the sharing of radio frequencies, can be found at least up to 1996, as discussed in Villamarín Pulido, 11-7.

allegations that its leaders still maintain control of a considerable share of their former operations.⁵⁴

However, the resultant power vacuum did not lead to a decline in Colombian drug trafficking activity. As Winifred Tate notes, the two major cartels “have since been replaced by smaller, more vertically integrated trafficking organizations whose nimble, independent traffickers are more difficult to detect and infiltrate.”⁵⁵ Echoing this sentiment, Chepesiuk writes that Colombian TCOs continue “gliding smoothly into new markets and concentrating on making the drug-trafficking business a truly multinational enterprise.” Moreover, by combining an established smuggling network with expanding poppy cultivation and heroin production, “The criminal entrepreneurs, who brilliantly introduced the business concept of vertical integration into the international traffic in cocaine, were about to do the same to the heroin trade.”⁵⁶

⁵⁴ See, for instance, “The mobsters rub each other out,” *The Economist*, 28 November 1998, 34-5.

⁵⁵ Tate, 1.

⁵⁶ Chepesiuk, 23. For a contrasting view of Latin American drug trafficking with that found in other regions, see also U.S. GAO, “Drug Control: U.S. Heroin Program Encounters Many Obstacles in Southeast Asia,” GAO/NSAID-96-831 (Washington, DC: GPO, March 1996), 1. Specifically, this report notes that, “Unlike most South American cocaine organizations, heroin trafficking organizations are not vertically integrated and heroin shipments rarely remain under the control of a single individual or organizations as they move from refinery to the streets.”



Fig. 18. Opium cultivation areas of Colombia⁵⁷

The map above illustrates the current spatial distribution of such activity throughout the country. However, even before the displacement of the two major cartels,

⁵⁷ Map source: U.S. DOJ, DEA, Intelligence Division, "The Drug Trade in Colombia: A Threat Assessment," DEA-02006 (Washington, DC: DEA, March 2002), available at <http://www.usdoj.gov/dea/pubs/intel/02006/index.html>, accessed 15 July 2004.

product diversification away from a strict dependence on cocaine was already underway. In the late 1960s and early 1970s, with respect to heroin Latin America was considered more a gateway to the U.S. market than an actual center of production. During this period, a two-way trade in which Latin American cocaine found its way to European markets in return for Southwest Asian heroin also emerged.⁵⁸ According to the former chief of the PNC, Roso Jose Serrano, the Cali cocaine cartel began to diversify into opium cultivation during the early 1990s, using consultants from both Afghanistan and Pakistan.⁵⁹

As early as 1992, U.S. officials estimated that Colombia was producing as much as four tons of heroin per year. Despite this relatively limited production, “The availability of South American heroin, produced almost exclusively in Colombia, has increased dramatically in the United States since 1993.”⁶⁰ By 1996, there were an estimated 2,100 hectares of opium poppies in Colombia, centered on the departments, or provinces, of Cauca, Huila and Tolima, where the higher elevation and rugged terrain both provide ideal growing conditions and hamper eradication efforts. However, because three crops can be harvested per year, actual production figures were placed at 6,600 hectares.⁶¹ Furthermore, in 1997 Interpol reported that, “as predicted in 1996,” heroin

⁵⁸ Lamour and Lamberti, 50-5, 57.

⁵⁹ José Roso Serrano, Interview, “America’s New Heroin Epidemics: Along Comes A Horse,” MSNBC, aired 7 January 2001. Chepesiuk also notes that experienced Golden Triangle heroin “cooks” were lent to the Colombians for this endeavor as well. The quid pro quo behind the sharing of such expertise was the opportunity to observe the Latin American marketing and logistical operations, commonly considered analogous to the “best practices” found in the legitimate business sectors. Chepesiuk, 23. See also Booth, *Opium*, 324-5, for more on the learning curve in the transition from coca to opium cultivation.

⁶⁰ U.S. DOJ, DEA, *NNICC* (1998), 41. This expansion in market share was largely due to a decreasing availability of Southeast Asian heroin.

⁶¹ *Ibid*, 48. Furthermore, as noted in Villamarín Pulido, 85, “Poppy production coincides with guerrilla growth in rural economies, formerly characterized by small stable farmers in the Andean region. The arrival of the guerrilla and poppy plantations had been accompanied by a high degree of violence, continual agrarian conflicts and the rapid buying and selling of land.” The author also points out that, as of 1996, insurgent activity has been found in 123 of the 179 municipalities where poppies are grown. Moreover,

from South America supplied more than just the North American market, with seizures of shipments originating in the region having been made in Europe.⁶²

The competitive advantage of Latin American heroin is only partially a function of effective smuggling methods adapted from the transnational movement of cocaine. As discussed in Chapter III, by volume heroin offers a considerably higher profit margin than cocaine.⁶³ Moreover, poppy cultivation is also harder to locate, as the plant is not a perennial like coca. In fact, according to U.S. officials, it was known that Colombian drug traffickers were cultivating opium there years before evidence could be found.⁶⁴ However, it should also be noted that opium cultivation throughout Latin America is much less culturally embedded than that of coca.

Both purer and cheaper than its chief competitor in the U.S. market, Southeast Asian heroin, Colombian heroin has been particularly impressive in terms of market penetration.⁶⁵ As one DEA report notes with respect to South American heroin, "High purity was essential to establishing a clientele and maintaining user loyalty in the fiercely competitive U.S. market. Consequently, Colombia-based traffickers smuggled heroin that commonly ranged between 80 and 95 percent pure." Furthermore, at these levels of purity, it is possible to discard the traditional heroin paraphernalia involving the use of

underling the fact that this is not strictly a rural phenomenon, heroin processing reportedly continued, "particularly in the urban areas of many Departments throughout the country." Interpol, "International Drug Trafficking," 1.

⁶² Ibid., 1.

⁶³ According to Clawson and Lee, 17, while coca yields \$4,000 per hectare, a crop of opium poppies can earn between \$13,000 and \$14,000. One reason for this price differential is that many farmers can readily convert the raw opium to morphine base, which can in turn be used to produce heroin at a 1:1 weight ratio.

⁶⁴ "Downstream drugs," *The Economist*, 13 May 1995, 44.

⁶⁵ Chepesiuk, 148. As discussed in the previous chapter, at present the bulk of Southwest Asian heroin is destined for European markets.

the intravenous syringe in favor of either sniffing or smoking. As such, a larger needle-averse segment of the potential market could thus be reached more effectively.⁶⁶

By early 2000, as the Latin American drug industry continued to diversify, the cultivation of opium poppies had not only expanded within Colombia, partially in response to a contraction of this activity in Peru's mountainous northern region.⁶⁷

Although as a whole the Andean countries supply less than 10% of the world opium output, their share is rising and their product, being extra-pure, is especially attractive even to markets beyond North America.⁶⁸ As such, an earlier prediction by Flynn does not seem nearly as far-fetched as it may have a decade ago, namely that, "The Colombians almost certainly have the means to become the chief world heroin suppliers of the 21st century."⁶⁹

Moreover, as mentioned above, the capabilities of the relevant TCOs also continued to evolve as their product line expanded.⁷⁰ For instance, in 1999 *The Economist* noted that the times when Colombian drug smuggling "was dominated by the Medellín and Cali cocaine mobs are long gone. Nowadays, the industry deals in heroin

⁶⁶ U.S. DOJ, DEA, *NNICC* (1998), 42. Moreover, other street level marketing include offering first-time buyers small quantities on credit, insisting that established cocaine distributors also purchase and sell heroin, and undercutting competitor's prices.

⁶⁷ Decreased Peruvian drug cultivation in recent years is largely due to the chain of radar sites known as Air Bridge Denial, preventing small planes from crossing into Colombia and southwestern Brazil. However, as a result Peruvian traffickers have been actively seeking out alternatives, such a greater use of sea routes. OGD, *World Geopolitics of Drugs* (2000), 10.

⁶⁸ "A crop that refuses to die," *The Economist* (web site), 4 March 2000. Moreover, some observers also note that Colombian guerrillas have begun poppy cultivation activity across the border in Venezuela and possible Ecuador. Villamarín Pulido, 6.

⁶⁹ Flynn, "Worldwide Drugs," 29. As of the late 1990s, there were few domestic reports of heroin use within Colombia. However, in time Colombian opium poppy cultivation and heroin production has the potential to stimulate local heroin abuse. UNDCP, *World Drug Report* (1997), 263.

⁷⁰ For example, beyond the purview of the drug trade, the U.S. Secret Service estimates that roughly a third of the counterfeit dollars distributed in the country over the past several years has originated in Colombia, facilitated by trafficking networks and lax law enforcement. Incidentally, as the global currency of choice, American dollars are the most commonly counterfeited in the world. U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 24. See also Fialka, 138.

as well as cocaine, and has fragmented into hundreds of small, anonymous organizations. And it is even more productive than ever.”⁷¹ This view was contemporaneously echoed in an official U.S. assessment, which noted that despite the setbacks suffered by the cartels, “Colombian traffickers not only continue to meet most of the world’s cocaine demand, but have become the largest supplier of heroin to the United States.”⁷²

In addition to the characteristics already outlined, the successors to the two major cartels are increasingly more tactically and technically proficient, both by inclination and from necessity. They are smaller and more discreet, exhibiting less conspicuous consumption but more equitable profit sharing, and largely rejecting the extravagant lifestyles and overt violence of their predecessors.⁷³ While still endowed with greater expertise, more capital and better overseas networks than emerging rivals, “This new generation of Colombian trafficking groups maintains lower profiles, focuses on limited aspects of the drug trade, and forms more ad hoc alliances that make them more difficult law enforcement targets.”⁷⁴ Finally, being much more highly specialized and difficult to infiltrate, they are also much more elusive.⁷⁵

In particular, an overarching and well-developed command, control, communications, computer and intelligence capability, known as C4I in military parlance, on the part of Colombian TCOs is becoming a prominent hallmark of their organizational sophistication. For instance, according to the DEA, Colombian drug

⁷¹ “Colombia: A new class of drug trafficker,” *The Economist* (web site), 11 September 1999.

⁷² U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 42.

⁷³ See Interpol, “International Drug Trafficking,” 2; and “Colombia: A new class of drug trafficker,” *The Economist* (web site), 11 September 1999.

⁷⁴ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 42.

⁷⁵ As *The Economist* notes, “Today’s traffickers are also much harder to catch. The police reckon they are mostly aged 25 to 40, have no criminal records and work through legitimate small businesses. Estimates of the number of trafficking organizations range from 80 to 250. Increasingly, they act as coordinators, contracting out everything from manufacturing to transport to specialist groups.” “Colombia: A new class of drug trafficker,” *The Economist* (web site), 11 September 1999.

wholesaling and money laundering networks are comprised of multiple organizational cells that maintain meticulous records and use the most advanced commercially available technology including personal computers, pagers and fax machines.⁷⁶

Furthermore, many drug trafficking groups have demonstrated an active interest in acquiring increasingly sophisticated technology, particularly with respect to secure communications equipment. Additional security measures utilized by trafficking organizations include the use of a wide array of counter-surveillance techniques, while disinformation efforts include the witting use of suspected telephones and the staging of fake drug transactions to thwart law enforcement efforts.⁷⁷

Moving from the issue of strictly economically-motivated organizations to more politically-motivated ones, involvement in the drug business as well as with other criminal activity finances, supplies and gives military strength to non-state actors across the ideological spectrum. Given the fragmented nature of Colombia's political geography, the ability to leverage these resources on an ongoing basis effectively puts such groups on a near-equal footing with the legitimate central government, barring external support.

Furthermore, in addition to independently funding their activities, both guerrilla and paramilitary commanders are able to solidify a local primacy within their areas of operation by inserting themselves, by force when necessary, into the illegal economy that is the primary source of income for many rural populations.⁷⁸ As Thoumi notes:

⁷⁶ Other illicit communications techniques include the limited-time use of cloned cellular telephones and stolen calling cards. U.S. DOJ, DEA, *NNICC* (1998), ix.

⁷⁷ Even earlier, Escobar was reported to be intensely interested in such technological developments, both as assets and as threats to his operations. Márquez, 198-9.

⁷⁸ For instance, within their areas of operation both the leftist guerrilla and rightist paramilitary forces "support a widespread illegal economy or illicit activity that is the primary source of income for the local population." U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 6. Bentham,

Many coca and poppy growers in Colombia are peasants displaced by political and criminal violence. They have settled individually difficult-to-access lands and their lives have been marked by violence. In contrast with Bolivia and Peru, armed peasants settled in coca and poppy growing areas in Colombia. Illicit crop regions in Colombia have been very violent and neither state nor civil society could provide peaceful conflict resolution systems.⁷⁹

Moreover, even when the local populace would rather not be involved in the drug trade, economics and the stark realities of power favor few other options.

In some respects, this state of affairs represents an alternate form of *plomo o plata* directed primarily toward the non-urban Colombian countryside. At present, on the left the Marxist-oriented guerrillas of the *Fuerzas Armadas Revolucionarias de Colombia* (FARC, or Revolutionary Armed Forces of Colombia) and the smaller *Ejército de Liberación Nacional* (ELN, or National Liberation Army) continue their brutal struggle against the central government, a conflict marked by atrocities on both sides.⁸⁰

Simultaneously, on the right, bands of paramilitary vigilantes or *autodefensas*, mostly organized under the umbrella organization of the *Autodefensas Unidas de Colombia* (AUC, or United Self-Defense Forces of Colombia), ostensibly wage their own covert and semi-sanctioned campaign against the guerrillas despite repeated charges of self-enrichment and human rights violations. A number of these groups have also been

9-10, also notes the lack of viable economic alternatives for rural populations. A geographical overview of the regions of Colombia most affected by this phenomenon can be found in Villamarín Pulido, 173-8. For more on the coercion of rural populations to cultivate illegal drug crops, see also UNDCP, *World Drug Report*, 128.

⁷⁹ Thoumi, 68-9.

⁸⁰ For more general background on the FARC's development, see George H. Franco, "Their Darkest Hour: Colombia's Government and the Narco-Insurgency," *Parameters* XXX (Summer 2000), 83-93; Guillermprieto, "Our New War in Colombia," 34-9; and "Colombia's other gangsters," *The Economist*, 25 March 1995, 48. In particular, Guillermprieto's first-hand account of meetings with the FARC leadership, beginning in 1986, offers copious details regarding the personalities of these individuals. Incidentally, an interesting internal organizational feature of the FARC is that an estimated 30% of its guerrilla troops are female, while a significant proportion are also minors, both voluntary and coerced. Guillermprieto, "The Children's War," 37-40.

linked to elements of the Colombian security forces, particularly with respect to combating the common adversaries, the leftist guerrilla groups.

At the international level, during the 1980s the popular notion of trafficker-guerrilla cooperation held considerable sway within U.S. foreign policy circles, however questionable some of the assumptions regarding the convergence of interests between the two types of groups might have been.⁸¹ The notion certainly found receptive audiences in Washington, still in the grasp of the prevailing East-West conceptualization of the Cold War, and with Latin American governments that found it expedient to publicly and politically link its primary enemies.

As with many distortions or oversimplifications, it is the grain of truth involved that is most problematic. While guerrillas and drug traffickers may not be natural partners, during the period in question cooperation against various government forces in a pragmatic and cynically symbiotic manner was a logical response to their mutual threat.⁸² Rhetoric aside, the complex interaction between these two types of non-state actors is a phenomenon that defies simplistic monocausal analysis.

The current wave of sustained political instability in Colombia began during the Gaviria administration in the early 1990s, when economic reforms led to an increased

⁸¹ Characteristic of analyses predicated upon this assumption, albeit in the latter stages of its intellectual evolution, is Scott B. MacDonald, *Mountain High, White Avalanche: Cocaine and Power in the Andes States and Panama*, Washington Papers No. 137 (New York: Praeger, 1989). By contrast, though writing at the same time, Renselaer W. Lee III, *The White Labyrinth: Cocaine and Political Power* (New Brunswick: Transaction Publishers, 1989), 13, characterizes the overall relationship as more hostile than cooperative, a stance largely out of step with the prevailing conventional wisdom but more justified in hindsight. At the other end of this spectrum are the views of Villamarín, whose primary thesis is that the FARC was involved at all levels of production and trafficking to the extent that they became “the third and most dangerous of the drug cartels in Colombia.” Villamarín Pulido, 17-9.

⁸² Clawson and Lee, 178-9.

prosperity that was not distributed evenly.⁸³ This state of affairs was most keenly felt throughout the more remote regions along the Putamayo and Guaviare river basins in southern and eastern Colombia, and in the north along both the Panamanian and Venezuelan borders. Also during this period, however, a new constitution provided for the reintegration of some leftist insurgent elements into civil society.⁸⁴

Beginning with the largest of the active guerrilla organizations, the FARC, the genesis of this movement can be found in the period of *La Violencia* lasting from 1948 to 1954. It emerged in 1966 as the armed wing of the Colombian Communist Party, one of a number of groups receiving extensive Cuban backing. As George H. Franco notes:

Rhetorically, the objectives of the FARC have remained largely unchanged throughout its existence. The group seeks to overthrow the ruling order in Colombia and to drive out what it perceives to be the imperialist influences of the United States in Latin America. FARC still publicly clings to its Marxist-Leninist platform of massive redistribution of land and wealth, state control of natural resources, and large-scale government spending on social welfare. Additionally, the group's predilection for attacking economic targets has placed it squarely at odds with both domestic and international business interests.

However, ideological trappings aside, the author also points out that the FARC's success in recent years "stems from the crafting of a new and largely apolitical motive of self-interest that has connected with several dissimilar groups." This partnership of

⁸³ For an enlightening overview of this period, as well as of the preceding Barco administration, see Harvey F. Kline, *State Building and Conflict Resolution in Colombia, 1986-1994* (Tuscaloosa: University of Alabama Press, 1999).

⁸⁴ This opportunity was grasped by both M-19 and the *Ejército de Liberación Popular* (ELP, or People's Liberation Army), though by neither the FARC nor the ELN. Incidentally, the FARC briefly had its own political party, the *Unión Patriótica*, during the late 1980s and early 1990s, and enjoyed some success in the mayoral elections of 1988, though thirteen of its successful candidates were subsequently assassinated. By 1992, the legitimate wing of the FARC was no more. With respect to M-19, Villamarín Pulido, 30-3, reports that it was the first guerrilla group to enter into a mutually beneficial undertaking with drug traffickers in October 1981. This interaction appears to have initially arisen as drug traffickers and guerrillas cooperated to move weapons into Colombia. Moreover, before renouncing violence and joining the mainstream political process, in November 1995 M-19 commandos took over the Colombian Supreme Court building in Bogotá, an operation that left forty rebels and fifty civilians dead, among the latter eleven of twenty-four justices. In addition to crippling the legal system, over six thousand criminal case files were also destroyed, including those pertaining to Pablo Escobar. It was later alleged that the guerrillas had been paid approximately a million dollars by Escobar to carry out this raid. Bowden, 53.

convenience includes migrant and landowning drug cultivators, trafficking organizations, and, increasingly, disaffected individuals in urban areas.⁸⁵

Even earlier, the loss of funding from Soviet, Cuban and other Communist sources has led leftist Colombian insurgent and extremist groups to find alternate sources of income, primarily through various illegal activities as noted in previous chapters.⁸⁶ The success of these criminal ventures has in turn led to speculation as to whether or not these groups are more interested in maintaining the current anarchical status quo and the associated opportunities for profit than actually seizing power.

In particular, both the FARC and ELN have become deeply involved in both drug trafficking and kidnapping, as these activities tend to be more lucrative than other available options such as bank robbery.⁸⁷ Moreover, the ELN has also developed its own niche extorting money from oil companies by threatening their infrastructure.⁸⁸ As Franco writes, “These economic activities have become so dominant and lucrative that they are now seen as an end in themselves.”⁸⁹

With respect to the power vacuum left by the collapse of the major cartels in the mid-1990s, the various Marxist guerrilla groups moved into the void as protectors of both

⁸⁵ Franco, 83-4. Noting the same divergence between Marxist theory and profit-seeking practice, Villamarín Pulido, 144-5, traces the rapid conversion of the FARC into a major drug trafficking organization to the August 1990 death of the organization’s intellectual leader, Jacobo Arenas, and the subsequent shift in priorities. A skilled though vicious propagandist, Arenas was allegedly opposed to having the capitalist aspects of the drug trade taint the movement.

⁸⁶ This phenomenon is not linked specifically to Colombia, though the country does in fact offer a singularly salient example. See Michael K. Steinberg, “Generals, Guerrillas, Drugs, and Third World War-Making,” *The Geographical Review* 90, no. 2 (April 2000), 260-70.

⁸⁷ Auerbach, 25. The author also notes the impact of “double displacement,” with the crackdown on the drug trade causing layoffs among members of this criminal class, who then turn their skills and resources to other illegal activities.

⁸⁸ For instance, between 1985 and 2000, the ELN bombed Colombia’s main pipeline approximately 700 times, spilling 1.7 million barrels of oil and causing serious environmental damage. Pardo, 66. See also “BP at war,” *The Economist*, 19 July 1997, 32-3.

⁸⁹ Franco, 84. Going even further, with respect to the Marxist-Leninist dictum that the end justify the means, Villamarín Pulido, 94, notes that for the FARC in particular, the urge to increase drug profits has overcome ideology to the extent that the means have become the end.

poppy and coca growers, in exchange for a 10 percent tax on traffickers operating in their territory. Furthermore, insurgents have also been known to guard drug-processing labs for a fee, and even run their own labs and distribution operations in more remote parts of the country.⁹⁰

Some analysts estimate that FARC earns nearly half of its total revenues from taxing the drug trade, with the remainder coming from kidnapping, robbery and other criminal activity.⁹¹ To return once more to Franco, the FARC's connections with the largely apolitical drug cultivators and with the often right-wing trafficking organizations "provided it with the *means* to contest the state for power. By facilitating an environment for drug activities, FARC was able to mobilize resources on an unprecedented scale." [author's italics]⁹²

In addition to the involvement of leftist insurgencies such as the FARC in the drug trade, right wing paramilitary organizations, or *autodefensas*, have also been linked to numerous types of criminal enterprises.⁹³ These groups initially arose in response to various political and social pressures in Colombia during the past several decades under the auspices of powerful forces whose interests were being jeopardized. Though not

⁹⁰ Chepesiuk, 233. See also U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 6. As discussed in Villamarín Pulido, 21-6, initially this cooperation was more favorable from the traffickers' perspective, as the guerrillas have gained more knowledge of and contacts within the drug business their partners have become more expendable. Moreover, a parallel situation can be found across the border in Peru beginning in the late '80s in the activity of the Maoist-oriented guerrilla organization *Sendero Luminoso* (SL or Shining Path). This issue, as well as that of transnational Colombian involvement with these groups, is discussed in the following section.

⁹¹ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 40.

⁹² Franco, 86. The author also cites sources within the Colombian National Police that the FARC has reportedly exchanged drugs directly for both money and weapons from Chechen, Russian, Ukrainian and Uzbek TCOs, used similar methods to obtain arms from the Middle East and Central America.

⁹³ Ibid., 86. In particular, the author notes those led by the Castaño and Carranza families as being directly involved in criminal activity. See also "Drugs, war and democracy: A survey of Colombia," *The Economist*, 21 April 2001, 3; "Colombia's drug-bedevelled hopes of peace," *The Economist*, 3 October 1998, 39; Tate, 1; and Guillermprieto, "The Children's War," 40. Several members of the Castaño family were also allegedly linked to Los Pepes, as discussed above. Bowden, 197.

exclusively a rural phenomenon, for the most part their genesis was precipitated by ongoing leftist guerrilla activity.⁹⁴

For instance, beginning in the early 1980s, there was the “drastic miscalculation” on the part of the guerrillas to start targeting relatives of drug traffickers for abduction. To counter this threat, the traffickers created and financed the organization *Muerte a los Seuestadores*, or “Death to the Kidnappers,” which began working with the military to strike back at the guerrillas and anyone suspected of supporting them. This organization in turn is seen as laying the groundwork for the emergence of the rightist paramilitary groups.⁹⁵

In their present incarnation, led by the AUC, paramilitary organizations appear to be increasingly involved in drug trafficking. The leader of one major organization has stated publicly that 70% of his budget came from such sources.⁹⁶ While the FARC remains predominant throughout the south and west, in the northwestern part of the country and in particular along the border region adjoining Panama the *autodefensas* hold sway. As *The Economist* noted in 1998, “The northwest is a traditional hub of the drugs trade; it contains smaller but important areas of coca cultivation, and its heroin trade is

⁹⁴ Bowden notes that, for decades, wealthy landowners in the central Magdalena Valley, which the FARC used as a stronghold, had employed private armies to protect their property and terrorize peasants who expressed support for the guerrillas. However, by the mid-1980s, the largest landowners in the region were the leaders of the Medellín cartel, who had both the resources and the ruthlessness necessary to go after the rebels with more aggressiveness than the Colombian Army ever had. As such, they both funded and equipped various paramilitary organizations and facilitated links to the national security forces. Bowden, 33. However, the author also notes that, even as Escobar and his cohorts were assisting the government against the rebels in that region, elsewhere other members of the cartel were collaborating to various degrees with the FARC, ELN and M-19. Bowden, 43.

⁹⁵ The catalyst for this was the 1981 kidnapping of Martha Nieves Ochoa, sister of two of Pablo Escobar’s closest associates, by the M-19 guerrilla group, as discussed in Villamarín Pulido, 93-4; and Bowden, 33. Furthermore, Guillermoprieto, “Our New War in Colombia,” 37-8, also relates the story of another kidnapping by guerrillas in 1981, that of Fidel Castaño, a minor drug trafficker and the father of Carlos Castaño, currently the prime mover behind the AUC. For more on the revenge kidnapping of kidnapper’s relatives, see also Auerbach, 359-62.

⁹⁶ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 41.

said to be the lifeblood of the paramilitaries that dominate the region. Most of the country's drugs exports, and its arms imports, pass through the area."⁹⁷

At times, some observers have claimed to discern a disparity in U.S. policy toward Colombia in that, despite a public recognition of the extent of the drug trade throughout the country, much more pressure is exerted on the Colombian central government to crack down on the FARC-controlled areas. However, former U.S. Secretary of the Army Louis Caldera stated in January 2000 that, "Everybody in the drug business – guerrillas, *autodefensas*, or drug traffickers – will be the focus of these operations."⁹⁸ In June 2000, an initiative negotiated between the Clinton administration and that of Andres Pastana appeared set to become the most concrete and ambitious bilateral effort to date to address this nexus of issues.

Known originally as Plan Colombia, this effort called for \$7.5 billion in aid both to fight the drug trade and support Colombian peace efforts, including \$1.3 billion in military aid. It represented the largest strategic U.S. commitment in Latin America since its involvement in the Central American insurgencies in the 1980s. A central aim was to sever the link between drug money and guerrilla activity, in particular by targeting drug cultivation through the spraying of herbicides, in a sense striking at the lowest level of drug trade.⁹⁹ As such, its focus appeared to be on the upstream end of the drug trade,

⁹⁷ "Colombia's drug-bedevelled hopes of peace," *The Economist*, 3 October 1998, 39. See also "War crime," *The Economist*, 11 May 2002, 35, which notes the use by both the AUC and the FACR of the Atrato River valley as a smuggling corridor to export drugs and import cocaine.

⁹⁸ Quoted in Guillermprieto, "Our New War in Colombia," 39. Beyond the rhetorical, evidence of the U.S. commitment to target all extra-legal actors engaged in the drug trade regardless of ideology can be seen in the September 2002 indictment of AUC leader Carlos Castaño and subsequent request for extradition. See "Castaño's gamble," *The Economist*, 28 September 2002, 36; and "An olive branch of sorts," *The Economist*, 7 December 2002, 38.

⁹⁹ Domestic Colombian perspectives on the genesis of Plan Colombia are discussed in Guillermprieto, "Colombia: Violence Without End?" 31-40. More broadly, the evolution of this initiative over time can be seen in the following series of articles: "Putamayo's tense wait for the arrival of Plan Colombia," *The*

rather than the seizure of drugs in transit as has been the norm for the past several decades.

One factor complicating the potential impact of Plan Colombia was Pastrana's December 1998 decision to give the FARC its own "demilitarized" zone of 16,216 square miles in south central Colombia as an incentive to negotiate. This was seen by many as exacerbating the problem by giving the rebels their own base of operation in which to consolidate and expand their already considerable influence. In addition to providing a safe haven for guerrilla activity, the drug trade was also able to become both more open and even further entrenched within this area.¹⁰⁰ For a range of reasons, the Pastrana government "remilitarized" this area in late February 2002.¹⁰¹ However, as of this writing, its successor, the Uribe administration, though taking a harder line toward the FARC, is still grappling with the legacy of these previous concessions.¹⁰²

A particularly interesting feature of Plan Colombia is the official U.S. position that the initiative aims strictly at the drug trade and not wider guerrilla activity, when in

Economist, 19 August 2000, 29-30; "The gringos land in Colombia," *The Economist*, 2 September 2000, 32-3; "A hug in the Colombian jungle," *The Economist*, 17 February 2001; and "Into battle," *The Economist*, 8 September 2001. Incidentally, this initiative also envisions a forward operating location in Ecuador, consisting of radar sites and an air base, as well three other interdiction facilities actually within Colombia territory. Roos, 43-4.

¹⁰⁰ See "Fighting over drugs," *The Economist*, 8 July 2000, 34. In some respects, as noted in Franco, 88, Pastrana's dealings with the FARC can be seen as an extension of the preceding administration, Ernesto Samper's, policy of "peace at any cost." Furthermore, at present it is unlikely that a similar demilitarized zone of 1,550 square miles proposed for the ELN will become a reality, as discussed in "Haven sent," *The Economist*, 7 April 2001, 38.

¹⁰¹ The immediate impetus behind the decision was the kidnapping of senator and dark-horse presidential candidate Ingrid Betancourt, though the opinions of both the military and the general public also supported this move. See "A call to arms," *The Economist*, 2 March 2002, 36-7. For more on the context of this situation, see also OGD, *World Geopolitics of Drugs* (2000), 142-7.

¹⁰² In addition to an avowed ideological stance against the FARC, the guerrilla group not only tried to assassinate Uribe in April 2002 but was also previously responsible for killing his father in 1983 during a kidnapping attempt. The progression of the Uribe administration's policies against the FARC can be seen in "State of commotion," *The Economist*, 17 August 2002; "Calling up reinforcements," *The Economist*, 21 September 2002, 37; and "More order and less law," *The Economist*, 9 November 2002, 37-8. The FARC's efforts to recreate their enclave on a larger scale is discussed in "Rebel mini-state," *The Economist*, 15 June 2002, 38.

fact the two are largely intertwined. For instance, with respect to direct military aid to the Colombian armed forces, the guidelines of using these resources solely to fight drug trafficking is not reasonable in practice. In fact, concerns over the militarization of this issue led to Plan Colombia being rechristened as the Andean Regional Initiative, with money split between law enforcement and development efforts, as well as spread to involve Colombia's neighbors as well.¹⁰³ Furthermore, since 9/11 there have been various attempts to link such funding to the wider "war on terror."¹⁰⁴

Finally, turning to human geography, a key issue with inherent physical, economic and political dimensions is the transnational spatial disposition of indigenous ethnic groups, whose identities are increasingly extending beyond strict national boundaries. This phenomenon can be found not only in Colombia, but also throughout Latin America in general. However, in contrast with both Peru and Bolivia, Colombia is predominantly a *mestizo* country that has largely assimilated indigenous groups and institutions.¹⁰⁵

¹⁰³ Though as of this writing the final budget has not been approved, the revised plan calls for a significant budget request to cover "not just Colombia, but Bolivia, Peru, Ecuador, Brazil, Venezuela and Panama, as a geographic area." Moreover, it is balanced so that Colombia does not have the 85 percent funding that it had under Plan Colombia, but rather a roughly 50/50 split between Colombia and the others. Beers and Brown, "2000 Narcotics Certification Determinations" (1 March 2001). See also "The struggle to eliminate a much-loved Andean shrub," *The Economist*, 26 May 2001, 35-6. However, to effectively augment these proposed measures, there also exists a pressing need for trade incentives that will open up U.S. markets to legal Colombian goods, paralleling those that granted access to Central American products following the wars in that region during the 1980s. See Pardo, 73.

¹⁰⁴ See, for instance, "Staying alive," *The Economist*, 25 May 2002, 37. A broad analysis of this issue since the events of 9/11 can also be found in John A. Cope, "Colombia's War: Toward a New Strategy," *Strategic Forum* no. 194 (October 2002), available at <http://www.ndu.edu/inss/strforum/SF194/sf194.htm>, accessed 15 July 2004. However, an even earlier indication of the realization that drug trafficking and guerrilla activity have become increasingly interconnected is that, prior to 1998, U.S. military aid to Colombia was listed as "Category 4," denoting operations not involving hostilities. The 1998 aid package was the first to be upgraded and put through as "Category 2," for military operations just short of war. See "Policy, which policy?" *The Economist*, 20 February 1999, 34.

¹⁰⁵ See Thoumi, 84. The author also posits that the existence of significant indigenous communities in Peru and Bolivia may have encouraged discriminatory and racist attitudes, but also bolstered social controls on individual behavior. However, "Colombia, on the other hand, is an extreme individualistic society in which many people simply do not care about the effect of their actions on anybody else."

By their nature, cross-border kinship ties not only serve to facilitate migration, but potentially a wide range of unofficial transactions as well.¹⁰⁶ As Donna Lee Van Cott

notes:

After independence, the new states remained centralized, with the majority of the government apparatus located in the capital city and some important provincial commercial centers. By this time, the majority of the indigenous population had fled or been forced into the more remote areas of the country: the unexplored jungles, the highest mountain ranges, and along the blurry borders between the emerging nations. The borderlands were particularly desirable destinations, as they represented the furthest distance between the centralized power of the state and thus the weakest zone of power.¹⁰⁷

Furthermore, left with few other viable economic options, a high proportion of drug cultivators are members of indigenous ethnic groups. As such, indigenous peoples in relatively anarchical areas of Colombia who are forced to coexist in complex and often uneasy relationships with drug traffickers, guerrilla organizations, paramilitary groups and official security forces in the relatively anarchical parts of the country.¹⁰⁸

Finally, there is the more pervasive dilemma of displaced persons throughout the country, in the context of both internal and external migration. With respect to the

¹⁰⁶ As Kearney and Varese observe, "In many Latin American countries indigenous groups span national borders. This transnational, transborder, transstate character of Native American ethnic groups is rooted in colonial territorial partitions and their post colonial confirmation . . . The transnationalism of numerous indigenous peoples is also accentuated by their migration across national boundaries." Kearney and Varese, 217. See also Donna Lee Van Cott, "Defiant Again: Indigenous Peoples and Latin American Security," *McNair Paper* no. 53, Institute for National Strategic Studies, National Defense University (Washington, DC: NDU Press, 1996), 1-6.

¹⁰⁷ *Ibid.*, 8. In the case of Colombia, while the majority of Colombians are of mixed descent, roughly half a million indigenous citizens are concentrated in the southwest and the Amazon basin. They comprise roughly 81 distinct ethnic groups speaking 64 separate languages.

¹⁰⁸ *Ibid.*, 13-28. Of particular interest in illustrating these complexities vis-à-vis the central government, the author notes the following: "While the majority of guerrilla insurgencies in Latin America are class-based, nonindigenous movements, there are several instances of Indian-led guerrilla movements and others where the leadership and ethnic orientation is murky. The most clear-cut case of an Indian armed movement is the Quintín Lame, formed in 1981 by Indians in the Cauca region of southwestern Colombia to defend indigenous communities from attacks by guerrillas, drug traffickers, local landowners, and state security forces . . . While the Colombian government considered the group to be no different than the country's other insurgencies, the Quintín Lame was a local self-defense movement with no national political or military aspirations." In May 1991, the group put down its weapons and became a legal political organization.

former, there has been a longstanding and ongoing demographic shift from rural to urban areas. At least part of this trend may be attributed to the chaos and lawlessness that is endemic to much of the Colombian countryside, as discussed throughout this section. However, in some cases the displacement of people back toward more remote areas in some cases has partially offset earlier movements to shanty-towns and slums.¹⁰⁹

Similarly, with respect to external migration, over the past several years 1.5 million Colombians have been displaced from their country. In 2000, 366,000 Colombians applied for non-immigrant visas to the U.S., more than double the number for 1997. In recent years, as a national category they are second only to the Chinese in terms of numbers of political asylum seekers.¹¹⁰ While by no means is more than a small group directly involved in any kind of illegal enterprises, as discussed in Chapter II, the mere presence of an extensive expatriate community is pivotal for the expansion of ethnically-based TCOs.¹¹¹

As a result of the many economic, political and security-related pressures on the social fabric of the nation, “Colombia is considered to have one of the largest refugee problems anywhere outside of Africa.”¹¹² As in the case of Afghanistan, a large and growing pool of often desperate potential “legs” to facilitate the transnational movement

¹⁰⁹ Bentham, 11.

¹¹⁰ Interestingly, the United States announced in 2001 that anyone having ever paid a *vacuña*, or protection money to potential kidnappers, would be ineligible for political asylum on the grounds of supporting a terrorist organization. “Miami nice,” *The Economist*, 5 May 2001, 26. This article also notes that Miami itself, perhaps the most important commercial hub in the greater Caribbean basin, is now home to 130,000 Colombians, demographically the second largest group after Cubans.

¹¹¹ For more on this phenomenon, see Bovenkerk, 120-1.

¹¹² Franco, 87. See also Thoumi, 86; and Kearney and Varese, 218, which discusses the economic pressures on rural inhabitants to move to urban areas. It is also noted in “When is a refugee not a refugee?” *The Economist*, 3 March 2001, 23-6, that Colombia ranks second only to Sudan in number of internally displaced people, with between 2 and 3 million.

of contraband is an asset that drug trafficking organizations have effectively leveraged whenever possible.

In general, continuing civil unrest in Colombia compounded by the ongoing activities of both drug trafficking and guerrilla organizations provides for a highly favorable smugglers' landscape in the country for the foreseeable future. However, as Thoumi notes, "Despite the frightening violent death rates and other social ills that Colombia has suffered in the past 25 years, it is not wise to look at Colombia as an aberration. Instead, it should be viewed as a precursor of problems that can arise in any society that experiences drastic social change."¹¹³

In conjunction with the more established cocaine trade, heroin and its attendant profits will continue to provide the necessary incentives to keep improving existing smuggling routes and methods and to move onward toward new business opportunities. At present, the already immense global reach of Colombian trafficking organizations is poised to become even longer as these trends accelerate. The next section focuses on both the transnational activities that this reach entails, with a particular emphasis on the most pivotal set of heroin smuggling vectors leading to markets in North America.

Smuggling Vectors Out of Colombia: All Roads North

Paralleling the case of Afghanistan, heroin moving outward across Colombia's borders and into the wider hemispheric region can be represented by corresponding smuggling vectors radiating outward like the spokes of a wheel, in accordance with smugglers' perception of access, risk and connectivity. As discussed above, much of this analysis will by necessity revolve around the parallel issue of the cocaine trade, as in

¹¹³ Thoumi, 92.

many cases trafficking in both types of drugs is inextricably linked if not actually shipped together. The map below serves to illustrate some of the more salient spatial trends that have developed over the past several years:

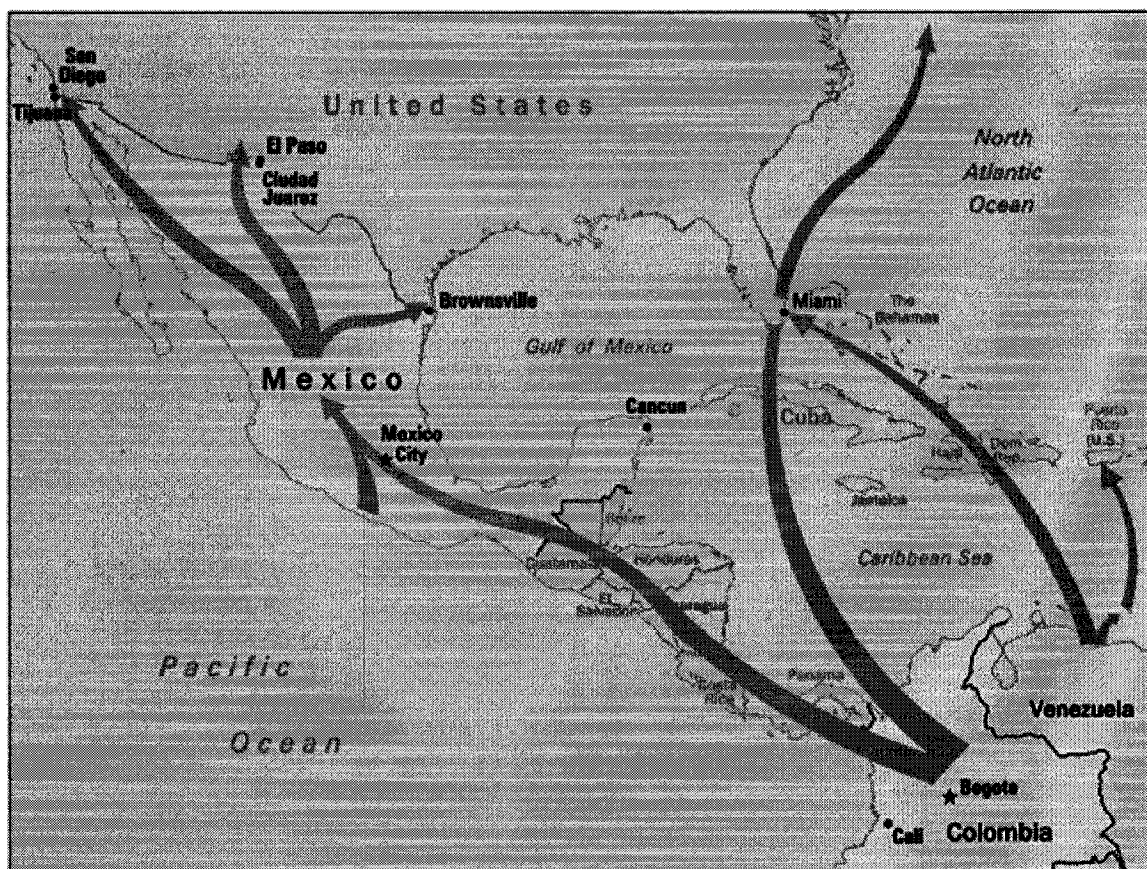


Fig. 19. Central and South American heroin flows¹¹⁴

Over the past several decades, Colombian TCOs have dominated the transnational logistics of the black market for drugs throughout the greater Caribbean basin, especially with respect to linking South American suppliers to North American and, increasingly, other markets. However, as discussed in Chapter III, in some respects it is the demand

¹¹⁴ Map source: U.S. CIA, CNC, "Heroin Movement Worldwide."

side of this equation that provides much of the impetus to exploit all available roads north.

The innermost of the concentric rings through which transnational heroin smuggling vectors originating in Colombia must pass includes Ecuador, Peru, Brazil, Venezuela and Panama by land, with direct access to the sea available along both the Caribbean and Pacific coasts. Further out, the isthmus of Panama forms the first step in along the land bridge that leads through Central America and Mexico to the U.S. border, while the many islands throughout the Caribbean have also traditionally played an important role in drug transit. International air connections in some ways leapfrog the other two modes, and will be addressed primarily in the context of their entry into the United States. Finally, as all of these vectors close in on their final destination, the last obstacles remain the border controls of their respective consuming countries.

Despite the lucrative profits involved, smuggling drugs through this region will always be a complex endeavor involving a limitless number of iterations against as many obstacles as the U.S. and other governments are able to impose. As Tate points out, in order to maintain their primacy in this trade, Colombian TCOs “employ new and constantly changing shipping routes through Central America, Mexico, and the Caribbean for moving cocaine and, increasingly, heroin.”¹¹⁵

While these organizations have already established a considerable degree of access to key production areas and markets, and demonstrated the capability to compensate for the risks inherent to the practice, in order to maintain this primacy constant innovation and vigilance are necessary. This is true not only with respect to the law enforcement efforts of nation-states but also to potential loss of market share to

¹¹⁵ Tate, 1.

competing groups. However, even as smuggling routes and methods continue to evolve over time, the corresponding parameters of route selection on the part of Colombian TCOs remains constrained by geography.

From the U.S. point of view, the transit zone through which such contraband must travel is defined as “the 2-million square mile area between the U.S. and South American borders and covers the Caribbean Sea, the Gulf of Mexico, Central America, Mexico, and the Eastern Pacific.”¹¹⁶ Furthermore, within the U.S. strategic conceptualization this area not only delineates the outer perimeter that is actively guarded by military means, but also the arena in which the bulk of drug interdiction operations take place.

As discussed more generically in Chapter II, the principal agencies charged with national border control are customs services. In the United States, the USCS in fact has a drug control strategy built into its overall Strategic Plan.¹¹⁷ However, in November 1993 a presidential directive called for a gradual shift in the focus of U.S. drug efforts from the transit zone to source countries further upstream, in theory taking the struggle to the enemy but in practice leaving vital avenues of approach less protected.

Moreover, other types of missions have also taken precedence in the competition for limited interdiction resources. An example of this can be found in the early 1990s, when the U.S. Coast Guard reallocated assets from counter-drug missions in response to mass exoduses from both Haiti and Cuba, though in 1995 a formal reemphasis on

¹¹⁶ The definition is laid out in detail in U.S. GAO, “Drug Control: Observations on U.S. Interdiction in the Caribbean,” GAO/T-NSIAD-96-171, Statement by Jess T. Ford, Associate Director, to the House of Representatives, Committee on Government Reform and Oversight Subcommittee on National Security, International Affairs and Criminal Justice (19 September 1996), 1.

¹¹⁷ For instance, see U.S. DOT, Customs Service, *U.S. Customs Service Strategic Plan* (1997), 13-4. As discussed in Chapter II, in addition to other more massive efforts on the part of the U.S. such as Plan Colombia aimed directly at source countries, a number of Customs programs such as the ACIS also target drug smuggling via commercial cargo and similar conveyances. Under the auspices of this particular program, Colombia is in fact a major focus of such attention, along with Ecuador, Peru, Venezuela, Panama, Costa Rica and Mexico.

interdiction activity was announced.¹¹⁸ As a similar shift in priorities can also be seen in the wake of 9/11, when border control resources were refocused to address potential terrorist threats and the possibility of covertly introducing a weapon of mass destruction into United States territory.¹¹⁹ With land, water and air routes, as well as various combinations thereof, offering innumerable potential smuggling routes, the challenge posed by this activity and the potential range of contraband involved is truly daunting.

To begin with Ecuador, there have been many documented instances where that country has been used as a conduit for Colombia heroin smuggling vectors into the U.S. One important reason for this is that, in general, less scrutiny is given to travelers and goods departing from there than from Colombia, thus making it a more desirable transit country. Ecuador borders Colombia to the north, as well as Peru to the east and south, and as such offers vast potential access to both poppy and coca cultivation areas.

As evidence of the porosity of the border between Ecuador and Colombia in particular, kidnappings undertaken primarily by Colombian guerrillas and facilitated by local bandits have been reported in this region.¹²⁰ Furthermore, a reverse in the flow of illicit trade from that in drugs can be found between the Ecuadorian provinces bordering both Colombia and Peru, namely Esmeraldas and El Carche in the north and Loja and El Oro in the south, with respect to gasoline and diesel fuel. Although a relatively recent phenomenon, the quadruple cross-border price differential has been too lucrative for

¹¹⁸ See U.S. GAO, "Drug Control: Observations," 3; and Bill Stump, "Back to the War on Drugs," *Navy Times* (6 March 1995), 24.

¹¹⁹ Robert Pear and Philip Shenon, "Customs Switches Priority From Drugs to Terrorism," *New York Times*, 10 October 2001, B-11.

¹²⁰ Auerbach, 71-2. However, the author also notes that while tourists have been kidnapped elsewhere in Ecuador, such occurrences are more often in protest of alleged ecological damage or government policies than for profit.

smugglers to ignore, and has in turn led Ecuador to militarize its gas stations along the border in April 2000 to prevent these resources leaving the country.¹²¹

With respect to sea modes of smuggling, one U.S. government report notes that, “Ecuador’s harbors and seaports have become more important as Colombian traffickers make greater use of eastern Pacific maritime routes.”¹²² As for air travel, the relative lack of scrutiny, particularly prior to 9/11, has provided incentives compelling enough that couriers have traveled overland from Colombian territory to Quito, Ecuador, and then taken international flights from there. In other cases, couriers have begun in the U.S. and brought in heroin on the return leg of the trip.¹²³ Finally, the role of Ecuador in laundering the proceeds of drug smuggling is coming under increasing scrutiny, a situation facilitated by the absence of controls on the amount of currency that can be brought either in or out of the country.¹²⁴

Turning to Peru, there are two important issues that relate directly to this analysis. The first is the combination of rural insurgency and large-scale production of both coca and opium poppies, that in many ways parallels the activities of the FARC in Colombia, as noted in the previous section. The second is the fact that, in terms of transnational smuggling vectors, Colombian TCOs have managed to maintain control of many of the upstream aspects of drug production and distribution in Peru. There is evidence, however, that Peruvian coca and poppy growers are seeking to circumvent the existing

¹²¹ Juan Pablo Toro, “Ecuador Militarized Border Service Stations to Control Smuggling,” *The Oil Daily* 50, no. 80 (26 April 2000), Item 0211600C.

¹²² U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 41.

¹²³ U.S. DOJ, DEA, *NNICC* (1998), 49.

¹²⁴ “Although Ecuador is not considered an important financial center, it is widely viewed as a significant laundering center, due largely to its proximity and close economic and social ties to Colombia. There is limited financial intelligence concerning the source of illegal proceeds or the magnitude of the money-laundering problem in Ecuador. It is believed, however, that money laundering occurs in both the banking and non-banking sectors, and that the bulk of the funds laundered stems from Colombian drug sales.” U.S. Department of State, INL, *INCSR 1999*, “Money Laundering,” 65-6.

trafficking links with Colombia by making contact with both Mexican and Russian organizations.¹²⁵

Beginning with the domestic insurgency, the relationship between the *Sendero Luminoso* (SL, or Shining Path) guerrilla organization and both the drug cultivating peasantry and various domestic trafficking organizations exhibit many of the same dynamics found in Colombia.¹²⁶ SL has had a violent Maoist-oriented strategy dating from the beginning of its insurgency in Ayacucho department in 1980. As formulated by its founder, the former academic Abimael Guzman, this type of guerrilla warfare is predicated upon control of the countryside and support among the peasantry. Eventually the insurgency grew into a major threat to the central government's control of large stretches of territory.

During the mid-1980's under the administrations of both Fernando Belaúnde and Alan García, the "dirty-war doctrine" held sway, characterized by a willingness on the part of the police, and later the military, to condone high rates of civilian casualties in an attempt to crush the insurgency.¹²⁷ This official onslaught accounts for much of SL's

¹²⁵ "Downstream drugs," *The Economist*, 13 May 1995, 44. The search for alternatives to Colombian transshipment has also been spurred by the success of Air Bridge Denial, as noted above.

¹²⁶ For an excellent overview of the movement, see Simon Strong, *Shining Path: Terror and Revolution in Peru* (New York: Times Books / Random House, 1992), 134. While SL is not the only active insurgency in Peru, it may be distinguished from the rival *Movimiento Revolucionario Tupac Amaru* (MRTA, or Tupac Amaru Revolutionary Movement) in many important ways. The MRTA represents a middle-class and largely urban-based movement operating primarily in Lima, with both external and internal ties with other groups. It is generally more interested in staged actions to gain publicity and to obtain funds rather than to instill fear in the population. Even at its height, the MRTA was considered by SL to be not only the stooge of the Peruvian government but actually the greatest potential threat to their movement by siphoning off resources which SL considered to be within its own purview. While reduced to minimal activities in recent years, MRTA demonstrated its capability to grab headlines in the 1997 assault on the Japanese embassy in Lima. However, such actions, despite their spectacular nature, are more indicative of a fringe group than of a well-developed movement with mass support. See Sandra Woy-Hazelton and William Hazelton, "Shining Path and the Marxist Left," in *The Shining Path of Peru*, 2d. ed., ed. David Scott Palmer (New York: St. Martin's Press, 1994), 235; and Strong, 212-3.

¹²⁷ In many respects, the U.S. emphasis on countering drugs in Peru was not always in accord with the Peruvian government's conceptualizations of its own internal security priorities. While in Lima's view coca was simply a raw material, with the real threat and profit entering the picture further upstream, from

impetus toward commandeering the coca trade in its quest for survival as a movement.

As a result, much of SL's strength during its azimuth in the late 1980's and early 1990's can be directly linked to the acquisition of these resources.

By 1987 the group had begun extorting money from drug cultivators and traffickers via "taxes" levied on coca production and cocaine processing throughout the Upper Huallaga Valley (UHV), the primary coca-producing region in the country. For their part, SL provided security, albeit in the form of a protection racket writ large, for the traffickers in return not only for money, but also, and perhaps more importantly, weapons. However, this complex and coercively asymmetrical relationship meant that the alliance was difficult for SL to control in times of tactical setbacks.

While the relationship was marked by mutual suspicion, at its height the drug trade still garnered an estimated \$20 to \$30 million annually for the organization.¹²⁸

Such financial self-sufficiency from the proceeds of drug trade in turn mitigated the need for outside sponsorship or funding, which unlike the FARC was not particularly forthcoming anyway.¹²⁹ In fact, José E. Gonzalez goes so far as to argue that there is no

the time SL and the drug traffickers opted to cooperate Peruvian forces were content to attack both. In some respects this association actually made the internal security situation seem less daunting intellectually, though still formidable in actuality. However, once these criminal interests diverged, it became clear that the Peruvian government priority would be to eliminate SL first and then the drug trade. See Thomas A. Marks, *Maoist Insurgency Since Vietnam* (London: Frank Cass, 1996), 270.

¹²⁸ During this period, one estimate puts SL's portion of UHV coca profits at 10 percent. Woy-Hazleton and Hazleton, 232-3. These revenues in turn allowed the organization to pay its insurgents \$500 per month, five times the average Peruvian monthly income. Moreover, charges of \$3,000 to \$7,000 per drug flight leaving the UHV were also collected by SL, either in cash or in kind, as coca paste or base. These figures taken from captured SL documents, as noted in Clawson and Lee, 179-80. However, conflicting accounts remain regarding actual control of the landing strips used for drug flights during this period. For instance, John Simpson contends that the largest profits went to the Army, not the SL, with the latter as a convenient scapegoat for both Peruvian and the U.S. governments. John Simpson, *In the Forests of the Night: Encounters in Peru with Terrorism, Drug-Running and Military Oppression* (New York: Random House, 1993), 132.

¹²⁹ Since its founding, SL has been almost entirely bereft of external sponsorship and thus less affected in terms of funding by the fall of communism and the easing of Cold War tensions than similar groups. Gabriela Tarazona-Sevillano, "The Organization of Shining Path," in Palmer, 203.

way to separate the issues of drug trafficking and guerrilla activity in the UHV during this period.¹³⁰ However, following Guzman's capture by Peruvian troops in September 1992 there was a subsequent and logical diminution of guerrilla activity, as well as an eventual split within the residual leadership.

This crisis on the part of SL in turn led for a time to a loss of influence over the traffickers as well. While the traffickers were generally forced to pay off the SL when the latter was relatively well entrenched, they were also in turn just as likely to bribe the military to fulfil the same roles when the guerrillas weakened. As the trafficker is first and foremost a businessman, to behave otherwise would make little sense from a purely commercial point of view. In many respects this is indicative of the simple lack of a common ideology between guerrilla and trafficker.¹³¹ Once SL had managed to rally its remnants, however, the cooperative pattern emerged again in the face of the mutual government threat, albeit on a more subdued scale.

As of the mid-1990s, Peru still accounted for roughly two-thirds of world coca production, though its share has been dropping somewhat due to the increasing Peruvian army presence in the UHV. However, with respect to heroin, initial attempts by Colombian traffickers to extend poppy cultivation into Peru began as early as 1992. In 1995, *The Economist* noted that, "Both local and American officials say it [opium poppy]

¹³⁰ In addition to providing a source of income, the relatively isolated UHV also served SL as both a training ground and logistical base of operations. José E. Gonzalez, "Guerrillas and Coca in the Upper Huallaga Valley," in Palmer, 138-40.

¹³¹ For instance, as Simpson notes, the conspicuous spending typical of many traffickers is exactly the sort of activity that most SL hard-liners would find offensive. Simpson, 131. Despite benefiting from the proceeds of the coca trade, SL's ideological stance should not be construed as supportive of drug usage within its own areas. In general, coca and cocaine abuse were both taken as signs of a politically degenerate society such as the U.S., and as a means of further European oppression of indigenous peoples. Its propagandists also hold that the U.S. is more interested in controlling the international cocaine trade than in eliminating it. Strong, 103-5, 107. Moreover, at one point, and understandably enough for a group consciously advocating the repeal of the laws of supply and demand, SL tried to establish an exorbitantly high floor price for coca leaf production within its sector. This resulted in a glut as the market was unwilling to bear the additional costs. Clawson and Lee, 180.

has never been found in Peru in commercial quantities. But drugs policemen and farmers alike confirm that opium poppies are now being grown along the sierra, notably near Cajamarca.”¹³² Other plantations have also been found in the northern departments of Amazonas, Piura and Chiclayo, in the central department of Huánuco, and in the southern department of Puno, though government pressure on both growers and a resurgent SL appears to have made much of this activity unfeasible.¹³³

However, the question of the Peruvian traffickers’ particular vulnerability to both SL and Colombian influence remains. The answer to this can be found on a number of levels. To begin with, Peruvian groups tend to be disorganized, especially when compared to their Colombian counterparts. Nothing analogous to the Medellín or Cali cartels has ever existed in the domestic Peruvian context to either effectively resist SL or challenge the central government directly.

Moreover, it is not overstating the case to characterize drug production in Peru as virtually dependent on the Colombians. In fact, part of SL’s initial platform in dealing with the traffickers was to present themselves as the only indigenous Peruvian force capable of defending the drug trade from various types of interference, if only with respect to its domestic rather than its transnational dimensions. However, while appeals to both nationalism and greed may have helped to stir animus against the Colombian TCOs controlling much of this activity, the point remained that their assistance was invaluable to bringing the product to overseas markets.¹³⁴

¹³² “Downstream drugs,” *The Economist*, 13 May 1995, 44. As an interesting aside, this article also alludes to the introduction of both a fungus engineered to destroy coca plants and a coca-munching caterpillar allegedly developed in the United States and released on Peruvian territory.

¹³³ See OGD, *World Geopolitics of Drugs* (2000), 160-3.

¹³⁴ Strong, 109. Thoumi, 90, also notes the competitive advantage enjoyed by Colombian trafficking organizations in being accustomed to using widespread violence as leverage to eliminate the competition and to intimidate both law enforcement officials and society at large.

By the late 1990s, out of the twenty-one known drug trafficking organizations operating in Peru, eleven were Colombian and seven constituted joint Colombian-Peruvian ventures, while only three were Peruvian. Furthermore, nearly all Peruvian-grown coca is sold unprocessed or only minimally processed, as either coca paste or base, leaving the more value-added aspects of the trade to take place further upstream along smuggling vectors predominantly moving under the auspices of Colombian TCOs.

While there has been some effort by Peruvians to increase native control of the coca trade, Colombians remain the dominant partners. By extension, an ongoing source of friction has been the corresponding pattern of behavior on the part of the Colombians vis-à-vis their Peruvian counterparts.¹³⁵ However, LaMond Tullis does note that the balance may be tipping in favor of the Peruvians, largely by virtue of an increasing number of outbound smuggling vectors via Brazil and Ecuador.¹³⁶

Further inland, Bolivia also has a significant experience in the cultivation of drugs, forming the third of the major coca-producing countries along with Colombia and Peru. However, in general Bolivia has not been plagued by large-scale guerrilla involvement in its drug economy, perhaps due to the strength and legal status of domestic collective growers' associations, as well as the high level of cultural embeddedness of such activity. The legitimization of the coca-growing peasant's aspirations at the grass-roots level may at least partially explain the lack of support for either the development of an indigenous insurgency or of SL influence across the border.¹³⁷

¹³⁵ Clawson and Lee, 181. This may account for the inclination on the part of the Peruvians to take more active measures and lessen their dependence on the Colombians, most notably by seeking alliances with mafiosi "from Mexico to Moscow." See "Downstream drugs," *The Economist*, 13 May 1995.

¹³⁶ LaMond Tullis, *Unintended Consequences: Illegal Drugs and Drug Policies in Nine Countries* (Boulder: Lynne Rienner Publishers, 1995), 70-1.

¹³⁷ Strong, 224-31. This policy of tacit tolerance toward coca cultivation within the body politic of Bolivia has not always endeared it internationally. For instance, early in 1995, the United States lost patience with

Moreover, as in Peru, Colombian TCOs have traditionally controlled most of the upstream transnational smuggling vectors that transport the drugs produced in Bolivia. As the country is landlocked, this is perhaps more readily understandable than in the case of Peru.¹³⁸ However, in addition to riverine connections to Brazil via the Amazon basin, Bolivia is also linked to via the Paraguay-Parana river system to container terminals with access to international trucking routes and railways. While drugs have been seized along both of these waterways, the planned Hidrovia project to further develop the latter and thus connecting the interior of South America directly to the seaports of Buenos Aires, Argentina, and Montevideo, Uruguay, may offer a wider scope for future smuggling vectors transiting these nodes.¹³⁹

With respect to Brazil, drug smuggling vectors moving to the east out of both Colombia and Peru by air and via the Amazon River basin has become a major issue. Raids into Brazilian territory by both Colombian rebels and government troops along the 1,600 kilometer-long common border have also strained relations. Particularly

Bolivia's failure to meet coca eradication targets. Dependent on American certification and subsequent aid, Bolivia sent its troops in force to destroy coca crops and signed a new extradition treaty. While the United States favors alternative development, primarily in the form of crop substitution, in fact coca is both easier to grow, more resistant to drought and pests and considerably more profitable than most other available options. "The charms of coca," *The Economist*, 28 October 1997, 52. See also Simpson, 128-32; and Cristóbal Kay, "Rural Latin America: Exclusionary and Uneven Agricultural Development," in Halebsky and Harris, 37; OGD, *World Geopolitics of Drugs* (2000), 154-8; and Jordan, 132-7, which specifically notes the parallels with the case of Peru.

¹³⁸ Moreover, as noted in Villamarín Pulido, 83, the increased use of glyphosate in drug eradication efforts in both Bolivia and Peru during the mid-1990s helped contribute to greater cultivation of both poppy and coca crops within Colombia itself.

¹³⁹ See U.S. DOT, MARAD, "Cocaine Smuggling From Bolivia," 4-8. Incidentally, Chilean authorities have also noted that efforts to facilitate closer logistical integration among Andean countries, such as giving Bolivia maritime access and setting up inter-ocean trading corridors, may also allow traffickers greater transshipment opportunities as well. OGD, *World Geopolitics of Drugs* (2000), 163. This report also notes the use of Chilean seaports to export drugs, particularly to Europe and often in food shipments, as these tend to receive less scrutiny than goods coming directly from neighboring drug-producing countries. Incidentally, with respect to Argentina, U.S. Department of State, INL, *INCSR 2001*, "South America – Argentina," notes that, "Within the last several years, Argentina has become a transit area for Colombian heroin en route to the U.S. East Coast (primarily New York), although there is no evidence that the quantities involved significantly affect the U.S."

problematic are the areas where the FARC actively operates, such as Vaupes. In 1991, Brazilian troops crossed into Colombia and shot seven suspected guerrillas in response to an earlier incursion that killed three soldiers and wounded a dozen more. However, in the past the Colombian government has felt free to cross the border as well, as when in 1998 it used a Brazilian air base without authorization to attack a nearby FARC guerrilla stronghold.

By way of response, later that same year the Brazilian government approved a law allowing the air force to shoot down planes that enter its airspace illegally. Brazil's capability to effectively carry out this policy, however, is hampered by a lack of the means to monitor its own territory. This situation should be remedied by the deployment of Sivam, a \$1.4 billion land- and air-based radar system that is due to come into operation after 2002.

Moreover, though officially downplayed, apprehensions in Brazil remain that further Colombian encroachment will occur as Plan Colombia gains momentum. Such a turn of events may threaten the general aloofness the Brazilian government has shown toward its neighbor's internal strife. In mid-2000, Brazil moved 6,000 troops to its Amazonian border with Colombia in anticipation of an escalation of the Colombian civil war and a resultant spillover of drug trafficking, refugees and perhaps even actual hostilities.¹⁴⁰

However, there is considerable cause to look to a future expansion of transnational drug smuggling vectors moving through Brazil. In addition to the various other regional externalities, largely due to the country's economic inequalities and related

¹⁴⁰ See "Fear of trouble upstream," *The Economist*, 30 September 2000, 38; and "The gringos land in Colombia," *The Economist*, 2 September 2000, 33.

social pressures the domestic conditions exist for such activity to firmly take root. For instance, paralleling Pablo Escobar's calculated largesse with respect to the disadvantaged of Medellín, various criminal organizations exercise an undue influence throughout Rio de Janeiro's poorer neighborhoods in the absence of effective government programs.¹⁴¹

In fact, Maria Velez de Berliner and Kristin Lado make a compelling case for Brazil to eventually equal if not supersede Colombia with respect to drug trafficking. For instance, the authors note the country's regional strategic weight in terms of its physical size, economy and porous borders with major drug-producing areas, and its growing lawlessness. Moreover, moving the entire spectrum of both production and transit of drugs into Brazilian territory poses few practical hurdles.

Specifically, Brazil's access to existing and potential smuggling vectors is readily apparent from its land borders with ten other Latin American countries, its 7,491 kilometers of coastline encompassing thirty-nine deep-water seaports, and 3,13 usable airports.¹⁴² As Colombian TCOs continue their transnational expansion, it is important to remember that their Brazilian counterparts need not necessarily be relegated to a peripheral status indefinitely.

Colombia's domestic turmoil has led to a number of tensions across the common border with Venezuela as well, including the flow of refugees and arms as well as drugs. With either the FARC or ELN acting as the de facto government throughout much of this

¹⁴¹ See Anthony Faiola, "As Brazil fails slum dwellers, gangs win favor," *International Herald Tribune*, 23 September 2002, 2.

¹⁴² With particular resonance in the context of this study, the authors also assess Brazil's five distinctive regions with respect to current or future roles in drug trafficking. In addition to the ethnic make-up and infrastructure of each, the Northeast or "Sertão" is noted as having a high potential for the cultivation of opium poppies. Maria Velez de Berliner and Kristin Lado, "Brazil: The Emerging Drug Superpower," *Transnational Organized Crime* 1, no. 2 (Spring 1995), 239-60.

region on the Colombian side, it is unsurprising that kidnapping and extortion activities have also extended into Venezuelan territory. Officials in Venezuela have publicly expressed concerns that Plan Colombia or its successors may serve to exacerbate all of these trends.¹⁴³ A further cause for concern is the so-far limited extension of opium poppy cultivation into Venezuelan territory, often facilitated by Colombian guerrillas' links to local indigenous peoples.¹⁴⁴

As one recent U.S. government analysis notes, "Venezuela is a major transshipment avenue for drug shipments bound for the US and European markets through the Caribbean."¹⁴⁵ In terms of transit, Venezuela's mountainous border with Colombia, as well as numerous seaports with direct access the greater Caribbean basin,

¹⁴³ See "Blood on the borders," *The Economist*, 16 September 2000, 43-4. This article also notes the ideological sympathies that appear to exist between the Chavez government and the FARC.

¹⁴⁴ In terms of facilitating transshipment through these areas, traffickers often supply indigenous groups with food and alcohol, in return for their expert knowledge of the area and skills in navigating the Orinoco River and its tributaries to the coast. In particular, this mostly pertains to the Warao and other Guarjito tribes, neglected for years by successive Venezuelan central governments. OGD, *World Geopolitics of Drugs* (2000), 170-1. Similarly, "One small, mountainous area along the northern part of the border is used to grow opium poppy but heroin processing is carried out in Colombia and the problem has been limited to a cultivation area of under 50 hectares by continued aggressive eradication and expulsion activities by the Venezuelan military." U.S. Department of State, INL, *INCRS 2001*, "South America – Venezuela." Moreover, the city of Cucuta on the Colombian side of the border has been noted as particularly well situated for smuggling both drugs and arms across the Venezuelan border. This area has recently been the focus of considerable guerrilla activity, as discussed in "The fight for the cities," *The Economist*, 26 October 2002, 37.

¹⁴⁵ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 41. For an even earlier example of the economic logic of routing through Venezuela during the heyday of Pablo Escobar, see Ken Dermota, "Snow Business: Drugs and the Spirit of Capitalism," *World Policy Journal* 16, no. 4 (Winter 1999), 15. In particular, the author notes one drug smuggler pointing out that the cost of shipping drugs through either Caracas or Maracaibo was only a quarter of utilizing Colombian territory directly. Jordan, 138, also specifically notes the involvement of the Sicilian Mafia in Venezuela, represented by the Cuntrera brothers, in forming a strategic partnership with the Colombian cartels to transport both heroin and cocaine.

offers vast potential for northbound smuggling vectors.¹⁴⁶ In 1998, it was estimated that more than 110 tons of Colombian heroin and cocaine passed through Venezuela.¹⁴⁷

However, in May 1999, the government of Hugo Chavez announced that U.S. jets could no longer utilize Venezuelan airspace for counter-drug efforts. This was a particularly critical decision, as in the same month Howard Air Force Base in Panama was shut down in compliance with the 1977 Panama Canal Treaty. Furthermore, the denial of Venezuelan airspace also significantly decreases the effectiveness of new monitoring sites in the Dutch colonies of Aruba and Curaçao, islands fifty miles off the coast of Venezuela.

Though at the time Venezuelan officials maintained that they were capable of policing their own borders, the U.S. differed publicly by stating that due to insufficient monitoring capabilities, in effect an existing drug trafficking corridor via air from Colombia was now opened even further than before.¹⁴⁸ As of this writing, the civil unrest spurred by popular discontent with the Chavez government tends to put its capabilities in this respect further into doubt. An indicator that smuggling vectors moving through Venezuela were increasing in prominence can be seen in two separate drug seizures of record volume during August 2000, one for five tons and another for two and a half tons of cocaine.

Specifically, Venezuelan authorities speculate that these two shipments originated in Colombia and entered by air into the Orinoco River delta region, where the contraband

¹⁴⁶ See OGD, *World Geopolitics of Drugs* (2000), 167, which specifically names Maicao, San Cristobal, Puerto Ayacucho as major drug transit seaports, as well as air facilities at Puerto La Cruz, La Guaira, Carupano, Cumana and Caracas' Maiquetia International Airport.

¹⁴⁷ Cited in "Drug Czar: Venezuela Opens Window to Drug Runners," *Defense Week* 20, no. 35 (7 September 1999), pages not available.

¹⁴⁸ Ibid.

was hidden in the jungle along the northern coast of Venezuela to be picked up later by sea.¹⁴⁹ The alleged drug shipper, a Colombian citizen, was arrested in Venezuela and extradited to the United States under charges of moving a total of sixty-eight tons of drugs by sea to both the U.S. and Europe. Subsequently, another forty-three individuals, including eight Greek shipping operators, were also arrested.

In this instance, the plan appears to have been to use eight to ten cargo ships fitted with concealed compartments to take on the contraband off the coast of Baranquilla, Colombia, or Venezuela's Orinoco River delta, and deliver it via speedboat into Miami, Amsterdam and other ports. Even further underlining the multinational complexity of this issue, a total of eleven countries cooperated with this U.S.-led operation, including Albania, Belgium, Colombia, France, Greece, Italy, the Netherlands, Spain, Great Britain, Venezuela and Panama.¹⁵⁰

The last of Colombia's contiguous neighbors, Panama, not only has a history of involvement with the drug trade but also constitutes the gateway for smuggling vectors moving by land into the rest of Central America. Its territory also encompasses the Panama Canal, the most strategic maritime commercial conduit in the hemisphere, linking the Caribbean and Pacific Oceans and accounting for a very high volume of both containerized and bulk cargo. This waterway was returned to the government of Panama in 1999 under the terms of the aforementioned 1977 treaty with the United States. Furthermore, by virtue of its flag of convenience, the country also accounts for the second-largest tonnage of merchant shipping in the world.

¹⁴⁹ See "Venezuela has record cocaine bust, newspaper says," *CNN.com*, 20 August 2000; and "Venezuelan forces recover more than 2.5 more tons of cocaine," *CNN.com*, 24 August 2000.

¹⁵⁰ "Reputed Cocaine Shipper Appears in Court," *Miami Herald* (web site), 28 August 2000.

While Panama has managed to remain largely neutral in Colombia's civil war, both guerrillas and paramilitaries have used Panamanian territory to hide, rest, and receive supplies. Despite the possibility that an escalation of the conflict could spill over, for the moment Panama appears to be accruing definite economic benefits from the situation as wealthy Colombians shift their assets, and sometimes their residences, across the border.¹⁵¹ As discussed previously, this international boundary, 270 kilometers long, runs along Colombia's northwestern region, a particularly active corridor for smuggling activity as noted above.

Moreover, the recent history of Panama, particularly during the regime of Manuel Noriega, is intimately connected with regional drug trafficking. The culmination of this activity came to an abrupt end with the 1989 U.S. invasion and Noriega's subsequent incarceration.¹⁵² Despite concerted efforts by successive Panamanian governments, the country's location, remote coastline, advanced infrastructure encompassing both extensive maritime and air facilities, an underdeveloped judicial system, and a relatively sophisticated financial services sector make it vulnerable to a wide range of transnational crime even beyond the context of smuggling. Furthermore, the country's heroin seizures for 2000 were the highest ever recorded.¹⁵³

¹⁵¹ "Nervous in Darien," *The Economist*, 7 October 2000, 46. Beyond the context of drugs, the country has also been used to funnel arms to Colombian insurgents, as discussed in U.S. DOT, MARAD, "Weapons Smuggled To Colombian Guerrillas in Commercial Containers, Via Panamanian Ports," *Maritime Security Report*, no. 1 (August 1995), 16-7.

¹⁵² As early as 1983, while still commander of the Panamanian army and not yet dictator, Noriega apparently made an offer to the leaders of the Medellín cartel to provide a safe haven and protection for their operations in return for a four million dollar fee. However, even after a down payment of half that amount, the Colombian traffickers soon found a less than warm reception, as Noriega seems to have felt that this would draw even more undue attention from the U.S.

¹⁵³ See U.S. Department of State, INL, *INCSR 2001*, "Canada, Mexico and Central America - Panama," which also notes that the country's international banking center, the Colon Free Zone, and its U.S. dollar-based economy are also very attractive to money launderers.

When the former U.S. bases in Panama were turned over to Panamanian authority in 1999, it was hoped that a “multilateral counter-drug center” under civilian control but with a strong military component could be set up in their place. This was in large part a move to institutionalize existing counter-drug efforts involving elements of the United States military and other agencies with the admixture of contingents seconded from other nations. However, Panamanian critics of any continuing U.S. presence were able to derail support for such a plan. Furthermore, countries such as Brazil, Argentina and Chile, whom the United States fully expected to cooperate in such a venture, were reluctant to expose their militaries to the risk of corruption by using them for counter-drug operations.¹⁵⁴

The rest of Central America comprises the land bridge leading first into Mexico, and then the rest of North America. Specifically, from south to north this includes Costa Rica, Nicaragua, El Salvador, Guatemala, Honduras and Belize.¹⁵⁵ In terms of connectivity, the Pan-American Highway constitutes the major conduit for smuggling vectors travelling north into Mexico and eventually on to the U.S. Furthermore, this region encompasses maritime access via both the Caribbean and Pacific coasts, as well as extensive air connections largely catering to tourism.¹⁵⁶

Logically enough given its position along the southern border of the United States, Mexico provides access for a high volume of northbound smuggling vectors with

¹⁵⁴ “A canal deal,” *The Economist*, 29 March 1997, 49-50. For a broader analysis of this issue, see also Ricardo Soberón Garrido, “Crime in Uniform: Corruption and Impunity in Latin America,” *TNI/Acción Andina* (December 1997), pages not available.

¹⁵⁵ Interestingly, western Guatemala was noted in the late 1980s as a significant producing area for opium poppies. As noted in Booth, *Opium*, 326, while the U.S. aided Guatemala in 1992 to eradicate poppy fields, this activity has since shifted to narrow valleys beyond the reach of crop spraying. Much of the country’s drug trade takes place under the auspices of Mexican TCOs. See also U.S. DOJ, DEA, *NNICC* (1998), 50, which observes that despite sporadic eradication efforts, the lack of regular aerial reconnaissance may lead to an increase in poppy cultivation in the remote highlands.

¹⁵⁶ U.S. Department of State, INL, *INCSR 2001*, “Canada, Mexico and Central America – Guatemala.”

respect to a wide range of commodities. Augmenting this propitious physical geography, increased commercial activity at least partially as a result of the North American Free Trade Agreement (NAFTA) has made smuggling by land a particularly attractive option. Smuggling actors are assisted in their operations by the sheer number of border crossings involved, as drugs have been found concealed in cars, trucks and recreational vehicles, as well as in legitimate tractor-trailer cargo.¹⁵⁷

Furthermore, direct access to both the Gulf of Mexico to the east and the Pacific Ocean to the west allows for a wide range of commercial and tourist-related maritime activity, along with associated opportunities for smuggling. Drug traffickers have also exploited extensive air connections between the two countries. Finally, the high volume of tourists and migrant workers crossing the border on a regular basis constitutes an opportunity that smugglers have not been remiss in exploiting.

In general, the majority of drug smuggling vectors destined for North American markets that originate from the south tends to shift cyclically between the southwest land border with Mexico and the predominantly maritime routes through the greater Caribbean basin. The resistance along either of these main paths can most often be correlated in response to the focus of U.S. interdiction efforts at any given point in time. For instance, in the 1980s Mexican groups played only a very small role in the major Colombian-controlled smuggling routes into U.S., at that point in time for the most part routed through the Caribbean.

However, as *The Economist* noted in 1997, “a fierce American-led crackdown on Caribbean routes in the mid-1980s led the Colombians to ship ever-increasing loads

¹⁵⁷ U.S. DOJ, DEA, *NNICC* (1998), 8-9. Between 1992 and 1996, tractor-trailer and rail-car traffic along the U.S.-Mexican border increased by 50 and 58 percent, respectively. For more on the impact of NAFTA on drug smuggling, see also Dermota, 16-29.

through Mexican smugglers. By the early 1990s, they had grown reliant on them.”¹⁵⁸ As Williams points out, in functional terms Colombian TCOs had inadvertently helped to create the competition that was to eventually seize a significant portion of their market share.¹⁵⁹

By the late 1990s, the relationship between the two groups had evolved to one of near-parity, emphasized by the apparent division of labor. As one U.S. government study notes, “Colombian and Mexican trafficking organizations dominate the drug trade in the Western Hemisphere. Colombia supplies most of the cocaine and contributes the largest share of heroin, and Mexico is a major avenue for cocaine trafficking in the United States as well as a major supplier of heroin, marijuana, and methamphetamine.”¹⁶⁰

¹⁵⁸ “Poison across the Rio Grande,” *The Economist*, 15 November 1997, 36-8. This article also notes the rise of Amado Carrillo Fuentes’s drug trafficking organization based in Ciudad Juarez, which was able to cut out his Colombian partners by directly linking Andean producers with major North American markets via a well-developed network of Mexican immigrants. This state of affairs lasted until Carrillo’s demise in July 1997, during plastic surgery and just before a planned shift of his headquarters to Chile. The resultant power vacuum was contested by a variety of successors, notably the infamous Arellano Felix brothers, Benjamin and Ramon, based in Tijuana. The career of these siblings was in turn curtailed by the former’s imprisonment and the latter’s death, as reported in “The end of the Arellanos,” *The Economist*, 16 March 2002, 43. See also U.S. DOJ, DEA, *NNICC* (1998), 8-9. Peter A. Lupshka, “Transnational Narco-Corruption and Narco Investment: A Focus on Mexico,” *Transnational Organized Crime* 1, no. 1 (Spring 1995), 96-7, also notes the Cali cartel’s infiltration of the Mexican Cabinet Office of Communications and Transport up to the mid-1990s. In particular, the author notes the use of commercial airports, business fronts, trailer trucking firms and railroads. As such, access to the shipping information, official forms and seals that only this type of government office can provide is essential to carrying out these sophisticated smuggling operations.

¹⁵⁹ Williams, “Networks, Markets and Hierarchies,” 75-6. The author also notes that, in response, Colombian TCOs returned their focus to routes through Florida and the Caribbean, often using Dominican groups in place of their former Mexican partners. As of this writing, there have been numerous recent incidences of Mexicans carrying Colombian heroin at least as far as Mexico. However, it has yet to be ascertained if this activity is taking place under the auspices of Colombian or Mexican TCOs. Nonetheless, this phenomenon is extensively documented in U.S. DOJ, DEA, Intelligence Division, Domestic Heroin Unit, “Drug Intelligence Trend: Increase in Mexican Couriers Transporting Heroin to Mexico,” DEA-02053 (Washington, DC: DEA, December 2002), available at <http://www.usdoj.gov/dea/pubs/intel/02053/02053.html>, accessed 15 July 2004.

¹⁶⁰ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 6. Similarly, U.S. DOJ, DEA, *NNICC* (1998), 8, notes that in partnership with Colombian organizations, “Mexico-based trafficking groups have established themselves as transportation specialists for smuggling drugs across the Southwest Border.”

With specific respect to heroin, in general Mexican chiva or “black tar” heroin tends to dominate the U.S. market west of the Mississippi, while purer Colombian heroin is more common in the eastern half of the country.¹⁶¹ However, despite a level of cooperation within certain operational parameters as noted above, there is evidence that both sides actively attempt to expand their operations and respective market shares at the others’ expense.¹⁶²

Within the overall context of U.S. drug policy, the prevailing official stance toward Mexico is particularly salient. Since their country’s initial experiences with decertification, successive Colombian governments have, perhaps rightly, considered the process to both arbitrary and high-handed. However, when the arrest of Mexico’s top anti-drug official in February 1997 brought no reciprocal threat of sanction, Colombia’s allegations of a double standard gained some credence.¹⁶³

Further evidence that the Mexican army, traditionally enjoying something of a reputation for incorruptibility, may have been heavily involved in the drug trade as far back to the 1980’s has since surfaced as well. While U. S. field agents appear to have had an idea of the true situation in Mexico, there was supposition at the time that top

¹⁶¹ This type of heroin is also sometimes found in a brown powdered form known as “Mexican brown.” Booth, *Opium*, 327. Mexican opium poppy cultivation has traditionally centered on the states of Durango, Sinaloa and Chihuahua, the latter being directly south of the border with both Texas and New Mexico. These crops tend to grow in remote areas, with heroin processing carried out in mobile labs that move often to avoid detection. However, in general, this cultivation entails relatively high overhead in the form of costly irrigation techniques, as well as considerable bribes to drug enforcement agents. Cooper, 49.

¹⁶² As the DEA noted in 1997, “Heroin traffickers from South America, particularly from Colombia, solidified their control over East Coast markets, moving into smaller cities, and expanded their efforts to supply multikilogram quantities beyond the Mississippi.” U.S. DOJ, DEA, *NNICC* (1998), x, 45. The same report also notes attempts by Mexican TCOs to enter urban heroin markets in the eastern half of the U.S., even going so far as to seek out the expertise of chemists based in Colombia in order to produce the higher purity white heroin preferred in that region. See also “Young, white and middle-class,” *The Economist*, 6 December 1997, 26-7.

¹⁶³ Dermota, 22-5.

officials intentionally downplayed the matter in order to ensure the passage of NAFTA.¹⁶⁴

By 1999, the case was again being made in the United States that Mexico should be decertified for a variety of reasons, though such a decision is extremely unlikely to take place for political reasons.¹⁶⁵ However, the fact remains that by virtue of its geography Mexican control of its borders will always be of interest to the United States.¹⁶⁶ Moreover, the increasing evidence of drug abuse in Mexico, particularly in the northern part of the country, may further encourage the Mexican government to more meaningfully address this nexus of issues more from the standpoint of self-interest than from external pressure.¹⁶⁷

With respect to maritime drug smuggling vectors, the greater Caribbean basin constitutes the focus of such activity for Colombian TCOs. However, as discussed previously, smuggling by sea encompasses all kinds of vessels, though for the most part these can be categorized into either private or commercial, with the latter in turn delineated into two primary types of activity, namely passenger and cargo. Similarly, the relevant landside facilities can range from public seaport to private marina to a deserted stretch of the coast. As mentioned earlier in this study, even the use of submarines to move drugs has at least been attempted by these smuggling actors.¹⁶⁸

¹⁶⁴ See "Caught red-faced," *The Economist*, 22 February 1997, 48-53; and "Drug-shocked," *The Economist*, 9 August 1997, 27-8.

¹⁶⁵ "Uncle Sam's war on drugs," *The Economist*, 20 February 1999, 33-4.

¹⁶⁶ Friman, "Just Passing Through," 74-76.

¹⁶⁷ OGD, *World Geopolitics of Drugs* (2000), 137-40.

¹⁶⁸ As noted in Chapter II, a partially built submarine, of a relatively high technological sophistication, was found in the remote Colombian hinterland, much to the surprise of police. Bowden, 34, also notes that in his heyday Escobar built two small remote-controlled submersibles, each capable of carrying two thousand kilos of drugs. These would travel between the northern coast of Colombia and the waters off Puerto Rico, where the contraband would then be transferred to speedboats bound for Miami.

In addition to being bounded by the South, Central and North American coastlines, the Caribbean itself is dotted with numerous islands, some independent and others tied by history to other political entities primarily as a legacy of colonialism.¹⁶⁹ As a result, this body of water represents a varied mosaic of territorial and international waters. Despite an overall willingness to cooperate in the issue of drug transit, however, the prevailing U.S. view is that, “most Caribbean nations lack resources and law enforcement capabilities and have some corruption problems that hamper their efforts to combat drug trafficking.”¹⁷⁰

Moving roughly from south to north, the region is comprised of several archipelagos and may be divided into the Greater and Lesser Antilles. The former includes Cuba, the island of Hispaniola shared between the Dominican Republic and Haiti, Jamaica and Puerto Rico. Further to the south and east, the latter is comprised of the Virgin Islands, Windward Islands, Leeward Islands and the islands immediately to the north of Venezuela, which include Trinidad and Tobago.

In general, multi-ton shipments of drugs most often move through the Caribbean via the established maritime transportation infrastructure, primarily through seaports. Evidence of the viability of smuggling vectors utilizing these modes of transit is abundant nearer the major drug source areas. Furthermore, projections are that the expanding use of intermodal transportation throughout Latin America and the Caribbean is “expected to

¹⁶⁹ For instance, Martinique, Guadeloupe, the French side of St. Martin, St. Barthelemy, and French Guiana are all subject to French law, including international conventions to which France is a party.

¹⁷⁰ U.S. GAO, “Drug Control: Observations,” 3. This can be readily seen in the issue of off-shore banking and associated money laundering activity, where the temptations of lucrative profits have led some Caribbean governments to allow such practices to go virtually unregulated. See “Small states, big money,” *The Economist*, 23 September 2000, 46. In particular, as noted in OGD, *World Geopolitics of Drugs* (2000), 22, numerous states in the Caribbean evolved into money laundering hubs via their special relationships or former colonial ties with richer countries such as the U.K., France, the Netherlands, Spain, Russia and the U.S.

increase opportunities for traffickers to use commercial containers for shipping large quantities” of drugs.¹⁷¹ Moreover, as many of these islands’ economies are highly dependent on tourism, the associated cruise line activity and air connections also offer a wide range of smuggling opportunities.

However, given the fluid nature of smuggling activity, increased security at a given facility, though desirable in and of itself, can easily lead to a proportional rise in smuggling vectors through seaports in adjacent areas or alternate ports of entry. Thus, in practice the modified path of least resistance would thus most likely lead to greater usage of less protected access routes such as smaller private marinas or even more remote landing areas.¹⁷² Closer to coastal areas, smuggling activity may often take place on weekends to blend in with recreational craft, or at night to off-load contraband along remote areas of the coastline, or from larger “mother ships” to smaller “go-fast” boats.¹⁷³

As of this writing, highlighting the cyclical nature of many smuggling routes, instances of seaborne smuggling vectors through the Caribbean basin to the United States have become more prevalent once again. In addition to the urge toward innovation necessitated by the imperative of maintaining competitive advantage, this resurgence is

¹⁷¹ U.S. ONDCP, “1998 Annual Assessment of Cocaine Movement,” 1. The report continues by noting, “The large quantities of drugs seized in two recent container seizures in Cartagena indicate that traffickers have considerable confidence in this mode of transportation.” Echoing this trend with respect to the Pacific Ocean, according to the DEA, “South American traffickers used commercial maritime cargo as their primary means to transship multiton loads to the U.S. West Coast.” U.S. DOJ, DEA, *NNICC* (1998), 9. See also “Trouble in paradise,” *The Economist*, 23 November 2002, 36, which quotes a U.N. estimate that the Caribbean regional drug trade nets \$3.3 billion annually.

¹⁷² The DEA, while asserting that, “commercial maritime vessels posed a significant smuggling threat,” further notes that, during the relevant period of analysis, seaborne smuggling operations consisted primarily of go-fast boats. U.S. DOJ, DEA, *NNICC* (1998), 4-5. For a more thorough breakdown of these issues, see Aune, 4.

¹⁷³ *Ibid.*, 7-8.

largely a response to tighter cross-border controls, as well as higher bribes, along the U.S.- Mexican border.¹⁷⁴

Realizing the limitations imposed by small populations and limited monetary resources among the Caribbean nations, the U.S. in general has tried wherever possible to sign bilateral agreements allowing its personnel to conduct operations in the territorial waters and airspace of the relevant nations. Thus, by the late 1990s the U. S. government had begun pressuring countries adjoining the region to sign “ship-rider” agreements allowing U. S. patrols to pursue suspected drug dealers into some twenty-five different territorial waters within the region.¹⁷⁵

With respect to specific territories, beginning in the south Trinidad and Tobago have evolved as a drug transit hub due to their geographic position opposite the Orinoco River delta of eastern Venezuela. Leveraging support from various sectors of the islands’ multiethnic societies, made up in turn of Afro-Caribbean, Indian, Lebanese, Chinese and Latin American communities, often facilitates this activity.¹⁷⁶ Further east, seven Caribbean countries, namely Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines form the eastern edge of the Caribbean transit zone for drugs.¹⁷⁷ In terms of seizures, Jamaica has also emerged as one of the most active parts of the entire Caribbean basin in terms of drug trafficking.¹⁷⁸

¹⁷⁴ For instance, as reported in mid-2000, “Once again, as it was a decade ago, the Caribbean has become a favored route of Colombian drug traffickers to get their product to the United States and Europe.” “A tidal wave of drugs,” *The Economist*, 24 June 2000, 42. This article also notes the various nations in the region that have become hubs for drug transit, including Haiti, Jamaica, the Bahamas, and Suriname.

¹⁷⁵ “Uncle Sam wags its finger,” *The Economist*, 4 January 1997, 44-5. For a broader overview of maritime drug control, see also Fuss, *passim*.

¹⁷⁶ OGD, *World Geopolitics of Drugs* (2000), 170-1. With respect to the Gulf of Paria between these islands and the mainland, this report also notes that, “Since the colonial era, this stretch of water has been the scene of intensive smuggling: whiskey, weapons, rare animals and so on.”

¹⁷⁷ With respect to this archipelago, U.S. Department of State, INL, *INCSR 2001*, “The Caribbean – Eastern Caribbean,” notes that “Colombian drug traffickers and various organized crime groups have

The island of Hispaniola, comprised of both Haiti and the Dominican Republic, is exceedingly well positioned to serve as a transit point for smuggling vectors moving through the Caribbean to the United States. In particular, Haiti's favorable geography for smuggling, including the territorial extensions of the country's northern and southern peninsulas, which create five separate coastal segments stretching nearly 1,800 kilometers. The country's fourteen seaports are dispersed all along this coastline. Furthermore, the Dominican border area, 338 kilometers in length, is mostly mountainous, sparsely populated and serviced by few roads with little law enforcement presence.¹⁷⁹ However, even with its other advantages for smugglers, without the endemic corruption that plagues the country it would not play such a pivotal role.¹⁸⁰

For its part, at the other end of the island the Dominican Republic has also emerged as a significant hub for drug trafficking, particularly with respect to the U.S. According to *INCSR 2001*, both intelligence and seizures throughout the region indicate

infiltrated many of the eastern Caribbean nations, establishing their own infrastructure and contracting the services of local criminal organizations. To move the drugs within the region, many traffickers use a barter system, paying for services with drugs and/or weapons to limit costs and to increase demand and markets in the region." As these are all small nations in terms of both population and territory, such activity is understandably very destabilizing.

¹⁷⁸ Incidentally, the USCS reported in 2000 that Jamaica is the embarkation point of the largest number of passengers arrested with drugs at U.S. airports. U.S. Department of State, INL, *INCSR 2001*, "The Caribbean – Jamaica." The same report notes that data for the first half of 2000 indicate that the amount of cocaine transiting Jamaica quadrupled compared to the same period in 1999, making it the leading drug transshipment point in the Caribbean by volume.

¹⁷⁹ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 43. For more on the role of Haiti in the transshipment of drugs and other contraband via maritime methods, both directly and after crossing the common land boundary with the Dominican Republic, see U.S. DOT, MARAD, "Maritime Smuggling of Drugs and Contraband Goods Adversely Impacting Legitimate Commerce and Development," *Maritime Security Report* (April 1997), 1-10.

¹⁸⁰ For recent trends on drugs transiting both Haiti and the Dominican Republic, see OGD, *World Geopolitics of Drugs* (2000), 173-7. Interestingly, even criminals are not immune from Haiti's present sociopolitical chaos. For instance, see also U.S. Department of State, INL, *INCSR 2001*, "The Caribbean – Haiti," which notes that the major impediments to the country's further expansion as a hub for the drug trade "may be the difficulties traffickers experienced in moving drugs through Haiti because of poor infrastructure or the seizure of drugs by rival traffickers or other criminals." As mentioned in Chapter III, in 2001 Haiti was not certified by the U.S. for its lackluster cooperation on drug issues but rather by the granting of a national interest waiver.

that Colombian, Dominican and Puerto Rican TCOs have made the country a major command and control center. However, many major drug shipments coordinated from the Dominican Republic do not actually transit the country. In general, Colombian suppliers begin the logistical process, while Dominican networks are more directly linked to primarily East Coast markets.¹⁸¹

Only ninety miles from Key West, Florida, Cuba's unique geography presents an inviting environment to both seaborne and airborne smuggling vectors. The island stretches over 600 nautical miles from east to west, with over 3,500 nautical miles of coastline and more than 4,000 islets and cays. In particular, its location in the northern Caribbean provides direct and indirect paths for drug smugglers attempting to reach the United States. Nonetheless, despite a relative lack of authoritative information, at present the country is not considered a major conduit for drugs into the United States.¹⁸² As such, the case of Cuba has traditionally been troublesome in the context of regional U.S. drug policy, and would most likely be so even in the absence of the state of enmity between the two countries.

In addition to the prevailing hostility toward the communist regime of Fidel Castro, in the past various sectors of the public and of the U.S. government have publicly accused the Cuban government of direct involvement in drug trafficking. In 1989, in what may well have been an instance of killing two birds with one stone, Castro had two top military officers executed for alleged drug trafficking, including General Arnaldo Ochoa, who had with immense popularity among the armed forces and as such was a potential rival. Despite broad cooperation with European countries on this issue, the U.S.

¹⁸¹ Ibid., "The Caribbean – Dominican Republic."

¹⁸² Ibid., "The Caribbean – Cuba."

and Cuba currently work together only on a very limited case-by-case basis.¹⁸³ However, in what may be cause for guarded optimism, recently there has been more de facto cooperation, particularly between the respective coast guards.¹⁸⁴

Even closer, the Bahamas offers easy access to the U.S. mainland along Florida's eastern coast, particularly by virtue of its tourism and freight-forwarding links. However, there has been a shift of drug smuggling away from the Bahamas due to a perception of greater risk to drug traffickers due to U.S. interdiction efforts there. Much of this activity has moved to Puerto Rico, which in addition to its propitious geography, as a U.S. protectorate the island has numerous official and unofficial ties to major East Coast markets.¹⁸⁵

For its part, Puerto Rico is centrally located astride the three main sets of Caribbean smuggling vectors to the continental U.S., namely those coming directly from South America, those transiting the island of Hispanola through both Haiti and the Dominican Republic, and those moving through the Antilles archipelago. While Colombian traffickers remain the driving force in moving both heroin and cocaine throughout the Caribbean, Dominican groups dominate the transit trade through Puerto Rico by capitalizing on their ties to these groups.¹⁸⁶

Finally, both private and commercial air links throughout the region have constituted smuggling routes from south to north. In the early days of the cocaine trade,

¹⁸³ See "The disputatious diplomacy of drugs," *The Economist*, 11 September 1999, 37.

¹⁸⁴ Carol Rosenberg, "Hidden outpost in Keys scores series of wins against drug traffic," *Miami Herald* (web site), 3 August 2000.

¹⁸⁵ As noted in U.S. GAO, "Drug Control: Observations," 2, "Puerto Rico has become a major entry point for cocaine moving through the Eastern Caribbean into the United States." See also U.S. DOJ, DEA, *NNICC* (1998), 43, which notes the links to East Coast cities with large Puerto Rican populations, such as New York and Orlando, Florida.

¹⁸⁶ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 43. Moreover, Dominican criminal organizations also play a significant role in the retail-level distribution of heroin in the northeastern United States. U.S. DOJ, DEA, *NNICC* (1998), 42.

this activity utilized primarily small private planes landing in various and generally remote staging areas. However, when moving directly to the U.S., recent heroin smuggling is most likely undertaken either by commercial passengers carrying small quantities, or via shipments hidden inside air cargo. Though variations understandably exist, this activity tends to take place on direct flights from South America to major East Coast destinations such as Miami or New York.¹⁸⁷

As evidence of smuggling routes constantly shifting toward the path of least resistance, in 1997 a number of Central American couriers were arrested carrying drugs through Texas airports in an attempt to avoid increased airport security on the East Coast.¹⁸⁸ While the U.S. General Accounting Office noted that same year that, “Caribbean traffickers have shifted their operations from primarily air-related activities to maritime activities,” given the cyclical and opportunistic nature of smuggling route selection successful patterns inevitable resurface.¹⁸⁹ In a more recent case, ten Colombian nationals were arrested in Cali for concealing more than half a ton of heroin, as well as some cocaine, on commercial airliners bound for Miami.¹⁹⁰

¹⁸⁷ Ibid., 6-8.

¹⁸⁸ Ibid, 41. Though data is not yet available as of this writing, as noted previously the dramatic increase in airport security across the U.S. in the wake of 9/11 can only have increased the hurdles for smugglers attempting to use these modes of entry for contraband.

¹⁸⁹ U.S. GAO, “Drug Control: Observations,” 1-2. In particular, the use of both commercial and noncommercial maritime vessels became more prevalent during this period, including the documented use of fishing boats, containerized cargo ships, and private motor and sailboats in this capacity. See also U.S. DOT, MARAD, “Increased Drug Smuggling Via Lesser Antilles Threatens Growing Maritime Container Trade,” *Maritime Security Report* (January 1997), 1-6.

¹⁹⁰ See Jared Kotler, “Colombians smuggled heroin,” *Detroit News* (web site), 26 August 1999. An airline maintenance company, Aercol, servicing American Airlines jets in Cali, employed those involved. These mechanics hid the contraband in the tail sections, behind pilot’s seats, and in false compartments, to be extracted in Miami by associates. As with a wide range of other smuggling activities, this operation was explicitly predicated on access to nominally secure areas as well as expert knowledge of various types of flight operations. An earlier investigation in mid-1997, also involving American Airlines, resulted in the arrest of 6 employees for allegedly facilitating the transport of up to 22 lbs. of heroin and 1,100 lbs. of cocaine on planes leaving Bogota bound for Miami. An interesting facet of this smuggling operation was allowing the plane to make one domestic flight to ensure less scrutiny before unloading the contraband, indicating a high degree of familiarity with security and other procedures. Richard Willing, “Airline Drug

In terms of distribution patterns within the U.S., as noted above Colombian heroin tends to dominate most East Coast markets. However, this in itself is only a relatively recent phenomenon. For instance, according to the DEA's Domestic Monitoring Program (DMP), which chemically tests and tracks the purity levels, place of origin and retail price of heroin across the country, nearly 85% of heroin samples taken in 1997 in the eastern half of the United States were of South American origin.

By contrast, in 1991 Southeast Asian heroin accounted for more than two-thirds of the samples, indicating a major shift over a relatively short period of time. One explanation for these statistics may be the high degree of reliance on internal and external body carriers. Though such methods can be characterized as relatively unsophisticated and may account for the high number of Colombian heroin seizures, they are nonetheless demonstrably effective.¹⁹¹

However, it is important to note that, in addition to providing the primary market and thus much of the demand that helps drive the hemispheric drug trade, the U.S. also facilitates such illicit commerce in more indirect ways. For instance, the United States itself is a major provider of precursor chemicals for Latin America drug processing, primarily due to the relatively shorter distances involved in transporting these often-unstable compounds, as well as being a more reliable supplier than many alternative sources.¹⁹² An even more important enabling factor for the continuation of the regional

Smugglers Getting Ever more Sophisticated," *USA Today*, 1 August 1997, 4A. See also "Colombia: A new class of trafficker," *The Economist* (web site), 11 September 1999.

¹⁹¹ Similarly, data from the DEA's separate Heroin Signature Program also supports these conclusions, noting that their findings for 1997 were that South America was supplying 75% of U.S. heroin market. See U.S. DOJ, DEA, *NNICC* (1998), 39-41, and, for more on domestic U.S. cocaine distribution trends, which tend to parallel those of heroin, 11-2.

¹⁹² Furthermore, "foreign drug-trafficking groups typically import chemicals into neighboring countries in an attempt to disguise their purpose and destination, before diverting and smuggling the chemicals to their

drug trading cycle can be found in the methods by which Colombian TCOs are able to repatriate the illegal proceeds of their enterprises earned in the U.S.

The black-market peso exchange is one of the main money laundering mechanisms that has been used by Colombian drug traffickers, in which dollar-denominated profits are sold at a discount to brokers, who then credit the seller an equivalent sum in pesos through a Colombian bank. The dollars are then sold to Colombian businesses at an exchange rate exceeding that of the official rate, and used to finance the purchase and export of goods from the United States. This system effectively circumvents both Colombian and U.S. currency reporting requirements.¹⁹³

Yet another method allegedly used by Colombian TCOs and both their Mexican and Dominican counterparts involves the use of international money remitters to launder their profits. These businesses arrange payments via the electronic transfer of funds to selected recipients in return for a commission, usually up to 10 percent of the principal.¹⁹⁴ As the regulations governing such transactions have been tightened further since 9/11, it would be unsurprising if the risks, and subsequently the commissions, were to rise as well. However, in the interim, U.S. law enforcement authorities are able to utilize Geographical Targeting Orders (GTOs) against money remitters suspected of money laundering, which provides for a sixty-day window in which stricter reporting and record-

drug-producing laboratories.” U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 50.

¹⁹³ Ibid., Ch. II, 31. According to the U.S. Treasury Department, as much as \$5 billion in drug trafficking proceeds may be laundered annually using this method. Further details of this mechanism can be found in U.S. Department of State, INL, *INSCR 2001*, “Money Laundering.”

¹⁹⁴ Presently in the U.S., money remitters are now required to register with the government and to report both suspicious activity and any transactions exceeding \$100,000. U.S. Interagency Working Group, *International Threat Assessment*, Ch. II, 31.

keeping requirements can be imposed on specific service providers in a given geographical area.¹⁹⁵

Similarly, in the context of the physical transfer of currency, many of the smuggling techniques described above once more come to the fore, albeit in reverse. According to the DEA, money launderers have begun to rely increasingly on bulk shipments of cash in commercial export shipments, largely as a result of the successful targeting of illicit wire transfers.¹⁹⁶ Often such transfers of U.S. currency to Colombia utilize commercial maritime freight mechanisms as discussed in Chapter II.¹⁹⁷ Moreover, because of the Colombian government's tariff on dollar deposits, these funds are often converted into third-country currencies, such as the Venezuelan bolivar or the Ecuadorian sucre, and then smuggled into the country.¹⁹⁸

Finally, as an additional example of the physical transfer of negotiable assets, goods purchased with the proceeds of criminal activity can also be used to circumvent money laundering strictures. For instance, according to the U.S. Bureau of Alcohol,

¹⁹⁵ For instance, in mid-1996 a GTO was issued in the New York metropolitan area cut the targeted money remitters' volume of trade with Colombia by 30%, with several halting all such transactions and others going out of business completely. See U.S. Department of State, INL, *INCSR 1999*, "Money Laundering," 12-3.

¹⁹⁶ U.S. Congress, House Committee on International Relations, Subcommittee on National Security, Statement by James Milford, Acting Deputy Administrator, DEA, before the Subcommittee on National Security, International Affairs and Criminal Justice, 17 July 1997, available at <http://www.usdoj.gov/dea/pubs/cngrtest/ct970717.htm>, accessed 15 July 2004. A similar view is also noted in U.S. DOT, National Science and Technology Council, Office of Science and Technology Policy, *Intermodal Cargo Transportation*, 14-5.

¹⁹⁷ In general, smuggling currency out of the U.S. in maritime exports is considered relatively easy given the high volume of containerized trade, and the fact that USCS resources devoted to inspecting cargo containers are primarily focused on inbound shipping. For a thorough overview of this issue with respect to Colombia, see U.S. DOT, MARAD, "Currency Smuggling from U.S. Facilitated by Front Companies Exporting Containerized Maritime Freight," *Maritime Security Report* (January 1996), 3-6. Incidentally, once repatriated the physical storage this currency can also become an issue, as in cases where drug traffickers reportedly must dig up bundles of plastic-wrapped currency buried in the Colombian jungle. The money is then dried with battery-powered hair dryers so that it does not disintegrate from the humidity, and then reburied until such time as it can be safely introduced back into the banking system. Recounted in Bentham, 145.

¹⁹⁸ U.S. DOJ, DEA, *NNICC* (1998), 104-5. Relatives of traffickers have also been known to have incredible streaks of good fortune, "winning" millions of dollars in pesos from various lotteries.

Tobacco and Firearms, “Colombian drug traffickers often use illicit drug proceeds to purchase cigarettes that they smuggle into Colombia for black-market sales, avoiding high tariffs and taxes on legal tobacco imports.”¹⁹⁹ Similarly, movable assets, such as luxury boats, have been purchased in France, sailed back to South America and sold, thus legitimizing the drug profits with sales receipts.²⁰⁰

As a prominent gateway from the greater Caribbean basin into the rest of the contiguous United States, the state of Florida offers an interesting example in several respects. For instance, in terms of physical geography, its relative proximity to primary source and transit countries, as well as approximately 1,350 miles of largely unprotected continental coastline and additional access by sea via the Florida Keys archipelago, make the state very attractive to drug traffickers.

Given the relatively free movement of goods once they enter the United States, a well-developed transportation infrastructure, including numerous deep-water seaports, international airports, interstate highways and rail lines linking it to the national transportation network, all serve to enhance Florida’s appeal in this respect. Moreover, a diverse ethnic population, heavily influenced by immigration from Latin America, also serves to facilitate a wide range of both formal and informal transnational transactions.

Ironically, many of the same factors that initially drew organized criminal elements to Florida also serve to bolster the state’s competitive advantage in legitimate international trade. Between 1990 and 1998, this trade increased by 126%, from \$30.6 billion to \$69.3 billion. Economic activity at Florida’s seaports accounted for \$44.8

¹⁹⁹ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 17.

²⁰⁰ U.S. DOJ, DEA, *NNICC* (1998), 108.

billion, or 65%, of that amount.²⁰¹ It is not too much to say that Florida by itself exerts a powerful international influence throughout the Caribbean basin and Latin America, culturally as well as economically.

Throughout the state, the Colombian cartels remain the most prominent criminal element. However, these groups have been working to expand their associations with Florida- and Caribbean-based Dominican, Haitian, Puerto Rican and Cuban traffickers.²⁰² Among these groups, South Florida in particular remains an international command and control center for drug trafficking as well as money laundering. This part of the state has also been identified as having the second largest concentration of Russian and Eurasian immigrants in the U.S., after the greater New York metropolitan area, and logically enough, related ethnically-based organized crime activity. As the trend toward cooperation among criminal groups of differing ethnicities increases, the fluidity of these partnerships becomes more apparent as well.

These factors notwithstanding, by the early 1990's, much of the illegal drug traffic entering the United States had shifted further west, focusing on the extensive and porous land border with Mexico, as discussed above. The subsequent diversion of federal resources to the southwestern border of the United States, as well as concurrent hurricane-related infrastructure damage in Central America, led to higher transit costs passed on by Mexican smugglers to Colombian producers. This, in turn, helped

²⁰¹ Florida Seaport Transportation and Economic Development Council, *Florida's Seaports: Dynamic Facilitators of Commercial and Economic Development* (Tallahassee, FL: Florida Ports Council, 2000), iii, xi.

²⁰² The DEA notes the use of Mexican and Caribbean-based trafficking organizations as surrogates of the Colombian cartels, while Colombian alliances with Dominican and Puerto Rican groups dominated U.S. heroin distribution along the eastern seaboard. U.S. DOJ, DEA, *NNICC* (1998), ix-x.

facilitate the resurgence of traditional routes through the Caribbean into Florida by the late 1990s by making them both less risky and more economically feasible.²⁰³

At the state level, the best estimate as of early 2000 for the amount of heroin coming into Florida was between one and three MT annually.²⁰⁴ Colombian heroin is considered a major problem in Orlando and a growing one in Miami, due to many of the factors discussed above such as market penetration and higher purity levels.²⁰⁵ In recognition of South Florida's perennial attraction for drug trafficking activity, the South Florida High Intensity Drug Trafficking Area (HIDTA) was one of the original areas so designated in 1990 by the U.S. federal government. Largely in response to a rise in heroin fatalities in Orlando, a Central Florida HIDTA was also set up in 1998.²⁰⁶ Moreover, the ONDCP also notes the emerging role of Jacksonville in the northern part of the state as a major transportation hub for large quantities of drugs smuggled into the southeastern region of the country.²⁰⁷

²⁰³ In particular, trends include both an increase in both airdrops and drops to 'go-fast' boats from 'mother-ships,' and greater integration among Caribbean distributing organizations. Florida Department of Law Enforcement (FDLE), *The State of Drugs in Florida* (Tallahassee, FL: FDLE, n.d.), "Smuggling and Trafficking Trends," available at <http://www.fdle.state.fl.us/osi/crimebriefs/drugassessment/drugs.html>, accessed 15 July 2004. These conclusions are supported by other contemporary assessments, as noted in U.S. DOJ, DEA, *NNICC* (1998), 3-4, 9. In particular, according to the nationwide Federal Drug Seizure System, between 1996 and 1997, maritime drug seizures increased most dramatically as a proportion of total seizures, with the Caribbean and South Atlantic regions ranked the highest. These same figures also attest to a correspondingly sharp decline in seizures along the southwestern border with Mexico. See also U.S. DOJ, NDIC, "Florida Drug Threat Assessment – Heroin" (Johnstown, PA: NDIC, July 2003), available at <http://www.usdoj.gov/ndic/pubs5/5169/heroin.htm>, accessed 15 July 2004.

²⁰⁴ This figure comes from a consensus among participants of the state-sponsored Florida Drug Supply Estimating Conference, St. Augustine, Florida, 22-23 February 2000. A similar range for cocaine of between 150 and 200 MT was also agreed upon.

²⁰⁵ Florida, FDLE, *The State of Drugs in Florida 1998*, Orlando and Miami regional assessments.

²⁰⁶ In general, the HIDTA designation allows for federal funding of programs within the area in question and the establishment of interagency working groups focusing on various geographic and issue areas. See U.S. ONDCP, "Miami HIDTA – FY 2000 Fact Sheet" (Washington, DC: ONDCP, 2000); and U.S. ONDCP, "Central Florida HIDTA – FY 2000 Fact Sheet" (Washington, DC: ONDCP, 2000).

²⁰⁷ U.S. ONDCP, Drug Policy Information Clearinghouse, "City of Jacksonville, Florida: Profile of Drug Indicators," (Washington, DC: ONDCP, August 1999), 4.

Finally the growing penetration of Colombian TCOs into Canadian, European, Asian and African markets is a trend that appears to be accelerating.²⁰⁸ With respect to Europe, for instance, throughout the mid-to-late 1980s, direct cocaine shipments reached the continent primarily through Spain and, to a lesser extent, through Italy, facilitated by links with the Sicilian Mafia.²⁰⁹ As a U.S. government analysis notes, “Cultural and linguistic ties between the Iberian Peninsula and Latin America are exploited by South American drug traffickers who stimulate the demand for cocaine in Western Europe’s more profitable market.” In addition to entry points along the extensive and rocky Spanish coastline, lax border control at the Netherlands’ deep-water ports in Amsterdam and Rotterdam also constitute a major gateway for Latin American drugs entering Western Europe.²¹⁰

Further east, before Colombia began to cultivate its own opium on a commercially viable scale, there were numerous indications that both the Medellín and Cali cartels made contact with their Sicilian and Russian counterparts to exchange

²⁰⁸ For more on Colombian TCO activity in Canada, see Canada, “Documentation: Criminal Intelligence Service Canada, 1996 Annual Report on Organized Crime in Canada,” *Transnational Organized Crime* 2, no. 4 (Winter 1996), 145-7. See also OGD, *World Geopolitics of Drugs* (2000), 177-8. While noting the primacy of Asian networks in importing heroin, and partnership between Colombian and Canadian criminal organizations, this report also discusses several indications that Colombian and Asian TCOs are beginning to work together in the eastern half of the country as well. For instance, in late 1997 a Vietnamese male bound for Montreal was arrested at the Baranquilla airport with a significant amount of heroin in his luggage. Moreover, drug trafficking routes into the U.S. market via Canada are also increasingly common, for a number of reasons. For instance, see U.S. Department of State, INL, *INCSR 2001*, “Canada, Mexico and Central America – Canada,” which notes, “International drug traffickers attempt to route drug shipments, primarily heroin, cocaine and MDMA (ecstasy), through Canada to the U.S. to take advantage of the long and open Canada-U.S. border, the massive flow of legitimate containerized commerce, and the lower criminal penalties compared with the U.S.”

²⁰⁹ See Friman, *NarcoDiplomacy*, 105; and Williams, “Networks, Markets and Hierarchies,” 75.

²¹⁰ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 3. OGD, *World Geopolitics of Drugs* (2000), 12, 89-94, also notes that in the 1980s many Colombian TCOs relocated some command and control functions to the Galician region of Spain in response to various pressure, but have since grown strong enough to function largely without the assistance of their Spanish partners.

cocaine for heroin.²¹¹ However, as Clawson and Lee point out, drug-for-drug exchanges of this type seem likely to diminish over time.²¹² Italian organized crime groups also provide money laundering services for Colombian drug traffickers, among others.²¹³

With respect to other regions of the world, though Japanese yakuza groups acquire most of their heroin and methamphetamines from Chinese criminal organizations based primarily in Hong Kong and Taiwan, there are reports of links with South American traffickers as well.²¹⁴ Finally, as will be seen in the following chapter, Nigerian TCOs continue to expand their global roles as drug trafficking intermediaries for Colombian groups as well as a wide range of other criminal organizations.

Colombian Heroin Smuggling Vectors: An Assessment

In order to assess smuggling vectors out of Colombia in terms of access, risk and connectivity, it is first necessary to revisit the various factors relating to terrain, tradition and domestic turmoil that facilitate these vectors at their points of origination. As noted at the outset of this chapter, the country displays a very high level of political risk in

²¹¹ For instance, in June 1995, 480 pounds of Colombian cocaine were seized in Gdansk, Poland, while a few days later the first sizable shipment of crack cocaine into Eastern Europe was disrupted a few kilometers away in Gdynia. See "Cali comes to Gdansk," *The Economist*, 10 June 1995, 50. Even earlier, in February 1993, nearly a ton of cocaine was seized in St. Petersburg. Since it would take years for the relatively small Russian cocaine market to absorb such a quantity, it was presumed that the final destination would be the wider European markets. For more on Colombian TCOs market penetration into Eastern Europe, see also Pablo Galarza, "Cocaine Czechs In," *Forbes* 149, no. 11 (25 May 1992), 18; and OGD, *World Geopolitics of Drugs* (2000), 123-4. In particular, the latter notes the activities of both Colombian and Nigerian TCOs in the Czech Republic.

²¹² The authors note two reasons for this projection, namely the growth of Colombia's domestic heroin industry and the gradual withdrawal of the Sicilian criminal organizations that have cooperated in the past with Colombian drug traffickers. Clawson and Lee, 77-8. For an earlier view of this phenomenon, see also Sterling, *Octopus*, 311-2.

²¹³ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 6.

²¹⁴ *Ibid.*, Ch. III, 34. Though Japanese TCOs have not been addressed directly at length in the course of this study, Booth notes that, "Although it is known that the Yakuza bankroll bulk shipments of drugs to Western markets, the extent of their involvement in present day international drug trafficking is hard to assess. They are virtually impenetrable and, given their organizational skills and financial prowess, not to say the cover Japanese world trade can afford them, almost impossible to combat." Booth, *Opium*, 310.

terms of the methodologies discussed in Chapter IV, and in many ways parallels the case of Afghanistan in its relatively remote terrain, endemic civil unrest and high levels of corruption, all of which can be seen as having a distinct and ongoing impact. In addition to the ramifications of the thriving trade in illicit drugs, the average Colombian must also deal with kidnapping and extortion attempts, periodic bombings in urban areas, ongoing depredations by various armed factions in rural areas, and other forms of entrenched systemic violence.

With respect to heroin, it is important to note that opium cultivation is a relatively recent phenomenon in Latin America and thus not nearly as embedded as coca production, though in many ways it can be seen its natural extension. As such, it is the latest and potentially the most lucrative of a succession of organized illegal enterprises undertaken by both domestic and transnational Colombian criminal groups. Over the past decade, there has been a dramatic increase in this activity, as these organizations continue to diversify their markets, leverage their competitive advantage by way of effective smuggling routes and methods developed to transport cocaine, and realize greater profit margins by offering higher purity levels than their competitors, particularly in key North American markets.

As discussed previously, the various geographic factors that serve to shape the smugglers' landscape at the national level can be sorted in terms of their physical, economic, political and human dimensions. To begin with physical geography, Colombia's terrain is difficult even by Latin American standards, and has historically led to a high degree of regional isolation and subsequent autonomy. Transportation by land is limited by absent or underdeveloped roads and rail lines, water navigation is for the

most part constrained by the availability of navigable rivers, and there is a significant dependence on domestic air travel.

Thus, within the country, both access and risk are impeded, though the high profit potential of the drug trade allows it to flourish nonetheless. However in terms of connectivity, Colombia's porous land borders with its neighbors, ocean access to both the Pacific and the Caribbean, and international air linkages allow a wide range of smuggling vectors to pass through. For the most part, while certainly limited by physical geography there is still a demonstrably wide range of options available to the relevant TCOs.

With respect to Colombia's economic geography, the dual impact of a weak central government and relative regional isolation have led to low economic interdependence between different parts of the country, as well as a multiple concentrations of populations rather than within the capital itself, in contrast to other nations in the region. Furthermore, though near the geographic center of the country, Bogota itself has never been a major economic center in relation to the major exports. This centrifugal tendency has been further compounded by an overall lack of economic development in rural areas, which has in turn led large numbers of peasants to become involved either voluntarily or involuntarily in drug cultivation and processing.

While more economically diversified than a number of other major drug producing countries, the influx of drug proceeds into Colombia have had a net negative impact nonetheless. The detrimental effects on the economy include hurting the competitiveness of traditional industries, promoting speculative investments, and diverting funding away from legitimate investments and into money laundering channels. Furthermore, these conditions help to perpetuate a climate of violence that has in turn

encouraged capital flight and discouraged legitimate foreign investment. However, the massive profits created by the drug trade have also served to dislocate Colombia's economic geography to the degree that access has become deeply entrenched and risk is largely mitigated by either bribery or coercion.

In addition to a history of ineffective central government and its ramifications, Colombia's political geography is also predicated upon the enduring primacy of elite rule, to include the maintenance of power by recourse to extra-legal means when necessary. By extension, a range of non-state actors with both political and economic motives have arisen to contest power in various parts of the country, with their activities often romanticized by various sectors of the population.

In the context of the drug trade, as in Afghanistan the physical control of territory is paramount to ensuring access, mitigating risk, and accruing the resultant profits, which has led drug traffickers to cooperate with or compete against leftist insurgencies, paramilitary militias, or even elements of the government itself at any given point in time and space. In particular, leverage over rural populations can be seen as crucial to ensuring that drug production proceeds unhindered. With respect to politically-motivated non-state actors, ideological trappings became largely secondary to the imperatives of accruing profits as external state sponsorship waned at the end of the Cold War, not only from the drug trade itself but also from various other illegal activities.

While in the recent past the Medellin and Cali cartels rose and fell in their attempts to challenge the nation-state, by respectively direct and indirect means, their successors have tended to be smaller, nimbler, and more diverse in terms of both structure and commodities offered. However, Colombian TCOs have generally shared a

number of other attributes that have made them extremely effective, such as their openness to innovation, opportunism and extensive transnational presence.

This very success, however, has in turn led the U.S. government to regard drug trafficking as perhaps the major threat within the hemisphere. Despite the vast number of assets have been dedicated to eradicating the drug trade in Colombia, the results have been decidedly mixed, as the empirical evidence suggests that overall connectivity has not been appreciably impaired. In addition to programs targeting drug production and processing upstream, U.S. vigilance with respect to the transit zone is a hallmark of these efforts. While at times other priorities have taken precedence, the linkage of this issue area to that of terrorism in the wake of 9/11 should have the effect of further solidifying this stance.

Finally, there are two primary features of Colombia's human geography that have an impact on the illicit drug trade, namely the presence of cross-border indigenous ethnic groups and trends relating to the movement of populations both domestically and internationally. With respect to the first, although the country's indigenous ethnic groups have been largely assimilated, their spatial distribution and sense of identity is increasingly transnational, which in turn not only facilitates migration but also other forms of unofficial economic activity. It should also be noted that a high proportion of rural drug cultivators are members of these groups.

Similarly, the overall number of displaced persons within Colombia shifting back and forth between rural and urban areas is significant, as the country has one of the highest refugee populations outside of Africa. Externally, large and growing expatriate communities have served to extend the potential reach of Colombian TCOs, particularly

in the U.S. As noted previously, however, this is not to insinuate that members of these ethnic groups are either more or less likely to be involved in illegal activity than other individuals, but rather that their mere presence can serve to facilitate access and mitigate risk with respect to the relevant smuggling vectors.

Thus, as in Afghanistan, a combination of physical, economic, political and human geographic factors have come together to create a firmly entrenched drug production and processing nexus in Colombia. However, unlike the case of Afghanistan, drug smuggling vectors moving outward from Colombia are largely controlled to some degree by Colombian TCOs. Over the past several decades, these groups have dominated the hemispheric trade in illicit drugs, especially with respect to the linkages between South American supply and predominantly North American demand.

As discussed in Chapter III, in some respects the demand side of this equation frames the geographic parameters for much of this activity as these smuggling vectors move generally northward. Colombian TCOs have been demonstrably success in adapting to changes in the smugglers' landscape by maintaining a considerable degree of access to key production areas and markets, and managing their risks by either mitigating them or shifting to less risky venues. However, the transnational logistics linking these products to primary markets, particularly those in North America are crucial as well.

The relevant sets of smuggling vectors exiting Colombia can be broken down into those proceeding respectively by land, by water and by air. By land, Colombia's borders are contiguous with those of Ecuador, Peru, Brazil, Venezuela and Panama. By water, the country's maritime access via both seaports and an extensive coastline allow for transit through both the greater Caribbean basin but the Pacific Ocean as well. By air,

both primary and secondary air connections also serve to facilitate a wide range of smuggling activity. Furthermore, it is important to reiterate that the transnational movement of heroin is often inextricably linked to, and in some cases actually coexistence with, that of cocaine.

Beginning with smuggling vectors exiting Colombia by land, there are numerous documented instances of drug smuggling vectors exiting the country via Ecuador. In terms of access, in addition to types of terrain similar to those found in Colombia, evidence of Ecuador's porous borders can be found in the spread of certain aspects of the drug trade, kidnapping and other forms of illicit cross-border activity between the two countries. In addition to proximity to both Colombian and Peruvian drug producing areas, access to the country's Pacific seaports and banking structure have allowed Colombian TCOs more options for smuggling as well as money laundering. Conversely, risk for these organizations is minimized by avoidance of some of the scrutiny that travelers and goods departing Colombia must endure.

In the case of Peru, there are a number of parallels with Colombia with respect to large-scale drug production and rural insurgency. However, the waning influence of the primary insurgent group in recent years has led to more operational scope for Colombian traffickers. While at the domestic level the interaction between these two types of non-state actors is similar to that found in Colombia, the transnational impact of these activities is for the most part managed under the auspices of Colombian TCOs. The regional preponderance of Colombian TCOs in both Peru and Bolivia can be seen in the demonstrable ability of these organizations to gain access to upstream operations at a

minimum of risk, in turn allowing them to in turn leverage these countries' potential for connectivity as well.

With respect to Brazil, the attractiveness of smuggling vectors out of Colombia moving eastward into the Amazon Basin and beyond hinges more on the issue of risk than of access. Incursions across the border by both Colombian non-state actors and government forces have been met with force as well as diplomatic protests. Furthermore, Colombian TCOs are not nearly as dominant in Brazil as elsewhere in the region, with some analysts seeing a greater Brazilian presence in the hemispheric drug trade in the near future. As such, Colombian TCOs must contend not only with risks imposed by government forces from both countries, but by competing criminal organizations as well.

As in Brazil, the spillover of not only drug-related activity but also the flow of both arms and refugees into Venezuela has become a significant issue. The failure of the current Venezuelan leadership to control this phenomenon has given Colombian insurgent groups in particular considerable sway within the border region. A combination of lax law enforcement and civil unrest have both enabled access and mitigated risks to Colombian TCOs and allowed them to take advantage of the country's considerable connectivity as a result.

As the last of Colombia's contiguous neighbors, Panama is also the gateway by land to the rest of Central America and Mexico, with its control of the Panama Canal further multiplying available smuggling vector options. The country's history of involvement in the hemispheric drug trade and the use of routes from northwestern Colombia into southern Panama to move illicit drugs also illustrate the reach of Colombian TCOs in particular. These organizations have been able to gain access to

Panama's transportation infrastructure and financial system, while the relocation of U.S. military assets and the relative inefficiency of Panamanian law enforcement and legal apparatus serves to keep risks to a minimum as smuggling vectors continue north by land.

The land border between Mexico and the United States is often the last barrier for many of the smuggling vectors originating in Colombia and traveling either by land or by water. In addition to very favorable access stemming for the most part from its physical proximity to major markets, the sheer volume of goods and people moving both legally and illegally serves to minimize risk. Moreover, such factors as the ratification of NAFTA, high levels of public corruption, and various types of strategic partnership between Mexican and Colombian TCOs further mitigate these risks. Generally speaking, a cyclical pattern of drug smuggling activity emerges, with activity shifting between the Mexican land border and maritime approaches via the greater Caribbean basin, often in response to U.S. law enforcement efforts.

Returning to Colombia proper, smuggling vectors by water can exit the country across either the eastern Pacific or the Caribbean. In general, routes utilizing the Pacific can return to land at any point along the western seaboard of Central or North America where risks can be minimized most effectively. Potentially offering more options in terms of access by virtue of its many islands and archipelagoes, and consequently more complexity, smuggling vectors crossing the Caribbean tend to be dominated by Colombian TCOs or their surrogates. However, the risks involved in transiting the region by water are highly dependent on the U.S. interdiction posture at any given point in time, and different islands or sets of islands offering optimal connectivity as a result.

Finally, with respect to air modes of transportation, both private and commercial aviation serve to facilitate a wide range of drug-related activity within Colombia. Outbound smuggling vectors from Colombia utilizing international commercial air links tend to involve either relatively small quantities carried by passengers or in luggage, or larger amounts in air cargo in cases where access can be controlled. While private air transit offers greater latitude, it is still constrained by geography as well as subject to monitoring by law enforcement entities. Smuggling vectors moving through airports also face tremendously increased scrutiny since 9/11, and thus much greater risk.

In the past, issues revolving around cocaine trafficking held primacy in U.S. policy-making, while Europe and other regions of the world have traditionally been more concerned with the transnational heroin trade. Though an increasing share of the world's opium supply is now produced in Latin America, by contrast coca is rarely produced outside the region. Moreover, the blurring of formerly distinct lines between different black markets continues apace. As such, the radical alteration of familiar patterns will most likely become increasingly common as the global economic and political climate changes.

Colombian TCOs are in many respects uniquely suited to take advantage of this evolution, and are continuing to expand their influence well beyond the hemisphere. These groups exhibit not only a highly sophisticated capability to manage extensive transnational supply chains, but also to prosper in the relatively difficult operational environment posed by the U.S. This is true not only with respect to drug smuggling vectors, as seen in the case of Florida, but also to money laundering as well.

Given this combination of experience and adherence to “best practices” within the field of smuggling, in the future the roads north may not be the only ones eventually dominated by Colombian TCOs. However, while these organizations have a demonstrable influence over the relevant logistical channels linking both their domestic drug production and that of much of the adjacent region to the major hemispheric markets in North America, in geographical terms their expansion to date has not been nearly as great beyond its core areas of hemispheric operation.

By contrast, Nigerian TCOs can be seen as taking this business model a step further by dispensing with the need to actually maintain control of drug cultivation areas and focus on connecting areas of supply and demand at a global level. However, before moving on to that issue, the next chapter examines the various extant conditions within Nigeria that have both facilitated the growth of such entities and continue to provide them with a safe haven.

CHAPTER VII
ENABLING THE ENTERPRISE:
NIGERIA AND ITS TRANSNATIONAL HEROIN SMUGGLING VECTORS

The final case study in this analysis is that of Nigeria. While not itself a major producer of opiates, the country has emerged as a major trafficking hub for heroin almost in spite of its physical geography. The primary function of Nigerian TCOs in this context is particularly important, as they provide the “legs” for a high volume of transnational heroin smuggling activity. This chapter represents a bit of a departure in terms of format compared to the previous two case studies, in which the relevant set of smuggling vectors reflect heroin solely in transit without the previously associated aspects of production.

As such, the first section deals with the domestic situation in Nigeria that enables widespread criminal enterprises, of which smuggling forms only a portion, to flourish. As such, endemic corruption, the legacy of colonial borders, the impact of oil’s dominance on the national economy, and the role of ethno-linguistic social ties and tensions are all germane to this discussion. Even in cases where this activity does not actually occur on Nigerian territory, the favorable smugglers’ landscape of the country provides an important enabling factor.

While the role of Nigeria proper as a base of operations is critical, in terms of transnational access, risk and connectivity an analysis of Nigerian TCOs demonstrates how discrete regional smuggling actors can interact with wider global black markets to form a seamless logistical continuum. The second section addresses the scope and activities of these organizations directly, with a focus on their expansion in recent years.

In particular, the demonstrable adaptability of these groups, particularly with respect to routes and methods, has been a major contributing factor to their continuing expansion. The Nigerian government's attempts to address the problem are also addressed, as is the spatial distribution of Nigerian and other West African expatriate communities. Finally, an assessment is made of the relevant smuggling vectors in terms of models, conventions and parameters used throughout this study.

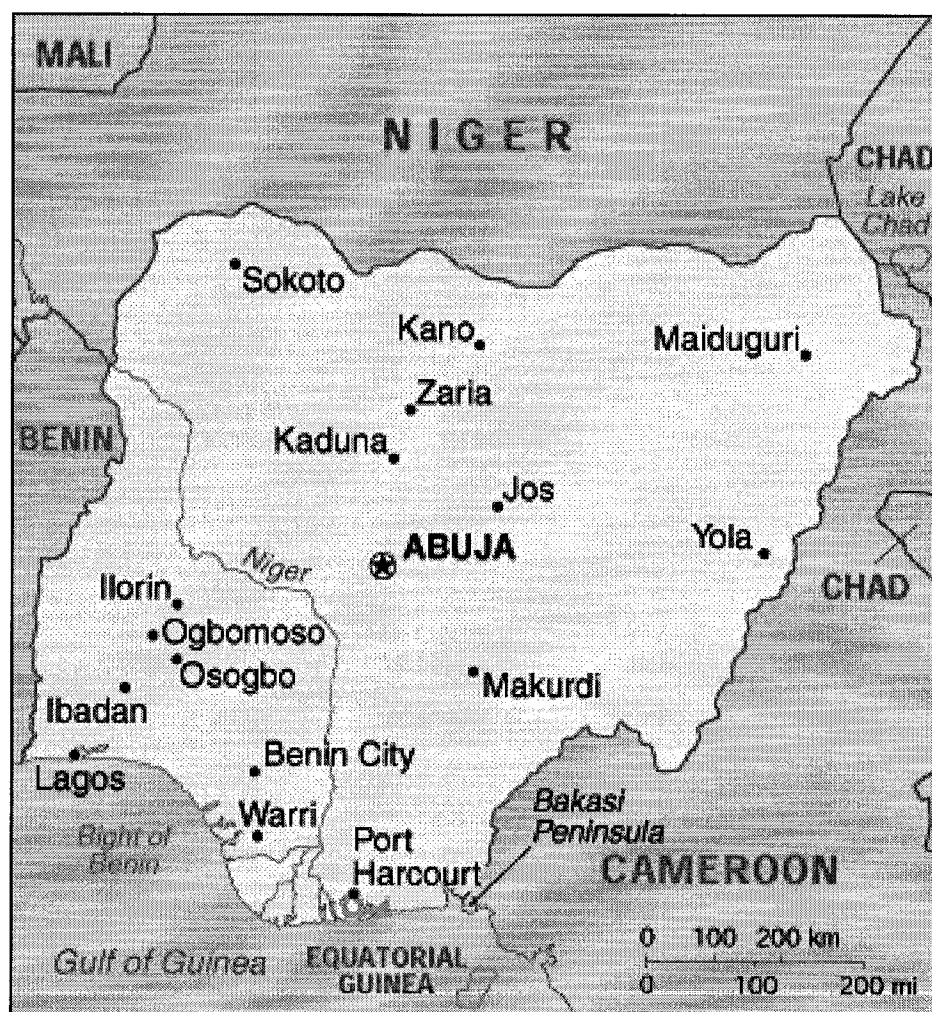


Fig. 20. Nigeria and surrounding region¹

¹ Map source: U.S. CIA, *CIA World Factbook* (2002).

Crime and Corruption in Nigeria: On Fertile Ground

While perhaps neither better nor worse in terms of crime and corruption than many other places in sub-Saharan Africa, what does stand out in the case of Nigeria are the scale and the scope of these activities. A multi-ethnic federation of 36 states, plus the federal capital territory of Abuja, the country encompasses more than 250 distinct ethno-linguistic groups. Furthermore, its demographic weight of 120 million represents approximately 20% of the population of sub-Saharan Africa.

Adding to existing internal and regional tensions, Nigeria's large and ethnically diverse populace has long been entangled in an extremely intense competition for access to state resources, primarily the massive nationalized petroleum revenues, via a highly developed spoils system. As Jeffrey Herbst notes, "Nigeria's problems stem from a peculiarly corrupt political economy combined with an unfortunately generous oil reserve."² Even more succinctly, *The Economist* observes that, "To understand Nigerian politics, you have to go back to one event: the discovery of oil."³

However, in some respects the root cause of Nigeria's ills is even more fundamental. As starkly put by Chinua Achebe, "The trouble with Nigeria is simply and squarely a failure of leadership . . . The Nigerian problem is the unwillingness or inability of its leaders to rise to the responsibility, to the challenge of personal example that are the hallmarks of true leadership."⁴ The ramifications of this sustained failure of leadership

² Jeffrey Herbst, "Is Nigeria a Viable State?" *The Washington Quarterly* 19, no. 2 (Spring 1996), 156. The author also notes "the pernicious political dynamic in which control of the state became critical in order to regulate the flow of patronage."

³ "Let down again: A survey of Nigeria," *The Economist*, 21 August 1993, 4.

⁴ Chinua Achebe, *The Trouble with Nigeria* (Enugu, Nigeria: Fourth Dimension Publishing, 1985), 3. Putting the issue even more squarely within the context of this analysis, U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – Nigeria," notes that "the narcotics and crime problems in Nigeria are deeply rooted in Nigeria's present governmental system, and in Nigerian society. It will require

across the course of decades will become self-evident as this analysis progresses.

Beyond the national context, this state of affairs is particularly relevant in that the combination of Nigeria's instability and strategic weight has the potential to further disrupt an already-fragile West African region, if not the entire continent.

As such, Nigeria offers extensive and fertile ground for a wide range of illegal activity, particularly for those with the proper political connections. The country itself has been described by one unnamed U.S. expert as a "massive criminal enterprise," largely due to its role as a major transit point for heroin from Asia and other drugs en route to Europe and the United States.⁵ As noted in 1995, "Nigeria's farmers have not gotten around to growing coca or poppies. But its entrepreneurs recognize a commercial opportunity when they see one, and there is no business as profitable as selling other people's drugs. Though far from the narcotic-growing zones of Latin America and Asia, Nigeria has become a big distribution hub."⁶

Since that time these trends have all accelerated. However, from an even wider perspective, one recent estimate characterizes nearly 80% of Nigeria's GDP as coming from the "shadow economy."⁷ As such, in addition to drug trafficking, a host of related

courageous political will for any Nigerian government to confront these difficult issues and bring about meaningful change."

⁵ Quoted in Dan Connell and Frank Smyth, "Africa's New Bloc," *Foreign Affairs* 77, no. 2 (March-April 1998), 88.

⁶ "Nigerian drugs, internal trade," *The Economist* (web edition), 26 August 1995. This article also notes the increasing use of drugs in the country, particularly among young urban males.

⁷ The supporting data is from a study by Friedrich Schneider of Johannes Kepler University, Linz, Austria, as cited in "Black hole," *The Economist*, 28 August 1999, 59. This is the highest percentage among those countries listed, and as such serves as a key indicator of the level of corruption endemic to Nigeria. Incidentally, the term "shadow economy," or the gap between the reported and actual GDP, is meant to cover not only overtly illegal economic activity but also unrecorded legal income. It is further noted that in emerging economies, "the shadow economy is driven not so much by the incentive to avoid taxes, which tend to be lower than in rich countries, as by a desire to evade the law." For a more focused analysis of this issue in the African context, see also Stephen Ellis and Janet MacGaffey, "Research on sub-Saharan Africa's unrecorded international trade: some methodological and conceptual problems," *African Studies Review* 39, no. 2 (September 1996), 19-42. A contrasting point of view is that black markets in Africa

and subsidiary phenomena necessarily contribute to this state of affairs. For instance, the west coast of Africa, off Nigeria and Senegal, is one of the two most piracy-prone areas of the continent.⁸ However, another more invasive and far-reaching phenomena is the prominence of Nigerian groups in certain types of financial fraud.

In particular, the solicitation of bogus advance fees from both individuals and businesses, in return for promised later windfalls, has proved quite lucrative. This class of criminal activity is known as “419” fraud, named for the relevant statute of the Nigerian penal code. Often, the perpetrators pose as officials representing the Nigerian government, banking establishment or national oil company. Furthermore, such groups also “capitalize on their ability to produce fraudulent identities and to suborn key employees of banks and companies in order to steal customer credit card data.”⁹

represent a dynamic force allowing the poorest elements of society to survive in the face of failing institutions and official corruption. An example of this perspective can be found in Tom Nevin, “The black market: alive and kicking in Africa,” *African Business*, no. 299 (February 1998), 8-11.

⁸ See U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 16; and “Those in peril on the sea,” *The Economist*, 9 August 1997, 40. The other main piracy area in Africa lies off Somalia’s east coast. While other regions, particularly Southeast Asia, have experienced more incidents in recent years, in Nigerian waters such activity is often coupled with the taking of hostages. Moreover, in general, African piracy tends to be characterized by a higher degree of violence than that found elsewhere. Lawrence J. Kahn, “Piracy: A Problem for the 21st Century,” presented at annual meeting of the National Cargo Security Council, New Orleans, Louisiana, 5 June 2000.

⁹ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 25-6. See also “Nigerian Fraud Syndicate Exposed,” *African News Service*, 25 August 1999, 100823u6870, which notes the solicitation by mail of British businesses to pay money up front in order to expedite the laundering of money for a percentage of the principal. Inevitably the participants see neither their investment again, nor the promised profit. Incidentally, in early 2002 the author was approached twice via e-mail by parties purporting to represent the Nigerian National Petroleum Corporation (NNPC) within the first two months of setting up a consulting practice. These messages illustrate a relatively obvious example of attempted advance fee fraud, which aims to entice victims into providing up-front funding for “necessary” expenses such as bribes, taxes and legal fees, in return for lucrative windfall profits. For a thorough overview of this phenomenon, see also U.S. Congress, House, “Nigerian Organizations and White Collar Crime: Testimony Provided by U.S. Officials before the Subcommittee on Africa of the House International Relations Committee,” *Transnational Organized Crime* 3, no. 2 (Summer 1997), 91-101. For more recent permutations of this phenomenon, see also “Scam of scams,” *The Economist*, 24 August 2002, 56.

Generically speaking, significant ambiguity surrounds Africa's overall economic performance, a situation underlined by the difficulty in obtaining reliable statistics.¹⁰ However, by international and even regional standards, Nigeria represents a particularly salient example of economic mismanagement and corruption. For instance, in his study of Nigerian business activity, Tom Forrest acknowledges that, "problems of measurement exist because of the porous nature of the Nigerian economy. Unofficial flows of goods, services, currency and labour across international boundaries in West Africa are important and may alter orders of magnitude."¹¹

The issue of corruption was initially discussed in Chapter II, and is pivotal to understanding much of the economic and political activity that occurs across the continent. However, it would be unfair to even broach this topic, endemic throughout sub-Saharan Africa as well as many other part of the world, without initial reference to the enabling factors, predominantly multinational corporations willing to pay the necessary bribes in order to do business.¹²

As the Speaker of the South African Parliament, Dr. Frene Giniwalla, observed at a European Business Ethics Conference in Frankfurt that the dictionary definition of corruption makes no distinction between the receiver and the payer of a bribe. Furthermore, the following point was also emphasized as well: "The truth is that international corruption is often tacitly supported and actively encouraged by Western

¹⁰ These issues are highlighted in Richard Grant and John Agnew, "Representing Africa: the geography of Africa in world trade, 1960-1992," *The Annals of the Association of American Geographers* 86, no. 4 (December 1996), 729-94.

¹¹ Tom Forrest, *The Advance of African Capital: The Growth of Nigerian Private Enterprise* (Charlottesville, VA: University Press of Virginia, 1994), 10-1. Moreover, despite a relatively optimistic assessment of the nation's economic activity and progress, the author does acknowledge that some of his accounts are "overly sanitized" with respect to both political corruption and drug trafficking.

¹² For more on this issue as it relates to the African context, see Anver Versi, "On corruption and corrupters," *African Business*, no. 215 (November 1996), 7.

countries. While most countries have laws against domestic corruption, only one – the USA – has made it illegal to bribe foreign officials. Many countries consider bribes to be legitimate business expenses that are deductible for tax purposes.”¹³

As an analytical point of departure with respect to corruption in Nigeria, however, it is worth returning to Paulo Mauro’s outline of the relevant casual factors involved in public sector corruption, all of which are quite evident throughout the Nigerian body politic. In particular, the relevant factors include various forms of government regulation, such as trade restrictions, subsidies and price controls, multiple exchange rates and low civil service wages. Furthermore, the author also notes the impact of natural resource endowments, predominantly oil in this case, and sociological factors, in particular strong kinship ties and subsequent ethnic factionalization as will be discussed below.¹⁴

According to the international organization Transparency International, Nigeria remained at the bottom of its annual Corruption Perception Index for 2000. However, while acknowledging efforts by the current government to stem systemic corruption, this report also noted that such entrenched attitudes take a long time to modify.¹⁵ Thus,

¹³ Quoted in *Ibid.*, 7-8.

¹⁴ Mauro, 4-5. Further putting these issues into context, see also Charap and Harm, 14-9. While critical of the more apologetic literature with respect to this subject, the authors note that definitions of corruption generally come from modern societies that take political legitimacy for granted and liberally use the term to characterize other societies with a wholly different set of structures and objectives.

¹⁵ See Barbara Crossette, “List Shows Corruption is Lingering,” *New York Times* (web edition), 16 September 2000. The annual Corruption Perception Index is based on surveys of risk analysts and representatives from international economic organizations. For the report itself, as well as more information on the underlying methodology, see Transparency International, *Corruption Perceptions Index Report 2000*, available at <http://www.transparency.org/cpi/2000/cpi2000.html>, accessed 15 July 2004. Interestingly, this is the first time that data has covered a three-year period, 1998-2000, rather than just a single year, which may serve to make the effects of Nigeria’s current anticorruption drive take longer to register. However, a relatively unprecedented step in the right direction took place in August 2000 with the impeachment of Chuba Okadigbo, the president of the Nigerian senate and thus the third highest official in the country, in relation to irregularities in the awarding of contracts. See “Nigerian senate president impeached after corruption inquiry,” *CNN.com*, 9 August 2000.

understandably enough, when the roots of corruption run this deep there are no easy solutions.

For instance, James T. Gire makes an excellent case that Nigeria's poor record of punishing corruption, particularly among the prevailing oligarchy, has led to other people emulating these corrupt activities to the point that the phenomenon has become pervasive at all levels of society.¹⁶ The tangible impact of this demonstration effect is that as law and order are undermined and the judicial system is blatantly skewed in favor of the rich, powerful and connected, the faith of ordinary Nigerians in their governing institutions becomes still further eroded.

Similarly, and with broader application throughout sub-Saharan Africa, George B. Ayittey develops the concept of the "vampire state" to delineate the detrimental effect of corruption on countries with weak democratic institutions. As such, Nigeria presents a prime example of a predatory oligarchy benefiting from providing less public order and avoiding good governance as defined in Chapter II, thus expanding the opportunities for corruption.¹⁷

Understanding this wider pattern of systemic crime and corruption, as well as its evolution, is a necessary precursor to the analysis of Nigeria's role in the transnational smuggling of heroin. In keeping with the structure used in previous chapters, this section addresses the key elements of Nigeria's physical, economic, political and human geography that have led to the country's rise to prominence within the realm of

¹⁶ James T. Gire, "A Psychological Analysis of Corruption in Nigeria," *Journal of Sustainable Development* 1, no.2 (Summer 1999), 1-11. See also George B. Ayittey, *Africa Betrayed* (New York: St. Martin's Press, 1992), 249-53.

¹⁷ This characterization is developed at length in George B. N. Ayittey, *Africa in Chaos* (New York: St. Martin's Griffin, 1999), 149-84. See also Douglas Marcouiller and Leslie Young, "The black hole of graft: the predatory state and the informal economy," *American Economic Review* 85, no. 3 (June 1995), 630-46; and William Renko, "Clandestine Economies, Violence and States in Africa," *Journal of International Affairs* 53, no. 2 (Spring 2000), 433-60.

transnational criminal activity. As with other aspects of this analysis, the divisions between these spatial variables are not clear-cut, and interactions among them will be discussed in context.

However, as in the previous case studies, to put these issues in perspective a brief overview of the Nigerian historical experience serves as the initial framework for this discussion. In particular, European colonialism set the stage for many of Nigeria's subsequent ills, most specifically with respect to international borders and endemic ethnic tensions. Moreover, many of these same unfortunate legacies can be seen across much of the rest of the continent.¹⁸ As this era began to unfold, an important component underpinning stability of the international system based on a balance of power was the capacity of Europe to expand its political, economic and military control of non-European territories.¹⁹

The watershed of this activity was exemplified by the "Scramble for Africa," the upsurge of European imperialism lasting from the 1870s to the 1890s that formalized the political partition of the continent. Incidentally, the imperatives to maintain the overall

¹⁸ With respect to pre-colonial West Africa, most relations among political entities appear to have been predicated upon asymmetries of power and the extraction of various forms of tribute. For an overview of these issues, see Robert S. Smith, *Warfare and Diplomacy in Pre-Colonial West Africa*, 2nd ed. (Madison: University of Wisconsin Press, 1989). See also E. A. Boateng, *A Political Geography of Africa* (London, UK: Cambridge University Press, 1978), 105-11, which notes the prior to the arrival of the Europeans, trade had flowed primarily via routes across the Sahara. However, as commercial activity utilizing the West African seaboard expanded, a steady movement of people from the interior to coastal areas began, along with a series of powerful new kingdoms springing up. Though these were generally short-lived and small in area, they mainly conformed to current linguistic and tribal groupings.

¹⁹ There can be little doubt that Europe's relative technical capabilities largely enabled these efforts. Robert L. O'Connell makes the case that, like the first period of European imperial expansion following the introduction of firearms, "the second climactic period of Western imperialism fell neatly in sync with the multifarious improvements in arms which took place during the latter half of the nineteenth century." He further characterizes the partition of Africa as taking place with "almost ridiculous ease." Small groups of Europeans armed with machine guns, "the perfect labour-saving device," time and again proved perfectly capable of slaughtering vast numbers of African warriors. Robert L. O'Connell, *Of Arms and Men* (New York: Oxford University Press, 1989), 231. See also Daniel R. Headrick, *The Tools of Empire: Technology and European Imperialism in the Nineteenth Century* (New York: Oxford University Press, 1981). However, with respect to both West and Central Africa in particular, the European penetration of the interior also had to wait until suitable anti-malarial drugs had been developed.

European balance of power during this period led to a convergence of Great Power interests in this issue area, with relevance not only to the status of colonial territories but also to wider issues involving the existing international system.²⁰

However, neither imperial ambition nor technological prowess alone fully explains European motivations. One major drawback of a metrocentric analytical approach to this phenomenon is that it gives too much credit to central governments' capabilities and intentions in the planning and execution of colonial endeavors. As the Scramble gained a momentum of its own, the relevant national actors were often compelled by circumstances beyond their immediate control, often predicated on the maneuvers of non-state actors such as missionary groups or private commercial ventures.

As such, rather than well-constructed strategies, either geopolitical or economic, the resultant pressures led to a mixed legacy as European colonial powers annexed large territories and developed spheres of influence, with varying degrees of administrative oversight, as the relatively short-term perceived interests of the time dictated.²¹ Evidence of these decisions, some apparently arbitrary even when being made, can be seen today all across the map of Africa.

²⁰ With particular reference to the European partition of Africa, as informal arrangements became increasingly less viable and the competition for influence and territory escalated, it became necessary to construct a framework for addressing these potentially volatile issues. The Berlin Conference of 1884-85 was in many respects an attempt to establish an international security regime to regulate this competition. As such, it aptly fits Robert Jervis' definition of a security regime as "those principles, rules and norms that permit nations to be restrained in their behavior in the belief that others will reciprocate." Robert Jervis, "Security Regimes," in *International Regimes*, ed. Stephen D. Krasner (Ithaca: Cornell University Press, 1983), 173. See also Mark B. Slater, *Barbarians and Civilization in International Relations* (London: Pluto Press, 2002), 37-9.

²¹ These included moves by other powers, initiatives by traders and administrators in existing colonies, public opinion, low perceived risk in comparison to returns, and the very situation the Berlin Conference was called upon to address, the breakdown of existing informal arrangements. David Kaiser, *Politics and War: European Conflict from Philip II to Hitler* (Cambridge: Harvard University Press, 1990), 283. For more background, see also Michael Doyle, *Empires* (Ithaca, NY: Cornell University Press, 1986); and Thomas Pakenham, *The Scramble for Africa: The White Man's Conquest of the Dark Continent from 1876 to 1912* (New York: Random House, 1991).

As part of the British colonial empire, Nigeria was initially governed as three separate regions, namely the north, east and west, each with its own capital and administration. With respect to these three regions, they also roughly coincided with the three dominant ethnic groups, the Hausa-Fulani in the north, the Ibo or Igbo in the south, and the Yoruba in the west. While the impact of Nigeria's multiethnic dynamics is discussed in context below, the following map illustrates the underlying demographic distribution in spatial terms:

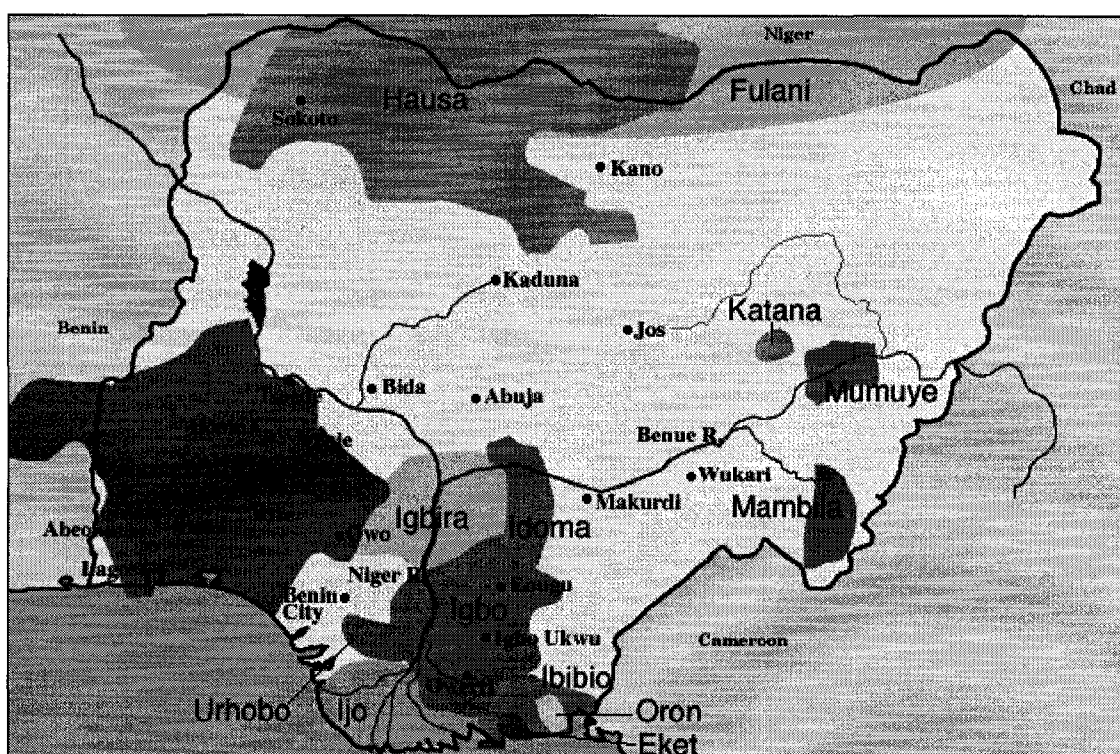


Fig. 21. Nigerian ethnic groups²²

In particular, indirect rule along the lines of the sub-continental Indian colonial model was common in the north. However, the decision of Frederick Lugard, the first governor-general of Nigeria, to administratively integrate the culturally disparate

²² Map source: University of Iowa, "Art and Life in Africa – Nigeria Information," available at <http://www.uiowa.edu/~africart/toc/countries/Nigeria.html>, accessed 15 July 2004.

northern and southern portions of the territory in 1914 was to prove pivotal to the country's future.²³ Furthermore, during this period, the British administration appears to have been content to overlook local corruption as long as Africans did not challenge their supremacy at the national level, an ominous precedent for the nation's future.²⁴

Following the Second World War, a broad wave of decolonization began to sweep across the globe, with Nigeria achieving self-rule and statehood in 1960.²⁵ The country's initial attempt at democracy came under Nnamdi Azikiwe, from 1960 to 1966. Following a series of four military rulers, notably Yakubu Gowon from 1966 to 1975, and Olusegun Obasanjo from 1976 to 1979, there was a second attempt at democracy under Shehu Shagari from 1979 to 1983.²⁶

From 1984 to 1993, the country once again experienced military rule under Muhammadu Buhari for the first two years and Ibrahim Babangida for the remainder. After a brief interim of civilian rule under Ernest Shonekan in 1993, there came the military dictatorship of Sani Abacha that lasted until his sudden death in 1998.²⁷

²³ See Eghosa E. Osaghae, *Crippled Giant: Nigeria Since Independence* (Bloomington, IN: Indiana University Press, 1998), 1-12.

²⁴ See Robert L. Tignor, "Political corruption in Nigeria before independence," *Journal of Modern African Studies* 31, no. 2 (June 1993), 175-202. The author also notes that British officials used the corruption issue in an attempt to delay the implementation of Nigerian self-rule. Underlining the link between the colonial legacy and ongoing issues of corruption, Osaghae, *Crippled Giant*, 25, further notes that, "The elite in Nigeria is factionalized mainly along ethnic, regional, religious and institutional lines, being the product of the uneven development and rivalry which British colonial administration fostered among the different segments."

²⁵ For a broad ranging analysis of decolonization in West Africa, see Rudolf Von Albertini, *Decolonization: The Administration and Future of the Colonies, 1919-1960* (New York: Holmes & Meier, 1982), 124-41.

²⁶ The two other military rulers during this period, Johnson Aguiyi-Ironsi during 1966, and Murtala Muhammed from 1975 to 1976, were assassinated in office. For more on patterns of military involvement in Nigerian politics, see also Osaghae, *Crippled Giant*, 54-6.

²⁷ See "Nigeria's unexpected chance," *The Economist*, 13 June 1998, 43. It was widely expected that Chief Mashood Abiola, who was widely considered as duly elected when Abacha seized power and thus was subsequently imprisoned, would take over as head of state. However, a month later Abiola was dead as well, due to an apparent heart attack while still in custody. See "Abiola's dangerous death," *The Economist*, 11 July 1998, 47. An excellent time line of the various Nigerian regimes since independence

Following a caretaker military government under Abdulsalami Abubakar, Obasanjo returned as an elected head of state in early 1999, a position he still retains as of this writing.

At the time of independence, Nigeria's new leaders rejected the former British system of a three-region parliament in favor of an American-style federal presidential system, in many ways an extension of Lugard's policies of centralization.²⁸ Though originally the federation centered on the three dominant ethnic groups, as noted above, this later expanded to four states in 1963, to twelve and then nineteen in 1976, to thirty in 1991, and finally to thirty-six in 1996.

However, a key flaw in this national conceptualization from the outset was that nearly all allocation of revenues ran outward from center. As such, with respect to the prevailing group identities, smaller tribes with no states under their collective control often had no real voice in national or even local affairs. Moreover, further compounding this situation at all levels, from collective to individual, is the ongoing issue of legitimacy.

The example of the British during the colonial period, though not the worst by relative standards, was still highly exploitative, and this unfortunate legacy can still be

up to this point can be found in "Nigeria's long road back to democracy," *The Economist*, 12 December 1998, 45.

²⁸ See "Let down again," *The Economist*, 5. See also E. Ike Udogu, "The allurements of ethnonationalism in Nigerian politics: the contemporary debate," *Journal of Asian and African Studies* 29, no. 3-4 (July-October 1994), 164-7, in which the author notes that the debate on the potential balkanization of Nigeria into geo-ethnic entities is not new, and in fact can be traced back to the colonial period. Specifically germane to this issue, the author includes a 1947 quote by Chief Obafemi Awolowo: "Nigeria is not a nation. It is merely a geographic expression. There are not 'Nigerians' in the same way there are 'English,' 'Welsh,' or 'French.' The word 'Nigerian' is merely a distinctive appellation to distinguish those who live within the boundaries of Nigeria from those who do not."

seen repeating itself in the policies of successive governments.²⁹ Even from the outset, as *The Economist* notes, “When Britain . . . left Nigeria, it handed authority over not to traditional rulers, who were viewed as having some legitimacy, but to doctors, lawyers and the horde of literate hustlers who did well in the British bureaucracy and the British army and now make up Nigeria’s ruling class.”³⁰

While the blame for the initial failure of these leaders to connect with ordinary citizens must be shared between both the outgoing British and incoming Nigerian administrations, the onus must rest upon the latter and their successors for subsequent shortcomings.³¹ As long as these pernicious systemic issues persist, the resultant friction between the rule of law and that of expediency will continue to plague the country. For instance, it is interesting to note the distinction between the various transitions to civilian rule, and that to democracy.

Highlighting this aspect of Nigerian politics, Amadu Sesay and Abiodun Alao point out that, “Democratization implies popular participation, free choice, popular will, etc., and it can only take place in an atmosphere devoid of military pressure. But the handing over of power to civilians by the military rarely takes into cognizance these

²⁹ Even when compared to the rest of Africa, as Beoteng notes, “Unlike the rest of the continent, especially East, South and North Africa, where the climactic and other physical conditions made a permanent white settlement possible, West Africa never experienced permanent settlement by Europeans, and trade and other forms of economic exploitation remained the primary object of European colonization efforts within the region.” Boateng, 102.

³⁰ “The roots of violence,” *The Economist*, 15 September 2001, 42. As evidence of the ordinary Nigerian citizen’s attitude toward those in power, Ayittey, *Africa in Chaos*, 35, notes that, “Most Nigerians collapsed into hysterical laughter when they heard their late head of state, General Sani Abacha, had launched a ‘war on corruption,’” as much of the looting of state assets was carried out by his own inner circle.

³¹ Taking a somewhat more charitable view, Herbst argues that the leadership in Nigeria is not significantly worse than elsewhere in sub-Saharan Africa. However, he does continue by noting that, “Nigeria stands out as a country whose national design has resulted in a political economy that may prevent it from moving forward irrespective of who is in charge and that will, seemingly inevitably, spiral downward.” Herbst, 154.

elements of democracy. Thus, many transitions end up as ‘stop gaps.’”³² As such, much of Nigeria’s political experience since independence can be seen as a near-perpetual transition to democratic rule, an end that appears no closer to fruition now than upon the eve of self-rule. Moreover, given the continuity of corruption and incentives to clientelism throughout the country’s history, democratization alone does not necessarily constitute the antidote to Nigeria’s many ills.³³

Within its current boundaries, Nigeria encompasses 923,768 square kilometers of territory, with an estimated 4,049 kilometers of shared land borders with Benin, Niger, Chad and Cameroon, and a nautical coastline of 1,600 kilometers. A further 9,000 kilometers of navigable inland waterways, primarily along the Niger and Benue Rivers, link the hinterland with the seacoast. The seacoast itself is comprised of a thick belt of mangrove swamp stretching from the border with Benin to the west and with Cameroon to the east, offering many opportunities for illegal smuggling activity.³⁴ In addition to this maritime access via its five major seaports, international airport facilities such as that

³² Amadu Sesay and Abiodun Alao, “Democracy and Security in Africa: The Changing Nature of a Linkage,” in *Africa After the Cold War: The Changing Perspectives on Security*, ed. Adebayo Oyeade and Abiodun Alao (Trenton, NJ: Africa World Press, 1998), 53. See also Ayittey, *Africa in Chaos*, 241-3.

³³ As Herbst notes, this became particularly apparent during Nigeria’s second attempt at democracy under Shahu Shagari, from 1979 to 1983, “After the fact investigations by subsequent military governments discovered levels of corruption . . . that astonished many even in a country long familiar with state-sponsored theft.” Herbst, 174. The following passage illustrates the disgraceful benchmark this administration set: “With a great potential for a viable economy and a sound industrial base, Nigeria, soon after independence, launched itself on the path of economic mismanagement and large scale corruption. The Second Republic especially epitomized the height to which corruption could climb in an African country. In 1979, when the military left the political stage, Nigeria’s external reserve was \$5.1 billion. The country, in addition, earned some \$51.6 billion from petroleum and non-oil exports between 1979 and 1983. But by the time the civilian administration was terminated in December 1983, the country was indebted externally and internally to the tune of \$26 billion. This meant that in four years, the government of the Second Republic had access to over \$82 billion out of which \$17 billion could not be accounted for.” Victor Oguejiofor Okafor and Sheriffdeen Tella, “Economic Development and the Prospect for Economic Security in Africa,” in Oyeade and Alao, 21. However, a differing point of view is offered by Gire, 5, who notes that, “It is common knowledge today that the best time to embezzle money in Nigeria is during a military regime because the military is never probed.”

³⁴ These physical parameters and their impact are set out in U.N. Office for Drug Control and Crime Prevention (ODCCP), “Nigeria Country Profile – Political and Economic Situation,” (New York: ODCCP, 22 June 2002), 1.

in Lagos provide moderately good commercial links between Nigeria and the rest of the world.

However, in the context of physical geography, the single most important factor contributing to Nigeria's present situation is the existence of massive petroleum reserves within its territory, primarily centering in the Niger River delta region. Oil exploration within the country began in 1937 as a joint venture between Shell Oil and British Petroleum, with the first positive indications of extensive reserves being found in 1956.³⁵ Unfortunately, Nigeria's overall experience with oil wealth and its subsidiary effects can be characterized as highly detrimental, and lends credence to the argument that an abundance of natural resources may not always be considered a blessing.³⁶

Rather than being used for productive purposes, in effect Nigerian oil revenues both overshadow and taint much of the country's economic, political and human landscape. Dating from the early 1970s, a sharp rise in Nigeria's revenues from petroleum due to a combination of increases in production and higher prices worldwide also made political power more valuable, especially after the oil sector was nationalized in 1979.³⁷ As a result, the already heated competition among the various ethnic groups for control of the state and its attendant political processes can be seen as becoming all the more pronounced.

³⁵ Daniel Yergin, *The Prize: The Epic Quest for Oil, Money and Power* (New York: Simon & Schuster, 1991), 527.

³⁶ For a more generic discussion of the seemingly paradoxical role that natural resources can have in impoverishing countries, see also "Ungenerous endowments," *The Economist*, 23 December 1995, 87-89. In particular, it is noted that, compared to human and capital resources, "The value of natural resources is, indeed, clear – provided that other things are equal. The trouble is that other things are never equal." An overview of African oil production can be found in Jonathan Bearman, "Oil: The barrel runneth over," *African Business*, no. 211 (June 1996), 8-11. For further examples of how oil dislocates other economies in West Africa, specifically São Tomé, Equatorial Guinea and Gabon, see also "What oil can do to tiny states," *The Economist*, 25 January 2003, 47.

³⁷ As noted on Yergin, 696, the Nigerian government nationalized British Petroleum's extensive holdings in response to allegations of the company's indirect sales of oil to the apartheid government of South Africa. These assets were subsequently auctioned off on the open market at even higher prices.

In strictly economic terms, Nigeria's potential petroleum wealth is vast. At present it is the fourth largest producer among the members of the Organization of Petroleum Exporting Countries (OPEC), and the fifth largest exporter of oil to the United States. In total, the country has estimated proven oil reserves of 22.5 billion barrels, with net oil exports for 2001 of 1.9 million barrels per day earning \$19.5 billion.³⁸ In particular, Nigeria's status as a major supplier of oil to the United States gives it at least some insulation from international pressure, the ramifications of which are discussed in the next section.

In practice, however, the predominance of oil has served to stifle the growth of other sectors of the economy. As noted by *The Economist* in 1999, "Oil, or rather the misuse of oil money, has been the downfall of Nigeria." With the rising price of oil, there was a scramble from all quarters of the national polity to get a share of the windfall profits, while the local currency, the naira, appreciated to such an extent that it all but destroyed traditional agricultural exports such as cocoa, cotton and groundnuts.³⁹ For instance, between 1983 and 1993, petroleum as a share of exports rose from 96% to 98%, while by comparison manufacturing as a portion of GDP remained at only 8.6%.⁴⁰

Moreover, access to these petroleum reserves gives the Nigerian leadership a cushion for corruption, as it is not directly linked to the country's actual economic performance. The immense temptation to pilfer the public coffers is particularly insidious in that not only do such assets constitute unearned income, but their mere

³⁸ These figures are cited in "Vital Statistics: Oil and Energy in Nigeria," *Drillbits and Tailings* 7, no. 6 (31 July 2002), available at http://www.moles.org/ProjectUnderground/drillbits/7_06/vs.html, accessed 15 July 2004.

³⁹ See "Can Obasanjo save Nigeria?" *The Economist*, 6 March 1999, 44-6, and "Boiling oil," *The Economist*, 14 April 2001, 44.

⁴⁰ These statistics are cited in "Let down again," *The Economist*, 7. Furthermore, Forrest observes that indigenous capabilities were undermined as immense oil profits "encouraged easy access to a flood of imported technology that was extremely wasteful and disruptive of local learning processes." Forrest, 236.

existence also serves to raise expectations among ordinary Nigerians. The unfortunate reality of the situation is that, on average, Nigerians are poorer now than they were before oil was discovered.⁴¹ Further collateral effects of this economic dislocation include weak or non-existent contract law, poorly regulated financial systems and the rampant bribery of officials.⁴²

While oil is the most tangible of Nigeria's resources, its human capital in the form of cheap, plentiful labor should not be overlooked. However, the lack of economic development beyond the petroleum sector translates directly into insufficient domestic employment opportunities. As a result, a large number of bright, articulate, well-educated Nigerians are encouraged to emigrate and, in some cases, turn to criminal activity with a high degree of success.⁴³ Moreover, in response to criticism over low

⁴¹ During the first 14 years of its oil boom, 1973 to 1987, per capita income in Nigeria fell 22%. Furthermore, during the "oil boomlet" of 1990-1 caused by the Iraqi invasion of Kuwait, the World Bank estimated a windfall of \$14 billion, or a 49% increase, all but disappeared by 1992. Finally, between the period from 1980 to 1993, Nigeria is the only developing country in the world with a population over 100 million to have a negative per capita growth rate. Statistics cited in Herbst, 159-62. In 1983, however, market pressure from a price cut in North Sea oil, which competes directly with Nigerian oil in terms of quality, served to undercut NNPC profits. However, the collapse of the country's oil boom in mid-1980s can largely be explained by the unreported and illicit pumping of oil, with the complicity of government ministers and employees of the NNPC. Ironically, one destination for this oil was South Africa, at the time under a range of international sanctions. To further complicate matters, the standard practice of paying for oil upon delivery rather than at the time of loading rather than unloading lent itself to various forms of fraud, such as advance fees and selling the same, often non-existent, oil to multiple customers. See R. T. Naylor, *Patriots and Profiteers: On Economic Warfare, Embargo Busting and State-Sponsored Crime* (Toronto: McClelland & Stewart, 1999), 141-2; and Yergin, 720. For more on the ramifications of this type of activity, see also U.S. DOT, MARAD, "Maritime Fraud Pounds Nigerian Insurers," *Maritime Security Report*, no. 1 (August 1995), 19-20. In particular, this report notes that maritime fraud costs the Nigerian insurance industry an estimated \$50 million per year.

⁴² As *The Economist* notes, "Ultimately, it is political as well as economic failings which have handicapped Africa's efforts to reform. Governments fear the protests which reform tends to provoke; and the paraphernalia of state control – rationing goods, issuing licenses, staffing state enterprises – tends to suit governments that want friends and fellow tribesmen in the right places." "A flicker of light," *The Economist*, 5 March 1994, 24. Cited as an example of these institution shortcomings, in 1992 approximately \$3 billion, or 10% of annual GDP, disappeared out of Nigerian public accounts, with half that amount vanishing in the first half of 1995.

⁴³ Williams and Savona, 19. This point is also well made in "Let down again," *The Economist*, 6-7, 9. The following from a recent U.S. government assessment also echoes this observation. Though written with specific regard to Southeast Asia, parallels with West Africa also exist: "Unskilled young males in or from these regions – especially those who have migrated to urban areas where they have few job prospects – are

rates of economic growth throughout Africa, *The Economist* also notes that, “Entrepreneurs across the continent disprove the insulting proposition that Africans do not respond to profit motive in the same way as anyone else.”⁴⁴ This dynamism will become even more readily apparent in the next section.

At times, Nigeria’s economic policies have further compounded the existing inefficiencies associated with primary dependence on a single commodity. For instance, in 1994 the World Bank incongruously listed Nigeria as one of only six sub-Saharan African countries with sound macroeconomic structures, including improved industrial output, exports, savings rates and per capita income. However, in January of the same year Abacha’s military government did away with these reforms, fixing an official exchange rate twice that of the free-market rate, and ordering interest rates down to negative real levels.⁴⁵ As many of the hurdles to legitimate commerce are political, it is no coincidence that much of this entrepreneurial spirit is forced to find expression within illegal activity.

Though generally optimistic otherwise with respect to the country’s overall business climate, Forrest does note that, “Nigeria is a high-risk environment emanating from economic instability, political uncertainty and from inconsistent and unpredictable

a prime source of recruits by drug trafficking and other criminal organizations.” U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 25. More broadly speaking, as noted in Boateng, 129, internal economic disparities have led to the movement of labor from the relatively less developed interior to the coastal regions.

⁴⁴ “A flicker of light,” *The Economist*, 22.

⁴⁵ *Ibid.*, 21-4. Similarly, and unsurprisingly, the series of corruption investigations that began as the Abacha regime replaced that of Babangida achieved little in practice. For more on the initial hopes surrounding this effort, see Ocherome Nnanna, “Corruption unlimited,” *African Business* 23, no. 195 (January 1995), 23-4.

changes in government policies.”⁴⁶ Moreover, neither periodic international pressure nor the country’s involvement in such supra-national organizations such as the regional economic bloc, the Economic Community of Western African States (ECOWAS), have provided incentives significant enough to effect real change.⁴⁷

However, as mentioned at the outset of this analysis the ongoing crisis of leadership presents an even more fundamental dilemma, despite the possibility that the actual personalities involved may be less important than the underlying structural deficiencies. As Nigerian Nobel Prize recipient Wole Soyinka notes, “To obtain a basic understanding of today’s reality of Nigerian politics, one had better learn about and come to grasp with the phenomenon of the spoils of power.”⁴⁸ Since the government administers most of the assets of the country, notably oil revenue as discussed above, the control of political authority is the most prominent means to wealth, as well as an end unto itself.

In conjunction with the widespread use of official office to siphon public assets, known in local slang as “chopping,” corruption in Nigeria generally takes the form of a spoils system based on either kinship affiliation or some other functional basis for clientelism. The immensity of the country’s oil wealth in many ways serves to insulate Nigeria’s leadership from any sense that a day of reckoning may someday come since,

⁴⁶ Forrest, 234. While the author is writing primarily with respect to the underlying causes of capital flight, or the reluctance of Nigerians to invest in their own country, the same dynamics also serve to deter external investment.

⁴⁷ At present, this is only one among a dozen competing and overlapping economic blocs on the continent. See “Afrabet soup,” *The Economist*, 10 February 2001, 77. Incidentally, Ayittey, *Africa in Chaos*, 17, also notes allegations of looting by members of the Nigerian contingent of the ECOWAS Ceasefire Monitoring Group (ECOMOG) resident in Liberia during the early 1990s. Ironically, this effort itself was linked to wider Nigerian notions of its own “manifest destiny” in terms of leadership within sub-Saharan Africa. See Osaghae, *Crippled Giant*, 29-30; and ‘Funmi Olonisakin, “Arresting the Tide of Mercenaries: Prospects for Regional Control,” in *Mercenaries: An African Security Dilemma*, ed. Abdel-Fatau Musah and J. ‘Kayode Fayemi (London: Pluto Press, 2000), 248.50.

⁴⁸ Wole Soyinka, *The Open Sore of a Continent: A Personal Narrative of the Nigerian Crisis* (New York: Oxford University Press, 1996), 62.

despite the apparent perceptions to the contrary, these resources are in fact finite. As such, a looming impasse lies in the country's sheer demographic size and constantly expanding number of factional relationships, which in turn must be cemented by increasingly greater amounts of money, eventually more than can be even theoretically made available.⁴⁹

In this respect, both political and human geography can be seen as intertwined to an exceedingly high degree. This is particularly true in assessing the political dimensions of ethnicity and the ethnic dimensions of politics. Given the prevailing zero-sum view of domestic Nigerian politics, the result is that ethnic groups with numerical superiority or some other socio-economic advantage are able to marginalize minority ethnic groups. Thus, though the latter have a distinct interest in good governance in order to protect their collective interests, in practice this seldom amounts to more than mere wishful thinking.⁵⁰

As successful politicians reward their ethnic constituencies and seek to deny resources to other groups, systemic instability is both reinforced and institutionalized.⁵¹ Furthermore, in this context, ethnic competition is not just about political power, but

⁴⁹ Herbst, 157-8.

⁵⁰ This ethnic marginalization can be readily seen against the detrimental human impact of the Nigerian oil industry. Groups such as the Ogoni and the Ijaw living in the swampy coastal oil-producing areas have received relatively little benefit from the wealth pumped literally out from under them. In turn, this has led to attacks on oil installations, damage to pipelines and the kidnapping of oil workers by local militants. For their part, multinational oil companies operating in the country have resisted any suggestion that any party besides the Nigerian central government, via the national oil company, holds title to these assets. However, the primary offshore operator, Royal Dutch / Shell, has recently begun to unilaterally allocate funding to development projects in the region. A more extensive analysis of this issue, focusing on the eastern portion of Nigeria from 1990 to 1993, see Eghosa E. Osaghae, "The Ogoni uprising: oil politics, minority agitation and the future of the Nigerian state," *African Affairs* 94, no. 376 (July 1995), 325-44. For more on two separate episodes in which theft from damaged pipelines has led to explosions and considerable loss of life, see also "A catastrophe bound to happen," *The Economist*, 24 October 1998, 44, and "The high price of Nigeria's oil," *The Economist*, 15 July 2000, 46.

⁵¹ As a result, "Whereas this instrumentality and strategy in politics is not peculiarly or uniquely Nigerian, the very form which it takes is often blatant and impedes Nigeria's quest for political atomism." Udogu, 166-7.

extends into many other spheres of the country's public and private sectors.⁵²

Unfortunately, in both the African context and beyond, Nigeria is by no means alone in these respects.

As E. Ike Udogu notes, "In sum, conflict is a significant dimension of ethnicity, and this is where ideology becomes problematic in endeavors toward the successful governance of most African polities."⁵³ Many of these dynamics can be seen throughout the continent. In particular, the legacy and the burden of Africa's often-arbitrary colonial boundaries, rarely coinciding with pre-existing ethnic ones, provide an inherent stimulus toward ethnic competition.⁵⁴ Despite these endemic animosities, however, there remain a number of vested interests involved in maintenance of these political boundaries.⁵⁵

⁵² For instance, ethnic tensions also play out within the country's military, traditionally the de facto if not the actual power brokers within the country. For a more comprehensive analysis incorporating the Nigerian experience with this phenomenon, see Pradeep P. Barua, "Ethnic conflict in the military of developing nations: a comparative analysis of India and Nigeria," *Armed Forces and Society* 19, no. 1 (Fall 1992), 123-37. There have also been numerous instances when the military has been used to settle ethnic scores, as in the communal violence between the Tiv and the Jukun, in which the forces sent to keep the peace ended up killing a reported 136 Tiv civilians. See "Military terror tactics," *The Economist*, 3 November 2001, 54. Moreover, an ethnic quota system also dominates access to higher education, as discussed in "No easy answers," *The Economist*, 10 September 1994, 47-8; and Herbst, 154.

⁵³ Udogu, 162. Moreover, writing in 1998, Abiodun Alao and Funmi Olonisakin, "Post Cold War Africa: Ethnicity, Ethnic Conflict and Security," in Oyeade and Alao, 136, note that, "Nigeria seems to be one of the countries where ethnic differences is most likely to be the dominant issue till the end of the this century and well into the next." Supporting this conjecture, an overview of several recent instances of communal violence in Nigeria can be found in "Reaching for your machete," *The Economist*, 31 July 1999, 36. For a broader analysis of this phenomenon, see also Eghosa E. Osaghae, "Managing multiple minority problems in a divided society: the Nigerian experience," *Journal of Modern African Studies* 36, no. 1 (March 1998), 1-24. A more focused case study of the traditional conflict between the Tivs and the Jukuns in the central Nigerian state of Benue can be found in Karl Maier, "Eternal enmities," *Africa Report* 37, no. 3 (May-June 1992), 17-8.

⁵⁴ For instance, noted in Beoteng, 109, "The partition of West Africa into distinct territorial units ruled by different colonial powers had the effect of bringing several different tribal groups together for the first time under a single external political authority. But since the new political boundaries had been drawn without any serious reference to the wishes or interests of the local populations the resulting political units turned out to be no more than mere geographic expressions totally unrelated to the ethnic and socio-economic realities of the region. A similar characterization of political boundaries can be made for much of the rest of the continent as well.

⁵⁵ Foremost among these parties has been the Organization of African Unity (OAU), which has upheld the inviolability of colonial borders since its inception in May 1963, as well as sitting heads of state in the region and the various international bodies dedicated to economic aid and development. The first, and to date only, precedent for changing colonial boundaries in Africa is the independence of Eritrea from Ethiopia in 1993. The organization, rendered largely irrelevant by its failure to condemn even the most

In many respects, the legacy of attempted secession of the Biafra region highlights these ongoing ethnic cleavages within the country, particularly between north and south, which shape the country's human geography. This unsuccessful endeavor, centering on the southern and eastern Ibo-majority areas, lasted from May 1967 to January 1970 and launched the country into a major civil war. It was considerably prolonged by external support for the secession, though the lasting effects are reflected primarily in the context of domestic inter-ethnic relations.⁵⁶ Its underlying dynamics can be seen as a struggle on the part of the Ibo to free themselves from Hausa-Fulani Muslim domination from the north.

However, in their failure the Ibo also felt immensely betrayed by the lack of support by the Yoruba, the third major demographic group in the country, expected to lend their demographic weight in light of perceived common interests.⁵⁷ This in turn lent yet another dimension to the existing tripartite tensions among the majority groups.⁵⁸

Pondering the Biafran secession attempt and subsequent civil war, Nigerian intellectuals

egregious behavior on the part of its members, has recently been superceded by the African Union, which has yet to be tested in this respect. See "New Name, Similar Struggles For Group of African Nations," *New York Times*, 5 February 2003, A8. With specific reference to Nigeria's borders, see Herbst, 151-72. In particular, the author contends that the underlying optimism that any given country can develop economically within its existing boundaries is irrational, as demonstrated by the burgeoning number of failed and failing states. In light of the issues discussed in previous chapters, his assertion that, while economics and particularly the flow of capital has evolved dramatically in recent years, "The ultimate framework for business – the nation-state – has, however, almost everywhere remained unchanged." However, Herbst does make a distinction between his views and those put forth in Kaplan, "The Coming Anarchy," passim, in that it is necessary to assess developing countries on a case-by-case basis, rather than simply make generalizations.

⁵⁶ For more on the various forms of external support received by Biafra, as well as the shady activities of the middlemen involved in circumventing the subsequent U.N. embargo on arms to the secessionists, see Naylor, *Patriots and Profiteers*, 153-6.

⁵⁷ The underlying rationale for the Ibos' expectation of Yoruba support rests primarily on fears of northern Hausa-Fulani dominance and the need to balance this situation. While the salience of religious differences will be addressed at greater length below, more generically there are longstanding dichotomies that exist throughout West Africa between inhabitants of the coastal areas and those of the interior. On the one hand, the former tend to be more politically sophisticated and economically developed, while those of the interior are for the most part more conservative and often suspicious of their counterparts. Boateng, 118-9, 122-5.

⁵⁸ See Alao and Olonisakin, 136-7. For more details of the genesis, evolution and outcome of this conflict, see also Osaghae, *Crippled Giant*, 63-9.

such as Soyinka were able to ask the pointed question as to whether or not mere geographic integrity, rather than the nation itself, had been saved.⁵⁹

The lingering effects of these divisions is that successive governments have had to engage in a balancing act in order to maintain even a modicum of nationwide authority.

As Herbst notes:

Governments have always had to mollify fears in southern Nigeria of the Hausa / Fulani political domination while at the same time attempting to win the confidence of the peoples of the relatively more underdeveloped North through the deliberate allocation of industry, infrastructure, and commercial assets. Indeed, the peoples of the South, especially in the oil-producing areas, openly protest the “enrichment” of the North via the state at the expense of the South and demand, in turn, to be compensated.⁶⁰

However, further exacerbating the cleavages among the Hausa-Fulani, Ibo and Yoruba, there is also the issue of religion.

Broadly speaking, moving from north to south, the far north can be described as overwhelmingly Muslim, the central band running from east to west as mainly Muslim, and the far south as mainly Christian. Tensions among these groups is most concretely manifest in the periodic attempts to apply Islamic *sharia* law within those states controlled by Muslim majorities. Moreover, episodic communal violence with religious overtones can also be observed on a semi-recurrent basis.⁶¹

Putting all of these issues into proper perspective vis-à-vis the focus of this study, the transnational smuggling of oil is particularly germane in that it illustrates aspects of

⁵⁹ This question is pondered at length in Soyinka, 28-30. In particular, the author notes the lack of debate on the subject of Nigeria's territorial integrity, attributing support for the status quo more to the interests of those in power than to a genuine feeling of cohesiveness on the part of the nation's citizenry.

⁶⁰ Herbst, 157-8. See also “Let down again,” *The Economist*, 5, 10-2, which further emphasizes the role of strong kinship ties in facilitating this phenomenon.

⁶¹ In 1966, the massacre of thousands of Ibo Christians in the city of Kano was a precipitating factor in the Biafran secession attempt. See Osaghae, *Crippled Giant*, 130-3; “Islamist push,” *The Economist*, 6 November 1999, 48-9; and “When the law becomes a sword,” *The Economist*, 8 July 2000, 47. See also “Let down again,” *The Economist*, 12-3.

all the aforementioned dimensions of geography. To begin with, in terms of the necessary profit motive, there is a direct link between this activity and national monetary, exchange rate, and oil pricing policies, in that the resultant cross-border price differentials make it an extremely attractive and lucrative proposition given adequate political connections.⁶²

In practice, the common border with Benin offers a case in point. Specifically, the use of “secret” trails to avoid customs checks, various cross-border canals and other water routes, and illicit markets and warehouses all support this activity, with officials on both sides paid to turn a blind eye. As OGD noted in 2000, “Within this context it is almost impossible to distinguish between the ‘illegal’ smuggling of legal goods and the illegal trafficking of illegal goods, such as narcotics and possibly arms.”⁶³

As such, it is hardly surprising that there exists a chronic domestic shortage of gasoline, despite a national refining capacity able to meet domestic demand twice over, though this has been allowed to languish. To make up the shortfall, fuel is often imported at emergency prices, an activity that nets millions for those with the proper official protection from arrest and prosecution.⁶⁴ However, despite its economic and social costs,

⁶² An excellent analysis of this phenomenon can be found in Wang, *passim*. Moreover, in the early 1980s under the Buhari regime, the offences of the smuggling and illegal stockpiling of oil were made capital crimes. Osaghae, *Crippled Giant*, 172. Presumably, this only applied to the lower echelon of those involved in this activity and unlucky enough to be apprehended.

⁶³ OGD, *World Geopolitics of Drugs* (2000), 213. Incidentally, this distinction also underlines the typology of smuggled goods put forth in Appendix A.

⁶⁴ See “Abacha’s wobbly throne,” *the Economist*, 30 May 1998, 45-6. In particular, daylong lines at gas stations have served to inflame public emotions at the grass-roots level. This problem persists into the current Obasanjo administration, which claimed to have spent over \$1 billion to import fuel in 2000. However, “much of this was promptly smuggled abroad, to Benin, Niger or Cameroon,” or sold inside Nigeria on the domestic black market. See also “Fuelling trouble,” *The Economist*, 24 March 2001, 56.

efforts to rescind the existing gasoline subsidy have generally met with strikes and other forms of public protest.⁶⁵

In summary, the following passage succinctly underlines many of the issues noted throughout this section: “In view of the prevalent political and socio-economic situation, a burgeoning unemployed, underemployed and youthful population, the relatively porous borders and corruption of the security network, the country is ripe and burdened with drug abuse, drug trafficking and related crimes.”⁶⁶ By way of transition, the growth of domestic Nigerian drug use, shifting the country from a straightforward trafficking role to one that includes significant consumption, does not auger well for the nation’s future.⁶⁷

Furthermore, as a fitting segue into the next section, in the context of transnational refugees Nigeria’s capacity to generate massive outward population flows is generally ignored in the literature, despite its extremely high potential. In particular, such movement is generally linked to civil conflict, high levels of economic mismanagement, unfulfilled expectations, endemic underemployment and ongoing ethnic and religious disputes.⁶⁸ The resultant augmentation of the already considerable West African diaspora in turn offers expanded opportunities for Nigerian TCOs to increase their global reach.

Having outlined the parameters that enable criminal activity and corruption to flourish in Nigeria, the next section moves on to wider issues of heroin smuggling on the part of Nigeria TCOs at the transnational level of analysis. In particular, this involves a focus on drugs in transit from source to destination in an area of operations encompassing

⁶⁵ As of 1994, this had happened twice at the national level. “A flicker of light,” *The Economist*, 22.

⁶⁶ U.N. ODCCP, “Nigeria Country Profile – Political and Economic Situation,” 4.

⁶⁷ Explanations for this include a push by traffickers to develop the local market, and the growth of the practice of paying couriers in drugs. See Sam Kiley, “Booming trade in cut-price drugs adds to Nigeria’s woes,” *Times* (UK), 29 June 1998; and Hugh Dellios, “Once Just a Supplier, Nigeria Develops Heroin Woes,” *Chicago Tribune*, 29 July 1998, A1, 4.

⁶⁸ See Toyin Falola, “Nigeria in the global context of refugees,” *Journal of Asian and African Studies* 32, no. 1-2 (June 1997), 6-7.

arguably the largest geographic area among all extant criminal organizations. By managing a substantial portion of the “legs” for an extensive set of smuggling vectors linking major production regions to key markets, these organizations are pivotal to enabling the global drug trafficking enterprise.

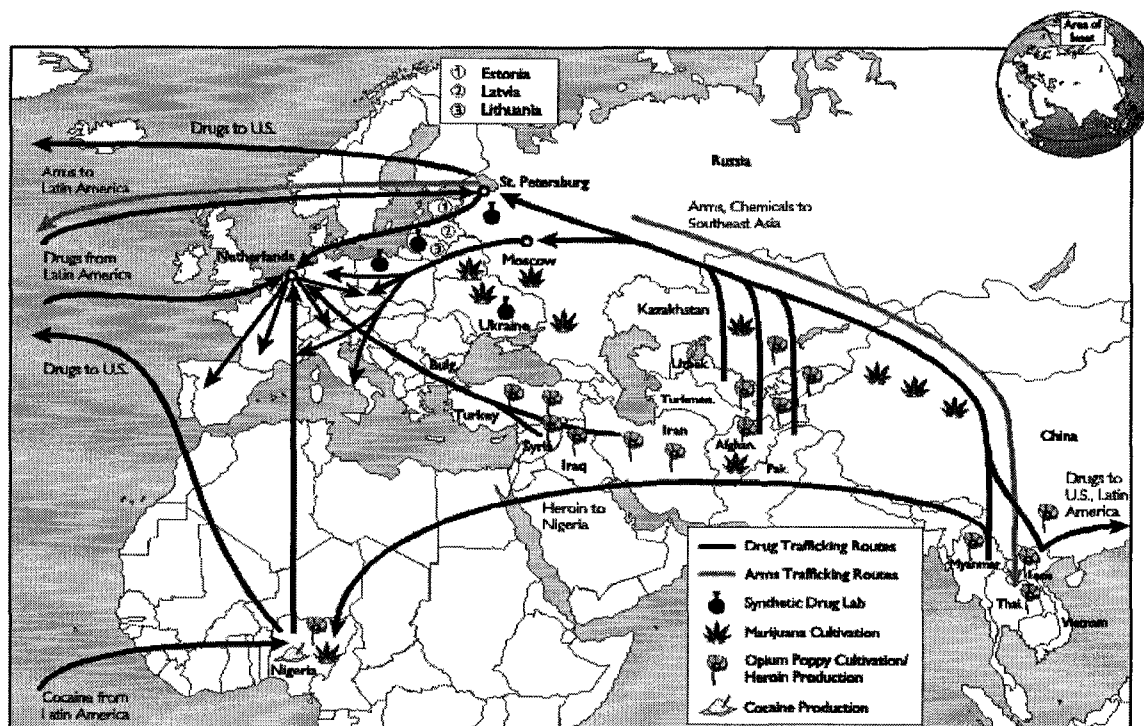


Fig. 22. Eastern hemisphere drug and arms trafficking routes⁶⁹

Smuggling Vectors and Nigerian TCOs: Off the Beaten Path?

Having addressed the range of features that make Nigeria itself an attractive sphere of operations for illicit enterprises, it is worth reiterating from the outset that, strictly in terms of geography, Nigerian involvement in drug trafficking is in some ways

⁶⁹ Map source: Heritage Foundation, *Issues '98: The Candidate's Briefing Book* (Washington, DC: Heritage Foundation, 1997), "Chapter 19, Terrorism and Crime: Containing the Threat," Map 19.1, available at <http://heritage.org/research/features/ISSUES/98>, accessed 15 July 2004.

an anomaly. Nonetheless, it does exist, as the map above illustrates.⁷⁰ For instance, outlining the scope of these activities, one U.S. government report noted in 1999 that:

Nigeria remains the hub of African narcotics trafficking. Nigerian poly-crime organizations operate extensive global trafficking networks, control the sub-Saharan drug markets, and account for a large part of the heroin imported into the U.S. They also transport South American cocaine to Europe, Asia and Africa, especially South Africa, and export marijuana, the only narcotic grown in Nigeria, to Europe and West Africa.⁷¹

However, outside of cannabis, the country is neither a major producer of drugs nor even of precursor chemicals, and Nigerian TCOs have risen to prominence almost solely as a distribution center for the output of faraway regions, primarily both Asian heroin and Latin American cocaine.⁷²

By the late 1990s, between forty and sixty percent of the world's heroin were thought to transit the country itself, though Nigerian TCOs appear to have shifted to the

⁷⁰ For a theoretical discussion the role of geography in determining competitive advantage, see Steven E. Crane and Patrick J. Welch, "The problem of geographic market definition: geographic proximity vs. economic significance," *Atlantic Economic Journal* 19, no. 2 (June 1991), 12-20. In particular, the authors develop the ways in which a hypothetical geographic market can be made up of a combination of non-contiguous areas.

⁷¹ U.S. Department of State, INL, *INCSR 1999*, "Nigeria," 1. For a somewhat dissenting view of the scope of Nigerian drug smuggling, which puts this activity at a level below that of their Asian or Latin American counterparts, see OGD, *World Geopolitics of Drugs* (2000), 209-10. However, this report does note the country's international stigmatization as a drug trafficking center due to the protection of this trade by successive military regimes and its citizen's involvement in small-scale smuggling. Moreover, the use of non-Nigerian couriers is also mentioned as well, though "all told, 1998 and 1999 have not witnessed a significant reduction of drug-related activity by nationals of the Giant of Africa."

⁷² With respect to marijuana production, U.S. DOJ, DEA, *NNICC* (1998), 89, notes that, "Substantial quantities of low-potency cannabis are cultivated in Nigeria by subsistence farmers in several areas, with the greatest concentration in the central and northern parts of the country, as well as in the Niger River delta in the southeast. In general, these crops are used as a source of barter or as currency in illicit cross-border transactions for food or consumer products. For the most part, eradication efforts on the part of the Nigerian government have focused on the destruction of individual marijuana fields and discussions of crop substitution programs." Cultivated in all 36 of its states, Nigerian marijuana and its derivative resins are primarily consumed domestically, with the excess exported to neighboring West African nations and Europe. U.S. Department of State, INL, *INCSR 1999*, "Nigeria," 3. See also Milan Vesely, "Africa – Highway to Drugs Hell?" *African Business*, April 2000, 11, which cites Morocco, Kenya, Ghana, Senegal and the Ivory Coast as major African producers of cannabis. In all of these cases, including Nigeria, "vast tracts of forest concealing plantations of marijuana" make eradication efforts especially problematic.

use of alternate routes in recent years.⁷³ With Nigeria acting as a safe haven of sorts, as well as a center for criminal support services such as money laundering, such criminal organizations have thus been able to expand their reach globally.⁷⁴ While the success of these groups is inarguable, on the surface a certain spatial illogic remains that must be examined further.

Peter Reuter echoes this sentiment, even as he highlights the demonstrable transnational reach of these organizations:

Nigeria is a nation that seems to have little potential role in the international drug trade. It is isolated from any of the principal producer or consumer countries and lacks a significant base of traditional domestic production or consumption. Nonetheless, Nigerian traffickers have come to play a significant role in the shipping of heroin between Southwest Asia and the US; recently these traffickers have even entered the cocaine business, which is still more remote from their home country.⁷⁵

After thus acknowledging that Nigeria is in many respects off the beaten path of the global drug trade, however, the author continues by cataloguing the complex of factors that have stimulated this trend. Some, such as longstanding official corruption and moderately good commercial links to the rest of the world, have been addressed above.

⁷³ These figures were cited in 1998 by both Sam Kiley, "Booming trade in cut-price drugs adds to Nigeria's woes," *Times* (London), 29 June 1998; and Hugh Dellios, "Once Just a Supplier, Nigeria Develops Heroin Woes," *Chicago Tribune*, 29 July 1998, A1, 4.

⁷⁴ U.S. Department of State, INL, *INCSR 1999*, "Money Laundering," 96-7. See also Booth, *Opium*, 232-3; and U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 36, which notes, "Nigerian criminal syndicates centered in Lagos, many of which have global networks, operate with virtual impunity in an environment of pervasive corruption." With a wider perspective on this issue, Williams and Savona, 10-2, discuss the concept of "national sanctuaries," countries where TCOs can operate largely unhindered and with a high degree of latitude, if not outright official involvement, which would apply in this instance. Furthermore, parallels with countries that sponsor or harbor terrorism, such as the Taliban regime's support for al-Qa'eda when in power in Afghanistan, are obvious.

⁷⁵ Reuter, 3. However, for a slightly dissenting point of view which appears to put the geographic spread of Nigerian TCOs into a more historical context, note the following: "Powerful and sophisticated criminal syndicates based in Nigeria have extensive networks that reach into Western Hemisphere, Europe, Russia and the NIS [newly independent states], Southeast and Southwest, Australia, and Africa. With Nigeria an historical trading crossroads both in Africa and along maritime routes between East and West, the international criminal operations of Nigerian syndicates are the legacy of a history of moving capital and commodities on a global scale." U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 36. For more on the historical context of West Africa as a transnational trading hub, see also Beoteng, 105-7.

Others, such as a large overseas population and the highly entrepreneurial Nigerian ethos are discussed below.

In this case, economic linkages, rather than geographic proximity, also help to explain access dynamics with respect to smuggling vectors. For instance, as Friman notes, “the Nigerian ties to drug source countries in Southeast Asia appears to have been facilitated by patterns of licit trade. Specifically, Nigeria’s imports of and buying missions for rice and textiles from Thailand have provided a broader stream of economic transactions linking the two countries and have created opportunities for establishing and masking illicit trafficking.”⁷⁶

More generally, Morrison points out that, “As global infrastructure and transportation systems improve, the need for drug transit points to be located on a direct route between drug producing and consuming countries is no longer compelling, as the rise of Nigeria as a key transshipment point has shown.”⁷⁷ With terms of transshipment and specifically in reference to Nigeria’s role in the global heroin trade, Friman also observes the declining importance of geographic distance as a result of technological advances in transportation and communication.⁷⁸

Taken together, these conditions certainly help to account for the fact that Nigerian TCOs have managed to exert a distinct presence across a far-flung geographical area. However, this in turn begs the question of whether or not, in an increasingly interdependent world economy, the issue of physical location is still paramount. The contention of this analysis is that, by virtue of its methods and the spatial distribution of

⁷⁶ Friman, “Just Passing Through,” 71.

⁷⁷ Morrison, 2.

⁷⁸ Friman, “Just Passing Through,” 69.

its operatives, these organizations TCOs have been able in many ways to both adapt to and, in some cases, reroute global heroin trafficking patterns.

In the previous case studies, both of which happened to center on drug cultivation areas, the relevant smuggling vectors were characterized as spokes on wheel radiating outward. In this case, the key to the success of Nigerian TCOs in transnational heroin transit has been the ability of these groups to maintain control of the links between the primary producing regions on the one hand, and the major consuming markets on the other. As the U.S. Department of State noted in early 2000, “Neither growers nor street-level retailers, the African criminal groups are the middlemen of the drug trade.”⁷⁹

Therefore, having begun the chapter with a consideration of Nigeria proper, this section examines various aspects of Nigerian TCOs’ role in facilitating the logistical process underlying the global trade in terms of access, risk and connectivity. Thus, the discussion encompasses the set of transnational smuggling vectors that move under the auspices of these groups, regardless of their starting point or final destination. However, before addressing the issue of routes, a discussion of the evolution of these groups and their practices is in order.

In the 1960s and 1970s, Nigerian involvement in drug trafficking was on a relatively low scale, and focused primarily on cannabis and its derivatives.⁸⁰ The contention has even been made that “organized crime in Nigeria and other African countries was unheard of until the early 1970s.” This is based on the view that the introduction of a monetary economy, chronic political instability, rapid urbanization,

⁷⁹ U.S. Department of State, INL, “Africa Regional Anticrime Program,” *Fiscal Year 2001 International Narcotics and Law Enforcement Affairs Budget Congressional Presentation* (Washington, DC: Department of State, April 2000), 1.

⁸⁰ See U.N. ODCCP, “Nigeria Country Profile – Illicit Drug Trafficking,” (New York: ODCCP, 22 June 2002), 1.

widespread poverty and underdevelopment, and the growth of international trade led directly to the organization of criminal activity on the continent.⁸¹ However, this tends to overlook the well-developed underlying social networks that are the necessary precondition for such an evolution.

The expansion of Nigerian TCOs into the global heroin trade has been traced to the early 1980's, when a clique of Nigerian naval officers undergoing training in India decided to begin smuggling Southwest Asian heroin to Europe and, eventually, the United States.⁸² Other analysts have been less specific, tracing the genesis of West African participation in the transnational heroin trade to Nigerians studying and working abroad during the 1970s.⁸³ The common denominator among these accounts is the early and concerted involvement of the elite levels of Nigerian society in fostering this phenomenon.

Throughout the 1980s, Nigerian TCOs continued to expand their roles, primarily by establishing links with Southeast Asian opium producers and transporting Golden Triangle heroin to both the U.S. and Europe. Moreover, the collapse of Nigeria's oil boom in the mid-1980s in the face of competitive market pressures, economic mismanagement and the illegal siphoning off of petroleum, as discussed above, was also pivotal in solidifying the gains of its indigenous trafficking organizations.⁸⁴

⁸¹ For instance, see Chepesiuk, 169.

⁸² See Gelbard, "Drug Trafficking in Southern Africa," 172. More generally, the emergence of the Indian sub-continent as a major source of heroin has also been correlated to the integration of Nigeria into transnational drug smuggling networks. U.N. ODCCP, "Nigeria Country Profile – Illicit Drug Trafficking," 1. See also Rob Marsh, *With Criminal Intent: The Changing Face of Crime in South Africa* (Johannesburg, South Africa: Ampersand Press, 1999), 106-7.

⁸³ U.N. ODCCP, "Nigeria Country Profile – Illicit Drug Trafficking," 2.

⁸⁴ Shelley, "Transnational Organized Crime," 473.

This steadily growing involvement finally began to come to light primarily via a number of mass media reports dating from the early 1990s.⁸⁵ However, in the mid-1990s, it was still noted that, “the Nigerians are not in the same league as the Colombian, Lebanese or Thai gangs that ship drugs wholesale in containers and specialist aircraft and are rarely caught. Nigerian smugglers deal in smaller quantities and are much more vulnerable.”⁸⁶ As will be discussed below, this latter observation should not necessarily be construed as a weakness.

As the decade progressed, Nigerian criminal groups involved in the trafficking of both heroin and cocaine continued to evolve. They adopted more complicated and complex methods of operation than ever before, including more direct access to production sources in Asia and expanding activities in South America. Perhaps most importantly, Nigeria’s provision of drug couriers has become an integral link in the worldwide distribution of narcotics.⁸⁷

In terms of composition, there is a distinct need within the literature to move beyond blanket assertions that Nigerians are heavily involved in the global drug trade. While this in fact appears to be a truism, Nigeria is an astonishingly diverse country in terms of ethnicity, language and religion, as outlined throughout the previous section. Thus, there is a distinct need for more research to be done regarding both the membership and network affiliations of these organizations.

⁸⁵ See, for instance, Danielle Pletka, “Heroin Inc.: the Nigerian connection,” *Insight on the News* 7, no. 39 (September 1991), 22-4; and Joshua Hammer, “The Nigerian connection,” *Newsweek*, 7 October 1991, 43.

⁸⁶ “Nigerian drugs, internal trade,” *The Economist*, 1.

⁸⁷ As an example, note the following: “As recently as 1985, African criminal organizations were inconsequential in the international drug trade. Now they are major players, moving a substantial amount of the world’s heroin and cocaine.” U.S. Department of State, INL, “Africa Regional Anticrime Program,” 1.

As discussed in Chapter II, TCOs are most often delineated using national umbrella labels such as “Italian,” “Colombian” or “Russian,” even though other regional, ethnic or linguistic organizational dynamics are generally also present. However, highlighting the uncertainty surrounding this issue with respect to West African TCOs, Lupshka noted in 1996 that, “It is likely that other groups, like Nigerians, are also bonded by tribal, regional, religious, or family-clan ties, although this has not yet been developed in any research about them.”⁸⁸

Nonetheless, there are some general observations that can be made regarding the structure of Nigerian and other West African criminal organizations. To begin with, as noted in *The Economist*, “Despite the dangers, there is no lack of recruits, particularly from the traditional coastal trading communities. Family- or village-based gangs are impenetrable to outsiders, speaking dialects that defy interrogators and phone-taps. Their loyalty to each other is absolute.”⁸⁹ However, as these groups continue to evolve, they no longer necessarily limit themselves strictly by ethnic affiliation.⁹⁰

Moreover, while many Nigerian criminal groups operating overseas appear to be both small and autonomous, many others belong to larger criminal syndicates based in Nigeria. This diversity can be at least partially explained by the enormous profit potential of drug smuggling, which on the one hand creates an intensely competitive environment, but at the same time allows nearly every group involved to accrue lucrative gains.⁹¹

⁸⁸ Lupshka, “Transnational Organized Crime,” 22. As of this writing, this observation still appears to hold true.

⁸⁹ “Nigerian drugs, internal trade,” *The Economist*, 1-2.

⁹⁰ U.S. Congress, House, “Nigerian Organizations and White Collar Crime,” 103. According to this source, these organizations have come to recognize that international law enforcement targets Nigerian nationals, and adjusted accordingly as discussed below.

⁹¹ Gastrow, 75.

Out of necessity, the smaller groups frequently pool resources and tap into highly fluid networks in countries around the world to facilitate their criminal operations. However, the larger Lagos-based organizations are able to maintain compartmentalized cells of operatives wherever they are needed.⁹² As one U.S. analysis notes, “Worldwide, there are hundreds of Nigerian criminal cells located primarily in major metropolitan centers in North America, Europe, and Asia. Recent estimates suggest that more than 500 Nigerian crime cells are operating in at least 80 countries.”⁹³

This geographic spread of Nigerian TCOs has been facilitated to a high degree by immigration from Nigeria, as well as the greater West African region.⁹⁴ In general, most criminal networks face significant hurdles expanding beyond their national and ethnonational borders. However, Nigerian TCOs represent an excellent example of the following: “For many organized criminal groups, their international activities were more regional than global. For those with a more worldwide presence, their operations were mostly confined to countries with a large ethnic expatriate population.”⁹⁵ In particular, drugs shipped by Nigerians may be retailed by the same ubiquitous West African trading networks that peddle handicrafts and jewelry on street corners in major cities all over the world.⁹⁶

⁹² U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 38.

⁹³ Ibid, Ch. I, 3. This report also observes that Nigerian criminal groups “have long had members or cells in foreign countries and international connections to obtain, distribute or market contraband.”

⁹⁴ For instance, see Cooper, 58.

⁹⁵ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 3. Elsewhere, the same report also notes that, “Nigerian criminals take advantage of large West African ethnic communities in these cities to establish the infrastructure needed to support a wide range of criminal activity.” Ibid, Ch. III, 38.

⁹⁶ “Nigerian drugs, internal trade,” *The Economist*, 1. Though allegedly more involved with unlicensed peddling and sales of counterfeit goods than drug trafficking, the transnational Mouride street-trading network represents an interesting parallel with some Nigerian TCO activity, particularly with respect to common West African origins and uneasy relationships vis-à-vis law enforcement authorities. This Islamic group, founded in Senegal at the turn of the last century, not only extends from New York to Paris and Tokyo, but also continues to grow via conversion. Furthermore, it has been estimated that approximately

Vis-à-vis the competition, Nigerian TCOs exhibit a markedly greater willingness to take higher risks in return for a lower marginal profit, using various practices that serve to undercut the competition. Traditionally, these groups have specialized in using numerous and relatively expendable mules to smuggle in small quantities. This practice simultaneously makes their operations both safer at the strategic level and riskier at the tactical level, since at least a certain proportion is bound to get through customs despite the loss of a certain percentage.

In terms of smuggling vectors, the use of more complex itineraries, multiple couriers and fraudulent travel documents are also become increasingly sophisticated and serve to conceal any direct link with the source country. In this context, the use of more than one passport by individual mules has also been noted. For instance, in travelling to and from Asian or Latin American source countries via West Africa, the courier may start with one passport as far as Abidan or Lagos in Nigeria, Brazzaville in the Congo, Lome in Togo, or Cotonou in Benin, and then proceed on with a second passport. On the return journey, the first passport is used upon reentry into the region.⁹⁷

Moreover, in planning their operations, these organizations make a careful study of customs and security procedures at relevant border control checkpoints, and adapt to law enforcement measures against them.⁹⁸ For instance, according to the USCS there are a number of signs that an international traveler may be a drug courier. These include routing irregularities, suspicious amounts of luggage in relation to purported duration of stay and short stops in known transit countries. From the smugglers' perspective, the

\$100 million is transferred from New York to Senegal every three months by way of affiliated informal banking arrangements. See "On the streets of New York," *The Economist*, 19 June 1999, 27. See also MacGaffney and Bazenguissa, 15-6; and OGD, *World Geopolitics of Drugs* (2000), 20-1.

⁹⁷ See U.N. ODCCP, "Nigeria Country Profile – Illicit Drug Trafficking," 1.

⁹⁸ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 39.

methods of diverting risk to counter various types of security screening procedures includes the use of decoys to distract customs agents while the real mules move safely through the checkpoint, as well as multiple couriers on a single conveyance.⁹⁹

With respect to the latter, one such technique is known as “shotgunning,” or arranging for numerous couriers travel on the same flight in an attempt to overwhelm customs officials. Its use virtually guarantees that at least some of the shipment will get through in the confusion at a busy border entry.¹⁰⁰ Utilizing these types of methods tends to increase the amount of contraband that is confiscated at the checkpoint, and each customs administration along the route in question could potentially account for an impressive number and volume of seizures. On the other hand, the actual losses to the trafficker in both heroin and mules is a small price to pay in comparison to the huge profits generated, and are generally written off as merely the costs of doing business.¹⁰¹

The ONDCP refers to the physical transport of heroin by individual couriers using international conveyances as the “favorite method of Nigerian traffickers.”¹⁰² As discussed in Chapter III, this phenomenon is generically known as body carrying. This may involve drugs secreted in either luggage or actually on the person of the mule, who may wear a corset or some other type of specialized garment in which the contraband can be concealed.

⁹⁹ Chepesiuk, 171-2.

¹⁰⁰ Specifically, this method has been identified with the “Vice Lords,” a U.S.-based Nigerian cartel, and its use has been documented at Britain’s Heathrow Airport. Vesely, 9.

¹⁰¹ This observation is made by Lane, 70-1, with reference to heroin originating in Southeast Asia and carried via Africa to Europe, with eventual transshipment to the U.S. The author also notes the essential irony that both customs officials and heroin traffickers were both quite pleased with this outcome. See also “Nigerian drugs, internal trade,” *The Economist*, 1. Moreover, with respect to this activity, “Most sources agree that only a fraction of the couriers are actually detected and apprehended. When they are arrested, the bearers usually choose not to cooperate with U.S. law enforcement. Instead, they plead guilty, serve their time, and are subsequently deported to Nigeria. This lack of cooperation makes it difficult for U.S. law enforcement to identify and pursue the head of the drug trafficking operations, who remain safely in Nigeria.” U.S. Congress, House, “Nigerian Organizations and White Collar Crime,” 96.

¹⁰² See U.S. ONDCP, “Drug Policy Perspectives,” 1.

However, such concealment methods also include heroin carried internally within the body cavity, colloquially known as body packing via either swallowing or stuffing, as noted previously. Some swallowers may ingest up to 150 egg-sized condoms filled with heroin, though one kilogram tends to be a much more reasonable average. Moreover, this practice is can be extremely dangerous to the health of the courier, and numerous deaths have been attributed to defective condoms bursting within the stomachs of these carriers.¹⁰³

In addition to an acceptance of higher calculated risks, another essential characteristic of Nigerian TCOs is their adaptability. As fast as law enforcement procedures are set up to stop illicit shipments, new channels are opened up. For instance, as one U.S. government assessment notes, “Recently, Nigerian traffickers have relied less on individual concealment methods and more on increasingly sophisticated concealment methods and difficult to detect air, sea and land bulk shipments and express mail services.”¹⁰⁴ Moreover, these groups also exhibit a willingness to cooperate, negotiate, form alliances and make numerous types of business arrangements with a wide range of other criminal organizations, further helping to explain their success.¹⁰⁵

As noted at the opening of this section, the links that Nigerian TCOs have been able to establish over the years with respect to the major heroin producing areas of the world are pivot to explaining their sustained and growing presence. For instance, one U.S. government assessment observes that:

¹⁰³ Vesely, 8. See also Marsh, 109-10. For more on the observable physical characteristics of body packers, see also Chepesiuk, 170-1.

¹⁰⁴ U.S. Department of State, INL, *INCSR 1999*, “Nigeria,” 2.

¹⁰⁵ See Raymond E. Kendall, “Responding to Transnational Crime,” *Transnational Organized Crime* 4, no. 3 / 4 (Autumn / Winter 1998), 272.

Producing no heroin of their own, Nigerian traffickers have well-established networks in Southeast and Southwest Asian countries to acquire the drug. The steady and virtually uninterrupted flow of Nigerian-controlled heroin from these source regions is facilitated by criminal cells in transit countries along the way . . . They tend to avoid sending drug couriers on direct flights from drug-producing and key transit countries to market countries, relying instead on a widely diverse number of routes transiting airports through Asia, Africa, and Latin America.¹⁰⁶

Specifically, these groups buy heroin wholesale throughout both the Golden Crescent and the Golden Triangle, where there are significant Nigerian and West African populations to facilitate such transactions.

With respect to the Golden Crescent, Nigerian couriers have a longstanding operational presence in Pakistan, while there is also an evolving relationship between West African TCOs and Afghan trafficking groups based in New Delhi.¹⁰⁷ Paralleling this situation in terms of access to the Golden Triangle, such networks have been detected in Malaysia, Thailand, Indonesia and Singapore, generally using international airports as transit hubs for drug couriers or relying on various types of postal services to ship their product.¹⁰⁸ Published intelligence resources have also indicated that Nigerian and West African heroin traffickers travel from their bases of operation in Bangkok to Pakistan in order to acquire heroin for \$2,000 to \$4,000 per kilogram, far below the \$10,000 to \$12,000 per kilogram price in Thailand for product of comparable purity.¹⁰⁹

As such, from the point of purchase onward, these groups are able to control nearly all aspects of the relevant transnational smuggling vectors for their heroin, in some cases all the way up to street-level distribution.¹¹⁰ The typical movement of heroin from Asian source countries thus occurs in stages. For instance, one courier may pick up a

¹⁰⁶ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 39.

¹⁰⁷ U.S. DOJ, DEA, *NNICC* (1998), 55.

¹⁰⁸ *Ibid.*, 52-3, 59.

¹⁰⁹ See U.S. DOJ, DEA, "Drug Intelligence Brief: Southwest Asian Heroin – Selected Data."

¹¹⁰ Chepesiuk, 170.

shipment in Bangkok, Thailand, and fly it to a transit country such as India, Indonesia or Egypt. From there, it is handed over to a second courier, who brings it into another transit country, where it may then be parceled out and brought into the United States by family members visiting relatives or returning college students.¹¹¹

Paralleling their involvement with the global heroin trade, links to the cocaine producing area of Latin America have also been actively developed by Nigerian TCOs. As early as 1995, these groups had reportedly reached deep into the Brazilian interior, near the border with Bolivia, allowing for access to the world's major coca cultivating region as discussed in the previous chapter.¹¹² Nigerian criminal organizations have also been able to draw on contacts with Brazil's African community and, by extension, the common Portuguese language and heritage with Lusophone Africa, to bring cocaine into South Africa via both Angola and Mozambique.¹¹³ In particular, Angolan and Mozambican expatriates resident in Brazil are crucial to facilitate such shipments.¹¹⁴

Drug smuggling vectors moving from disparate source regions into sub-Saharan Africa encounter a combination of porous international borders, corruptible police and security forces, and numerous established smuggling routes moving not only drugs but also weapons and other types of contraband. Taken together, these factors make the

¹¹¹ Vesely, 9.

¹¹² "Nigerian drugs, internal trade," *The Economist*, 1.

¹¹³ Gelbard, "Drug Trafficking in Southern Africa," 176-7; and, more recently, U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – Angola," which notes specifically that, "Nigerian traffickers control the smuggling of cocaine from Brazil through Angola to South Africa." Nigerian TCOs are also prominent in shipping cocaine from Argentina to South Africa as well, often via either Angola or Namibia. As noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 39, "Using techniques and concealment methods similar to those used smuggle heroin from Asia, Nigerian criminal syndicates dominate transatlantic cocaine shipments between Brazil and Africa, from where the drug is transhipped to markets in South Africa and Europe."

¹¹⁴ For more on the exploitation of ethnic ties between Brazil and Africa in this manner, see also Velez de Berliner and Lado, 253-4. In particular, the authors note the estimated 11% of the country's populations that is of African descent, and who maintain contacts across the Atlantic via both family and trade connections.

continent an inviting operational environment for transnational criminals, drug traffickers, and terrorists.

Moreover, numerous African cities with extensive commercial and financial ties, as well as maritime and air transportation links, to Europe, the Middle East, and Asia are increasingly becoming hubs for a wide range of illegal activity. This connectivity is being particularly exploited by Nigerian TCOs.¹¹⁵ Overall, as Simon Bayham observes, Africa is and will remain for the foreseeable future “the weakest link in the international war against narcotics operations.”¹¹⁶

However, in terms of U.S. foreign aid to help address these issues, most of the limited funds earmarked for Africa have focused on Nigeria and South Africa, despite a realization of the fact that countries “as disparate as Malawi, Ethiopia and the Ivory Coast have become transit routes.”¹¹⁷ There has even been speculation that a regional drug triangle linking West Africa, centered on Nigeria, to both East Africa, primarily Kenya and the Sudan, and South Africa itself.¹¹⁸ While the connectivity among these three areas may be more or less speculative at this point, the potential for this type of interregional smuggling interaction certainly exists.

To begin with East Africa, given its maritime access to the Indian Ocean, both Golden Triangle and Golden Crescent opium production can easily reach that side of the

¹¹⁵ U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 35. This view is also echoed in U.S. Department of State, INL, “Africa Regional Anticrime Program,” 1, which notes that, “Major African cities are increasingly the destination for drug shipments as well as being transshipment hubs.”

¹¹⁶ Bayham, 429. More recently, as noted in OGD, *World Geopolitics of Drugs* (2000), 187, with respect to the drug trade, “Africa is confirming its role as a production area, a transit territory and a consumer market.”

¹¹⁷ U.S. Department of State, INL, “Africa Regional Anticrime Program,” 1. It should be noted that, as of this writing, South Africa is not considered as a major drug trafficking country under the U.S. certification framework.

¹¹⁸ C. J. D. Venter, “Drug Abuse and Drug Smuggling in South Africa,” in Rotberg and Mills, 185. See also Bayham, 426. Of interest by being often omitted in such analyses, Central Africa is also not immune to this type of activity, as noted in MacGaffey and Bazenguissa-Ganga, 77-8.

continent by sea. Significant amounts of heroin have also been smuggled through various coastal towns in the region from India.¹¹⁹ Major East African cities, such as Nairobi, Mombassa and Addis Ababa, are becoming significant transit points for heroin heading for the U.S. from Asia, in particular utilizing commercial air connections.¹²⁰ In recent years, Uganda has also arrested a number of Nigerians and its own citizens on charges of drug trafficking, to the extent that the two countries signed a bilateral agreement to cooperate on this issue in December 1998.¹²¹

Similarly, as noted in *INCSR 2001*, “Kenya's sea and air transportation infrastructure, and the network of commercial and family ties that link some Kenyans to Southwest Asia, make Kenya an important transit country for Southwest Asian heroin.”¹²² In particular, the country's Lamu archipelago along the northern coastline bordering Somalia contains thousands of small islands and estuaries provide countless

¹¹⁹ See OGD, *World Geopolitics of Drugs* (2000), 218-20, also notes the favorable geographic position of Mauritius in this respect, situated in the southern Indian Ocean between East Africa, the Indian subcontinent and Southeast Asia. During the 1980s, it became a hub linking in particular Nairobi, Bombay and Bangkok by virtue of its dense network of air routes, sophisticated telecommunications infrastructure and popularity as a tourist destination, in addition to its status as an off-shore banking center and free port. However, a significant rise in heroin use has also accompanied this involvement in the drug trade.

¹²⁰ Much of this activity appears to originate in or at least transit the Indian subcontinent. For instance, “Nigerian traffickers are present in India, particularly in Delhi. In some instances, Nigerian-controlled couriers transit through India en route to international destinations. This is apparently an effort to avoid law enforcement authorities at the destination airport, as passengers arriving from major drug-producing or transit countries are subject to greater scrutiny. Pakistani officials continue to arrest couriers, who are ticketed to India, at airports in Lahore, Karachi, and Islamabad. In other cases, West African traffickers reside in India and primarily sell heroin and hashish in-country to other Africans and Indians.” U.S. DOJ, DEA, “India Country Brief.”

¹²¹ OGD, *World Geopolitics of Drugs* (2000), 211. During the signing ceremony, and apparently in an effort to downplay the issue, Maman Daura, Nigeria's high commissioner in Uganda, saw fit to point out that not all those arrested with a Nigerian passport are necessarily Nigerian citizens. However, as discussed above, given the suspicions fairly or unfairly attached to that nationality such false documentation would hardly be the best choice for anyone wishing to maintain a low profile.

¹²² U.S. Department of State, INL, *INCSR 2001*, “Africa and the Middle East – Kenya.” This source also notes that, “Heroin normally transits Kenya by air, carried by individual couriers. These couriers were once primarily West Africans. More recently, however, couriers are more commonly South Asian (Indian, Pakistani) or East African (Tanzanian, Ugandan). Once in Kenya, heroin is typically delivered to agents of West African crime syndicates, mainly Nigerian.”

smuggling opportunities. A standard practice is to drop the contraband offshore, where fishermen retrieve it on the incoming tides.

Furthermore, Somali warlords report that the routing of heroin through their territory has become their major source of income.¹²³ The situation in Tanzania also parallels that in neighboring Kenya in many ways. Moreover, primarily due to its favorable location, porous borders and numerous road, rail, sea and air points of entry, Afghan heroin entering Tanzania from Pakistan is being smuggled to the U.S. by Nigerian traffickers.¹²⁴

With respect to West Africa, and as discussed in the previous section, Nigeria serves as a center of gravity for a wide range of criminal activity as well as a natural hub for the command and control of drug trafficking operations. While the country itself no longer appears to have the same volume of drug smuggling vectors moving directly through its territory, Nigerian TCOs have both expanded their operations further into other nations and contracted out certain other functions. However, as one regional assessment notes, “Nigeria is the key to crime control efforts in West Africa.”¹²⁵

Overall, the response of the Nigerian government to the drug-related activities of these TCOs has been decidedly mixed, in keeping with the domestic trends addressed in the previous section.¹²⁶ According to Isidore S. Obot, a persistent feature of Nigerian

¹²³ Vesely, 8-9. Further south, a similar situation appears to be emerging in Mozambique, as noted in “Booming, if a little dirty,” *The Economist*, 5 October 2002, 43; and, more extensively, Antonio Paulo Namburete, “Organized crime in Mozambique and its impact on the regional and international context,” *Institute for Strategic Studies*, May 1999, 26-36.

¹²⁴ U.S. Department of State, INL, *INCSR 2001*, “Africa and the Middle East – Tanzania.” This report also notes that, “There are also strong indications of a drugs-arms connection in Tanzania linked with the arms demand in the Great Lakes Region (Democratic Republic of the Congo, Burundi, Rwanda, Uganda, etc.).”

¹²⁵ U.S. Department of State, INL, “Africa Regional Anticrime Program,” 2.

¹²⁶ For instance, note the following: “Past Nigerian regimes have typically tried to cast the drug trafficking and financial frauds committed by Nigerian criminal syndicates as victimless crimes that are driven by demand in Western countries . . . Nevertheless, some Nigerian elites, including in the military, have come

drug control mechanisms has been the emphasis on the reduction of supply, with the imposition of harsh though inconsistent punishment. Consequently, initiatives aimed at demand reduction have generally been neglected. Furthermore, these statutes were most often formulated under military regimes with an overriding concern for law and order. One reason for this is that, to a great extent, these efforts have been largely in response to international pressure.¹²⁷

For instance, beginning in the early 1980s the Buhari regime inaugurated a nominal crackdown on drug trafficking. This area of criminal activity was one of several designated as capital offences in 1984. To further illustrate its dedication to the effort, the Nigerian government executed three young men in Lagos in April 1984, while several more were consigned to death row when the decree was overturned soon afterward.¹²⁸ Significantly, few high-level or politically connected criminal figures were ever arrested during this period.

However, the most salient development within this issue area came in 1989, when the Nigerian Drugs Law Enforcement Agency (NDLEA) was set up. Established using the U.S. DEA as a model, the NDLEA soon became a byword for corruption.¹²⁹ For

to recognize that pervasive crime and corruption in Nigeria have crippled the economy, contributed to social and political tensions, and undermined relations with major historical trading partners, including the United States and Western European countries." U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 36.

¹²⁷ Isidore S. Obot, "Ethical and legal issues in the control of drug abuse and drug trafficking: the Nigerian case," *Social Science & Medicine* 35, no. 3-4 (August 1992), 481-93.

¹²⁸ Specifically, drug offences were addressed under Special Tribunal Decree, no. 20. The other capital crimes so designated included tampering with oil pipelines, electrical or telephone lines, and the unauthorized import or export of oil or mineral ores, reflect the priorities of the regime. Osaghae, *Crippled Giant*, 179.

¹²⁹ According to OGD, *World Geopolitics of Drugs* (2000), 212, NDLEA officers are paid approximately \$30 per month, lower than any other government workers in Nigeria. Moreover, to avoid corruption, these officers are ordered to relocate to different cities four times a year, but are not reimbursed for moving expenses. Finally, given the proportion of alleged drug offenders released by the courts and the supply of cheap assassins, the issue of revenge killings is also prevalent. As a result, "many drug officers are completely discouraged and have started extorting money at roadblocks and airports."

instance, suspects “escaped” from NDLEA custody on a regular basis, while much of the drug tonnage the agency seized found its way back into the black market. Furthermore, rumors persisted that its leading officials were taking a percentage of the profits.

In response to U.S. pressure, the agency was put under the leadership of Major-General Musa Bamaïyi in May 1994, who promptly fired 350 employees. Furthermore, at the time he privately admitted that much of the agency was “irredeemable.”¹³⁰ Among a host of other shortcomings during this period, Nigeria also failed to fund its own narcotics control strategy in 1995.¹³¹ By 1998, more than a thousand NDLEA staff had been fired, including fifty-five that were reportedly awaiting prosecution.¹³² Bamaïyi was replaced in turn by Ogbona Onovo in December 1998.

In terms of Nigeria’s overall relationship with the United States, the strategic and economic importance of the country must be constantly weighed against its overall laxity in efforts to control the transnational drug trade. In general, as *The Economist* notes, “Nigeria’s oil wealth makes its rulers invulnerable to almost any sanctions except an oil embargo.”¹³³ As discussed previously, the country’s leadership seems content not only to

¹³⁰ “Nigerian drugs, internal trade,” *The Economist*, 2. Furthermore, within the issue area of money laundering, though the agency has been given extensive powers to examine bank accounts, Nigerian bank records are not computerized. Therefore, looking for patterns indicating illicit activity is exceedingly difficult, and further complicated by banking regulations that tend to obscure the sources of deposits. See also U.S. Department of State, INL, *INCSR 1999*, “Nigeria,” 1, which in addition to underling the above observations, further notes the failure of the Nigerian government to extradite 24 outstanding suspects to the U.S., despite a reaffirmation of the bilateral basis for such action.

¹³¹ See U.S. House, “Nigerian Organizations and White Collar Crime,” 104.

¹³² U.S. Department of State, INL, *INCSR 1999*, “Nigeria,” 2. See also Chepesiuk, 174; and OGD, *World Geopolitics of Drugs* (2000), 210-11. The latter does note that, despite a reputation for incorruptibility, all of the agency’s equipment was procured by a single supplier, an Ibo businessman, with Bamaïyi receiving 10 percent of the contracts signed by him. Despite this, several Western governments asked that he be kept in office, apparently since this activity was not drug-related.

¹³³ “Abacha’s wobbly throne,” *The Economist*, 45-6.

ignore international criticism but also to tolerate extremely high levels of corruption, often as its beneficiaries.¹³⁴

U.S. law enforcement authorities point out that, with profit margins running into the many thousands of percent, corruption among foreign officials is the single biggest problem in addressing drug smuggling through Africa. This issue is particularly crucial as it relates to Nigerian government officials, as when members of the military and police have allowed smugglers to gain access to A-2 visas, conferring diplomatic immunity as they move through customs.¹³⁵ Moreover, it is also exceedingly difficult to plan joint counter-measures without having them compromised by the involvement of high-level functionaries as necessitated by protocol.¹³⁶

Beginning in 1993, Nigeria held the dubious distinction of being the only strategically significant country annually decertified by the United States solely on the grounds of its involvement with drug trafficking rather than production. Specifically, direct participation in the drug trade by members of Abacha's cabinet as both smugglers and consumers helped lead to this decision.¹³⁷ This action on the part of the Clinton administration was made despite intense lobbying from major U.S. firms.

In particular, oil companies with interests in Nigeria argued that commercial interests should take precedence over the drug issue, or at a minimum that cooperation in counter-narcotics efforts not be considered the overriding criterion. The fears were that

¹³⁴ "International trade," *The Economist*, 26 August 1995, 36.

¹³⁵ Chepesiuk, 174. The author also notes the lax Nigerian banking regulations allow for the easy recycling of illicit profits.

¹³⁶ Vesely, 10. Moreover, Booth, *Opium*, 323, also quotes an unnamed U.S. congressman as saying that, "We gave some sniffer dogs the Nigerian customs, but it's a poisoned chalice. Dogs cannot be corrupted. They are a permanent danger for any customs authority any time a minister's wife walks near them."

¹³⁷ In one instance, Abacha's head of security, Major Hamza Al-Mustapha, and his wife allegedly coordinated a Persian Gulf network and used diplomatic pouches to smuggle drugs. At the same time, competitors were also subject to arrest and imprisonment. OGD, *World Geopolitics of Drugs* (2000), 210, citing as its source of information an unnamed U.S. Embassy employee.

the drug trafficking label would undermine investor confidence in legitimate business ventures in the country.¹³⁸ As discussed in Chapter III, Nigeria received full certification for 2000, more in response to professed good faith on the part of the Obasanjo regime than any real progress in this issue area.¹³⁹

In general, the Nigerian government's efforts at drug enforcement with respect to border control have been decidedly mixed as well. One method used by the authorities was to reduce drug trafficking activity through their airports was to stop direct flights between Nigeria and known source countries.¹⁴⁰ The NDLEA has also had some success in airports by targeting individual courier activity, albeit through sometimes heavy-handed techniques.¹⁴¹ However, it has also been contended that the exit visa system instituted by the Abacha regime, ostensibly to control the drug trade, was chiefly a tool to more effectively monitor domestic opposition.¹⁴²

¹³⁸ Falco, 18-9. For example of such lobbying within the oil industry, see Kimberly Music, "Panel backs ending drug report cards for foreign countries," *The Oil Daily* 89, no. 47 (9 May 1997), 4. Moreover, according to OGD, *World Geopolitics of Drugs* (2000), 212, while the United States is thought to have solid information on numerous high-level Nigerian officials, the preference is to use this information behind the scenes in order to pressure the government into adopting policies favorable to U.S. interests.

¹³⁹ Chepesiuk, 174. Justification for this decision can be found in U.S. Department of State, "2000 Narcotics Certification Determinations." Furthermore, U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – Nigeria," also observes that the Obasanjo government has achieved mixed results as its apparent good intention face an uphill battle of ingrained attitudes and established interests. As evidence of this, the report points out that the current administration also supports the controversial 1990 NDLEA Act Number 33. This statute says that Nigerians convicted of drug offenses abroad will be arrested upon their deportation back to Nigeria, and, if convicted, be liable for a minimum of 5 years additional imprisonment for "harming the reputation of Nigeria." However, the most salient instance of Nigerian cooperation within this issue area, from the U.S. standpoint, was its agreement to transfer custody of four fugitives to the U.S for trial on a range of drug-related charges in November 2000.

¹⁴⁰ Interpol, "International Drug Trafficking," 4.

¹⁴¹ U.S. Department of State, INL, *INCSR 1999*, "Nigeria," 2. In one particular case during 1998, the NDLEA broke up a smuggling ring that had been concealing heroin in the wheelchairs of the Nigerian Special Olympics participants as they transited Lagos airport. However, as noted in U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – Nigeria," in response to better security in Nigerian airports, "Smugglers have been forced to change tactics and ship contraband via Nigeria's five major seaports or across its porous land borders."

¹⁴² See Falola, 20-1.

Throughout the rest of West Africa, the impact of Nigerian criminal activity has also been substantial, spilling over across international borders into neighboring countries. As E. A. Beoteng notes, the region is the most highly segmented in Africa, the direct result of the direct competition for trade and territorial control that took place among the European colonial powers between the fifteenth and twentieth centuries.¹⁴³ Moreover, the successful example of Nigerian TCOs has also tended to encourage imitation throughout West Africa, notably in Ghana, Benin and Sierra Leone.¹⁴⁴ Similarly, in the maritime context, bulk shipments of heroin hidden in cargo containers transit through Lagos, and then re-exported via any of the numerous available seaports of neighboring West African countries.¹⁴⁵

With specific reference to these neighbors, in addition to being an alternate transit hub for Nigerian TCOs, Ghana serves as an important source of mules, particularly since Nigerian citizens have become internationally stigmatized as being involved in the drug trade as noted above.¹⁴⁶ Similarly, in Senegal, Nigerians have been characterized as “the biggest factor” in the country’s drug trade, though some Senegalese and Gambians are also involved.¹⁴⁷

¹⁴³ Beoteng, 105.

¹⁴⁴ Williams and Savona, 21. Nigerian traffickers’ use of Ghana, Benin and Senegal as transit points is also noted in “Nigerian drugs, internal trade,” *The Economist*, 1. For more on Sierra Leone’s porous border with Liberia, allowing a considerable amount of both arms and gem smuggling in addition to a two-way flow of refugees, see “The forgotten conflict,” *The Economist*, 9 November 2002, 50.

¹⁴⁵ Chepesiuk, 170.

¹⁴⁶ Booth, *Opium*, 323. Moreover, as noted in U.S. Department of State, INL, *INCSR 2001*, “Africa and the Middle East – Ghana,” “Ghana is a transit point for Southeast and Southwest Asian heroin being smuggled to Europe and the U.S., and South American cocaine being smuggled to Europe. Increasing amounts of heroin are destined for the U.S. Some of the cocaine might also be smuggled to South Africa. Trafficking occurs at Accra’s Kotoka International Airport as well as at the ports of Tema and Sekondi. Overland trafficking occurs at the land borders with Togo (Aflao) and Cote d’Ivoire (Elubo). As Nigeria improves its interdiction efforts, Nigerian traffickers are strengthening their presence in Ghana.”

¹⁴⁷ See U.S. Department of State, INL, *INCSR 2001*, “Africa and the Middle East – Senegal.” This report also notes that, “Professional drug networks, many of which are operated by foreigners (e.g., Nigerians), are well established in the marijuana trade.”

As discussed in the previous section with respect to oil smuggling, Benin's proximity to Nigeria and its relatively open economy inevitably also make it attractive to those wishing to dispose of ill-gotten gains from narcotics trafficking.¹⁴⁸ Moreover, the country has been characterized as both a "corridor country" and a "warehouse-state," due to its role linking Nigerian to Togo, another known smuggling hub, and an economy based almost entirely on re-exports, a specialization tailor-made for illegal trade.¹⁴⁹ Finally, "Nigerian nationals, residing in Cameroon, traffic heroin to Europe and to some extent also to the United States."¹⁵⁰

However, it is Southern Africa that perhaps offers the most potential for Nigerian TCOs to expand their activities, and to date these groups have made every effort to aggressively exploit the rich trafficking opportunities of the region. Adding to the already inherent complexity of this activity are the interrelated logistics for a number of black market goods. As C. J. D. Venter writes, "Because of well-established smuggling networks in the southern African region, the same routes are often used for such drugs as Mandrax, cannabis, heroin and LSD as for weapons, cars, rhino horn, ivory and gems."¹⁵¹

¹⁴⁸ In particular, "Benin is neither a major financial center nor a major money laundering country, but Beninese authorities believe that their country is being used by traffickers to launder drug profits. The primary methods for laundering appear to be purchasing lawful assets such as real estate or vehicles, or by using legal businesses as front operations." U.S. Department of State, INL, *INCSR 1999*, "Money Laundering," 49.

¹⁴⁹ See OGD, *World Geopolitics of Drugs* (2000), 212-4. As elsewhere, corruption among high-level government officials in Benin significantly helps to enable this activity. Furthermore, "A desire to draw the maximum amount of profit from Nigeria's oil, Niger's uranium, and Togo's phosphates has for the past two decades led the authorities to allow 'the development of transit and re-export activities within a framework of smuggling.'" With respect to Togo, as noted in U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – Togo," Togo's relatively porous borders permit traffickers, mostly African and including many Nigerian nationals, relatively free access to the country. This ease of access has made Togo a transshipment point in the regional and sub-regional trade in narcotics, especially for heroin coming from Southeast and Southwest Asia, destined for Nigeria, and from there to Europe and the U.S."

¹⁵⁰ Ibid., "Africa and the Middle East – Cameroon."

¹⁵¹ Venter, 185. Bayham, 427, also makes a similar point with a specific reference to Nigerian access to cocaine. Incidentally, Mandrax is a tranquilizer manufactured in India that has developed a significant user base in the region, as noted briefly in Chapter III.

At the supra-national level, the Southern African Development Community (SADC), consisting of Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, has attempted to formulate its own regional strategy to stem the flow of illicit drugs through the region. Due to the unavailability of reliable statistics, however, it is difficult to accurately assess the problem, though trends over the past several years indicate an alarming growth in both trafficking and consumption. Moreover, concerns related to expanding drug use in correlation with the spread of the HIV virus throughout the region also give impetus to these efforts.¹⁵²

However, paralleling Nigeria's role in West Africa, South Africa is the pivotal country in the context of smuggling in Southern Africa. This is largely a function of its economic weight within region, its role as a maritime transit point from Indian to Atlantic Oceans, its good flight connections to Europe and America and its relatively sophisticated banking network.¹⁵³ Furthermore, in general the feeling among smugglers

¹⁵² "SADC plans to launch anti-drug strategy early '98," *AIDS Weekly Plus*, 22 September 1997, 16. As of this writing, this initiative does not appear to have made any significant progress.

¹⁵³ "Drug skirmishes," *The Economist*, 16 July 1994, 38. This article also notes that, in the 1980s Zambia became enmeshed in the drug trade, particularly in terms of its access not only to the South African market but also its borders adjoining seven other countries. Furthermore, direct flights from the capital, Lusaka, to both Europe and India provide extra-regional connectivity. See also Gelbard, "Drug Trafficking in Southern Africa," 176-7; Booth, *Opium*, 323-4; and U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – South Africa," which also notes the considerable advantages that South Africa's infrastructure offers to smugglers. Even prior to these more recent developments, however, apartheid-era South Africa's ability to exert considerable economic leverage against intransigence on part of its neighbors was facilitated by an odd quirk of geography. A number of its adversaries were both landlocked and dependent on the export of raw materials, especially minerals, to keep their economies going. Thus, the use of both the South African military and various proxy forces to interdict alternate transport routes to seaports was pivotal. The figures for the transport sector are the most startling, as witnessed by Lesotho and Botswana's 100%, Zimbabwe's 80% and Zambia and Malawi's 40% dependence on wholly South African-controlled transport routes and facilities. These figures come from Patrick O'Meara, "South Africa's Regional Goals," in *Apartheid Unravels*, ed. R. Hunt Davis, Jr. (Gainesville, FL: University of Florida Press, 1991), 223-4.

appears to be that goods originating in South Africa receive relatively less scrutiny than those coming from Nigerian or other West African ports.

Since the end of apartheid rule, major cutbacks in military spending have led to considerably more porous borders, demonstrated by the fact that, as of 2000, only four out of 350 registered airports reported any form of police presence. However, another cause commonly cited in the growth criminal activity in South African is the rapid increase in numbers of illegal immigrants, “especially Nigerians,” many on the pretext of securing refugee status.¹⁵⁴ According to South Africa's Institute for Security Studies, of some 100,000 estimated Nigerian residents of South Africa, only 700 are legally permitted residents.¹⁵⁵

Moreover, drug use is on the rise throughout Southern Africa, and in particular there is a thriving market for both cocaine and heroin among rich, white South Africans, as well as a growing preference for Mandrax from India. In fact, South Africa has become the largest consumer of heroin on the African continent, as well as the leading market for hallucinogenic drugs.¹⁵⁶ There has also been a significant increase in the number of Southern Africans arrested for involvement in the drug trade outside the region. While not yet considered by the U.S. as a major drug trafficking nation, these trends indicate an increasing involvement with this issue on a number of levels.

¹⁵⁴ While exact figures do not appear to be readily available, the number of Nigerians seeking refugee status is estimated to run into the thousands. Furthermore, under South African law each applicant is entitled to a formal adjudication, and in the interim given full rights to work and study in the country. However, until the middle of 1999 fewer than 10 Nigerians had been found to be genuine political refugees. “SA is ‘top drug smuggling base’,” *African News Service*, 21 February 2000, 1008049u7130. See also Mark Shaw, “State Responses to Organized Crime in South Africa,” *Transnational Organized Crime* 3, no. 1 (Summer 1997), 1-19. In addition the presence Nigerian TCOs, the author also notes the impact of both Russian and Chinese criminal organizations operating in South Africa.

¹⁵⁵ These figures are cited in U.S. Department of State, INL, *INCSR 2001*, “Africa and the Middle East – South Africa.”

¹⁵⁶ Vesely, 9-10. This trend is also discussed in OGD, *World Geopolitics of Drugs* (2000), 204-5, which notes in particular the rise of heroin use in the Johannesburg area and in Cape Town.

In terms of transit, Nigerian TCOs were the first organized criminals to exploit South Africa's diplomatic normalization following the institution of majority rule in 1994.¹⁵⁷ By 1995, it was estimated that there were 136 drug networks were operating in the country.¹⁵⁸ In 1999, the British intelligence service, MI5, singled out South Africa as the most important conduit for South American cocaine into Western Europe. Since then, transshipment cells have continued to develop in South Africa to facilitate movement of both heroin and cocaine to other parts of the world, and most likely to distribute drugs domestically as well.¹⁵⁹ All in all, "Nigerian and South African criminal organizations have matured and become transnational concerns that exploit whatever weakness they find or, with their growing sums of money, create."¹⁶⁰

With respect to smuggling vectors entering Europe under the guidance of Nigerian TCOs, the DEA noted in 1998 that, "Nigeria-based trafficking organizations were responsible for a growing amount of heroin smuggled into Europe using

¹⁵⁷ See Gastrow, 61-2, which notes that even as early as the mid-1980s, South African law enforcement officials saw Nigerian criminals as the first foreign criminals to become active in the country on a noticeable scale, though during the apartheid era other internal and external security issues obviously took precedence. Largely confined to the greater Johannesburg metropolitan area, these groups relied heavily on transnational networks and took great pains to avoid the sorts of petty crime that would bring them undue attention. These activities formed a solid basis for future expansion as political conditions evolved. See also OGD, *World Geopolitics of Drugs* (2000), 200-1.

¹⁵⁸ Gelbard, "Drug Trafficking in Southern Africa," 176-7. While many were Nigerian, some were Indian groups specializing in heroin and Mandrax and drawing on the sizable and well-established Indian expatriate community. See also Marsh, 104.

¹⁵⁹ Gelbard, "Drug Trafficking in Southern Africa," 174. With respect to cocaine, an emerging trafficking route appears to link both Nigeria and South Africa with Rio de Janeiro, Brazil. Traffickers reportedly travel to Harare, Zimbabwe, via either Ghana or Swaziland, obtain a visa for South Africa, and proceed by land to South Africa and then on to Latin America. U.N. ODCCP, "Nigeria Country Profile – Illicit Drug Trafficking," 2. See also U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – Swaziland," which also notes the expansion of Nigerian TCOs into Swaziland as a conduit for smuggling cocaine into South Africa.

¹⁶⁰ U.S. Department of State, INL, "Africa Regional Anticrime Program," 1. This view is echoed in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 52, which observes that, "Nigerian traffickers are finding South African air and seaports to be attractive gateways for transshipping both cocaine and heroin into the Western European market. South Africa's growing role in the international drug trade has increased its domestic addiction problem, especially for cocaine, which Nigerian traffickers have made widely available at low prices." Furthermore, beyond the context of drug issues, Nigerians in South Africa have also been discovered engaging in types of "419" fraud, as discussed previously. U.S. Department of State, INL, *INCSR 2001*, "Africa and the Middle East – South Africa."

commercial air connections.”¹⁶¹ More specifically, within the wider European law enforcement community both the United Kingdom and Italy have officially expressed concern about Nigerian criminal groups.¹⁶²

Within the latter country, Nigerian TCOs have been known to cooperate with the Naples-based Camorra in both drug trafficking and prostitution, and are well concealed among the country’s 15,000 Nigerian immigrants.¹⁶³ Couriers under the control of West African criminal groups have also been detected transiting the Athens international airport carrying both heroin and cocaine, as well as through the Aegean islands from Turkey.¹⁶⁴ Similar activity has been documented in Russia as well, particularly with regard to exploiting international air links with the rest of Europe.¹⁶⁵

Finally, in the past there has been a tendency on the part of U.S. law enforcement officials to underestimate Nigerian drug trafficking activity, despite estimates that as much as 50% of the heroin that enters the country is smuggled under their auspices.¹⁶⁶ However, even as early as August 1993, the United States suspended direct commercial flights to and from Nigeria, largely in response to the volume of couriers coming in to

¹⁶¹ U.S. DOJ, DEA, *NNICC*, (1998), 57. This report also notes that in the past Nigerians have occasionally been involved in trading heroin for cocaine.

¹⁶² U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. III, 4.

¹⁶³ See OGD, *World Geopolitics of Drugs* (2000), 88. A significant volume of cocaine smuggling into Italy via commercial air channels is also carried out by Nigerian couriers, primarily members of the Ibo ethnic group, both in luggage and on or within their bodies. *Ibid*, 82.

¹⁶⁴ This is noted in U.S. Department of State, INL, *INCSR 2001*, “Europe and Central Asia – Greece.”

¹⁶⁵ U.S. DOJ, DEA, *NNICC* (1998), 59.

¹⁶⁶ Chepesiuk, 167-9. However, the author also quotes an unnamed DEA agent as saying, “When you talk to law enforcement people and you mention Nigerians, that’s almost synonymous with heroin. Nigerians have developed a worldwide reputation.” This sentiment is echoed in “Can Obasanjo save Nigeria?” *The Economist*, 45, where it is noted that, “Drug smuggling, money laundering and all sorts of frauds have made Nigeria synonymous with international crime. American drug officials speak almost in awe of the inventiveness and audacity of Nigerian crime syndicates.” See also Mark Jones, “Nigerian crime networks in the United States,” *International Journal of Offender Therapy and Comparative Criminology* 37, no. 1 (Spring 1993), 59-73.

New York's John F. Kennedy Airport. Consequently, traffickers adapted by utilizing routes through neighboring West African countries.¹⁶⁷

By 1995, it was reported that Nigerians were transporting roughly 40% of the heroin seized in the United States.¹⁶⁸ With respect to the methods discussed above, many of these can be seen in practice as drugs enter the country under the auspices of Nigerian TCOs, such as the use of immigrants, both legal and illegal, as expendable couriers.¹⁶⁹ This phenomenon is spurred on by the illusion prevalent in Nigerian society that migrants to the West in general, and the United States in particular, that success and fast money are easily obtained there.¹⁷⁰

As of late 1996, Nigerian traffickers had begun using the company Express Mail Services to import drugs into the United States. During 1997, at least ten separate such consignments of Southeast Asian heroin were seized, many of which had been routed through Germany and concealed both inside a wide range of seemingly innocuous items and within the packaging itself. In general, vis-à-vis the use of couriers, the advantages of these methods include relative anonymity, predictable dates of delivery, and a decrease of costs and risks.¹⁷¹ The DEA also noted in 1998 that during the previous year most multi-gram and multi-kilogram seizures of Southeast Asian heroin in the U.S. were of drugs controlled by Nigerian-based traffickers using primarily couriers and commercial delivery services.¹⁷²

¹⁶⁷ U.S. DOJ, DEA, *NNICC* (1998), 46.

¹⁶⁸ "Nigerian trade, internal trade," *The Economist*, 1.

¹⁶⁹ For instance, it is noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. II, 7, that, "Ethnically-based Nigerian criminal organizations "'employ illegal aliens smuggled into the country [U.S.] to undertake higher-risk criminal activities.'" As noted previously, other prominent trends include the use of various forms of body carrying and travel on international airlines.

¹⁷⁰ Falola, 15-6.

¹⁷¹ U.S. DOJ, DEA, *NNICC* (1998), 47.

¹⁷² *Ibid.*, 45.

The following case helps to illustrate the geographic scope of a single Nigerian drug trafficking network. In October 1996, the Organized Crime Drug Enforcement Task Force operation code-named “Global Sea,” a U.S. initiative supported by officials in Thailand, France and Great Britain, arrested members of a Nigerian heroin smuggling and distribution network in Chicago, Boston, New York, Detroit, Thailand and Pakistan. Previously, a number of other individuals allegedly affiliated with this group had been arrested in Texas, New Mexico, Thailand, Switzerland, Mexico and the Netherlands. Incidentally, the leadership of this group was made up predominantly of Nigerian women.¹⁷³

However, in addition to smuggling drugs into the United States, Nigerian groups are also increasingly involved with distribution. In particular, heroin is often sold on street corners in suburbs containing large concentrations of West Africans, with roughly 90% of the supply being of Southeast Asian origin.¹⁷⁴ As Toyin Falola notes, “Nigerians in the United States, whether successful or not, experience complications with their hosts, in part because of aggressive survival strategies that may involve criminality.”¹⁷⁵

¹⁷³ See U.S. DOJ, “U.S. Law Enforcement Dismantles International Heroin Smuggling Ring Run Predominantly By Women,” Press Release # 503 (Washington, DC: Department of Justice, 11 October 1996), available at <http://www.usdoj.gov/opa/pr/1996/Oct96/503crm.htm>, accessed 15 July 2004; and “Nigerian heroin-smuggling ring is broken up,” *New York Times*, 12 October 1996, 8-9. This particular operation originated with a case in Chicago in August 1995, and as of the date of this press release had seized approximately 55.5 kilograms of heroin, with an estimated wholesale value of between \$150,000 and \$200,000 and a retail value of more than \$26 million. In keeping with the types of trafficking behavior noted above, couriers allegedly flew to Thailand to pick up the heroin, where controllers met them to ensure they reached their destination. Generally proceeding by air to Europe and then Guatemala, before moving on through Mexico and across the U.S. border. The main conduit within U.S. territory stretched from Texas to Chicago, where the heroin was parceled out into 100-gram quantities. The cash receipts were then funneled back to Southeast Asia to begin the cycle once again. See also Vesely, 11. For more on the interaction between drug and gender issues, see also UNDCP, *World Drug Report* (1997), 79-83.

¹⁷⁴ Vesely, 9. Furthermore, the author also notes that, in order to cope with the astronomical mark-ups and insatiable demand, as discussed above some traffickers resort to the use of express mail delivery just to keep up with business.

¹⁷⁵ Falola, 15-6. Moreover, as Thomas Kneir notes, Nigerian criminal organizations are “seldom, if ever, engaged in drug trafficking to the exclusion of other crime.” This would include a wide range of financial

In addition to their links to both Southeast and Southwest Asia, the distribution networks operated by Nigerian criminal organizations also tend to be much more loosely organized, and thus much more difficult to penetrate despite being still very sophisticated and adaptable. These groups have also established links with inner-city gangs and both Chinese and Jamaican criminal organizations with respect to distributing Southeast and Southwest Asian heroin. In addition to these heroin-related activities, Nigerian TCOs have reportedly been expanding their Latin American cocaine pipeline to service markets that the Colombians are not fully exploiting.¹⁷⁶

As of 1997, Nigerian and affiliated West African crime organizations had reportedly taken over 70% of the Chicago heroin market.¹⁷⁷ In 1998, the DEA noted that Chicago was the only major U.S. city where Southeast Asian heroin predominated, reflecting the strong Nigerian presence within this market.¹⁷⁸ Furthermore, these groups were well enough established by 2000 that a U.S.-based, ethnic Nigerian gang called the Blackstone Rangers reportedly set up its own training school in Chicago to teach couriers of all nationalities to avoid detection by customs and border officials.¹⁷⁹ Similar groups have also been operating as distributors throughout New York, Baltimore, Washington, D.C., Atlanta, Dallas, Houston and Milwaukee.¹⁸⁰

crimes including fraud, money laundering, and document alteration and counterfeiting, as well as smuggling of both illegal immigrant and other types of contraband. U.S. Congress, House Committee on International Relations, "Combating International African Crime," Statement by Thomas J. Kneir, Deputy Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation, 15 July 1998, available at http://commdocs.house.gov/committees/intlrel/hfa50884.000/hfa50884_0.HTM, accessed 15 July 2004.

¹⁷⁶ Chepesiuk, 168.

¹⁷⁷ "Streamlined for success," *The Economist*, 11 October 1997, 29.

¹⁷⁸ U.S. DOJ, DEA, *NNICC* (1998), 47.

¹⁷⁹ Vesely, 9.

¹⁸⁰ "Nigerian drugs, internal trade," *The Economist*, 1; and U.S. Federal Bureau of Investigation, Organized Crime Section, Asian/African Criminal Enterprise Unit, "African Criminal Enterprises" (Washington, DC: FBI, n.d.), available at <http://www.fbi.gov/hq/cid/orgcrime/aace/african crim.htm>, accessed 15 July 2004.

The demonstrable ability of Nigerian and other West African TCOs to operate within the constraints of the U.S. market, which despite its relatively high degree of access also involves a proportionate level of inherent risk. Keeping in mind that the value of a drug tends to rise as it approaches its final points of sale, the impact of massive profit margins result in a balance between access and risk whereby the latter is largely mitigated. As such, these manifestations are entirely in accord with observable operating patterns found along any number of Nigerian-controlled smuggling vectors.

Nigerian Heroin Smuggling Vectors: An Assessment

As noted at the outset, without being a major drug-producing nation itself, Nigeria has emerged not only as an important heroin trafficking hub but also as a support center and safe haven with respect to a wide range of illegal activity. This evolution has taken place almost in spite of rather than because of the country's physical location. With respect to access and risk, the former being so high while the latter is so low has made Nigeria attractive enough in both relative and absolute terms that most hurdles to connectivity have been overcome in cases where Nigeria itself is a node on a given smuggling vector. Even in cases where Nigerian territory is not actually utilized, however, the country's combination of high access and low risk also serves to facilitate various other essential TCO functions, primarily relating to command and control.

In parallel, the external capabilities of Nigerian TCOs have expanded beyond Nigeria to the extent that they now provide the "legs" for a significant volume of observable transnational heroin smuggling vectors. As noted previously, in contrast to the previous cases focusing on Afghanistan and Colombia, the issue of drug production is

largely moot, and the focus will remain on issues relating to transit. However, setting the stage for such an analysis, the nexus of domestic factors within Nigeria that allow widespread criminal enterprises to operate with minimal risk has been discussed, though aspects must be reiterated.

To begin with, in addition to drug smuggling, Nigerian involvement in various related phenomena including but not limited to financial fraud, piracy, and both public and private sector corruption on a massive scale has become demonstrably apparent and increasingly pronounced in recent decades. Moreover, even when these activities do not actually occur within Nigerian territory, access to the favorable operating environment provided by the country is an important enabling element in the transnational context.

Furthermore, though a number of these facilitating factors predate or are related to Nigeria's period of colonial rule as part of the British Empire, others largely stem from or have been exacerbated by economic mismanagement or abuses of political power since the country's independence. In several instances, the legacies of the former have been used as the excuse for the latter. Regardless of the assignment of blame, however, the fact remains that Nigeria's problems, combined with its regional strategic and demographic weight within both West Africa and with respect to the entire continent, makes the nation's endemic failure to effectively meet these challenges a matter of global interest.

The question is thus whether the conditions found in Nigeria can be considered as causal to, a derivative of, or emerging concurrent with the crime and corruption that is empirically evident within the country. To answer this, a brief review of the more salient aspects of Nigeria's physical, economic, political and human geography is in order. This

include, but are not limited to, the impact of oil profits, the issue of corruption, the British colonial legacy and the various ethnic tensions within the country, all of which are interrelated to varying degrees. At this juncture, it is also worth noting that there are generally three relevant dimensions to each of these factors, namely its intrinsic impact, its spillover effect into other issue areas, and the ways in which this cumulative impact is managed.

For instance, in this analysis the discovery of oil was introduced initially in the context of physical geography. However, the impact of this event and the resultant profits has served to dislocate the Nigerian economic, political and social structure in fundamentally predictable yet still tragic ways. Specifically, the dominance of the petroleum sector has led to a stifling nearly all other aspects of the country's economic development, and in turn given political elites and their predominantly ethnically-based constituencies a significant goal for their more acquisitive inclinations.

Economically, in conjunction with the often-detrimental effects of oil revenues and high degree of illicit trading activity, public sector corruption also crosses a number of issue areas, most fundamentally with respect to the high levels of these patterns of behavior found throughout Nigeria in both relative and absolute terms. While both those offering and accepting bribes should certainly be held accountable, corruption is a longstanding national tradition that was largely overlooked under British colonial rule and has continued to flourish since independence. Nearly all of the generic conditions that tend to facilitate corruption can be found in Nigeria, including but not limited to restrictions on or obstacles to legitimate economic activity, the presence of significant natural resource endowments, and strong kinship ties linked to ethnic factionalization.

Similarly, the political impact of the British colonial legacy also continues to resonate across Nigeria, both as a focus of rhetorical ire and as an excuse for the overall absence of good governance since independence. With respect to the latter, in conjunction with the inheritance of inadequate governing mechanisms from the colonial administration, a sustained failure of leadership across the course over many decades is abundantly clear. For instance, the aforementioned issue of corruption set against the backdrop of oligarchic rule has led Nigeria to become one of the foremost examples of the predatory “vampire” state that has become all too common across the continent. The country’s near-perpetual transition to democracy, punctuated by periods of military rule, has only exacerbated these tendencies and their underlying rationalizations.

Linked even more directly to the legacy of British colonial rule are the parameters of Nigeria’s human geography. Leaving aside for the moment the wider issue of artificial borders, the country was initially governed as three separate regions roughly correlated to the three dominant ethnic groups. However, it was later ruled under a more centralized federal framework, and it was this system that was adopted upon Nigeria’s independence. Since that time, ethnic identities and tensions have become inextricably connected to an intense competition for access to national assets, and oil wealth in particular, by way of a highly developed system of political patronage. These dynamics, including the marginalization of smaller tribal groups, continue to provide an inherent level of instability.

To return to the issue of why crime and corruption are able to flourish in Nigeria, at the apex of the hierarchy of challenges facing the country is, most simply put, a failure of leadership. As such, it is not necessarily oil wealth *per se* is not the problem, but

rather the ongoing inability to manage these assets to the benefit of the citizenry and avoid the temptations of personal gain. Similarly, while there are no easy solutions where corruption has taken root, the country's poor record of punishing high-level corruption has had a significant demonstration effect across the body politic. With respect to the institutional inheritance from the British colonial administration and the issue of zero-sum ethnic competition, as Nigeria approaches a half-century of independence the plausibility of generic excuses wears thinner and thinner.

While this failure of leadership cannot be properly considered as a causal factor, it is perhaps the single most important enabling element that has allowed other and often preexisting conditions to evolve into a highly favorable operational environment for smugglers as well as other types of criminal actors. In terms of access, risk and connectivity, the global success of Nigerian TCOs demonstrates how this type of smugglers' landscape at the national level effectively mitigates risk to such a low level that access becomes less difficult to maintain, especially for those with the proper political leverage. In conjunction with the country's porous borders and entrepreneurial traditions, the resultant connectivity has in turn enabled these discrete regional smuggling actors to have a seemingly disproportionate impact on wider global black markets.

In this context, the demonstrable and expanding capability of Nigerian TCOs to control drug supply chains from production area to point of sale lies not only in their ability to solidify this national base of support for their command and control functions, but also to extend their reach to form a seamless transnational logistical continuum. As such, with respect to transit this assessment represents a departure from the previous case studies in that since it is not a major drug producer, consideration of Nigeria proper

figures into only one discrete set of smuggling vectors in which Nigerian TCOs are involved.

In turn, the effectiveness of smuggling activity conducted under the auspices of Nigerian TCOs is predicated upon ongoing access to relevant source areas, transit countries, and major markets, facilitated in large measure by the spatial distribution of various Nigerian and West African expatriate networks. While most ethnically-based TCOs experience significant obstacles in expanding beyond their national or regional borders, in general Nigerian TCOs appear to have experienced relatively fewer such constraints in developing a worldwide presence.

In doing so, these groups have been able to take advantage of a number of developments associated with globalization. This includes, but is not limited to, the growing ease of transportation, more efficient methods of international shipping, better technology and communications, and the fact that transshipment countries no longer need to be along a straight line between supply and demand. As such, in this instance economic linkages serve to trump mere geographical proximity.

Moreover, in order to maintain this type of access, a number of structural and behavioral attributes exhibited by Nigerian TCOs in their management of risk can also be directly linked to their competitive advantages and subsequent successes, as noted previously. For the most part, these characteristics relate primarily to the adaptability of such networks, particularly with respect to both routes and methods. In the context of the latter, the use of expendable couriers dealing with smaller quantities has been a hallmark, but this is changing as Nigerian TCOs become increasingly sophisticated. In conjunction

with a greater relative willingness to accept higher risks in return for a lower marginal profit, this flexibility has been essential to their evolutionary processes.

As such, over the past several decades Nigerian TCOs have been able to extend their reach into a number of primary source regions and countries. In particular, the genesis of their connectivity with both the Golden Triangle and the Golden Crescent heroin production areas dates back decades, and in many cases can be traced back to the expansion of commercial or official ties into the transshipment of illicit commodities. Thus, longstanding links to local organizations have facilitated the purchase of heroin at wholesale prices, which Nigerian TCOs can in turn accrue their own profits by controlling nearly all subsequent aspects of the logistical process. Incidentally, a parallel situation can also be found in Latin America with respect to cocaine.

In terms of transit, although not the only salient region in this context sub-Saharan Africa can be seen as having a relatively high degree of connectivity for a number of reasons. Objectively, a combination of porous international borders, corruptible police and security forces, and established smuggling routes with respect to a wide range of contraband can be found throughout the region. In the more specific context of heroin, the continent is relatively accessible from both the Golden Triangle and the Golden Crescent, particularly by water and by air. Finally, and more subjectively, the significant presence of Nigerian TCOs in nearly every African country makes smuggling vectors across this region highly attractive from the perspective of command and control.

Exhibiting these attributes to an even higher degree than the rest of the continent, Nigeria itself as well as the rest of West Africa serve logically enough as a natural center of gravity for Nigerian TCOs. Not only is access maximized and risk minimized, but

moderately good commercial maritime and aviation links to major markets create additional incentives as well. Moreover, the sporadic attempts on the part of the Nigerian government to address this problem, generally in response to various forms of external leverage, for the most part have resulted in such activity merely shifting across regional borders to the territory of Nigeria's neighbors. Similarly, South Africa's logistical and financial infrastructure also makes it a very attractive alternative, as does the growing domestic market for drugs.

In addition to servicing a significant portion of the demand for drugs in the relevant transit countries, Nigerian TCOs also maintain an active operational stance in most major markets as well, in particular with respect to Europe and North America. While an increasingly diverse range of couriers aboard international aircraft carrying relatively small amounts of drugs is still the norm, larger shipments using maritime forms of conveyance are becoming increasingly common.

Cooperation with more longstanding and often ethnically-based criminal organizations can also be seen, though Nigerian and West African distribution networks are certainly not unknown. In general, however, having achieved access to these markets, the relatively higher risk found in operating within these environments have not deterred Nigerian TCOs, but rather encouraged them to exhibit the same types of adaptive behavior that made them successful in the first place.

As this chapter has demonstrated, the global reach of Nigerian TCOs is truly impressive, particularly given the operational reliance on relatively low-tech yet nonetheless effective smuggling techniques. Moreover, in spatial terms the existence of extensive expatriate communities through which influence can be extended into

numerous other countries, as well as access to a safe haven in the form of Nigeria itself, have served to facilitate the growth of these smuggling actors. In an attempt to bring this study full-circle, the final chapter not only draws conclusions by way of comparisons and contrasts among the case studies examined herein, but also to point the way toward future applications of the underlying geographical methodology.

CHAPTER VIII

CONCLUSION

Throughout the course of this study, an effort has been made to meaningfully engage a subject with an admittedly high degree of complexity, namely transnational smuggling route selection. By way of conclusion, a review of this analysis must encompass a number of interrelated topics, beginning with an appreciation of this pivotal issue as having a longstanding, ongoing and growing relevance. This is not only true with respect to smuggling in its own right, but also in terms of both supporting, and in return being supported by, a wide range of related criminal activity, with terrorism being the most salient within the context of the prevailing international security paradigm.

As such, given the impact of black market activity as a component of the global economy, a fuller understanding of the transnational dynamics that enable the underlying illicit cross-border logistical processes is increasingly crucial. With respect to the literature within the field of international security, this issue can be firmly established with respect to the interlocking contexts of the “end of the nation-state” debate, the friction between various types of transnational networks and geographically circumscribed nation-states, and the impact of globalization and its related manifestations.

To model the decision-making parameters that drive transnational smuggling route selection, the relevant operational landscape was conceptualized as a function of geography, particularly with respect to the impact of various economic, political, and human factors, from the smugglers’ perspective. Underpinning this approach at a holistic

level, a number of initial assumptions were made that serve to more meaningfully circumscribe the research question.

Specifically, this included positing the existence of a fundamental link between geography and both licit and illicit economic activity, as well as certain shared dynamics that transcend any specific type of smuggled good and thus allow for a delineation of common and contrasting features of both expected and observed logistical patterns among diverse illicit commodities. To further qualify this analysis, there was an overt focus on rational actors dealing in tangible commodities, though neither condition may necessarily apply in the real world. Finally, *ceteris paribus*, smuggling activity has been characterized in spatial terms as following the path of least resistance, largely as a result of various spatial factors that serve to “push” or “pull” such activity by making it more or less attractive within or across a given area.

To more concretely assess this phenomenon, analysis was predicated on a basic model involving three interconnected decision-making domains of access, risk and connectivity. More specifically, access denotes the ability to control a smuggled commodity throughout the logistical process, while risk stands for the set of factors that serve to impede access, most often imposed upon smuggling actors by nation-states. From the smugglers’ perspective, within the limitations of their respective capabilities such actors use these criteria to seek the most attractive routes for a given commodity, namely those that maximize access, minimize risk, and optimize connectivity.

In terms of methodology, the inherent difficulties involved in the study of black markets were addressed at length in Chapter IV, with a particular emphasis on data gaps relating to the unknown and the inaccessible. As such, the intent behind a geographic

approach to the issue of transnational smuggling was driven in large measure by the need to develop an approach that could most effectively leverage extant sources of information. The resultant basic model can be seen as a template for mapping out the more discrete spatial manifestations of this phenomenon.

As this template was consciously designed to be an open-ended architecture, its most compelling feature is its extensibility, specifically in terms of space, time and commodity. By being scalable to the relevant level of geographic analysis, flexible enough to encompass a diverse and often opaque set of data in the form of data points, observations, trends and events as they become available over time, and capable of meaningfully addressing nearly all identifiable types of illicit commodities and their related issue areas as outlined in Appendix A, this basic model can be seen as both usable and reusable to a high degree.

As such, the various aspects of and interactions among the decision-making domains of access, risk and connectivity was developed first in its generic form without reference to a specific commodity, and then applied to the global trade in heroin, which served as a benchmark commodity to illustrate the utility of this approach. Moreover, while realizing that smuggling actors can be depicted along a spectrum of organizational sophistication, with respect to this phenomenon the focus of this study was on TCOs, which not only represent of the upper end of this spectrum, but also are particularly noteworthy both within this issue area and for the complexity of their interaction with nation-states.

In terms of the relevant geographic levels of analysis in analyzing transnational smuggling activity, access and risk were conceptualized as operating reciprocally at the

national level, with both in turn shaping and being shaped by connectivity at the transnational level. It should be noted, however, that the nature of the research question itself served to set these spatial delineations, and in theory the model could just as easily address the movement of illicit drugs up and down the eastern seaboard of the United States.

However, having set these specific geographic parameters, it became necessary to consider the respective national and transnational factors under which smuggling is most effectively able to flourish, given the underlying imperatives of supply and demand. For instance, at the national level, the impact of terrain that impedes the imposition of central government or law enforcement, traditions that foster smuggling activity, and various types of ongoing domestic turmoil can be most readily seen in balancing access and risk, with more favorable smugglers' landscapes exhibiting higher levels of access and lower levels of risk, and consequently higher levels of connectivity.

As the very concept of connectivity is illustrative of the actual modes of conveyance and methods of concealment used to physically move illicit commodities across borders, at the transnational level of analysis issues relating to globalization, porous border control and the lack of effective cooperation between nation-states become relatively more important. At this juncture, the analytical convention of the smuggling vector was introduced as well to assist in assessing this activity.

However, to begin by revisiting the relevance of heroin as a suitable benchmark commodity, among the attributes that make it well suited to this role are that it is globally traded, of high value by weight, has a ubiquitous market presence worldwide but relatively discrete and moderately circumscribed primary source areas, functions beyond

its own supply and demand parameters as collateral in numerous types of other illicit transactions, and is subject to a longstanding and well-developed prohibition regime based on a broad international consensus.

Following an overview of opium and its derivatives, the evolution of international drug control and the related black markets for precursor chemicals and money laundering, the parameters of global heroin supply and demand that shape the spatial dimensions of the trade were discussed. In particular, the major opium cultivation areas of Southwest Asia, Southeast Asia and Latin America, as well as the key markets of Western Europe and North America were addressed in the context of the transnational movement of heroin, as are a number of other regional drug trafficking trends. The various approaches to the issue taken by specific national actors in terms of strategies designed to target either supply or demand were also outlined, as was the primacy of U.S. leadership within this issue area.

Generally speaking, recent decades have seen the evolution of increasingly diversified smuggling patterns with respect to illicit drugs, as well as a broadening of this phenomenon's impact. More specifically, the lines between producer and consumer nations, as well as among supply- and demand- reduction strategies, continue to blur for both heroin and cocaine, though the latter does tend to be more highly circumscribed in terms of production within the Western hemisphere. While this analysis for the most part has been explicitly predicated upon supply-side considerations, to include the issue of transshipment, this phenomenon could not exist in the absence of the underlying demand for these substances, and as such a more holistic understanding of the issue must temper criticism, however warranted, of countries associated with illicit drug supply.

The selection of Afghanistan, Colombia and Nigeria as case studies served to further illustrate specific aspects of the global heroin trade and to represent its more diverse regional manifestations. Using the basic model as a point of departure, an assessment of the relevant empirical data combining the conventions and parameters developed to address this issue was then conducted with respect to the transnational manifestations of this phenomenon. Similarly, other related methodological techniques were also discussed, specifically with respect to modified applications of geographic information systems and political risk analysis.

Each case study began by framing the national-level context of smuggling, and examined the physical, economic, political and human geographic factors that shape heroin smuggling within the country in question by focusing on the themes of terrain, tradition and domestic turmoil in their historical perspective. From there, the various sets of smuggling vectors proceeding outward from or across the focal nation-state via various modes of conveyance through intermediate transit nodes to their respective final destinations were considered. Finally, an assessment of this activity by applying the three interrelated decision-making domains, augmented by various other models, metrics and conventions, was conducted.

As the pivotal country within the Golden Crescent region with respect to this issue area, Afghanistan was in many ways a natural selection for such an analytical focus. Along with Burma, it is one of the two largest opium cultivators worldwide, while by virtue of its recent history the country has also become associated with both Islamic fundamentalism and terrorism. With respect to the entrenchment of the drug trade, in particular a state of protracted civil conflict dating from the Soviet invasion of 1979, as

well as enduring warlordism and ethnic tensions, have significantly heightened both opium production and trafficking emanating outward from the country into the wider region.

Lacking maritime access and significant airport facilities, the primacy of land routes out of Afghanistan through Pakistan, Iran and the Central Asian states is both logical and readily observable, as are various sets of smuggling vectors continuing outward, especially via Turkey, Eastern Europe and Africa. However, although Western Europe constitutes the major end-user market for Afghan heroin, growing demand in other regions can also be seen. Overall, the relevant transnational trading activity is characterized as a high degree of complexity in terms of intermediary relationships with respect to goods in transit.

For its part, in addition to successfully adapting established cocaine smuggling routes and methods to the movement of heroin, Colombia has also become a primary source country with respect to the U.S. market. Domestically, the nation's ongoing civil strife, and in particular pressure on the central government from both guerrilla movements and drug trafficking activity, has become salient enough to make "Colombianization" a byword for parallel situations in other countries.

Overall, Colombian TCOs exhibit a high degree of control within the region with respect to illicit drug supply chains originating in Latin American, most saliently by exerting considerable leverage over their various partners. By focusing on North America as the major market, these organizations have been able to maintain primacy across land routes directly through Ecuador, Venezuela, Brazil and Central America, and

often from there into Mexico, maritime access to both the Caribbean basin and the Pacific Ocean, and control various air routes via both commercial and private conveyances.

Finally, over time Nigeria has evolved into a known heroin transit hub without being a center of production, demonstrating that factors other than mere proximity can be decisive. This development has been significantly facilitated by the fertile ground provided by the country's demonstrable corruption and ineffective political institutions, with in turn can largely be traced to an influx of massive oil wealth, the legacy of colonial rule, and a spoils system that exploits the endemic ethno-religious tensions throughout the nation.

Moreover, not only does Nigeria proper serve as both a safe haven and a command center for transnational criminal activity, by linking major drug supply and demand regions Nigerian TCOs can be seen as providing a significant portion of the "legs" for the global heroin trade. As such, Nigeria and the wider West African region cannot be considered as being off the beaten path of the worldwide and increasingly borderless drug trade. Their capabilities in this respect can for the most part be attributed to their strategic and spatial competitive advantages, with the later largely stemming from the widespread West African diaspora and resultant presence within the relevant markets.

Despite a number of regional variations, certain distinct commonalities emerge from a comparison of these three cases. Specifically, the impact of terrain has had a distinct impact on observable sets of smuggling vectors as they cross international borders and continue on toward their final destinations. Similarities among the various groups involved in transnational smuggling are also readily apparent, many of which can in many instances be traced back historically to longstanding traditions of smuggling.

Finally, perhaps the most salient parallels between Afghanistan, Colombia and Nigeria can be seen in their legacies of domestic political, economic and social turmoil, which in turn have allowed for various types of criminal activity to become entrenched.

In absence of Cold War as a global security paradigm, the rising profile of transnational security issues, to include not only organized crime but also terrorism and the spread of weapons of mass destruction, seems well positioned to fill this vacuum. However, for the foreseeable future there will be no viable contenders to the primacy of the nation-state on the international stage. That being said, nation-states still need to come to terms with threats that transcend their borders, with a particular onus on those countries where such threats either originate or are otherwise allowed to flourish.

As such, in the future other national actors within the international system may be compelled to intervene either unilaterally or multilaterally, despite the constraints imposed by accepted concepts of sovereignty. Thus, in the future nation-states that are chronically and demonstrably unable or unwilling to effectively manage their borders may increasingly find their sovereignty compromised by unilateral or multilateral external action. For instance, beyond the specific issue area of the illicit drug trade, the potential transnational spread of weapons of mass destruction was one of the primary justifications for the U.S. invasion of Iraq in early 2003.

Moreover, of the three cases examined in this study, the U.S.-led invasion of Afghanistan and the subsequent ouster of the Taliban regime in late 2001 constitute another of the more extreme examples of this trend. In Colombia, the issue of the extradition of drug smugglers to the U.S. remains contentious, though arguably this leverage was decisive in propping up the central government during its internal struggle

with the Medellín cartel. Finally, in the recent past Nigeria has had the dubious distinction of being the only non-drug producing nation to be decertified by the U.S. due to its ongoing failure to meaningfully address its role in the global transit of narcotics. As noted previously, Afghanistan and Colombia have also had experience with decertification by various U.S. administrations.

However, while the United States remains the indispensable superpower, no single nation is capable of meaningfully countering either the global drug trade or the wider range of pressing transnational security issues alone. To begin to meet the challenges posed by this type of threat, nation-states must first recognize the complex interaction between smuggling actors and nation-states at the systemic level, particularly in the context of public sector corruption, good governance, border control, failed and failing states, “interspaces” within the international system, and the evolving role of customs entities worldwide, and then concentrate on transnational criminal networks rather than being narrowly focused on arresting and prosecuting individuals.

The demonstrable scope of transnational security issues should theoretically provide the grounds for a deepening for international cooperation by rational national actors based on concrete mutual interests. However, the key to this type of substantive interaction of course lies in the willingness of decision-makers to both meaningfully engage and devote resources to the problem. As an obvious prerequisite for effective action, before the relative projected feasibility of any specific measure can be discussed, a deeper appreciation of the spatial manifestations of the smugglers’ landscape is in order.

Being successful in this endeavor in turn means that nation-states must develop more flexible and robust legal and investigative expertise and assets, and with respect to profit-motivated non-state actors in particular to even more fundamentally “recognize that organized crime is a business, and business and enterprise models are a useful way to conceptualize it.”¹⁸¹ With respect to access, while elements of the nexus of identifiable enabling factors have been allowed to take root to varying degrees in nation-states all over the world, and as such the issue in turn needs to be engaged meaningfully at both the local and the international level.

Given the conceptualization of risk from the perspective of the smuggling actor, in terms of vulnerability versus likelihood, or susceptibility to losses versus the consequences of those losses, certain measures can be taken to raise the deterrence threshold within a specific geographic area beyond what is considered economically feasible by the relevant smuggling actors. Toward that end, there are several broad conclusions that can be made regarding the parameters for optimizing success within this issue area, many rather simple in theory yet complicated in practice. As the USCS noted in 1997, “The combination of technology, changes in detection methods, and international and domestic cooperation holds the greatest potential for improvements in the disruption of smuggling organizations.”¹⁸²

Finally, in terms of connectivity, the potential and actual modes of transnational smuggling by land, water and air must also be taken into account, as must be the roles of other non-state actors such as multinational corporations. Efforts to impede criminal connectivity include, but are not limited to, effective international and interagency

¹⁸¹ Lupska, 38.

¹⁸² U.S. DOT, Customs Service, *U.S. Customs Service Strategic Plan* (1997), 16.

communication and coordination; timely and actionable intelligence sharing covering both the broad picture and local threat assessments, especially those driven by human intelligence; and the implementation of industry “best practices” at all transportation facilities by offering the private sector incentives if necessary.

This last issue should also encompass the deployment of innovative as well as proven countermeasures, particularly those relating to new and emerging technologies, but must be tempered by an awareness of the unintended consequences of robust interdiction and inspection efforts. This includes, but is not limited to, the economic impact stemming from intrusive inspection regimes and the migration of the flow of contraband to alternative modes of transit in search of relatively more attractive paths of least resistance.

In order to come full circle and return to the primary goal of this study, the attempt to first formulate and then validate an approach that can effectively frame the varied manifestations of smuggling in geographic terms lies as the crux of this study. As noted above, the open-ended architecture of the basic model is highly extensible in terms of space, time and commodity. Thus, in framing an agenda for future research, there are several distinct areas to which this generic template can be applied and extended.

Spatially, the level of analysis can be adjusted in accordance to the parameters necessitated by the focus of interest, be it local, regional, national or international. Furthermore, as only three case studies were presented for a single commodity, there is ample scope for further work to be done even within the parameters put forth in the course of this study, since every nation-state can be seen to a greater or lesser degree as challenged by transnational smuggling. Temporally, as more complete information

becomes available the decision-making domains of access, risk and connectivity can be updated accordingly.

Given greater granularity in terms of such data, the whole structure of basic model could be extended considerably. Furthermore, any discernible gaps between expected and observed sets of smuggling vectors for a given commodity in the context of a given space and time could point the way to further modifications and perhaps a subsequent transition to more predictive modes of analysis. The methodologies discussed in Chapter IV, particularly relating to political risk analysis and geographic information systems, may also be further exploited. With respect to the latter, it is hoped that more emphasis will be placed on the collection of geospatially-correlated data pertaining to the relevant issue areas, and that such data will be both openly accessible and leveraged to its fullest.

Finally, in addition to expansion in terms of space, time and data, there are countless applications of this approach that can be made in the arguably even more straightforward extension necessary to encompass other types of illicit commodities. In fact, the observable range of smuggled commodities delineated at greater length in Appendix A offers a serviceable point of departure for framing such a research agenda. Overall, this analytical framework has been presented to illustrate the geographic dynamics of an extremely pressing global challenge, in conjunction with the associated models, conventions and case studies. With the aggregation of these constituent elements, it is hoped that the utility, flexibility and robustness of geographic analysis has been demonstrated with respect to the relevant issue areas.

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APPENDIX A

TYPOLOGY OF SMUGGLED GOODS

<u>Contraband Type</u>	<u>Examples</u>
Prohibited (<i>de facto</i> illegal)	Illicit Drugs (1) Nuclear Materials (2) Endangered Animals and Animal Parts (3) Trademark Infringement and Counterfeit Goods (4)
Restricted (<i>de jure</i> illegal)	Embargoed Goods (5) Sensitive and Strategic Items (6) Weapons and Military Equipment (7) Illegal Immigration (8) Art, Antiquities and Cultural Artifacts (9)
Duty-Avoidance, Diversion & Differential Pricing	Cigarettes and Alcohol (10) Gasoline and Other Fuels (11) Gemstones (12) Gold and Other Metals (13) Miscellaneous Commodities (14)

The table above represents an attempt to sort the various types of contraband smuggled internationally for profit. In the first category are those commodities that by their nature are either prohibited under international agreement or otherwise highly controlled. In the second, goods that are not necessarily illegal by their nature, but rather become contraband by virtue of where they originate from, are destined for, or who controls their movement. Finally, items in the last category may not be illegal at all, but may be commonly smuggled primarily to circumvent import and export controls and thus maximize profits. However, as these categories are not mutually exclusive, some overlap can be found among them, as will be discussed below.

Furthermore, this typology is limited to tangible commodities. While falling beyond the bounds of this study, however, the illegal international movement of non-tangible assets remains an important issue. In particular, this would include such categories as classified information, trade secrets, password and other coding information, proprietary encryption algorithms, wire transfers of laundered money, and

child pornography in digital formats. However, despite this distinction, the basic smuggling model of access, risk and connectivity can, at least in theory, be adapted to meet these analytical challenges as well.

- (1) As discussed in Chapter IV, the two primary categories of illicit drugs are the natural and the synthetic. Among the former, there are three types that are cultivated on a large scale for profit. These are the opiates, from which such compounds as morphine and heroin are derived; the cannaboids, such as marijuana and hashish; and the coca derivatives. Other types of natural drugs include hallucinogens such as the fungal-based lysergic acid diethylamide (LSD), the psilocybin mushroom, the bufotenine found in secretions from the cane toad, and peyote buttons, found among the roots of the namesake cacti. The latter figures prominently in certain Native American religious practices, as discussed in "A field full of buttons," *The Economist*, 3 April 1999, 27.

Furthermore, more regionally based drugs also have a moderately circumscribed popularity, such as mambog and kratom in Southeast Asia, the latter derived from the *Mitragyna speciosa* shrub, and the qat, or khat, leaf containing the stimulant cathinone and traditionally chewed by Muslims throughout East Africa. An excellent account of both the economic and social aspects of the qat trade can be found in Kevin Rushby, *Eating the Flowers of Paradise: A Journey through the Drug Fields of Ethiopia and Yemen* (New York: St. Martin's Press, 1999). See also Jonathan Stevens, "Krazy Khat," Somalia's Deadly Drug War," *New Republic*, 23 November 1992, 17-8; OGD, *World Geopolitics of Drugs* (2000), 189-92 focusing on Kenya; and "Qat Trade in Africa," Case 427, Trade Environment Database (TED), American University, available at <http://www.american.edu/projects/mandala/TED/qat.htm>, accessed 15 July 2004.

By contrast, synthetic drugs such as amphetamine-type stimulants (ATS), various barbiturates and "club drugs" such as Ecstasy, as well as a wide range of prescription medicines, form the other major class of controlled substances. Incidentally, the UNDCP's taxonomy lists prescription drug used illicitly as a separate category. For more on the abuse of prescription drugs in the U.S., see "Give them their pills, the fuddled masses," *The Economist*, 23-4.

Finally, it should be noted that in several Muslim countries, such as Saudi Arabia and Sudan, alcoholic beverages are also illegal. Moreover, historically a number of commodities now not considered as drugs *per se* have in the past fallen under this heading. For instance, see Kenneth Pomeranz and Steven Topik, *The World That Trade Created: Society, Culture, and the World Economy, 1400 to Present* (Armonk, NY: M. E. Sharpe, 1999), 77-108; in addition to opium and coca, coffee, tea, cocoa, tobacco and sugar are discussed from this perspective.

- (2) An insightful analysis of this phenomenon can be found in Center for Strategic and International Studies, *The Nuclear Black Market* (Washington, DC: CSIS

Task Force Report, Global Organized Crime Project, 1996), particularly 9-18. However, actually tracking the illicit movement of fissile materials is understandably problematic. A chronology of recent detected international nuclear smuggling events involving nuclear materials (1993-6) is available as an appendix to U.S. Senate Permanent Investigations Subcommittee, Testimony of John Deutch, CIA Director, 20 March 1996, available at http://www.fas.org/irp/congress/1996_hr/s960320c.htm, accessed 15 July 2004.

For more on this crucial issue, which has developed a significantly higher profile since 9/11, see also "The plutonium racket," *The Economist*, 20 August 1994, 39-40; U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 13; and, for a European perspective on this issue, Frank Gregory, "Transnational Crime Law Enforcement Cooperation: Problems and Processes Between East and West in Europe," *Transnational Organized Crime* 1, no.4 (Winter 1995), 126-8.

- (3) Within this issue area, the leading international regime is the Convention on International Trade in Endangered Species (CITES), originally established in 1973. However, as with most international agreements there are broadly divergent views regarding fairness of application. A good example of the failure of national governments to reach true consensus is the anti-whaling issue area, with perennial objections voiced by both Norway and Japan. In each of these cases, national sovereignty and cultural, in this case dietary, traditions most often form the basis of opposition. See Calvin Sims, "Japan, Feasting on Whale, Sniffs at 'Culinary Imperialism' of U.S." *New York Times* (web edition), 10 August 2000.

A related area of disagreement arises between balancing protection of resources with sustainable development. An example of this is found in efforts to liquidate existing elephant ivory stockpiles, which is often categorically opposed even when the proceeds are earmarked to fund conservation efforts. See "Sustainable arguments," *The Economist* (web edition), 21 June 1997, and "Excitement at CITES," *The Economist* (web edition), 15 April 2000.

Furthermore, certain types of animal parts in particular, such as rhino horn, tiger bone and grizzly bear gall bladder, are highly prized as ingredients in traditional Chinese herbal medicines and remain an important stimulant of demand. See "Why rhinos recommend Viagra," *The Economist*, 30 May 1998, 76; and Marsh, 133-5.

Other product derived from endangered species may be used in the production of consumer items, especially in the fashion industry. Finally, there is the collateral trade in the smuggling of exotic live animals, most often for eventual use as pets. The increasing profitability of servicing the pent-up demand for such goods is apparent from the level of overall poaching activity, as well as a growing interest in this area on the part of more organized criminal groups.

For more on this issue, see Michael D. Lemonick, "Animal Genocide, Mob Style," *Time*, 14 November 1994, 77-8; "Kill the butterfly," *The Economist*, 8 April 1995, 28-9; Williams, "Networks, Markets and Hierarchies," 78-9; and, more recently, "Pet owners hear the call of the wild," *International Herald Tribune*, 14 February 2002, 8; and "Out of the blue," *The Economist*, 2 November 2002, 77-8. Shaw, 6-7, also notes the involvement of apartheid-era South African military intelligence networks in this trade as a means of both gathering information and raising money for additional projects.

- (4) This category covers a wide range of intellectual property violations across a wide range of commodities, include such items as fake Gucci bags or Rolex watches, as well as pirated copies of movies and music. While diligence with respect to enforcement varies from country to county, in theory these goods are de facto contraband at the global level. In theory, this area is governed under international copyright law.

For more on the scope of this issue, see U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 20-2; and "Imitating property is theft," *The Economist*, 17 May 2003, 52-4. A more recent association between this type of activity and terrorist financing can be found in David Johnston, "Terrorist groups dealing in counterfeit goods, Interpol head says," *International Herald Tribune*, 17 July 2003, 4. For more on efforts to control such activity, see Jeffrey Sparshott, "Faking out the fakers," *Washington Times*, 23 June 2003, C17, 20; and with specific reference to this phenomena's manifestations in Vietnam, "Faking it," *The Economist*, 15 February 2003, 40.

- (5) This category refers primarily to official sanctions imposed at either the national or international level. As such, there may exist a degree of overlap with other types of prohibited goods. An excellent overview of sanctions and their circumvention can be found in Naylor, *Patriots and Profiteers*. Moreover, one of the most salient historical examples can be found in the case of apartheid-era South Africa, while the situation in Iraq, ongoing as of this writing, offers yet another.

To make this issue even more complicated, smuggling actors generally do their utmost to disguise the point of origin for their goods that have a legitimate alternate source. As such, enforcement is particularly difficult in the case of fungible commodities. For instance, overlapping with (11) below is Iraqi oil, in the case of the United States, Libyan and Iranian oil. For a snapshot of the shortcomings of the sanctions regime in Iraq, see Vivienne Walt, "Iraqis making the most of porous sanctions," *USA Today*, 7 November 2002, 15-6A; and with respect to Iran, "18 U.S. businesses searched as part of inquiry into arms sales to Iran," *International Herald Tribune*, 11 July 2003, 5.

Another example is so-called "conflict" diamonds, which as of this writing is the subject of various international efforts aimed at curbing this source of funding for

guerrilla movements, particularly focusing on sub-Saharan Africa. Interestingly enough, there is a parallel with the more long-standing issue of illicit diamond buying (IDB), which the DeBeers cartel has been trying to curtail for the greater part of a century. For a historical view of this long-standing phenomenon, see Stefan Kanfer, *The Last Empire: DeBeers, Diamonds and the World* (New York: Farrar Strauss Giroux, 1993). More recent permutations of this issue are discussed in Matthew Hart, *Diamond: The History of a Cold-Blooded Love Affair* (New York: Plume Books, 2001), 191-3.

Within the mining industry, more recent international and regional efforts have been focused on seemingly intractable internal conflict in Sierra Leone, Angola and the Congo, with various plans revolving around the development of an international-recognized process to certify a given gemstone's point of origin. See Blaine Hardin, "The West Hopes to Curtail Diamond Trading, but Without the Money and Troops." *New York Times* (web edition), 2 August 2000; "Diamond king," *The Economist* (web edition), 29 January 00; and "Diamond leaders in pact to ban 'conflict gems' funding African wars," *CNN.com*, 18 July 2000; and "A crook's best friend," *The Economist*, 4 January 2003, 50.

- (6) For an overview of this phenomenon, see R. T. Naylor, "The Rise of the Modern Arms Black Market and the Fall of Supply-side Control," *Transnational Organized Crime* 4, no. 3 / 4 (Autumn / Winter 1998), 209-36. However, this category shades into the one immediately following, in addition to an obvious overlap with (2) above, but the intent here is to differentiate between high-end, sophisticated weaponry and more common types of arms. For instance, in addition to the control of arms and other weapons-related transactions, the export of some types of dual-use civilian-military items may also fall under this heading. Moreover, a similar case can be made for the various technologies deemed of strategic importance, such as supercomputer, missile and satellite systems.

An example of an item that could easily be placed under either heading is the U.S.-produced ground-to-air, shoulder-fired Stinger missile, lavishly distributed throughout Pakistan for use in Afghanistan during the Soviet occupation. These have become common throughout the region ever since, to the extent that the CIA unsuccessfully tried to initiate a buy-back program in the early 1990s. By 1995, the estimated \$65 million spent had served primarily to drive up the price tag for these units.

For more on this issue, see Natalie J. Goldring, "Links between domestic laws and international light weapons control," presented at *Project on Light Weapons - Controlling the Global Trade in Light Weapons*, Washington, DC, 11-12 December 1997; and, William D. Hartung, "Reports – Weapons at War," World Policy Institute, Arms Trade Resource Center, May 1995, available at <http://www.worldpolicy.org/projects/arms/reports/wawrep.html>, accessed 15 July 2004, with a particular emphasis on Section II.

- (7) Among all categories of smuggled weapons and military equipment, small arms are logically enough the most ubiquitous. The extent of this trade is detailed in “Hey, anybody want a gun?” *The Economist*, 16 May 1998, 47-8. In particular, this article makes note of the various versions of the Kalashnikov rifle, both long-lasting and easy to reproduce (with a total of only 16 working parts), but puts forth the interesting suggestion that it “may be more realistic to restrict the ammunition that is so cheap it is unattractive to smugglers.”

See also Phil Williams, “Drugs and guns,” *Bulletin of the Atomic Scientists* 55, no. 1 (January 1999), in which the author also makes the salient point that “for organized crime, armaments are both commodities and tools of the trade.” This view is also echoed in R. T. Naylor, “Loose cannons: Covert commerce and underground finance in the modern arms black market,” *Crime, Law and Social Change*, 22 (1995), 1-57. Unofficial ties between the military-industrial complex and organized criminal elements in Russia have been well documented, with weapons comprising a key commodity for transfer. See Handelman, 207-14; and Graham H. Turbeville, Jr., “Organized Crime and the Russian Armed Forces,” *Transnational Organized Crime* 1, no. 4 (Winter 1995), 64-73.

For a holistic overview of the issue of weapons moving through the international system, to include developments since the end of the Cold War, as well as the roles of air and sea routes, see also U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 13-5; and Bryan Wood and Johan Peleman, “The Arms Fixers: Controlling the Brokers and Shipping Agents,” *NISAT Research Report* 99.3 (November 1999), available at <http://www.nisat.org/publications/armsfixers/default.htm>, accessed 15 July 2004, with an emphasis on Ch. 1, 5-7.

- (8) Though illegal immigration is subject to a wide range of motivating factors, most of these may be categorized as either economic or political. Furthermore, international criminal groups appear to be increasingly engaged in this trade, with an emphasis on ensuring migrants pay for the service. As noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 8, “Besides being a profitable criminal business, smuggling illegal immigrants is less risky than trafficking in other illicit contraband, such as drugs.” For an excellent overview of this issue with respect to illegal economic migrants from Mexico crossing into the U.S. circa the mid-1980s, see Conover, *passim*.

However, a number of trends can be seen developing, including the growth of the dangerous practice of smuggling human beings in containerized cargo, an increase in the systematic use of false documents and the overall surge in volume of activity. At least part of this increase has been attributed, either directly or indirectly, to a shift on the part of smuggling actors away from drugs, seen as carrying higher risks with similar profits. While press coverage of the numerous recent cases abounds, overviews of this issue area can be found in Kerry, 133-49; and “World faces deluge of human trafficking,” *CNN.com*, 31 August 2000. For

more recent discussions of this phenomenon, see also “Desperate cargo,” *The Economist*, 2 March 2002, 44; and “A cargo of exploitable souls,” *The Economist*, 1 June 2002, 30-1.

Furthermore, this activity is also highly correlated with efforts to ensure sufficient “workers,” often coerced, to support various venues associated with the sex trade. For an overview of the latter issue, see Amy O’Neill Richard, “International Trafficking in Women to the United States: A Contemporary Manifestation of Slavery and Organized Crime,” DCI Exceptional Intelligence Analyst Program monograph, CIA Center for the Study of Intelligence, November 1999, available at <http://www.cia.gov/csi/monograph/women/trafficking.pdf>, accessed 15 July 2004; Sarah Shannon, “Prostitution and the Mafia: The Involvement of Organized Crime in the Global Sex Trade,” *Transnational Organized Crime* 3, no. 4 (Winter 1997), 119-43; and “In the Shadows,” *The Economist* (web edition), 26 August 2000.

Finally, a related issue involves the illegal trade in human organs. For a comprehensive international overview, see Nancy Scheper-Hughes, “The Global Traffic in Human Organs,” *Current Anthropology* 4, no. 2 (April 2000), 191-251. An analysis of a single case study, which also serves to highlight differences in national legal approaches to the issue, can be found in “India Kidney Trade,” Case 240, Trade Environment Database (TED), American University, available at <http://www.american.edu/TED/kidney.htm>, accessed 15 July 2004.

- (9) This area of smuggling is intimately involved not only with stolen goods but also, increasingly, the legal status of such items in terms of provenance and residual ownership. Even objects acquired in good faith have been the focus of repossession efforts on the grounds that they are national treasures or illegally obtained at an earlier period, depending on interpretations of often-conflicting national laws. See “Caveat emptor,” *The Economist* (web edition), 18 September 1999; and “Unplundering art,” *The Economist*, 20 December 1997, 126-8.

An important aspect of this black market is the blurring of lines between legality and illegality in terms of both commodity and actors. See Lauren L. Bernick, “Art and Antiquities Theft,” *Transnational Organized Crime* 4, no. 2 (Summer 1998), 91-116, which also includes discussion of the use of these items as both collateral for drug transactions and to launder money. For instance, a growing exporter of smuggled art in recent years has been Russia, with trafficking in stolen religious artwork being especially prominent, as noted in Handelman, 182-9.

However, a number of other countries with rich archeological heritages have also been subject to this phenomenon. One recent example has been the wholesale looting of museums in Iraq in the wake of the U.S.-led ouster of Saddam Hussein and the resultant power vacuum and breakdown of law and order. See “Heavy history, light fingers,” *The Economist* (3 May 2003), 79; and “The Disappearing Treasure of Iraq,” *Washington Post* (23 April 2003), C1, C8-9.

- (10) Both of these commodities are among the more commonly smuggled goods, by virtue of relatively high import duties and stable demand. Exploitation of cross-border prices may be found in many parts of the world; recently, Britain in particular has been an attractive target. See “The Belgium job,” *The Economist*, 8 May 1999, 58-9, which focuses on both alcohol and tobacco bootlegging; and “Smuggling – tobacco galore,” *The Economist* (web edition), 18 March 2000, which notes that, “Tobacco smuggling is the Britain’s fastest growing category of crime,” due primarily to low risks and high profits.

For another recent example, further underlining the linkage between criminal activity and terrorism, a Charlotte, North Carolina-base cigarette smuggling ring was recently broken. This group was allegedly raising money for the Islamic guerrilla group Hezbollah by exploiting interstate tax differences between North Carolina and Michigan, rather than operating internationally. “U.S. authorities bust cigarette-smuggling ring linked to Hezbollah,” *CNN.com*, 21 July 2000.

- (11) For instance, Handelman, 243-4, discusses the use of Baltic routes by Russian oil and petroleum shippers seeking to avoid export duties. An extensive case study of this phenomenon in the 1980s can also be found in Block, 307-39. According to the author, those involved included “traditional organized criminals from the New York metropolitan region, organized criminals newly migrated to the U.S. particularly from Eastern Europe, criminal entrepreneurs from the Benelux nations, various energy-industry executives in the U.S. and Europe and institutions and individuals involved in quite massive money-laundering operations.”

Finally, two further examples of this phenomenon have been previously discussed in the context of this study. Specifically, both the case studies focusing on Colombia and Nigeria address this issue in terms of its relevance to a more holistic view of regional smuggling. As such, the exploitation of cross-border pricing differentials with respect to fuel between Colombia and Ecuador is noted in Chapter VI, while a similar situation Nigeria and its West African neighbors, is examined in the first section of Chapter VII.

- (12) Gemstones, both cut and uncut, comprise a particularly lucrative and highly fungible form of highly portable wealth, and are often used as collateral in a wide range of illegal transactions. Preferences appear to vary according to local market conditions and availability. As discussed in (5) above, diamonds are a commonly smuggled commodity whose trade is often strictly regulated without generally falling into a restricted category.

For a regional analysis of the situation in Africa prior to the drive for international sanctions on “conflict diamonds,” see Francois Misser, “Smuggler’s rout,” *African Business*, no. 200 (June 1995), 27-8; and “Dirty dealings,” *African Business*, no. 211 (June 1996), 16-9. The latter article in particular notes the disparity between statistics reported to the Diamond High Council on deliveries

and those of individual countries' production. For more on this issue from the South African perspective, see also Marsh, 71-7.

However, more recently tanzanite has also become more prominent in illegal transactions. For instance, traders and various other middlemen dealing with tanzanite have been linked with al-Qa'eda smuggling networks. This gemstone, found only in one 13-square kilometer area of Tanzania, has seen a considerable rise in demand over the past several years. As the uncut stones move toward finishing centers such as Jaipur, India, where they are cut and polished, they allegedly pass through the hands of Muslim extremists, particularly in Kenya and the United Arab Emirates. See Robert Block and Daniel Pearl, "Rampant Smuggling of Blue Gem Helps Bin Laden Loyalists," *Wall Street Journal*, 19 November 2001, A1, A9.

Moreover, even beyond diamonds and tanzanite, the trade in various other types of precious stones can also be observed fulfilling a similar function throughout the world. For more on the smuggling of gemstones focused on specific regions, see also Lisa Gubernick, "You Die For Sure," *Forbes*, 26 October 1987, 94-6, which deals with Burmese rubies; and "Gem wars," *The Economist*, 21 July 1990, 40-1, which examines the illegal trade in emeralds from Colombia.

- (13) Gold has a long history of involvement in smuggling. An overview of this activity can be found in Timothy Green, *The New World of Gold*, rev. ed. (New York: Walker and Company, 1984), 186-97. For a more focused national perspective, see also "High taxes spur gold smuggling in South Korea," *American Metals Market* 103, no. 182 (21 September 1995), 9. For an analysis of this phenomenon closer to a major source, see Marsh, 66-7.

The stimulus for illicit trade in this case may be linked directly to heavy taxes on imported gold, including a customs duty, a value-added charge and an additional education tax. Avoiding these costs in turn generates the smuggler's profit. The utility of gold in laundering large sums of criminally derived funds is also discussed in U.S. Department of State, INL, *INCSR 1999*, "Money Laundering," 4. Chapter V of this study also notes the traditional prevalence of gold smuggling throughout the Persian Gulf.

Further examples of large-scale metals smuggling, particularly on the part of Russian organized crime, include aluminum, copper, titanium, and even scrap metal. For instance, during the early 1990s, Estonia rose to become the sixth largest exporter of non-ferrous metals, despite the fact that not a single ton of metal was being produced in its factories. See Handelman, 243-7; and Fialka, 77-86.

- (14) While a discussion of all of the various types of commodities under this heading are too numerous and varies to examine in extensive detail, generally speaking any good that is either highly taxed or otherwise strictly regulated may be targeted

for smuggling efforts. As a result, diversion of commodities from either the open market or state-controlled channels often occurs. In the latter case, this phenomenon is highly correlated with public-sector corruption. Moreover, close proximity to a cross-border area where a given good is available at either a much higher or lower price will encourage smuggling in the direction that will maximize profit.

An excellent example of this can be found in the large-scale smuggling of oil from Nigeria, as discussed in Chapter VII and noted above. Another case can be found in Tanzania, specifically with respect to avoiding the officially-set buying price for cloves through the state-owned monopoly, the Zanzibar State Trading Company, which has in turn led to increased smuggling of the spice between the clove-growing islands and the Tanzanian coast. See "Zanzibar's Bid to Curb Clove Smuggling," *African News Service*, 18 January 2001. For another East African example, see also "Sugar Shortage Due to Smuggling," *African News Service*, 5 September 2000.

Other popular markets that are serviced by smugglers include those for high-value goods such as designer clothing or computer components, as well as easily disposable goods such as foodstuffs and household items not readily available elsewhere. Moreover, the growing international demand for stolen vehicles has led to wide-ranging networks to meet these market preferences, as noted in U.S. Interagency Working Group, *International Crime Threat Assessment*, Ch. I, 19.

Though difficult to estimate, it may be argued that in some regions of the world, black market consumer goods account for an even larger portion of illegal economies than more traditional smuggled commodities. For instance, for a regional assessment see Stephen Ellis and Janet MacGaffey, "Research on Sub-Saharan Africa's Unrecorded International Trade: Some Methodological and Conceptual Problems," *African Studies Review* 39, no. 2 (September 1996), 19-42.

APPENDIX B

HEROIN – A TIMELINE

1805	Morphine first synthesized
1839-42	First Opium War
1856	Second Opium War
1898	Heroin first synthesized in Germany by the Bayer Company, though by some accounts it was discovered as early as 1874 by a British chemist
1909	U.S. government convenes Philippines Opium Commission, closing down the opium trading monopoly set up by Spanish colonial authorities and banning opium dens
1909	International Opium Commission held in Shanghai, China, the first international conference to discuss the issue of the illegal drug trade
1912	Hague Opium Convention formulated, with follow-up meetings in 1913 and 1914; largely mooted by advent of First World War
1914	Harrison Narcotics Act passed in the United States, restricting the trade in opiates, as well as a number of other categories of drugs, by requiring a doctor's prescription for their distribution
1921	League of Nations sets up Advisory Committee on the Traffic in Opium and Other Dangerous Drugs
1924-5	Two conferences, collectively known as the International Opium Conference, held in Geneva, Switzerland
1931	Geneva Conference on the Limitation of the Manufacture of Narcotic Drugs held, following an abortive attempt to convene two years earlier
1936	Conference for the Suppression of the Illicit Traffic in Dangerous Drugs
1948	Paris Protocol, under U.N. auspices, providing for new drugs to be included under international control measures
1961	U.N. Single Convention on Narcotic Drugs, seeking to incorporate all nine international drug agreements formulated since 1921

- 1971 U.N. Convention on Psychotropic Substances, followed by a related protocol the next year
- 1972 First U.S. “war on drugs” commences during the Nixon administration, a cause taken up in earnest later beginning with the Reagan administration
- 1986 U.S. legislatively mandates annual certification of other country’s drug control efforts by amendment to Foreign Assistance Act of 1961
- 1988 U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
- 1989 G-7 established the Financial Action Task Force in an attempt to control money laundering, since expanded to include twenty-six members
- 1991 G-7 establishes Chemical Action Task Force in an attempt to control access to precursor chemicals used in drug processing
- 1995 Clinton administration issues Executive Order 12978, allowing U.S. federal authorities to either freeze or block all assets held in the U.S. by known foreign nationals engaged in international narcotics trafficking
- 1997 Multilateral Chemical Reporting Initiative proposed under U.S. auspices
- 1999 International Convention for the Suppression of the Financing of Terrorism, adopted by U.N. General Assembly in Resolution 54/109
- 2001 In addition to other consequences, events of September 11 herald a radical reassessment of security issues relating to the control of international borders

APPENDIX C

HEROIN ACTIVITY MODEL

This model is derived from a Cocaine Activity Model developed by the Defense Intelligence Agency (DIA), and encompasses a parallel structure in terms of stages and sub-stages. As such, within this generic model each stage represents a series of events that *may* occur during the production, processing, transshipment, distribution and consumption of heroin (diaceyltmorphine or diamorphine).

Opium Poppy Stage

O1 – Grow Opium Poppy

- O1.1 – Clear Land (often slash & burn)
- O1.2 – Purchase / Acquire Seeds
- O1.3 – Plant Seeds
- O1.4 – Cultivate (weeding, etc.; +/- 3 months to maturity)

Opium Gum Stage

O2 – Harvest & Store Opium Gum

- O2.1 – Harvest Opium Gum (once flower petals have fallen)
 - O2.1.2 – Shallowly Cut ('score') Bulb
 - O2.1.2 – Scrape Off Sap ('gum')
 - O2.1.3 – Collect Opium Gum for Drying (several days)
 - O2.1.4 – Repeat Scoring of Bulbs (3-5 times or until no more produced)
- O2.2 – Prepare for Subsequent Cultivation
 - O2.2.1 – Cut Bulbs from Stem
 - O2.2.2 – Dry Bulbs
 - O2.2.3 – Collect Seeds from Bulbs (for use in next year's planting)
- O2.3 – Prepare Opium Gum for Storage
 - O2.3.1 – Collect Opium Gum for Drying (several days)
 - O2.3.2 – Press Opium Gum into Bricks
 - O2.3.3 – Wrap Opium Gum for Storage
- O2.4 – Deliver Opium Gum to Storage Site
 - O2.4.1 – Establish Route Security
 - O2.4.2 – Move Opium Gum to Storage Site
- O2.5 – Store Opium Gum (if properly stored, it has a relatively long shelf life)
 - O2.5.1 – Establish Site Security

Morphine Stage

O3 – Refine Opium Gum into Morphine (alternatively, use of opium 'straw,' or stalks & bulbs; more common in licit production of opiates)

- O3.1 – Prepare Processing Site
 - O3.1.1 – Establish Site Security
 - O3.1.2 – Acquire Necessary Equipment / Supplies

- O3.3 – Set Up Equipment
- O3.2 – Purchase / Collect Opium Gum from Storage
 - O3.2.1 – Negotiate Purchase / Coordinate Collection
- O3.3 – Deliver Opium Gum to Processing Site
 - 3.3.1 – Establish Route Security
 - 3.3.2 – Move Opium Gum to Processing Site
- O3.4 – Process Opium Gum into Morphine (ratio of approx. 10:1)
 - O3.4.1 – Dissolve Opium Gum in Boiling Water
 - O3.4.2 – Filter Liquid (burlap sacks commonly used)
 - O3.4.3 – Collect & Discard Precipitate (organic waste)
 - O3.4.4 – Reheat Liquid
 - O3.4.5 – Add Concentrated Ammonia
 - O3.4.6 – Collect Precipitate (morphine)
 - O3.4.7 – Dry Morphine
 - O3.4.8 – Press Morphine into Bricks
 - O3.4.9 – Wrap Morphine for Storage
- O3.5 – Deliver Morphine to Storage Site
 - O3.5.1 – Establish Route Security
 - O3.5.2 – Move Morphine to Storage Site
- O3.6 – Store Morphine
 - O3.6.1 – Establish Site Security

Heroin Stage

- O4 – Refine Morphine into Heroin
 - O4.1 – Prepare Processing Site
 - O4.1.1 – Establish Site Security
 - O4.1.2 – Acquire Necessary Equipment / Supplies
 - O4.1.3 – Set Up Equipment
 - O4.2 – Procure Precursor Chemicals (acetic anhydride is most common)
 - O4.2.1 – Move Precursor Chemicals to Site
 - O4.3 – Deliver Morphine to Processing Site
 - O4.3.1 – Collect Morphine from Storage Site
 - O4.3.2 – Establish Route Security
 - O4.3.3 – Move Morphine to Processing Site
 - O4.4 – Process Morphine into Heroin (chemically binding acetic anhydride to morphine molecule to produce $C_{17}H_{17}NO(C_2H_3O_2)_2$)
 - O4.4.1 – Add Equal Quantities of Morphine and Acetic Anhydride
 - O4.4.2 – Heat Mixture (six hours at 85°C recommended)
 - O4.4.3 – Add Water & Chloroform (to precipitate impurities)
 - O4.4.3 – Collect & Discard Precipitate
 - O4.4.4 – Drain Solution
 - O4.4.5 – Add Sodium Carbonate (to precipitate heroin)
 - O4.4.6 – Filter Heroin Out of Solution (with activated charcoal)
 - O4.4.7 – Add Alcohol (to purify heroin)
 - O4.4.8 – Gently Heat to Evaporate Alcohol

- O4.4.9 – Collect Heroin (most commonly as a white or brown powder, though less refined ‘black tar’ heroin also found)
- O4.5 – Deliver Heroin to Storage Site
 - O4.5.1 – Establish Route Security
 - O4.5.2 – Move Heroin to Storage Site
- O4.6 – Store Heroin
 - O4.6.1 – Establish Site Security
- O4.7 – Transship Heroin
 - O4.7.1 – Establish Route Security
 - O4.7.2 – Move Heroin via Logistical Channels
 - O4.7.3 – Repeat Transshipment as Necessary (including multiple iterations across national borders if applicable)

Distribution / Consumption Stage

- O5 – Repackage Heroin and Deliver to End User
 - O5.1 – Clear Customs into Target Country
 - O5.2 – Deliver Heroin to Storage Site
 - O5.2.1 – Establish Route Security
 - O5.2.2 – Mover Heroin to Storage Site
 - O5.2 – Store Heroin
 - O5.2.1 – Establish Site Security
 - O5.3 – Dilute (‘cut’) Heroin
 - O5.3.1 – Procure Dilutants (preferably some form of non-lethal powder)
 - O5.3.2 – Add to Heroin (purity will decrease, bulk will increase)
 - O5.4 – Repackage Heroin (into progressively smaller parcels)
 - O5.5 – Introduce Wholesale Heroin into Retail Marketing Channels
 - O5.5.1 – Establish Route Security
 - O5.5.2 – Allot Wholesale Heroin to Retailers
 - O5.6 – Retail Heroin to Consumers
 - O5.7 – Consume Heroin (inject / inhale)

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Jim Medler has significant academic and professional expertise in global security, political and economic issues, with travel and work experience across Europe, Asia, Latin America and Africa. His professional experience encompasses a wide range of disciplines, and includes political risk analysis, site and route threat assessment, military and competitive business intelligence collection, and debriefing.

Prior to completing his current course of study at Old Dominion University, Mr. Medler earned a Graduate Certificate in the History of Strategy and Policy at the same institution. He also has an M.A. in the Humanities, with an emphasis on History, from California State University - Dominguez Hills in Carson, California, and a B.A. in History with a minor in English from Virginia Tech in Blacksburg, Virginia.

At present, Mr. Medler is Senior Risk Analyst with Digital Sandbox, Inc., a Reston, Virginia-based software firm specializing in security assessment, algorithm development and modeling. From April 2001 to December 2003, he worked as a consultant in private practice, providing comprehensive security consulting services worldwide across various business sectors, with a focus on political risk analysis and site security assessment. In this capacity, he traveled to and conducted research on various target countries to assess threat environments and make security recommendations.

From December 1999 to April 2001, Mr. Medler worked as an analyst for Camber Corporation in Tallahassee, Florida, serving as assistant project leader on the Florida Seaport Security Study with responsibility for threat assessment, aspects of on-site data capture and the development of relevant metrics. This initiative was undertaken on behalf of the Florida Governor's Office of Drug Control to assess the vulnerability of elements of the state's transportation infrastructure and to formulate legislative standards.

While in residence at Old Dominion University, Mr. Medler worked as a graduate assistant, and completed internships at both NATO Supreme Allied Command, Atlantic, and the Armed Forces Staff College. Before entering ODU, he worked as a competitive intelligence analyst and, from 1991 to 1995, served in the U.S. Army as a Korean linguist, tactical interrogator and strategic debriefer, stationed in Monterey, California; Fort Lewis, Washington; and Seoul, Republic of Korea.