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A Comparative Analysis of Drug-Trafficking Trends in the Middle East/Central Asia and
East/Southeast Asia

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and
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I. Introduction

International drug-trafficking is one of the most serious transnational issues faced in the world today. According to the most recent survey, between 153 and 300 million people who use drugs once a year and between 15.5 and 38.6 million people use narcotics to the extent that they are exposed to serious health problems. This means that roughly 1 out of every 20 persons aged between 15 and 64 and 1 out of every 160 person in the same age group use or heavily abuse illicit narcotics during a year. Though the majority of these consume cannabis, other, more dangerous, drugs like cocaine and heroin also have high rates of consumption.¹ The drug trade is also extremely profitable. Though the figure is now slightly dated, in 2003 the global illicit drug market was valued at \$13 billion (US) at production levels, \$ 94 billion (US) at wholesale levels, and \$322 billion (US) at retail prices. This last level, which takes seizures into account, was higher than the GDP of 163 countries, or 88 percent of all of the countries of the world.² Currently, the total retail market for illicit narcotics remains at roughly the same levels as in 2003, with \$85 billion (US) coming from the cocaine retail market and \$68 billion (US) from the opiate market.³ These figures make international drug-trafficking the most profitable venture undertaken by organized crime syndicates. The other major activities of organized crime groups, including the illicit firearms trade, human trafficking, and the sale of conflict diamonds combined, make up only a fraction of the revenues produced by the illicit drug trade. Thus, the study of international drug-trafficking is extremely important because of its large scope and the effect that it has on international crime in general.⁴

¹ United Nations Office on Drugs and Crime, *World Drug Report* (hereinafter cited as *WDR*) (2012), p. 59

² *WDR* (2005), pp. 16-17.

³ *WDR* (2012), p. 60.

⁴ *WDR* (2007), p. 170.

The international community has recognized the significant threat posed by illicit narcotics trafficking and has responded with a large number of counternarcotics initiatives throughout the years. The United Nations has taken the lead on several of the most important of these initiatives, including the 1988 UN Drug Convention, the UN Psychotropic Substances Convention in 1971, and the UN Convention against Transnational Organized Crime, all of which have a large number of signatories throughout the global community.⁵ International law enforcement was also instrumental in taking down the influential and highly profitable Medellin and Cali cartels in Colombia in the 1990s.⁶ Furthermore, regional actors have been heavily involved in halting the illicit drug trade, often addressing issues that are most prevalent to their constituent nations. The U.S., for example, is extremely active in Latin American counternarcotics efforts, to the point that drug-trafficking organizations from the region have been deemed “the greatest organized crime threat to the United States” and billions of dollars have been spent on eradication efforts and counternarcotics initiatives, like the Mérida Initiative, in the region.⁷

Likewise, programs like the Triangular Initiative between Iran, Pakistan, and Afghanistan represent regional efforts to combat drug-trafficking among neighboring countries.⁸ Finally, the counternarcotics effort begins and is spearheaded by individual national governments. Without the cooperation and active participation of these governments in fighting illicit narcotics production, transit, and consumption, drug traffickers would be able to operate with almost a free rein, even accounting for international and regional counternarcotics efforts. Programs like China’s “The People’s War Against Drugs” show the government’s willingness to promote

⁵ U.S. Department of State, *International Narcotics Control Strategy Report* (hereinafter cited as *INCSR*) (2012), p. vii.

⁶ *WDR* (2007), p. 174.

⁷ Seelke et al. “Latin America and the Caribbean”, p. 2.

⁸ Presidency, Drug Control Headquarters of Iran. *International Cooperations.*, p. 5

counternarcotics initiatives and to work to prevent the spread of the illicit drug trade within its country's borders. Similarly, domestic agencies like the Turkish National Police have had great successes, even in the face of such high volumes of trafficking, in their fight against the drug trade because of their proactive and aggressive stance towards the issue.⁹

Drug-trafficking takes different forms in different parts of the world. It would be impossible to create a summary of drug-trafficking that would be applicable to all regions of the world, and each region of the world is notable for its specific characteristics in the drug trade. Similarly, an effort to try to formulate a counternarcotics strategy that would be equally effective throughout all corners of the globe would likely prove impossible. A strategy to reduce production that works well in Afghanistan may be completely ineffective in Colombia, while an initiative to curb consumption of narcotics might be imperative to implement in Iran but completely unnecessary in Burma. This makes it important to study trends in the illicit drug market through a comparative analysis in order to see the differences in drug-trafficking in various countries and regions so that it becomes easier to ascertain what sort of counternarcotics efforts would be most effective in a particular part of the world.

II. Definition of Terms

In order to look effectively at drug-trafficking trends throughout the world, we must define certain terms related to the drug trade. The United States Department of State (USDS) has created three designations for countries involved in the illicit drug trade that are relevant to this work: major illicit drug producing countries, major illicit drug-transit countries, and major money-laundering countries. In order for a country to be considered a major illicit drug-

⁹ *INCSR* (2012), p. 429.

producing country, it must cultivate at least 1,000 hectares of illicit coca or opium poppy within its borders during a year or at least 5,000 hectares of illicit cannabis cultivation that has a significant effect on the U.S. during a year. To be designated a major drug-transit country, a nation must be a significant source of controlled substances, including illicit narcotics, that has an effect on the U.S. or whose illicit substances are transported across its borders. In the most recent International Narcotics Control Strategy Report, 22 countries received one of these two designations, including Afghanistan, Burma, Colombia, and Bolivia. Countries are designated as major money-laundering countries if the financial institutions in the country are engaging in significant numbers of transactions in which the proceeds have come from the drug trade. In the same report, 66 countries and jurisdictions received this designation, including China, Turkey, Guatemala, and the United States.¹⁰

III. Methodology

This work specifically analyzes drug-trafficking trends in two broadly defined regions of the world: the Middle East and Central Asia, and East and Southeast Asia. It will highlight some of the differences in various aspects of the drug trade between the two regions as well as examine similarities that exist. Specifically, the production, transit, and consumption of illicit narcotics in each of the three regions will be examined, along with the domestic and regional counternarcotics initiatives that are in place there. Important trends over the last five years will be examined to look at the similarities and differences that already existed and new trends that have recently emerged.

¹⁰ *INCSR* (2012), pp. 4-5.

In order to facilitate this analysis, six case studies have been included here. Three case studies are from the Middle East and Central Asia and three are from East and Southeast Asia. The case studies each represent a specific type of country related to the drug trade; each region has one case study that is primarily a producer of illicit narcotics, one case study that serves as a transit country for drug-trafficking, and one country that is unique in its regional position in the drug trade. In the Middle East and Central Asia, the study highlights Afghanistan as the production company, Turkey and Tajikistan the transshipment countries, and Iran stands as the unique case study. In East and Southeast Asia, this study identifies Burma as the major production country, Thailand as the main transit country, and China as the special case study. Certainly, Latin America is a significant part of the illicit drug trade, especially the cocaine market. However, because the drug production that takes place in Latin America differs so significantly from that in the other two regions, no case studies have been included for that region. The case studies for countries in the Middle East and East and Southeast Asia have been included for a comparative analysis of drug-trafficking in those regions; Latin American drug-trafficking differs so fundamentally that the distinctions between it and the other two regions of this study are readily apparent in the regional analysis. Additionally, since a much greater body of research exists pertaining to Latin American drug-trafficking trends, an in-depth analysis of the region has not been provided here.

For many reasons, estimating rates of production, trafficking, and consumption of illicit narcotics is difficult. By its very nature, the drug trade must be secretive, meaning that a completely accurate estimation of production and consumption rates is impossible. Furthermore, new data constantly comes to light about drug-trafficking trends in different parts of the world as new surveys are completed and results are extrapolated back into history and to other

neighboring countries. As a result, the two primary sources consulted for this work, the United Nations Office of Drugs and Crime's (UNODC) annual World Drug Report and the USDS's annual International Narcotics Control Strategy Report sometimes give different figures for certain drug-trafficking estimates. When the two reports were in conflict, I personally relied on the figures supplied by the UNODC. Unless otherwise stated, figures cited here come from the UNODC's World Drug Report. Additionally, these governing agencies do not complete surveys every year. Thus, some of the figures here may be proven incorrect in future years as later surveys are conducted. However, the data presented in this work indicate the figures that currently reflect illicit drug-trafficking rates.

IV. Regional Trends

V. Middle East and Central Asia

Similar to Latin America, several countries are heavily involved in the production of illicit narcotics in the Middle East and Central Asia. The primary drug of the region, however, is not cocaine but rather opium and its derivatives, especially heroin.¹¹ This region is home to the largest opium producer in the world, Afghanistan, and, consequently, the levels of production found in the region are predicated upon production levels in Afghanistan. In 2009 opium poppy cultivation took place on 124,779 hectares out of a global total of 181,373 hectares utilized for opium poppy cultivation. This number actually has dropped from previous levels. In 2007, for example, the region accounted for 194,701 hectares of opium cultivation. This cultivation takes place almost exclusively in Afghanistan, though the amount of hectares in use in Afghanistan has dropped. Afghan farmers harvested 123,000 hectares of opium cultivation in 2009, but topped out at 193,000 hectares of opium cultivation in 2007. This translated into potential opiate

¹¹ *WDR* (2007), p. 10.

production of 6,944 metric tons from the region in 2009, 6,900 of which came from Afghanistan.¹² Heroin produced in Afghanistan is trafficked to many different markets, including several regional markets in Iran, Pakistan, Central Asian nations, and Afghanistan itself, and extra-regional markets in Europe, Russia, and China.¹³

The nations that surround Afghanistan tend to have the highest opiate prevalence rate in the world. Central Asia has an estimated 320,000 opiate users which translates to a prevalence rate of around .6 percent among the population between 15 and 64. The Near and Middle East region is estimated to have between 1,940,000 and 3,540,000 opiate users, or a prevalence rate between .8 percent and 1.4 percent of the population between 15 and 64, by far the highest estimated prevalence rate of any region in the world. Heroin is ranked as the most significant problem of all illicit narcotics that are consumed in the region.¹⁴

Narcotics from this region follow several different transit routes to get to the major consumer markets in Europe. Though the traffickers use different routes, the bulk of these routes point westward toward markets in Europe, supplying the countries in the Middle East and Central Asia on the way to their ultimate destination. The most significant route, the Balkan Route, begins in Afghanistan and travels through Pakistan, Iran, and Turkey and then to the Balkan countries in Eastern Europe before eventually making its way to Western Europe. Even along this route, variations occur as some drug traffickers prefer to avoid the Turkish-Bulgarian border and instead go through Romania and Ukraine. An alternative to the Balkan Route is a more northern route that passes through Central Asia to markets in Russia and the Baltic nations in Europe. Moreover, traffickers sometimes utilize air routes to smuggle opium directly from a country in

¹² *WDR* (2010), p. 138.

¹³ *Ibid.*, p. 46.

¹⁴ *WDR* (2011), p. 50-52.

this region, usually Pakistan, to markets in the United Kingdom, Africa, and North America. Finally, a new transport route for heroin and other opiates has appeared that passes through Pakistan and Central Asia to markets in China and India, supplementing the opium produced in Burma.¹⁵ Turkey and Iran are generally considered to be the two most important countries for the transit of narcotics along these routes because of their location between the lucrative consumer markets of Europe and the production centers in the Middle East and Central Asia. Scholars estimate that the majority of heroin that is trafficked to Western Europe has passed through these countries.¹⁶

Generally, drug-trafficking is considered much less organized throughout this region than it is in Latin America. Trafficking within a country, generally handled by nationals of that country, involves a large number of small-scale traffickers rather than the large cartels that have been found in Latin America. Therefore, most of the arrests for drug-trafficking that occur in Kazakhstan involve citizens of Kazakhstan while most of the arrests in Tajikistan involve Tajik nationals. Generally, the narcotics remain in the hands of Afghan traffickers until they pass through the borders of that country. The one exception to this trend appears to be in Russia, where Tajik nationals are heavily involved in controlling the drug trade, although they are generally not involved in other Central Asian countries besides Tajikistan. Thus, it seems that illicit narcotics exchange hands frequently along these routes before they reach their ultimate destination: major consumer markets.¹⁷

The final evidence for the apparent disorganization of Central Asia drug traffickers is the high prevalence rates that occur along drug-trafficking routes in the region. Rather than ensuring

¹⁵ *WDR* (2007), p. 45.

¹⁶ *WDR* (2009), p. 42.

¹⁷ *WDR* (2007), p. 21.

that the entire narcotics product makes it to the most lucrative markets in Europe and Russia, commonly opium is diverted to the domestic markets along Tajikistan, Kazakhstan, and Kyrgyzstan.¹⁸ Evidence suggests that drug-trafficking in the region is becoming more organized in a manner similar to Latin America, but it remains fairly disorganized at the present time.¹⁹

In addition to opiates, the UNODC has reported a general increase in the production, transit, and consumption of amphetamine-type substances in the region over the recent period, namely amphetamine sold as Captagon. Captagon, which was formerly the name of a licit pharmaceutical drug, is sold in tablet form as a counterfeit to the original drug. The main narcotic in these tablets is generally an amphetamine, though there is some variance.²⁰ Between 2000 and 2007, the market for this substance grew rapidly and reached a high point in 2009 after a brief stabilization of the market the year before.²¹ This trend has reversed according to the most recent surveys, though, and the region saw a significant decline in the amount of Captagon seizures from 2009 to 2010, from 24 metric tons to 13 metric tons. It remains to be seen whether this decline will be an anomaly in the overall trend or truly marks a reversal in the amphetamine market in the region.²²

This region is also unique in its share of the cannabis resin market. Also known as hashish, cannabis resin is a much less commonly used form of the popular drug that is cultivated almost exclusively in this region, excepting the admittedly significant amounts of cultivation that take place in Morocco. This region marks the only part of the world where the market for cannabis resin dwarfs the market for cannabis herb. The trafficking of cannabis resin differs significantly

¹⁸ *Ibid.*, pp. 186-187.

¹⁹ *Ibid.*, p. 21.

²⁰ WDR (2012), p. 54.

²¹ WDR (2011), p. 159.

²² WDR (2012), p. 54.

from that of cannabis herb because cannabis herb is cultivated for domestic use in most instances, whereas cannabis resin is often transported from cultivation areas in Morocco and Afghanistan to consumer markets in Europe.²³

East and Southeast Asia

The countries of East and Southeast Asia are also heavily involved in the opium market, as well as the synthetic drug market. The region is home to a major production center in Burma, a major consumer market in China, and several other smaller markets in other countries in the Greater Mekong Valley Region and East Asia. Nine major drug-trafficking routes run through the region. In addition, several routes enter the region from other parts of the world. Four of these routes begin in Burma, the largest production center for narcotics in the region. One of these routes transits through Laos to Cambodia and ultimately Thailand. Another smuggles drugs south through Thailand to markets in Malaysia, Indonesia, Singapore, and Brunei. The smallest trafficking route out of Burma transits drugs west to India and Bangladesh, although those countries are more often supplied by Afghan narcotics. The most lucrative market out of Burma smuggles drugs straight into the Yunan Province in China, where it is then shipped through the rest of the country and to other parts of the region, including Japan, Taiwan, and the Philippines. Other important drug-trafficking routes in the region include routes from Cambodia and Laos into Thailand and from Thailand to Malaysian, Taiwanese, and South Korean

²³ *Ibid.*, pp. 2-3.

markets.²⁴ Evidence also points to increased trafficking of narcotics from outside the region to consumer markets here, mostly through Iran and Turkey.²⁵

Although this region is similar to the Middle East and Central Asia in that opium is the major drug produced, the ultimate destination for these narcotics is different. Unlike the Middle Eastern region, a significant consumer market in this region, meaning that much of the opium produced there remains in the region. Indeed, the bulk of the opium and opium-derived substances that are produced in the region are also consumed in the region. The amount of opium production in the region is driven almost entirely by the opium poppy fields in Burma. During the period of great reduction of opium poppy fields in Burma prior to 2007, opium cultivation in the Golden Triangle, the main production area of the region, fell 84 percent from its highest point in 1991.²⁶ However, in the time since that survey, opium poppy cultivation has grown once again in the region, from 24,000 hectares in 2006 to 47,700 hectares in 2011. Of that total, 43,600 hectares of opium poppy cultivation were in Burma.²⁷ Opium consumption, while still a significant problem, has shown signs of stabilization in the region. In 2009, it was estimated that between 2.8 and 5 million people aged between 15 and 64 used opiates at least once in the previous year, and opiates were the most commonly used drug in several countries in the region, making these countries among the few in the world where cannabis is not the most widely consumed drug.²⁸ The type of opium consumed varies by the country and the area in question. Generally, opium is used in more rural areas while heroin is more common in urban areas, a trend that is also seen in other parts of the world. Furthermore, certain countries, like

²⁴ *WDR* (2008), p. 140.

²⁵ *WDR* (2011), p. 160.

²⁶ *WDR* (2007), p. 25.

²⁷ *WDR* (2012), p. 28.

²⁸ *WDR* (2010), p. 152.

Burma and Laos, have a much higher opium prevalence than heroin.²⁹ Thus, while opium production and consumption are both still significant problems in the region, there is evidence that the problem is not quite as severe as it once was.

Another new trend in this region has revealed a dramatic increase in the production of synthetic drugs, especially methamphetamine. For several years, the market for amphetamine-type stimulants has been growing, and this trend currently shows no indication of slowing. The region has seen one of the greatest increases in the number of methamphetamine manufacturing laboratories in the world. These laboratories are continually growing in sophistication, and many of the plants operating within the region are considered industrial-size laboratories. Authorities seized one such laboratory in the Guangdong region of China. It possessed 1.7 metric tons of liquefied methamphetamine.³⁰ While a relatively small number of laboratories operate in the region, most are considered super- and mega-laboratories, and the region is home to the largest number of this type of manufacturing plant.³¹ Much of the production market in the region is centered in Burma, where the country's porous borders allow precursor chemicals to be diverted from licit sources in Thailand, China, and India. It is widely assumed that the majority of this production in Burma is controlled by the United Wa State Army, Shan State Army-South, and other combative ethnic groups.³²

Methamphetamines are currently among the top three illicit narcotics consumed in many countries in the region, including China, Japan, and Indonesia. This increase in the use of methamphetamines and other synthetic drugs in the region has occurred despite the fact that the global market for amphetamine-type stimulants has remained stable recently. Experts have

²⁹ *WDR* (2008), p. 57.

³⁰ *WDR* (2009), p. 120.

³¹ *WDR* (2008), p. 130.

³² *WDR* (2009), pp. 120-121.

determined that the market for methamphetamines has grown significantly only in East and Southeast Asia.³³ According to recent data, the annual prevalence rate of amphetamine-type stimulants in the region is between .2 percent and 1.4 percent of the population aged 15-64, a number that is driven by the methamphetamine market. This number is skewed, however, because several countries in the region, most notably China, do not have reliable or complete data about the methamphetamine market within their borders. Further evidence of the growth of the methamphetamine market in the region can be seen in the arrest records for trafficking of the drug, which have risen over 250 percent between 2004 and 2009.³⁴ The rates of methamphetamine seizures has also been on the rise, and in 2010, it was reported that officials seized 20 metric tons of methamphetamines, or almost half the global total. Enforcement agencies saw a significant increase over previous years, as the amount of seizures jumped 28 percent from the previous year and 74 percent over 2008. Likewise, the number of methamphetamine tablets increased dramatically in 2010, growing to 136 million tablets seized that year from 94 million tablets in 2009 and 32 million in 2008, an increase of 44 percent and over 400 percent, respectively.³⁵ This rapidly growing market must be carefully monitored, as it is the most troubling aspect of the illicit narcotics trade in the region and is the aspect of that trade that most distinguishes the region.

VI. Country Studies

Middle East and Central Asia

Afghanistan

I. Introduction

³³ *WDR* (2011), p. 17.

³⁴ *WDR* (2011), p. 134.

³⁵ *WDR* (2012), pp. 52-53.

Afghanistan, one of the most significant drug producing nations in the region, is the most important opium-producing country in the world. Many different factors account for the country to having achieved this status. Though there have been efforts to address them in several instances, these issues will continue to present an attractive opportunity for drug traffickers in the future. Afghanistan is a poor country, with a GDP per capita of \$1,000 (US), which ranks it 218th in the world. An estimated 36 percent of the population lives in poverty, and 35 percent is unemployed. Employed Afghans generally work in agriculture; 78.6 percent of the employed population works in that sector. These conditions are perfect for drug traffickers, who are able to capitalize on a lucrative opportunity and take advantage of an already present strong agricultural sector whose main export is listed as opium.³⁶ Furthermore, the soil and climate in Afghanistan are considered ideal for the cultivation of opium poppies, meaning that there are no internal limiting factors on opium production.³⁷

In addition to the economic problems that present opportunities for the narcotics trade to flourish in Afghanistan, the country has also been faced with severe internal strife for years. During the Cold War, insurgent groups that were active in trying to bring down the domestic government drew on the drug trade for financing. Today, terrorist groups that operate in the country use the illicit narcotics market for much the same purpose; regarding Afghanistan, it is widely believed that “fighting drug-trafficking equals fighting terrorism.”³⁸

II. History

Although opium production has taken place in Afghanistan and throughout the Golden Crescent region for years, not until relatively recently had the country become such a significant

³⁶ “The World Factbook.”

³⁷ Clemens, “Opium in Afghanistan.” p. 409.

³⁸ Chouvy, “Afghanistan’s Opium Production in Perspective.” p. 21.

factor in the international narcotics trade. The opium trade, which was started in earnest as a result of the British East India Company's endeavors into the market in China 150 years ago, quickly spread from the region to other parts of the world. During the Cold War, the drug trade in the Golden Crescent Region, including Afghanistan, increased as insurgents used the profits from the sale of illicit narcotics to fund their activities against the communist governments in their respective countries. Sometimes funded by American intelligence operatives, these insurgents prompted the opium trade to expand rapidly. As the domestic and regional conflicts continued throughout the Cold War, the drug trade became increasingly important to each of these insurgents groups and to the national economy. These circumstances endured, and eventually parts of Afghanistan became dependent on the sale of opium, at times to the detriment of other agricultural development.³⁹

External factors caused Afghanistan to become the most significant country for opium production in the region and eventually led to its status as the largest opium producer in the world. During the 1970s the governments of Turkey, Pakistan, and Iran, all previous significant opium producers, initiated severe crackdowns on the opium trade leading to large decreases in the amount of opium that could come out of those countries. Thus, traffickers turned to Afghan farmers to supply the regional and international demand for opiates, further leading to the economy's dependence on the trade of illicit opium. The fact that Afghan soil is particularly well adapted for opium poppy cultivation also served to make the opium poppy fields in this country more important in taking over the production market for opiates.⁴⁰ In 2001, Taliban government in power in Afghanistan attempted to deal with the drug problem by banning the production of opium. Shortly thereafter, though, the U.S. military removed that government, and

³⁹ *Ibid.*, pp. 22-23.

⁴⁰ Clemens, p. 409.

the drug trade continued unimpeded as it had previously.⁴¹ Only recently has the country engaged significant counternarcotics efforts aimed at counteracting the growth of an opium market that has been growing for decades.

III. Production of Illicit Narcotics

Afghanistan is the largest cultivator of opium in the world and the largest producer of illicit opiates. According to the USDS Afghan farmers cultivated 119,000 hectares of poppy cultivation in 2010, which marked a significant decline from 131,000 hectares the previous year and 202,000 hectares in 2007. UNODC experts believe, however, that a disease that affected opium poppy plants in the region contributed to this decline. According to the most recent surveys, roughly 130,410 hectares of land is under opium poppy cultivation in Afghanistan, a total which represents around 63 percent of the land used for opium poppy cultivation in the world. This translates to a potential opium production in Afghanistan of 5,800 metric tons in 2011, up from 3,600 metric tons in 2010.⁴² The majority of this production takes place in the Helmand Province, and in 2006 that province produced more narcotics than the entire significant drug production of Burma, Morocco, and Colombia.⁴³ Production in Helmand has diminished since then, but in 2010, that province allocated 65,045 hectares to opium poppy cultivation, and the southern provinces of the country, which include Nimroz, Farah, and Kandahar in addition to Helmand, accounted for 82 percent of the land under opium cultivation in the country.⁴⁴

Afghanistan also boasts the largest number of heroin-manufacturing laboratories in the world, with 48 seized in the country in 2010 compared to three in Burma and one in Mexico.

⁴¹ Chouvy, p. 21.

⁴² *WDR* (2012), pp. 25-27.

⁴³ *WDR* (2007), p. 1.

⁴⁴ *WDR* (2011), p. 242.

Little evidence points to Afghans sending their heroin to labs outside of Afghan control, though it is certainly possible that this is occurring.⁴⁵

In addition to the cultivation of opium poppies and the production of opiates like heroin, Afghanistan has become one of the greatest producers of cannabis resin, otherwise known as hashish, in the world. There is evidence that, as of 2009, cannabis resin was seen as a viable competitor to opium poppies as a cash crop for cultivation in the country.⁴⁶ In 2008 cannabis resin seizures in Afghanistan topped 84 metric tons, or 6 percent of the global amount of seizures, a number that had more than doubled over the previous year. Although Morocco has traditionally been the most significant producer of cannabis resin in the world, Afghanistan is quickly catching up and may soon carry that distinction. Unlike opium production, which is confined almost exclusively to the southern and eastern provinces of Afghanistan, cannabis resin is cultivated throughout the country, and in 2008, 20 out of the country's 34 provinces reported "substantial cannabis cultivation."⁴⁷

The production of illicit narcotics is so popular in Afghanistan because of its high profitability compared to other sectors of the Afghan economy. In 2009 Afghan drug traffickers earned \$2.2 billion (US) from the sale of opium while local farmers made an estimated \$440 million (US). Outside of the direct cultivation and sale of illicit opiates, the Afghan Taliban was also assumed to have made \$155 million (US) as a result of the drug trade, which was comprised mostly of protection fees and taxes assessed to farmers, laboratory operators, and traffickers. Opiates are now stand as a central source of hard currency for anti-government elements

⁴⁵ *Ibid.*, p. 61.

⁴⁶ *Ibid.*, p. 18.

⁴⁷ WDR (2009), pp. 95-99.

operating in the country.⁴⁸ As recently as 2010, UNODC officials considered Afghanistan's economy to be at risk for developing a "drug dependence," as the drug trade comprised the equivalent of 48 percent of the country's total GDP in 2007 and 26 percent in 2009.⁴⁹ Despite this impressive number, it remained lower than previous levels; in 2004, the opiate market in Afghanistan was worth the equivalent of more than 60 percent of the nation's GDP. Although this number has been steadily declining and had fallen to 16 percent of the country's GDP in 2011, it still stands out as a significant figure and a continuing serious problem for the country.⁵⁰

IV. Consumption of Illicit Narcotics

With such a large supply of opium because of its large-scale production, high rates of consumption can also be seen in Afghanistan. The country has one of the highest rates of opium prevalence in the world, and in 2009 between 2.3 percent and 2.9 percent of the population aged 15-64 used opiates regularly. This equated to between 285,000 and 360,000 opiate users in the country. The majority of these users, between 200,000 and 250,000, consumed opium, but, at between 100,000 and 135,000 users, there were still a significant number of heroin users in the country.⁵¹ According to the USDS's most recent survey, a total of 940,000 drug users live in Afghanistan, and the number of cannabis hashish consumers continues to rise. In order to address the health problems of these users, the country opened 50 residential drug-treatment centers in the country. This number, however, is insufficient to deal with the problem of drug prevalence there.⁵²

V. The Transit of Illicit Narcotics

⁴⁸ *WDR* (2011), p. 83.

⁴⁹ *WDR* (2010), p. 48.

⁵⁰ *WDR* (2012), p. 67.

⁵¹ *WDR* (2010), p. 154.

⁵² *INCSR* (2012), p. 93.

Most of the opium produced in Afghanistan is not consumed domestically, though. Instead, traffickers smuggle it out of the country via one of several drug-trafficking routes to the more lucrative markets in Europe, Russia, and, increasingly, China. Opium leaving Afghanistan moves in one of three directions: into Pakistan, into Iran, or through the northern and eastern provinces and on to Central Asia. In 2009 roughly 160 metric tons of heroin moved from Afghanistan into neighboring Pakistan. The narcotics leave Afghanistan's Helmand or Kandahar provinces and enter through Pakistan's Balochistan province. From Pakistan, the drugs move in several directions, including to Iran, Europe, South Asia, Africa, and, increasingly, East and Southeast Asia. Between routes from Afghanistan and Pakistan, roughly 145 metric tons of heroin was trafficked into Iran that year, where it was then transported to Turkey, local seaports, Iraq, or Azerbaijan. The majority of opiates smuggled into Iran continue to move along the Balkan Route to the markets in Western and Central Europe. Finally, Afghans moved approximately 90 metric tons of heroin northwards on Central Asian routes through Tajikistan, Uzbekistan, Turkmenistan, Kyrgyzstan, and Kazakhstan. Of this amount, roughly 75 metric tons of heroin was shipped along the Northern Route to Russia. Through these routes, opiates from Afghanistan are consumed throughout the world, as far away as Canada and Australia.⁵³

Money laundering is also considered a significant problem in Afghanistan, and the USDS lists it as a country was listed as a country of primary concern for the in that regard. Although it is not considered to be a regional or offshore money center, Afghanistan is extremely important to the financial aspect of the drug trade because of the high levels of narcotics production that take place there. The banking system remains insufficient in most respects, and many of the transactions that take place there are handled by unlicensed and unregulated hawalas instead of

⁵³ WDR (2011), pp. 71-76.

more secure banks. This gives drug traffickers plenty of opportunity to hide the profits that they receive from the narcotics trade. One example of an opportunity presented to drug traffickers here can be seen at the Kabul International Airport, where a VIP lane allows passengers to pass through the airport without undergoing any inspections or controls. Overall, each year roughly \$1 billion (US) of declared cash goes from Afghanistan to other, more financially secure countries in the region, especially Dubai.⁵⁴ Further hurting any counternarcotics effort in this regard is the high level of corruption in the country. Afghanistan is currently in a tie with North Korea and Somalia as the most corrupt nations in the world, according to Transparency International's Corruption Perception Index.⁵⁵

VI. Counternarcotics Initiatives

As can be expected considering the high levels of production of illicit narcotics that takes place in Afghanistan, the country is the target of many counternarcotics initiatives. Many of these efforts are led by the U.S. or are international collaborations. For example, the U.S. currently funds the Good Performers Initiative, implemented by the Afghan Ministry of Counter Narcotics in 2007. It allows for regions of the country that remain free of opium poppies (or can show a 10 percent decrease in poppy cultivation) to receive funding for development projects. As a result of this program, 20 of the 34 provinces in the country gained eligibility to receive funding. The U.S. distributed a total of \$19.2 million (US). The U.S. also posts a large number of officials in Afghanistan to support the country's own domestic programs. Currently, 97 Drug Enforcement Agency (DEA) personnel work in the country to train local counternarcotics officers. Moreover, five Department of Justice drug prosecutors work in the country to mentor

⁵⁴ *INCSR* (2012 Vol. II), p. 49.

⁵⁵ "Corruption Perceptions Index 2012."

the domestic court system. Afghanistan has also signed many important international counternarcotics treaties, including the 1988 UN Drug Convention and the UN Convention against Transnational Organized Crime.⁵⁶

VII. Conclusion

Afghanistan is a pivotal nation in the international drug trade and may even be considered to be the most important country in the opium market. Even though the government, backed by the international community, has made strong efforts to combat the drug trade, the country remains by far the most significant cultivator of opium and a leading cultivator of cannabis resin. The proceeds for this trade, which are often used to fund insurgents in exchange for protection for the cultivators, are an important contributing cause to the insecurity of the area and the entire region.⁵⁷ Over the past 30 years, Afghanistan has become the key to the international opium trade, and opiates from this country can be found throughout the world. The international community and national government have taken steps to seriously address the problem, which is encouraging, but significant hurdles must still be overcome.

The overall picture of counternarcotics efforts in Afghanistan paints a relatively optimistic picture but many areas require more resources and attention in order to see significant improvements overall. Corruption is still a serious problem in the country, and many Afghan officials directly profit from the drug trade. This hampers implementation of counternarcotics policies as some of the government officials tasked with implementing counternarcotics policies are in fact facilitating the drug trade. Although the legal system has been active in pursuing corruption cases, especially as they pertain to the drug trade, it is still a major issue in the

⁵⁶ *INCSR* (2012), pp. 91-94.

⁵⁷ *Ibid.*, p. 91.

country. Likewise, there are concerns about the effectiveness of counternarcotics policies in the country once U.S. and NATO forces leave and Afghan security forces are tasked with handling the brunt of drug traffickers in operation.⁵⁸ Furthermore, there is not currently enough evidence to show whether the recent decreased levels of seizures in the country were the result of changes in law enforcement policies or were because of the large crop failure that Afghanistan endured in 2010.⁵⁹ Despite these concerns, though, recent improvements in the counternarcotics policy in Afghanistan and in the government structure of the country have led the U.S. to designate the country's effort as "positive."⁶⁰

Several factors contribute to Afghanistan's status as a major drug-producing and money-laundering country. Weak border and airport security gives drug-traffickers many opportunities to smuggle narcotics out of the country to profitable consumer markets. In the instances where traffickers are stopped, the pervasive corruption that exists among all levels of government allows them to operate with little fear of actual punishment, and the generally ineffective leaders in the country have done little to address these issues. Even where counternarcotics efforts exist, there is little oversight and a very poor legal system in place, limiting the effectiveness of these programs. Finally, significant internal issues, most notably poverty and conflict, lead many Afghans to turn to the drug trade. Conflicts in the country are financed with drug money, and many families also support themselves by cultivating opium poppies.

Tajikistan and Turkey

⁵⁸ *Ibid.*, pp. 93-95.

⁵⁹ *WDR* (2012), p. 30.

⁶⁰ *INSCR* (2012), p. 95.

I. Introduction

Turkey and Tajikistan are both key transshipment countries for the trafficking of illicit narcotics through the Middle East and Central Asia. Because of their similar designation they have been combined into one case study here. Both countries share large borders with significant narcotics-producing and drug-transit countries, including Turkey's 499 kilometer border with Iran and 206 kilometer border with Greece and Tajikistan's 1,206 kilometer border with Afghanistan. Tajikistan is particularly vulnerable to drug-trafficking because of its poor economy, considered the worst of the former Soviet Republics. Tajikistan currently has a GDP per capita of roughly \$2,200 (US), ranking it 187th in the world. Almost half of the population lives below the poverty line and up to a million Tajik citizens have been forced to work abroad because of a lack of employment opportunities within the country. Such a poor country, which shares an extensive border with Afghanistan that is mostly demarcated by the passable Panj River, clearly offers a great opportunity for drug-trafficking organizations.⁶¹ Furthermore, a large ethnic Tajik population lives within Afghanistan's borders, allowing for markedly greater access to Tajikistan for drug traffickers.⁶² Although Turkey is much stronger financially, its extensive borders and location along major drug-trafficking routes have resulted in its being pulled into the international drug trade.⁶³

Although limited consumption and production takes place in these countries, mostly in Turkey, their importance to the drug trade comes from their status as transshipment countries along important drug-trafficking routes. Most Tajik citizens are too poor to support a drug habit,

⁶¹ "The World Factbook"

⁶² Engvall, *The State Under Siege*. p. 828.

⁶³ "The World Factbook."

and counternarcotics efforts in Turkey have had a great effect in reducing demand.⁶⁴ However, each country is still considered to be vital to the international drug trade because they are each so vital in the transit of narcotics from the Afghan production markets to lucrative consumer markets.

II. History

The opium market in Turkey can be traced all the way back to the Bronze Age. The drug was used in various ways for hundreds of years with no great effect on the state. This lasted as the status quo until the British development of the opium market in China following the First Opium War. Reacting to increased demand for opium, the Ottoman government then running the country implemented a state monopoly on the drug trade with the hope of financing the government with this market. Although Turkish opium was prevalent throughout the world, accounting for roughly a tenth of all opium consumed in China and up to 89 percent of American consumption, the government failed to reap these benefits as the British government forced the Ottomans to relinquish its state monopoly. Throughout the nineteenth and twentieth centuries, the market for opiates evolved, with morphine and heroin growing in popularity rather than opium being the sole narcotic produced in the country. Despite international pressures to limit the opium market following the International Opium Convention at The Hague in 1912, Turkey's production market continued to grow, and even government promises to limit the narcotics trade proved superficial.⁶⁵

During the early 1970s, the drug problem grew so prevalent in Turkey that the country became synonymous with the drug trade, and the world viewed Turkey in the same manner as it

⁶⁴ *INCSR* (2012), p. 431.

⁶⁵ Gingeras, "In the Hunt for the Sultans of Smack." pp. 427-429.

does Afghanistan today. At that time, Turkey, a significant narcotics producer, had a highly unstable government. In order to combat this problem, the international community, led by the Richard Nixon Administration in the U.S., firmly encouraged the Turkish government to implement eradication programs to eliminate local cultivation of narcotics. The government actually responded positively this time.⁶⁶ By 1975, the U.S. considered the Turkish drug problem “solved,” since Turkey had eliminated almost all opium poppy cultivation that was not intended for licit purposes. Relations between the U.S. and Turkey subsequently improved.⁶⁷ Though the drug trade is significant in Turkey today, the country is no longer viewed as an international pariah state as it once was.⁶⁸

The history of drug-trafficking in Tajikistan began much later than that of Turkey. Tajikistan, and the rest of Central Asia for that matter, did not really become significant until the latter years of the Cold War. Government instability in Tajikistan, exemplified during the internal conflicts that ravaged the country beginning in 1992, allowed drug traffickers ample opportunity to use the country to smuggle narcotics from Afghanistan to the consumer markets in Russia. Tajikistan was also adversely affected at that time by the breakup of the former Soviet Union, which had provided a major source of income for the country. Clashing factions in the country thus turned to the drug trade to finance their operations, a trend that is seen in the drug trade throughout the world. Even after the majority of these conflicts were resolved, the former leaders of factions that had trafficked narcotics continued in this illegal activity and were allowed to do so by a government overly tolerant of this problem. The drug trade has continued in much

⁶⁶ *Ibid.*, p. 426.

⁶⁷ Robins, “Back from the Brink.” pp. 631-632.

⁶⁸ Gingeras, p. 427.

the same manner in the years since, and Tajikistan remains plagued by significant troubles caused by illegal drug-trafficking.⁶⁹

III. Production of Illicit Narcotics

Although both Turkey and Tajikistan are key nations in the international opiate market, neither is a significant opiate-producer. Opium grows within Turkish borders, but it is licit and cultivated under strict controls, conforming to all international treaty obligations. Little evidence suggests that any opium is diverted to the illicit drug trade.⁷⁰ Some opium cultivation and opiate processing takes place in Tajikistan, but the amount is statistically insignificant.⁷¹

An increasing amount of synthetic drug production is undertaken in Turkey, however. The production of synthetic drugs, which are comprised almost entirely of amphetamine in Captagon tablets, began in 2005 and so is a fairly new phenomenon.⁷² In 2009 Turkish officials seized 2.8 million Captagon tablets, though that number decreased to 1.1 million the following year. Additionally, officials seized 479 kilograms of amphetamine in Turkey in 2009 that were not found in Captagon tablets, though almost all of this was seized at a Captagon-producing factory in Istanbul.⁷³

IV. Consumption of Illicit Narcotics

Neither Turkey nor Tajikistan has a serious problem with the use of illicit narcotics, even though a significant amount of drugs pass through the respective countries. According to the most recent report, Tajikistan had roughly 8,000 registered drug addicts within its borders, more

⁶⁹ Danieli, "Counter-Narcotics Policies in Tajikistan and Their Impact on State Building," pp. 131-132.

⁷⁰ *INCSR* (2012), p. 429.

⁷¹ *INCSR* (2007), p. 496.

⁷² *INCSR* (2012), p. 430.

⁷³ *WDR* (2011), pp. 159-160.

than 80 percent of whom are addicted to heroin. To accommodate these users, the Tajik Ministry of Health currently supports five drug-rehabilitation centers throughout the country.⁷⁴ The Turkish government acknowledges “modest” drug abuse in the country compared to the rest of the region and notes that the consumption of narcotics appears to be rising. Unfortunately, the Turkish agencies working to stop this trend are generally underfunded.⁷⁵

V. Transit of Illicit Narcotics

Both Turkey and Tajikistan are vital transshipment countries along drug-trafficking routes from Afghanistan to the consumer markets in Europe. Three major trafficking routes pass through Turkey, which is a part of the larger Balkan Route. Each of these routes begins in either the Hakkari or Van districts in Turkey and travels across Anatolia. Two of these routes cross Central Anatolia, with one eventually cutting through Istanbul and on to Greece and the other turning to the northern Anatolian and eventually Ukraine. The third route traverses southern Anatolia and eventually makes use of maritime trade to smuggle narcotics into Greece and Cyprus. In all, it is estimated that 95 metric tons of heroin travel along one of these three routes each year, with between 80 and 85 metric tons eventually making their way to Western Europe.⁷⁶ According to a survey conducted by a British agency, 138 Turkish drug-trafficking organizations control the supply of heroin along this part of the Balkan Route. These organizations include many ethnic Kurds, who live in the border areas between Turkey, Iran, and Iraq.⁷⁷

Money laundering also occurs in Turkey, though this is not limited to narcotics-funded trafficking; numerous criminal activities, including fraud and tax evasion, terrorist financing, and

⁷⁴ *INCSR* (2012), p. 414.

⁷⁵ *Ibid.*, p. 431.

⁷⁶ *WDR* (2010), p. 54.

⁷⁷ *Ibid.*, p. 57.

forgeries and counterfeit goods all make use of Turkish financial institutions for money laundering.⁷⁸

Tajikistan is the primary transshipment country for illicit narcotics that pass through Central Asia ultimately destined for Russia, along the so-called Northern Route. Drugs pass through the Panj River into Tajik territory from Afghanistan, and then they are distributed through Uzbekistan, Kyrgyzstan, and Kazakhstan before eventually reaching Russia. In 2009, a total of 90 metric tons of heroin from Afghanistan was smuggled through these Central Asian countries, the majority of which first came into Tajikistan. Of that total, roughly 75 metric tons made it to Russia; the rest ended up in domestic markets or other consumption markets.⁷⁹

The majority of heroin smuggled along the Northern Route is transported in small units that utilize small private and commercial vehicles. Between 2005 and 2007, Tajik officials carried out 45 heroin seizures in commercial amounts. About 80 percent of these seizures were of 10 kilograms or less, with an average size of 2.6 kilograms.⁸⁰ However, recent trends have been towards more seizures of greater size in Central Asia and Tajikistan specifically, though there is not enough evidence to determine if this is a consequence of shifts in drug-trafficking or law enforcement patterns.⁸¹ Ethnic Tajik traffickers dominate the drug trade in Central Asia, an interesting phenomenon since most drug-trafficking in that region is handled by nationals of country in which the drugs are located. In Afghanistan, many of the traffickers who are involved in transit along the Northern Route are of Tajik ethnicity and are responsible for bringing the drugs to the Afghan border. Evidence also points to the fact that Kyrgyz and Kazakh drug traffickers rely on Tajikistanis to move narcotics into Russia, even though these groups handle

⁷⁸ *INCSR* (2012 Vol. II), p. 172.

⁷⁹ *WDR* (2011), p. 72.

⁸⁰ *WDR* (2010), p. 22.

⁸¹ *Ibid.*, p. 50.

most of the trafficking within the borders of their respective countries.⁸² Finally, Tajik traffickers also appear to be active in Russia. Between 1999 and 2004, Tajik nationals were present in more than two-thirds of all seizures that took place in Russia for drug-trafficking that did not include Russian nationals. A total of 252 out of 954 heroin seizures in commercial quantities in Russia during that time period involved Tajik nationals.⁸³

Drug transit is still extremely important and profitable in Tajikistan, and as recently as 2009, the drug trade comprised up to 30 percent of the national reported GDP.⁸⁴

VI. Counternarcotics Initiatives

One area in which Turkey and Tajikistan differ significantly is their approach to counternarcotics efforts. Turkey is known for having a generally effective counternarcotics policy that is aimed at taking a proactive approach to fighting drug-trafficking. The Turkish National Police, Jandarma, and Customs officials all play a significant role in implementing these policies in the country. The government has traditionally devoted a large number of resources to this effort and important initiatives have included the establishment of the Turkish International Academy against Drugs and Organized Crime (TADOC) to train officers in proper counternarcotics techniques, implementation of improved technology along the eastern Turkish border, including ion scanners and X-ray machines, and significant amounts of yearly narcotics seizures.⁸⁵ In fact, Turkey boasts the second highest rate of national opiate seizures, accounting for 16 metric tons of heroin seized in 2009, or 22 percent of the global total. Evidence even suggests that drug-trafficking organizations are increasingly turning to the Northern Black Sea

⁸² *WDR* (2007), p. 184.

⁸³ *Ibid.*, pp. 187-188.

⁸⁴ *WDR* (2010), p. 48.

⁸⁵ *INCSR* (2012), pp. 429-430.

Route that travels past the Caspian Sea through Azerbaijan, Georgia, Ukraine, and Romania in order to bypass Turkish law-enforcement officials.⁸⁶

Tajikistan, on the other hand, has struggled to combat drug-trafficking within its borders. Corruption pervades all levels of government, and this often prevents the effective implementation of counternarcotics efforts. The government has developed a long-term plan for protecting the border against drug traffickers by 2025, but as of yet this policy has not been significantly implemented. Even though the government has constructed and funded two new border outposts recently, there is also evidence that there are several existing outposts that have been abandoned because of logistical difficulties with staffing and supplying them. Consequently, there is currently a large section of the Tajik-Afghan border that is effectively unguarded, and the government has no plans to address this in the near future. Tajikistan has reached an agreement with Russia that will allow Russian border troops to supplement Tajik security along that border, which is certainly a positive step. Overall, though, the Tajik government has been unable to curtail narcotics trafficking, and this has the potential to pose a significant threat to the security of the country as a whole.⁸⁷

VII. Conclusion

Turkey and Tajikistan are both important players in the international drug trade and the global counternarcotics initiative because of their status as key transshipment countries along their respective drug-trafficking routes. Narcotics, especially opium and heroin, are moved extensively through these countries as they are trafficked from Afghanistan to consumer markets in Russia and Western Europe. Neither country is a significant producer of illicit narcotics or

⁸⁶ *WDR* (2008), p. 48.

⁸⁷ *INCSR* (2012), pp. 413-415.

possesses a large consumer market for them, despite their important position along drug-trafficking routes. In Tajikistan, the lack of a domestic drug market reflects the poverty that is rampant in the country, while in Turkey it may be a testament to the counternarcotics efforts implemented by the government. Despite these efforts in Turkey and partly because of the general ineffectiveness of them in Tajikistan, both countries play an important role in international drug-trafficking, a role that is not likely to be diminished in the near future without major developments elsewhere.

Turkey and Tajikistan are important drug-trafficking countries for different reasons. In Turkey, geography and history are the main causes for the present domestic situation. Illicit narcotics pass through the country because it falls along the most direct route from Afghanistan to the markets in Western Europe. In the past, it was also a significant drug-producing nation, so mechanisms are still in place for drug-traffickers to move opium through the country. Despite this, a strong government and a dedication to effective counternarcotics strategies have helped Turkey evolve from one of the worst drug-trafficking offenders in the world into a strong contributor to the international narcotics effort.

Tajikistan, on the other hand, continues to struggle with drug-trafficking as a major problem and has not properly addressed the issue. Like Afghanistan, Tajikistan suffers from rampant poverty, violent internal conflict, and ineffective government structures. Farmers turn to the drug trade because it is sometimes the only profitably option available to them. Factions involved in recent civil wars used drug money to fund their activities, and the major figures in those conflicts continue to facilitate drug-trafficking today. Finally the Tajik government is still largely inefficient and not wholly committed to a strong counternarcotics effort. Thus, the few policies that are implemented are not strictly enforced, giving drug-trafficking organizations

ample opportunity to use the country as a transit point from neighboring Afghanistan to the markets in Russia.

Iran

I. Introduction

Iran is one of the more significant transshipment countries for illicit narcotics in the region, as well as the home of a large consumer market for these drugs. Located directly next to the largest opium-producing nation in the world, Afghanistan, and sharing close to a 1,000 km border with that country, ample opportunities arise for illegal drugs to make their way into Iran. This country also rests along the path between Afghanistan and the major consumer markets in Europe, meaning that it is an essential transit point along that route. Although Iran has one of the higher GDPs in the world, its real GDP growth rate is declining and its GDP per capita is much lower. Additionally, Iran struggles with high unemployment and underemployment rates, especially among young people, with a total unemployment rate of 15.5 percent. These figures can contribute to the consumption of illicit narcotics, while the country's importance as a transshipment point is explained almost entirely by its extensive and remote border with Afghanistan and location between that country and the wealthy European consumer markets.⁸⁸

Iran is unique in that its government structure is a theocratic republic, meaning that the state religion, Islam, has a greater effect on the administration and policies in Iran than religion does in other nations. The Iranian legal system functions under the religious Sharia law, meaning that the laws and their execution are based in interpretations of the Islamic religion.⁸⁹

⁸⁸ "The World Factbook."

⁸⁹ *Ibid.*

Thus the various laws against narcotics production, transit, and consumption contain a religious element in Iran that is not found in any of the other countries in this study.

II. History

The production, transit, and consumption of narcotics, especially opiates, has been seen frequently throughout Iran's history. The first efforts to regulate the opiate industry occurred during the Safavid Dynasty of fifteenth century. These efforts, and similar initiatives undertaken by the later Qajar Dynasty, did little to curb opiate consumption, and so by the eighteenth and nineteenth centuries, opium was still being grown and used domestically. After the potential profitability of the substances was discovered in the middle of the nineteenth century, opium production grew tremendously and Iran sent exports to Europe and China. The first modern counternarcotics initiative in Iran took place in 1911, followed by a more stringent ban of the importation of all narcotic substances in 1922. Opium production and consumption was still a major problem in Iran for years though. So in 1955 the government banned the cultivation of opium poppies and the use of opium completely. Still, production and use of opium persisted, and in 1979, following the Islamic Revolution, the Iranian government pursued its counternarcotics agenda even more vigorously, executing possibly thousands of people involved in the drug trade. These initiatives focused on stopping the supply of opium. As a consequence, cultivation of opium poppies in Iran was eliminated. However, addiction rates and the trafficking of narcotics through Iran continued despite the efforts of the government and persists to the present day.⁹⁰

III. Production of Illicit Narcotics

⁹⁰ Raisdana, "The Drug Market in Iran." pp. 150-153.

Although Iranian law enforcement officials have made many seizures little evidence exists of any significant drug production within the country's borders; another country, namely Afghanistan, manufactured nearly all of the drugs consumed, trafficked, or seized in Iran. The lone exception to this exists in the recent emergence of methamphetamine manufacture. In 2008 Iranian law enforcement officials discovered the first clandestine laboratories designed for the manufacture of methamphetamine were the country. Quickly, the country grew to become a significant producer of that drug. Methamphetamine produced in Iran, typically high purity crystal methamphetamine, is manufactured both for local consumption and export into larger consumer markets. Experts assume that methamphetamine produced in Iran is derived from licit pseudoephedrine, the demand for which has been growing rapidly since 2006. This development has provided ample opportunities for diversion into the drug trade.⁹¹

IV. Consumption of Illicit Narcotics

Iran has emerged as one of the most significant markets for consumption of illicit narcotics in the region. The USDS contends that Iran has “one of the most serious opiate addiction problems in the world” with only Afghanistan having a higher proportion of its population using opiates.⁹² In 2009 more than one million Iranians used opiates. They consumed roughly 14 metric tons of heroin and 450 metric tons of opium. That year, according to the UNODC, up to 20 percent of all Iranians between the ages of 15 and 60 used or trafficked illicit drugs. Moreover, somewhere between 9 percent and 16 percent were known to inject drugs.⁹³ In 2009 the opiate market in Iran was valued at around \$3 billion (US), roughly 4

⁹¹ *WDR* (2010), p. 117.

⁹² *INCSR* (2012), p. 267.

⁹³ *WDR* (2010), p. 59. The veracity of this statistic is in doubt because of the extreme levels of drug use that are implied by it and the fact that it could not be corroborated through other primary sources. However, this is the figure that was supplied by the UNODC.

percent of the global market.⁹⁴ Little evidence reveals any change in the status of the opiate market in the country. The current prevalence rate of opiate usage among the population aged 15-64 is 2.26 percent although some experts believe that number may seriously underestimate the total. Currently there is no indication that these rates will decline in the near future, as the young adult population in Iran, which comprises more than two-thirds of the country's total population, is aggressively turning to drug abuse. Opium, currently used frequently in Iran by smoking it casually in social circumstances, is also used for medicinal purposes. Increasingly, young people use high-potency heroin intravenously.⁹⁵

However, some believe that the narcotics consumption market in Iran will begin to shift away from opiates towards synthetic drugs, which are generally cheaper and becoming more accessible.⁹⁶ Evidence of this possible shift is a relatively new phenomenon. For example, as recently as 2004 Iran revealed no reports of any crystal methamphetamine seizures, while in 2008 the total had increased to 150 kilograms.⁹⁷ This figure has increased rapidly, and in 2010 the Iranians seized 883 kilograms of methamphetamines.⁹⁸ In addition, cannabis, especially cannabis resin, is frequently found in Iran, and in 2007, Iranian officials seized 90 metric tons of cannabis resin, or 7 percent of the global total seized.⁹⁹

V. Transit of Illicit Narcotics

Because of its location, situated between the large production areas in Afghanistan and the significant consumer markets in Europe, Iran is a major transshipment country for illicit

⁹⁴ *WDR* (2011), p. 83.

⁹⁵ *INCSR* (2012), pp. 268-269.

⁹⁶ *Ibid.* p. 269.

⁹⁷ *WDR* (2009), p. 135.

⁹⁸ *WDR* (2011), p. 160.

⁹⁹ *WDR* (2009), p. 99.

narcotics. The UNODC estimates that at least 40 percent of the opium cultivated in Afghanistan passes through Iran, both for domestic consumption and transit to other markets. Between 2007 and 2011 Iran accounted for around one-third of all heroin seizures in the world, a testament to its importance in the heroin trade. The country is located along two major drug-trafficking routes, the Balkan Route and the Northern Black Sea Route, both of which have emerged as viable alternatives to the Silk Route, or Northern Route, that travels from Afghanistan through Central Asia and Russia. Increases in border security and counternarcotics efforts by the Turkish police in recent years have increased the popularity of the Northern Black Sea Route for drug traffickers attempting to transit illicit narcotics from Afghanistan to Europe.¹⁰⁰ Drugs enter Iran along its eastern borders, brought in by different types of caravans and guarded by armed ethnic Baluch tribesmen. Once in Iran, the traffickers in opiates typically take the narcotics to the city Zahedan and then transport them to the west using armed convoys, human mules, airports, and other methods. Travelling through Iran, opiates will either take the more northern route through the Khorasan Province and Turkmenistan or the southern route via Bandar Abbas and the Persian Gulf on their way to Tehran and eventually Turkey. In order to bypass Turkish officials, drugs will sometimes be smuggled into neighboring Azerbaijan or Armenia.¹⁰¹

A recent trend has shown an increase in the trafficking of narcotics from Iran to East and Southeast Asia, rather than to Central Asia and Europe. The narcotics trafficked to the east are generally synthetic drugs, especially methamphetamine. These drugs, generally manufactured within the country, are shipped east to supplement the consumer markets in that region. This

¹⁰⁰ *WDR* (2007), pp. 47-48.

¹⁰¹ *INCSR* (2007), p. 540.

new and growing problem, along with methamphetamine seizures, has grown tremendously since the problem first arose in 2008.¹⁰²

Iran is not considered to be a financial hub. However, the large merchant community and extensive use of hawalas and other money and value transfer systems make money laundering possible within the country. Iran's significance as a financial center of any kind appears to be diminishing, however, as many financial institutions and governments have reduced their affiliation or cut ties entirely with Iranian banks. Corruption also poses a serious problem for Iran, both in the financial sector and among high-ranking government officials, and this has allowed money laundering to continue to take place in the country, though it is difficult to ascertain the effect that corruption has had on the actual trafficking of narcotics, given the scarcity of evidence.¹⁰³

VI. Counternarcotics Initiatives

The government of Iran has taken a strong stance against the illicit drug trade in the country. Over the years, the Iranian government claims that it has constructed more than 477 kilometers of embankments, 688 kilometers of trenches, an 85 kilometer-long wall, and 120 kilometers of barbed wire fencing, in addition to numerous roads, observation towers, and electronic surveillance equipment to deter drug smuggling along the eastern border of the country. Iran consistently has one of the highest opiate seizure rates in the world, and in 2010 government officials claimed to have seized 745 metric tons of opiates.¹⁰⁴ The counternarcotics effort put forth by the government has become one of the most dangerous in the world for its officials, which serves to show the dedication that the country has to trying to halt the flow of

¹⁰² *INCSR* (2012), pp. 267-269.

¹⁰³ *INCSR* (2012 Vol. II), pp. 112-115.

¹⁰⁴ *INCSR* (2012), p. 268.

illicit narcotics past its borders as well as the violent nature of the drug-trafficking organizations active in Iran. In 2009, approximately 3,500 border patrol guards were killed while on duty.¹⁰⁵ In total, Iran has employed roughly 12,000 border guards and counternarcotics officials along the country's border with Afghanistan and Pakistan.¹⁰⁶

Recently, however, the government has shifted its focus away from punishment and towards treatment for drug users. This has led to a decrease in the number of incarcerations for drug use and an associated increase in the number of treatment clinics and other similar programs. However, drug traffickers are still punished harshly in Iran, to the point that international human rights groups have condemned several executions that have taken place in Iran for drug-related crimes.¹⁰⁷

Iran is party to several international narcotics agreements, including the Paris Pact, various counternarcotics summits hosted in the country, and the Triangular Initiative with Afghanistan and Pakistan.¹⁰⁸ Iran is party to the 1988 UN Drug Convention, although it is currently not in full compliance with the convention because of some of its laws. Iran is also a signatory to several other United Nations counternarcotics agreements, including the UN Convention against Corruption and the UN Convention on Psychotropic Substances.¹⁰⁹

VII. Conclusion

Iran is of vital importance to the drug trade because of its status as a large consumer market and significant transshipment country. One of the largest opiate markets in the world, it

¹⁰⁵ *WDR* (2010), p. 59.

¹⁰⁶ *Ibid.*, p. 53.

¹⁰⁷ *INCSR* (2012), p. 267.

¹⁰⁸ Presidency, Drug Control Headquarters of Iran. p. 5

¹⁰⁹ *INCSR* (2012), pp. 268-269.

houses a growing market for amphetamine-type stimulants. Furthermore, the country has a large number of young people and unemployed and underemployed people, making it vulnerable to continuing high rates of consumption. Located directly between the most significant producer of opiates in the world and one of the largest consumer markets, it is a near certainty that Iran will still be used as an important transit point for illicit narcotics on their way to Europe. Even though there is generally little production of illegal drugs, the increasing levels of methamphetamine manufacturing pose an additional threat to the country.

Iran is equally important to the international counternarcotics effort. Iran has stringent laws in place to punish drug traffickers and rigorously applies these laws. The importance of Iran's counternarcotics efforts is magnified because of location along key drug-trafficking routes, and the resolve with which Iranian officials have traditionally pushed the country's counternarcotics agenda should generally be seen in a positive light, although the country has been condemned by several human rights organizations for its harsh punishments for drug-related crimes.¹¹⁰ The counternarcotics initiatives in Iran, as well as the efforts of drug-trafficking organizations operating within the country, are extremely important to drug-trafficking trends in the region and to the international community.

Drug-trafficking in Iran, like in Turkey, derives mostly from the country's geographic location and history in the market. Located directly next to Afghanistan, drug-trafficking routes logically pass through the country, and the long border between the two nations is difficult to monitor in all places. Even though the Iranian government is active in countering the movement of illicit narcotics, too many remote areas exist along the border to watch with complete effectiveness. Iran is unique among all the countries studied here, though, because of the impact

¹¹⁰ *INCSR* (2012), p. 267.

that religion has on the country's government and legal system. Much of the Iranian government's decision to stringently fight against drug-trafficking can be attributed to Islam, which condemns drug use, and the theocratic government's desire to closely follow to the tenets of the religion.

East and Southeast Asia

Burma (Myanmar)

I. Introduction

Burma is the most significant producer of illicit narcotics in the region, and one of the most significant production countries in the world. Burma joins only three countries in the world, along with Venezuela and Bolivia, to have “failed demonstrably during the previous 12 months to adhere to their obligations under international narcotics agreements” according to the U.S. government.¹¹¹ Poverty is a problem in Burma, with almost a third of the Burmese people living at or below poverty levels, and the country is considered the poorest in the region. As a result, the country's GDP per capita is one of the lowest in the world. The majority of Burmese people are involved in agriculture, and the country only has a 34 percent urban population.¹¹² Furthermore, Burma has long endured ethnic conflict throughout the country, particularly among the Wa, Shan, and Kachin ethnic groups. In the areas where these groups are most prominent, central government control is virtually nonexistent.¹¹³ This combination of high levels of poverty, large-scale agricultural production, and large areas existing outside of government control provides ample opportunity for the cultivation of illicit narcotics.

¹¹¹ *INCSR* (2012), p. 7.

¹¹² “The World Factbook.”

¹¹³ *INCSR* (2012), p. 144.

Although Burma is still highly involved in the international drug trade, productivity levels have decreased dramatically over the last 15 years, which has led both Burma and the entire Golden Triangle region to be surpassed by Afghanistan in terms of opium production. At the same time, synthetic drug production and export has been rising significantly.¹¹⁴ Evidence also points to a downward trend in opium production that developed the early 2000s but has recently been reversed. Opium production is again on the rise.¹¹⁵

II. History

The drug trade in Burma, like that of many other countries in the region, began during the British occupation of the region. Burma, administered as part of Britain's holdings in India, was originally one of the smallest British opium monopolies in the region. However, during the period of unrestricted sale of British opium in the country, addiction rates rose rapidly, and this caused problems for British officials trying to consolidate their control over Burma. Native hill tribes in the mountainous parts of the Shan State continued to supply the country with opium even after Britain pledged to bring down the addict population. Whereas in other parts of the country British officials controlled the government, in the Shan State, they were only able to serve as advisers to local leaders. Thus, the opium trade in the Shan State flourished and continued to grow with few restrictions, even as pressure mounted in other parts of the world to curb the opium trade.¹¹⁶ During and after World War II, Kuomintang forces from China came to Burma and took over the opium trade, expanding it further and using it to fund their war with Communist China.¹¹⁷ Today, Burma is one of the most important nations in the regional and

¹¹⁴ *INCSR* (2007), p. 267.

¹¹⁵ *INCSR* (2012), p. 144.

¹¹⁶ McCoy, *The Politics of Heroin in Southeast Asia*, pp. 69-72.

¹¹⁷ *Ibid.* pp. 126-127.

international drug trade, particularly regarding the production of opium and amphetamine-type stimulants.

III. Production of Illicit Narcotics

Burma is the most significant opium-producing nation in the region and produces the second largest amount of opium in the world, trailing only Afghanistan. The two countries combine to account for more than 80 percent of global opium poppy cultivation in terms of land.¹¹⁸ Levels of opium production are also currently rising in Burma, as both production levels and yields grew in 2010, increasing the total possible opium output for the country by as much as 75 percent to 580 metric tons over the previous year.¹¹⁹ This recent increase in production has partially offset the downward trend in opium cultivation that had been seen in both the region and the country for several years. Between 1998 and 2006, South-East Asia's share of opium production had decline from 67 percent to a mere 12 percent, a figure that was headlined by Burma's marked reduction in opium cultivation. Over that time period, opium poppy cultivation has shrunk from an estimated 130,300 hectares to 21,500 hectares. This led to the potential opium cultivation in Burma to fall to 315 metric tons in 2006 from 1,303 metric tons in 1998.¹²⁰ After that year, however, opium cultivation and production began to grow again. The next year saw a 29 percent increase in the amount of land under opium poppy cultivation to 27,700 hectares, driven by significant increases in the Shan State of the country.¹²¹ Since then, production has continued to grow, and in 2011, an estimated 43,600 hectares produced opium poppy with a yield potential of 610 metric tons of opium.¹²² U.S. experts believe that the

¹¹⁸ *WDR* (2012), pp. 26-27.

¹¹⁹ *WDR* (2011), pp. 60-61.

¹²⁰ *WDR* (2007), pp. 38-40.

¹²¹ *WDR* (2008), p. 11.

¹²² *INCSR* (2012), p. 145.

primary for this increase in opium cultivation has been the lack of alternative development for farmers, combined with the increasing profitability of the opium trade. In addition, 2007 saw much weather conditions that allowed for greater yields on cultivated land.¹²³ While some of the opiates produced in Burma are trafficked throughout the world, much of this supply is confined to regional trafficking and consumption. For example, in 2009, of the Burmese opium that was processed into heroin, more than 75 percent, roughly 40 metric tons, targeted regional markets.¹²⁴

Currently, opium poppy cultivation is mostly contained in the Shan State of eastern Burma. Even while the rest of the country saw a decrease in the amount of opium cultivated, this region continued to show increases, and in 2006 it accounted for 73 percent of the country's opium production.¹²⁵ This figure has since increased, and in 2011 more than 90 percent of Burma's opium cultivation took place in this region, especially in the southern half of the region. The other two regions traditionally involved in opium production in Burma are the Kachin State and Wa region. In 2011 the Kachin State account for almost all of the opium production that did not occur in the Shan State.¹²⁶ Kachin State really became a significant region in opium production in 2007, when increased interdiction efforts along the Chinese border forced some manufacturing out of the Shan State, which borders China, and into the Kachin State, which is generally more remote and thus more secure for drug production.¹²⁷ The Wa region, an unrecognized area in the North Shan State, had been a significant producer of opium, accounting for up to 30 percent of opium cultivation in 2005. However, beginning in 2006, the Wa region became opium-free, a status it has maintained in the years since. This significant reduction was

¹²³ *INCSR* (2008), pp. 278-282.

¹²⁴ *WDR* (2010), p. 46.

¹²⁵ *WDR* (2007), p. 37.

¹²⁶ *INCSR* (2012), p. 145.

¹²⁷ *WDR* (2008), p. 246.

partially responsible for the overall reduction in opium production witnessed in Burma that year.¹²⁸

Opium poppy cultivation remains popular among Burmese farmers because of its profound profitability. In 2010 an estimated 224,000 households contributed to opium poppy cultivation, with an average yearly household income of \$830 (US), even after it has been supplemented by opium production.¹²⁹ In 2011 the USDS estimated the overall potential value at \$275 million (US). The estimated farm-gate price of opium that year topped out at \$450/kilogram (US). For a country with obvious problems with poverty, such a lucrative opportunity for farmers has been enticing and, for some, necessary. Additionally, the government of Burma has not provided farmers currently relying on opium production and sale with sufficient alternatives to opium poppy cultivation. Though the government has put forth several initiatives to alleviate this problem, they have to date not been effective.¹³⁰

Burma has also become a significant manufacturer of amphetamine-type stimulants, namely methamphetamine. At the same time that opium production was in decline, the manufacture of amphetamine-type stimulants began to rise.¹³¹ Burma, considered to be the source of the majority of methamphetamine tablets in the region, houses several of the twelve or more large scale methamphetamine-manufacturing operations within the Golden Triangle region.¹³² Forensic evidence suggests that the majority of methamphetamine tablets from Burma are manufactured in the Shan State. Because these areas lie outside of government control, traffickers are able to operate with little fear of seizures. The country also witnessed a recent

¹²⁸ *Ibid.*, p. 38.

¹²⁹ *WDR* (2011), p. 249.

¹³⁰ *INCSR* (2012), p. 145.

¹³¹ *Ibid.*, p. 145.

¹³² *WDR* (2011), p. 148.

growth and diversification of precursor chemical supplies that are used by drug traffickers in Burma. The Burmese have moved away from the production of bulk ephedrine supplies and toward producing other precursor chemicals, including liquid pharmaceuticals.¹³³

IV. Consumption of Illicit Narcotics

Despite the high levels of narcotics production found in Burma, consumption rates remain rather low. Especially when compared with other countries in the region, Burma has relatively few drug addicts and overall consumption is generally low. Most Burmese are simply too poor to be able to support a drug habit, which has resulted in low drug-use rates. Those that do use drugs typically smoke opium, as an antidepressant or painkiller, or, in a relatively new trend, inject heroin. The Burmese government has registered roughly 65,000 registered addicts in the country, but some nongovernmental estimates place the figure as high as 300,000. Even using the highest estimates, only .005 percent of the Burmese population are considered drug addicts.¹³⁴ The highest rates of consumption are found in the opium-producing Shan and Kachin States, with an estimated 1.1 percent prevalence rate in 2008.¹³⁵

V. Transit of Illicit Narcotics

Drugs produced in Burma are exported to neighboring countries where they are consumed or shipped further out to the rest of the region and the world. One of the three major trafficking routes recognized by the UNODC for opiates travels out of Burma and through Laos and other neighboring countries to markets in China and Oceania, notably Australia. Evidence illustrates, however, that Afghan opiates have taken over some of the markets traditionally

¹³³ *WDR* (2010), p. 115.

¹³⁴ *INCSR* (2012), pp. 146-147.

¹³⁵ *WDR* (2009), p. 53.

supplied by Burmese narcotics.¹³⁶ Heroin from Burma is generally trafficked through overland routes through the neighboring countries, although the Mekong River is used often to transport narcotics. There is evidence that the Rangoon International Airport and Rangoon port are being used for international narcotics trafficking as well.¹³⁷ As in many other significant countries in the drug trade, illicit narcotics trafficking in Burma is heavily controlled by violent insurgent factions who use the proceeds from the drug trade to fund their activities.¹³⁸ These groups, which include the United Wa State Army, Shan State Army, and Kachin Independence Army, rule the areas under their control to the degree that the central government is unable to exert influence over them.¹³⁹ Ethnic Chinese criminal organizations are also heavily involved in the Burmese drug trade.¹⁴⁰

Most of the methamphetamine produced in the Shan State is destined for China or, to a lesser extent, Thailand. These drugs are typically trafficked over the Shan State border with Thailand or through Laos or Cambodia. Methamphetamine destined for China is trafficked through the Yunan province, which borders the Shan State. In 2006 Chinese authorities estimated that 55 percent of their methamphetamine seizures took place in that province, an increasing trend that is expected to continue as Burma produces more methamphetamine.¹⁴¹

Both money laundering and corruption pose serious problems in Burma. Despite not being a regional or offshore financial hub because of its lack of financial infrastructure, traffickers frequently use the country for money laundering purposes because of its general lack of transparency and proximity to the production of illicit narcotics. Money laundering in Burma

¹³⁶ *Ibid.* p. 43.

¹³⁷ *INCSR* (2007), p. 271.

¹³⁸ *WDR* (2010), p. 34.

¹³⁹ *INCSR* (2012), p. 144.

¹⁴⁰ *INCSR* (2007), p. 271.

¹⁴¹ *WDR* (2007), p. 128.

is also considered to be fairly low-risk because of a lack of enforcement and high corruption levels.¹⁴² Burma is currently ranked 172 out of 174 countries by Transparency International on its 2012 Corruption Perception Index.¹⁴³

VI. Counternarcotics Initiatives

Even though the drug trade remains a significant problem in Burma, the government has taken steps to fight against it. In 1999, Burma launched a 15-year counternarcotics plan that sought to eradicate all narcotics production and trafficking in the country, one year ahead of the ASEAN plan with the same goal for the entire region. In order to implement this plan, the Burmese government created 26 counternarcotics task forces that operate within the country, generally in larger cities and along drug-trafficking routes. Burma also cooperates to varying degrees with its neighbors, especially China and Thailand, in counternarcotics efforts and is a party to many international agreements on drug-trafficking.¹⁴⁴ Recent successes in Burma's counternarcotics effort have included the seizure of 3.4 metric tons of methamphetamine in 2009, up from an average of 528 kilograms from 2003-2008 and a similar increase in heroin seizures.¹⁴⁵ Burma has also cooperated in significant international efforts and offered its own domestic government plans, including the "Wa Project," which is sponsored by the UNODC and has aimed to encourage the development of alternatives in the Wa region, and the Burmese government's "New Destiny" project that has attempted to eradicate all opium poppy in the country and replace it with substitute crops with varying degrees of success.¹⁴⁶

¹⁴² *INCSR* (2012 Vol. II), pp. 68-71.

¹⁴³ "Corruption Perceptions Index 2012."

¹⁴⁴ *INCSR* (2012), pp. 144-145.

¹⁴⁵ *WDR* (2011), p. 161.

¹⁴⁶ *INCSR* (2007), p. 269.

Despite these efforts, the Burmese government still has much to do in order to reduce narcotics trafficking within its borders. It is very readily apparent that Burma will not be able to achieve the goal of its counternarcotics plan. One of the biggest problems Burma faces is the fact that government currently sees the reduction of drug-trafficking as a secondary concern to maintaining security in those regions where the drug trade is most influential. As such, evidence indicates that the central government allows drug-trafficking organizations more free rein to work in those regions in exchange for cooperation from the ethnic groups. The Burmese government has also not provided sufficient alternatives to farmers currently relying on opium poppy cultivation. Finally, Burma's main counternarcotics body, the Central Committee for Drug Abuse Control, is severely underfunded and undertrained and lacks the appropriate equipment. This has allowed the opium trade to begin growing again after a period of sustained decline from 1996 to 2006.¹⁴⁷ In 2012 Burma was designated by the President of the U.S. as a major illicit drug producing, major drug-transit country, and major money laundering country in 2011 and was deemed to have failed demonstrably to adhere to its obligations to the international community in its counternarcotics efforts over the previous year, designations that Burma has held for years.¹⁴⁸ Burma was said to have failed demonstrably because of its lack of decisive action against drug gangs including the United Wa State Army, disappointing seizure levels, the production of few verifiable statistics regarding the drug trade within its borders, severe problems with money laundering, and high levels of corruption coupled with a failure to indict and prosecute high ranking officials.¹⁴⁹

VII. Conclusion

¹⁴⁷ *INCSR* (2012), p. 145.

¹⁴⁸ *Ibid.*, pp. 4-5.

¹⁴⁹ *Ibid.*, pp. 10-11.

Burma is the most significant drug-producing nation in the region and one of the most important contributors to the international drug trade. It is a major producer of opium, heroin and other opiates, and amphetamine-type stimulants such as methamphetamine. Opium poppy cultivation, though still down from pre-1998 levels, is rising again, accompanied by rising levels of amphetamine-type substance production. Burma's drug trade is driven by high levels of poverty coupled with a lack of alternative development for its large agricultural community. Though the Burmese government has taken several steps to counter the drug trade, these efforts have been largely ineffective. Burma is the largest supplier of narcotics to the region, and its significance to drug-trafficking in East and Southeast Asia, as well as the international community, cannot be overstated.

War, poverty, and government policies are the most important factors to Burma's importance in the drug trade. Several ethnic groups actively wage war against one another and against the central government, and they rely heavily on drug money to finance these operations. This has been the situation in Burma for years now, and no institutional changes have been made to alleviate the problem. For farmers, opium poppy cultivation often represents the only viable source of income because of the lack of alternative development in the rural regions of the country. The average Burmese farmer lives in abject poverty, so the potential profit derived from the opium trade cannot be ignored by those families. Finally, the Burmese central government has not made counternarcotics policy a priority. Drug-trafficking is considered a secondary problem to the ethnic conflicts, so traffickers are given more leeway in their activities than they otherwise would have so long as they do not participate in violent activities. Burma has many qualities that make drug-trafficking operations attractive; even with the efforts of the

international community, this will remain the case until the Burmese government fully revises its stances on counternarcotics policy.

Thailand

I. Introduction

Thailand is vulnerable to the trafficking of illicit narcotics because of its geographic location and the extensive borders that it shares with major drug-producing countries. Thailand's border with Burma stretches for more than 1,800 kilometers and its border with Laos is almost the same length.¹⁵⁰ This considerable border with two of the region's most significant drug-producing nations presents a wide range of opportunities for drug-trafficking organizations to move narcotics into Thailand and through the country to other markets in the region. Thailand has experienced moderate growth in its economy in recent years, as evidenced by its current 5.6 percent real GDP growth rate, and this economic growth and consequent more affluent society may be responsible for a greater domestic drug market within Thailand.¹⁵¹ The most significant drug problem faced by the Thai government comes from the market for methamphetamines, which has grown to extremely high levels in recent years after declining prior to 2007.¹⁵² Despite the problems with illicit drug-trafficking in Thailand, it is considered to be one of the regional leaders in counternarcotics efforts with the U.S., both because of domestic programs and high levels of regional and international cooperation in counternarcotics initiatives.¹⁵³

¹⁵⁰ "The World Factbook."

¹⁵¹ *Ibid.*

¹⁵² *WDR* (2009), p. 139.

¹⁵³ *INCSR* (2007), p. 324.

II. History

The rapid expansion of the opium market in China during the nineteenth century led to the emergence of an important market for narcotics in Thailand. As Chinese immigrants began to heavily populate larger Thai cities like Bangkok, they brought the opium problem with them. Although the sale and use of opium was formally banned by the royal Thai government in 1811, the market continued to grow over the next century, fueled by Chinese and British merchants. Despite the initial efforts of the royal Thai government, the country emerged as an important part of the narcotics market, and eventually the government came to support an opium monopoly. Though very little opium production took place in Thailand at this time, the consumer market within the country continued to grow and was supplied mainly by Iran and Turkey. During World War II, the supply market shifted to the Shan State in Burma, which was occupied by Japanese and Thai forces. As a result of this, Thailand was home to a sizable population of addicts by the middle of the twentieth century.¹⁵⁴

In the period after World War II, Thailand emerged as a significant cultivator of opium, and the drug trade became even more important to the country. By the 1950s it had become one of the most important parts of the Thai economy and was still supported by the government. In fact, the opium trade played a very important role in the internal Thai politics for years, as it financed different factions' struggle for control of the government.¹⁵⁵

In recent years, the situation in Thailand has dramatically improved, however. As a result of government initiatives to limit the cultivation within the country's borders, Thailand was removed from the USDS's list of major drug producing-countries in the late 1990s.

¹⁵⁴ McCoy, pp. 66-69.

¹⁵⁵ *Ibid.* pp. 137-143.

Furthermore, the U.S. removed the designation of major drug transit country from Thailand in 2004 because it was determined that the drug-trafficking that occurred in Thailand did not have a significant effect on the U.S..¹⁵⁶ However, Thailand remains an important country for regional narcotics trafficking, both as a transshipment country and an ultimate destination for narcotics manufactured in other countries in the region, including Burma, Laos, and Cambodia.¹⁵⁷

III. Production of Illicit Narcotics

Thailand is not a major producer of illicit narcotics, and has not produced significant amounts of opium since 2003, despite being a part of the “Golden Triangle.”¹⁵⁸ While current evidence points to some cultivation of opium poppies, Thai law enforcement is generally successful in eradicating the crop. In 2008 the Thai government reported that roughly 288 hectares of land were used for opium poppy cultivation, but government officials subsequently eradicated almost this entire crop.¹⁵⁹ A small amount of cannabis herb, however, continues to be cultivated in Thailand, almost exclusively for domestic consumption.¹⁶⁰ According to the Thai government, though, this represents a significant decrease from production levels 20 years ago. As a result of this decline, much of the cannabis herb seized in Thailand originated elsewhere and had to be imported into the country.¹⁶¹ Furthermore, experts do expect some amount of cannabis cultivation, as more people cultivate and use cannabis than any other drug in the world, and its production takes place in nearly every country.¹⁶² The possibility for limited production of amphetamine-type stimulants does still exist. An increase in the number of pill press

¹⁵⁶ *INCSR* (2007), p. 324.

¹⁵⁷ *INCSR* (2012), p. 419.

¹⁵⁸ *WDR* (2010), p. 47.

¹⁵⁹ *WDR* (2009), p. 35.

¹⁶⁰ *INCSR* (2012), p. 420.

¹⁶¹ *WDR* (2011), p. 196.

¹⁶² *Ibid.* p. 189.

machines seized by Thai law enforcement in 2010 and 2011 may be indicative of increased production of methamphetamine tablets within the country's borders.¹⁶³ Additionally in 2007 Thailand was the only country in the world to report significant seizures of safrole-rich oils, a precursor chemical in the manufacture of ecstasy.¹⁶⁴ That year, the Thai government reported that it had seized 45 metric tons of safrole.¹⁶⁵ Despite this, it appears that Thailand is still not a significant producer of illicit narcotics, and it has not been re-designated a major illicit drug producing or drug transit country by the USDS though it remains on the list of major precursor chemical source countries. Significantly, the U.S. does not consider Thailand a major drug-transit country because drug-trafficking in Thailand does not have a demonstrable effect on the U.S.; it is still an important regional transshipment country.¹⁶⁶

IV. Consumption of Illicit Narcotics

While Thailand is most significant to the drug trade because of its status as an important transshipment country, it serves as a large destination market for illicit narcotics. Like many countries in the region, Thailand is home to a major market for methamphetamines, and evidence suggests that the market is growing in the country. In 2010 Thai officials seized more than 50 million methamphetamine tablets, representing a large increase over the previous year. When officials combine Thailand's methamphetamine tablet seizures with those from China and Laos, they constitute roughly 98 percent of all such seizures in the region.¹⁶⁷ Methamphetamine related arrests have been continually increasing in Thailand, and in 2008 the 120,000 arrests for

¹⁶³ *INCSR* (2012), p. 420.

¹⁶⁴ *WDR* (2009), p. 125.

¹⁶⁵ *WDR* (2010), p. 111.

¹⁶⁶ *INCSR* (2012), p. 4.

¹⁶⁷ *WDR* (2012), p. 53.

methamphetamines in Thailand accounted for 86 percent of the regional total.¹⁶⁸ This market has persisted despite increased Thai law-enforcement efforts to address the methamphetamine problem in the country that began in 2004 and briefly caused the market to shift to other countries in the Greater Mekong Subregion.¹⁶⁹ Little evidence points, however, to methamphetamine losing its position as the most widely consumed illicit narcotic in Thailand, even if consumption rates briefly fell.¹⁷⁰ According to the most recent surveys, Thailand's 1.4 percent prevalence rate among adults aged 15-64 ranks higher than the global average.¹⁷¹

Smaller markets for other illicit substances in Thailand also exist. Though the heroin market has decreased substantially in recent years, heroin and other opiate use still occurs in Thailand, and in 2011, the USDS reported seizures of 354.3 kilograms of heroin in the country. Affluent residents of the larger cities in the country are the primary users of drugs like cocaine and ecstasy. Generally, West African drug-trafficking organizations control the cocaine market, but organizations from other countries, primarily from China and in South America, have increasingly become involved. European commercial air carriers typically import ecstasy into the country. In 2011, the USDS reported that Thai officials seized 19.5 kilograms of cocaine and 19,262 ecstasy tablets.¹⁷²

In addition to the illicit narcotics listed above, local drugs are also consumed in Thailand, mainly because they are cheaper and more easily accessible. Residents of southern Thailand consume a local drug known as kratom in a manner similar to coca leaves in South America, though this drug's popularity does not extend out of the southern part of the country. Ketamine,

¹⁶⁸ *WDR* (2010), p. 114.

¹⁶⁹ *WDR* (2009), p. 133.

¹⁷⁰ *INCSR* (2007), p. 325.

¹⁷¹ *WDR* (2011), p. 134.

¹⁷² *INCSR* (2012), p. 420.

still largely outside government control, is also used illicitly.¹⁷³ Finally, marijuana is used frequently in Thailand, though the lack of domestic production necessitates that other countries, namely Laos, import it into Thailand..¹⁷⁴ In 2007, officials seized 15 metric tons of cannabis herb in Thailand, one of the highest amounts recorded in Asia.¹⁷⁵

V. Transit of Illicit Narcotics

Thailand is a major regional transshipment country for illicit narcotics because of its close proximity to major drug producing nations, including Burma. Thailand shares long and often remote borders with Laos, Burma, and Cambodia, which greatly facilitates drug-trafficking from those countries. Drug-trafficking organizations smuggle Opiates, including heroin, and methamphetamine through Thailand's northern border to the major regional markets. Drug traffickers ship cannabis herb cultivated in Laos and, to a lesser extent Cambodia, into southern Thailand and then to Malaysia and other regional markets, though Thais keep some for domestic consumption.¹⁷⁶ Smuggling routes in and out of Thailand generally show a measure of flexibility and will shift in response to new government initiatives.¹⁷⁷ The increased usage of the Mekong River to smuggle narcotics, especially amphetamine-type substances, into Thailand following changes in law enforcement efforts in 2003 and 2004 shows an example of this. In turn an increase in narcotics trafficked from Burma into Laos, Cambodia, and Vietnam occurred.¹⁷⁸ Many of the drugs trafficked into Thailand enter the country through mountainous

¹⁷³ *INCSR* (2007), p. 325.

¹⁷⁴ *INCSR* (2012), p. 420.

¹⁷⁵ *WDR* (2009), p. 99.

¹⁷⁶ *INCSR* (2012), p. 419.

¹⁷⁷ *INCSR* (2007), p. 324.

¹⁷⁸ *WDR* (2009), p. 148.

jungle trail networks in the northern part of the country and then travel to Bangkok by vehicle or through the mail system.¹⁷⁹

Even though corruption is a problem in Thailand, it is not typically associated with the illicit drug trade as few reports of drug-related corruption have been filed. However, the amount of drug-trafficking that takes place in Thailand has led experts to assume that at least some drug-related corruption takes place in Thailand.¹⁸⁰

Thailand has been designated by the USDS as a major money-laundering country.¹⁸¹ The Thai economy has been frequently targeted for use by drug-trafficking organizations. Money launderers and drug traffickers use banks and other financial institutions in Thailand in their attempts to move profits derived from the drug trade and other criminal enterprises. The country does have regulations in place to combat this problem, but civil unrest and a lack of oversight over less formal financial institutions have diminished the effectiveness of this regulatory framework.¹⁸²

VI. Counternarcotics Initiatives

Thailand is very active in combating drug-trafficking within its borders and in the region. Penalties for those involved in production, trafficking, or consumption of illicit narcotics are often severe and include long prison sentences and, in some cases, the death penalty. Additionally, beginning in 2003, the government instituted a policy where naturalized Thai citizens could lose their citizenship status if they were found to be trafficking illicit drugs.¹⁸³ In

¹⁷⁹ *INCSR* (2007), p. 327.

¹⁸⁰ *INCSR* (2012), p. 421.

¹⁸¹ *Ibid.* p. 5.

¹⁸² *INCSR* (2012 Vol. II), p. 170.

¹⁸³ Roman et al., *Illicit Drug Policies, Trafficking, and Use the World Over* pp. 187-190.

response to the rampant problems with methamphetamine use in the early 2000s, the Thai government allocated a large number of resources to fight methamphetamine demand and use. The UNODC reported in 2007 that Thailand had more resources devoted to treatment for methamphetamine dependent persons than any other country in the region.¹⁸⁴ Several large domestic programs, such as former Prime Minister Thaksin's "Drug War" in 2003 and the drug awareness and education program "To Be Number One," have been very effective in curbing demand for narcotics. In 2007 the USDS recognized Thailand as a regional leader in counternarcotics initiatives, citing alternative crop development, demand reduction, and interdiction efforts. Law enforcement officials undergo extensive training and employ modern technology in order to combat narcotics trafficking.¹⁸⁵ This level of government involvement in counternarcotics initiatives is remarkable considering the general political environment in the country, which the World Bank has ranked as one of the world's least politically stable countries.¹⁸⁶

Thailand has also demonstrated remarkable cooperation with U.S. and regional and international groups in recent years. The USDS called the nation "one of the United States' foremost partners in combating drug-trafficking and international crime," citing "exemplary" bilateral cooperation between the two countries.¹⁸⁷ The US DEA houses a Special Investigation Unit in Thailand that is specially trained to work against narcotics trafficking throughout the entire region. Other American government entities, including the Department of Defense, have partnerships with Thai law enforcement as well.¹⁸⁸

¹⁸⁴ *WDR* (2007), p. 156.

¹⁸⁵ *INCSR* (2007), pp. 326-330.

¹⁸⁶ Ferrara, "Thailand: Minimally Stable, Minimally Democratic," p. 522.

¹⁸⁷ *Ibid.* p. 324.

¹⁸⁸ *INCSR* (2012), p. 421.

Thailand also has strong agreements with its neighbors to help enforce drug interdiction along the Mekong River and throughout the rest of the region. In 2006 Thailand hosted the 27th ASEAN Senior Officials on Drug Matters, the 5th Asian Youth Congress, and the 16th International Federation of Non-Governmental Organizations ASEAN NGO Workshop, all designed to promote counternarcotics initiatives in the region. The Thai government has promoted crop substitution programs in the Shan State in Burma. Thailand is a signatory to the 1988 UN Drug Convention, Colombo Plan, ACCORD Organization, and ASEAN Treaty on Mutual Legal Assistance. The Thai government also maintains other, less formal, regional agreements, including agreements with China.¹⁸⁹

VII. Conclusion

Thailand is important in both the narcotics market and in counternarcotics initiatives. Though it is not a significant producer of narcotics, Thailand is an important consumer market for drugs, especially methamphetamine tablets. Additionally, its close proximity to the Shan State in Burma and long, remote borders lead to drug-trafficking organizations using the country as a regional transshipment point. However, the Thai government has been exemplary in its efforts to combat counternarcotics efforts, especially in light of its location in the Golden Triangle and history in the drug trade. Rigorous domestic regulations designed to curb demand and eliminate production, along with cooperative agreements throughout the region and world have made Thailand one of the model countries for counternarcotics efforts in the region.

¹⁸⁹ *INCSR* (2007), pp. 326- 329.

China

I. Introduction

The People's Republic of China is the fourth largest country in the world and has the largest total population. It also boasts one of the fastest growing economies in the world, with an estimated 7.8 percent GDP real growth rate and the third highest national GDP in the world.¹⁹⁰ Such a large and increasingly rich country provides ample opportunities for drug-trafficking organizations in the region, and China is a major producer, consumer and transit country for illicit narcotics. It shares a border with two of the largest drug cultivating countries in the world, Afghanistan and Burma, and its border with Burma is particularly expansive.¹⁹¹ Unlike many of the other countries discussed here, China has a strong central government, dominated by the Chinese Communist Party, that is effective in administering the country. In addition, China has undertaken several partnerships with the U.S. and other members of the international community to fight the illicit drug trade. Despite these efforts, though, drug-trafficking remains a significant problem in China. According to Clarke, over one million people are involved in the illicit narcotics trade in China, and billions of dollars are earned from this market.¹⁹²

II. History

China has historically been a focal point in the international counternarcotics effort, and was in fact the location of what the UNODC has deemed "the largest substance abuse problem the world has ever faced".¹⁹³ For hundreds of years, opium poppies have been cultivated in many regions of the country, although the majority of opium consumed had to be imported from other

¹⁹⁰ "The World Factbook."

¹⁹¹ *Ibid.*

¹⁹² Clarke, "Narcotics Trafficking in China," pp. 73-74.

¹⁹³ *WDR* (2008), p. 173.

countries. Since opium was expensive, consumption was much more limited in China than it was in neighboring India, where larger quantities of opium were grown. This changed, however, beginning in the 19th century when imports of opium, facilitated by the British East India Trading Company and China's defeat in the Opium Wars, grew from 200 metric tons in 1800 to roughly 6,500 metric tons in 1880. This prompted Chinese authorities to lift the ban on opium cultivation within their own borders, and consequently domestic production soared, reaching levels far surpassing those seen today. At the peak of production, Chinese farmers produced 35,000 metric tons of opium in 1906, more than three times global production today. Opium prevalence rates in China mirrored this rise in imports and domestic production, and by 1906 an estimated 21.5 million people in China consumed opium.¹⁹⁴

This excessive drug problem compelled action by the Chinese government and the international community. Following several other reform attempts, the international community convened the Shanghai Opium Commission in 1909 to determine what actions would be taken to alleviate the problem that opium posed for China. This commission called for drastic steps that did much to reduce total opium consumption in China, including a British agreement to reduce opium exports to China and a major anti-drug campaign initiative undertaken by the Chinese government. Most importantly for future counternarcotics initiatives, the Shanghai Opium Commission produced a comprehensive global survey of opium production. This provided the basic framework for the first international counternarcotics treaty, the International Opium Convention of The Hague, in 1912.¹⁹⁵

Today, China remains a significant country in the international narcotics trade. Because of its large population and growing economy, it continues to have among the largest drug-using

¹⁹⁴ *WDR* (2008) pp. 174-177.

¹⁹⁵ *Ibid.*, pp. 179-181.

populations in the world. Additionally, its geographic location makes it an ideal location for the transit of narcotics to other parts of the region and the world. Finally, the growing pharmaceutical industry in China has helped give rise to a significant production of synthetic drugs, such as methamphetamine, and significant diversion of licit chemical precursors into the illicit narcotics industry.

III. Production of Illicit Narcotics

Even though China was at one time the largest cultivator of opium poppies, the production of natural drugs like opium has been all but eliminated from the country. According to the UNODC, no evidence of opium poppy cultivation in the country exists, meaning that all of the opiates found in China must be trafficked in from neighboring countries, generally Burma and Afghanistan. The government actively maintains this eradication of drug cultivation, and even parts of the country that are inaccessible to normal surveys are monitored through aerial surveillance and subject to drug eradication programs.¹⁹⁶ Additionally, cannabis, which is the most widely produced, trafficked, and consumed drug in the world, is not the most prevalent drug in China, signifying that even this drug is not as widely cultivated in China as it is throughout the rest of the world.¹⁹⁷

Conversely, China is one of the most significant producers of various types of amphetamine-type stimulants, including methamphetamine and ecstasy. It is also one of the main suppliers of the chemical precursors needed to make other illicit drugs. The 2007 World Drug Report named China as the most important location for methamphetamine laboratory seizures in the region, and this trend has increased during recent years. In 2006, Chinese officials seized 51

¹⁹⁶ *INCSR* (2007), p. 282.

¹⁹⁷ *WDR* (2007), p. 126.

methamphetamine laboratories, most of which were located in the Guangdong and Fujian provinces.¹⁹⁸ By 2009, the number of synthetic drug factories seized had risen to 391, most of which were located throughout the Guangdong, Sichuan, and Hubei provinces. These laboratories are also growing increasingly diversified, producing several types of illicit substances and each accounting for different stages of production.¹⁹⁹ These factories are also growing increasingly larger and more sophisticated. This can be seen by a single methamphetamine laboratory seizure in the Guangdong province that resulted in the seizure of 1.7 metric tons of liquefied methamphetamines.²⁰⁰

Additionally, China is the world's largest supplier of chemical precursors for illicit narcotics, especially amphetamine-type substances. While China does monitor all of the chemicals listed in the 1988 UN Drug Convention, supplies of licit chemicals are commonly diverted into the drug trade.²⁰¹ China's extensive pharmaceutical industry produces large amounts of licit ephedra and synthetic pseudoephedrine that law enforcement authorities believe are used for the production of methamphetamines in super and mega-labs in the region.²⁰² In 2010, Chinese officials launched 234 investigations into methamphetamine production and consequently seized 869 metric tons of precursor chemicals.²⁰³

IV. Consumption of Illicit Narcotics

Because of its large population and proximity to major drug producing countries, China represents one of the largest markets for illicit narcotics in the world. According to the 2011

¹⁹⁸ *Ibid.*, p. 134.

¹⁹⁹ *WDR* (2011), p. 149.

²⁰⁰ *WDR* (2009), p. 126.

²⁰¹ *INCSR* (2007), pp. 279-280.

²⁰² *Ibid.*, p. 282.

²⁰³ *INCSR* (2010), p. 167.

World Drug Report, an estimated 2.3 million Chinese opiate users paid 7.3 billion USD for 55-60 metric tons of pure heroin in 2009, a much larger amount than the rest of the region combined.²⁰⁴ Over 1.5 million registered drug users resided in the country at the end of the 2010 year, most of which were heroin users.²⁰⁵ Burmese traffickers supply the majority of heroin consumed in China, although evidence points to increasing amounts of heroin originating in Afghanistan finding their way to the Chinese markets. Drugs trafficked from Burma typically enter China through the Yunan province, and in 2009 officials seized a total of 3.3 metric tons of heroin in that province, up from 2.9 metric tons the year before. New trafficking routes from Afghanistan have been developing since 2006, and the amount of heroin derived from Afghan opium found in China has been increasing steadily, even as the supply of Burmese heroin has diminished.²⁰⁶ Experts warn that, while the Chinese government has paid special attention to the narcotics trade from southeastern Asia, trafficking into the Xinjiang province bordering Afghanistan and Pakistan could become a serious threat.²⁰⁷ The 2007 World Drug Report found that the demand for opiates in China was remaining stable and that diminishing supplies from Burma were offset by Afghan suppliers.²⁰⁸ Many of the traffickers who bring these drugs into China are not affiliated with organized crime elements like the Triads, but rather work as independent operators.²⁰⁹

Synthetic drug use is also significant in China. In 2010, an increase both in the traffic of amphetamine-type stimulants from the “Golden Triangle” countries through the Yunan province

²⁰⁴ *WDR* (2011), p. 84.

²⁰⁵ *INCSR* (2012), p. 167.

²⁰⁶ *WDR* (2011), p. 68.

²⁰⁷ Clarke, p. 83.

²⁰⁸ *WDR* (2007), p. 63.

²⁰⁹ Clarke, p. 76.

and the domestic manufacture of synthetic drugs for local consumption occurred.²¹⁰ This follows the trend of the past several years, and China consistently ranks among the most significant countries for seizures of methamphetamines, other amphetamine-type stimulants, and ecstasy. According to the 2007 World Drug Report, China accounted for 23 percent of the global total of seizures of amphetamine-type stimulants and 39 percent of the global total of seizures of methamphetamine.²¹¹ While these percentages have decreased in the years since, evidence suggests that the Chinese population still consumes significant amounts of synthetic drugs.

V. Transit of Illicit Narcotics

The USDS classifies China as a growing transit country for illicit drugs, as well as a major producer of precursor chemicals and significant consumer market. Illicit narcotics, particularly heroin, are shipped to China from the two main production regions along its borders for eventual shipment into the international markets. China has a number of modern maritime port cities, including Qingdao, Shanghai, Guangzhou, and Hong Kong, that are attractive options for drug-trafficking organizations attempting to supply the global market for heroin.²¹² Narcotics are transported into China from Afghanistan through the Xinjiang province, which shares a very remote 97 kilometer border with Afghanistan.²¹³ Drug-trafficking organizations also commonly smuggle opiates into China from Afghanistan via Pakistan, which shares a larger border with China. The China-Burma border is much more expansive, stretching over 2,000 kilometers, and, as such, illicit narcotics travel along several trafficking routes from Burma into China. The Yunan, Guangxi, and Guangdong provinces provide many of these routes, and heroin is often

²¹⁰ *WDR* (2011), p. 162.

²¹¹ *WDR* (2007), pp. 141-143.

²¹² *INCSR* (2012), p. 166.

²¹³ *INCSR* (2007), p. 279.

smuggled out of China via larger port cities in the Guangdong province, namely Guangzhou and Shenzhen.²¹⁴

As the Chinese economy continues to grow and become more integrated in the world market, Chinese banks are increasingly being used for money-laundering purposes. While China is not a major offshore financial center, drug-trafficking organizations and other elements of organized crime launder money in Chinese financial institutions.²¹⁵ As such, the country has been named by the USDS as a “country of primary concern regarding financial crimes.”²¹⁶

While corruption is still considered a problem in China, it is apparent that much has been done during recent years to address this problem and experts do not see corruption as being as serious a problem as it once was. In the 2007 International Narcotics Control Strategy Report, China was deemed to have “a very serious corruption problem,” especially among lower level and regional officials.²¹⁷ However, by the publication of the 2012 International Narcotics Control Strategy Report, this designation had been removed. Corruption, especially among lower level officials, is still acknowledged and instrumental in allowing the illicit narcotics trade to occur in China, though actions taken by the Chinese government have certainly appeared to have made the problem less significant.

VI. Counternarcotics Initiatives

China has a very strict domestic drug policy. Arnold in fact notes that China employs “one of the toughest anti-drug programs in Asia” and is one of the few countries in the world that uses capital punishment for drug crimes. One notable instance of this occurred in 1996, when 231

²¹⁴ *Ibid.*, pp. 282-283.

²¹⁵ *INCSR* (2012 Vol. II) p. 77.

²¹⁶ *Ibid.*, p. 33.

²¹⁷ *INCSR* (2007), p. 281.

Chinese citizens were executed for their role in the illicit narcotics trade.²¹⁸ China has also adopted a nationwide drug control strategy called “The People’s War Against Drugs.” This plan, which directs all regions in the country to coordinate their drug control efforts, is considered a comprehensive strategy and has provisions for prevention, eradication, education, rehabilitation, and tough law enforcement, among other things.²¹⁹ China’s tough domestic stance on illicit narcotics was started by President Hu Jintao in 2005, and has included several administrative actions outside of “The People’s War Against Drugs.” In 2005, Chinese authorities arrested 46,539 drug suspects, dismantled 1,550 drug-trafficking gangs, and seized large amounts of amphetamine-type stimulants, opium, heroin, and cannabis. These trends continue to the present day and are encouraging signs in China’s domestic counternarcotics strategy.²²⁰

China is also very involved in the international battle against drug-trafficking. Regionally, China continues to work with Laos, Cambodia, Thailand, Vietnam, and Burma to strengthen information sharing and cooperation between counternarcotics agencies among those countries.²²¹ Additionally, China has hosted several regional counternarcotics conferences, including the Second International Congress of ASEAN and China on Cooperative Operations in Response to Dangerous Drugs in 2006. Internationally, China has signed over 30 mutual assistance treaties with countries around the world regarding drug-trafficking policies. Finally, China is a signatory to many of the United Nations counternarcotics agreement, most notably the 1988 UN Drug Convention, and has policies in place to abide by those agreements.²²²

VII. Conclusion

²¹⁸ Arnold, *The International Drugs Trade*, pp. 171-172.

²¹⁹ *INCSR* (2012), p. 166.

²²⁰ *INCSR* (2007), pp. 280-281.

²²¹ *INCSR* (2012), p. 167.

²²² Clarke, p. 91.

In many respects, China is illustrative of all parts of the illicit drug trade in East and Southeast Asia and is unique because it exhibits the traits of a producer, transit, and consumer country. Opiates and amphetamine-type stimulants are the most prevalent illicit narcotics that are trafficked and consumed in China. The production of amphetamine-type stimulants and the diversion of licit chemical precursors to the drug trade are the country's main contributions to the production side of the illicit drug trade. Finally, even though the narcotics trade is still significant in China, many encouraging signs have been shown, including the cooperation exhibited between Chinese authorities and other regional and international counternarcotics law enforcement strategists and officials and the tough domestic stance against illicit drugs.

VII. Final Conclusion

International drug-trafficking is certainly an international issue that extends beyond national and regional borders. However, in many respects, a study of drug-trafficking must be conducted as if it were a regional problem. While the illicit narcotics trade takes place throughout the globe, the forms that it takes can be drastically different depending on which part of the world is being considered. Opiates still rank as the most important illicit narcotic substance in both significant drug regions in Asia. Additionally, each region offers major production centers – Afghanistan and Burma, respectively – and countries that serve as key transshipment nations, including Iran, Turkey, and Thailand. However, while the Middle East and Central Asia, driven by Afghan production centers in Helmand Province, show no indication of shifting away from opiates in any significant way, the drug market in East and Southeast Asia has shown a trend towards a rapidly expanding market for synthetic drugs like methamphetamine. This trend began

as a result of the rapid decrease of opium poppy cultivation in Burma, and now synthetic drugs constitute a large market in the region. Each region also houses major markets for consumption, as China and Iran both rank among the countries with the highest prevalence and number of illicit drug users in the world. In fact, the sheer size of the Chinese narcotics market means that most of the narcotics manufactured in East and Southeast Asia are destined for consumption within the region. This contrasts with Middle Eastern narcotics production, which generally has a more international consumption market.

Finally, the counternarcotics efforts in these two regions, though created with roughly the same goals, have shown different degrees of effectiveness. Turkey is the only country in the region that has really been commended for having an effective counternarcotics policy, though Iran should also be noted for its rigorous efforts to combat drug-trafficking. Tajikistan and Afghanistan, on the other hand, suffer from highly ineffective counternarcotics policies. Much of the blame for this can be placed on the socioeconomic conditions that exist in those countries and the violent conflicts that have recently been prominent. However, the fact remains that the initiatives to fight drug-trafficking in the Middle East and Central Asia have been generally ineffective, outside Turkey and possibly Iran.

In contrast, counternarcotics efforts in East and Southeast Asia have demonstrated much higher levels of success. The government of Thailand has been commended for its genuine cooperation with the U.S. and regional bodies that have developed programs to combat the drug trade. China's strict domestic policies and regional leadership have helped the region in its attempts to halt the flow of narcotics. Even Burma, still one of the most significant producers of illicit narcotics in the world, has been able to eradicate successfully poppy cultivation in the Wa region of the Shan State, formerly a major opium-producing region, though that country

obviously still has significant hurdles to overcome with its counternarcotics programs and is the weakest country in the region in this regard. Many of these efforts have come from within the individual countries or the region at large, instead of from the international community, something that distinguishes the region from other parts of the world where the international community is much more involved in initiating counternarcotics efforts. For the future, the governments of the countries in the region and officials from regional bodies like ASEAN must determine effective ways to confront the rapid growth of amphetamine-type stimulants in the region. Prior successes in counternarcotics efforts in the region, however, certainly provide reasons for optimism as these new programs unfold.

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