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CHAPTER 4

Narcotics as a growing security concern

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The global narcotics trade is gradually becoming an international security threat. The drug-financed Taliban insurgency in Afghanistan and drug-related violence in Mexico are examples. Efforts to combat the problem aggressively in either source or transit countries have only worsened it. Meanwhile, terrorists are showing signs of cooperating with drug traffickers, due to a convergence of interests and methods. Unless the narcotics-insecurity cycle is met with greater counternarcotics coordination, it may spread even further.



An Afghan man harvests opium in a poppy field, 5 May 2009



NARCOTICS ARE INCREASINGLY BEING PERCEIVED AS A SOURCE OF POLITICAL VIOLENCE AND A THREAT TO NATIONAL SECURITY. Hitherto, they have been viewed as mainly a threat to public health and human security. Only some states, including the US, have labelled the drug industry as a threat to national security. However, events in Afghanistan and Mexico have fostered a growing awareness that drugs can have a destabilising influence not just on societies where they are consumed, but also on the stability of states where they are produced and trafficked.

When the connection between drugs and political violence became first visible in Latin America during the 1980s, it was mainly perceived as a localised regional problem. Now, however, it is gradually emerging as a new security paradigm. The recognition of a link between narcotics and political violence has attained international dimensions partly owing to the ongoing war in Afghanistan, where the drug economy is an important source of instability that prevents effective statebuilding. With the resurgence of the Taliban, concerns have now focused on the possibility that drugs might bankroll anti-Western forces elsewhere in the developing world, whether insurgents or terrorist groups.

Developments in Mexico have added to the growing attention on drugs as a security issue. Since President Felipe Calderón launched his offensive against drug cartels in Mexico at the end of 2006, more than 35,000 people have died in drug-related violence. Since Mexico serves as a major transit country for cocaine, the nexus between narcotics and insecurity in this case is more complex and multifaceted than in source countries like Afghanistan and Colombia.

If transit countries are being increasingly confronted with drug-related violence today, this has much to do with a gradual shift in the counter-narcotics policy of the US government. Washington is attempting to break the drugs-violence link in Afghanistan by de-emphasising opium eradication, which alienates rural communities and aids Taliban recruitment. Instead, the US is focusing on interdicting shipments of refined drugs and dismantling cross-border smuggling networks. This shift from eradication to interdiction is not confined to South Asia. Its implementation has caused a surge in drug-related violence in Mexico, as traffickers fight to protect their turf from the government as well as to weaken rivals.

Fears of a growing drug-terrorism nexus add to the mounting relevance

of narcotics as a security challenge. Yet governments are struggling to find a way to deal effectively with this challenge. While the current focus in the US 'War on Drugs' on reducing supply by repression has shown few positive results so far, alternative policy options such as decriminalisation of both the production and consumption of drugs are highly controversial.

A profile of the drug industry

The trade in narcotics consists of four main kinds of drugs: marijuana, cocaine, opiates, and amphetamine-type stimulants (ATS). The latter are also known as synthetic drugs, since they are not derived from agricultural produce. Of the four, marijuana is the most widely consumed, with the number of total users estimated at between 129 and 190 million. Accurate statistics on the drug industry, including usage levels, are virtually impossible to obtain, with the United Nations Office on Drugs and Crime (UNODC) admitting in 2010 that even basic infrastructure for gathering and analysing data on drug-related trends does not exist. Only informed guesstimates are available as to the size of the drug industry and the distribution of profits.

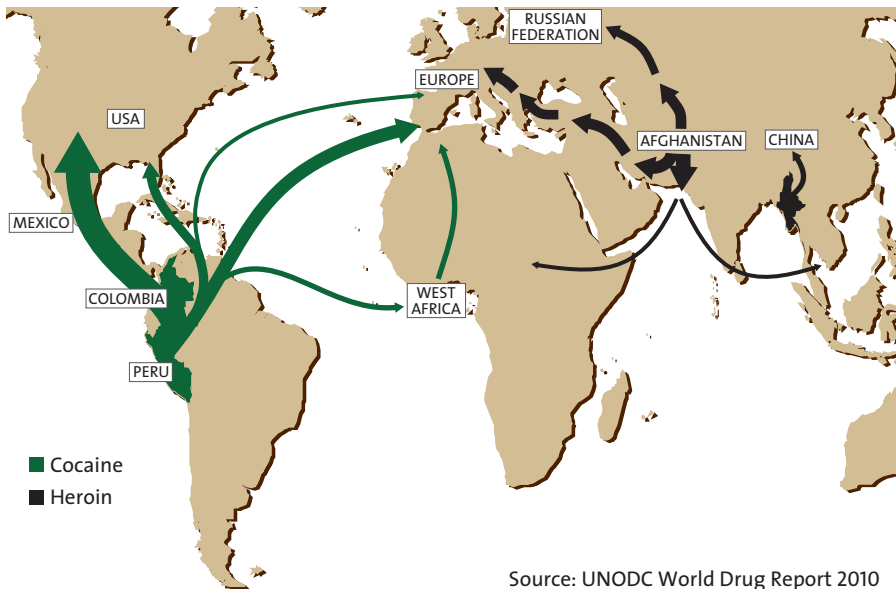
This paucity of information is due to the clandestine nature of the narcotics trade. Furthermore, as drugs are

moved down the supply chain, the increasing profitability of the transported merchandise helps traffickers purchase high-level protection from corrupt government officials. Since these officials, in turn, form the bedrock of the international prohibition regime against narcotics, they are strategically placed to close off information flows to both national and international law enforcement agencies. Lastly, there is a basic asymmetry of resources and commitment. The annual turnover of the global drug industry is conservatively estimated to be around US\$ 320 bn, which is 10,000 times the size of the UNODC budget. The US government, by far the world leader in counternarcotics efforts, spends around US\$ 50 bn annually on combating the drug trade.

There is, however, general agreement that a far larger percentage of drug profits goes to transnational traffickers than to local cultivators. It is the traffickers who run the greatest risks by moving drugs across national borders and risking interdiction at each step. The highest profits are typically made at transit points between the developing world, where most narcotics are produced, and the developed world, where they are consumed. An example of such a transit point is the densely-policed US-Mexico border, where Latin American cocaine, mari-



Global drug flows



Source: UNODC World Drug Report 2010

juana, and heroin are smuggled into the US. At present, the US is believed to be the world's single largest cocaine consumer, while Russia is the single-biggest heroin consumer.

Source, transit, and consumer states

The drug industry itself is spread across three types of countries: source, transit, and consumer. Since marijuana and amphetamines are often produced within a short distance of a consumer country, if not within the country itself, they are regarded as less of an international security concern. It is cocaine and opiates, particularly heroin, that are increasingly becoming a security problem. Both types of

drugs are produced in regions that lie some distance from their main markets, and thus must travel through a long supply chain. This automatically raises profits for those involved in handling the narcotics, as each shipment is marked up in value the closer it gets to well-guarded Western borders.

Cocaine is produced from coca farms in Colombia, Peru, and Bolivia. These three are the main source countries for the US market and Western Europe. The drug is transported via land, sea, and air, with route proportions changing depending on the focus of counternarcotics efforts.

During the 1980s, improved maritime surveillance of Caribbean shipping lanes forced Colombian drug cartels to fly cocaine into Mexico, from where it would be transported overland into the US. At the time, Mexican traffickers were already supplying the US drugs market with marijuana and heroin, both of which were locally produced in drug farms. Taking on additional responsibility for South American cocaine shipments was not a problem for them. Mexico thus became both a source and a transit state along the narcotics supply chain; a dual status that persists to this day. However, since the current narco-violence in the country is focused on the cocaine trade, Mexico's problem can be categorised as mainly that of a transit country. Other such countries in Latin America include Brazil, Venezuela, Guatemala, Ecuador, and Paraguay.

The major source country for heroin is Afghanistan, which accounts for over 90 per cent of production. The remainder is concentrated in Myanmar, scattered remnants of the erstwhile 'Golden Triangle' in Southeast Asia, and Mexico. Transit countries include Pakistan, Iran, Turkey, and the Central Asian and Balkan states. Not coincidentally, many of the countries through which drug supply routes pass are also subject to domestic conflict

and political instability. It appears as though the causal link between drugs and state weakness is bi-directional, i.e., drug trafficking appears where governments are too weak to enforce counternarcotics laws, but such trafficking also weakens the state further by providing criminal groups with greater financial resources to suborn law enforcement officials. In the process, they degrade state control to the point where under-governed spaces can emerge, providing a territorial foothold to political rebels.

Battle for territory in source countries

Drug cultivation is an inherently territorial activity. Since illicit drugs are the focus of a worldwide, albeit variably enforced, prohibition regime, their production invites heavy penalties. At the earliest stages of the production process, when coca and opium is grown, the industry is at its most vulnerable to disruption. Aerial surveillance can identify drug farms, whose crops can then be eradicated by airborne and manual spraying of herbicides. Since the actual cultivators tend to be impoverished peasants, they have little capacity to resist or circumvent the government's counternarcotics efforts. Many therefore, obtain 'protection' by reaching an accommodation with armed rebel groups that operate in the area.

*Drugs and insurgency in Afghanistan*

This tendency on the part of drug cultivators to seek protection partly explains how Taliban insurgents resurrected themselves as a military force in Afghanistan after 2006. While in power, from 1994 to 2000, the Taliban had already developed close links with the drug trade. However, for a year prior to the US-led invasion in October 2001, the regime banned opium cultivation across the country. It hoped that by doing so, it would receive international aid for showing 'good behaviour'. Some analysts believe there was another, more cynical agenda: the Taliban regime hoped to drive up opium prices and make a massive profit on sales of its own buffer stocks, estimated to consist of around two years' supply. If this was the objective, it nearly succeeded – opium value increased tenfold over the following year. Had the 9/11 attacks not occurred and had the US not invaded, the Taliban would have likely earned enormous revenue from drug sales, even as sections of the Afghan peasantry rebelled at their exclusion from the market.

Although recent claims that the Taliban insurgents are mostly funded by drug money seem exaggerated, there is broad agreement that the drug-related share is still significant. Estimates range from 40 to 60 per cent of

total Taliban funding. These figures are however, believed to account for at most, 7 per cent of the US\$3 bn Afghan drug trade – which means that the heaviest profits are made by criminal groups that are not yet priority targets for ISAF forces or the Afghan government.

The Taliban are linked to the drug industry in two ways. First, they extort taxes from drug farms in exchange for protecting them from government agencies. The Taliban are open about this relationship with cultivators and describe it as solidarity with poverty-stricken peasants. Second, they are also believed to have close links with some trafficking networks. Although the Taliban deny this part of their relationship with the drug industry, the protection of traffickers is believed to be an important source of their income. Indeed, the Taliban seem to be competing with some warlords affiliated with the Afghan government when it comes to providing protection to the traffickers.

The fact that narcotics are nourishing the insurgency in Afghanistan would suggest that tackling the drug industry ought to be an important component in any counterinsurgency strategy to weaken the Taliban. This is easier said than done,

however. Apart from sustaining violence, narcotics have also fostered widespread corruption among government officials and undermined efforts to establish the rule of law. The combination of corruption and violence in turn poses a severe obstacle to expanding the legitimate part of the Afghan economy.

Afghanistan's structural dependence on the drug trade stems from the weakness of its legitimate economy, which has been ravaged by three decades of civil war and foreign invasion. During the 1970s, the country's biggest revenue earner was fruit export. However, the Soviet-Afghan War and subsequent conflicts during the 1990s destroyed virtually all of its orchards. Neighbouring countries such as Pakistan rushed to fill the gap in supply, ensuring that even if new trees are planted in the future, the poor connectivity of Afghanistan to the global economy means that it will likely not regain its share of the market. Since only 12 per cent of Afghan land is arable to begin with, this poses a severe economic challenge that encourages trading in narcotics.

Weakening the hold of drug cultivators over the Afghan economy would require promoting its access to international markets. For this, Afghanistan's agrarian sector would

need technical assistance in water harvesting and irrigation systems, and the road network would need to be modernised and expanded to cope with increased traffic. Such a scenario, in turn, would require that an accommodation first be reached with local Taliban factions, whereby they desist from targeting transport infrastructure in exchange for protection money.

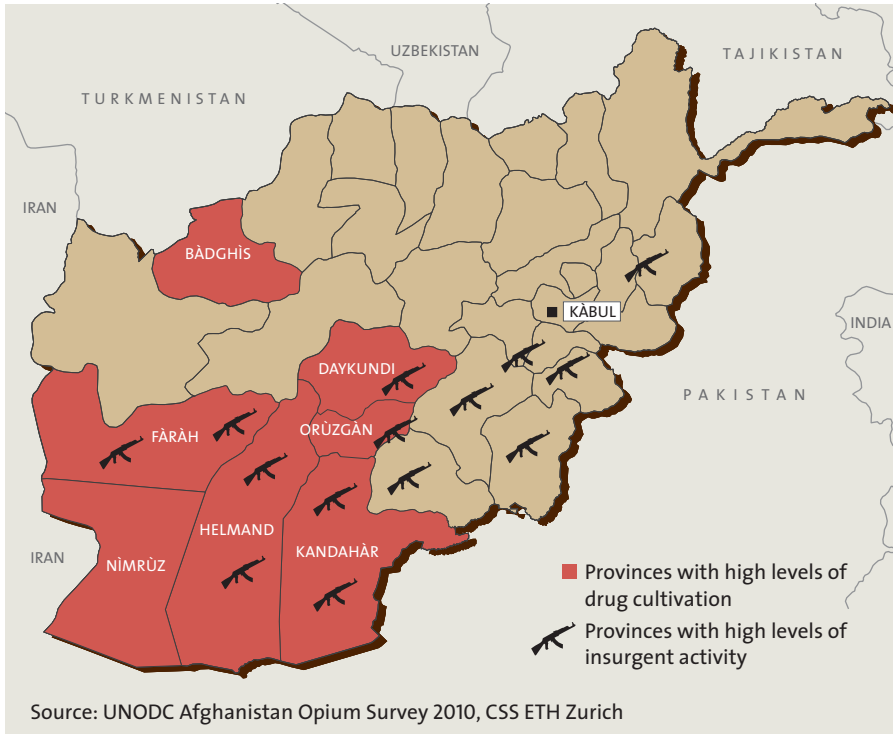
Success in counternarcotics thus depends on success in counterinsurgency. To be sure, once the process of rolling back the drug economy has begun, it will contribute significantly to the stabilisation of Afghanistan by reducing governmental corruption as well as Taliban extortion. But the difficulty is how to get there and break the vicious cycle of narcotics and insecurity.

The limits of eradication

Evidence suggests that focusing on the reduction of overall drug cultivation does not lead far in the absence of alternative livelihood opportunities and can even be counterproductive, due to what is known as the 'balloon effect'. This term is used to describe the displacement of drug cultivation through law enforcement activity to other, adjacent areas. All that counternarcotics efforts do is shift the locus of drug production



Drug cultivation and insurgency in Afghanistan 2010



to new territory that lies beyond the jurisdiction of the responsible government agency. A case in point is Colombia, where determined law enforcement action during the 1990s and 2000s led to the dismantling of the Medellín and Cali cartels and a net decrease in cocaine cultivation. However, this was accompanied by an increase in cultivation in Peru and Bolivia. What resulted was the appearance of new trafficking routes through even more countries, potentially enlarging the area that could be adversely affected by the drug trade.

In the case of Afghanistan, opium eradication has produced the expected results. It has displaced cultivation from the government-controlled central and northern portions of the country into the Taliban-controlled southern portion. Over 90 per cent of Afghan opium is grown in just seven of the country's 34 provinces today – most of which are affected by the insurgency. The inability of the government to control these provinces means that decreases in opium cultivation elsewhere are offset by increases within Taliban territory.

The opium crop itself remains highly lucrative for farmers because it is high-value, low-weight, and non-perishable. Given the poor quality of road infrastructure within Afghanistan and rampant banditry (which drives up the cost of doing business), it is the best alternative to wheat – the other main crop which can be grown in the country's harsh climate. Depending on their respective prices, cultivation patterns in Afghanistan shift back and forth between wheat and opium. What might appear to be a decline in annual opiate production due to drug eradication might be nothing more than a market fluctuation. In January 2011, the price of opium rose to seven times that of wheat, leading to a surge in drug cultivation.

Shifting focus to interdiction

Following a review of US counternarcotics efforts in Afghanistan, the Obama administration announced a policy change in summer 2009. Having spent almost US\$3bn on counternarcotics in Afghanistan between 2001 and 2009, US officials acknowledged that eradication had backfired and mainly helped the Taliban. They decided to phase out eradication programmes and have since focused on interdiction, crop substitution, and alternative livelihood programmes instead.

The new emphasis on interdiction is not just the result of the balloon effect and the growing shift of the opium economy into Taliban hands. Rather, eradication has also had negative side-effects by throwing the local drug trade into disarray in a way that provides opportunities to drug traffickers in transit countries to move in and gain control over the means of supply. By moving up the supply chain, traffickers from Pakistan have undercut their business partners in Afghanistan and usurped their smuggling infrastructure. In the process, they are starting to create mega-cartels that are spread across several countries and are invulnerable to all but the most coordinated counternarcotics offensive. A similar development is taking place in Latin America, where traffickers from Mexico play an increasing role in the drug trade in Colombia.

There are also economic reasons for the shift in counternarcotics operations from drug eradication in source countries to drug interdiction in transit countries: Research has suggested that interdiction costs half as much as eradication. However, from a security perspective, the downside of the interdiction approach is that it risks upsetting governments in transit countries and increases drug-related violence in countries that are



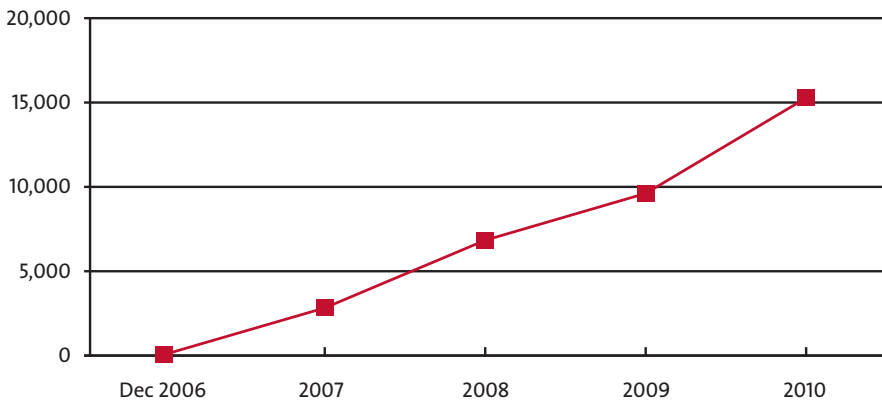
either geographically or politically close to the West.

Battle for legitimacy in transit countries

Within transit countries, the increased value of drug shipments means that traffickers are more able to buy off government officials and use force against each other in order to capture a larger share of the market. This leads to turf wars, such as those occurring in Mexico. Estimates suggest that 90 per cent of those killed in drug-related violence within the country are themselves involved in the drug trade. The prizes being fought over are access points to the US, called plazas in local slang. Mexico is a transit country for up to 90 per cent of the cocaine sold in the US, as well as a supplier of heroin and some other drugs to the US market.

Drug-related violence in Mexico has escalated dramatically over the past years, as the struggle among drug cartels for control over trafficking routes into the lucrative US market has become more competitive. This has partly to do with splits within the drug-trafficking organisations involved. However, it is also the result of President Calderón's decision to launch a military-led offensive against the drug cartels at the end of 2006. With the Mexican Drug War now being conducted between the government and drug cartels as much as among rival drug cartels, the intensity and brutality have markedly increased. Despite extensive US support for the Mexican government's tough anti-drug policies, there has been no sustainable progress so far, with violence levels remaining high

Fatalities related to drug violence in Mexico 2006–10



Source: Government of Mexico 2011

and interdiction efforts showing only partial success.

The reasons are not hard to fathom: Drug cartels have tremendous buying power, and this extends to key officials in the counternarcotics effort. Wealthy traffickers can thus not only acquire information about planned government action against them, but also deflect these onto their rivals. There have been suspicions, for instance, that some of the biggest cartels in Mexico such as the Sinaloa cartel are using the government's war on drugs to wipe out weaker competitors. Although such accusations cannot be verified, their persistence highlights the problem of legitimacy that affects governments in drug transit states. Since elites within many of these states have themselves encouraged drug traffic in the past, doubts persist over their ability to break away completely from the narcotics trade.

Emergence of patron-client networks

Before examining the specifics of drug-related violence in the Mexican case, it is important to look at the effect of drug trafficking in transit countries in general. The main pattern emerging in these countries is a disconnect between political elites, who are seen as complicit in criminal activity, and the citizenry. Money obtained from drug deals is laundered through legiti-

mate businesses, thus disadvantaging entrepreneurs with no connections to the narcotics industry. Patron-client networks ensure that the culture of corruption fostered by drug money restricts new entrants into profitable sectors of the economy, causing growth to stagnate. This is particularly true of the post-Soviet Central Asian states, situated as they are between the world's primary source of heroin – Afghanistan – and the world's primary consumer – Europe.

In Tajikistan, an estimated 25 per cent of the population live off revenue from drug trafficking. With the economy having been devastated by a five-year civil war in 1992–97, drug lords have found it relatively easy to buy their way into the decisionmaking process and manipulate it for their own ends. In neighbouring Kyrgyzstan, traffickers have invested a small portion of their profits into improving public amenities in their areas of operation. This, combined with the use of street thugs to intimidate political opponents, has allowed them to get elected to parliament, where they enjoy the immunity granted by public office and also the discretionary power that comes with it.

In some cases, drug traffickers infiltrate state institutions both for survival and for growth. Access to



policy-makers allows them to thwart international pressure to clamp down on the drug trade. At the same time, it provides them with leverage to create a criminal monopoly by influencing policy decisions. With government agencies being discredited through association with criminal syndicates, organised crime may embark on a process of militarisation. Rival gangs could arm themselves in anticipation of a Darwinian struggle where the state will be a partisan supporter of some syndicates, forcing others to resist encroachment on their turf through armed violence.

Narco-violence in Mexico

The situation in Mexico illustrates the challenges involved. Here, the government has opted for a crackdown on drug cartels and a militarisation of its counternarcotics policy. It has done so with much backing from Washington, which has pushed hard for tough measures against cartels trafficking drugs into the US. The Bush and Obama administrations, which have labelled Mexican drug trafficking organisations 'the greatest organised crime threat' to the US, have allocated US\$1.5bn in drug-related financial aid to the Mexican security forces since 2007 under the so-called Mérida Initiative. The situation has, however, only worsened since. The year 2010 was the bloodiest so far, with over

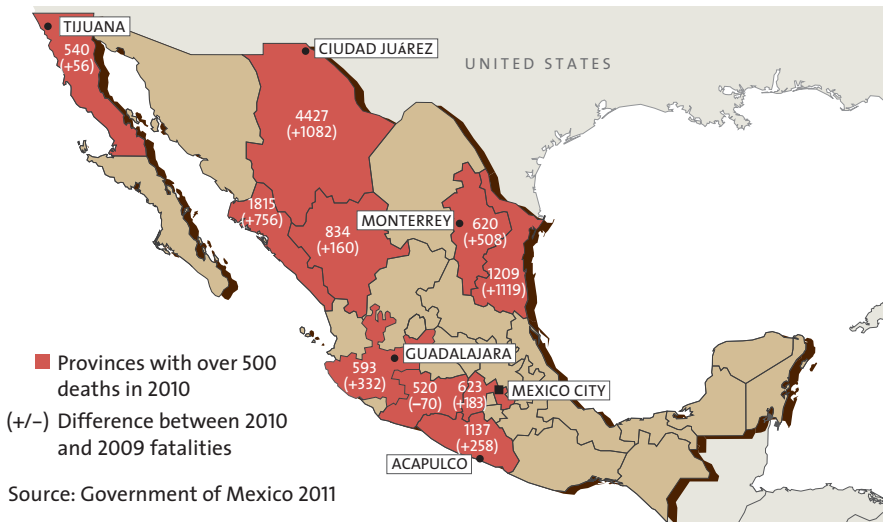
15,000 drug-related casualties, according to government sources. US Secretary of State Hillary Clinton even argued in September 2010 that the drug cartels were showing more and more characteristics of insurgent groups.

Shootouts, execution-style killings, and mass graves have become all too frequent features of the drug war in Mexico. Partly in reaction to government repression, traffickers are becoming ever more violent and even recruit former soldiers as hitmen and bodyguards. One particularly feared trafficking syndicate, known as Los Zetas, consists predominantly of renegade soldiers and police officers. Currently, it is considered by some analysts to be the gravest threat to Mexican security, and its elimination has been a government priority for several years. However, owing to its ruthlessness and combat skills, the group has so far survived all attacks against it, whether from the government or rival cartels. Indeed, although 50,000 troops and police officers are involved in the fight against the cartels, the government is increasingly struggling to keep order in parts of Mexican territory. In another worrying development, more than 30 journalists have been killed, intimidating many media outlets into silence.

A major part of the explanation why the crackdown on drug cartels has shown very limited positive results so far is that, in Mexico, too, the drug industry is at least partly protected by state patronage. Corruption scandals within the government that were brought to light by investigations of cartel bribery have clearly demonstrated this. Mexican cartels reportedly spend 15 per cent of their total revenue on bribing governmental officials. The scale of these bribes is alleged to be as high as US\$ 1 mn a week in some cases. Police complicity in the drug trade remains a huge problem. While efforts are underway to rebuild the Mexican police force, it is unlikely that the situation will substantially improve anytime soon.

With the death toll continuing to climb at an alarming pace, public support for the government's hard-line posture against drug cartels is waning. Many Mexicans who have so far been insulated from drug violence are starting to question whether it is good policy to sacrifice lives merely to keep narcotics from entering the US. The opposition Institutional Revolutionary Party, which has traditionally favoured a conciliatory approach towards traffickers, has begun to capitalise on war fatigue among the electorate. If elected to power in July 2012, it might be tempted to strike a deal with the major trafficking syndicates. This would certainly displease the US and lead to some tension in bilateral ties. However, Mexican

Drug-related violence in Mexico 2010





policy-makers find it difficult to ignore the mounting human cost of Calderón's counternarcotics efforts.

Trafficker-terrorist nexus

The phenomenon of trafficking syndicates increasingly resorting to violence as a result of government repression is not limited to Mexico. In Brazil, for instance, traffickers have orchestrated large-scale civil disturbances, extending to killings of police officials and their families. The object of these disturbances has been to compel the government to desist from tightening restrictions for imprisoned drug lords, who continue to run their trafficking networks from jail via cell phone.

While narco-violence is nothing new, some analysts, particularly in the US, have recently drawn attention to the threat of narco-terrorism. While the potential confluence of criminal and terrorist actors, resources, and tactics concerns all sorts of transnational crime, it is the growing convergence of drug trafficking and terrorism that is a particular worry to some governments. The convergence can either manifest itself as a partnership between criminal and terrorist groups, or as the emulation of respective methods, with no actual exchange between the two types of actors.

With alerts being sounded across Europe, and especially Germany, about threats from jihadists based in the Afghanistan-Pakistan region, attention has focused particularly on a drug trafficking syndicate based in Pakistan. Known as 'D Company' after its leader, Indian national Dawood Ibrahim (currently thought to be operating from the Pakistani port city of Karachi), it is considered by some analysts as being the prototype of a new kind of threat that fuses organised crime and terrorism.

D Company is believed to provide logistical and intelligence support for terrorist groups such as al-Qaida and Lashkar-e-Taiba (LeT). Indian officials suspect that it played a key role in facilitating the sea-borne attacks in Mumbai in 2008, by helping LeT exploit gaps in the Indian coastal surveillance system. Although the group's involvement in acts of transnational terrorism is difficult to track, US investigators have still uncovered enough evidence to designate Dawood Ibrahim as both a wanted drug lord and an international terrorist mastermind. At present, he is the only drug trafficker ever to be accused by the US government of direct involvement with terrorism.

Convergence of interests

Beyond the prime example of D Company, there are other signs that

traditional analysis models of crime-terror interactions might need updating. Since the 1980s, these models have posited that drug traffickers and terrorists have little in common beyond overlapping tactics. Although both sets of actors use violence to intimidate adversaries, traffickers are believed to be interested in preserving the political status quo while terrorists are regarded as having a transformative agenda. Traffickers are assumed to be mercenaries, while terrorists are thought to be ideologues. Such concepts might have applied to leftist terrorists in Europe during the 1970s, but they seem inappropriate for today's Middle Eastern and South Asian jihadists. In any case, many radical Islamists believe that drug consumption is primarily a problem of 'decadent' Western societies and therefore, drug trafficking is a viable and legitimate tool for undermining such societies. This view conveniently overlooks the fact that Iran, Afghanistan, and Pakistan all have significant domestic drug addiction levels.

For terrorist organisations, the drug trade is gaining importance because funding for their activities is becoming scarce due to financial counterterrorism measures led by the US (see Chapter 3 in this publication). The number of groups that are designated

in the US as foreign terrorist organisations and are involved in the drug trade has gone up from 14 in 2003 to 19 in 2008.

As far as the traffickers are concerned, they are mainly interested in cooperation with terrorist organisations as a means of safeguarding their shipments. This has already

West Africa has become a major transit hub for drugs

happened with South American drug cartels, which transport cocaine to Europe via West Africa. Since many African states in the Gulf of Guinea have poorly paid and under-resourced police forces, whose members can be bought off with little difficulty, the region has become a major transit hub for drugs. From there, cocaine is transported north by al-Qaida in the Islamic Maghreb through the Sahara Desert to Mediterranean ports. In October 2010, Moroccan police seized more than half a ton of cocaine and arrested 34 smugglers linked to the group. The arrests revealed that a formal arrangement had been reached – something analysts had warned about for some time – whereby jihadists would provide security to drug convoys in return for substantial fees, which would be used to support their anti-government campaigns.

At this stage, such formal arrangements are still the exception rather



than the rule. Even so, they are yet another indication that a long-term convergence of interests between criminals and terrorists could be taking shape. One region where such a convergence could soon become more visible is Latin America. Since some South American countries have much looser visa regimes than the US or Europe, there are growing concerns that Islamist militants might set up operational bases in the region. Support networks for jihadist groups are already known to exist there that maintain close ties with organised crime syndicates or are themselves part of such syndicates. Whether these networks are likely to progress from a logistical role to an operational one is unknown, but US and South American intelligence agencies are monitoring them.

A lack of good options

Repressive measures against drug producers and traffickers have shown few positive results so far. They have not led to a significant and sustainable reduction of drug consumption. What is more, they have failed to reverse the trend of narcotics increasingly undermining national security in source and transit countries, and have in some cases actually been a major driving force behind this trend.

The current focus on traffickers in the 'War on Drugs' may prove just

as ineffective as the eradication approach. When interdiction drives up traffickers' operating costs, the latter are mostly capable of simply absorbing those added costs, since profit margins within the narcotics trade are so high. Given the generally low salaries of law enforcement officials in developing countries and the challenges of maintaining accountability, the traffickers' buying power is formidable, especially if the local currency is weak. The enormous revenues of some traffickers also allow them to conduct violent reprisals for government attacks on trafficking infrastructure. And they provide them with the means that make them attractive cooperation partners for terrorist organisations.

Transit countries are often plagued by institutional capacity deficits and unable to pursue drug traffickers effectively. A case in point is Pakistan, where the vast majority of drug-related arrests are of low-level couriers who have no political connections and can rarely afford competent legal counsel. Top traffickers, on the other hand, not only often manage to avoid being prosecuted, but even if they are, retain the ability to manipulate the legal system into securing an acquittal. Thus, the infrastructure and contacts sustaining the drug trade remain in place.

Current counternarcotics policies may even weaken states that have hitherto appeared strong, if not stable. Mexico for instance, has been flagged by the US military as being vulnerable to institutional collapse, alongside Pakistan. This is a controversial and rather extreme view, which has few takers even within the US government. State failure in Mexico is evidently less likely than in Pakistan, if only due to the absence of a political insurgency to tie down government resources. Still, the scenario of lawlessness becoming a permanent feature in close proximity to the US border is unsettling for US policymakers.

Global power shifts and counternarcotics

Another challenge relating to today's counternarcotics efforts concerns the cost factor. So far, the US government has taken the lead in enforcing the global counternarcotics regime. In 2010, it spent US\$500 for every second of the year towards reducing drug supply through eradication and interdiction and reducing demand through treating addicts. This colossal expense of around US\$15 bn (at just the federal level of government) is unlikely to prove sustainable over the next decade due to high unemployment, low economic growth, and a massive budget deficit in the US. The logical next step would

Current counternarcotics policies may even weaken states

be to seek more support from other countries. Yet, most of Washington's traditional allies have been sceptical of the US 'War on Drugs' from the start. As for emerging powers, getting them to assume part of the responsibility for global anti-drug governance is unlikely to be fruitful.

This is true not least for China. Beijing faces a significant threat from narcotics in the form of both Afghan and Myanmar heroin. However, it continues to depict the Golden Triangle (Myanmar, Laos, and Thailand) as the principal supplier of drugs to its population. While this has been true historically, since 2003, Afghanistan and Pakistan have become increasingly important to the drug scene in China. Beijing remains reluctant to formally acknowledge this trend and instead prefers to strengthen unobtrusively its policing apparatus in the disturbed province of Xinjiang, which borders Afghanistan and Pakistan. From its public stance on counternarcotics, China appears unwilling to be drawn into contributing significantly to US efforts. It is not necessarily in China's interest to assume the burden of co-directing an international prohibition regime against drugs, when it can free-ride off US initiatives in this area. By merely tightening bor-



der security in Xinjiang, China could attempt to wall itself off from the pernicious effect of Afghan heroin and leave the US to deal with the onerous task of stabilising Afghanistan. If the US is forced to uphold a unilateralist posture, its resources will be further stretched, which is not a bad scenario for a rising China.

Reducing profits

If current counternarcotics policies are not promising, the question is where to go from here. One important step has already been taken: Member states of the UN have scaled down their expectations and objectives for the years 2009–19 by pledging to achieve only a substantial reduction of drug traffic. This goal, though still ambitious, is modest when compared to earlier promises of achieving a narcotics-free world within a decade. However, its implementation will likely still be hampered by the collateral benefits that drug sales offer to both transit and source countries. Pakistan, for instance, coped with financial crisis in the early 2000s due to a countervailing influx of drug money into the legitimate economy. Mexico too, is acutely aware of its dependence on the drug trade, with policy-makers reluctant to clamp down on the finances of traffickers for fear of causing capital flight that would destabilise the economy. Similar challenges

apply to Central Asian states that have grown partially dependent on the illicit sector, of which narcotics is the biggest revenue earner.

As the political instability fuelled by drug cultivation and trafficking has proven resistant to repressive countermeasures, it has been suggested that counternarcotics efforts ought to refocus on reducing the demand side rather than the supply side. After all, if it was not for the high demand in the US and Europe, the global drug trade would be far less profitable. Experience has shown, however, that reducing demand is just as difficult as going against the production and trafficking of drugs. Moreover, even with reduced demand in their primary Western markets, drug traffickers can create secondary markets in transit countries by selling surplus stock at low prices. This could even lead to increased instability in weak states and actually bring the problem of drug-related violence closer to Western borders.

The most radical alternative proposal concerns the decriminalisation of both the production and the consumption of narcotics. Such a bold policy change is sure to arouse controversy however. It would be strongly opposed by those who believe that increased social acceptance of drugs

leads to increased usage and greater social costs that will cumulatively exceed the consequent reduction in counternarcotics expenditure. It is unlikely, therefore, to become an acceptable component of any new international counternarcotics regime. Nor would violence necessarily cease immediately with such an approach. Drug traffickers rarely depend exclusively on one type of criminal activity. Many run multiple criminal businesses, in order to diversify their risks. While a decriminalisation of drugs could lead to a decrease in drug-related violence, it could also produce another sort of balloon effect, with traffickers shifting to activities like kidnapping for ransom that can be no less disruptive to society than narcotics.

The bottom line is that there is a lack of good options in counternarcotics, with drug-related violence likely to remain a relevant security concern in the foreseeable future. Nor is there even a strong international consen-

sus on the seriousness of the threat. As a first step towards strengthening the global counternarcotics regime, therefore, governments could share information about criminal groups involved with drug cultivation and trafficking. Creation of common databases between law enforcement agencies would provide a platform for the development of common threat assessments, which could then be used to mobilise political will for stronger action. A more inclusive and multilateral approach towards counternarcotics, particularly at the regional level, might yield better results than the current approach, which is essentially driven by a few committed states, but meets with relative complacency among others. Since the drug trade undermines state sovereignty and civil order, in both source and transit countries, it poses a major international security challenge. Combating it would require greater knowledge of the negative effects that it produces. ●

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